THE GERMAN IDEOLOGY

Karl Marx & Friedrich Engels

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Preface

Hitherto men have constantly made up for themselves false conceptions about themselves, about what they are and what they ought to be. They have arranged their relationships according to their ideas of God, of normal man, etc. The phantoms of their brains have got out of their hands. They, the creators, have bowed down before their creations. Let us liberate them from the chimeras, the ideas, dogmas, imaginary beings under the yoke of which they are pining away. Let us revolt against the rule of thoughts. Let us teach men, says one, to exchange these imaginations for thoughts which correspond to the essence of man; says the second, to take up a critical attitude to them; says the third, to knock them out of their heads; and -- existing reality will collapse.

These innocent and childlike fancies are the kernel of the modern Young-Hegelian philosophy, which not only is received by the German public with horror and awe, but is announced by our philosophic heroes with the solemn consciousness of its cataclysmic dangerousness and criminal ruthlessness. The first volume of the present publication has the aim of uncloaking these sheep, who take themselves and are taken for wolves; of showing how their bleating merely imitates in a philosophic form the conceptions of the German middle class; how the boasting of these philosophic commentators only mirrors the wretchedness of the real conditions in Germany. It is its aim to debunk and discredit the philosophic struggle with the shadows of reality, which appeals to the dreamy and muddled German nation.

Once upon a time a valiant fellow had the idea that men were drowned in water only because they were possessed with the idea of gravity. If they were to knock this notion out of their heads, say by stating it to be a superstition, a religious concept, they would be sublimely proof against any danger from water. His whole life long he fought against the illusion of gravity, of whose harmful results all statistics brought him new and manifold evidence. This valiant fellow was the type of the new revolutionary philosophers in Germany.

Introduction To The Critique Of Political Economy

1. PRODUCTION IN GENERAL

The subject of our discussion is first of all material production by individuals as determined by society, naturally constitutes the starting point. The individual and isolated hunter or fisher who forms the starting point with Smith and Ricardo, belongs to the insipid illusions of the eighteenth century. They are Robinsonades which do not by any means represent, as students of the history of civilization imagine, a reaction against over-refinement and a return to a misunderstood natural life. They are no more based on such a naturalism than is Rosseau's "contrat social," which makes naturally independent individuals come in contact and have mutual intercourse by contract. They are the fiction and only the aesthetic fiction of the small and great Robinsonades. They are, moreover, the anticipation of "bourgeois society," which had been in course of development since the sixteenth century and made gigantic strides towards maturity in the eighteenth. In this society of free competition the individual appears free from the bonds of nature, etc., which in former epochs of history made him a part of a definite, limited human conglomeration. To the prophets of the eighteenth century, on whose shoulders Smith and Ricardo are still standing, this eighteenth-century individual, constituting the joint product of the dissolution of the feudal form of society and of the new forces of production which had developed since the sixteenth century, appears as an ideal whose existence belongs to the past; not as a result of history, but as its starting point.

Since that individual appeared to be in conformity with nature and [corresponded] to their conception of human nature, [he was regarded] not as a product of history, but of nature. This illusion has been characteristic of every new epoch in the past. Steuart, who, as an aristocrat, stood more firmly on historical ground, contrary to the spirit of the eighteenth century, escaped this simplicity of view. The further back we go into history, the more the individual and, therefore, the producing individual seems to depend on and constitute a part of a larger whole: at first it is, quite naturally, the family and the clan, which is but an enlarged family; later on, it is the community growing up in its different forms out of the clash and the amalgamation of clans. It is but in the eighteenth century, in "bourgeois society," that the different forms of social union confront the individual as a mere means to his private ends, as an outward necessity. But the period in which this view of the isolated individual becomes prevalent, is the very one in which the interrelations of society (general from this point of view) have reached the highest state of development. Man is in the most literal sense of the word azoonpolitikon, not only a social animal, but an animal which can develop into an individual only in society. Production by isolated individuals outside of society—something which might happen as an exception to a civilized man who by accident got into the wilderness and already dynamically possessed within himself the forces of society— is as great an absurdity as the idea of the development of language without individuals living together and talking to one another. We need not dwell on this any longer. It would not be necessary to touch upon this point at all, were not the vagary which had its justification and sense with the people of the eighteenth century transplanted In all earnest into the field of political economy by Bastiat, Carey, Proudhon and others. Proudhon and others naturally find it very pleasant, when they do not know the historical origin of a certain economic phenomenon, to give it a quasi historico-philosophical explanation by going into mythology. Adam or Prometheus bit upon the scheme cut and dried, whereupon it was adopted, etc. Nothing is more tediously dry than the dreaming locus communis. Whenever we speak, therefore, of production, we always have in mind production at a certain stage of social development, or production by social individuals. Hence, it might seem that in order to speak of production at all, we must either trace the historical process of development through its Various phases, or declare at the outset that we are dealing with a certain historical period, as, e.g., with modern capitalistic production which, as a matter of fact, constitutes the subject proper of this work. But all stages of production have certain landmarks in common, common purposes. Production in general is an abstraction, but it is a rational abstraction, in so far as it singles out and fixes the common features, thereby saving us repetition. Yet these general or common features discovered by comparison constitute something very complex, whose constituent elements have different destinations. Some of these elements belong to all epochs, others are common to a few. Some of them are common to the most modern as well as to the most ancient epochs. No production is conceivable without them; but while even the most completely developed languages have laws and conditions in common with the least developed ones, what is characteristic of their development are the points of departure from the general and common. The conditions which generally govern production must be differentiated in order that the essential points of difference be not lost sight of in view of the general uniformity which is due to the fact that the subject, mankind, and the object, nature, remain the same. The failure to remember this one fact is the source of all the wisdom of modern economists who are trying to prove the eternal nature and harmony of existing social conditions. Thus they say, e.g., that no production is possible without some instrument of production, let that instrument be only the hand; that none is possible without past accumulated labor, even if that labor consist of mere skill which has been accumulated and concentrated in the hand of the savage by repeated exercise. Capital is, among other things, also an instrument of production, also past impersonal labor. Hence capital is a universal, eternal natural phenomenon; which is true if we disregard the specific properties which turn an "instrument of production" and "stored-up labor" into capital. The entire history of production appears to a man like Carey, e.g., as a malicious perversion on the part of governments. If there is no production in general, there is also no general production. Production is always some special branch of production or an aggregate, as, e.g., agriculture, stock raising, manufactures, etc. But political economy is not technology. The connection between the general destinations of production at a given stage of social development and the particular forms of production, is to be developed elsewhere (later on). Finally, production is not only of a special kind. It is always a certain body politic, a social personality that is engaged on a larger or smaller aggregate of branches of production. The connection between the real process and its scientific presentation also falls outside of the scope of this treatise. [We must thus distinguish between] production in general, special branches of production and production as a whole.

It is the fashion with economists to open their works with a gen eral introduction, which is entitled "production" (see, e.g., John Stuart Mill) and deals with the general "requisites of production." This general introductory part treats or is supposed to treat: 1. Of the conditions without which production is impossible, i.e., of the most essential conditions of production. As a matter of fact, however, it dwindles down, as we shall see, to a few very simple definitions, which flatten out into shallow tautologies; 2. Of conditions which further production more or less, as, e.g., Adam Smith's [discussion of] a progressive and stagnant state of society. In ordeT to give scientific value to what serves with him as a mere summary, it would be necessary to study the degree of productivity by periods in the development of individual nations; such a study falls outside of the scope of the present subject, and in so far as it does belong here is to be brought out in connection with the discussion of competition, accumulation, etc. The commonly accepted view of the matter gives a general answer to the effect that an industrial nation is at the height of its production at the moment when it reaches its historical climax in all respects. Or, that certain races, climates, natural conditions, such as distance from the sea, fertility of the soil, etc., are more favorable to production than others. That again comes down to the tautology that the facility of creating wealth depends on the extent to which its elements are present both subjectively and objectively. As a matter of fact a nation is at its industrial height so long as its main object is not gain, but the process of gaining. In that respect the Yankees stand above the English. But all that is not what the economists are really after in the general introductory part. Their object is rather to represent production in contradistinction to distribution—see Mill, e.g.—as subject to eternal laws independent of history, and then to substitute bourgeois relations, in an underhand way, as immutable natural laws of society in abstracto. This is the more or less conscious aim of the entire proceeding. On the contrary, when it comes to distribution, mankind is supposed to have indulged in all sorts of arbitrary action. Quite apart from the fact that they violently break the ties which bind production and distribution together, so much must be clear from the outset: that, no matter bow greatly the systems of distribution may vary at different stages of society, it should be possible here, as in the case of production, to discover the common features and to confound and eliminate all historical differences in formulating general human laws. E.g., the slave, the serf, the wage-worker—all receive a quantity of food, which enables them to exist as slave, serf, and wageworker. The conqueror, the official, the landlord, the monk, or the levite, who respectively live on tribute, taxes, rent, alms, and the tithe, —all receive [a part] of the social product which is determined by laws different from those which determine the part received by the slave, etc. The two main points which all economists place under this head, are: first, property; second, the protection of the latter by the administration of justice, police, etc. The objections to these two points can be stated very briefly. 1. All production is appropriation of nature by the individual within and through a definite form of society. In that sense it is a tautology to say that property (appropriation) is a condition of production. But it becomes ridiculous, when from that one jumps at once to a definite form of property, e.g., private property (which implies, besides, as a prerequisite the existence of an opposite form, viz. absence of property). History points rather to common property (e.g., among the Hindoos, Slavs, ancient Celts, etc.) as the primitive form, which still plays an important part at a much later period as communal property. The question as to whether wealth grows more rapidly under this or that form of property, is not even raised here as yet. But that there can be no such a thing as production, nor, consequently, society, where property does not exist in any form, is a tautology. Appropriation which does not appropriate is a contradictio in subjecto. 2. Protection of property, etc. Reduced to their real meaning, these commonplaces express more than what their preachers know, namely, that every form of production creates its own legal relations, forms of government, etc. The crudity and the shortcomings of the conception lie in the tendency to see but an accidental reflective connection in what constitutes an organic union. The bourgeois economists have a vague notion that it is better to carry on production under the modem police, than it was, e.g., under club-law. They forget that club law is also law, and that the right of the stronger continues to exist in other forms even under their "government of law." When the social conditions corresponding to a certain stage of production are in a state of formation or disappearance, disturbances of production naturally arise, although differing in extent and effect. To sum up: all the stages of production have certain destinations in common, which we generalize in thought; but the so-called general conditions of all production are nothing but abstract conceptions which do not go to make up any real stage in the history of production.

2. THE GENERAL RELATION OF PRODUCTION TO DISTRIBUTION, EXCHANGE, AND CONSUMPTION

Before going into a further analysis of production, it is necessary to look at the various divisions which economists put side by side with it. The most shallow conception is as follows: By production, the members of society appropriate (produce and shape) the products of nature to human wants; distribution determines the proportion in which the individual participates in this production; exchange brings him the particular products into which he wishes to turn the quantity secured by him through distribution; finally, through consumption the products become objects of use and enjoyment, of individual appropriation. Production yields goods adopted to our needs; distribution distributes them according to social laws; exchange distributes further what has already been distributed, according to individual wants; finally, in consumption the product drops out of the social movement, becoming the direct object of the individual want which it serves and satisfies in use. Production thus appears as the starting point; consumption as the final end; and distribution and exchange as the middle; the latter has a double aspect, distribution being defined as a process carried on by society, while exchange, as one proceeding from the individual. In production the person is embodied in things, in [consumption] things are embodied in persons; in distribution, society assumes the part of go-between of production and consumption in the form of generally prevailing rules; in exchange this is accomplished by the accidental make-up of the individual. Distribution determines what proportion (quantity) of the products the individual is to receive; exchange determines the products in which the individual desires to receive his share allotted to him by distribution. Production, distribution, exchange, and consumption thus form a perfect connection, production standing for the general, distribution and exchange for the special, and consumption for the individual, in which all are joined together. To be sure this is a connection, but it does not go very deep. Production is determined [according to the economists] by universal natural laws, while distribution depends on social chance: distribution can, therefore, have a more or less stimulating effect on production: exchange lies between the two as a formal (?) social movement, and the final act of consumption which is considered not only as a final purpose, but also as a final aim, falls, properly, outside of the scope of economics, except in so far as it reacts on the starting point and causes the entire process to begin all over again. The opponents of the economists—whether economists themselves or not—who reproach them with tearing apart, like barbarians, what is an organic whole, either stand on common ground with them or are below them. Nothing is more common than the charge that the economists have been considering production as an end in itself, too much to the exclusion of everything else. The same has been said with regard to distribution. This accusation is itself based on the economic conception that distribution exists side by side with production as a self-contained, independent sphere. Or [they are accused] that the various factors are not treated by them in their connection as a whole. As though it were the text books that impress this separation upon life and not life upon the text books; and the subject at issue were a dialectic balancing of conceptions and not an analysis of real conditions. a. Production is at the same time also consumption. Twofold consumption, subjective and objective. The individual who develops his faculties in production, is also expending them, consuming them in the act of production, just as procreation is in its way a consumption of vital powers. In the second place, production is consumption of means of production which are used and used up and partly (as e.g., in burning) reduced to their natural elements. The same is true of the consumption of raw materials which do not remain in their natural form and state, being greatly absorbed in the process. The act of production is, therefore, in all its aspects an act of consumption as well. But this is admitted by economists. Production as directly identical with consumption, consumption as directly coincident with production, they call productive consumption. This identity of production and consumption finds its expression in Spinoza's proposition, Determinatio est negatio. But this definition of productive consumption is resorted to just for the purpose of distinguishing between consumption as identical with production and consumption proper, which is defined as its destructive counterpart. Let us then consider consumption proper. Consumption is directly also production, just as in nature the consumption of the elements and of chemical matter constitutes production of plants. It is clear, that in nutrition, e.g., which is but one form of consumption, man produces his own body; but it is equally true of every kind of consumption, which goes to produce the human being in one way or another. [It is] consumptive production. But, say the economists, this production which is identical with consumption, is a second production resulting from the destruction of the product of the first. In the first, the producer transforms himself into things; in the second, things are transformed into human beings. Consequently, this consumptive production—although constituting a direct unity of production and consumption—differs essentially from production proper. The direct unity in which production coincides with consumption and consumption with production, does not interfere with their direct duality. Production is thus at the same time consumption, and consumption is al the same time production. Each is directly its own counterpart. But at the same time an intermediary movement goes on between the two. Production furthers consumption by creating material for the latter which otherwise would lack its object. But consumption in its turn furthers production, by providing for the products the individual for whom they are products. The product receives its last finishing touches in consumption. A railroad on which no one rides, which is, consequently not used up, not consumed, is but a potential railroad, and not a real one. Without production, no consumption; but, on the other hand, without consumption, no production; since production would then be without a purpose. Consumption produces production in two ways. In the first place, in that the product first becomes a real product in consumption; e.g., a garment becomes a real garment only through the act of being worn; a dwelling which is not inhabited, is really no dwelling; consequently, a product as distinguished from a mere natural object, proves to be such, first becomes a product in consumption. Consumption gives the product the finishing touch by annihilating it, since a product is the [result] of production not only as the material embodiment of activity, but also as a mere object for the active subject. In the second place, consumption produces production by creating the necessity for new production, i.e., by providing the ideal, inward, impelling cause which constitutes the prerequisite of production. Consumption furnishes the impulse for production as well as its object, which plays in production the part of its guiding aim. It is clear that while production furnishes the material object of consumption, consumption provides the ideal object of production, as its image, its want, its impulse and its purpose. It furnishes the object of production in its subjective form. No wants, no production. But consumption reproduces the want. In its turn, production First, furnishes consumption with its material, its object. Consumption without an object is no consumption, hence production works in this direction by producing consumption. Second. But it is not only the object that production provides for consumption. It gives consumption its definite outline, its character, its finish. Just as consumption gives the product its finishing touch as a product, production puts the finishing touch on consumption. For the object is not simply an object in general, but a definite object, which is consumed in a certain definite manner prescribed in its turn by production. Hunger is hunger; but the hunger that is satisfied with cooked meat eaten with fork and knife is a different kind of hunger from the one that devours raw meat with the aid of hands nails, and teeth. Not only the object of consumption, but also the manner of consumption is produced by production; that is to say, consumption is created by production not only objectively, but also subjectively. Production thus creates the consumers. Third. Production not only supplies the want with material, but supplies the material with a want. When consumption emerges from its first stage of natural cmdeness and directness—and its continuation in that state would in itself be the result of a production still remaining in a state of natural crudeness—it is itself furthered by its object as a moving spring. The want of it which consumption experiences is created by its appreciation of the product. The object of art, as well as any other product, creates an artistic and beautyenjoying public. Production thus produces not only an object for the individual, but also an individual for the object. Production thus produces consumption: first, by furnishing the latter with material; second, by determining the manner of consumption; third, by creating in consumers a want for its products as objects of consumption. It thus produces the object, the manner, and the moving spring of consumption. In the same manner, consumption [creates] the disposition of the producer by setting (?) him up as an aim and by stimulating wants. The identity of consumption and production thus appears to be a threefold one. First, direct identity: production is consumption; consumption is production. Consumptive production. Productive consumption. Economists call both productive consumption, but make one distinction by calling the former reproduction, and the latter productive consumption. All inquiries into the former deal with productive and unproductive labor; those into the latter treat of productive and unproductive consumption. Second. Each appears as the means of the other and as being brought about by the other, which is expressed as their mutual interdependence; a relation, by virtue of which they appear as mutually connected and indispensable, yet remaining outside of each other. Production creates the material as the outward object of consumption; consumption creates the want as the inward object, the purpose of production. Without production, no consumption; without consumption, no production; this maxim figures (?) in political economy in many forms. Third. Production is not only directly consumption and consumption directly production; nor is production merely a means of consumption and consumption the purpose of production. In other words, not only does each furnish the other with its object; production, the material object of consumption; consumption, the ideal object of production. On the contrary, either one is not only directly the other, not (?) only a means of furthering the other, but while it is taking place, creates the other as such for itself (?). Consumption completes the act of production by giving the finishing touch to the product as such, by destroying the latter, by breaking up its independent material form; by bringing to a state of readiness, through the necessity of repetition, the disposition to produce developed in the first act of production; that is to say, it is not only the concluding act through which the product becomes a product, but also [the one] through which the producer becomes a producer. On the other hand, production produces consumption, by determining the manner of consumption, and further, by creating the incentive for consumption, the very ability to consume, in the form of want. This latter identity mentioned under point 3, is much discussed in political economy in connection with the treatment of the relations of demand and supply, of objects and wants, of natural wants and those created by society. Hence, it is the simplest matter with a Hegelian to treat production and consumption as identical. And this has been done not only by socialist writers of fiction but even by economists, e.g., Say; the latter maintained that if we consider a nation as a whole, or mankind in abstracto—her production is at the same time her consumption. Storch pointed out Say's error by calling attention to the fact that a nation does not entirely consume her product, but also creates means of production, fixed capital, etc. To consider society as a single individual is moreover a false mode of speculative reasoning. With an individual, production and consumption appear as different aspects of one act. The important point to be emphasized here is that if production and consumption be considered as activities of one individual or of separate individuals, they appear at any rate as aspects of one process in which production forms the actual starting point and is, therefore, the predominating factor. Consumption, as a natural necessity, as a want, constitutes an internal factor of productive activity, but the latter is the starting point of realization and, therefore, its predominating factor, the act into which the entire process resolves itself in the end. The individual produces a certain article and turns again into himself by consuming it; but he returns as a productive and a self-reproducing, individual. Consumption thus appears as a factor of production. In society, however, the relation, of the producer to his product, as soon as it is completed, is an outward one and the return of the product to the individual depends on his relations to other individuals. He does not take immediate possession of it. Nor does the direct appropriation of the product constitute his purpose, when he produces in society. Between the producer and the product distribution steps in, which determines by social laws his share in the world of products; that is to say, distribution steps in between production and consumption. Does distribution form an independent sphere standing side by side with and outside of production? b. Production and Distribution. In perusing the common treatises on economics one cannot help being struck with the fact that everything is treated there twice; e.g., under distribution, there figure rent, wages, interest, and profit; while under production we find land, labor, and capital as agents of production. As re gards capital, it is at once clear that it is counted twice: first, as an agent of production; second, as a source of income; as determining factors and definite forms of distribution, interest and profit figure as such also in production, since they are forms, in which capital increases and grows, and are consequently factors of its own production. Interest and profit, as forms of distribution, imply the existence of capital as an agent of production. They are forms of distribution which have for their prerequisite capital as an agent of production. They are also forms of reproduction of capital. In the same manner, wages is wage-labor when considered under another head; the definite character which labor has in one case as an agent of production, appears in the other as a form of distribution. If labor were not fixed as wage-labor, its manner of participation in distribution would not appear as wages, as is the case, e.g., under slavery. Finally, rent—to take at once the most developed form of distribution—by means of which landed property receives its share of the products, implies the existence of large landed property (properly speaking, agriculture on a large scale) as an agent of production, and not simply land, no more than wages represents simply labor. The relations and methods of distribution appear, therefore, merely as the reverse sides of the agents of production. An individual who participates in production as a wage laborer, receives his share of the products, i.e. of the results of production, in the form of wages. The subdivisions and organization of distribution are determined by the subdivisions and organization of production. Distribution is itself a product of production, not only in so far as the material goods are concerned, since only the results of production can be distributed; but also as regards its form, since the definite manner of participation in production determines the particular form of distribution, the form under which participation in distribution takes place. It is quite an illusion to place land under production, rent under distribution, etc. Economists, like Ricardo, who are accused above all of having paid exclusive attention to production, define distribution, therefore, as the exclusive subject of political economy, because they instinc tively regard the forms of distribution as the clearest forms in which the agents of production find expression in a given society. To the single individual distribution naturally appears as a law established by society determining his position in the sphere of production, within which be produces, and thus antedating production. At the outset the individual has no capital, no landed property. From his birth he is assigned to wage-labor by the social process of distribution. But this very condition of being assigned to wage-labor is the result of the existence of capital and landed property as independent agents of production. From the point of view of society as a whole, distribution seems to antedate and to determine production in another way as well, as a pre-economic fact, so to say. A conquering people divides the land among the conquerors, establishing thereby a certain division and form of landed property and determining the character of production; or, it turns the conquered people into slaves and thus makes slave labor the basis of production. Or, a nation, by revolution, breaks up large estates into small parcels of land and by this new distribution imparts to production a new character. Or, legislation perpetuates land ownership in large families or distributes labor as an hereditary privilege and thus fixes it in castes. In all of these cases, and they are all historic, it is not distribution that seems to be organized and determined by production, but on the contrary, production by distribution. In the most shallow conception of distribution, the latter appears as a distribution of products and to that extent as further removed from and quasi-independent of production. But before distribution means distribution of products, it is first, a distribution of the means of production, and second, what is practically another wording of the same fact, it is a distribution of the members of society among the various kinds of production (the subjection of individuals to certain conditions of production). The distribution of products is manifestly a result of this distribution, which is bound up with the process of production and determines the very organization of the latter. To treat of production apart from the distribution which is comprised in it, is plainly an idle abstraction. Conversely, we know the character of the distribution of products the moment we are given the nature of that other distribution which forms originally a factor of production. Ricardo, who was concerned with the analysis of production as it is organized in modern society and who was the economist of production par excellence, for that very reason declares not production but distribution as the subject proper of modem economics. We have here another evidence of the insipidity of the economists who treat production as an eternal truth, and banish history to the domain of distribution.

What relation to production this distribution, which has a determining influence on production itself, assumes, is plainly a question which falls within the province of production. Should it be maintained that at least to the extent that production depends on a certain distribution of the instruments of production, distribution in that sense precedes production and constitutes its prerequisite; it may be replied that production has in fact its prerequisite conditions, which form factors of it. These may appear at first to have a natural origin. By the very process of production they are changed from natural to historical, and if they appear during one period as a natural prerequisite of production, they formed at other periods its historical result. Within the sphere of production itself they are undergoing a constant change. E.g., the application of machinery produces a change in the distribution of the instruments of production as well as in that of products, and modern land ownership on a large scale is as much the result of modern trade and modern industry, as that of the application of the latter to agriculture. All of these questions resolve themselves in the last instance to this: How do general historical conditions affect production and what part does it play at all in the course of history? It is evident that this question can be taken up only in connection with the discussion and analysis of production. Yet in the trivial form in which these questions are raised above, they can be answered just as briefly. In the case of all conquests three ways lie open. The conquering people may impose its own methods of production upon the conquered (e.g., the English in Ireland in the nineteenth century, partly also in India); or, it may allow everything to remain as it was contenting itself with tribute (e.g., the Turks and the Romans); or, the two systems by mutually modifying each other may result in something new, a synthesis (which partly resulted from the Germanic conquests). In all of these conquests the method of production, be it of the conquerors, the conquered, or the one resulting from a combination of both, determines the nature of the new distribution which comes into play. Although the latter appears now as the prerequisite condition of the new period of production, it is in itself but a product of production, not of production belonging to history in general, but of production relating to a definite historical period. The Mongols with their devastations in Russia, e.g., acted in accordance with their system of production, for which sufficient pastures on large uninhabited stretches of country are the main prerequisite. The Germanic barbarians, with whom agriculture carried on with the aid of serfs was the traditional system of production and who were accustomed to lonely life in the country, could introduce the same conditions in the Roman provinces so much easier since the concentration of landed property which had taken place there, did away completely with the older systems of agriculture. There is a prevalent tradition that in certain periods robbery constituted the only source of living. But in order to be able to plunder, there must be something to plunder, i.e. there must be production. And even the method of plunder is determined by the method of production. A stockjobbing nation, e.g., cannot be robbed in the same manner as a nation of shepherds. In the case of the slave the instrument of production is robbed directly. But then the production of the country in whose interest he is robbed, must be so organized as to admit of slave labor, or (as in South America, etc.) a system of production must be introduced adapted to slavery. Laws may perpetuate an instrument of production, e.g., land, in certain families. These laws assume an economic importance if large landed property is in harmony with the system of production prevailing in society, as is the case, e.g., in England. In France agriculture had been carried on on a small scale in spite of the large estates, and the latter were, therefore, broken up by the Revolution. But how about the legislative attempt to perpetuate the minute subdivision of the land? In spite of these laws land ownership is concentrating again. The effect of legislation on the maintenance of a system of distribution and its resultant influence on production are to be determined elsewhere. c. Exchange and Circulation. Circulation is but a certain aspect of exchange, or it may be defined as exchange considered as a whole. Since exchange is an intermediary factor between production and its dependent, distribution, on the one hand, and consumption, on the other; and since the latter appears but as a constituent of production, exchange is manifestly also a constituent part of production. In the first place, it is clear that the exchange of activities and abilities which takes place in the sphere of production falls directly within the latter and constitutes one of its essential elements. In the second place, the same is true of the exchange of products, in so far as it is a means of completing a certain product, designed for immediate consumption. To that extent exchange constitutes an act included in production. Thirdly, the so-called exchange between dealers and dealers is by virtue of its organization determined by production, and is itself a species of productive activity. Exchange appears to be independent of and indifferent to production only in the last stage when products are exchanged directly for consumption. But in the first place, there is no exchange without a division of labor, whether natural or as a result of historical development; secondly, private exchange implies the existence of private production; thirdly, the intensity of exchange, as well as its extent and character are determined by the degree of development and organization of production, as, e.g., exchange between city and country, exchange in the country, in the city, etc. Exchange thus appears in all its aspects to be directly included in or determined by production. The result we arrive at is not that production, distribution, exchange, and consumption are identical, but that they are all members of one entity, different sides of one unit. Production predominates not only over production itself in the opposite sense of that term, but over the other elements as well. With it the process constantly starts over again. That exchange and consumption cannot be the predominating elements is self-evident. The same is true of distribution in the narrow sense of distribution of products; as for distribution in the sense of distribution of the agents of production, it is itself but a factor of production. A definite [form of] production thus determines the [forms of] consumption, distribution, exchange, and also the mutual relations between these various elements. Of course, production in its one-sided form is in its turn influenced by other elements; e.g., with the expansion of the market, i.e., of the sphere of exchange, production grows in volume and is subdivided to a greater extent. With a change in distribution, production undergoes a change; as, e.g., in the case of concentration of capital, of a change in the distribution of population in city and country, etc. Finally, the demands of consumption also influence production. A mutual interaction takes place between the various elements. Such is the case with every organic body.

3. THE METHOD OF POLITICAL ECONOMY

When we consider a given country from a politico-economic standpoint, we begin with its population, then analyze the latter according to its subdivision into classes, location in city, country, or by the sea, occupation in different branches of production; then we study its exports and imports, annual production and consumption, prices of commodities, etc. It seems to be the correct procedure to commence with the real and concrete aspect of conditions as they are; in the case of political economy, to commence with population which is the basis and the author of the entire productive activity of society. Yet, on closer consideration it proves to be wrong. Population is an abstraction, if we leave out, e.g., the classes of which it consists. These classes, again, are but an empty word, unless we know what are the elements on which they are based, such as wage-labor, capital, etc. These imply, in their turn, exchange, division of labor, prices, etc. Capital, e.g., does not mean anything without wagelabor, value, money, price, etc. If we start out, therefore, with population, we do so with a chaotic conception of the whole, and by closer analysis we will gradually anive at simpler ideas; thus we shall proceed from the imaginary concrete to less and less complex abstractions, until we get at the simplest conception. This once attained, we might start on our return journey until we would finally come back to population, but this time not as a chaotic notion of an integral whole, but as a rich aggregate of many conceptions and relations. The former method is the one which political economy had adopted in the past at its inception. The economists of the seventeenth century, e.g., always started out with the living aggregate: population, nation, state, several states, etc., but in the end they invariably arrived, by means of analysis, at certain leading, abstract general principles, such as division of labor, money, value, etc. As soon as these separate elements had been more or less established by abstract reasoning, there arose the systems of political economy which start from simple conceptions, such as labor, division of labor, demand, exchange value, and conclude with state, international exchange and world market. The latter is manifestly the scientifically correct method. The concrete is concrete, because it is a combination of many objects with different destinations, i.e. a unity of diverse elements. In our thought, it therefore appears as a process of synthesis, as a result, and not as a starting point, although it is the real starting point and, therefore, also the starting point of observation and conception. By the former method the complete conception passes into an abstract definition; by the latter, the abstract definitions lead to the reproduction of the concrete subject in the course of reasoning. Hegel fell into the error, therefore, of considering the real as the result of self-coordinating, self-absorbed, and spontaneously operating thought, while the method of advancing from the abstract to the concrete is but a way of thinking by which the concrete is grasped and is reproduced in our mind as a concrete. It is by no means, however, the process which itself generates the concrete. The simplest economic category, say, exchange value, implies the existence of population, population that is engaged in production under certain conditions; it also implies the existence of certain types of family, clan, or state, etc. It can have no other existence except as an abstract one-sided relation of an already given concrete and living aggregate. As a category, however, exchange value leads an antediluvian existence. And since our philosophic consciousness is so arranged that only the image of the man that it conceives appears to it as the real man and the world as it conceives it, as the real world; it mis- takes the movement of categories for the real act of production (which unfortunately (?) receives only its impetus from outside) whose result is the world; that is true—here we have, however, again a tautology—in so far as the concrete aggregate is a thought aggregate, in so far as the concrete subject of our thought is in fact a product of thought, of comprehension; not, however, in the sense of a product of a self-emanating conception which works outside of and stands above observation and imagination, but of a mental consummation of observation and imagination. The whole, as it appears in our heads as a thought-aggregate, is the product of a thinking mind which grasps the world in the only way open to it, a way which differs from the one employed by the artistic, religious, or practical mind. The concrete subject continues to lead an independent existence after it has been grasped, as it did before, outside of the head, so long as the head contemplates it only speculatively, theoretically. So that in the employment of the theoretical method [in political economy], the subject, society, must constantly be kept in mind as the premise from which we start. But have these simple categories no independent historical or natural existence antedating the more concrete ones? Qa depend. For instance, in his Philosophy of Law Hegel rightly starts out with possession, as the simplest legal relation of individuals. But there is no such thing as possession before the family or the relations of lord and serf, which are a great deal more concrete relations, have come into existence. On the other hand, one would be right in saying that there are families and clans which only possess, but do not own things. The simpler category thus appears as a relation of simple family and clan communities with respect to property. In earlier society the category appears as a simple relation of a developed organism, but the concrete substratum from which springs the relation of possession, is always implied. One can imagine an isolated ravage in possession of things. But in that case possession is no legal relation. It is not true that the family came as the result of the historical evolution of possession. On the contrary, the latter always implies the existence of this "more concrete category of law." Yet so much may be said, that the simple categories are the expression of relations in which the less developed concrete entity may have been realized without entering into the manifold relations and bearings which are mentally expressed in the concrete category; but when the concrete entity attains fuller development it will retain the same category as a subordinate relation. Money may exist and actually had existed in history before capital, or banks, or wage-labor came into existence. With that in mind, it may be said that the more simple category can serve as an expression of the predominant relations of an undeveloped whole or of the subordinate relations of a more developed whole, [relations] which had historically existed before the whole developed in the direction expressed in the more concrete category. In so far, the laws of abstract reasoning which ascends from the most simple to the complex, correspond to the actual process of history. On the other hand, it may be said that there are highly developed but historically unripe forms of society in which the highest economic forms are to be found, such as co-operation, advanced division of labor., etc., and yet there is no money in existence, e.g., Peru. In Slavic communities also, money, as well as exchange to which it owes its existence, does not appear at all or very little within the separate communities, but it appears on their boundaries in their inter-communal traffic; in general, it is erroneous to consider exchange as a constituent element originating within the community. It appears at first more in the mutual relations between different communities, than in those between the members of the same community. Furthermore, although money begins to play its part everywhere at an early stage, it plays in antiquity the part of a predominant element only in one-sidedly developed nations, viz. trading nations, and even in most cultured antiquity, in Greece and Rome, it attains its full development, which constitutes the prerequisite of modern bourgeois society, only in the period of their decay. Thus, this quite simple category attained its culmination in the past only at the most advanced stages of society. Even then it did not pervade (?) all economic relations; in Rome, e.g., at the time of its highest development taxes and payments in kind remained the basis. As a matter of fact, the money system was fully developed there only so far as the army was concerned; it never came to dominate the entire system of labor. Thus, although the simple category may have existed historically before the more concrete one, it can attain its complete internal and external development only in complex (?) forms of society, while the more concrete category has reached its full development in a less advanced form of society. Labor is quite a simple category. The idea of labor in that sense, as labor in general, is also very old. Yet, "labor" thus simply defined by political economy is as much a modern category, as the conditions which have given rise to this simple abstraction. The monetary system, e.g., defines wealth quite objectively, as a thing (?) in money. Compared with this point of view, it was a great step forward, when the industrial or commercial system came to see the source of wealth not in the object but in the activity of persons, viz. in commercial and industrial labor. But even the latter was thus considered only in the limited sense of a money-producing activity. The physiocratic system [marks still further progress] in that it considers a certain form of labor, viz. agriculture, as the source of wealth, and wealth itself not in the disguise of money, but as a product in general, as the general result of labor. But corresponding to the limitations of the activity, this product is still only a natural product. Agriculture is productive, land is the source of production par excellence. It was a tremendous advance on the part of Adam Smith to throw aside all limitations which mark wealth-producing activity and [to define it] as labor in general, neither industrial, nor commercial, nor agricultural, or one as much as the other. Along with the universal character of wealth-creating activity we have now the universal character of the object defined as wealth, viz. product in general, or labor in general, but as past incorporated labor. How difficult and great was the transition, is evident from the way Adam Smith himelf falls back from time to time into the physiocratic system. Now, it might seem as though this amounted simply to finding an abstract expression for the simplest relation into which men have been mutually entering as producers from times of yore, no matter under what form of society. In one sense this is true. In another it is not. The indifference as to the particular kind of labor implies the existence of a highly developed aggregate of different species of concrete labor, none of which is any longer the predominant one. So do the most general abstractions commonly arise only where there is the highest concrete development, where one feature appears to be jointly possessed by many, and to be common to all. Then it cannot be thought of any longer in one particular form. On the other hand, this abstraction of labor is but the result of a concrete aggregate of different kinds of labor. The indifference to the particular kind of labor corresponds to a form of society in which individuals pass with ease from one kind of work to another, which makes it immaterial to them what particular kind of work may fall to their share. Labor has become here, not only categorically but really, a means of creating wealth in general and is no longer grown together with the individual into one particular destination. This state of affairs has found its highest development in the most modern of bourgeois societies, the United States. It is only here that the abstraction of the category "labor," "labor in general," labor sans phrase, the starting point of modern political economy, becomes realized in practice. Thus, the simplest abstraction which modern political economy sets up as its starting point, and which expresses a relation dating back to antiquity and prevalent under all forms of society, appears in this abstraction truly realized only as a category of the most modern society. It might be said that what appears in the United States as an historical product,—viz. the indifference as to the particular kind of labor— appears among the Russians, e.g., as a natural disposition. But it makes all the difference in the world whether barbarians have a natural predisposition which makes them applicable alike to everything, or whether civilized people apply themselves to everything. And, besides, this indifference of the Russians as to the kind of work they do, corresponds to their traditional practice of remaining in the rut of a quite definite occupation until they are thrown out of it by external influences. This example of labor strikingly shows how even the most abstract categories, in spite of their applicability to all epochs—just because of their abstract character—are by the very definiteness of the abstraction a product of historical conditions as well, and are fully applicable only to and under those conditions. The bourgeois society is the most highly developed and most highly differentiated historical organization of production. The categories which serve as the expression of its conditions and the comprehension of its own organization enable it at the same time to gain an insight into the organization and the conditions of production which had prevailed under all the past forms of society, on the ruins and constituent elements of which it has arisen, and of which it still drags along some unsurmounted remnants, while what had formerly been mere intimation has now developed to complete significance. The anatomy of the human being is the key to the anatomy of the ape. But the intimations of a higher animal in lower ones can be understood only if the animal of the higher order is already known. The bourgeois economy furnishes a key to ancient economy, etc. This is, however, by no means true of the method of those economists who blot out all historical differences and see the bourgeois form in all forms of society. One can understand the nature of tribute, tithes, etc., after one has learned the nature of rent. But they must not be considered identical. Since, furthermore, bourgeois society is but a form resulting from the development of antagonistic elements, some relations belonging to earlier forms of society are frequently to be found in it but in a crippled state or as a travesty of their former self, as e.g., communal property. While it may be said, therefore, that the categories of bourgeois economy contain what is true of all other forms of society, the statement is to be taken cum grano salis. They may contain these in a developed, or crippled, or caricatured form, but always essentially different. The so-called historical development amounts in the last analysis to this, that the last form considers its predecessors as stages leading up to itself and perceives them always one-sidedly, since it is very seldom and only under certain conditions that it is capable of self-criticism; of course, we do not speak here of such historical periods which appear to their own contemporaries as periods of decay. The Christian religion became capable to assist us to an objective view of past mythologies as soon as it was ready for self-criticism to a certain extent, dynamei so-to-say. In the same way bourgeois political economy first came to understand the feudal, the ancient, and the oriental societies as soon as the self-criticism of the bourgeois society had commenced. So far as bourgeois political economy has not gone into the mythology of purely (?) identifying the bourgeois system with the past, its criticism of the feudal system against which it still had to wage war resembled Christian criticism of the heathen religions or Protestant criticism of Catholicism. In the study of economic categories, as in the case of every historical and social science, it must be borne in mind that as in reality so in our mind the subject, in this case modern bourgeois society, is given and that the categories are therefore but forms of expression, manifestations of existence, and frequently but one-sided aspects of this subject, this definite society; and that, therefore, the origin of [political economy] as a science does not by any means date from the time to which it is referred as such. This is to be firmly held in mind because it has an immediate and important bearing on the matter of the subdivisions of the science. For instance, nothing seems more natural than to start with rent, with landed property, since it is bound up with land, the source of all production and all existence, and with the first form of production in all more or less settled communities, viz. agriculture. But nothing would be more erroneous. Under all forms of society there is a certain industry which predominates over all the rest and whose condition therefore determines the rank and influence of all the rest. It is the universal light with which all the other colors are tinged and are modified through its peculiarity. It is a special ether which determines the specific gravity of everything that appears in it. Let us take for example pastoral nations (mere hunting and fishing tribes are not as yet at the point from which real development commences). They engage in a certain form of agriculture, sporadically. The nature of land-ownership is determined thereby. It is held in common and retains this form more or less according to the extent to which these nations hold on to traditions; such, e.g., is land-ownership among the Slavs. Among nations, whose agriculture is carried on by a settled population—the settled state constituting a great advance—where agriculture is the predominant industry, such as in ancient and feudal societies, even the manufacturing industry and its organization, as well as the forms of property which pertain to it, have more or less the characteristic features of the prevailing system of land ownership; [society] is then either entirely dependent upon agriculture, as in the case of ancient Rome, or, as in the Middle Ages, it imitates in its city relations the forms of organization prevailing in the country. Even capital, with the exception of pure money capital, has, in the form of the traditional working tool, the characteristics of land ownership in the Middle Ages. The reverse is true of bourgeois society. Agriculture comes to be more and more merely a branch of industry and is completely dominated by capital. The same is true of rent. In all the forms of society in which land ownership is the prevalent form, the influence of the natural element is the predominant one. In those where capital predominates the prevailing element is the one historically created by society. Rent cannot be understood without capital, nor can capital, without rent. Capital is the all-dominating economic power of bourgeois society. It must form the starting point as well as the end and be developed before land-ownership is. After each has been considered separately, their mutual relation must be analyzed. It would thus be impractical and wrong to arrange the economic categories in the order in which they were the determining factors in the course of history. Their order of sequence is rather determined by the relation which they bear to one another in modem bourgeois society, and which is the exact opposite of what seems to be their natural order or the order of their historical development. What we are interested in is not the place which economic relations occupy in the historical succession of different forms of society. Still less are we interested in the order of their succession "in idea" (Proudhon), which is but a hazy (?) conception of the course of history. We are interested in their organic connection within modern bourgeois society. The sharp line of demarkation (abstract precision) which so clearly distinguished the trading nations of antiquity, such as the Phoenicians and the Carthaginians, was due to that very predominance of agriculture. Capital as trading or money capital appears in that abstraction, where capital does not constitute as yet the predominating element of society. The Lombardians and the Jews occupied the same position among the agricultural nations of the Middle Ages. As a further illustration of the fact that the same category plays different parts at different stages of society, we may mention the following: one of the latest forms of bourgeois society, viz. stock companies, appear also at its beginning in the form of the great chartered monopolistic trading companies. The conception of national wealth which is imperceptibly formed in the minds of the economists of the seventeenth century, and which partly continues to be entertained by those of the eighteenth century, is that wealth is produced solely for the state, but that the power of the latter is proportional to that wealth. It was as yet an unconsciously hypocritical way in which wealth announced itself and its own production as the aim of modern states considering the latter merely as a means to the production of wealth. The order of treatment must manifestly be as follows: first, the general abstract definitions which are more or less applicable to all forms of society, but in the sense indicated above. Second, the categories which go to make up the inner organization of bourgeois society and constitute the foundations of the principal classes; capital, wage-labor, landed property; their mutual relations; city and country; the three great social classes, the exchange between them; circulation, credit (private). Third, the organization of bourgeois society in the form of a state, considered in relation to itself; the "unproductive" classes; taxes; public debts; public credit; population; colonies; emigration. Fourth, the international organization of production; international division of labor; international exchange; import and export; rate of exchange. Fifth, the world market and crises.

Theses On Feuerbach

I

The chief defect of all hitherto existing materialism – that of Feuerbach included – is that the thing, reality, sensuousness, is conceived only in the form of the *object or of contemplation*, but not as *sensuous human activity, practice*, not subjectively. Hence, in contradistinction to materialism, the *active* side was developed abstractly by idealism – which, of course, does not know real, sensuous activity as such.

Feuerbach wants sensuous objects, really distinct from the thought objects, but he does not conceive human activity itself as *objective* activity. Hence, in The Essence of Christianity, he regards the theoretical attitude as the only genuinely human attitude, while practice is conceived and fixed only in its dirty-judaical manifestation. Hence he does not grasp the significance of "revolutionary", of "practical-critical", activity.

II

The question whether objective truth can be attributed to human thinking is not a question of theory but is a practical question. Man must prove the truth — i.e. the reality and power, the this-sidedness of his thinking in practice. The dispute over the reality or non-reality of thinking that is isolated from practice is a purely *scholastic* question.

III

The materialist doctrine concerning the changing of circumstances and upbringing forgets that circumstances are changed by men and that it is essential to educate the educator himself. This doctrine must, therefore, divide society into two parts, one of which is superior to society.

The coincidence of the changing of circumstances and of human activity or self-changing can be conceived and rationally understood only as *revolutionary practice*.

IV

Feuerbach starts out from the fact of religious self-alienation, of the duplication of the world into a religious world and a secular one. His work consists in resolving the religious world into its secular basis.

But that the secular basis detaches itself from itself and establishes itself as an independent realm in the clouds can only be explained by the cleavages and self-contradictions within this secular basis. The latter must, therefore, in itself be both understood in its contradiction and revolutionized in practice. Thus, for instance, after the earthly family is discovered to be the secret of the holy family, the former must then itself be destroyed in theory and in practice.

V

Feuerbach, not satisfied with abstract thinking, wants contemplation; but he does not conceive sensuousness as practical, human-sensuous activity.

VI

Feuerbach resolves the religious essence into the human essence. But the human essence is no abstraction inherent in each single individual.

In its reality it is the ensemble of the social relations.

Feuerbach, who does not enter upon a criticism of this real essence, is consequently compelled:

To abstract from the historical process and to fix the religious sentiment as something by itself and to presuppose an abstract – isolated – human individual.

Essence, therefore, can be comprehended only as "genus", as an internal, dumb generality which naturally unites the many individuals.

VII

Feuerbach, consequently, does not see that the "religious sentiment" is itself a social product, and that the abstract individual whom he analyses belongs to a particular form of society.

VIII

All social life is essentially practical. All mysteries which lead theory to mysticism find their rational solution in human practice and in the comprehension of this practice.

IX

The highest point reached by contemplative materialism, that is, materialism which does not comprehend sensuousness as practical activity, is contemplation of single individuals and of civil society.

X

The standpoint of the old materialism is civil society; the standpoint of the new is human society, or social humanity.

XI

The philosophers have only interpreted the world, in various ways; the point is to change it.

Part I: Feuerbach Opposition of the Materialist and Idealist Outlook

A. Idealism and Materialism

The Illusions of German Ideology

As we hear from German ideologists, Germany has in the last few years gone through an unparalleled revolution. The decomposition of the Hegelian philosophy, which began with Strauss, has developed into a universal ferment into which all the "powers of the past" are swept. In the general chaos mighty empires have arisen only to meet with immediate doom, heroes have emerged momentarily only to be hurled back into obscurity by bolder and stronger rivals. It was a revolution beside which the French Revolution was child's play, a world struggle beside which the struggles of the Diadochi [successors of Alexander the Great] appear insignificant. Principles ousted one another, heroes of the mind overthrew each other with unheard-of rapidity, and in the three years 1842-45 more of the past was swept away in Germany than at other times in three centuries.

All this is supposed to have taken place in the realm of pure thought.

Certainly it is an interesting event we are dealing with: the putrescence of the absolute spirit. When the last spark of its life had failed, the various components of this *caput mortuum* began to decompose, entered into new combinations and formed new substances. The industrialists of philosophy, who till then had lived on the exploitation of the absolute spirit, now seized upon the new combinations. Each with all possible zeal set about retailing his apportioned share. This naturally gave rise to competition, which, to start with, was carried on in moderately staid bourgeois fashion. Later when the German market was glutted, and the commodity in spite of all efforts found no response in the world market, the business was spoiled in the usual German manner by fabricated and fictitious production, deterioration in quality, adulteration of the raw materials, falsification of labels, fictitious purchases, bill-jobbing and a credit system devoid of any real basis. The competition turned into a bitter struggle, which is now being extolled and interpreted to us as a revolution of world significance, the begetter of the most prodigious results and achievements.

If we wish to rate at its true value this philosophic charlatanry, which awakens even in the breast of the honest German citizen a glow of national pride, if we wish to bring out clearly the pettiness, the parochial narrowness of this whole Young-Hegelian movement and in particular the tragicomic contrast between the illusions of these heroes about their achievements and the actual achievements themselves, we must look at the whole spectacle from a standpoint beyond the frontiers of Germany.

[In the first version of the clean copy there follows a passage, which is crossed out:] |p. 21|

We preface therefore the specific criticism of individual representatives of this movement with a few general observations, elucidating the ideological premises common to all of them. These remarks will suffice to indicate the standpoint of our criticism insofar as it is required for the understanding and the motivation of the subsequent individual criticisms. We oppose these remarks |p. 3| to Feuerbach in particular because he is the only one who has at least made some progress and whose works can be examined de bonne foi.

1. Ideology in General, and Especially German Philosophy

A. We know only a single science, the science of history. One can look at history from two sides and divide it into the history of nature and the history of men. The two sides are, however, inseparable; the history of nature and the history of men are dependent on each other so long as men exist. The history of nature, called natural science, does not concern us here; but we will have to examine the history of men, since almost the whole ideology amounts either to a distorted conception of this history or to a complete abstraction from it. Ideology is itself only one of the aspects of this history.

[There follows a passage dealing with the premises of the materialist conception of history. It is not crossed out and in this volume it is reproduced as Section 2; see pp. 31-32]

Ideology in General, German Ideology in Particular

German criticism has, right up to its latest efforts, never quitted the realm of philosophy. Far from examining its general philosophic premises, the whole body of its inquiries has actually sprung from the soil of a definite philosophical system, that of Hegel. Not only in their answers but in their very questions there was a mystification. This dependence on Hegel is the reason why not one of these modern critics has even attempted a comprehensive criticism of the Hegelian system, however much each professes to have advanced beyond Hegel. Their polemics against Hegel and against one another are confined to this – each extracts one side of the Hegelian system and turns this against the whole system as well as against the sides extracted by the others. To begin with they extracted pure unfalsified Hegelian categories such as "substance" and "self-consciousness," later they desecrated these categories with more secular names such as species "the Unique," "Man," etc.

The entire body of German philosophical criticism from Strauss to Stirner is confined to criticism of religious conceptions. [The following passage is crossed out in the manuscript:] claiming to be the absolute redeemer of the world from all evil. Religion was continually regarded and treated as the arch-enemy, as the ultimate cause of all relations repugnant to these philosophers. The critics started from real religion and actual theology. What religious consciousness and a religious conception really meant was determined variously as they went along. Their advance consisted in subsuming the allegedly dominant metaphysical, political, juridical, moral and other conceptions under the class of religious or theological conceptions; and similarly in pronouncing political, juridical, moral consciousness as religious or theological, and the political, juridical, moral man – "man" in the last resort – as religious. The dominance of religion was taken for granted. Gradually every dominant relationship was pronounced a religious relationship and transformed into a cult, a cult of law, a cult of the State, etc. On all sides it was only a question of dogmas and belief in dogmas. The world was sanctified to an ever-increasing extent till at last our venerable Saint Max was able to canonise it *en bloc* and thus dispose of it once for all.

The Old Hegelians had comprehended everything as soon as it was reduced to an Hegelian logical category. The Young Hegelians criticised everything by attributing to it religious conceptions or by pronouncing it a theological matter. The Young Hegelians are in agreement with the Old Hegelians in their belief in the rule of religion, of concepts, of a universal principle in the existing world. Only, the one party attacks this dominion as usurpation, while the other extols it as legitimate.

Since the Young Hegelians consider conceptions, thoughts, ideas, in fact all the products of consciousness, to which they attribute an independent existence, as the real chains of men (just as the Old Hegelians declared them the true bonds of human society) it is evident that the Young Hegelians have to fight only against these illusions of consciousness. Since, according to their fantasy, the relationships of men, all their doings, their chains and their limitations are products of their consciousness, the Young Hegelians logically put to men the moral postulate of exchanging their present consciousness for human, critical or egoistic consciousness, and thus of removing their limitations. This demand to change consciousness amounts to a demand to interpret reality in another way, i.e. to recognise it by means of another interpretation. The Young-Hegelian ideologists, in spite of their allegedly "world-shattering" statements, are the staunchest conservatives. The most recent of them have found the correct expression for their activity when they declare they are only fighting against "phrases." They forget, however, that to these phrases they themselves are only opposing other phrases, and that they are in no way combating the real existing world when they are merely combating the phrases of this world. The only results which this philosophic criticism could achieve were a few (and at that thoroughly one-sided) elucidations of Christianity from the point of view of religious history; all the rest of their assertions are only further embellishments of their claim to have furnished, in these unimportant elucidations, discoveries of universal importance.

It has not occurred to any one of these philosophers to inquire into the connection of German philosophy with German reality, the relation of their criticism to their own material surroundings.

First Premises of Materialist Method

The premises from which we begin are not arbitrary ones, not dogmas, but real premises from which abstraction can only be made in the imagination. They are the real individuals, their activity and the material conditions under which they live, both those which they find already existing and those produced by their activity. These premises can thus be verified in a purely empirical way.

The first premise of all human history is, of course, the existence of living human individuals. Thus the first fact to be established is the physical organisation of these individuals and their consequent relation to the rest of nature. Of course, we cannot here go either into the actual physical nature of man, or into the natural conditions in which man finds himself – geological, hydrographical, climatic and so on. The writing of history must always set out from these natural bases and their modification in the course of history through the action of men.

Men can be distinguished from animals by consciousness, by religion or anything else you like. They themselves begin to distinguish themselves from animals as soon as they begin to produce their means of subsistence, a step which is conditioned by their physical organisation. By producing their means of subsistence men are indirectly producing their actual material life.

The way in which men produce their means of subsistence depends first of all on the nature of the actual means of subsistence they find in existence and have to reproduce. This mode of production must not be considered simply as being the production of the physical existence of the individuals. Rather it is a definite form of activity of these individuals, a definite form of expressing their life, a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce and with how they produce. The nature of individuals thus depends on the material conditions determining their production.

This production only makes its appearance with the increase of population. In its turn this presupposes the intercourse [*Verkehr*] of individuals with one another. The form of this intercourse is again determined by production.

[3. Production and Intercourse. Division of Labour and Forms of Property – Tribal, Ancient, Feudal]

The relations of different nations among themselves depend upon the extent to which each has developed its productive forces, the division of labour and internal intercourse. This statement is generally recognised. But not only the relation of one nation to others, but also the whole internal structure of the nation itself depends on the stage of development reached by its production and its internal and external intercourse. How far the productive forces of a nation are developed is shown most manifestly by the degree to which the division of labour has been carried. Each new productive force, insofar as it is not merely a quantitative extension of productive forces already known (for instance the bringing into cultivation of fresh land), causes a further development of the division of labour.

The division of labour inside a nation leads at first to the separation of industrial and commercial from agricultural labour, and hence to the separation of town and country and to the conflict of their interests. Its further development leads to the separation of commercial from industrial labour. At the same time through the division of labour inside these various branches there develop various divisions among the individuals co-operating in definite kinds of labour. The relative position of these individual groups is determined by the methods employed in agriculture, industry and commerce (patriarchalism, slavery, estates, classes). These same conditions are to be seen (given a more developed intercourse) in the relations of different nations to one another.

The various stages of development in the division of labour are just so many different forms of ownership, i.e. the existing stage in the division of labour determines also the relations of individuals to one another with reference to the material, instrument, and product of labour.

The first form of ownership is tribal [*Stammeigentum*] ownership. It corresponds to the undeveloped stage of production, at which a people lives by hunting and fishing, by the rearing of beasts or, in the highest stage, agriculture. In the latter case it presupposes a great mass of uncultivated stretches of land. The division of labour is at this stage still very elementary and is confined to a further extension of the natural division of labour existing in the family. The social structure is, therefore, limited to an extension of the family; patriarchal family chieftains, below them the members of the tribe, finally slaves. The slavery latent in the family only develops gradually with the increase of population, the growth of wants, and with the extension of external relations, both of war and of barter.

The second form is the ancient communal and State ownership which proceeds especially from the union of several tribes into a city by agreement or by conquest, and which is still accompanied by slavery. Beside communal ownership we already find movable, and later also immovable, private property developing, but as an abnormal form subordinate to communal ownership. The citizens hold power over their labouring slaves only in their community, and on this account alone, therefore, they are bound to the form of communal ownership. It is the communal private property which compels the active citizens to remain in this spontaneously derived form of association over against their slaves. For this reason the whole structure of society based on this communal ownership, and with it the power of the people, decays in the same measure as, in particular, immovable private property evolves. The division of labour is already more developed. We already find the antagonism of town and country; later the antagonism between those states which represent town interests and those which represent country interests, and inside the towns themselves the antagonism between industry and maritime commerce. The class relation between citizens and slaves is now completely developed.

With the development of private property, we find here for the first time the same conditions which we shall find again, only on a more extensive scale, with modern private property. On the one hand, the concentration of private property, which began very early in Rome (as the Licinian agrarian law proves) and proceeded very rapidly from the time of the civil wars and especially under the Emperors; on the other hand, coupled with this, the transformation of the plebeian small peasantry into a proletariat, which, however, owing to its intermediate position between propertied citizens and slaves, never achieved an independent development.

The third form of ownership is feudal or estate property. If antiquity started out from the town and its little territory, the Middle Ages started out from the country. This different starting-point was determined by the sparseness of the population at that time, which was scattered over a large area and which received no large increase from the conquerors. In contrast to Greece and Rome, feudal development at the outset, therefore, extends over a much wider territory, prepared by the Roman conquests and the spread of agriculture at first associated with it. The last centuries of the declining Roman Empire and its conquest by the barbarians destroyed a number of productive forces; agriculture had declined, industry had decayed for want of a market, trade had died out or been violently suspended, the rural and urban population had decreased. From these conditions and the mode of organisation of the conquest determined by them, feudal property developed under the influence of the Germanic military constitution. Like tribal and communal ownership, it is based again on a community; but the directly producing class standing over against it is not, as in the case of the ancient community, the slaves, but the enserfed small peasantry. As soon as feudalism is fully developed, there also arises antagonism to the towns. The hierarchical structure of land ownership, and the armed bodies of retainers associated with it, gave the nobility power over the serfs. This feudal organisation was, just as much as the ancient communal ownership, an association against a subjected producing class; but the form of association and the relation to the direct producers were different because of the different conditions of production.

This feudal system of land ownership had its counterpart in the *towns* in the shape of corporative property, the feudal organisation of trades. Here property consisted chiefly in the labour of each individual person. The necessity for association against the organised robber-nobility, the need for communal covered markets in an age when the industrialist was at the same time a merchant, the growing competition of the escaped serfs swarming into the rising towns, the feudal structure of the whole country: these combined to bring about the guilds. The gradually accumulated small capital of individual craftsmen and their stable numbers, as against the growing population, evolved the relation of journeyman and apprentice, which brought into being in the towns a hierarchy similar to that in the country.

Thus the chief form of property during the feudal epoch consisted on the one hand of landed property with serf labour chained to it, and on the other of the labour of the individual with small capital commanding the labour of journeymen. The organisation of both was determined by the restricted conditions of production – the small-scale and primitive cultivation of the land, and the craft type of industry. There was little division of labour in the heyday of feudalism. Each country bore in itself the antithesis of town and country; the division into estates was certainly strongly marked; but apart from the differentiation of princes, nobility, clergy and peasants in the country, and masters, journeymen, apprentices and soon also the rabble of casual labourers in the towns, no division of importance took place. In agriculture it was rendered difficult by the strip-system, beside which the cottage industry of the peasants themselves emerged. In industry there was no division of labour at all in the individual trades themselves, and very little between them. The separation of industry and commerce was found already in existence in older towns; in the newer it only developed later, when the towns entered into mutual relations.

The grouping of larger territories into feudal kingdoms was a necessity for the landed nobility as for the towns. The organisation of the ruling class, the nobility, had, therefore, everywhere a monarch at its head.

[4. The Essence of the Materialist Conception of History. Social Being and Social Consciousness]

The fact is, therefore, that definite individuals who are productively active in a definite way enter into these definite social and political relations. Empirical observation must in each separate instance bring out empirically, and without any mystification and speculation, the connection of the social and political structure with production. The social structure and the State are continually evolving out of the life-process of definite individuals, but of individuals, not as they may appear in their own or other people's imagination, but as they really are; i.e. as they operate, produce materially, and hence as they work under definite material limits, presuppositions and conditions independent of their will.

[The following passage is crossed out in the manuscript:] The ideas which these individuals form are ideas either about their relation to nature or about their mutual relations or about their own nature. It is evident that in all these cases their ideas are the conscious expression – real or illusory – of their real relations and activities, of their production, of their intercourse, of their social and political conduct. The opposite assumption is only possible if in addition to the spirit of the real, materially evolved individuals a separate spirit is presupposed. If the conscious expression of the real relations of these individuals is illusory, if in their imagination they turn reality upside-down, then this in its turn is the result of their limited material mode of activity and their limited social relations arising from it.

The production of ideas, of conceptions, of consciousness, is at first directly interwoven with the material activity and the material intercourse of men, the language of real life. Conceiving, thinking, the mental intercourse of men, appear at this stage as the direct efflux of their material behaviour. The same applies to mental production as expressed in the language of politics, laws, morality, religion, metaphysics, etc., of a people. Men are the producers of their conceptions, ideas, etc. – real, active men, as they are conditioned by a definite development of their productive forces and of the intercourse corresponding to these, up to its furthest forms. Consciousness can never be anything else than conscious existence, and the existence of men is their actual life-process. If in all ideology men and their circumstances appear upside-down as in a *camera obscura*, this phenomenon arises just as much from their historical life-process as the inversion of objects on the retina does from their physical life-process.

In direct contrast to German philosophy which descends from heaven to earth, here we ascend from earth to heaven. That is to say, we do not set out from what men say, imagine, conceive, nor from men as narrated, thought of, imagined, conceived, in order to arrive at men in the flesh. We set out from real, active men, and on the basis of their real life-process we demonstrate the development of the ideological reflexes and echoes of this life-process. The phantoms formed in the human brain are also, necessarily, sublimates of their material life-process, which is empirically verifiable and bound to material premises. Morality, religion, metaphysics, all the rest of ideology and their corresponding forms of consciousness, thus no longer retain the semblance of independence. They have no history, no development; but men, developing their material production and their material intercourse, alter, along with this their real existence, their thinking and the products of their thinking. Life is not determined by consciousness, but consciousness by life. In the first method of approach the starting-point is consciousness taken as the living individual; in the second method, which conforms to real life, it is the real living individuals themselves, and consciousness is considered solely as their consciousness.

This method of approach is not devoid of premises. It starts out from the real premises and does not abandon them for a moment. Its premises are men, not in any fantastic isolation and rigidity, but in their actual, empirically perceptible process of development under definite conditions. As soon as this active life-process is described, history ceases to be a collection of dead facts as it is with the empiricists (themselves still abstract), or an imagined activity of imagined subjects, as with the idealists.

Where speculation ends – in real life – there real, positive science begins: the representation of the practical activity, of the practical process of development of men. Empty talk about consciousness ceases, and real knowledge has to take its place. When reality is depicted, philosophy as an independent branch of knowledge loses its medium of existence. At the best its place can only be taken by a summing-up of the most general results, abstractions which arise from the observation of the historical development of men. Viewed apart from real history, these abstractions have in themselves no value whatsoever. They can only serve to facilitate the arrangement of historical material, to indicate the sequence of its separate strata. But they by no means afford a recipe or schema, as does philosophy, for neatly trimming the epochs of history. On the contrary, our difficulties begin only when we set about the observation and the arrangement – the real depiction – of our historical material, whether of a past epoch or of the present. The removal of these difficulties is governed by premises which it is quite impossible to state here, but which only the study of the actual life-process and the activity of the individuals of each epoch will make evident. We shall select here some of these abstractions, which we use in contradistinction to the ideologists, and shall illustrate them by historical examples.

History: Fundamental Conditions

Since we are dealing with the Germans, who are devoid of premises, we must begin by stating the first premise of all human existence and, therefore, of all history, the premise, namely, that men must be in a position to live in order to be able to "make history." But life involves before everything else eating and drinking, a habitation, clothing and many other things. The first historical act is thus the production of the means to satisfy these needs, the production of material life itself. And indeed this is an historical act, a fundamental condition of all history, which today, as thousands of years ago, must daily and hourly be fulfilled merely in order to sustain human life. Even when the sensuous world is reduced to a minimum, to a stick as with Saint Bruno [Bauer], it presupposes the action of producing the stick. Therefore in any interpretation of history one has first of all to observe this fundamental fact in all its significance and all its implications and to accord it its due importance. It is well known that the Germans have never done this, and they have never, therefore, had an earthly basis for history and consequently never an historian. The French and the English, even if they have conceived the relation of this fact with so-called history only in an extremely one-sided fashion, particularly as long as they remained in the toils of political ideology, have nevertheless made the first attempts to give the writing of history a materialistic basis by being the first to write histories of civil society, of commerce and industry.

The second point is that the satisfaction of the first need (the action of satisfying, and the instrument of satisfaction which has been acquired) leads to new needs; and this production of new needs is the first historical act. Here we recognise immediately the spiritual ancestry of the great historical wisdom of the Germans who, when they run out of positive material and when they can serve up neither theological nor political nor literary rubbish, assert that this is not history at all, but the "prehistoric era." They do not, however, enlighten us as to how we proceed from this nonsensical "prehistory" to history proper; although, on the other hand, in their historical speculation they seize upon this "prehistory" with especial eagerness because they imagine themselves safe there from interference on the part of "crude facts," and, at the same time, because there they can give full rein to their speculative impulse and set up and knock down hypotheses by the thousand.

The third circumstance which, from the very outset, enters into historical development, is that men, who daily remake their own life, begin to make other men, to propagate their kind: the relation between man and woman, parents and children, the family. The family, which to begin with is the only social relationship, becomes later, when increased needs create new social relations and the increased population new needs, a subordinate one (except in Germany), and must then be treated and analysed according to the existing empirical data, not according to "the concept of the family," as is the custom in Germany. [1] These three aspects of social activity are not of course to be taken as three different stages, but just as three aspects or, to make it clear to the Germans, three "moments," which have existed simultaneously since the dawn of history and the first men, and which still assert themselves in history today.

The production of life, both of one's own in labour and of fresh life in procreation, now appears as a double relationship: on the one hand as a natural, on the other as a social relationship. By social we understand the co-operation of several individuals, no matter under what conditions, in what manner and to what end. It follows from this that a certain mode of production, or industrial stage, is always combined with a certain mode of co-operation, or social stage, and this mode of co-operation is itself a "productive force." Further, that the multitude of productive forces accessible to men determines the nature of society, hence, that the "history of humanity" must always be studied and treated in relation to the history of industry and exchange. But it is also clear how in Germany it is impossible to write this sort of history, because the Germans lack not only the necessary power of comprehension and the material but also the "evidence of their senses," for across the Rhine you cannot have any experience of these things since history has stopped happening. Thus it is quite obvious from the start that there exists a materialistic connection of men with one another, which is determined by their needs and their mode of production, and which is as old as men themselves. This connection is ever taking on new forms, and thus presents a "history" independently of the existence of any political or religious nonsense which in addition may hold men together.

Only now, after having considered four moments, four aspects of the primary historical relationships, do we find that man also possesses "consciousness," but, even so, not inherent, not "pure" consciousness. From the start the "spirit" is afflicted with the curse of being "burdened" with matter, which here makes its appearance in the form of agitated layers of air, sounds, in short, of language. Language is as old as consciousness, language is practical consciousness that exists also for other men,[A] and for that reason alone it really exists for me personally as well; language, like consciousness, only arises from the need, the necessity, of intercourse with other men. Where there exists a relationship, it exists for me: the animal does not enter into "relations" with anything, it does not enter into any relation at all. For the animal, its relation to others does not exist as a relation. Consciousness is, therefore, from the very beginning a social product, and remains so as long as men exist at all. Consciousness is at first, of course, merely consciousness concerning the immediate sensuous environment and consciousness of the limited connection with other persons and things outside the individual who is growing self-conscious. At the same time it is consciousness of nature, which first appears to men as a completely alien, all-powerful and unassailable force, with which men's relations are purely animal and by which they are overawed like beasts; it is thus a purely animal consciousness of nature (natural religion) just because nature is as yet hardly modified historically. (We see here immediately: this natural religion or this particular relation of men to nature is determined by the form of society and vice versa. Here, as everywhere, the identity of nature and man appears in such a way that the restricted relation of men to nature determines their restricted relation to one another, and their restricted relation to one another determines men's restricted relation to nature.) On the other hand, man's consciousness of the necessity of associating with the individuals around him is the beginning of the consciousness that he is living in society at all. This beginning is as animal as social life itself at this stage. It is mere herd-consciousness, and at this point man is only distinguished from sheep by the fact that with him consciousness takes the place of instinct or that his instinct is a conscious one. This sheep-like or tribal consciousness receives its further development and extension through increased productivity, the increase of needs, and, what is fundamental to both of these, the increase of population. With these there develops the division of labour, which was originally nothing but the division of labour in the sexual act, then that division of labour which develops spontaneously or "naturally" by virtue of natural predisposition (e.g. physical strength), needs, accidents, etc. etc. Division of labour only becomes truly such from the moment when a division of material and mental labour appears. (The first form of ideologists, priests, is concurrent.) From this moment onwards consciousness can really flatter itself that it is something other than consciousness of existing practice, that it really represents something without representing something real; from now on consciousness is in a position to emancipate itself from the world and to proceed to the formation of "pure" theory, theology, philosophy, ethics, etc. But even if this theory, theology, philosophy, ethics, etc. comes into contradiction with the existing relations, this can only occur because existing social relations have come into contradiction with existing forces of production; this, moreover, can also occur in a particular national sphere of relations through the appearance of the contradiction, not within the national orbit, but between this national consciousness and the practice of other nations, i.e. between the national and the general consciousness of a nation (as we see it now in Germany).

Moreover, it is quite immaterial what consciousness starts to do on its own: out of all such muck we get only the one inference that these three moments, the forces of production, the state of society, and consciousness, can and must come into contradiction with one another, because the division of labour implies the possibility, nay the fact that intellectual and material activity – enjoyment and labour, production and consumption – devolve on different individuals, and that the only possibility of their not coming into contradiction lies in the negation in its turn of the division of labour. It is self-evident, moreover, that "spectres," "bonds," "the higher being," “concept,” “scruple,” are merely the idealistic, spiritual expression, the conception apparently of the isolated individual, the image of very empirical fetters and limitations, within which the mode of production of life and the form of intercourse coupled with it move.

Private Property and Communism

With the division of labour, in which all these contradictions are implicit, and which in its turn is based on the natural division of labour in the family and the separation of society into individual families opposed to one another, is given simultaneously the distribution, and indeed the unequal distribution, both quantitative and qualitative, of labour and its products, hence property: the nucleus, the first form, of which lies in the family, where wife and children are the slaves of the husband. This latent slavery in the family, though still very crude, is the first property, but even at this early stage it corresponds perfectly to the definition of modern economists who call it the power of disposing of the labour-power of others. Division of labour and private property are, moreover, identical expressions: in the one the same thing is affirmed with reference to activity as is affirmed in the other with reference to the product of the activity.

Further, the division of labour implies the contradiction between the interest of the separate individual or the individual family and the communal interest of all individuals who have intercourse with one another. And indeed, this communal interest does not exist merely in the imagination, as the "general interest," but first of all in reality, as the mutual interdependence of the individuals among whom the labour is divided. And finally, the division of labour offers us the first example of how, as long as man remains in natural society, that is, as long as a cleavage exists between the particular and the common interest, as long, therefore, as activity is not voluntarily, but naturally, divided, man's own deed becomes an alien power opposed to him, which enslaves him instead of being controlled by him. For as soon as the distribution of labour comes into being, each man has a particular, exclusive sphere of activity, which is forced upon him and from which he cannot escape. He is a hunter, a fisherman, a herdsman, or a critical critic, and must remain so if he does not want to lose his means of livelihood; while in communist society, where nobody has one exclusive sphere of activity but each can become accomplished in any branch he wishes, society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticise after dinner, just as I have a mind, without ever becoming hunter, fisherman, herdsman or critic. This fixation of social activity, this consolidation of what we ourselves produce into an objective power above us, growing out of our control, thwarting our expectations, bringing to naught our calculations, is one of the chief factors in historical development up till now. [2]

The social power, i.e., the multiplied productive force, which arises through the co-operation of different individuals as it is determined by the division of labour, appears to these individuals, since their co-operation is not voluntary but has come about naturally, not as their own united power, but as an alien force existing outside them, of the origin and goal of which they are ignorant, which they thus cannot control, which on the contrary passes through a peculiar series of phases and stages independent of the will and the action of man, nay even being the prime governor of these.

How otherwise could, for instance, property have had a history at all, have taken on different forms, and landed property, for example, according to the different premises given, have proceeded in France from parcellation to centralisation in the hands of a few, in England from centralisation in the hands of a few to parcellation, as is actually the case today? Or how does it happen that trade, which after all is nothing more than the exchange of products of various individuals and countries, rules the whole world through the relation of supply and demand – a relation which, as an English economist says, hovers over the earth like the fate of the ancients, and with invisible hand allots fortune and misfortune to men, sets up empires and overthrows empires, causes nations to rise and to disappear – while with the abolition of the basis of private property, with the communistic regulation of production (and, implicit in this, the destruction of the alien relation between men and what they themselves produce), the power of the relation of supply and demand is dissolved into nothing, and men get exchange, production, the mode of their mutual relation, under their own control again?

History as a Continuous Process

In history up to the present it is certainly an empirical fact that separate individuals have, with the broadening of their activity into world-historical activity, become more and more enslaved under a power alien to them (a pressure which they have conceived of as a dirty trick on the part of the so-called universal spirit, etc.), a power which has become more and more enormous and, in the last instance, turns out to be the world market. But it is just as empirically established that, by the overthrow of the existing state of society by the communist revolution (of which more below) and the abolition of private property which is identical with it, this power, which so baffles the German theoreticians, will be dissolved; and that then the liberation of each single individual will be accomplished in the measure in which history becomes transformed into world history. From the above it is clear that the real intellectual wealth of the individual depends entirely on the wealth of his real connections. Only then will the separate individuals be liberated from the various national and local barriers, be brought into practical connection with the material and intellectual production of the whole world and be put in a position to acquire the capacity to enjoy this all-sided production of the whole earth (the creations of man). *All-round* dependence, this natural form of the world-historical co-operation of individuals, will be transformed by this communist revolution into the control and conscious mastery of these powers, which, born of the action of men on one another, have till now overawed and governed men as powers completely alien to them. Now this view can be expressed again in speculative-idealistic, i.e. fantastic, terms as "self-generation of the species" ("society as the subject"), and thereby the consecutive series of interrelated individuals connected with each other can be conceived as a single individual, which accomplishes the mystery of generating itself. It is clear here that individuals certainly make one another, physically and mentally, but do not make themselves.

[5. Development of the Productive Forces as a Material Premise of Communism]

This “alienation” (to use a term which will be comprehensible to the philosophers) can, of course, only be abolished given two practical premises. For it to become an “intolerable” power, i.e. a power against which men make a revolution, it must necessarily have rendered the great mass of humanity “propertyless,” and produced, at the same time, the contradiction of an existing world of wealth and culture, both of which conditions presuppose a great increase in productive power, a high degree of its development. And, on the other hand, this development of productive forces (which itself implies the actual empirical existence of men in their world-historical, instead of local, being) is an absolutely necessary practical premise because without it want is merely made general, and with destitution the struggle for necessities and all the old filthy business would necessarily be reproduced; and furthermore, because only with this universal development of productive forces is a universal intercourse between men established, which produces in all nations simultaneously the phenomenon of the “propertyless” mass (universal competition), makes each nation dependent on the revolutions of the others, and finally has put world-historical, empirically universal individuals in place of local ones. Without this, (1) communism could only exist as a local event; (2) the forces of intercourse themselves could not have developed as universal, hence intolerable powers: they would have remained home-bred conditions surrounded by superstition; and (3) each extension of intercourse would abolish local communism. Empirically, communism is only possible as the act of the dominant peoples “all at once” and simultaneously, which presupposes the universal development of productive forces and the world intercourse bound up with communism. Moreover, the mass of propertyless workers – the utterly precarious position of labour – power on a mass scale cut off from capital or from even a limited satisfaction and, therefore, no longer merely temporarily deprived of work itself as a secure source of life – presupposes the world market through competition. The proletariat can thus only exist *world-historically*, just as communism, its activity, can only have a “world-historical” existence. World-historical existence of individuals means existence of individuals which is directly linked up with world history.

Communism is for us not a *state of affairs* which is to be established, an *ideal* to which reality [will] have to adjust itself. We call communism the *real* movement which abolishes the present state of things. The conditions of this movement result from the premises now in existence.

In the main we have so far considered only one aspect of human activity, the *reshaping* of nature by men. The other aspect, the *reshaping* of men by men ... [Intercourse and productive power]

Origin of the state and the relation of the state to civil society. ...

Footnotes

Contradiction between Individuals and their conditions of life

1. The building of houses. With savages each family has as a matter of course its own cave or hut like the separate family tent of the nomads. This separate domestic economy is made only the more necessary by the further development of private property. With the agricultural peoples a communal domestic economy is just as impossible as a communal cultivation of the soil. A great advance was the building of towns. In all previous periods, however, the abolition of individual economy, which is inseparable from the abolition of private property, was impossible for the simple reason that the material conditions governing it were not present. The setting-up of a communal domestic economy presupposes the development of machinery, of the use of natural forces and of many other productive forces – e.g. of water-supplies, of gas-lighting, steam-heating, etc., the removal [of the antagonism] of town and country. Without these conditions a communal economy would not in itself form a new productive force; lacking any material basis and resting on a purely theoretical foundation, it would be a mere freak and would end in nothing more than a monastic economy – What was possible can be seen in the towns brought about by condensation and the erection of communal buildings for various definite purposes (prisons, barracks, etc.). That the abolition of individual economy is inseparable from the abolition of the family is self-evident.

2. [This paragraph appears as a marginal note in the manuscript – *Ed.*] And out of this very contradiction between the interest of the individual and that of the community the latter takes an independent form as the *State*, divorced from the real interests of individual and community, and at the same time as an illusory communal life, always based, however, on the real ties existing in every family and tribal conglomeration – such as flesh and blood, language, division of labour on a larger scale, and other interests – and especially, as we shall enlarge upon later, on the classes, already determined by the division of labour, which in every such mass of men separate out, and of which one dominates all the others. It follows from this that all struggles within the State, the struggle between democracy, aristocracy, and monarchy, the struggle for the franchise, etc., etc., are merely the illusory forms in which the real struggles of the different classes are fought out among one another (of this the German theoreticians have not the faintest inkling, although they have received a sufficient introduction to the subject in the *Deutsch-Französische Jahrbücher* and *Die heilige Familie*). Further, it follows that every class which is struggling for mastery, even when its domination, as is the case with the proletariat, postulates the abolition of the old form of society in its entirety and of domination itself, must first conquer for itself political power in order to represent its interest in turn as the general interest, which in the first moment it is forced to do. Just because individuals seek only their particular interest, which for them does not coincide with their communal interest (in fact the general is the illusory form of communal life), the latter will be imposed on them as an interest "alien" to them, and "independent" of them as in its turn a particular, peculiar "general" interest; or they themselves must remain within this discord, as in democracy. On the other hand, too, the practical struggle of these particular interests, which constantly really run counter to the communal and illusory communal interests, makes practical intervention and control necessary through the illusory "general" interest in the form of the State.

B. The Illusion of the Epoch

Civil Society and the Conception of History

The form of intercourse determined by the existing productive forces at all previous historical stages, and in its turn determining these, is civil society. The latter, as is clear from what we have said above, has as its premises and basis the simple family and the multiple, the so-called tribe, the more precise determinants of this society are enumerated in our remarks above. Already here we see how this civil society is the true source and theatre of all history, and how absurd is the conception of history held hitherto, which neglects the real relationships and confines itself to high-sounding dramas of princes and states.

Civil society embraces the whole material intercourse of individuals within a definite stage of the development of productive forces. It embraces the whole commercial and industrial life of a given stage and, insofar, transcends the State and the nation, though, on the other hand again, it must assert itself in its foreign relations as nationality, and inwardly must organise itself as State. The word "civil society" [*bürgerliche Gesellschaft*] emerged in the eighteenth century, when property relationships had already extricated themselves from the ancient and medieval communal society. Civil society as such only develops with the bourgeoisie; the social organisation evolving directly out of production and commerce, which in all ages forms the basis of the State and of the rest of the idealistic superstructure, has, however, always been designated by the same name.

Conclusions from the Materialist Conception of History

History is nothing but the succession of the separate generations, each of which exploits the materials, the capital funds, the productive forces handed down to it by all preceding generations, and thus, on the one hand, continues the traditional activity in completely changed circumstances and, on the other, modifies the old circumstances with a completely changed activity. This can be speculatively distorted so that later history is made the goal of earlier history, e.g. the goal ascribed to the discovery of America is to further the eruption of the French Revolution. Thereby history receives its own special aims and becomes "a person rating with other persons" (to wit: "Self-Consciousness, Criticism, the Unique," etc.), while what is designated with the words "destiny," "goal," "germ," or "idea" of earlier history is nothing more than an abstraction formed from later history, from the active influence which earlier history exercises on later history.

The further the separate spheres, which interact on one another, extend in the course of this development, the more the original isolation of the separate nationalities is destroyed by the developed mode of production and intercourse and the division of labour between various nations naturally brought forth by these, the more history becomes world history. Thus, for instance, if in England a machine is invented, which deprives countless workers of bread in India and China, and overturns the whole form of existence of these empires, this invention becomes a world-historical fact. Or again, take the case of sugar and coffee which have proved their world-historical importance in the nineteenth century by the fact that the lack of these products, occasioned by the Napoleonic Continental System, caused the Germans to rise against Napoleon, and thus became the real basis of the glorious Wars of liberation of 1813. From this it follows that this transformation of history into world history is not indeed a mere abstract act on the part of the "self-consciousness," the world spirit, or of any other metaphysical spectre, but a quite material, empirically verifiable act, an act the proof of which every individual furnishes as he comes and goes, eats, drinks and clothes himself.

[7. Summary of the Materialist Conception of History]

This conception of history depends on our ability to expound the real process of production, starting out from the material production of life itself, and to comprehend the form of intercourse connected with this and created by this mode of production (i.e. civil society in its various stages), as the basis of all history; and to show it in its action as State, to explain all the different theoretical products and forms of consciousness, religion, philosophy, ethics, etc. etc. and trace their origins and growth from that basis; by which means, of course, the whole thing can be depicted in its totality (and therefore, too, the reciprocal action of these various sides on one another). It has not, like the idealistic view of history, in every period to look for a category, but remains constantly on the real ground of history; it does not explain practice from the idea but explains the formation of ideas from material practice; and accordingly it comes to the conclusion that all forms and products of consciousness cannot be dissolved by mental criticism, by resolution into "self-consciousness" or transformation into "apparitions," "spectres," "fancies," etc. but only by the practical overthrow of the actual social relations which gave rise to this idealistic humbug; that not criticism but revolution is the driving force of history, also of religion, of philosophy and all other types of theory. It shows that history does not end by being resolved into "self-consciousness as spirit of the spirit," but that in it at each stage there is found a material result: a sum of productive forces, an historically created relation of individuals to nature and to one another, which is handed down to each generation from its predecessor; a mass of productive forces, capital funds and conditions, which, on the one hand, is indeed modified by the new generation, but also on the other prescribes for it its conditions of life and gives it a definite development, a special character. It shows that circumstances make men just as much as men make circumstances.

This sum of productive forces, capital funds and social forms of intercourse, which every individual and generation finds in existence as something given, is the real basis of what the philosophers have conceived as "substance" and "essence of man," and what they have deified and attacked; a real basis which is not in the least disturbed, in its effect and influence on the development of men, by the fact that these philosophers revolt against it as "self-consciousness" and the "Unique." These conditions of life, which different generations find in existence, decide also whether or not the periodically recurring revolutionary convulsion will be strong enough to overthrow the basis of the entire existing system. And if these material elements of a complete revolution are not present (namely, on the one hand the existing productive forces, on the other the formation of a revolutionary mass, which revolts not only against separate conditions of society up till then, but against the very "production of life" till then, the "total activity" on which it was based), then, as far as practical development is concerned, it is absolutely immaterial whether the idea of this revolution has been expressed a hundred times already, as the history of communism proves.

[8. The Inconsistency of the Idealist Conception of History in General, and of German Post-Hegelian Philosophy in Particular]

In the whole conception of history up to the present this real basis of history has either been totally neglected or else considered as a minor matter quite irrelevant to the course of history. History must, therefore, always be written according to an extraneous standard; the real production of life seems to be primeval history, while the truly historical appears to be separated from ordinary life, something extra-superterrestrial. With this the relation of man to nature is excluded from history and hence the antithesis of nature and history is created. The exponents of this conception of history have consequently only been able to see in history the political actions of princes and States, religious and all sorts of theoretical struggles, and in particular in each historical epoch have had to share the illusion of that epoch. For instance, if an epoch imagines itself to be actuated by purely "political" or "religious" motives, although "religion" and "politics" are only forms of its true motives, the historian accepts this opinion. The "idea," the "conception" of the people in question about their real practice, is transformed into the sole determining, active force, which controls and determines their practice. When the crude form in which the division of labour appears with the Indians and Egyptians calls forth the caste-system in their State and religion, the historian believes that the caste-system is the power which has produced this crude social form.

While the French and the English at least hold by the political illusion, which is moderately close to reality, the Germans move in the realm of the "pure spirit," and make religious illusion the driving force of history. The Hegelian philosophy of history is the last consequence, reduced to its "finest expression," of all this German historiography, for which it is not a question of real, nor even of political, interests, but of pure thoughts, which consequently must appear to Saint Bruno as a series of "thoughts" that devour one another and are finally swallowed up in "self-consciousness." —

Marginal note by Marx: So-called objective historiography [23] consisted precisely, in treating the historical relations separately from activity. Reactionary character.

— and even more consistently the course of history must appear to Saint Max Stirner, who knows not a thing about real history, as a mere "tale of knights, robbers and ghosts,"[24] from whose visions he can, of course, only save himself by "unholiness". This conception is truly religious: it postulates religious man as the primitive man, the starting-point of history, and in its imagination puts the religious production of fancies in the place of the real production of the means of subsistence and of life itself.

This whole conception of history, together with its dissolution and the scruples and qualms resulting from it, is a purely national affair of the Germans and has merely local interest for Germany, as for instance the important question which has been under discussion in recent times: how exactly one "passes from the realm of God to the realm of Man" [Ludwig Feuerbach, *Ueber das Wesen des Christenthums*] – as if this "realm of God" had ever existed anywhere save in the imagination, and the learned gentlemen, without being aware of it, were not constantly living in the "realm of Man" to which they are now seeking the way; and as if the learned pastime (for it is nothing more) of explaining the mystery of this theoretical bubble-blowing did not on the contrary lie in demonstrating its origin in actual earthly relations. For these Germans, it is altogether simply a matter of resolving the ready-made nonsense they find into some other freak, i.e., of presupposing that all this nonsense has a special *sense* which can be discovered; while really it is only a question of explaining these theoretical phrases from the actual existing relations. The real, practical dissolution of these phrases, the removal of these notions from the consciousness of men, will, as we have already said, be effected by altered circumstances, not by theoretical deductions. For the mass of men, i.e., the proletariat, these theoretical notions do not exist and hence do not require to be dissolved, and if this mass ever had any theoretical notions, e.g., religion, these have now long been dissolved by circumstances.

The purely national character of these questions and solutions is moreover shown by the fact that these theorists believe in all seriousness that chimeras like "the God-Man," "Man," etc., have presided over individual epochs of history (Saint Bruno even goes so far as to assert that only "criticism and critics have made history," [Bruno Bauer, *Charakteristik Ludwig Feuerbachs*] and when they themselves construct historical systems, they skip over all earlier periods in the greatest haste and pass immediately from "Mongolism" [Max Stirner, *Der Einzige und sein Eigenthum*] to history "with meaningful content," that is to say, to the history, of the *Hallische and Deutsche Jahrbücher* and the dissolution of the Hegelian school into a general squabble. They forget all other nations, all real events, and the *theatrum mundi* is confined to the Leipzig book fair and the mutual quarrels of "criticism," [Bruno Bauer] "man," [Ludwig Feuerbach] and "the unique". [Max Stirner] If for once these theorists treat really historical subjects, as for instance the eighteenth century, they merely give a history of ideas, separated from the facts and the practical development underlying them; and even that merely in order to represent that period as an imperfect preliminary stage, the as yet limited predecessor of the truly historical age, i.e., the period of the German philosophic struggle from 1840 to 1844. As might be expected when the history of an earlier period is written with the aim of accentuating the brilliance of an unhistoric person and his fantasies, all the really historic events, even the really historic interventions of politics in history, receive no mention. Instead we get a narrative based not on research but on arbitrary constructions and literary gossip, such as Saint Bruno provided in his now forgotten history of the eighteenth century. [Bruno Bauer, *Geschichte der Politik, Cultur und Aufklärung des achtzehnten Jahrhunderts*] These pompous and arrogant hucksters of ideas, who imagine themselves infinitely exalted above all national prejudices, are thus in practice far more national than the beer-swilling philistines who dream of a united Germany. They do not recognise the deeds of other nations as historical; they live in Germany, within Germany 1281 and for Germany; they turn the Rhine-song [25] into a religious hymn and conquer Alsace and Lorraine by robbing French philosophy instead of the French state, by Germanising French ideas instead of French provinces. Herr Venedey is a cosmopolitan compared with the Saints Bruno and Max, who, in the universal dominance of theory, proclaim the universal dominance of Germany.

Feuerbach: Philosophic, and Real, Liberation

[...] It is also clear from these arguments how grossly Feuerbach is deceiving himself when (Wigand's *Vierteljahrsschrift*, 1845, Band 2) by virtue of the qualification "common man" he declares himself a communist,[26] transforms the latter into a predicate of "man," and thereby thinks it possible to change the word "communist," which in the real world means the follower of a definite revolutionary party, into a mere category. Feuerbach's whole deduction with regard to the relation of men to one another goes only so far as to prove that men need and always have needed each other. He wants to establish consciousness of this fact, that is to say, like the other theorists, merely to produce a correct consciousness about an existing fact; whereas for the real communist it is a question of overthrowing the existing state of things. We thoroughly appreciate, moreover, that Feuerbach, in endeavouring to produce consciousness of just this fact, is going as far as a theorist possibly can, without ceasing to be a theorist and philosopher...

As an example of Feuerbach's acceptance and at the same time misunderstanding of existing reality, which he still shares with our opponents, we recall the passage in the *Philosophie der Zukunft* where he develops the view that the existence of a thing or a man is at the same time its or his essence, that the conditions of existence, the mode of life and activity of an animal or human individual are those in which its "essence" feels itself satisfied. Here every exception is expressly conceived as an unhappy chance, as an abnormality which cannot be altered. Thus if millions of proletarians feel by no means contented with their living conditions, if their "existence" does not in the least correspond to their "essence," then, according to the passage quoted, this is an unavoidable misfortune, which must be borne quietly. The millions of proletarians and communists, however, think differently and will prove this in time, when they bring their "existence" into harmony with their "essence" in a practical way, by means of a revolution. Feuerbach, therefore, never speaks of the world of man in such cases, but always takes refuge in external nature, and moreover in nature which has not yet been subdued by men. But every new invention, every advance made by industry, detaches another piece from this domain, so that the ground which produces examples illustrating such Feuerbachian propositions is steadily shrinking.

The "essence" of the fish is its "being," water – to go no further than this one proposition. The "essence" of the freshwater fish is the water of a river. But the latter ceases to be the "essence" of the fish and is no longer a suitable medium of existence as soon as the river is made to serve industry, as soon as it is polluted by dyes and other waste products and navigated by steamboats, or as soon as its water is diverted into canals where simple drainage can deprive the fish of its medium of existence. The explanation that all such contradictions are inevitable abnormalities does not essentially differ from the consolation which Saint Max Stirner offers to the discontented, saving that this contradiction is their own contradiction and this predicament their own predicament, whereupon then, should either set their minds at ease, keep their disgust to themselves, or revolt against it in some fantastic way. It differs just as little from Saint Bruno's allegation that these unfortunate circumstances are due to the fact that those concerned are stuck in the muck of "substance," have not advanced to "absolute self-consciousness and do not realise that these adverse conditions are spirit of their spirit.

[II. 1. Preconditions of the Real Liberation of Man]

[...] We shall, of course, not take the trouble to enlighten our wise philosophers by explaining to them that the "liberation" of man is not advanced a single step by reducing philosophy, theology, substance and all the trash to "self-consciousness" and by liberating man from the domination of these phrases, which have never held him in thrall. Nor will we explain to them that it is only possible to achieve real liberation in the real world and by employing real means, that slavery cannot be abolished without the steam-engine and the mule and spinning-jenny, serfdom cannot be abolished without improved agriculture, and that, in general, people cannot be liberated as long as they are unable to obtain food and drink, housing and clothing in adequate quality and quantity. "Liberation" is an historical and not a mental act, and it is brought about by historical conditions, the development of industry, commerce, agriculture, the conditions of intercourse...[There is here a gap in the manuscript]

In Germany, a country where only a trivial historical development is taking place, these mental developments, these glorified and ineffective trivialities, naturally serve as a substitute for the lack of historical development, and they take root and have to be combated. But this fight is of local importance.

[2. Feuerbach's Contemplative and Inconsistent Materialism]

In reality and for the practical materialist, i.e. the communist, it is a question of revolutionising the existing world, of practically attacking and changing existing things. When occasionally we find such views with Feuerbach, they are never more than isolated surmises and have much too little influence on his general outlook to be considered here as anything else than embryos capable of development. Feuerbach's conception of the sensuous world is confined on the one hand to mere contemplation of it, and on the other to mere feeling; he says "Man" instead of "real historical man." "Man" is really "the German." In the first case, the contemplation of the sensuous world, he necessarily lights on things which contradict his consciousness and feeling, which disturb the harmony he presupposes, the harmony of all parts of the sensuous world and especially of man and nature. To remove this disturbance, he must take refuge in a double perception, a profane one which only perceives the "flatly obvious" and a higher, philosophical, one which perceives the "true essence" of things. He does not see how the sensuous world around him is, not a thing given direct from all eternity, remaining ever the same, but the product of industry and of the state of society; and, indeed, in the sense that it is an historical product, the result of the activity of a whole succession of generations, each standing on the shoulders of the preceding one, developing its industry and its intercourse, modifying its social system according to the changed needs. Even the objects of the simplest "sensuous certainty" are only given him through social development, industry and commercial intercourse. The cherry-tree, like almost all fruit-trees, was, as is well known, only a few centuries ago transplanted by commerce into our zone, and therefore only by this action of a definite society in a definite age it has become "sensuous certainty" for Feuerbach.

Incidentally, when we conceive things thus, as they really are and happened, every profound philosophical problem is resolved, as will be seen even more clearly later, quite simply into an empirical fact. For instance, the important question of the relation of man to nature (Bruno [Bauer] goes so far as to speak of "the antitheses in nature and history" (p. 110), as though these were two separate "things" and man did not always have before him an historical nature and a natural history) out of which all the "unfathomably lofty works" on "substance" and "self-consciousness" were born, crumbles of itself when we understand that the celebrated "unity of man with nature" has always existed in industry and has existed in varying forms in every epoch according to the lesser or greater development of industry, just like the "struggle" of man with nature, right up to the development of his productive powers on a corresponding basis. Industry and commerce, production and the exchange of the necessities of life, themselves determine distribution, the structure of the different social classes and are, in turn, determined by it as to the mode in which they are carried on; and so it happens that in Manchester, for instance, Feuerbach sees only factories and machines, where a hundred years ago only spinning-wheels and weaving-rooms were to be seen, or in the Campagna of Rome he finds only pasture lands and swamps, where in the time of Augustus he would have found nothing but the vineyards and villas of Roman capitalists. Feuerbach speaks in particular of the perception of natural science; he mentions secrets which are disclosed only to the eye of the physicist and chemist; but where would natural science be without industry and commerce? Even this pure natural science is provided with an aim, as with its material, only through trade and industry, through the sensuous activity of men. So much is this activity, this unceasing sensuous labour and creation, this production, the basis of the whole sensuous world as it now exists, that, were it interrupted only for a year, Feuerbach would not only find an enormous change in the natural world, but would very soon find that the whole world of men and his own perceptive faculty, nay his own existence, were missing. Of course, in all this the priority of external nature remains unassailed, and all this has no application to the original men produced by *generatio aequivoca* [spontaneous generation]; but this differentiation has meaning only insofar as man is considered to be distinct from nature. For that matter, nature, the nature that preceded human history, is not by any means the nature in which Feuerbach lives, it is nature which today no longer exists anywhere (except perhaps on a few Australian coral-islands of recent origin) and which, therefore, does not exist for Feuerbach.

Certainly Feuerbach has a great advantage over the "pure" materialists in that he realises how man too is an "object of the senses." But apart from the fact that he only conceives him as an "object of the senses, not as sensuous activity," because he still remains in the realm of theory and conceives of men not in their given social connection, not under their existing conditions of life, which have made them *what* they are, he never arrives at the really existing active men, but stops at the abstraction "man," and gets no further than recognising "the true, individual, corporeal man," emotionally, i.e. he knows no other "human relationships" "of man to man" than love and friendship, and even then idealised. He gives no criticism of the present conditions of life. Thus he never manages to conceive the sensuous world as the total living sensuous *activity* of the individuals composing it; and therefore when, for example, he sees instead of healthy men a crowd of scrofulous, overworked and consumptive starvelings, he is compelled to take refuge in the "higher perception" and in the ideal "compensation in the species," and thus to relapse into idealism at the very point where the communist materialist sees the necessity, and at the same time the condition, of a transformation both of industry and of the social structure.

As far as Feuerbach is a materialist he does not deal with history, and as far as he considers history he is not a materialist. With him materialism and history diverge completely, a fact which incidentally is already obvious from what has been said.

Ruling Class and Ruling Ideas

The ideas of the ruling class are in every epoch the ruling ideas, i.e. the class which is the ruling material force of society, is at the same time its ruling intellectual force. The class which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it. The ruling ideas are nothing more than the ideal expression of the dominant material relationships, the dominant material relationships grasped as ideas; hence of the relationships which make the one class the ruling one, therefore, the ideas of its dominance. The individuals composing the ruling class possess among other things consciousness, and therefore think. Insofar, therefore, as they rule as a class and determine the extent and compass of an epoch, it is self-evident that they do this in its whole range, hence among other things rule also as thinkers, as producers of ideas, and regulate the production and distribution of the ideas of their age: thus their ideas are the ruling ideas of the epoch. For instance, in an age and in a country where royal power, aristocracy, and bourgeoisie are contending for mastery and where, therefore, mastery is shared, the doctrine of the separation of powers proves to be the dominant idea and is expressed as an "eternal law."

The division of labour, which we already saw above as one of the chief forces of history up till now, manifests itself also in the ruling class as the division of mental and material labour, so that inside this class one part appears as the thinkers of the class (its active, conceptive ideologists, who make the perfecting of the illusion of the class about itself their chief source of livelihood), while the others' attitude to these ideas and illusions is more passive and receptive, because they are in reality the active members of this class and have less time to make up illusions and ideas about themselves. Within this class this cleavage can even develop into a certain opposition and hostility between the two parts, which, however, in the case of a practical collision, in which the class itself is endangered, automatically comes to nothing, in which case there also vanishes the semblance that the ruling ideas were not the ideas of the ruling class and had a power distinct from the power of this class. The existence of revolutionary ideas in a particular period presupposes the existence of a revolutionary class; about the premises for the latter sufficient has already been said above.

If now in considering the course of history we detach the ideas of the ruling class from the ruling class itself and attribute to them an independent existence, if we confine ourselves to saying that these or those ideas were dominant at a given time, without bothering ourselves about the conditions of production and the producers of these ideas, if we thus ignore the individuals and world conditions which are the source of the ideas, we can say, for instance, that during the time that the aristocracy was dominant, the concepts honour, loyalty, etc. were dominant, during the dominance of the bourgeoisie the concepts freedom, equality, etc. The ruling class itself on the whole imagines this to be so. This conception of history, which is common to all historians, particularly since the eighteenth century, will necessarily come up against the phenomenon that increasingly abstract ideas hold sway, i.e. ideas which increasingly take on the form of universality. For each new class which puts itself in the place of one ruling before it, is compelled, merely in order to carry through its aim, to represent its interest as the common interest of all the members of society, that is, expressed in ideal form: it has to give its ideas the form of universality, and represent them as the only rational, universally valid ones. The class making a revolution appears from the very start, if only because it is opposed to a class, not as a class but as the representative of the whole of society; it appears as the whole mass of society confronting the one ruling class. —

Marginal note by Marx: Universality corresponds to (1) the class versus the estate, (2) the competition, world-wide intercourse, etc., (3) the great numerical strength of the ruling class, (4) the illusion of the common interests (in the beginning this illusion is true), (5) the delusion of the ideologists and the division of labour.

— It can do this because, to start with, its interest really is more connected with the common interest of all other non-ruling classes, because under the pressure of hitherto existing conditions its interest has not yet been able to develop as the particular interest of a particular class. Its victory, therefore, benefits also many individuals of the other classes which are not winning a dominant position, but only insofar as it now puts these individuals in a position to raise themselves into the ruling class. When the French bourgeoisie overthrew the power of the aristocracy, it thereby made it possible for many proletarians to raise themselves above the proletariat, but only insofar as they become bourgeois. Every new class, therefore, achieves its hegemony only on a broader basis than that of the class ruling previously, whereas the opposition of the non-ruling class against the new ruling class later develops all the more sharply and profoundly. Both these things determine the fact that the struggle to be waged against this new ruling class, in its turn, aims at a more decided and radical negation of the previous conditions of society than could all previous classes which sought to rule.

This whole semblance, that the rule of a certain class is only the rule of certain ideas, comes to a natural end, of course, as soon as class rule in general ceases to be the form in which society is organised, that is to say, as soon as it is no longer necessary to represent a particular interest as general or the "general interest" as ruling.

Once the ruling ideas have been separated from the ruling individuals and, above all, from the relationships which result from a given stage of the mode of production, and in this way the conclusion has been reached that history is always under the sway of ideas, it is very easy to abstract from these various ideas "the idea," the notion, etc. as the dominant force in history, and thus to understand all these separate ideas and concepts as "forms of self-determination" on the part of the concept developing in history. It follows then naturally, too, that all the relationships of men can be derived from the concept of man, man as conceived, the essence of man, Man. This has been done by the speculative philosophers. Hegel himself confesses at the end of the *Geschichtsphilosophie* that he "has considered the progress of the concept only" and has represented in history the "true theodicy." (p.446.) Now one can go back again to the producers of the "concept," to the theorists, ideologists and philosophers, and one comes then to the conclusion that the philosophers, the thinkers as such, have at all times been dominant in history: a conclusion, as we see[27], already expressed by Hegel. The whole trick of proving the hegemony of the spirit in history (hierarchy Stirner calls it) is thus confined to the following three efforts.

No. 1. One must separate the ideas of those ruling for empirical reasons, under empirical conditions and as empirical individuals, from these actual rulers, and thus recognise the rule of ideas or illusions in history.

No. 2. One must bring an order into this rule of ideas, prove a mystical connection among the successive ruling ideas, which is managed by understanding them as "acts of self-determination on the part of the concept" (this is possible because by virtue of their empirical basis these ideas are really connected with one another and because, conceived as mere ideas, they become self-distinctions, distinctions made by thought).

No. 3. To remove the mystical appearance of this "self-determining concept" it is changed into a person – "Self-Consciousness" – or, to appear thoroughly materialistic, into a series of persons, who represent the "concept" in history, into the "thinkers," the "philosophers," the ideologists, who again are understood as the manufacturers of history, as the "council of guardians," as the rulers. Thus the whole body of materialistic elements has been removed from history and now full rein can be given to the speculative steed.

Whilst in ordinary life every shopkeeper is very well able to distinguish between what somebody professes to be and what he really is, our historians have not yet won even this trivial insight. They take every epoch at its word and believe that everything it says and imagines about itself is true.

This historical method which reigned in Germany, and especially the reason why, must be understood from its connection with the illusion of ideologists in general, e.g. the illusions of the jurist, politicians (of the practical statesmen among them, too), from the dogmatic dreamings and distortions of these fellows; this is explained perfectly easily from their practical position in life, their job, and the division of labour.

C. The Real Basis of Ideology

Division of Labour: Town and Country

[...] [1] From the first there follows the premise of a highly developed division of labour and an extensive commerce; from the second, the locality. In the first case the individuals must be brought together; in the second they find themselves alongside the given instrument of production as instruments of production themselves. Here, therefore, arises the difference between natural instruments of production and those created by civilisation. The field (water, etc.) can be regarded as a natural instrument of production. In the first case, that of the natural instrument of production, individuals are subservient to nature; in the second, to a product of labour. In the first case, therefore, property (landed property) appears as direct natural domination, in the second, as domination of labour, particularly of accumulated labour, capital. The first case presupposes that the individuals are united by some bond: family, tribe, the land itself, etc.; the second, that they are independent of one another and are only held together by exchange. In the first case, what is involved is chiefly an exchange between men and nature in which the labour of the former is exchanged for the products of the latter; in the second, it is predominantly an exchange of men among themselves. In the first case, average, human common sense is adequate — physical activity is as yet not separated from mental activity; in the second, the division between physical and mental labour must already be practically completed. In the first case, the domination of the proprietor over the propertyless may be based on a personal relationship, on a kind of community; in the second, it must have taken on a material shape in a third party - money. In the first case, small industry exists, but determined by the utilisation of the natural instrument of production and therefore without the distribution of labour among various individuals; in the second, industry exists only in and through the division of labour.

[2. The Division of Material and Mental Labour. Separation of Town and Country, The Guild System]

The greatest division of material and mental labour is the separation of town and country. The antagonism between town and country begins with the transition from barbarism to civilisation, from tribe to State, from locality to nation, and runs through the whole history of civilisation to the present day (the Anti-Corn Law League).

The existence of the town implies, at the same time, the necessity of administration, police, taxes, etc.; in short, of the municipality, and thus of politics in general. Here first became manifest the division of the population into two great classes, which is directly based on the division of labour and on the instruments of production. The town already is in actual fact the concentration of the population, of the instruments of production, of capital, of pleasures, of needs, while the country demonstrates just the opposite fact, isolation and separation. The antagonism between town and country can only exist within the framework of private property. It is the most crass expression of the subjection of the individual under the division of labour, under a definite activity forced upon him — a subjection which makes one man into a restricted town-animal, the other into a restricted country-animal, and daily creates anew the conflict between their interests. Labour is here again the chief thing, power over individuals, and as long as the latter exists, private property must exist. The abolition of the antagonism between town and country is one of the first conditions of communal life, a condition which again depends on a mass of material premises and which cannot be fulfilled by the mere will, as anyone can see at the first glance. (These conditions have still to be enumerated.) The separation of town and country can also be understood as the separation of capital and landed property, as the beginning of the existence and development of capital independent of landed property — the beginning of property having its basis only in labour and exchange.

In the towns which, in the Middle Ages, did not derive ready-made from an earlier period but were formed anew by the serfs who had become free, each man's own particular labour was his only property apart from the small capital he brought with him, consisting almost solely of the most necessary tools of his craft. The competition of serfs constantly escaping into the town, the constant war of the country against the towns and thus the necessity of an organised municipal military force, the bond of common ownership in a particular kind of labour, the necessity of common buildings for the sale of their wares at a time when craftsmen were also traders, and the consequent exclusion of the unauthorised from these buildings, the conflict among the interests of the various crafts, the necessity of protecting their laboriously acquired skill, and the feudal organisation of the whole of the country: these were the causes of the union of the workers of each craft in guilds. We have not at this point to go further into the manifold modifications of the guild-system, which arise through later historical developments. The flight of the serfs into the towns went on without interruption right through the Middle Ages. These serfs, persecuted by their lords in the country, came separately into the towns, where they found an organised community, against which they were powerless and in which they had to subject themselves to the station assigned to them by the demand for their labour and the interest of their organised urban competitors. These workers, entering separately, were never able to attain to any power, since, if their labour was of the guild type which had to be learned, the guild-masters bent them to their will and organised them according to their interest; or if their labour was not such as had to be learned, and therefore not of the guild type, they became day-labourers and never managed to organise, remaining an unorganised rabble. The need for day-labourers in the towns created the rabble.

These towns were true "associations", called forth by the direct need, the care of providing for the protection of property, and of multiplying the means of production and defence of the separate members. The rabble of these towns was devoid of any power, composed as it was of individuals strange to one another who had entered separately, and who stood unorganised over against an organised power, armed for war, and jealously watching over them. The journeymen and apprentices were organised in each craft as it best suited the interest of the masters. The patriarchal relationship existing between them and their masters gave the latter a double power — on the one hand because of their influence on the whole life of the journeymen, and on the other because, for the journeymen who worked with the same master, it was a real bond which held them together against the journeymen of other masters and separated them from these. And finally, the journeymen were bound to the existing order by their simple interest in becoming masters themselves. While, therefore, the rabble at least carried out revolts against the whole municipal order, revolts which remained completely ineffective because of their powerlessness, the journeymen never got further than small acts of insubordination within separate guilds, such as belong to the very nature of the guild-system. The great risings of the Middle Ages all radiated from the country, but equally remained totally ineffective because of the isolation and consequent crudity of the peasants.

In the towns, the division of labour between the individual guilds was as yet [quite naturally derived] and, in the guilds themselves, not at all developed between the individual workers. Every workman had to be versed in a whole round of tasks, had to be able to make everything that was to be made with his tools. The limited commerce and the scanty communication between the individual towns, the lack of population and the narrow needs did not allow of a higher division of labour, and therefore every man who wished to become a master had to be proficient in the whole of his craft. Thus there is found with medieval craftsmen an interest in their special work and in proficiency in it, which was capable of rising to a narrow artistic sense. For this very reason, however, every medieval craftsman was completely absorbed in his work, to which he had a contented, slavish relationship, and to which he was subjected to a far greater extent than the modern worker, whose work is a matter of indifference to him.

Capital in these towns was a naturally derived capital, consisting of a house, the tools of the craft, and the natural, hereditary customers; and not being realisable, on account of the backwardness of commerce and the lack of circulation, it descended from father to son. Unlike modern capital, which can be assessed in money and which may be indifferently invested in this thing or that, this capital was directly connected with the particular work of the owner, inseparable from it and to this extent estate capital.

Further Division of Labour

The next extension of the division of labour was the separation of production and commerce, the formation of a special class of merchants; a separation which, in the towns bequeathed by a former period, had been handed down (among other things with the Jews) and which very soon appeared in the newly formed ones. With this there was given the possibility of commercial communications transcending the immediate neighbourhood, a possibility, the realisation of which depended on the existing means of communication, the state of public safety in the countryside, which was determined by political conditions (during the whole of the Middle Ages, as is well known, the merchants travelled in armed caravans), and on the cruder or more advanced needs (determined by the stage of culture attained) of the region accessible to intercourse.

With commerce the prerogative of a particular class, with the extension of trade through the merchants beyond the immediate surroundings of the town, there immediately appears a reciprocal action between production and commerce. The towns enter into relations with one another, new tools are brought from one town into the other, and the separation between production and commerce soon calls forth a new division of production between the individual towns, each of which is soon exploiting a predominant branch of industry. The local restrictions of earlier times begin gradually to be broken down.

It depends purely on the extension of commerce whether the productive forces achieved in a locality, especially inventions, are lost for later development or not. As long as there exists no commerce transcending the immediate neighbourhood, every invention must be made separately in each locality, and mere chances such as irruptions of barbaric peoples, even ordinary wars, are sufficient to cause a country with advanced productive forces and needs to have to start right over again from the beginning. In primitive history every invention had to be made daily anew and in each locality independently. How little highly developed productive forces are safe from complete destruction, given even a relatively very extensive commerce, is proved by the Phoenicians, whose inventions were for the most part lost for a long time to come through the ousting of this nation from commerce, its conquest by Alexander and its consequent decline. Likewise, for instance, glass-painting in the Middle Ages. Only when commerce has become world commerce and has as its basis large-scale industry, when all nations are drawn into the competitive struggle, is the permanence of the acquired productive forces assured.

The Rise of Manufacturing

The immediate consequence of the division of labour between the various towns was the rise of manufactures, branches of production which had outgrown the guild-system. Manufactures first flourished, in Italy and later in Flanders, under the historical premise of commerce with foreign nations. In other countries, England and France for example, manufactures were at first confined to the home market. Besides the premises already mentioned manufactures depend on an already advanced concentration of population, particularly in the countryside, and of capital, which began to accumulate in the hands of individuals, partly in the guilds in spite of the guild regulations, partly among the merchants.

That labour which from the first presupposed a machine, even of the crudest sort, soon showed itself the most capable of development. Weaving, earlier carried on in the country by the peasants as a secondary occupation to procure their clothing, was the first labour to receive an impetus and a further development through the extension of commerce. Weaving was the first and remained the principal manufacture. The rising demand for clothing materials, consequent on the growth of population, the growing accumulation and mobilisation of natural capital through accelerated circulation, the demand for luxuries called forth by the latter and favoured generally by the gradual extension of commerce, gave weaving a quantitative and qualitative stimulus, which wrenched it out of the form of production hitherto existing. Alongside the peasants weaving for their own use, who continued, and still continue, with this sort of work, there emerged a new class of weavers in the towns, whose fabrics were destined for the whole home market and usually for foreign markets too.

Weaving, an occupation demanding in most cases little skill and soon splitting up into countless branches, by its whole nature resisted the trammels of the guild. Weaving was, therefore, carried on mostly in villages and market-centres without guild organisation, which gradually became towns, and indeed the most flourishing towns in each land.

With guild-free manufacture, property relations also quickly changed. The first advance beyond naturally derived estate capital was provided by the rise of merchants whose capital was from the beginning movable, capital in the modern sense as far as one can speak of it, given the circumstances of those times. The second advance came with manufacture, which again made mobile a mass of natural capital, and altogether increased the mass of movable capital as against that of natural capital.

At the same time, manufacture became a refuge of the peasants from the guilds which excluded them or paid them badly, just as earlier the guild-towns had [served] as a refuge for the peasants from [the oppressive landed nobility].

Simultaneously with the beginning of manufactures there was a period of vagabondage caused by the abolition of the feudal bodies of retainers, the disbanding of the swollen armies which had flocked to serve the kings against their vassals, the improvement of agriculture, and the transformation of great strips of tillage into pasture land. From this alone it is clear how this vagabondage is strictly connected with the disintegration of the feudal system. As early as the thirteenth century we find isolated epochs of this kind, but only at the end of the fifteenth and beginning of the sixteenth does this vagabondage make a general and permanent appearance. These vagabonds, who were so numerous that, for instance, Henry VIII of England had 72,000 of them hanged, were only prevailed upon to work with the greatest difficulty and through the most extreme necessity, and then only after long resistance. The rapid rise of manufactures, particularly in England, absorbed them gradually.

With the advent of manufactures, the various nations entered into a competitive relationship, the struggle for trade, which was fought out in wars, protective duties and prohibitions, whereas earlier the nations, insofar as they were connected at all, had carried on an inoffensive exchange with each other. Trade had from now on a political significance.

With the advent of manufacture the relationship between worker and employer changed. In the guilds the patriarchal relationship between journeyman and master continued to exist; in manufacture its place was taken by the monetary relation between worker and capitalist — a relationship which in the countryside and in small towns retained a patriarchal tinge, but in the larger, the real manufacturing towns, quite early lost almost all patriarchal complexion.

Manufacture and the movement of production in general received an enormous impetus through the extension of commerce which came with the discovery of America and the sea-route to the East Indies. The new products imported thence, particularly the masses of gold and silver which came into circulation and totally changed the position of the classes towards one another, dealing a hard blow to feudal landed property and to the workers; the expeditions of adventurers, colonisation; and above all the extension of markets into a world market, which had now become possible and was daily becoming more and more a fact, called forth a new phase of historical development, into which in general we cannot here enter further. Through the colonisation of the newly discovered countries the commercial struggle of the nations amongst one another was given new fuel and accordingly greater extension and animosity.

The expansion of trade and manufacture accelerated the accumulation of movable capital, while in the guilds, which were not stimulated to extend their production, natural capital remained stationary or even declined. Trade and manufacture created the big bourgeoisie; in the guilds was concentrated the petty bourgeoisie, which no longer was dominant in the towns as formerly, but had to bow to the might of the great merchants and manufacturers. Hence the decline of the guilds, as soon as they came into contact with manufacture.

The intercourse of nations took on, in the epoch of which we have been speaking, two different forms. At first the small quantity of gold and silver in circulation involved the ban on the export of these metals; and industry, for the most part imported from abroad and made necessary by the need for employing the growing urban population, could not do without those privileges which could be granted not only, of course, against home competition, but chiefly against foreign. The local guild privilege was in these original prohibitions extended over the whole nation. Customs duties originated from the tributes which the feudal lords exacted as protective levies against robbery from merchants passing through their territories, tributes later imposed likewise by the towns, and which, with the rise of the modern states, were the Treasury's most obvious means of raising money.

The appearance of American gold and silver on the European markets, the gradual development of industry, the rapid expansion of trade and the consequent rise of the non-guild bourgeoisie and of money, gave these measures another significance. The State, which was daily less and less able to do without money, now retained the ban on the export of gold and silver out of fiscal considerations; the bourgeois, for whom these masses of money which were hurled onto the market became the chief object of speculative buying, were thoroughly content with this; privileges established earlier became a source of income for the government and were sold for money; in the customs legislation there appeared the export duty, which, since it only [placed] a hindrance in the way of industry, had a purely fiscal aim.

The second period began in the middle of the seventeenth century and lasted almost to the end of the eighteenth. Commerce and navigation had expanded more rapidly than manufacture, which played a secondary role; the colonies were becoming considerable consumers; and after long struggles the separate nations shared out the opening world market among themselves. This period begins with the Navigation Laws [2] and colonial monopolies. The competition of the nations among themselves was excluded as far as possible by tariffs, prohibitions and treaties; and in the last resort the competitive struggle was carried on and decided by wars (especially naval wars). The mightiest maritime nation, the English, retained preponderance in trade and manufacture. Here, already, we find concentration in one country.

Manufacture was all the time sheltered by protective duties in the home market, by monopolies in the colonial market, and abroad as much as possible by differential duties. The working-up of home-produced material was encouraged (wool and linen in England, silk in France), the export of home-produced raw material forbidden (wool in England), and the [working-up] of imported material neglected or suppressed (cotton in England). The nation dominant in sea trade and colonial power naturally secured for itself also the greatest quantitative and qualitative expansion of manufacture. Manufacture could not be carried on without protection, since, if the slightest change takes place in other countries, it can lose its market and be ruined; under reasonably favourable conditions it may easily be introduced into a country, but for this very reason can easily be destroyed. At the same time through the mode in which it is carried on, particularly in the eighteenth century, in the countryside, it is to such an extent interwoven with the vital relationships of a great mass of individuals, that no country dare jeopardise its existence by permitting free competition. Insofar as it manages to export, it therefore depends entirely on the extension or restriction of commerce, and exercises a relatively very small reaction [on the latter]. Hence its secondary [importance] and the influence of [the merchants] in the eighteenth century. It was the merchants and especially the shippers who more than anybody else pressed for State protection and monopolies; the manufacturers also demanded and indeed received protection, but all the time were inferior in political importance to the merchants. The commercial towns, particularly the maritime towns, became to some extent civilised and acquired the outlook of the big bourgeoisie, but in the factory towns an extreme petty-bourgeois outlook persisted. Cf Aikin, [3] etc. The eighteenth century was the century of trade. Pinto says this expressly: "*Le commerce fait la marotte du siècle*" ; and: "*Depuis quelque temps il n'est plus question que de commerce, de navgation et de marine*." ["Commerce is the rage of the century." "For some time now people have been talking only about commerce, navigation and the navy." - Ed.]

This period is also characterised by the cessation of the bans on the export of gold and silver and the beginning of the trade in money; by banks, national debts, paper money; by speculation in stocks and shares and stockjobbing in all articles; by the development of finance in general. Again capital lost a great part of the natural character which had still clung to it.

[4. Most Extensive Division of Labour. Large-Scale Industry]

The concentration of trade and manufacture in one country, England, developing irresistibly in the seventeenth century, gradually created for this country a relative world market, and thus a demand for the manufactured products of this country, which could no longer be met by the industrial productive forces hitherto existing. This demand, outgrowing the productive forces, was the motive power which, by producing big industry — the application of elemental forces to industrial ends, machinery and the most complex division of labour — called into existence the third period of private ownership since the Middle Ages. There already existed in England the other pre-conditions of this new phase: freedom of competition inside the nation, the development of theoretical mechanics, etc. (Indeed, the science of mechanics perfected by Newton was altogether the most popular science in France and England in the eighteenth century.) (Free competition inside the nation itself had everywhere to be conquered by a revolution — 1640 and 1688 in England, 1789 in France.)

Competition soon compelled every country that wished to retain its historical role to protect its manufactures by renewed customs regulations (the old duties were no longer any good against big industry) and soon after to introduce big industry under protective duties. Big industry universalised competition in spite of these protective measures (it is practical free trade; the protective duty is only a palliative, a measure of defence within free trade), established means of communication and the modern world market, subordinated trade to itself, transformed all capital into industrial capital, and thus produced the rapid circulation (development of the financial system) and the centralisation of capital. By universal competition it forced all individuals to strain their energy to the utmost. It destroyed as far as possible ideology, religion, morality, etc. and where it could not do this, made them into a palpable lie. It produced world history for the first time, insofar as it made all civilised nations and every individual member of them dependent for the satisfaction of their wants on the whole world, thus destroying the former natural exclusiveness of separate nations. It made natural science subservient to capital and took from the division of labour the last semblance of its natural character. It destroyed natural growth in general, as far as this is possible while labour exists, and resolved all natural relationships into money relationships. In the place of naturally grown towns it created the modern, large industrial cities which have sprung up overnight. Wherever it penetrated, it destroyed the crafts and all earlier stages of industry. It completed the victory of the commercial town over the countryside. [Its first premise] was the automatic system. [Its development] produced a mass of productive forces, for which private [property] became just as much a fetter as the guild had been for manufacture and the small, rural workshop for the developing craft. These productive forces received under the system of private property a one-sided development only, and became for the majority destructive forces; moreover, a great multitude of such forces could find no application at all within this system. Generally speaking, big industry created everywhere the same relations between the classes of society, and thus destroyed the peculiar individuality of the various nationalities. And finally, while the bourgeoisie of each nation still retained separate national interests, big industry created a class, which in all nations has the same interest and with which nationality is already dead; a class which is really rid of all the old world and at the same time stands pitted against it. Big industry makes for the worker not only the relation to the capitalist, but labour itself, unbearable.

It is evident that big industry does not reach the same level of development in all districts of a country. This does not, however, retard the class movement of the proletariat, because the proletarians created by big industry assume leadership of this movement and carry the whole mass along with them, and because the workers excluded from big industry are placed by it in a still worse situation than the workers in big industry itself. The countries in which big industry is developed act in a similar manner upon the more or less non-industrial countries, insofar as the latter are swept by universal commerce into the universal competitive struggle. [4]

These different forms are just so many forms of the organisation of labour, and hence of property. In each period a unification of the existing productive forces takes place, insofar as this has been rendered necessary by needs.

The Relation of State and Law to Property

The first form of property, in the ancient world as in the Middle Ages, is tribal property, determined with the Romans chiefly by war, with the Germans by the rearing of cattle. In the case of the ancient peoples, since several tribes live together in one town, the tribal property appears as State property, and the right of the individual to it as mere "possession" which, however, like tribal property as a whole, is confined to landed property only. Real private property began with the ancients, as with modern nations, with movable property. — (Slavery and community) (*dominium ex jure Quiritum* [5]). In the case of the nations which grew out of the Middle Ages, tribal property evolved through various stages — feudal landed property, corporative movable property, capital invested in manufacture — to modern capital, determined by big industry and universal competition, i.e. pure private property, which has cast off all semblance of a communal institution and has shut out the State from any influence on the development of property. To this modern private property corresponds the modern State, which, purchased gradually by the owners of property by means of taxation, has fallen entirely into their hands through the national debt, and its existence has become wholly dependent on the commercial credit which the owners of property, the bourgeois, extend to it, as reflected in the rise and fall of State funds on the stock exchange. By the mere fact that it is a class and no longer an estate, the bourgeoisie is forced to organise itself no longer locally, but nationally, and to give a general form to its mean average interest. Through the emancipation of private property from the community, the State has become a separate entity, beside and outside civil society; but it is nothing more than the form of organisation which the bourgeois necessarily adopt both for internal and external purposes, for the mutual guarantee of their property and interests. The independence of the State is only found nowadays in those countries where the estates have not yet completely developed into classes, where the estates, done away with in more advanced countries, still have a part to play, and where there exists a mixture; countries, that is to say, in which no one section of the population can achieve dominance over the others. This is the case particularly in Germany. The most perfect example of the modern State is North America. The modern French, English and American writers all express the opinion that the State exists only for the sake of private property, so that this fact has penetrated into the consciousness of the normal man.

Since the State is the form in which the individuals of a ruling class assert their common interests, and in which the whole civil society of an epoch is epitomised, it follows that the State mediates in the formation of all common institutions and that the institutions receive a political form. Hence the illusion that law is based on the will, and indeed on the will divorced from its real basis — on free will. Similarly, justice is in its turn reduced to the actual laws.

Civil law develops simultaneously with private property out of the disintegration of the natural community. With the Romans the development of private property and civil law had no further industrial and commercial consequences, because their whole mode of production did not alter. (Usury!)

With modern peoples, where the feudal community was disintegrated by industry and trade, there began with the rise of private property and civil law a new phase, which was capable of further development. The very first town which carried on an extensive maritime trade in the Middle Ages, Amalfi, also developed maritime law. As soon as industry and trade developed private property further, first in Italy and later in other countries, the highly developed Roman civil law was immediately adopted again and raised, to authority. When later the bourgeoisie had acquired so much power that the princes took up its interests in order to overthrow the feudal nobility by means of the bourgeoisie, there began in all countries — in France in the sixteenth century — the real development of law, which in all countries except England proceeded on the basis of the Roman Codex. In England, too, Roman legal principles had to be introduced to further the development of civil law (especially in the case of movable property). (It must not be forgotten that law has just as little an independent history as religion.)

In civil law the existing property relationships are declared to be the result of the general will. The *jus utendi et abutendi* [6] itself asserts on the one hand the fact that private property has become entirely independent of the community, and on the other the illusion that private property itself is based solely on the private will, the arbitrary disposal of the thing. In practice, the abuti has very definite economic limitations for the owner of private property, if he does not wish to see his property and hence his *jus abutendi* pass into other hands, since actually the thing, considered merely with reference to his will, is not a thing at all, but only becomes a thing, true property in intercourse, and independently of the law (a relationship, which the philosophers call an idea). This juridical illusion, which reduces law to the mere will, necessarily leads, in the further development of property relationships, to the position that a man may have a legal title to a thing without really having the thing. If, for instance, the income from a piece of land is lost owing to competition, then the proprietor has certainly his legal title to it along with the *jus utendi et abutendi*. But he can do nothing with it: he owns nothing as a landed proprietor if in addition he has not enough capital to cultivate his ground. This illusion of the jurists also explains the fact that for them, as for every code, it is altogether fortuitous that individuals enter into relationships among themselves (e.g. contracts); it explains why they consider that these relationships [can] be entered into or not at will, and that their content rests purely on the individual [free] will of the contracting parties.

Whenever, through the development of industry and commerce, new forms of intercourse have been evolved (e.g. assurance companies, etc.), the law has always been compelled to admit them among the modes of acquiring property.

12. FORMS OF SOCIAL CONSCIOUSNESS

Notes, written by Marx, intended for further elaboration

The influence of the division of labour on science.

The role of *repression* with regard to the state, law, morality, etc.

It is precisely because the bourgeoisie rules as a class that in the law it must give itself a general expression.

Natural science and history.

There is no history of politics, law, science, etc., of art, religion, etc.

[Marginal note by Marx:] To the "community" as it appears in the ancient state, in feudalism and in the absolute monarchy, to this bond correspond especially the religious conceptions.

Why the ideologists turn everything upside-down.

Clerics, jurists, politicians.

Jurists, politicians (statesmen in general), moralists, clerics.

For this ideological subdivision within a class: 1) *The occupation assumes an independent existence owing to division of labour.* Everyone believes his craft to be the true one. Illusions regarding the connection between their craft and reality are the more likely to be cherished by them because of the very nature of the craft. In consciousness — in jurisprudence, politics, etc. — relations become concepts; since they do not go beyond these relations, the concepts of the relations also become fixed concepts in their mind. The judge, for example, applies the code, he therefore regards legislation as the real, active driving force. Respect for their goods, because their craft deals with general matters.

Idea of law. Idea of state. The matter is turned upside-down in *ordinary* consciousness.

Religion is from the outset *consciousness of the transcendental* arising from actually existing forces.

This more popularly.

Tradition, with regard to law, religion, etc.

Individuals always proceeded, and always proceed, from themselves. Their relations are the relations of their real life-process. How does it happen that their relations assume an independent existence over against them? and that the forces of their own life become superior to them?

In short: division of labour, the level of which depends on the development of the productive power at any particular time.

Landed property. Communal property. Feudal. Modern.

Estate property. Manufacturing property. Industrial capital.

Footnotes

1. Four pages of the manuscript are missing here. - Ed.

2. Navigation Laws — a series of Acts passed in England from 1381 onwards to protect English shipping against foreign companies. The Navigation Laws were modified in the early nineteenth century and repealed in 1849 except for a reservation regarding coasting trade, which was revoked in 1854.

3. The movement of capital, although considerably accelerated, still remained, however, relatively slow. The splitting-up of the world market into separate parts, each of which was exploited by a particular nation, the exclusion of competition among themselves on the part of the nations, the clumsiness of production itself and the fact that finance was only evolving from its early stages, greatly impeded circulation. The consequence of this was a haggling, mean and niggardly spirit which still clung to all merchants and to the whole mode of carrying on trade. Compared with the manufacturers, and above all with the craftsmen, they were certainly big bourgeois; compared with the merchants and industrialists of the next period they remain petty bourgeois. Cf. Adam Smith.

[6. Competition of Individuals and the Formation of Classes]

4. Competition separates individuals from one another, not only the bourgeois but still more the workers, in spite of the fact that it brings them together. Hence it is a long time before these individuals can unite, apart from the fact that for the purposes of this union — if it is not to be merely local — the necessary means, the great industrial cities and cheap and quick communications, have first to be produced by big industry. Hence every organised power standing over against these isolated individuals, who live in relationships, daily reproducing this isolation, can only be overcome after long struggles. To demand the opposite would be tantamount to demanding that competition should not exist in this definite epoch of history, or that the individuals should banish from their minds relationships over which in their isolation they have no control.

5. Ownership in accordance with the law applying to full Roman citizens. - Ed.

6. The right of using and consuming (also: abusing), i.e. of disposing of a thing at will. - Ed.

D. Proletarians and Communism

Individuals, Class, and Community

In the Middle Ages the citizens in each town were compelled to unite against the landed nobility to save their skins. The extension of trade, the establishment of communications, led the separate towns to get to know other towns, which had asserted the same interests in the struggle with the same antagonist. Out of the many local corporations of burghers there arose only gradually the burgher class. The conditions of life of the individual burghers became, on account of their contradiction to the existing relationships and of the mode of labour determined by these, conditions which were common to them all and independent of each individual. The burghers had created the conditions insofar as they had torn themselves free from feudal ties, and were created by them insofar as they were determined by their antagonism to the feudal system which they found in existence. When the individual towns began to enter into associations, these common conditions developed into class conditions. The same conditions, the same contradiction, the same interests necessarily called forth on the whole similar customs everywhere. The bourgeoisie itself with its conditions, develops only gradually, splits according to the division of labour into various fractions and finally absorbs all propertied classes it finds in existence [1] (while it develops the majority of the earlier propertyless and a part of the hitherto propertied classes into a new class, the proletariat) in the measure to which all property found in existence is transformed into industrial or commercial capital. The separate individuals form a class only insofar as they have to carry on a common battle against another class; otherwise they are on hostile terms with each other as competitors. On the other hand, the class in its turn achieves an independent existence over against the individuals, so that the latter find their conditions of existence predestined, and hence have their position in life and their personal development assigned to them by their class, become subsumed under it. This is the same phenomenon as the subjection of the separate individuals to the division of labour and can only be removed by the abolition of private property and of labour itself. We have already indicated several times how this subsuming of individuals under the class brings with it their subjection to all kinds of ideas, etc.

If from a philosophical point of view one considers this evolution of individuals in the common conditions of existence of estates and classes, which followed on one another, and in the accompanying general conceptions forced upon them, it is certainly very easy to imagine that in these individuals the species, or "Man", has evolved, or that they evolved "Man" — and in this way one can give history some hard clouts on the ear. [2] One can conceive these various estates and classes to be specific terms of the general expression, subordinate varieties of the species, or evolutionary phases of "Man".

This subsuming of individuals under definite classes cannot be abolished until a class has taken shape, which has no longer any particular class interest to assert against the ruling class.

The transformation, through the division of labour, of personal powers (relationships) into material powers, cannot be dispelled by dismissing the general idea of it from one's mind, but can only be abolished by the individuals again subjecting these material powers to themselves and abolishing the division of labour. This is not possible without the community. Only in community [with others has each] individual the means of cultivating his gifts in all directions; only in the community, therefore, is personal freedom possible. In the previous substitutes for the community, in the State, etc. personal freedom has existed only for the individuals who developed within the relationships of the ruling class, and only insofar as they were individuals of this class. The illusory community, in which individuals have up till now combined, always took on an independent existence in relation to them, and was at the same time, since it was the combination of one class over against another, not only a completely illusory community, but a new fetter as well. In a real community the individuals obtain their freedom in and through their association.

Individuals have always built on themselves, but naturally on themselves within their given historical conditions and relationships, not on the "pure" individual in the sense of the ideologists. But in the course of historical evolution, and precisely through the inevitable fact that within the division of labour social relationships take on an independent existence, there appears a division within the life of each individual, insofar as it is personal and insofar as it is determined by some branch of labour and the conditions pertaining to it. (We do not mean it to be understood from this that, for example, the rentier, the capitalist, etc. cease to be persons; but their personality is conditioned and determined by quite definite class relationships, and the division appears only in their opposition to another class and, for themselves, only when they go bankrupt.) In the estate (and even more in the tribe) this is as yet concealed: for instance, a nobleman always remains a nobleman, a commoner always a commoner, apart from his other relationships, a quality inseparable from his individuality. The division between the personal and the class individual, the accidental nature of the conditions of life for the individual, appears only with the emergence of the class, which is itself a product of the bourgeoisie. This accidental character is only engendered and developed by competition and the struggle of individuals among themselves. Thus, in imagination, individuals seem freer under the dominance of the bourgeoisie than before, because their conditions of life seem accidental; in reality, of course, they are less free, because they are more subjected to the violence of things. The difference from the estate comes out particularly in the antagonism between the bourgeoisie and the proletariat. When the estate of the urban burghers, the corporations, etc. emerged in opposition to the landed nobility, their condition of existence — movable property and craft labour, which had already existed latently before their separation from the feudal ties — appeared as something positive, which was asserted against feudal landed property, and, therefore, in its own way at first took on a feudal form. Certainly the refugee serfs treated their previous servitude as something accidental to their personality. But here they only were doing what every class that is freeing itself from a fetter does; and they did not free themselves as a class but separately. Moreover, they did not rise above the system of estates, but only formed a new estate, retaining their previous mode of labour even in their new situation, and developing it further by freeing it from its earlier fetters, which no longer corresponded to the development already attained. [3]

For the proletarians, on the other hand, the condition of their existence, labour, and with it all the conditions of existence governing modern society, have become something accidental, something over which they, as separate individuals, have no control, and over which no social organisation can give them control. The contradiction between the individuality of each separate proletarian and labour, the condition of life forced upon him, becomes evident to him himself, for he is sacrificed from youth upwards and, within his own class, has no chance of arriving at the conditions which would place him in the other class.

Thus, while the refugee serfs only wished to be free to develop and assert those conditions of existence which were already there, and hence, in the end, only arrived at free labour, the proletarians, if they are to assert themselves as individuals, will have to abolish the very condition of their existence hitherto (which has, moreover, been that of all society up to the present), namely, labour. Thus they find themselves directly opposed to the form in which, hitherto, the individuals, of which society consists, have given themselves collective expression, that is, the State. In order, therefore, to assert themselves as individuals, they must overthrow the State.

It follows from all we have been saying up till now that the communal relationship into which the individuals of a class entered, and which was determined by their common interests over against a third party, was always a community to which these individuals belonged only as average individuals, only insofar as they lived within the conditions of existence of their class — a relationship in which they participated not as individuals but as members of a class. With the community of revolutionary proletarians, on the other hand, who take their conditions of existence and those of all members of society under their control, it is just the reverse; it is as individuals that the individuals participate in it. It is just this combination of individuals (assuming the advanced stage of modern productive forces, of course) which puts the conditions of the free development and movement of individuals under their control — conditions which were previously abandoned to chance and had won an independent existence over against the separate individuals just because of their separation as individuals, and because of the necessity of their combination which had been determined by the division of labour, and through their separation had become a bond alien to them. Combination up till now (by no means an arbitrary one, such as is expounded for example in the *Contrat social*, but a necessary one) was an agreement upon these conditions, within which the individuals were free to enjoy the freaks of fortune (compare, e.g., the formation of the North American State and the South American republics). This right to the undisturbed enjoyment, within certain conditions, of fortuity and chance has up till now been called personal freedom. These conditions of existence are, of course, only the productive forces and forms of intercourse at any particular time.

Forms of Intercourse

Communism differs from all previous movements in that it overturns the basis of all earlier relations of production and intercourse, and for the first time consciously treats all natural premises as the creatures of hitherto existing men, strips them of their natural character and subjugates them to the power of the united individuals. Its organisation is, therefore, essentially economic, the material production of the conditions of this unity; it turns existing conditions into conditions of unity. The reality, which communism is creating, is precisely the true basis for rendering it impossible that anything should exist independently of individuals, insofar as reality is only a product of the preceding intercourse of individuals themselves. Thus the communists in practice treat the conditions created up to now by production and intercourse as inorganic conditions, without, however, imagining that it was the plan or the destiny of previous generations to give them material, and without believing that these conditions were inorganic for the individuals creating them.

Contradiction between individuals and their conditions of life as contradiction between productive forces and the form of intercourse

The difference between the individual as a person and what is accidental to him, is not a conceptual difference but an historical fact. This distinction has a different significance at different times — e.g. the estate as something accidental to the individual in the eighteenth century, the family more or less too. It is not a distinction that we have to make for each age, but one which each age makes itself from among the different elements which it finds in existence, and indeed not according to any theory, but compelled by material collisions in life.

What appears accidental to the later age as opposed to the earlier — and this applies also to the elements handed down by an earlier age — is a form of intercourse which corresponded to a definite stage of development of the productive forces. The relation of the productive forces to the form of intercourse is the relation of the form of intercourse to the occupation or activity of the individuals. (The fundamental form of this activity is, of course, material, on which depend all other forms - mental, political, religious, etc. The various shaping of material life is, of course, in every case dependent on the needs which are already developed, and the production, as well as the satisfaction, of these needs is an historical process, which is not found in the case of a sheep or a dog (Stirner's refractory principal argument *adversus hominem*), although sheep and dogs in their present form certainly, but *malgré eux,* are products of an historical process.) The conditions under which individuals have intercourse with each other, so long as the above-mentioned contradiction is absent, are conditions appertaining to their individuality, in no way external to them; conditions under which these definite individuals, living under definite relationships, can alone produce their material life and what is connected with it, are thus the conditions of their self-activity and are produced by this self-activity. The definite condition under which they produce, thus corresponds, as long as the contradiction has not yet appeared, to the reality of their conditioned nature, their one-sided existence, the one-sidedness of which only becomes evident when the contradiction enters on the scene and thus exists for the later individuals. Then this condition appears as an accidental fetter, and the consciousness that it is a fetter is imputed to the earlier age as well.

These various conditions, which appear first as conditions of self-activity, later as fetters upon it, form in the whole evolution of history a coherent series of forms of intercourse, the coherence of which consists in this: in the place of an earlier form of intercourse, which has become a fetter, a new one is put, corresponding to the more developed productive forces and, hence, to the advanced mode of the self-activity of individuals - a form which in its turn becomes a fetter and is then replaced by another. Since these conditions correspond at every stage to the simultaneous development of the productive forces, their history is at the same time the history of the evolving productive forces taken over by each new generation, and is, therefore, the history of the development of the forces of the individuals themselves.

Since this evolution takes place naturally, i.e. is not subordinated to a general plan of freely combined individuals, it proceeds from various localities, tribes, nations, branches of labour, etc. each of which to start with develops independently of the others and only gradually enters into relation with the others. Furthermore, it takes place only very slowly; the various stages and interests are never completely overcome, but only subordinated to the prevailing interest and trail along beside the latter for centuries afterwards. It follows from this that within a nation itself the individuals, even apart from their pecuniary circumstances, have quite different developments, and that an earlier interest, the peculiar form of intercourse of which has already been ousted by that belonging to a later interest, remains for a long time afterwards in possession of a traditional power in the illusory community (State, law), which has won an existence independent of the individuals; a power which in the last resort can only be broken by a revolution. This explains why, with reference to individual points which allow of a more general summing-up, consciousness can sometimes appear further advanced than the contemporary empirical relationships, so that in the struggles of a later epoch one can refer to earlier theoreticians as authorities.

On the other hand, in countries which, like North America, begin in an already advanced historical epoch, the development proceeds very rapidly. Such countries have no other natural premises than the individuals, who settled there and were led to do so because the forms of intercourse of the old countries did not correspond to their wants. Thus they begin with the most advanced individuals of the old countries, and, therefore, with the correspondingly most advanced form of intercourse, before this form of intercourse has been able to establish itself in the old countries. This is the case with all colonies, insofar as they are not mere military or trading stations. Carthage, the Greek colonies, and Iceland in the eleventh and twelfth centuries, provide examples of this. A similar relationship issues from conquest, when a form of intercourse which has evolved on another soil is brought over complete to the conquered country: whereas in its home it was still encumbered with interests and relationships left over from earlier periods, here it can and must be established completely and without hindrance, if only to assure the conquerors' lasting power. (England and Naples after the Norman conquest, when they received the most perfect form of feudal organisation.)

[5. The Contradiction Between the Productive Forces and the Form of Intercourse as the Basis for Social Revolution]

This contradiction between the productive forces and the form of intercourse, which, as we saw, has occurred several times in past history, without, however, endangering the basis, necessarily on each occasion burst out in a revolution, taking on at the same time various subsidiary forms, such as all-embracing collisions, collisions of various classes, contradiction of consciousness, battle of ideas, etc., political conflict, etc. From a narrow point of view one may isolate one of these subsidiary forms and consider it as the basis of these revolutions; and this is all the more easy as the individuals who started the revolutions had illusions about their own activity according to their degree of culture and the stage of historical development.

Thus all collisions in history have their origin, according to our view, in the contradiction between the productive forces and the form of intercourse. Incidentally, to lead to collisions in a country, this contradiction need not necessarily have reached its extreme limit in this particular country. The competition with industrially more advanced countries, brought about by the expansion of international intercourse, is sufficient to produce a similar contradiction in countries with a backward industry (e.g. the latent proletariat in Germany brought into view by view by the competition of English industry).

Conquest

This whole interpretation of history appears to be contradicted by the fact of conquest. Up till now violence, war, pillage, murder and robbery, etc. have been accepted as the driving force of history. Here we must limit ourselves to the chief points and take, therefore, only the most striking example — the destruction of an old civilisation by a barbarous people and the resulting formation of an entirely new organisation of society. (Rome and the barbarians; feudalism and Gaul; the Byzantine Empire and the Turks.)

With the conquering barbarian people war itself is still, as indicated above, a regular form of intercourse, which is the more eagerly exploited as the increase in population together with the traditional and, for it, the only possible, crude mode of production gives rise to the need for new means of production. In Italy, on the other hand, the concentration of landed property (caused not only by buying-up and indebtedness but also by inheritance, since loose living being rife and marriage rare, the old families gradually died out and their possessions fell into the hands of a few) and its conversion into grazing land (caused not only by the usual economic forces still operative today but by the importation of plundered and tribute-corn and the resultant lack of demand for Italian corn) brought about the almost total disappearance of the free population. The very slaves died out again and again, and had constantly to be replaced by new ones. Slavery remained the basis of the whole productive system. The plebeians, midway between freemen and slaves, never succeeded in becoming more than a proletarian rabble. Rome indeed never became more than a city; its connection with the provinces was almost exclusively political and could, therefore, easily be broken again by political events.

Nothing is more common than the notion that in history up till now it has only been a question of taking. The barbarians take the Roman Empire, and this fact of taking is made to explain the transition from the old world to the feudal system. In this taking by barbarians, however, the question is, whether the nation which is conquered has evolved industrial productive forces, as is the case with modern peoples, or whether their productive forces are based for the most part merely on their association and on the community. Taking is further determined by the object taken. A banker's fortune, consisting of paper, cannot be taken at all, without the taker's submitting to the conditions of production and intercourse of the country taken. Similarly the total industrial capital of a modern industrial country. And finally, everywhere there is very soon an end to taking, and when there is nothing more to take, you have to set about producing. From this necessity of producing, which very soon asserts itself, it follows that the form of community adopted by the settling conquerors must correspond to the stage of development of the productive forces they find in existence; or, if this is not the case from the start, it must change according to the productive forces. By this, too, is explained the fact, which people profess to have noticed everywhere in the period following the migration of the peoples, namely, that the servant was master, and that the conquerors very soon took over language, culture and manners from the conquered. The feudal system was by no means brought complete from Germany, but had its origin, as far as the conquerors were concerned, in the martial organisation of the army during the actual conquest, and this only evolved after the conquest into the feudal system proper through the action of the productive forces found in the conquered countries. To what an extent this form was determined by the productive forces is shown by the abortive attempts to realise other forms derived from reminiscences of ancient Rome (Charlemagne, etc.).

Contradictions of Big Industry: Revolution

Our investigation hitherto started from the instruments of production, and it has already shown that private property was a necessity for certain industrial stages. In *industrie extractive* private property still coincides with labour; in small industry and all agriculture up till now property is the necessary consequence of the existing instruments of production; in big industry the contradiction between the instrument of production and private property appears from the first time and is the product of big industry; moreover, big industry must be highly developed to produce this contradiction. And thus only with big industry does the abolition of private property become possible.

[9. Contradiction Between the Productive Forces and the Form of Intercourse]

In big industry and competition the whole mass of conditions of existence, limitations, biases of individuals, are fused together into the two simplest forms: private property and labour. With money every form of intercourse, and intercourse itself, is considered fortuitous for the individuals. Thus money implies that all previous intercourse was only intercourse of individuals under particular conditions, not of individuals as individuals. These conditions are reduced to two: accumulated labour or private property, and actual labour. If both or one of these ceases, then intercourse comes to a standstill. The modern economists themselves, e.g. Sismondi, Cherbuliez, etc., oppose "association of individuals" to "association of capital." On the other hand, the individuals themselves are entirely subordinated to the division of labour and hence are brought into the most complete dependence on one another. Private property, insofar as within labour itself it is opposed to labour, evolves out of the necessity of accumulation, and has still, to begin with, rather the form of the communality; but in its further development it approaches more and more the modern form of private property. The division of labour implies from the outset the division of the conditions of labour, of tools and materials, and thus the splitting-up of accumulated capital among different owners, and thus, also, the division between capital and labour, and the different forms of property itself. The more the division of labour develops and accumulation grows, the sharper are the forms that this process of differentiation assumes. Labour itself can only exist on the premise of this fragmentation.

Thus two facts are here revealed. First the productive forces appear as a world for themselves, quite independent of and divorced from the individuals, alongside the individuals: the reason for this is that the individuals, whose forces they are, exist split up and in opposition to one another, whilst, on the other hand, these forces are only real forces in the intercourse and association of these individuals. Thus, on the one hand, we have a totality of productive forces, which have, as it were, taken on a material form and are for the individuals no longer the forces of the individuals but of private property, and hence of the individuals only insofar as they are owners of private property themselves. Never, in any earlier period, have the productive forces taken on a form so indifferent to the intercourse of individuals as individuals, because their intercourse itself was formerly a restricted one. On the other hand, standing over against these productive forces, we have the majority of the individuals from whom these forces have been wrested away, and who, robbed thus of all real life-content, have become abstract individuals, but who are, however, only by this fact put into a position to enter into relation with one another *as individuals*.

The only connection which still links them with the productive forces and with their own existence — labour — has lost all semblance of self-activity and only sustains their life by stunting it. While in the earlier periods self-activity and the production of material life were separated, in that they devolved on different persons, and while, on account of the narrowness of the individuals themselves, the production of material life was considered as a subordinate mode of self-activity, they now diverge to such an extent that altogether material life appears as the end, and what produces this material life, labour (which is now the only possible but, as we see, negative form of self-activity), as the means.

[10. The Necessity, Preconditions and Consequences of the Abolition of Private Property]

Thus things have now come to such a pass that the individuals must appropriate the existing totality of productive forces, not only to achieve self-activity, but, also, merely to safeguard their very existence. This appropriation is first determined by the object to be appropriated, the productive forces, which have been developed to a totality and which only exist within a universal intercourse. From this aspect alone, therefore, this appropriation must have a universal character corresponding to the productive forces and the intercourse.

The appropriation of these forces is itself nothing more than the development of the individual capacities corresponding to the material instruments of production. The appropriation of a totality of instruments of production is, for this very reason, the development of a totality of capacities in the individuals themselves.

This appropriation is further determined by the persons appropriating. Only the proletarians of the present day, who are completely shut off from all self-activity, are in a position to achieve a complete and no longer restricted self-activity, which consists in the appropriation of a totality of productive forces and in the thus postulated development of a totality of capacities. All earlier revolutionary appropriations were restricted; individuals, whose self-activity was restricted by a crude instrument of production and a limited intercourse, appropriated this crude instrument of production, and hence merely achieved a new state of limitation. Their instrument of production became their property, but they themselves remained subordinate to the division of labour and their own instrument of production. In all expropriations up to now, a mass of individuals remained subservient to a single instrument of production; in the appropriation by the proletarians, a mass of instruments of production must be made subject to each individual, and property to all. Modern universal intercourse can be controlled by individuals, therefore, only when controlled by all.

This appropriation is further determined by the manner in which it must be effected. It can only be effected through a union, which by the character of the proletariat itself can again only be a universal one, and through a revolution, in which, on the one hand, the power of the earlier mode of production and intercourse and social organisation is overthrown, and, on the other hand, there develops the universal character and the energy of the proletariat, without which the revolution cannot be accomplished; and in which, further, the proletariat rids itself of everything that still clings to it from its previous position in society.

Only at this stage does self-activity coincide with material life, which corresponds to the development of individuals into complete individuals and the casting-off of all natural limitations. The transformation of labour into self-activity corresponds to the transformation of the earlier limited intercourse into the intercourse of individuals as such. With the appropriation of the total productive forces through united individuals, private property comes to an end. Whilst previously in history a particular condition always appeared as accidental, now the isolation of individuals and the particular private gain of each man have themselves become accidental.

The individuals, who are no longer subject to the division of labour, have been conceived by the philosophers as an ideal, under the name "Man". They have conceived the whole process which we have outlined as the evolutionary process of "Man," so that at every historical stage "Man" was substituted for the individuals and shown as the motive force of history. The whole process was thus conceived as a process of the self-estrangement of "Man," and this was essentially due to the fact that the average individual of the later stage was always foisted on to the earlier stage, and the consciousness of a later age on to the individuals of an earlier. Through this inversion, which from the first is an abstract image of the actual conditions, it was possible to transform the whole of history into an evolutionary process of consciousness.

The Necessity of the Communist Revolution

Finally, from the conception of history we have sketched we obtain these further conclusions:

(1) In the development of productive forces there comes a stage when productive forces and means of intercourse are brought into being, which, under the existing relationships, only cause mischief, and are no longer productive but destructive forces (machinery and money); and connected with this a class is called forth, which has to bear all the burdens of society without enjoying its advantages, which, ousted from society, is forced into the most decided antagonism to all other classes; a class which forms the majority of all members of society, and from which emanates the consciousness of the necessity of a fundamental revolution, the communist consciousness, which may, of course, arise among the other classes too through the contemplation of the situation of this class.

(2) The conditions under which definite productive forces can be applied are the conditions of the rule of a definite class of society, whose social power, deriving from its property, has its practical-idealistic expression in each case in the form of the State; and, therefore, every revolutionary struggle is directed against a class, which till then has been in power. [4]

(3) In all revolutions up till now the mode of activity always remained unscathed and it was only a question of a different distribution of this activity, a new distribution of labour to other persons, whilst the communist revolution is directed against the preceding mode of activity, does away with labour, and abolishes the rule of all classes with the classes themselves, because it is carried through by the class which no longer counts as a class in society, is not recognised as a class, and is in itself the expression of the dissolution of all classes, nationalities, etc. within present society; and

(4) Both for the production on a mass scale of this communist consciousness, and for the success of the cause itself, the alteration of men on a mass scale is, necessary, an alteration which can only take place in a practical movement, a revolution; this revolution is necessary, therefore, not only because the ruling class cannot be overthrown in any other way, but also because the class overthrowing it can only in a revolution succeed in ridding itself of all the muck of ages and become fitted to found society anew.

Footnotes

1. [*Marginal note by Marx:*] To begin with it absorbs the branches of labour directly belonging to the State and then all ±[more or less] ideological estates.

2. The Statement which frequently occurs with Saint Max that each is all that he is through the State is fundamentally the same as the statement that bourgeois is only a specimen of the bourgeois species; a statement which presupposes that the class of bourgeois existed before the individuals constituting it. [*Marginal note by Marx to this sentence:*] With the philosophers pre-existence of the class.

3. N.B. — It must not be forgotten that the serf's very need of existing and the impossibility of a large-scale economy, which involved the distribution of the allotments among the serfs, very soon reduced the services of the serfs to their lord to an average of payments in kind and statute-labour. This made it possible for the serf to accumulate movable property and hence facilitated his escape out of the possession of his lord and gave him the prospect of making his way as an urban citizen; it also created gradations among the serfs, so that the runaway serfs were already half burghers. It is likewise obvious that the serfs who were masters of a craft had the best chance of acquiring movable property.

4. [*Marginal note by Marx:*] The people are interested in maintaining the present state of production.

The Leipzig Council

The Leipzig Council — this is an allusion to the fact that the works of Bruno Bauer and Max Stirner, the two "church fathers" criticised in this section, were published in Leipzig.

In the third volume of the *Wigand'sche Vierteljahrsschrift* for 1845 the battle of the Huns, prophetically portrayed by Kaulbach,[1] actually takes place. The spirits of the slain, whose fury is not appeased even in death, raise a hue and cry, which sounds like the thunder of battles and war-cries, the clatter of swords, shields and iron waggons. But it is not a battle over earthly things. The holy war is being waged not over protective tariffs, the constitution, potato blight[2], banking affairs and railways, but in the name of the most sacred interests of the spirit, in the name of "substance", "self-consciousness", "criticism;', the "unique" and the "true man". We are attending a council of church fathers. As these church fathers are the last specimens of their kind, and as here, it is to be hoped, the cause of the Most High, alias the Absolute, is being pleaded for the last time, it is worth while taking a verbatim report of the proceedings.

Here, first of all, is *Saint Bruno*, who is easily recognised by his *stick* ("become sensuousness, become a *stick*", *Wigand,* p. 130).' His head is crowned with a halo of "pure criticism" and, full of contempt for the world, he wraps himself in his "self-consciousness". He has ',*smashed* religion in its entirety and the state in its manifestations" (p. 138), by violating the concept of "substance" in the name of the most high self-consciousness. The ruins of the church and "debris" of the state lie at his feet, while his glance "strikes clown" the "masses into the dust. He is like God, he has neither father nor mother, he is "his own creation, his own product" (p. 136). In short, he is the "Napoleon" of the spirit, in spirit he is "Napoleon". His spiritual exercises consist in constantly "examining himself, and in this self-examination he finds the impulse to self-determination" (p. 136); as a result of such wearisome self-recording he has obviously become emaciated. Besides "examining" himself — from time to time he "examines" also, as we shall see, the *Westphälische Dampfboot.*

Opposite him stands *Saint Max*, whose services to the Kingdom of God consist in asserting that he has established and proved — on approximately 600 printed pages [Der Einzige und sein Eigenthum] — his identity, that he is not just anyone, not some "Tom, Dick or Harry", but precisely Saint Max and no other. About his halo and other marks of distinction only one thing can be said: that they are "his object and thereby his property", that they are "unique" and "incomparable" and that they are "inexpressible" (p. 148).c He is simultaneously the "phrase" and the "owner of the phrase", simultaneously Sancho Panza and Don Quixote. His ascetic exercises consist of sour thoughts about thoughtlessness, of considerations throughout many pages about inconsiderateness and of the sanctification of unholiness. Incidentally, there is no need for us to elaborate on his virtues, for concerning all the qualities ascribed to him — even if there were more of them than the. names of God among the Muslims — he is in the habit of saying: I am all this and something more, 1 am the all of this nothing and the nothing of this all. He is favourably distinguished from his gloomy rival in possessing a certain solemn "*light-heartedness*" and from time to time he interrupts his serious ponderings with a "*critical hurrah*".

These two grand masters of the Holy Inquisition summon the heretic Feuerbach, who has to defend himself against the grave charge of gnosticism. The heretic Feuerbach, "thunders" Saint Bruno, is in possession of *hyle,* substance, and refuses to hand it over lest my infinite self-consciousness be reflected in it. Self-consciousness has to wander like a ghost until it has taken back into itself all things which arise from it and flow into it. It has already swallowed the whole world, except for this *hyle*, substance, which the gnostic Feuerbach keeps under lock and key and refuses to hand over.

Saint Max accuses the gnostic of doubting the dogma revealed by the mouth of Saint Max himself, the dogma that "every goose, every dog, every horse" is "the perfect, or, if one prefers the superlative degree, the most perfect, man". (*Wigand*, p. 187: "The aforesaid does not lack a tittle of what makes man a man. Indeed, the *same* applies also to every goose, every dog, every, horse.")

Besides the hearing of these important indictments, sentence is also pronounced in the case brought by the two saints against Moses Hess and in the case brought by Saint Bruno against the authors of *Die Heilige Familie*. But as these accused have been busying themselves with "worldly affairs" and, therefore, have failed to appear before the Santa Casa, [3] they are sentenced in their absence to eternal banishment from the realm of the spirit for the term of their natural life.

Finally, the two grand masters are again starting some strange intrigues among themselves and against each other.

Footnotes

1. The Battle of the Huns (Hunnenschlacht), one of the best-known pictures by Wilhelm von Kaulbach, painted in 1834-37, is based on the battle fought by the Huns and the Romans at Châlons in 451. Kaulbach depicts the ghosts of fallen warriors fighting in the air above the battleground

2. A reference to the potato blight of 1845 which affected Ireland, many regions of England and some parts of the Continent. It led to a failure of the potato crop and devastating famine in Ireland.

3. Santa Casa (The Sacred House) — the name of the headquarters of the Inquisition in Madrid

Part II: Saint Bruno

1. “Campaign” Against Feuerbach

Before turning to the solemn discussion which Bauer’s selfconsciousness has with itself and the world, we should reveal one secret. Saint Bruno uttered the battle-cry and kindled the war only because he had to “safeguard” himself and his stale, soured criticism against the ungrateful forgetfulness of the public, only because he had to show that, in the changed conditions of 1845, criticism always remained itself and unchanged. He wrote the second volume of the “good cause and his own cause” [Bruno Bauer’s article “Charakteristik Ludwig Feuerbachs” is here ironically called the second volume of Bauer’s book Die gute.Sache der Freiheit und meine eigene Angelegenheit — The Good Cause of Freedom and My Own Cause]: he stands his ground, he fights *pro aris et focis*. [literally: for altars and hearths, used in the sense of: for house and home — that is, pleading his own cause] In the true theological manner, however, he conceals this aim of his by an appearance of wishing to “characterise” Feuerbach. Poor Bruno was quite forgotten, as was best proved by the polemic between Feuerbach and Stirner, [Feuerbach, “Ueber das ‘Wesen des Chrienthums’ in Bezichung auf den ‘Einzigen und sein Eigenthum'"] which no notice at all was taken of him. For just this reason he seized on this polemic in order to be able to proclaim himself, as the antithesis of the antagonists, their higher unity, the Holy Spirit.

Saint Bruno opens his “campaign” with a burst of artillery fire against Feuerbach, that is to say, with a revised and enlarged reprint of an article which had already appeared in the *Norddeutsche Blätter*. [Bruno Bauer’s article “Ludwig Feuerbach"] Feuerbach is made into a knight of “*substance*” in order that Bauer’s *self-consciousness*” shall stand out in stronger relief. In this trans-substantiation of Feuerbach, which is supposed to be proved by all the writings of the latter, our holy man jumps at once from Feuerbach’s writings on Leibniz and Bayle [The reference is to the following works of Feuerbach: Geschichte der neuern Philosophie. Darstellung, Entwirklung und Kritik der Leibnitzischen Philosophie and Pierre Bayle] to the *Wesen des Christenthmus*, leaving out the article against the “positive philosophers”,[1] in the *Hallische Jahrbücher*. [Ludwig Feuerbach, “Zur Kritik der ‘positiven Philosophie'"] This “oversight” is “in place”. For there Feuerbach revealed the whole wisdom of “selfconsciousness” as against the positive representatives of “substance”, at a time when Saint Bruno was still indulging in speculation on the immaculate conception.

It is hardly necessary to mention that Saint Bruno still continues to prance about on his old-Hegelian war horse. Listen to the first passage in his latest revelations from the Kingdom of God:

"Hegel combined into one Spinoza's substance and Fichte's ego; the unity of both, the combination of these opposing spheres, etc., constitutes the peculiar interest but, at the same time, the weakness of Hegel's philosophy. [...] This contradiction in which Hegel's system was entangled had to be resolved and destroyed. But he could only do this by making it impossible for all time to put the question: what is the relation of self-consciousness to the absolute spirit.... This was possible in two ways. Either self-consciousness had to be burned again in the flames of substance, i.e., the pure substantiality relation had to be firmly established and maintained, or it had to be shown that personality is the creator of its own attributes and essence, that it belongs to the concept of personality in general to posit itself" (the "concept" or the personality"?) "as limited, and again to abolish this limitation which it posits by its universal essence, for precisely this essence is only the result of its inner self-distinction of its activity" (Wigand, pp. 86, 87, 88). [Bruno Bauer, "Charakteristik Ludwig Feuerbachs"]

In *Die Heilige Familie* (p. 220) Hegelian philosophy was represented as a union of Spinoza and Fichte and at the same time the contradiction involved in this was emphasised. The specific peculiarity of Saint Bruno is that, unlike the authors of *Die Heilige Familie,* he does not regard the question of the relation of selfconsciousness to substance as "a point of controversy within Hegelian speculation", but as a world-historic, even an absolute question. This is the sole form in which he is capable of expressing the conflicts of the present day. He really believes that the triumph of selfconsciousness over substance has a most essential influence not only on European equilibrium but also on the whole future development of the Oregon problem[2]. As to the extent to which the abolition of the Corn Laws in England depends on it, very little has so far transpired.[3]

The abstract and nebulous expression into which a real collision is distorted by Hegel is held by this "critical" mind to be the real collision itself. Bruno accepts the *speculative* contradiction and upholds one part of it against the other. A philosophical *phrase* about a real question is for him the real question itself. Consequently, on the one hand, instead of real people and their real consciousness of their social relations, which apparently confront them as something independent, he has the mere abstract expression: *self-consciousness,* just as, instead of real production, he has the *activity of this self-consciousness, which has become independent.* On the other hand, instead of real nature and the actually existing social relations, he has the philosophical summing-up of all the philosophical categories or names of these relations in the expression: *substance*; for Bruno, along with all philosophers and ideologists, erroneously regards thoughts and ideas — the independent intellectual expression of the existing world — as the basis of this existing world. It is obvious that with these two abstractions, which have become senseless and empty, he can perform all kinds of tricks without knowing anything at all about real people and their relations. (See, in addition, what is said about substance in connection with Feuerbach and concerning "humane liberalism" and the "holy" in connection with Saint Max.) Hence, he does not forsake the speculative basis in order to solve the contradictions of speculation; he manoeuvres while remaining on that basis, and he himself still stands so much on the specifically Hegelian basis that the relation of "self-consciousness" to the "absolute spirit" still gives him no peace. In short, we are confronted with the *philosophy of self-consciousness* that was announced in the *der Synoptiker,* carried out in *Das entdenckte Christenthum* and which, unfortunately, was long ago anticipated in Hegel's *Phänomenologie.* This new philosophy of Bauer's was completely disposed of in *Die Heilige Familie* on page 220 et seq. and on pages 304-07. Here, however, Saint Bruno even contrives to caricature himself by smuggling in "personality", in order to be able, with *Stirner*, to portray the single individual as "his own product", and *Stirner* as *Bruno's product.* This step forward deserves a brief notice.

First of all, let the reader compare this caricature with the original, the explanation given of self-consciousness in *Das entdeckte Christenthum*, page 113, and then let him compare this explanation with its prototype, with Hegel's *Phänomenologie*, pages 575, 583 and so on. (Both these passages are reproduced in *Die Heilige Familie*, pages 221, 223, 224.) But now let us turn to the caricature! "Personality in general"! "Concept"! "Universal essence"! "To posit itself as limited and again to abolish the limitation"! "Inner self-distinction"! What tremendous "results"! "Personality 'it general" is either nonsense "in general" or the abstract concept of personality. Therefore, it is part of the "concept" of the concept of personality to "posit itself as limited". This limitation, which belongs to the "concept" of its concept, personality directly afterwards posits "by its universal essence". And after it has again abolished this limitation, it turns out that "precisely this essence" is "the *result* of its inner self-distinction". The entire grandiose result of this intricate tautology amounts, therefore, to Hegel's familiar trick of the self-distinction of man in thought, a self-distinction which the unfortunate Bruno stubbornly proclaims to be the sole activity of "personality in general". A fairly long time ago it was pointed out to Saint Bruno that there is nothing to be got from a "personality" whose activity is restricted to these, by now trivial, logical leaps. At the same time the passage quoted contains the naive admission that the essence of Bauer's "personality" is the concept of a concept, the abstraction of an abstraction.

Bruno's criticism of Feuerbach, insofar as It is new, is restricted to hypocritically representing Stirner's reproaches against Feuerbach *and Bauer* as Bauer's reproaches against Feuerbach. Thus, for example, the assertions that the "essence of man is essence in general and something holy", that "man is the God of man", that the human species is "the Absolute", that Feuerbach splits man "into an essential and an inessential ego" (although Bruno always declares that the abstract is the essential and, in his antithesis of criticism and the mass, conceives this split as far more monstrous than Feuerbach does), that a struggle must be waged against the "predicates of God", etc. On the question of selfish and selfless love, Bruno, polemising with Feuerbach, copies Stirner almost word for word for three pages (pp. 133-35) just as he very clumsily copies Stirner's phrases: "every man is his own creation", "truth is a ghost", and so on. In addition, in Bruno the "creation" is transformed into a "product". We shall return to this exploitation of Stirner by Saint Bruno.

Thus, the first thing that we discovered in Saint Bruno was his continual dependence on Hegel. We shall not, of course, dwell further on the remarks he has copied from Hegel, but shall only put together a few more passages which show how firmly he believes in the power of the philosophers and how he shares their illusion that a modified consciousness, a new turn given to the interpretation of existing relations, could overturn the whole hitherto existing world. imbued with this faith, Saint Bruno also has one of his pupils certify — in issue IV of Wigand's quarterly, p. 327 — that his phrases on personality given above, which were proclaimed by him in issue III, were "world-shattering ideas". ["Ueber das Recht des Freigesprochenen..."]

Saint Bruno says (*Wigand*, p. 95) [Bruno Bauer, "Charakteristik Ludwig Feuerbachs"]

"Philosophy has never been anything but theology reduced to its most general form and given its most rational expression."

This passage, aimed against Feuerbach, is copied almost word for word from Feuerbach's *Philosophie der Zukunft* (p. 2):

"Speculative philosophy is true, consistent, rational theology."

Bruno continues:

"Philosophy, in alliance with religion, has always striven for the absolute dependence of the individual and has actually achieved this by demanding and causing the absorption of the individual life in universal life, of the accident in substance, of man in the absolute spirit."

As if Bruno's "philosophy", "in alliance with" Hegel's, and his still continuing forbidden association with theology, did not "demand", if not "cause", the "absorption of man" in the idea of one of his "accidents", that of self-consciousness, as "substance"! Moreover, one sees from this whole passage with what joy the church father with his "pulpit eloquence" continues to proclaim his "world-shattering" faith in the mysterious power of the holy theologians and philosophers. Of course, in the interests of the "good cause of freedom and his own cause". [ironical allusion to Bauer's book Die gute Sache der Freiheit und meine eigene Angelegenheit] On page 105 our god-fearing man has the insolence to reproach Feuerbach:

“Feuerbach made of the individual, of the depersonalised man of Christianity, not a man, not a true” (!) “real” (!!) “personal” (!!!) “man” (these predicates owe their origin to Die Heilige Familie and Stirner), “but an emasculated man, a slave” —

and thereby utters, *inter alia*, the nonsense that he, Saint Bruno, can *make* people by means of the *mind*. Further on in the same passage he says:

“According to Feuerbach the individual has to subordinate himself to the species, serve it. The species of which Feuerbach speaks is Hegel’s Absolute, and it, too, exists nowhere.”

Here, as in all the other passages, Saint Bruno does not deprive himself of the glory of making the actual relations of individuals dependent on the philosophical interpretation of these relations. He has not the slightest inkling of the correlation which exists between the concepts of Hegel’s “absolute spirit” and Feuerbach’s “species” on the one hand and the existing world on the other. On page 104 the holy father is mightily shocked by the heresy with which Feuerbach transforms the holy trinity of reason, love and will into something that “is *in* individuals and *over* individuals”, as though, in our day, every inclination, every impulse, every need did not assert itself as a force “in the individual and *over* the individual”, whenever circumstances hinder their satisfaction. If the holy father Bruno experiences hunger, for example, without the means of appeasing it, then even his stomach will become a force “*in* him and *over* him”. Feuerbach’s mistake is not that he stated this fact but that in idealistic fashion he endowed it with independence instead of regarding it as the product of a definite and surmountable stage of historical development.

Page 111: “Feuerbach is a slave and his servile nature does not allow him to fulfil the work of a man, to recognise the essence of religion” (what a fine “work of a man"!)....... He does not perceive the essence of religion because he does not know the bridge over which he can make his way to the source of religion.”

Saint Bruno still seriously believes that religion has its own “essence”. As for the “bridge”, “*over which*” one makes one’s way to the “*source* of religion”, this asses’ bridge [a pun in the original: Eselsbrücke — asses’ bridge — an expedient used by dull or lazy people to understand a difficult problem] must certainly be an *aqueduct*. At the same time Saint Bruno establishes himself as a curiously modernised Charon who has been retired owing to the building of the bridge, becoming a *toll-keeper* who demands a *halfpenny* from every person crossing the bridge to the spectral realm of religion. On page 120 the saint remarks:

“How could Feuerbach exist if there were no truth and truth were only a spectre” (Stirner, help!') “of which hitherto man has been afraid?”

The “man” who fears the “spectre” of “truth” is no other than the worthy Bruno himself. Ten pages earlier, on p. 110, he had already let out the following world-shattering cry of terror at the sight of the “spectre” of truth:

“Truth which is never of itself encountered as a ready-made object and which develops itself and reaches unity only in the unfolding of personality.”

Thus, we have here not only truth, this spectre, transformed into a person which develops itself and reaches unity, but in addition this trick is accomplished in a third personality outside it, after the manner of the tapeworm. Concerning the holy man’s former love affair with truth, when he was still young and the lusts of the flesh still strong in him — see *Die Heilige Familie*, p. 115 et seq.' How purified of all fleshly lusts and earthly desires our holy man now appears is shown by his vehement polemic against Feuerbach’s *sensuousness*. Bruno by no means attacks the highly restricted way in which Feuerbach recognises *sensuousness*. He regards Feuerbach’s unsuccessful attempt, since it is an attempt to escape ideology, as — a sin. Of course! Sensuousness is lust of the eye, lust of the flesh and arrogance [cf. 1 John 2:16] — horror and abomination [cf. Ezekiel 11:18] in the eyes of the Lord! Do you not know that to be fleshly minded is death, but to be spiritually minded is life and peace; for to be fleshly, minded is hostility to criticism, and everything of the flesh is of this world. And do you not know that it is written: the works of the flesh are manifest, they are adultery, fornication, uncleanness, obscenity, idolatry, witchcraft, enmity, strife, envy, anger, quarrelsomeness, discord, sinful gangs, hatred, murder, drunkenness, gluttony and the like. [cf. Galatians 5:19-21] I prophesy to you, as I prophesied before, that those who do such works will not inherit the kingdom of criticism; but woe to them for in their thirst for delights they are following the path of Cain and are falling into the error of Balaam, and will perish in a rebellion, like that of Korah. These lewd ones feast shamelessly on your alms, and fatten themselves. They are clouds without water driven by the wind; bare, barren trees, twice dead and uprooted; wild ocean waves frothing their own shame; errant stars condemned to the gloom of darkness for ever. [cf. Jude 11-13] For we have read that in the last days there will be terrible times, people will appear who think much of themselves, lewd vilifiers who love voluptuousness [cf. 2 Timothy 3:1-4] more than criticism, makers of sinful gangs, in short, slaves of the flesh. Such people are shunned by Saint Bruno, who is spiritually minded and loathes the stained covering of the flesh [cf. Jude 23] and for this reason he condemns Feuerbach, whom he regards as the Korah of the gang, to remain outside together with the dogs, the magicians, the debauched and the assassins. [cf. Revelation 22:15] “Sensuousness” — ugh! Not only does it throw the saintly church father into the most violent convulsions, but it even makes him sing, and on page 121 he chants the "song of the end and the end of the song". Sensuousness — do you know, unfortunate one, what sensuousness is? Sensuousness is — a "stick" (p. 130). Seized with convulsions, Saint Bruno even wrestles on one occasion with one of his own theses, just as Jacob of blessed memory wrestled with God, with the one difference that God twisted Jacob's thigh, while our saintly epileptic twists all the limbs and ties of his own thesis, and so, by a number of striking examples, makes clear the identity of subject and object:

"Feuerbach may say what he likes ... all the same he destroys" (!) "man... for he transforms the word man into a mere phrase ... for he does not wholly make" and create" (!) "man, but raises the whole of mankind to the Absolute, for in addition he declares not mankind, but rather the senses to be the organ of the Absolute, and stamps the sensuous — the object of the senses, of perception, of sensation — as the Absolute, the indubitable and the immediately certain. Whereby Feuerbach — such is Saint Bruno's opinion — "can undoubtedly shake layers of the air, but he cannot smash the phenomena of human essence, because his innermost" (!) "essence and his vitalising spirit [...] already destroys the external" (!) "sound and makes it empty and jarring" (p. 121).

Saint Bruno himself gives us mysterious but decisive disclosures about the causes of his nonsensical attitude:

"As though my ego does not also possess just this particular sex, unique, compared with all others, and these particular, unique sex organs," (Besides his "unique sex organs", this noble-minded man also possesses a special "unique sex"!)

This unique sex is explained on page 121 in the sense that:

"sensuousness, like a vampire, sucks all the marrow and blood from the life of man; it is the insurmountable barrier against which man has to deal himself a mortal blow".

But even the saintliest man is not pure! They are all sinners and lack the glory that they should have before "self-consciousness". Saint Bruno, who in his lonely cell at midnight struggles with "substance", has his attention drawn by the frivolous writings of the heretic Feuerbach to women and female beauty. Suddenly his sight becomes less keen; his pure self-consciousness is besmirched, and a reprehensible, sensuous fantasy plays about the frightened critic with lascivious images. The spirit is willing but the flesh is weak. [cf. Matthew 26:41] Bruno stumbles, he falls, he forgets that he is the power that "with its strength binds, frees and dominates the world", [cf. ibid. 16:19] he forgets that these products of his imagination are "spirit of his spirit", he loses all "self-control" and, intoxicated, stammers a dithyramb to female beauty, to its “tenderness, softness, womanliness”, to the “full and rounded limbs” and the “*surging, undulating, seething, rushing and hissing*, wave-like *structure* of the body” of woman. Innocence, however, always reveals itself — even where it sins. Who does not know that a “surging, undulating, wave-like structure of the body” is Something that no eye has ever seen, or ear heard? Therefore — hush, sweet soul, the spirit will soon prevail over the rebellious flesh and set an insurmountable “barrier” to the overflowing, seething lusts, “against which” they will soon deal themselves a “mortal blow”.

“Feuerbach” — the saint finally arrives at this through a critical understanding of Die Heilige Familie — “is a materialist tempered with and corrupted by humanism, i.e., a materialist who is unable to endure the earth and its being” (Saint Bruno knows the being of the earth as distinct from the earth itself, and knows how one should behave in order to “endure the being of the earth"!) “but wants to spiritualism himself and rise into heaven; and at the same time he is a humanist who cannot think and build a spiritual world, but one who is impregnated with materialism”, and so on (p. 123).

Just as for Saint Bruno humanism, according to this, consists in thinking” and in “building a spiritual world”, so materialism consists in the following:

“The materialist recognises only the existing, actual being, matter” (as though man with all his attributes, including thought, were not an “existing, actual being”), “and recognises it as actively extending and realising itself in multiplicity, nature” (p. 123).

First, *matter* is an existing, actual being, but only in itself, concealed; only when it “actively extends and realises itself in multiplicity” (an “existing, *actual* being” “realises itself"!!), only then does it become *nature*. First there exists the *concept* of matter, an abstraction, an idea, and this latter realises itself in actual nature. Word for word the Hegelian theory of the pre-existence of the creative categories. From this point of view it is understandable that Saint Bruno mistakes the philosophical phrases of the materialists concerning matter for the actual kernel and content of their world outlook.

2. Saint Bruno's Views on the Struggle Between Feuerbach and Stirner

Having thus admonished Feuerbach with a few weighty words, Saint Bruno takes a look at the struggle between Feuerbach and the unique. The first evidence of his interest in this struggle is a methodical, triple smile.

"The critic pursues his path irresistibly, confident of victory, and victorious. He is slandered — he smiles. He is called a heretic — he smiles. The old world starts a crusade against him — he smiles."

Saint Bruno — this is thus established — pursues his path but he does not pursue it like other people, he follows a critical course, he accomplishes this important action with a *smile*.

"He does smile his face into more lines than are in the new map, with the augmentation of the Indies. 1 know my lady will strike him: if she do, he'll smile and take it for a great art, [Shakespeare, Twelfth Night, Act III, Scene 2. Marx and Engels quote these lines front the German translation by August Wilhelm von Schlegel. But they have substituted the word Kunst (art) for the word Gunst (favour)] — like Shakespeare's Malvolio.

Saint Bruno himself does not lift a finger to refute his two opponents, he knows a better way of ridding himself of them, he leaves them — *divide et impera* — to their own quarrel. He confronts Stirner with Feuerbach's man (p. 124), and Feuerbach with Stirner's unique (p. 126 et seq.); he knows that they are as incensed against each other as the two Kilkenny cats in Ireland, which so completely devoured each other that finally only their tails remained. [4] And Saint Bruno passes sentence on these tails, declaring that they are "*substance*" and, consequently, condemned to eternal damnation.

In confronting Feuerbach with Stirner he repeats what Hegel said of Spinoza and Fichte, where, as we know, the punctiform ego is represented as one, and moreover the most stable, aspect of substance. However much Bruno formerly raged against egoism, which he even considered the *odor specificus* of the masses, on page 129 he accepts egoism from Stirner — only this should be "not that of Max Stirner", but, of course, that of Bruno Bauer. He brands Stirner's egoism as having the moral defect "that his ego for the support of its egoism requires hypocrisy, deception, external violence". For the rest, be believes (see p. 124) in the critical miracles of Saint Max and sees in the latter's struggle (p. 126) "a real effort to radically destroy substance". Instead of dealing with Stirner's criticism of Bauer's "pure criticism", he asserts on p. 124 that Stirner's criticism could affect him just as little as any other, "because *he himself is the critic*".

Finally Saint Bruno refutes both of thein, Saint Max and Feuerbach, applying almost literally to Feuerbach and Stirner the antithesis drawn by Stirner between the critic Bruno Bauer and the dogmatist.

Wigand, p. 138: "Feuerbach puts himself in opposition to, and thereby" (!) "stands in opposition to, the unique. He is a communist and wants to be one. The unique is an egoist and has to he one; he is the holy one, the other the profane one, he is the good one, the other the evil one, he is God, the other is man. Both are dogmatists."

The point is, therefore, that he accuses both of *dogmatism.*

Der Einzige und sein Eigenthum, p. 194: "The critic is afraid of becoming dogmatic or of putting forward dogmas. Obviously, he would then become the opposite of a critic, a dogmatist; he who as a critic was good, would now become evil, or from being unselfish" (a Communist) "would become an egoist, etc. Not a single dogma! — that is his dogma."

3. Saint Bruno Versus the Authors of *Die Heilige Familie*

Saint Bruno, who has disposed of Feuerbach and Stirner in the manner indicated and who has "cut the unique off from all progress", now turns against the apparent "consequences of Feuerbach", the German Communists and, especially, the authors of *Die Heilige Familie*. The expression "real humanism", which he found in the preface to this polemic treatise, provides the main basis of his hypothesis. He will recall a passage from the Bible:

"And I, brethren, could not speak unto you as unto spiritual, but as unto carnal" (in our case it was just the opposite), "even as unto babes in Christ. I have fed you with milk, and not with meat: for hitherto ye were not able to bear it" (1 Corinthians, 3: 1-2).

The first impression that *Die Heilige Familie* made on the worthy church father was one of profound distress and serious, respectable sorrow. The one good side of the book is that it

"showed what Feuerbach had to become, and the position his philosophy can adopt, if it desires to fight against criticism" (p. 138),

that, consequently, it combined in an easy-going way "desiring" with "what can be" and "what must he", but this good side does not out-weigh its many distressing sides. Feuerbach's philosophy, which strangely enough is presupposed here,

"dare not and cannot understand the critic, dare not and cannot know and perceive criticism in its development, dare not and cannot know that, in relation to all that is transcendental, criticism is a constant struggle and victory, a continual destruction and creation, the sole" (!) "creative and productive principle. It dare not and cannot know how the critic has worked, and still works, to posit and to make" (!) "the transcendental forces, which up to now have suppressed mankind and not allowed it to breathe and live, into what they really are, the spirit of the spirit, the innermost of the innermost, a native thing" (!) "out of and in the native soil, products and creations of self-consciousness. It dare not and cannot know that the critic and only the critic has smashed religion in its entirety, and the state in its various manifestations, etc." (pp. 138,139).

Is this not an exact copy of the ancient Jehovah, who runs after his errant people who found greater delight in the cheerful pagan gods, and cries out:

"Hear me, Israel, and close not your ear, Judah! Am I not the Lord your God, who led you out of the land of Egypt into the land flowing with milk and honey,

and behold, from your earliest youth you have done evil in my sight and angered me with the work of my hands and turned your back unto me and not your face towards me, though 1 invariably tutored you; and you have brought abominations into my house to defile it, and built the high places of Baal in the valley of the son of Himmon, which 1 did not command, and it never entered my head that you should do such abominations; and 1 have sent to you my servant Jeremiah, to whom I did address my word, beginning with the thirteenth year of the reign of King Josiah, son of Amon, unto this day — and for twenty-three years now he has been zealously preaching to you, but ye have not harkened. Therefore says the Lord God: Who has ever heard the like of the virgin of Israel doing such an abomination. For rain water does not disappear so quickly as my people forgets me. 0 earth, earth, earth, hear the word of the Lord!" [cf. Jeremiah 2:6, 32:22, 30, 33-35, 25:3, 19:3, 18:13, 14, 22:29]

Thus, in a lengthy speech on "to dare" and "to be able", Saint Bruno asserts that his communist opponents have misunderstood him. The way in which he describes criticism in this recent speech, the way in which he transforms the former forces that suppressed ',the life of mankind" into "transcendental forces", and these transcendental forces into the "spirit of the spirit", and the way in which he presents "criticism" as the sole branch of production proves that the apparent misconception is nothing but a disagreeable conception. We proved that Bauer's criticism is beneath all criticism, owing to which we have inevitably become dogmatists. He even in all seriousness reproaches us for our insolent disbelief in his ancient phrases. The whole mythology of independent concepts, with Zeus the Thunderer — self-consciousness — at the head, is paraded here once again to the "jingling of hackneyed phrases of a whole janissary band of current categories". (*Literatur-Zeitung*, cf. *Die Heilige Familie,* p. 234). First of all, of course, the myth of the creation of the world, i.e., of the hard "*1abour*" of the critic, which is "the sole creative and productive principle, a constant struggle and victory, a continual destruction and creation", "working" and "having worked". Indeed, the reverend father even reproaches *Die Heilige Familie* for understanding "criticism" in the same way as he understands it himself in the present rejoinder. After taking back "substance" "into the land of its birth, self-consciousness, the criticising and" (since *Die Heilige Familie* also) "the criticised man, and *discarding* it" (self-consciousness here seems to take the place of an ideological lumber-room), he continues:

"It" (the alleged philosophy of Feuerbach) "dare not know that criticism and the critics, as long as they have existed" (!) "have guided and made history, that even their opponents and all the movements and agitations of the present time are their creation, that it is they alone who hold power in their hands, because strength is in their consciousness, and because they derive power from themselves, from their deeds, from criticism, from' their opponents, from their

creations; that only by the act of criticism is man freed. and thereby men also, and man is created" (!) "and thereby mankind as well".

Thus, criticism *and* the critics are first of all two wholly different subjects, existing and operating apart from each other. The critic is a subject different from criticism, and criticism is a subject different from the critic. This personified criticism, criticism as a subject, is precisely that " critical criticism" against which *Die Heilige Familie* was directed. "Criticism and the critics, as long as they have existed, have guided and made history." It is clear that they could not do so "as long as they" did not "exist", and it is equally clear that "as long as they have existed" they "made history" in their own fashion. Finally, Saint Bruno goes so far as to "dare and be able" to give us one of the most profound explanations about the state-shattering power of criticism, namely, that "criticism and the critics hold *power in their hands*, because" (a fine "because"!) "*strength is in their consciousness*", and, secondly, that these great manufacturers of history "hold power in their hands", because they "derive power from themselves and from criticism" (i.e., again from themselves) — whereby it is still, unfortunately, not proven that it is possible to "derive" anything at all from there, from "themselves", from "criticism". On the basis of criticism's own words, one should at least believe that it must be difficult to "derive" from there anything more than the category of "substance" "discarded" there. Finally, criticism also "derives" "from criticism" "power" for a highly monstrous oracular dictum. For it reveals to us a secret that was hidden [cf. Colossians 1 :26] from our fathers and unknown to our grandfathers, the secret that "only by the act of criticism is man created, and thereby mankind as well" — whereas, up to now, criticism was erroneously regarded as an act of people who existed prior to it owing to quite different acts. Hence it seems that Saint Bruno himself came "into the world, from the world, and to the world" through "criticism", i.e., by *generatio aequiioca* [spontaneous generation]. All this is, perhaps, merely another interpretation of the following passage from the Book of Genesis: And Adam *knew*, i.e., criticised, Eve his wife: and she conceived, [cf. Genesis 4: 1] etc.

Thus we see here the whole familiar critical criticism, which was already sufficiently characterised in *Die Heilige Familie*, confronting us again with all its trickery as though nothing had happened. There is no need to be surprised at this, for the saint himself complains, on page 140, that *Die Heilige Familie* "cuts criticism off from all progress". With the greatest indignation Saint Bruno reproaches the authors of *Die Heilige Familie* because, by means of a chemical process, they evaporated Bauer's criticism from its "fluid" state into a *crystalline*" state.

It follows that "institutions of mendicancy", the "baptismal certificate of adulthood", the "regions of pathos and thunder-like aspects", the "Mussulman conceptual affliction" *(Die Heilige Familie,* pp. 2, 3, 4 according to the critical *Literatur-*

Zeitung) — all this is nonsense only if it is understood in the "crystalline" manner. And the twenty-eight historical howlers of which criticism was proved guilty in its excursion on "Englische Tagesfragen" [article by Julius Faucher] — are they not errors when looked at from the "fluid" point of view? Does criticism insist that, from the fluid point of view, it prophesied *a priori* the Nauwerck conflict [5] — long after this had taken place before its eyes — and did not construct it *post festum*? Does it still insist that the word marichal could mean "*farrier*" from the "crystalline" point of view, but from the "fluid" point of view at any rate must mean marshal"? Or that although in the "crystalline" conception "*un fait physique*" may mean "a physical fact", the true "fluid" translation should be "a fact of physics"? Or that "*la malveillance de nos bourgeois juste-milieux*" [the ill will of our middle-of-the-road bourgeois] in the "fluid" state still means "the care-freeness of our good burghers"? Does it insist that, from the "fluid" point of view, "a child that does not, in its turn, become a father or mother is *essentially a* daughter"? That someone can have the task "of representing, as it were, the last tear of grief shed by the past"? That the various concierges, lions, grisettes, marquises, scoundrels and wooden doors in Paris in their "fluid" form are nothing but phases of the mystery "in whose concept in general it belongs to posit itself as limited and again to abolish this limitation which is posted by its universal essence, for precisely this essence is only the result of its inner self-distinction, its activity"[Bruno Bauer, "Charakteristik Ludwig Feuerbachs"]? That critical criticism in the "fluid" sense "pursues its path irresistibly, victorious and confident of victory", when in dealing with a question it first asserts that it has revealed its "true and general significance" and then admits that it "had neither the will nor the right to go beyond criticism", and finally admits that "it had still to take one step but that step was impossible because — it was impossible" (*Die Heilige Familie*, p. 184)? That from the "fluid" point of view "the future is still the work" of criticism, although "fate may *decide* as it will" [B. Bauer, "Neueste Schriften Über die Judenfrage"]? That from the fluid point of view criticism achieved nothing superhuman when it "came into contradiction with its *true elements* — a *contradiction* which had already found its *solution* in *these same elements* [B. Bauer, "Was ist jetzt der Gegenstand der Kritik?"]?

The authors of *Die Heilige Familie* have indeed committed the frivolity of conceiving these and hundreds of other statements as statements expressing firm, "crystalline" *nonsense* — but the synoptic gospels should be read in a "fluid" way, i.e., according to the sense of their authors. and on no account in a "crystalline" way, e., according to their actual nonsense, in order to arrive at true faith and to admire the harmony of the critical household.

"Engels and Marx, therefore, know only the criticism of the Literatur-Zeitung" [Bruno Bauer, "Charakteristik Ludwig Feuerbachs"]

— a deliberate lie, proving how "fluidly" our saint has read a book in which his latest works are depicted merely as the culmination of all the "work he has done". But the church father lacked the calm to read in a crystalline way, for he fears his opponents as rivals who contest his canonisation and "want to deprive him of his sanctity, in order to make *themselves* sanctified".

Let us, incidentally, note the fact that, according to Saint Bruno's present statement, his *Literatur-Zeitung* by no means aimed at founding "social society" or at "representing, as it were, the last tear of grief" shed by German ideology, nor did it aim at putting mind in the sharpest opposition to the mass and developing critical criticism in all its purity, but only — at "depicting the liberalism and radicalism of 1842 and their echoes in their half-heartedness and phrase-mongering", hence at combating the "echoes" of what has long disappeared. *Tant de bruit pour une omelette!* [Much ado about an omelette! An exclamation which Jacques Vallé, Sieur des Barreaux, is supposed to have made when a thunderstorm occurred while he was eating an omelette on a fast-day] Incidentally, it is just here that the conception of history peculiar to German theory is again shown in its "purest" light. The year 1842 is held to be the period of the greatest brilliance of German liberalism, because at that time philosophy took part in politics. Liberalism vanishes for the critic with the cessation of the *Deutsche Jahrbücher* and the *Rheinische Zeitung*, the organs of liberal and radical theory. After that, apparently, there remain only the "echoes" — whereas in actual fact only now, when the German bourgeoisie feels a real need for political power, a need produced by economic relations, and is striving to satisfy has liberalism in Germany an actual existence and thereby 1 the chance of some success.

Saint Bruno's profound distress over *Die Heilige Familie* did not allow him to criticise this work "out of himself, through himself and with himself". To be able to master his pain he had first to obtain the work in a "fluid" form. He found this fluid form in a confused review, teeming with misunderstandings, in the *Westphälische Dampfboot*, May issue, pp. 206-14 All his quotations are taken from passages quoted in the *Westphälische Dampfboot* and he quotes nothing that is not quoted there.

The language of the saintly critic is likewise determined by the language of the Westphalian critic. In the first place, all the statements from the Foreword which are quoted by the Westphalian (Dampfboot, p. 206) are transferred to the *Wigand'sche Vierteljahrsschrift* (pp. 140, 141). This transference forms the chief part of Bauer's criticism, according to the old principle already recommended by Hegel:

"To trust common sense and, moreover, in order to keep up with the times and advance with philosophy, to read reviews of philosophical works, perhaps even their prefaces and introductory paragraphs; for the latter give the general principles on which everything turns, while the former give, along with the historical information, also an appraisal which, because it is an appraisal, even

goes beyond that which is appraised This beaten track can be followed in one's dressing-gown; but the elevated feeling of the eternal, the sacred, the infinite, pursues its path in the vestments of a high priest, a path" which, as we have seen, Saint Bruno also knows how to "pursue" while "striking down" (Hegel, Phänomenologie, p. 54).

The *Westphalian* critic, after giving a few quotations from the preface, continues:

"Thus the preface itself leads to the battlefield of the book", etc. (p. 206).

The *saintly* critic, having transferred these quotations into the *Wigand'sche Vierteljahrsschrift*, makes a more subtle distinction and says:

"Such is the terrain and the enemy which Engels and Marx have created for battle."

From the discussion of the critical proposition: "the worker creates nothing", the *Westphalian* critic gives only the summarising *conclusion.*

The *saintly* critic actually believes that this is all that was said about the proposition, copies out the Westphalian quotation on page 141 and rejoices at the discovery that only "assertions" have been put forward in opposition to criticism.

Of the examination of the critical outpourings about love, the *Westphalian* critic on page 209 first writes out the *corpus delicti* in part and then a few disconnected sentences from the refutation, which he desires to use as an authority for his nebulous, sickly-sweet sentimentality.

On pages 141-42 the *saintly* critic copies him out word for word, sentence by sentence, in the same order as his predecessor quotes.

The *Westphalian* critic exclaims over the corpse of Herr Julius Faucher: "Such is the fate of the beautiful on earth!". [Schiller. Wallenstein's Tod, Act IV, Scene 12]

The *saintly* critic cannot finish his "hard work" without appropriating this exclamation to use irrelevantly on page 142.

The *Westphalian* critic on page 212 gives a would-be summary of the arguments which are aimed against Saint Bruno himself in *Die Heilige Familie.*

The *saintly* critic cheerfully and literally copies out all this stuff together with all the Westphalian exclamations. He has not the slightest idea that *nowhere* in the whole of this polemic discourse does anyone reproach hint for "transforming the problem of political emancipation into that of human emancipation", for "wanting to kill the Jews", for "transforming the Jews into theologians", for "transforming Hegel into Herr Hinrichs", etc. Credulously, the saintly critic repeats the *Westphalian* critic's allegation that in *Die Heilige Familie Marx* volunteers to provide some sort of little scholastic treatise “in reply to Bauer’s *silly self-apotheosis*”. Yet the words “silly self-apotheosis”, which Saint Bruno gives as a *quotation*, are nowhere to be found in the whole of *Die Heilige Familie*, but they do occur with the Westphalian critic. Nor is the little treatise offered as a reply to the “self-*apology*” of criticism on pages 150-63 of *Die Heilige Familie*, but only in the following section on page 165, in connection with the world-historic question: “Why did Herr Bauer *have to* engage in politics?”

Finally on page 143 Saint Bruno presents *Marx* as an “*amusing comedian*”, here again following his Westphalian model, who resolved the “world-historic drama of critical criticism”, on page 213, into a “*most amusing comedy*”.

Thus one sees how the opponents of critical criticism “dare and can” “know *how the critic has worked, and still works*"!

4. Obituary For “M. Hess”

“What Engels and Marx could not yet do, M. Hess has accomplished.”

Such is the great, divine transition which — owing to the relative “can” and “cannot” be done of the evangelists — has taken so firm a hold of the holy man’s fingers that it has to find a place, relevantly or irrelevantly, in every article of the church father.

“What Engels and Marx could not yet do, M. Hess has accomplished.” But what is this “what” that “Engels and Marx could not yet do"? Nothing more nor less, indeed, than — to criticise Stirner. And why was it that Engels and Marx “could *not yet*” criticise Stirner? For the sufficient reason that — Stirner’s book *had not yet appeared* when they wrote *Die Heilige Familie.*

This speculative trick — of joining together everything and bringing the most diverse things into an apparent causal relation — has truly taken possession not only of the head of our saint but also of his fingers. With him it has become devoid of any contents and degenerates into a burlesque manner of uttering tautologies with an important mien. For example, already in the *Allgemeine Literatur-Zeitung* (1, 5) we read:

“The difference between my work and the pages which, for example, a Philippson covers with writing” (that is, the empty pages on which, “for example, a Philippson” writes) “must, therefore, be so constituted as in fact it is"!!! [Bauer, “Neueste Schriften über die Judenfrage"]

“M. Hess”, for whose writings Engels and Marx take absolutely no responsibility, seems such a strange phenomenon to the saintly critic that he is only capable of copying long excerpts from *Die letzten Philosophen* and passing the judgment that “on some points this criticism has not understood Feuerbach *or also*” (O theology!) “the vessel wishes to rebel against the potter”. Cf. Epistle to the Romans, 9: 20-21. Having once more performed the “hard work” of quoting, our saintly critic finally arrives at the conclusion that Hess copies from *Hegel,* since he uses the two words “united” and “development”. Saint Bruno, of course, had in a round-about way to try to turn against Feuerbach the proof given in *Die Heilige Familie* of his own complete dependence on Hegel. “See, that is how Bauer had to end! He fought as best he could against all the Hegelian categories”, with the exception of selfconsciousness — particularly in the glorious struggle of the *Literatur-Zeitung* against Herr Hinrichs. How he fought and conquered them we have already seen. For good measure, let us quote *Wigand*, page 110, where he asserts that

the “true” (1) “solution” (2) “of contradictions” (3) “in nature and history” (4), the “true unity” (5) “of separate relations” (6), the “genuine” (7) “basis” (8) “and abyss” (9) “of religion, the truly infinite” (10), “irresistible, self-creative” (11) “personality” (12) “has not yet been found”.

These three lines contain not two doubtful Hegelian categories, as in the case of Hess, but a round dozen of "true, infinite, irresistible" Hegelian categories which reveal themselves as such by ',the true unity of separate relations" — "see, that is how Bauer had to end"! And if the holy man thinks that in Hess he has discovered a Christian believer, not because Hess "hopes" — as Bruno says — but because he does not hope and because he talks of the "resurrection", then our great church father enables us, on the basis of this same page 1 10, to demonstrate his very pronounced *Judaism*. He declares there

"that the true, living man in the flesh has not yet been born"!!! (a new elucidation about the determination of the "unique sex") "and the mongrel produced" (Bruno Bauer?!?) "is not yet able to master all dogmatic formulas", etc.

That is to say, the *Messiah* is not yet born, the *son of man* has first to come into the world and this world, being the world of the Old Testament, is still under the rod of the *law*, of "dogmatic formulas". Just as Saint Bruno, as shown above, made use of "Engels and Marx" for a transition to Hess, so now the latter serves him to bring Feuerbach finally into causal connection with his excursions on Stirner, *Die* heilige Familie and *Die letzten Philosophen.*

"See, that is how Feuerba.ch had to end!" "Philosophy had to end piously", etc. (Wigand, p. 145.)

The true causal connection, however, is that this exclamation is an imitation of a passage from Hess' *Die letzten Philosophen* aimed against Bauer, among others (Preface, p. 4):

"Thus, [...] and in no other way had the last offspring of the Christian ascetics to take farewell of the world."

Saint Bruno ends his speech for the prosecution against Feuerbach and his alleged accomplices with the reproach to Feuerbach that all he can do is to "trumpet", to "blow blasts on a trumpet", whereas Monsieur B. Bauer or Madame la critique, the "mongrel produced", to say nothing of the continual "destruction", "*drives forth in his triumphal chariot and gathers new triumphs*" (p. 125), "hurls down from the throne" (p. 119), "slays" (p. 111), "strikes down like thunder" (p. 115), "destroys once and for all" (p. 120), "shatters" (p. 121), allows nature merely to "vegetate" (p. 120), builds "stricter" (!) "prisons" (p. 104) and, finally, with "crushing" pulpit eloquence expatiates, on p. 105, in a brisk, pious, cheerful and free ["Brisk, pious, cheerful and free" ("frisch, fromm, fröhlich und frei") — the initial words of a students' saying, which were turned by Ludwig Jahn into the motto of the sport movement he initiated] fashion on the "stably-strongly-firmly-existing", hurling "rock-like matter and rocks" at Feuerbach's head (p. 110) and, in conclusion, by a side thrust vanquishes Saint Max as well, by adding "the most abstract abstractness" and "the hardest hardness" (on p. 124) to "critical criticism", "social society" and "rock-like matter and rocks".

All this Saint Bruno accomplished "through himself, in himself and with himself", because he is "He himself"; indeed, he is "himself always the greatest and can always be the greatest" (*is* and *can* be!) "through himself, in himself and with himself" That's that.

Saint Bruno would undoubtedly be dangerous to the female sex, for he is an "irresistible personality", if "in the same measure on the other hand" he did not fear "sensuousness as the barrier against which man has to deal himself a mortal *blow*". Therefore, "through himself, in himself and with himself" he will hardly pluck any flowers but rather allow them to wither in infinite longing and hysterical yearning for the "irresistible personality", who "possesses this unique sex and these unique, particular sex organs".

[The following passage is crossed out in the manuscript:]

5. Saint Bruno in His “Triumphal Chariot”

Before leaving our church father “victorious and confident of victory”, let us for a moment mingle with the gaping crowd that comes up running just as eagerly when he “drives forth in his triumphal chariot and gathers new triumphs” as when General Tom Thumb with his four ponies provides a diversion. It is not surprising that we hear the humming of street-songs, for to be welcomed with street-songs “belongs after all to the concept” of triumph “in general”.

Footnotes

1. Positive philosophy” — a mystical religious trend (Christian Hermann Weisse, Immanuel Hermann Fichte Junior, Anton Günther, Franz Xaver von Baader, and Friedrich Schelling in his late period), which criticised Hegel’s philosophy from the right. The “positive philosophers” tried to make philosophy subservient to religion, denied the possibility of rational cognition and proclaimed divine revelation the only source of “positive” knowledge. They called “negative” every philosophy which recognised rational cognition as its source

2. Oregon was claimed by both the U.S.A. and Britain. The struggle for the possession of Oregon ended in June 1846 with the division of the territory between the U.S.A. and Britain.

3. The Anti-Corn Law League was founded in 1838 by the Manchester manufacturers Cobden and Bright. The English Corn Laws, first adopted in the 15th century, imposed high tariffs on imported cereals in order to maintain high prices for them in the home market. In the first third of the 19th century, in 1815, 1822 and later, several laws were passed changing the conditions for corn imports, and in 1828 a sliding scale was introduced which raised import tariffs on corn when prices in the home market declined and, on the other hand, lowered tariffs when prices rose in Britain. The League widely exploited the popular discontent over the raising of corn prices. In its efforts to obtain the repeal of the Corn Laws and the establishment of complete freedom of trade, it aimed at weakening the economic and political positions of the landed aristocracy and lowering the cost of living thus making possible a lowering of the workers’ wages. The struggle between the industrial bourgeoisie and the landed aristocracy over the Corn Laws ended with the repeal of these laws in 1846.

4. The expression “to fight like Kilkenny cats” originated at the end of the 18th century. During the Irish uprising of 1798 the town of Kilkenny was occupied by Hessian mercenaries serving in the British army, who used to amuse themselves by watching fights between cats with their tails tied together. One day, a soldier, seeing

an officer approaching, cut off the cats' tails with his sword and the cats ran away. The officer was told that the cats had eaten each other and only their tails remained

5. An allusion to the conflict between the Young Hegelian Karl Nauwerck and the professors of the Faculty of Philosophy at Berlin University (see Chapter III of The Holy Family, the MECW, Vol. 4, pp. 17-18)

Part III: Saint Max

The structure of this chapter parodies Stirner's manner of presenting his material. In his book Der Einzige und sein Eigenthum Stirner often interrupts his exposition with "episodical insertions" which are not directly connected with the subject-matter. Poking fun at this manner, Marx and Engels begin the chapter with a reference to Stirner's article "Recensenten Stirners" (published in Wigand' Vierteljahrsschrift, Vol. 3), which they ironically call "Apologetical Commentary". It is Stirner's reply to the criticism of his book by Szeliga, Feuerbach and Hess. Then follows a lengthy "episodical insertion", which takes up nearly the whole of this long chapter. It contains a critical analysis of Stirner's book, and only at the end of the chapter, in Section 2, do Marx and Engels return to the above-mentioned article. The structure of the "episode" corresponds to that of the book they criticised, and, just like the latter, it comprises two parts ironically entitled "The Old Testament: Man", and "The New Testament: 'Ego"'. The corresponding parts in Stirner's book are entitled "Der Mensch" ("Man") and "Ich" ("Ego"). In the subheadings Marx and Engels also use the names of chapters and sections of Stirner's book, in many cases giving them an ironical twist

"Was jehen mir die jrinen Beeme an?"

["What are the green trees to me?" — a paraphrase (in the Berlin dialect) from Heine's work Reisebilder, Dritter Teil "Die Bäder von Lucca", Kapitel IV]

Saint Max exploits, "employs" or "uses" the Council to deliver a long apologetic commentary on "*the book*", which is none other than "*the* book", the book as such, the book pure and simple, i.e., the perfect book, the Holy Book, the book as something holy, the book as the holy of holies, the book in heaven, viz., *Der Einzige und sein Eigenthum*. "The book", as we know, *fell* from the heavens towards the end of 1844 and took on the shape of a servant with O. Wigand in Leipzig [1]. It was, therefore, at the mercy of the vicissitudes of terrestrial life and was attacked by three "unique ones", viz., the mysterious personality of *Szeliga*, the gnostic *Feuerbach* and *Hess*. [Szeliga, "Der Einzige und sein Eigenthum"; Feuerbach, "Über das 'Wesen des Christenthums' in Beziehung auf den 'Einzigen und sein Eigenthum"'; Hess, Die letzten Philosophen] However much at every moment Saint Max as creator towers over himself as a creation, as he does over his other creations, he nevertheless took pity on his weakly offspring and, in order to defend it and ensure its safety, let out a loud "critical hurrah". In order to fathom in all their significance both this "critical hurrah" and *Szeliga's* mysterious personality, we must here, to some extent, deal with church history and look more closely at "the book".

Or, to use the language of Saint Max: we "shall episodically put" "into this passage" a church-historical "meditation" on *Der Einzige und sein Eigenthum* "simply because" "it seems to us that it could contribute to the elucidation of the rest".

"Lift up your heads, O ye gates; and be ye lift up, ye everlasting doors; and the King of Glory shall come in.

"Who is this King of Glory? The War-Lord strong and mighty, the War-Lord mighty in battle.

"Lift up your heads, 0 ye gates; even lift them up, ye everlasting doors; and the King of Glory, shall come in.

"Who is this King of Glory? The Lord Unique, he is the King of Glory," (Psalms, 24:7-10).

Part I. The Unique and His Property

The man who "has based his cause on nothing' [here and below Marx and Engels paraphrase the first lines of Goethe's poem Vanitas! Vanitatum Lanitas!] begins his lengthy "critical hurrah" like a good German, straightway with a Jeremiad: "Is there anything that is not to be my cause?" (p. 5 of the "book"). And he continues lamenting heart-rendingly that "everything is to be his cause", that "God's cause, the cause of mankind, of truth and freedom, and in addition the cause of his people, of his lord", and thousands of other good causes, are imposed on him. Poor fellow! The French and English bourgeois complain about lack of markets, trade crises, panic on the stock exchange, the political situation prevailing at the moment, etc.; the German petty bourgeois, whose active participation in the bourgeois movement has been merely an ideal one, and who for the rest exposed only himself to risk, sees his own cause simply as the "good cause", the "cause of freedom, truth, mankind", etc.

Our German school-teacher simply believes this illusion of the German petty bourgeois and on three pages he provisionally discusses all these good causes.

He investigates "God's cause", "the cause of mankind" (pp. 6 and 7) and finds these are "purely egoistical causes", that both "God" and "mankind" worry only about what is *theirs*, that "truth, freedom, humanity, justice" are "only interested in themselves and not in us, only in their own well-being and not in ours" — from which he concludes that all these persons "are thereby exceptionally well-off". He goes so far as to transform these idealistic phrases — God, truth, etc. — into prosperous burghers who "are exceptionally well-off" and enjoy a "*profitable* egoism". But this vexes the holy egoist: "And I?" he exclaims.

"I, for my part, draw the lesson from this and, instead of continuing to serve these great egoists, I should rather be an egoist myself!" (p. 7)

Thus we see what holy motives guide Saint Max in his transition to egoism. It is not the good things of this world, not treasures which moth and rust corrupt, not the capital belonging to his fellow unique ones, but heavenly treasure, the capital which belongs to God, truth, freedom, mankind, etc., that gives him no peace.

If it had not been expected of him that he should serve numerous good causes, he would never have made the discovery that he also has his "own" cause, and therefore he would never have based this cause of his "on nothing" (i.e., the "book").

If Saint Max had looked a little more closely at these various causes" and the "owners" of these causes, e.g., God, mankind, truth, he would have arrived at the opposite conclusion: that egoism based on the egoistic mode of action of these persons must be just as imaginary as these persons themselves.

Instead of this, our saint decides to enter into competition with "God" and "truth" and to base his cause on himself —

"on myself, on the I that is, just as much as God, the nothing of everything else, the I that is everything for me, the I that is the unique.... I am nothing in the sense of void, but the creative nothing, the nothing from which I myself, as creator, create everything."

The holy church father could also have expressed this last proposition as follows: I am everything in the void of nonsense, "*but*" I am the nugatory creator, the all, from which I myself, as creator, create nothing.

Which of these two readings is the correct one will become evident later. So much for the preface.

The "book" itself is divided like the book "of old", into the Old and New Testament — namely, into the unique history of man (the Law and the Prophets) and the inhuman history of the unique (the Gospel of the Kingdom of God). The former is history in the framework of logic, the logos confined in the past; the latter is logic in history, the emancipated logos, which struggles against the present and triumphantly overcomes it.

The Old Testament: Man [2]

1. The Book of Genesis, i.e., A Man's Life

Saint Max pretends here that he is writing the *biography* of his mortal enemy, "*man*", and not of a "*unique*" or "real individual". This ties him up in delightful contradictions.

As becomes every normal genesis "a man's life" begins *ab ovo,* with the "child". As revealed to us on page 13, the child

"from the outset lives a life of struggle against the entire world, it resists everything and everything resists it". "Both remain enemies" but "with awe and respect" and "are constantly on the watch, looking for each other's weaknesses".

This is further amplified, on page 14:

"we", as children, "try to find out the basis of things or what lies behind them; therefore" (so no longer out of enmity) "we are trying to discover everybody's weaknesses". (Here the finger of Szeliga, the mystery-monger, is evident.)

Thus, the *child* immediately becomes a *metaphysician*, trying to find out the "*basis* of things". This *speculating* child, for whom "the nature of things" lies closer to his heart than his toys, "sometimes" in the long run, succeeds in coping with the "world of things", conquers it and then enters a new phase, the *age of youth*, when he has to face a new "'arduous struggle of life", the struggle against reason, for the "*spirit means the first self-discovery*" and: "We are above the world, we are spirit" (p. 15). The point of view of the youth is a "heavenly one"; the child merely "*learned*", "he did not dwell on purely logical or theological problems" —*just as* (the child) "Pilate" hurriedly passed over the question: "What is truth?" (p. 17). The youth "tries to master thoughts", he "understands ideas, the *spirit*" and "seeks ideas"; he "is engrossed in thought" (p. 16), he has "absolute thoughts, i.e., *nothing but thoughts,* logical thoughts". The youth who thus "deports himself", instead of chasing after young women and other earthly things, is no other than the young "Stirner", the studious Berlin youth, busy with Hegel's logic and gazing with amazement at the great Michelet. Of *this* youth it is rightly said on page 17:

"to bring to light pure thought, to devote oneself to it — in this is the joy of youth, and all the bright images of the world of thought — truth, freedom, mankind, Man, etc. — illumine and inspire the youthful soul."

This youth then "throws aside" the "object" as well and "occupies himself" exclusively "with his thoughts";

“he includes all that is not spiritual under the contemptuous name of external things, and if, all the same, he does cling to such external things as, for example, students’ customs, etc., it happens only when and because he discovers spirit in them, i.e., when they become symbols for him”. (Who will not “discover” “Szeliga” here?)

Virtuous Berlin youth! The beer-drinking ritual of the students’ association was for him only a “symbol” and only for the sake of the “symbol” was he after a drinking bout many a time found under the table, where he probably also wished to “discover spirit"! — How virtuous is this good youth, whom old *Ewald,* who wrote two volumes on the “virtuous youth”, [Johann Ludwig Ewald, Der gute Jüngling, gute Gatte und Vater, oder Mittel, um es zu werden.] could have taken as a model, is seen also from the fact that it was “made known” to him (p. 15): “Father and mother should be abandoned, all natural authority should be .considered broken.” For him, “the rational man, the family as a natural authority does not exist; there follows a renunciation of parents, brothers and sisters, etc.” — But they are all “re-born as *spiritual*, *rational* authority”, thanks to which the good Youth reconciles obedience and fear of one’s parents with his speculating conscience, and everything remains as before. Likewise “it is said” (p. 15): “We ought to obey God rather than men.” [The Acts of the Apostles 5: 29] Indeed, the good youth reaches the highest peak of morality on page 16, where “it is said": “One should obey one’s conscience rather than God.” This moral exultation raises him even above the “revengeful Eumenides” and even above the “anger of Poseidon” — he is afraid of nothing so much as his “conscience”. Having discovered that “the spirit is the essential” he no longer even fears the following perilous conclusions:

“If, however, the spirit is recognised as the essential, nevertheless it makes a difference whether the spirit is poor or rich, and therefore” (!) “one strives to become rich In spirit; the spirit wishes to expand, to establish its realm, a realm not of this world, which has just been overcome. In this way, the spirit strives to become all in all” [1 Corinthians 15:28] (what way is this?), “i.e., although I am spirit, nevertheless I am not perfect spirit and must” (?) “first seek the perfect spirit” (p. 1 7).

“Nevertheless *it* makes a difference.” — *It*”, what is this? What is the “It” that makes the differences We shall very often come across this mysterious “It” in our holy man, and it will then turn out that it is the unique from the standpoint of *substance,* the beginning of “unique” logic, and as such the true identity of Hegel’s “being” and “nothing”. Hence, for everything that this “It” does, says or performs, we shall lay the responsibility on our saint, whose relation to it is that of its creator. First of all, this “It”, as we have seen, makes a difference between poor and rich. And why? Because “the spirit is recognised as the essential”. Poor “It”, which without this recognition would never have arrived at the difference between poor and rich! “And therefore *one* strives", etc. "*One!*" We have here the second impersonal person which, together with the "It", is in Stirner's service and must perform the heaviest menial work for him. How these two are accustomed to support each other is clearly seen here. Since "It" makes a difference whether the spirit is poor or rich, lone" (could anyone but Stirner's faithful servant [F. Szeliga] have had this idea!) — "*one, therefore,* strives to become rich in spirit". "It" gives the signal and immediately "one" joins in at the top of its voice. The division of labour is classically carried out.

Since "one strives to become *rich in spirit, the spirit* wishes to expand, to establish *its realm*", etc. "If however" a connection is present here "it still makes a difference" whether "one" wants to become "*rich in spirit*" or whether "*the spirit* wants to establish its realm". Up to now "*the spirit*" has *not* wanted *anything*, "*the spirit*" has not yet figured as a *person* — it was only a matter of the spirit of the "youth", and not of "*the spirit*" as such, of the spirit as *subject.* But our holy writer now needs a spirit different from that of the youth, in order to place it in opposition to the latter as a foreign, and in the last resort, as a holy spirit. *Conjuring trick* No. 1.

"In this way the spirit strives to become all in all", a somewhat obscure statement, which is then explained as follows:

"Although I am spirit, nevertheless I am not perfect spirit and must first seek the perfect spirit."

But if Saint Max is the "Imperfect spirit", "nevertheless it makes a difference" whether he has to "*perfect*" *his* spirit or seek "*the perfect* spirit". A few lines earlier he was in fact dealing only with the "poor" and "rich" spirit — a quantitative, profane distinction — and now there suddenly appears the "*imperfect*" and "*perfect*" spirit — a qualitative, mysterious distinction. The striving towards the development of one's own spirit can now be transformed into the hunt of the "imperfect spirit" for "*the* perfect spirit". The holy spirit wanders about like a ghost. *Conjuring trick* No. 2. The holy author continues:

"But thereby" (i.e., by the transformation of the striving towards "perfection" my spirit into the search for "the perfect spirit") " I, who have only just found myself as spirit, at once lose myself again, in that I bow down before the perfect spirit, as a spirit which is not my own, but a spirit of the beyond, and I feel my emptiness " (p. 18).

This is nothing but a further development of conjuring trick No. 2. After the "perfect spirit" has been *assumed* as an *existing being* and opposed to the "imperfect spirit", it becomes obvious that the "imperfect spirit", the youth, painfully feels his "emptiness" to the depths of his soul. Let us go on!

"True, it is all a matter of spirit, but is every spirit the right spirit? The right and true spirit is the ideal of the spirit, the 'holy spirit'. It is not my or your spirit

but precisely" (!) — "an ideal spirit, a spirit of the beyond — 'God'. 'God is spirit" [John 4: 24] (p. 18).

Here the "perfect spirit" has been suddenly transformed into the "right" spirit, and immediately afterwards into the "right and true spirit". The latter is more closely defined as the "Ideal of the spirit, the holy spirit" and this is proved by the fact that it is "not my or your spirit but *precisely,* a spirit of the beyond, an ideal spirit — God". The true spirit is the *ideal* of the spirit, "precisely" because it is *ideal*! It is the holy spirit "precisely" because it is — God! What "virtuosity of thought"! We note also in passing that up to now nothing was said about "your" spirit. Conjuring trick No. 3.

Thus, if I seek to train myself as a mathematician, or, as Saint Max puts it, to "perfect" myself as a mathematician, then I am seeking the "perfect" mathematician, i.e., the "right and true" mathematician, the "ideal" of the mathematician, the "holy" mathematician, who is distinct from me and you (although in my eyes you may be a perfect mathematician, just as for the Berlin youth his professor of philosophy is the perfect spirit); but a mathematician who is "precisely ideal, of the beyond", the mathematician in the heavens, "God". God is a mathematician.

Saint Max arrives at all these great results because "it makes a difference whether the spirit is rich or poor"; i.e., in plain language, it makes a difference whether anyone is rich or poor in spirit, and because his "youth" has discovered this remarkable fact.

On page 18 Saint Max continues:

"It divides the man from the youth that the former takes the world as it is", etc.

Consequently, we do not learn how the youth arrives at the point where he suddenly takes the world "as it is", nor do we see our holy dialectician making the transition from youth to man, we merely learn that "*It*" has to perform this service and "*divide*" the youth from the man. But even this "It" by itself does not suffice to bring the cumbersome wagon-load of unique thoughts into motion. For after "It" has "divided the man from the youth", the man all the same relapses again into the youth, begins to occupy himself afresh "exclusively with the spirit" and does not get going until "one" hurries to his assistance with a change of horses. "Only when one has grown fond of oneself *corporeally*, etc." (p. 18), "only then" everything goes forward smoothly again, the man discovers that he has a personal interest, and arrives at "the *second self-discovery*", *in* that he not only "finds himself as spirit", like the youth, "and then at once loses himself again in the universal spirit", but finds himself "as *corporeal* spirit" (p. 19). This "corporeal spirit" finally arrives at having an "interest not only in its own spirit" (like the youth), "but in total satisfaction, in the satisfaction of the whole fellow" (an interest in the satisfaction of the whole fellow!) — he arrives at the point where "he is pleased with himself exactly as he is". Being a German, Stirner's "man" arrives at everything very late. He could see, sauntering along the Paris boulevards or in London's Regent Street, hundreds of "young men", fops and dandies who have not yet found themselves as "corporeal spirits" and are nevertheless "pleased with themselves exactly as they are", and whose main interest lies in the ',satisfaction of the whole fellow" This second "self-discovery" fills our holy dialectician with such enthusiasm that he suddenly forgets his role and begins to speak not of the *man*, but of *himself*, and reveals that he himself, he the unique, is "the man", and that "the man" = "the unique". A new conjuring trick.

"How I find myself" (it should read: "how the youth finds himself") "behind the things, and indeed as spirit, so subsequently, too, I must find myself" (it should read: "the man must find himself") "behind the thoughts, i.e., as their creator and owner. In the period of spirits, thoughts outgrew me" (the youth), "although they were the offspring of my brain; like delirious fantasies they floated around me and agitated me greatly, a dreadful power. The thoughts became themselves corporeal, they were spectres like God, the Emperor, the Pope, the Fatherland, etc,; by destroying their corporeality, I take them back into my own corporeality and announce: I alone am corporeal. And now I take the world as it is for me, as my world, as my property: I relate everything to myself."

Thus, the man, identified here with the "unique", having first given thoughts corporeality, i.e., having transformed them into spectres, now destroys this corporeality again, by taking them back into his own body, which he thus makes into a body of spectres. The fact that he arrives at his own corporeality only through the negation of the spectres, shows the nature of this constructed corporeality of the man, which he has first to "announce" to "himself", in order to believe in it. But what he "announces to himself" he does not even announce" correctly. The fact that apart from his "unique" body there are not also to be found in his head all kinds of independent bodies, spermatozoa, he transforms into the "*fable*": I *alone* am corporeal. Another conjuring trick.

Further, the man who, as a youth, stuffed his head with all kinds of nonsense about existing powers and relations such as the Emperor, the Fatherland, the State, etc., and knew them only as his own "delirious fantasies", in the form of his conceptions — this man, *according to Saint Max, actually destroys all these powers* by getting out of his head his false opinion of them. On the contrary: now that he no longer looks at the world through the spectacles of his fantasy, he has to think of the practical interrelations of the world, to get to know them and to act in accordance with them. By destroying the *fantastic* corporeality which the world had for him, he finds its real corporeality outside his fantasy. With the disappearance of the *spectral* corporeality of the Emperor, what disappears for him is not the corporeality, but the *spectral* *character* of the Emperor, the actual power of whom he can now at last appreciate in all its scope. Conjuring trick No. 3[a].

The youth as a man does not even react critically towards ideas which are valid also for others and are current as categories, but is critical only of those ideas that are the "mere offspring of his brain", i.e., general concepts about existing conditions reproduced in his brain. Thus, for example, he does not even resolve the *category* "Fatherland", but only his personal opinion of this category, after which the *generally valid* category still remains, and even in the sphere of "philosophical thought" the work is only just beginning. He wants, however, to make us believe that he has destroyed the category itself because he has destroyed his emotional personal relation to it — exactly as he has wanted to make us believe that he has destroyed the power of the Emperor by giving up his fantastic conception of the Emperor. Conjuring trick No. 4.

"And now," continues Saint Max, "I take the world as it is for me, as my world, as my property."

He takes the world as it is for him, i.e., *as he is compelled to take it.* and thereby he has *appropriated* the world for himself, has made it his property — a mode of acquisition which, indeed, is not mentioned by any of the economists, but the method and success of which will be the more brilliantly disclosed in "the book". Basically, however, he takes" not the "world", but only his "delirious fantasy" about the world as his own, and makes it his property. He takes the world as his conception of the world, and the world as his conception is his imagined property, the property of his conception, his conception as property, his property as conception, his own peculiar conception, or his conception of property; and all this he expresses in the incomparable phrase: "I relate everything to myself."

After the man has recognised, as the saint himself admits, that the world was only populated by spectres, because the youth saw spectres, after the *illusory world* of the youth has disappeared for the man, the latter finds himself in a *real* world, independent of youthful fancies.

And so, it should therefore read, I take the world as it is *independently of myself*, in the form in which it *belongs to itself* ("the man takes" — see page 18 — "the world as it is", and not as he would like it to be), in the first place as my non-property (hitherto it was my property only as a spectre); I relate myself to everything and only to that extent do I relate everything to I myself.

"If I as spirit rejected the world with the deepest contempt for it, then I as proprietor reject the spectres or ideas into their emptiness. They no longer have power over me, just as no 'earthly force' has power over the spirit" (p. 20).

We see here that the proprietor, Stirner’s man, at once enters into possession, *sine beneficio deliberandi atque inventarii*, [without the advantage of deliberation and inventory — the right of deliberation and inventory is an old principle of the law of inheritance, which grants the heir time to decide whether he wants to accept or to reject a legacy] of the inheritance of the youth which, according to his own statement, consists only of “delirious fantasies” and “spectres”. He believes that in the process of changing from a child into a youth he had truly coped with the world of things, and in the process of changing from a youth into a man he had truly coped with the world of the spirit, that now, as a man, he has the whole world in his pocket and has nothing more to trouble him. If, according to the words of the youth which he repeats, no earthly force outside him has any power over the spirit, and hence the spirit is the supreme power on earth — and he, the man, has forced this omnipotent spirit into subjection to himself — is he not then completely omnipotent? He forgets that he has only destroyed the fantastic and spectral form assumed by the idea of “Fatherland”, etc., in the brain of the “youth”, but that he has still not touched these ideas, insofar as they express *actual* relations. Far from having become the master of ideas — he is only now capable of arriving at “ideas”.

“Now, let us say in conclusion, it can be clearly seen” (p. 199) that the holy man has brought his interpretation of the different stages of life to the desired and predestined goal. He informs us of the result achieved in a thesis that is a spectral shade which we shall now confront with its lost body.

unique thesis, p. 20.	**Owner of the accompanying liberated shade.**
“The child was realistic, in thrall to the things of this world, until little by little he succeeded in penetrating behind these very things. The youth was idealistic, inspired by thoughts, until he worked his way up to become a man, the egoistic man, who deals with things and thoughts as he pleases and puts his personal interest above everything. Finally, the old man? It will be time enough to speak of this when I become one.”	***The child was actually in thrall to the world of his things, until little by little (a borrowed conjuring trick standing for development) he succeeded in leaving these very things behind him. The youth was fanciful and was made thoughtless by his enthusiasm, until he was brought down by the man, the egoistic burgher, with whom things and thoughts deal as they please, because his personal interest puts everything above him. Finally, the old man? — “Woman, what have I to do with thee?” [John 2:4]***

The entire history of "a man's life" amounts, therefore, "let us say in conclusion", to the following:

1. Stirner regards the various stages of life only as "self-discoveries" of the individual, and these "self-discoveries" are moreover always reduced to a definite relation of consciousness. Thus the variety of *consciousness* is here the life of the individual. The physical and social changes which take place in the individuals and produce an altered consciousness are, of course, of no concern to Stirner. In Stirner's work, therefore, child, youth and man always find the world ready-made, just as they merely "find" "themselves"; absolutely nothing is done to ensure that there should be something which can in fact be found. But even the relation of *consciousness* is not correctly understood either, but only in its speculative distortion. Hence, too, all these figures have a philosophical attitude to the world — "the child is *realistic*", "the youth is *idealistic*", the man is the negative unity of the two, absolute negativity, as is evident from the above-quoted final proposition. Here the secret of "a man's life" is revealed, here it becomes clear that the "child" was only a disguise of "*realism*", the "*youth*" a disguise of "*idealism*", the "*man*" of an attempted *solution* of this *philosophical antithesis.* This solution, this "*absolute negativity*", is arrived at — it is now seen — only thanks to the man blindly taking on trust the illusions both of the child and of the youth, *believing* thus to have overcome the world of things and the world of the spirit.

2. Since Saint Max pays no attention to the physical and social "life" of the individual, and says nothing at all about "life", he quite consistently abstracts from historical epochs, nationalities, classes, etc., or, which is the *same thing,* he inflates the *consciousness* predominant in the class nearest to him in his immediate environment into the normal consciousness of "a man's life". In order to rise above this local and pedantic narrow-mindedness he has only to confront "his" youth with the first young clerk he encounters, a young English factory worker or young Yankee, not to mention the young Kirghiz-Kazakhs.

3. Our saint's enormous gullibility — the true spirit of his book — is not content with causing his youth to believe in his child, and his man to believe in his youth. The illusions which some youths", "men", etc., have or claim to have about themselves, are without any examination accepted by Stirner himself and confused with the "*life*", with the *reality*, of these highly ambiguous youths and men.

4. The prototype of the entire structure of the stages of life has already been depicted in the third part of Hegel's *Encyclopädie* and "in various transformations" in other passages in Hegel as well. Saint Max, pursuing "his own" purposes, had, of course, to undertake certain "transformations" here also. Whereas Hegel, for example, is still to such an extent guided by the empirical world that he portrays the German burgher as the servant of the world around him, Stirner has to make him the master of this world, which he is not even in imagination. Similarly, Saint Max pretends that he does not speak of the old man for empirical reasons; he wishes to wait until he becomes one himself (here, therefore, "a man's life" = his unique life). Hegel briskly sets about constructing the four stages of the human life because, in the real world, the negation is posited twice, i.e., as moon and as comet (cf. Hegel's *Naturphilosophie* , and therefore the quaternity here takes the place of the trinity. Stirner finds his own uniqueness in making moon and comet coincide and so abolishes the unfortunate old man from "a man's life". The reason for this conjuring trick becomes evident as soon as we examine the construction of the unique history of man.

2. The Economy of the Old Testament

We must here, for a moment, jump from the “Law” to the “Prophets”, since at this point already we reveal the secret of unique domestic economy in heaven and on earth. In the Old Testament, too — where the law, man, still is a school-master of the unique (Galatians 3:24) — the history of the kingdom of the unique follows a wise plan fixed from eternity. Everything has been foreseen and preordained in order that the unique could appear in the world, when the time had come [Galatians 4:4] to redeem holy people from their holiness.

The first book, “A Man’s Life”, is also called the “Book of Genesis”, because it contains in embryo the entire domestic economy of the unique, because it gives us a prototype of the whole subsequent development up to the moment when the time comes for the end of the world. The entire unique history revolves round three stages: child, youth and man, who return “in various transformations” and in ever widening circles until, finally, the entire history of the world of things and the world of the spirit is reduced to “child, youth and man”. Everywhere we shall find nothing but disguised 1I child, youth and man”, just as we already discovered in them three disguised categories.

We spoke above of the German philosophical conception of history. Here, in Saint Max, we find a brilliant example of it. The speculative idea, the abstract conception, is made the driving force of history, and history is thereby turned into the mere history of philosophy. But even the latter is not conceived as, according to existing sources, it actually took place — not to mention how it evolved under the influence of real historical relations — but as it was understood and described by recent German philosophers, in particular Hegel and Feuerbach. And from these descriptions again only that was selected which could be adapted to the given end, and which came into the hands of our saint by tradition. Thus, history becomes a mere history of illusory ideas, a history of spirits and ghosts, while the real, empirical history that forms the basis of this ghostly history is only utilised to provide bodies for these ghosts; from it are borrowed the names required to clothe these ghosts with the appearance of reality. In making this experiment our saint frequently forgets his role and writes an undisguised ghost-story.

In his case we find this method of making history in its most naive, most classic simplicity. Three simple categories — realism, idealism and absolute negativity (here named “*egoism*”) as the unity of the two — which we have already encountered in the shape of the child, youth and man, are made the basis of all history and are embellished with various historical signboards; together with their modest suite of auxiliary categories they form the content of all the allegedly historical phases which are trotted out. Saint Max once again reveals here his boundless faith by pushing to greater extremes than any of his predecessors faith in the speculative content of history dished up by German philosophers. In this solemn and tedious construction of history, therefore, all that matters is to find a pompous series of resounding names for three categories that are so hackneyed that they no longer dare to show themselves publicly under their own names. Our anointed author could perfectly well have passed from the "man" (p. 20) immediately to the "ego" (p. 201) or better still to the "unique" (p. 485); but that would have been too simple. Moreover, the strong competition among the German speculative philosophers makes it the duty of each new competitor to offer an ear-splitting historical advertisement for his commodity.

"The force of true development", to use *Dottore Graziano's* words, "proceeds most forcibly" in the following "transformations": Basis:

I. Realism.

II. Idealism.

III. The negative unity of the two. "One" (p. 485),

First nomenclature:

I.. Child, dependent on things (realism).

II. Youth, dependent on ideas (idealism).

III. Man — (as the negative unity)

expressed positively:

the owner of ideas and things (egoism)

expressed negatively:

free from ideas and things

Second, historical nomenclature:

I. Negro (realism, child).

II. Mongol (Idealism, youth).

III. Caucasian (negative unity of realism and idealism, man).

Third, most general nomenclature:

I. Realistic egoist (egoist in the ordinary sense) — child, Negro.

II. Idealist egoist (devotee) — youth, Mongol.

III. True egoist (the unique) — man, Caucasian.

Fourth, historical nomenclature. Repetition of the preceding stages within the category of the Caucasian.

I. *The Ancients.* Negroid Caucasians childish men — pagans dependent on things — realists — the world.

Transition (child penetrating behind the "things of this world"): Sophists, Sceptics, etc.

II. The *Moderns.* Mongoloid Caucasians — youthful men — Christians — dependent on ideas — idealists — spirit.

1. Pure history of spirits, [Geistergeschichte, or "ghost-story" Geister — ghosts or spirits; Geschichte — story or history; here rendered as "history of spirits"] Christianity as spirit. "The spirit."

2. Impure history of spirits. Spirit in relation to others. "The Possessed".

A. Purely impure history of spirits.

a) *The apparition*, the ghost, the spirit in the Negroid state, as thing-like spirit and spiritual thing — objective being for the Christian, spirit as child.

b) *The whimsy*, the fixed idea, the spirit in the Mongolian condition, as spiritual in the spirit, determination in consciousness, conceptual being in the Christian — spirit as youth.

B. Impurely impure (historical) history of spirits.

a) Catholicism — Middle Ages (the Negro, child, realism, etc.).

b) Protestantism — modern times in modern times (Mongol, youth, idealism, etc.).

Within Protestantism it is possible to make further subdivisions, for example:

[a] English philosophy — realism, child, Negro.

[b] German philosophy — idealism, youth, Mongol.

3. *The Hierarchy* — negative unity of the two within the Mongoloid-Caucasian point of view. Such unity appears where historical relations are changed into actually existing relations or where opposites are presented as existing side by side. Here, therefore, we have two coexisting stages:

A. *The "uneducated"*, (evil ones, bourgeois, egoists in the ordinary sense)=Negroes, children, Catholics, realists, etc.

B. *The "educated"* (good ones, *citoyens,* devotees, priests, etc.) = Mongols, youths, Protestants, idealists.

These two stages exist side by side and hence it follows easily" that the "educated" rule over the "uneducated" — this is the *hierarchy*. In the further course of historical development there arises then

the non-Hegelian from the "uneducated",

the Hegelian from the "educated",

["The shaman and the speculative philosopher denote the lowest and the highest point in the scale of the inner man, the Mongol" (p. 453).]

from which it follows that the Hegelians rule over the non-Hegelians. In this way Stirner converts the speculative notion of the domination of the speculative idea in history into the notion of the domination of the speculative philosophers themselves. The view of history hitherto held by him — the domination of the idea — becomes in the hierarchy a relation actually existing at present; it becomes the world domination of ideologists. This shows how deeply Stirner has plunged into speculation. This domination of the speculative philosophers and ideologists is finally developing, "for the time has come" for it, into the following, concluding nomenclature:

a) *Political liberalism*, dependent on things, independent of persons — realism, child, Negro, the ancient, apparition, Catholicism, the "uneducated", masterless.

b) *Social liberalism*, independent of things, dependent on the spirit, without object — idealism, youth, Mongol, the modern, whimsy, Protestantism, the "educated", propertyless.

c) *Humane liberalism*, masterless and propertyless, that is godless, for God is simultaneously the supreme master and the supreme possession, hierarchy — negative unity in the sphere of liberalism and, as such, domination over the world of things and thoughts; at the same time the perfect egoist in the abolition of egoism — the perfect hierarchy. At the same time, it forms the

Transition (youth penetrating behind the world of thoughts) to

III. the "*ego*" — i.e., the perfect Christian, the perfect man, the Caucasian Caucasian and true egoist, who — just as the Christian became spirit through the supersession of the ancient world — becomes a corporeal being [Leibhaftige] through the dissolution of the realm of spirits, by entering, *sine beneficio deliberandi et inventarii*, into the inheritance of idealism, the youth, the Mongol, the modern, the Christian, the possessed, the whimsical, the Protestant, the "educated", the Hegelian and the humane liberal.

NB. 1. "At times" Feuerbachian and other categories, such as reason, the heart, etc., may be also "included episodically", should a suitable occasion arise, to heighten the colour of the picture and to produce new effects. It goes without saying that these, too, are only new disguises of the ever present idealism and realism.

2. The very pious Saint Max, *Jacques le bonhomme*, has nothing real and mundane to say about real mundane history, except that under the name of "nature", the "world of things", the "world of the child", etc., he always opposes it to consciousness, as an object of speculation of the latter, as a world which, in spite of its continual annihilation, continues to exist in a mystical darkness, in order to reappear on every convenient occasion — probably because children and Negroes continue to exist, and hence also their world, the so-called world of things, "easily," continues to exist. Concerning such historical and non-historical constructions, good old *Hegel* wrote with regard to Schelling — the model for all constructors — that one can say the following in this context:

"It is no more difficult to handle the instrument of this monotonous formalism than a painter's palette which has only two colours, say black" (realistic, childish, Negroid, etc.) "and yellow" [Hegel mentions red and green as examples] (idealist, youthful, Mongolian, etc.), "in order to use the former to paint a surface when something historical" (the "world of things") "is required, and the latter when a landscape" ("heaven", spirit, holiness, etc.) "is needed" (Phänomenologie, p. 39).

"Ordinary consciousness" has even more pointedly ridiculed constructions of this kind in the following song:

The master sent out John

And told him to cut the hay;

But John did not cut the hay

Nor did he come back home.

Then the master sent out the dog

And told him to bite John;

But the dog did not bite John,

John did not cut the hay

And they did not conic back home.

Then the master sent out the stick

And told it to beat the dog;

But the stick did not beat the dog,

The dog did not bite John,
John did not cut the hay
And they did not come back home.
Then the master sent out fire
And told it to burn the stick;
But the fire did not burn the stick,
The stick did not beat the dog,
The dog did not bite John,
John did not cut the hay
And they did not come back home.
Then the master sent out water
And told it to put out the fire;
But the water did not put out the fire,
The fire did not burn the stick,
The stick did not beat the dog,
The dog did not bite John,
John did not cut the hay
And they did not come back home.
Then the master sent out the ox
And told it to drink the water;
But the ox did not drink the water,
The water did not put out the fire,
The fire did not burn the stick,
The stick did not beat the dog,
The dog did not bite John,
John did not cut the hay
And they did not come back home.
Then the master sent out the butcher

And told him to slaughter the ox;
But the butcher did not slaughter the ox,
The ox did not drink the water,
The water did not put out the fire,
The fire did not burn the stick,
The stick did not beat the dog,
The dog did not bite John,
John did not cut the hay
And they did not come back home.
Then the master sent out the hangman
And told him to hang the butcher;
The hangman did hang the butcher,
The butcher slaughtered the ox,
The ox drank the water,
The water put out the fire,
The fire burnt the stick,
The stick beat the dog,
The dog bit John,
John cut the hay,
And they all came back home.
[A German nursery rhyme]

We shall now see with what "virtuosity of thought" and with what school-boyish material Jacques le bonhomme elaborates on this scheme.

3. The Ancients

Properly speaking we ought to begin here with the Negroes; but Saint Max, who undoubtedly sits in the "Council of Guardians", in his unfathomable wisdom introduces the Negroes only later, and even then "without any claim to thoroughness and authenticity". if, therefore, we make Greek philosophy precede the Negro era, i.e., the campaigns of Sesostris and Napoleon's expedition to Egypt [3] it is because we are confident that our holy author has arranged everything wisely.

"Let us, therefore, take a look at the activities which tempt" Stirner's ancients.

"'For the ancients, the world was a truth,' says Feuerbach; but he forgets to make the important addition: a truth, the untruth of which they sought to penetrate and, finally, did indeed penetrate" (p. 22).

"For the ancients", *their* "world" (not *the* world) "was a truth" — whereby, of course, no truth about the ancient world is stated, but only that the ancients did not have a Christian attitude to their world. As soon as *untruth* penetrated their world (i.e., as soon as this world itself disintegrated in consequence of practical conflicts — and to demonstrate this materialistic development empirically would be the only thing of interest), the ancient philosophers sought to penetrate the world of truth or the truth of their world and then, of course, they found that it had become untrue. Their very search was itself a symptom of the internal collapse of this world. Jacques le bonhomme transforms the idealist symptom into the material cause of the collapse and, as a German church father, makes antiquity itself seek its own negation, Christianity. For him this position of antiquity is inevitable because the ancients are "*children*" who seek to penetrate the "world of things". "And that is fairly easy too": by transforming the ancient world into the later consciousness regarding the ancient world, Jacques le bonhomme can, of course, jump in a single leap from the materialistic ancient world to the world of religion, to Christianity. Now the "word of God" immediately emerges in opposition to the real world of antiquity; the Christian conceived as the modern sceptic emerges in opposition to the ancient man conceived as philosopher. His Christian "is never convinced of the vanity of the word of God" and, in consequence of this lack of conviction, he "believes" "in its eternal and invincible truth" (p. 22). Just as Stirner's ancient is ancient because he is a non-Christian, not yet a Christian or a hidden Christian, so his primitive Christian is a Christian because he is a non-atheist, not yet an atheist or a hidden atheist. Stirner, therefore, causes Christianity to be negated by the ancients and modern atheism by the primitive Christians, instead of the reverse. Jacques le bonhomme, like all other speculative philosophers, seizes everything by its philosophical tail. A few more examples of this child-like gullibility immediately follow.

"The Christian must consider himself a 'stranger on the earth' (Epistle to the Hebrews 11 :13)" (p. 23).

On the contrary, the strangers on earth (arising from extremely natural causes e.g., the colossal concentration of wealth in the whole Roman world, etc., etc.) had to consider themselves Christians. It was not their Christianity that made them vagrants, but their vagrancy that made them Christians. On the same page the holy father jumps straight from Sophocles' *Antigone* and the sacredness of the burial ceremonial connected with it to the Gospel of Matthew, 8:22 (let the dead bury their dead), while Hegel, at any rate in the *Phänomenologie*, gradually passes from the *Antigone*, etc., to the Romans. With equal right Saint Max could have passed at once. to the Middle Ages and, together with Hegel, have advanced this biblical statement against the Crusaders or even, in order to be quite original, have contrasted the burial of Polynices by Antigone with the transfer of the ashes of Napoleon from St. Helena to Paris. It is stated further:

"In Christianity the inviolable truth of family ties" (which on page 22 is noted as one of the "truths" of the ancients) "is depicted as an untruth which should be got rid of as quickly as possible (Mark, 10: 29) and so in everything" (p. 23).

This proposition, in which reality is again turned upside-down, should be put the right way up as follows: the actual untruth of family ties (concerning which, *inter alia*, the still existing documents of pre-Christian Roman legislation should be examined) is depicted in Christianity as an inviolable truth, "and so in everything".

From these examples, therefore, it is superabundantly evident how Jacques le bonhomme, who strives to "get rid as quickly as possible" of empirical history, stands facts on their heads, causes material history to be produced by ideal history, "and so in everything". At the outset we learn only the alleged attitude of the ancients to their world; as dogmatists they are put in opposition to the ancient world, their own world, instead of appearing as its creators; it is a question only of the relation of consciousness to the object, to truth; it is a question, therefore, only of the philosophical relation of the ancients to their world — ancient history is replaced by the history of ancient philosophy, and this only in the form in which Saint Max imagines it according to Hegel and Feuerbach.

Thus the history of Greece, from the time of Pericles inclusively, is reduced to a struggle of abstractions: reason, spirit, heart, worldliness, etc. These are the Greek parties. In this ghostly world, which is presented as the Greek world, allegorical persons such as Madame Purity of Heart "machinate" and mythical figures like Pilate (who must never be missing where there are children) find a place quite seriously side by side with Timon of Phlius.

After presenting us with some astounding revelations about the Sophists and Socrates, Saint Max immediately jumps to the Sceptics. He discovers that they completed the work which Socrates began. Hence the positive philosophy of the Greeks that followed immediately after the Sophists and Socrates, especially Aristotle's encyclopaedic learning, does not exist at all for Jacques le bonhomme. He strives "to get rid as quickly as possible" of the past and hurries to the transition to the "moderns", finding this transition in the Sceptics, Stoics and Epicureans. Let us see what our holy father has to reveal about them.

"The Stoics wish to realise the ideal of the wise man ... the man who knows how to live ... they find this ideal in contempt for the world, in a life without living development [...] without friendly intercourse with the world, i.e., in a life of isolation [...] not in a life in common with others; the Stoic alone lives, for him everything else is dead. The Epicureans, on the other hand, demand an active life" (p. 30).

We refer Jacques le bonhomme — the man who wants to realise himself and who knows how to live — to, *inter alia*, Diogenes Laertius: there he will discover that the wise man, the *sophos,* is nothing but the idealised Stoic, not the Stoic the realised wise man; he will discover that the *sophos* is by no means Only a Stoic but is met with just as much among the Epicureans, the Neo-academists and the Sceptics. Incidentally, the *sophos is* the first form in which the Greek *philosophos* confronts us; he appears mythologically in the seven wise men, in practice in Socrates, and as an ideal among the Stoics, Epicureans, Neo-academists [4] and Sceptics. Each of these schools, of course, has its own sofos [wise man] Just as Saint Bruno has his own "unique sex". Indeed, Saint Max can find "*le sage*" again in the eighteenth century in the philosophy of Enlightenment, and even in Jean Paul in the shape of the "wise men" like Emanuel [Jean Paul, Hesperus oder 45 Hundsposttage] etc. The Stoical wise man by no means has in mind "life without living development", but an *absolutely active* life, as is evident even from his concept of nature, which is Heraclitean, dynamic, developing and living, while for the Epicureans the principle of the concept of nature is the *mars immortalis* [immortal death. Lucretius, De rerum natura libri sex, Book 3, Verse 882], as Lucretius says, the atom, and, in opposition to Aristotle's divine energy, divine leisure is put forward as the ideal of life instead of "active life".

"The ethics of the Stoics (their only science, for they were unable to say anything about the spirit except what its relation to the world should be; and about nature — physics — they could say only that the wise man has to assert himself against it) is not a doctrine of the spirit, but merely a doctrine of rejection of the world and of self-assertion against the world" (p. 31).

The Stoics were able to "say about nature" that physics is one of the most important sciences for the philosopher and consequently they even went to the trouble of further developing the physics of Heraclitus; they were "further able to say" that the wra, masculine beauty, is the highest that the individual could represent, and glorified life in tune with nature, although they fell into contradictions in so doing. According to the Stoics, philosophy is divided into three doctrines: "physics, ethics, logic".

"They compare philosophy to the animal and to the egg, logic — to the bones and sinews of the animal, and to the. outer shell of the egg, ethics — to the flesh of the animal and to the albumen of the egg, and physics — to the soul of the animal and to the yolk of the egg" (Diogenes Laertius, Zeno).

From this alone it is evident how little true it is to say that "ethics is the only science of the Stoics". It should be added also that, apart from Aristotle, they were the chief founders of formal logic and systematics in general.

That the "Stoics were unable to say anything about the spirit" is so little true that even *seeing spirits* originated from them, on account of which Epicurus opposes them, as an Enlightener, and ridicules them as "old women", while precisely the Neo-Platonists borrowed part of their tales about spirits from the Stoics. This spirit-seeing of the Stoics arises, on the one hand, from the impossibility of achieving a dynamic concept of nature without the material furnished by empirical natural science, and, on the other hand, from their effort to interpret the ancient Greek world and even religion in a speculative manner and make them analogous to the thinking spirit.

The "ethics of the Stoics" is so much a "doctrine of world rejection and of self-assertion against the world" that, for example, it was counted a Stoical virtue to "have a sound fatherland, a worthy friend", that "the beautiful alone" is declared to be "the good", and that the Stoical wise man is allowed to mingle with the world in every way, for example, to commit incest, etc., etc. The Stoical wise man is to such an extent caught up "in a life of isolation and not in a life in common with others" that it is said of him in *Zeno*:

"Let not the wise man wonder at anything that seems wonderful — but nether will the worthy man live in solitude, for he is social by nature and active in practice" (Diogenes Laertius, Book VII, 1).

Incidentally, it would be asking too much to demand that, for the sake of refuting this school-boyish wisdom of Jacques le bonhomme, one should set forth the very complicated and contradictory ethics of the Stoics.

In connection with the Stoics, Jacques le bonhomme has to note the existence of the *Romans* also (p. 3 1), of whom, of course, he is unable to say anything, since they have no philosophy. The only thing we hear of them is that *Horace* (!) "did not go beyond the Stoics' worldly wisdom" (p. 32). *Integer vitae, scelerisque purus*! [he of life without flaw, pure from sin. Horace, The Odes, Book I — Ode XXII. Verse 1]

In connection with the Stoics, *Democritus* is also mentioned in the following way: a muddled passage of Diogenes Laertius (*Democritus*, Book IX, 7, 45), which in addition has been inaccurately translated, is copied out from some textbook, and made the basis for a lengthy diatribe about Democritus. This diatribe has the distinguishing feature of being in direct contradiction to its basis, i.e., to the above-mentioned muddled and inaccurately translated passage, and converts "peace of mind" (Stirner's translation of euqumia, in Low German *Wellmuth*) into "rejection of the world". The fact is that Stirner imagines that Democritus was a Stoic, and indeed of the sort that the unique and the ordinary school-boyish consciousness conceive a Stoic to be. Stirner thinks that "his whole activity amounts to an endeavour to detach himself from the world", "hence to a rejection of the world", and that in the person of Democritus he can refute the Stoics. That the eventful life of Democritus, who had wandered through the world a great deal, flagrantly contradicts this notion of Saint Max's; that the real source from which to learn about the philosophy of Democritus is Aristotle and not a couple of anecdotes from Diogenes Laertius; that Democritus, far from rejecting the world, was, on the contrary, an empirical natural scientist and the first encyclopaedic mind among the Greeks; that his almost unknown ethics was limited to a few remarks which he is *alleged* to have made when he was an old, much-travelled man; that his writings on natural science can be called philosophy only *per abusum*, [by abuse, i. e., improperly, wrongly] because for him, in contrast to Epicurus, the atom was only a physical hypothesis, an expedient for explaining facts, just as it is in the proportional combinations of modern chemistry (Dalton and others) — all this does not suit the purpose of Jacques le bonhomme. Democritus must be understood in the "unique" fashion, Democritus speaks of euthymia, hence of peace of mind, hence of withdrawal into oneself, hence of rejection of the world. Democritus is a Stoic, and he differs from the Indian fakir mumbling "Brahma" (the word should have been "Om"),[5] only as the comparative differs from the superlative, i.e., "only *in degree*".

Of the Epicureans our friend knows exactly as much as he does of the Stoics, viz., the unavoidable schoolboy's minimum. He contrasts the Epicurean "hedone", [pleasure] with the "ataraxia" [equanimity, imperturbability, intrepidity] of the Stoics and Sceptics, not knowing that this "ataraxia" is also to he found in Epicurus and, moreover, as something placed higher than the "hedone" — in consequence of which his whole contrast falls to the ground. He tells us that the Epicureans "teach *only a different attitude to the world*" from that of the Stoics; but let him show us the (non-Stoic) philosopher of "ancient or modern times" who does not do "only" the same. Finally, Saint Max enriches us with a new dictum of the Epicureans: "the world must be deceived, for it is my enemy". Hitherto it was only known that the Epicureans made statements in the sense that the world must be *disillusioned* and especially freed from fear of gods, for the world is my *friend*.

To give our saint some indication of the real base on which the philosophy of Epicurus rests, it is sufficient to mention that the idea that the state rests on the mutual agreement of people, on a *contrat social* (sunqhjh [contract]), is found for the first time in Epicurus.

The extent to which Saint Max's disclosures about the Sceptics follow the same line is already evident from the fact that he considers their philosophy more radical than that of Epicurus. The Sceptics reduced the theoretical relation of people to things to *appearance*, and in practice they left everything as of old, being guided by this appearance just as much as others are guided by actuality; they merely gave it another name. Epicurus, on the other hand, was the true radical Enlightener of antiquity; he openly attacked the ancient religion, and it was from him, too, that the atheism of the Romans, insofar as it existed, was derived. For this reason, too, Lucretius praised Epicurus as the hero who was the first to overthrow the gods and trample religion underfoot; for this reason among all church fathers, from Plutarch to Luther, Epicurus has always had the reputation of being the atheist philosopher *par excellence,* and was called a swine; for which reason, too, Clement of Alexandria says that when Paul takes up arms against philosophy he has in mind Epicurean philosophy alone. (*Stromatum*, Book I [chap. XI], p. 295, Cologne edition, 1688.) Hence we see how "cunning, perfidious" and "clever" was the attitude of this open atheist to the world in directly attacking its religion, while the Stoics adapted the ancient religion in their own speculative fashion, and the Sceptics used their concept of "appearance" as the excuse for being able to accompany all their judgments with a *reservatio mentalis.*

Thus, according to Stirner, the Stoics finally arrive at "contempt for the world" (p. 30), the Epicureans at ',the same worldly wisdom as the Stoics" (p. 32), and the Sceptics at the point where they "let the world alone and do not worry about it. at all". Hence, according to Stirner, all three end in an attitude of indifference to the world, of "contempt for the world" (p. 485). Long before him, Hegel expressed it in this way: Stoicism, Scepticism, Epicureanism "aimed at making the mind indifferent towards everything that actuality has to offer" *(Philosophie der Geschichte,* p. 327).

"The ancients," writes Saint max, summing up his criticism of the ancient world of ideas, "it is true, had ideas, but they did not know the idea" (p. 30). In this connection, "one should recall what was said earlier about our childhood ideas" (ibid.).

The history of ancient philosophy has to conform to Stirner's design. In order that the Greeks should retain their role of children, Aristotle ought not to have lived and his thought in and for itself (h nohsis h kaq authn), his self-thinking reason (auton de noeio nous) and his self-thinking intellect (h, nohsis ths nohsews) should never have occurred; and in general his *Metaphysics* and the third book of his *Psychology* [Aristoteles, De anima] ought not to have existed.

With just as much right as Saint Max here recalls "what was said earlier about our childhood", when he discussed "our childhood" he could have said: let the reader look up what will be *said* below about the ancients and the Negroes and will *not* be said about Aristotle.

In order to appreciate the true meaning of the last ancient philosophies during the dissolution of the ancient world, Jacques le bonhomme had only to look at the real situation in life of their adherents under the world dominion of Rome. He could have found, *inter alia*, in Lucian a detailed description of how the people regarded them as public buffoons, and how the Roman capitalists, proconsuls, etc., hired them as court jesters for their entertainment, so that after squabbling at the table with slaves for a few bones and a crust of bread and after being given a special sour wine, they would amuse the master of the house and his guests with delightful words like "ataraxia", "aphasia" [refusal to express any definite opinion] "hedone", etc.

Incidentally, if our good man wanted to make the history of ancient philosophy into a history of antiquity, then as a matter of course he ought to have merged the Stoics, Epicureans and Sceptics in the Neo-Platonists, whose philosophy is nothing but a fantastic combination of the Stoic, Epicurean and Sceptical doctrine with the content of the philosophy of Plato and Aristotle. Instead of that, he merges these doctrines directly in Christianity.

It is not "Stirner" that has left Greek philosophy "behind him", but Greek philosophy that has "Stirner" behind it (cf. *Wigand*, p. 186 [Max Stirner, "Recensenten Stirners"]). Instead of telling us *how* "antiquity" arrives at a world of things and "copes" with it,. this ignorant school-master causes antiquity blissfully to vanish by means of a quotation from Timon; whereby antiquity the more naturally "arrives at its final goal" since, according to Saint Max, the ancients "found themselves placed by *nature*" in the ancient "communality", which, "let us say in conclusion", "can be understood" the more easily because this communality, the family, etc., are dubbed "the so-called *natural* ties" (p. 33). By means of nature the ancient "world of things" is created, and by means of Timon and Pilate (p. 32) it is destroyed. Instead of describing the "world of things" which provides the material basis of Christianity, he causes this "world of things" to be annihilated in the world of the spirit, in Christianity.

The German philosophers are accustomed to counterpose antiquity, as the epoch of realism, to Christianity and modern times, as the epoch of idealism, whereas the French and English economists, historians and scientists are accustomed to regard antiquity as the period of idealism in contrast to the materialism and empiricism of modern times. In the same way antiquity can be considered to be idealistic insofar as in history the ancients represent the "*citoyen*", the idealist politician, while in the final analysis the moderns turn into the "bourgeois", the realist *ami du commerce* — or again it can be considered to be realistic, because for the ancients the communality was a "truth", whereas for the moderns it is an idealist "lie". All these abstract counterposings and historical constructions are of very little use.

The "unique thing" we learn from this whole portrayal of the ancients is that, whereas Stirner "knows" very few "things" about the ancient world, he has all the "better seen through" them (cf. *Wigand*, p. 191).

Stirner is truly that same "man child" of whom it is prophesied in the Revelation of St. John, 12:5, that he "was to rule all nations with a rod of iron". We have seen how he sets about the unfortunate heathen with the iron rod of his ignorance. The "moderns" will fare no better.

4. The Moderns

"Therefore if any man be in Christ, he is a new creature: old things are passed away; behold, all things are become new" (2 Corinthians 5:17) (p. 33).

By means of this biblical saying the ancient world has now indeed passed away" or, as Saint Max really wanted to say, "all gone", and with one leap [Satz, = leap, jump and also sentence or proposition] we have jumped over to the new, Christian, youthful, Mongoloid "world of the spirit". We shall see that this, too, will have "all gone" in a very short space of time.

"Whereas it was stated above 'for the ancients, the world was a truth', we must say here 'for the moderns the spirit was a truth', but in neither case should we forget the important addition: 'a truth, the untruth of which they sought to penetrate and, finally, did indeed penetrate'" (p. 33).

While we do not wish to devise any Stirner-like constructions, "we must say here": for the moderns truth was a spirit, namely the holy spirit. Jacques le bonhomme again takes the moderns not in their actual historical connection with the "world of things" — which, despite being "all gone", nevertheless continues to exist — but in their theoretical, and indeed religious, attitude. For him the history of the Middle Ages and modern times again exists only as the history of religion and philosophy; he devoutly believes all the illusions of these epochs and the philosophical illusions about these illusions. Thus, having given the history of the moderns the same turn as he gave that of the ancients, Saint Max can then easily "demonstrate" in it a 'similar course to that taken by antiquity", and pass from the Christian religion to modern German philosophy as rapidly as he passed from ancient philosophy to the Christian religion. On page 37 he himself gives a characterisation of his historical illusions, by making the discovery that "the ancients have nothing to offer but *worldly wisdom*" and that "the moderns have never gone, and do not go, beyond *theology*", and he solemnly asks: "What did the *moderns* seek to penetrate?" The ancients and moderns alike do nothing else in history but "seek to penetrate something" — the ancients try to find out what is behind the world of things, the moderns behind the world of the spirit. In the end ' the ancients are left "without a world" and the moderns "without a spirit"; the ancients wanted to become idealists, the moderns to become realists (p. 485), but both of them were only occupied with the divine (p. 488) — "history up to now" is only the "history of the spiritual man" (what faith!) (p. 442) — in short we have again. the child and the youth, the Negro and the Mongol, and all the rest of the terminology of the "various transformations". At the same time we see a faithful imitation of the speculative manner, by which children beget their father, and what is earlier is brought about by what is later. From the very outset Christians must "seek to penetrate the untruthfulness of their truth", they must immediately be hidden atheists and critics, as was already indicated concerning the ancients. But not satisfied with this, Saint Max gives one more brilliant example of his "virtuosity in" (speculative) "thought" (p. 230):

"Now, after liberalism has acclaimed man, one can state that thereby only the last consequence of Christianity has been drawn and that Christianity originally set itself no other task than that of ... realising man."

Since allegedly the last consequence of Christianity has been drawn, "*one*" can state that it has been drawn. As soon as the later ones have transformed what was earlier "*one* can state" that the earlier ones "originally", namely "*in truth*", in essence, in heaven, as hidden Jews, "set themselves no other task" than that of being transformed by the later ones. *Christianity*, for Jacques le bonhomme, is a self-positing subject, the absolute spirit, which "originally" posits its end as its beginning. Cf. Hegel's *Encyclopädie,* etc.

"Hence" (namely because one can attribute an imaginary task to Christianity) "there follows the delusion" (of course, before Feuerbach it was impossible to know what task Christianity "had originally set itself") "that Christianity attaches infinite value to the ego, as revealed, for example, in the theory of immortality and pastoral work. No, it attaches this value to man alone, man alone is immortal, and only because I am a man, am I also immortal."

if, then, from the whole of Stirner's scheme and formulation of tasks it emerges, already sufficiently clearly, that Christian' try can lend immortality only to Feuerbach's "man", we learn here in addition that this comes about also because Christianity does not ascribe this immortality — to *animals* as well.

Let us now also draw up a scheme *à la* Saint Max.

"*Now, after*" modern large-scale landownership, which has arisen from the process of parcellation, has actually "*proclaimed*" primogeniture, "*one can state that thereby only the last consequence*" of the parcellation of landed property "*has been drawn*" " *and that*" parcellation "*in truth originally set itself no other task than that of realising*" primogeniture, true primogeniture. "*Hence there follows the delusion*" that parcellation "*attaches infinite value*" to equal rights of members of the family, "*as revealed, for example*", in the laws of inheritance of the *Code Napoléon. "No, it attaches this value solely*" to the eldest son; "*only*" the eldest son, the future owner of the entailed estate, will become a large landowner, "*and only because I am*" the eldest son "*I will also be*" a large landowner.

In this way it is infinitely easy to give history "unique" turns, as one has only to describe its very latest result as the "task" which "in truth originally it set itself". Thereby earlier times acquire a bizarre and hitherto unprecedented appearance. It produces a striking impression, and does not require great production costs. As, for instance, if one says that the real "task" which the institution of landed property "originally set itself" was to replace people by. sheep — a consequence which has recently, become manifest in Scotland, etc., or that the proclamation of the Capet dynasty [6] "originally in truth set itself the task" of sending Louis XVI to the guillotine and M. Guizot into the Government. The important thing is to do it in a solemn, pious, priestly way, to draw a deep breath, and then suddenly to burst out: "Now, at last, *one* can state it."

What Saint Max says about the moderns in the above section (pp. 33-37) is only the prologue to the spirit history which is in store

for us. Here, too, we see how he tries "to rid himself as quickly as possible" of empirical facts and parades before us the same categories as in the case of the ancients — *reason, heart*, spirit, etc. — only they are given different names. The Sophists become sophistical scholastics, "humanists, Machiavellism (the art of printing, the New World", etc.; cf. Hegel's *Geschichte der Philosophie,* III, p. 128) who represent reason; Socrates is transformed into Luther, who extols the heart (Hegel, 1.c., p. 227), and of the post-Reformation period we learn that during that time it was a matter of "empty cordiality" (which in the section about the ancients was called "purity of heart", cf. Hegel, 1.c., p. 241). All this on page 34. In this way Saint Max "proves" that "Christianity takes a course "similar to that of antiquity". After Luther he no longer even troubles to provide names for his categories; he hurries in seven-league boots to modern German philosophy. Four oppositions ("until nothing remains but empty cordiality, all the universal love of mankind, love of man, consciousness of freedom, 'self-consciousness"', p. 34; Hegel, 1.c., pp. 228, 229), four words fill the gulf between Luther and Hegel and "only thus is Christianity completed". This whole argument is achieved in one masterly sentence, with the help of such levers as "at last"-"and from that time" — "since *one*" — "also" — "from day to day" — "until finally", etc., a sentence which the reader can verify for himself on the classic page 34 already mentioned.

Finally Saint Max gives us a few more examples of his faith, showing that he is so little ashamed of the Gospel that he asserts: "We really are nothing but spirit", and maintains that at the end of the ancient world "after long efforts" the "spirit" has really "rid itself of the world". And immediately afterwards he once more betrays the secret of his scheme, by declaring of the Christian spirit that "*like a youth* it entertains plans for improving or saving the world". All this on page 36.

"So he carried me away in the spirit into the wilderness: and I saw a woman sit upon a scarlet-coloured beast, full of names of blasphemy.... And upon her forehead was a name written, Mystery, Babylon the Great ... and saw the woman drunken with the blood of the saints", etc. (Revelation of St. John, 17, Verses 3, 5, 6).

The apocalyptic prophet did not prophesy accurately this time. Now at last, after Stirner has acclaimed *man*, one can state that he ought to have said: So he carried me into the wilderness of the spirit. And I saw a man sit upon a scarlet-coloured beast, full of blasphemy of names ... and upon his forehead was a name written, Mystery, the unique ... and I saw the man drunken with the blood of holy, etc. So we now enter the wilderness of the spirit.

A. The Spirit (Pure History of Spirits)

The first thing we learn about the "spirit" is that it is not the spirit but "the *realm* of spirits" that "is immensely large". Saint Max has nothing to say immediately of the spirit except that "an immensely large realm of spirits" exists — just as all he knows of the Middle Ages is that this period lasted for "a long time". Having presupposed that this "realm of spirits" exists, he subsequently proves its existence with the help of ten theses.

1. The spirit is not a free spirit until it is not occupied with itself alone, until it is not „solely concerned" with its own world, the "spiritual" world (first with itself alone and then with its own world).

2. "It is a free spirit only in a world of its own."

3. "Only by means of a spiritual world is the spirit really spirit."

4. "Before the spirit has created its world of spirits, it is not spirit."

5. "Its creations make it spirit." ...

6. "Its creations are its world." ...

7. "The spirit is the creator of a spiritual world." ...

8. "The spirit exists only when it creates the spiritual." ...

9. "Only together with the spiritual, which is its creation, is it real." ...

10. "But the works or offspring of the spirit are nothing but — spirits" (pp. 38-39).

In thesis 1 the "spiritual world" is again immediately presupposed as existing, instead of being deduced, and this thesis 1 is again preached to us in theses 2-9 in eight new transformations. At the end of thesis 9 we find ourselves exactly where we were at the end of thesis 1 — and then in thesis 10 a "*but*" suddenly introduces us to "*spirits*", about whom so far nothing has been said.

"Since the spirit exists only by creating the spiritual, we look around for its first creations" (p. 41),

According to theses 3, 4, 5, 8, and 9, however, the spirit is its own creation. This is now expressed thus, the spirit, i.e., the first creation of the spirit,

"must arise out of nothing it must first create itself its first creation is itself, the spirit" (ibid,). "When it has accomplished this creative act there follows from then on a natural reproduction of creations just as, according to the myth, only the first human beings had to be created and the rest of the human race was reproduced of itself" (ibid.).

“However mystical this may sound, we nevertheless experience this daily. Are you a thinking person before you think? In creating your first thought, you can create yourself, the thinker for you do not think until you think, — i.e. — have some thought. Is it not your singing alone that makes you a singer, your speech that makes you a speaking person? Well, in the same way only the creation of the spiritual makes you spirit.”

Our saintly conjurer assumes that the spirit creates the spiritual in order to draw the conclusion that the spirit creates itself as spirit; on the other hand, he assumes it *as spirit* in order to allow it to arrive at its spiritual creations (which, “according to the myth, are reproduced of themselves” and become spirits). So far we have the long-familiar orthodox-Hegelian phrases. The genuinely “unique” exposition of what Saint Max wants to say only begins with the example he gives. That is to say, if Jacques le bonhomme cannot get any further, if even “One” and “it” are unable to float his stranded ship, “Stirner” calls his third serf to his assistance, the “You”, who never leaves him in the lurch and on whom he can rely in extremity. This “You” is an individual whom we are not encountering for the first time, a pious and faithful servant, [Matthew 25:21] whom we have seen going through fire and water, a worker in the vineyard of his lord, a man who does not allow anything to terrify him, in a word he is: *Szeliga*. [cf. Die Heilige Familie, oder Kritik der kritischen Kritik, where the earlier exploits of this man of God have already been set forth.] When “Stirner” is in the utmost plight in his exposition he cries out: Szeliga, help! — and trusty Eckart Szeliga immediately puts his shoulder to the wheel to get the cart out of the mire. We shall have more to say later about Saint Max’s relation to Szeliga.

It is a question of spirit which creates *itself* out of *nothing*, hence it is a question of *nothing*, which *out of nothing* makes itself spirit. From this Saint Max derives the creation of Szeliga’s spirit from Szeliga. And who else if not Szeliga could “Stirner” count on allowing himself to be put in the place of nothing in the manner indicated above? Who could be taken in by such a trick but Szeliga, who feels highly flattered at being allowed to appear at all as one of the *dramatis personae*? What Saint Max had to prove was not that a given “you”, i.e., the given Szeliga, becomes a thinker, speaker, singer from the moment when he begins to think, speak, sing — but that the *thinker* creates *himself out of nothing* by beginning to think, that the singer creates *himself out of nothing* by beginning to sing, etc., and it is not even the thinker and the singer, but the *thought* and the *singing* as subjects that create *themselves out of nothing* by beginning to think and to sing. For the rest, “Stirner makes only the extremely simple reflection” and states only the “extremely popular” proposition (cf. *Wigand*, p. 156) that Szeliga develops one of his qualities by developing it. There is, of course, absolutely nothing “to be wondered at” in the fact that Saint Max does not even “make” correctly “such simple reflections”, but expresses them incorrectly in order thereby to prove a still much more incorrect proposition with the aid of the most incorrect logic in the world.

Far from it being true that “out of nothing” I make myself, for example, a “speaker”, the nothing which forms the basis here is a very manifold something, the real individual, his speech organs, a definite stage of physical development, an existing language and dialects, ears capable of hearing and a human environment from which it is possible to hear something, etc., etc. Therefore, in the development of a property something is created by something out of something, and by no means comes, as in Hegel’s *Logik*, from nothing, through nothing to nothing. [cf. G.W.F. Hegel. Wissenschaft der Logik, Th. I, Abt. 2]

Now that Saint Max has his faithful Szeliga close at hand, everything goes forward smoothly again. We shall see how, by means of hi ‘ S “You”, he again transforms the spirit into the youth, exactly as he earlier transformed the youth into the spirit; here we shall again find the whole history of the youth repeated almost word for word, only with a few camouflaging alterations — just as the “Immensely large realm of spirits” mentioned on page 37 was nothing but the “realm of the spirit”, to found and enlarge which was the “aim” of the spirit of the youth (p. 17).

“Just as you, however, distinguish yourself from the thinker, singer, speaker, so you distinguish yourself no less from the spirit and are well aware that You are something else as well as spirit. However, just as in the enthusiasm of thinking it may easily happen that sight and hearing fail the thinking ego, so the enthusiasm of the spirit has seized you too, and you too, and you now aspire with all four might to become wholly spirit and merged in spirit. The spirit is your ideal, something unattained, something of the beyond: spirit: means your — God, — God is spirit [John 4:24] ... You inveigh against yourself, you who cannot get rid of ‘a relic of the non-spiritual. Instead of saving: I am more than spirit, you say contritely: I am less than spirit, and I can only envisage spirit, pure spirit, or the spirit which is nothing but spirit, but I am not it, and since I am not it, then it is an other, it exists as an other, whom I call ‘God’.”

After previously, for a long time occupying ourselves with the trick of making something out of nothing, we now suddenly, perfectly naturally”, come to an individual who is something else as well as spirit, consequently is something, and wants to become pure spirit, i.e., nothing. This much easier problem, i.e., to turn something into nothing, once again poses the whole story of the youth, who “has yet to seek the perfect spirit”, and one needs merely to repeat the old phrases from pages 17-18 to be extricated from all difficulties. Particularly, when one has such an obedient and gullible servant as Szeliga, on whom “Stirner” can impose the idea that *just as* “in the enthusiasm of thinking it may *easily*” (!) “happen that sight and hearing fail" him, "Stirner", *so* he, Szeliga, has also been "seized with the enthusiasm of the spirit" and he, Szeliga, "is now aspiring with all his might to *become* spirit", instead of acquiring spirit, that is to say, he now has to play the role of the youth as presented on page 18. Szeliga believes it and in fear and trembling he obeys; he obeys when Saint Max thunders at him: The spirit is your ideal — your God. You do this for me, you do that for me. Now you "inveigh", now "you say" now "you *can* envisage", etc. When "Stirner" imposes on him the idea that "the pure spirit is an other, for he" (Szeliga) "is not it", then in truth, it is only Szeliga who is capable of believing him and who gabbles the entire nonsense after him, word for word. Incidentally, the method by which Jacques le bonhomme makes up this nonsense was already exhaustively analysed when dealing with the youth. Since you are well aware that you are something else as well as a mathematician, you aspire to become wholly a mathematician, to become merged in mathematics, the mathematician is your ideal, mathematician means your — God. You say contritely: I am less than a mathematician and I can only envisage the mathematician, and since I am not him, then he is an other, he exists as an other, whom I call "God". Someone else in Szeliga's place would say — Arago.

"Now, at last, after" we have proved Stirner's thesis to be a repetition of the "youth", "one can state" that he "in truth originally set himself no other task" than to identify the spirit of Christian asceticism with spirit in general, and to identify the frivolous esprit, for example, of the eighteenth century with Christian spiritlessness.

It follows, therefore, that the necessity of spirit dwelling in the beyond, i.e., being God, is not to be explained, as Stirner asserts, "because ego and spirit are different names for different things, because ego is not spirit and spirit is not ego" (p. 42). The explanation lies in the "enthusiasm of the spirit" which is ascribed without any grounds to Szeliga and which makes him an ascetic, i.e., a man who wishes to become God (pure spirit), and because he is not able to do this posits God outside himself. But it was a matter of the spirit having first to create *itself* out of nothing and then having to create *spirits* out of itself. Instead of this, Szeliga now produces God (the unique spirit that makes its appearance here) not because he, Szeliga, is the *spirit*, but because he is Szeliga, i.e., imperfect spirit, unspiritual spirit, and therefore at the same time non-spirit. But Saint Max does not say a word about how the Christian conception of spirit as God arises, although this is now no longer such a clever feat; he assumes the existence of this conception in order to explain it.

The history of the creation of the spirit "has in truth originally set itself no other task" than to put Stirner's stomach among the stars.

1. "Precisely because we are not the spirit which dwells within us, for that very reason we had to ...	***2. Precisely because we are not stomach which dwells within us, for that the very reason we had to ...***

that put it outside of ourselves; it was not us, and therefore we could not conceive it as existing except outside of ourselves, beyond us, in the beyond" (p, 43).

It was a matter of the spirit having first to create itself and then having to create something other than itself out of itself; the question was: What is this something else? No answer is given to this question, but after the above-mentioned "various transformations" and twists, it becomes distorted into the following new question:

"The spirit is something other than the ego. But what is this something other?" (p. 45).

Now, therefore, the question arises: What is the spirit other than the ego? whereas the original question was: What is the spirit, owing to its creation out of nothing, other than itself? With this Saint Max jumps to the next "transformation".

B. The Possessed (Impure History of Spirits)

Without realising it, Saint Max has so far done no more than give instruction in the art of spirit-seeing, by regarding the ancient and modern world only as the "pseudo-body of a spirit", as a spectral phenomenon, and seeing in it only struggles of spirits. Now, however, he consciously and *ex professo* gives instruction in the art of ghost-seeing.,

Instructions in the art of seeing spirits. First of all one must become transformed into a complete fool, i.e., imagine oneself to be Szeliga, and then say to oneself, as Saint Max does to this Szeliga: "Look around you in the world and say for yourself whether a spirit is not looking at you from everywhere!" If one can bring oneself to imagine this, then the spirits will come "easily", of themselves; in a "flower" one sees only the "creator", in the mountains — a "spirit of loftiness", in water — a "spirit of longing" or the longing of the spirit, and one hears "millions of spirits speak through the mouths of people". If one has achieved this level, if one can exclaim with Stirner: " Yes, ghosts are teeming in the whole world," then "it is not difficult to advance to the point" (p. 93) where one makes the further exclamation: "Only *in* it? *No,* the world itself is an apparition" (let your communication be, Yea, yea; Nay, nay: for whatsoever is more than these cometh of evil [Matthew 5: 37] i.e., a logical transition), "it is the wandering pseudo-body of a spirit, it is an apparition." Then cheerfully "look near at hand or into the distance, you are surrounded by a ghostly world.... You see spirits". If you are an ordinary person you can be satisfied with that, but if you are thinking of ranking yourself with Szeliga, then you can also look into yourself and then "you should not be surprised" if, in these circumstances and from the heights of Szeligality, you discover also that "your spirit is a ghost haunting your body", that you yourself are a ghost which "awaits salvation, that is, a spirit". Thereby you will have arrived at the point where you are capable of seeing "spirits" and "ghosts" in "all" people, and therewith spirit-seeing "reaches its final goal" (pp. 46, 47).

The basis of this instruction, only much more correctly expressed, Is to be found in Hegel, *inter alia*, in the *Geschichte der Philosophie,* III, pp. 124, 125.

Saint Max has such faith in his own instruction that as a result he himself becomes Szeliga and asserts that

"ever since the word was made flesh [John 1:14], the world is spiritualised, bewitched, a ghost" (p. 47).

"Stirner" "sees spirits".

Saint Max intends to give us a phenomenology of the Christian spirit and in his usual way seizes on only one aspect. For the Christian the world was not only *spiritualised* but equally *de*spiritualised as, for example, Hegel quite correctly admits in the passage mentioned, where he brings the two aspects into relation with each other, which Saint Max should also have done if he wanted to proceed historically. As against the world's despiritualisation in the Christian consciousness, the ancients, "who saw gods everywhere", can with equal justification be regarded as the spiritualisers of the world — a conception which our saintly dialectician rejects with the well-meaning warning: "Gods, my dear modern man, are not spirits" (p. 47). Pious Max recognises only the *holy* spirit as spirit.

But even if he had given us this phenomenology (which after Hegel is moreover superfluous), he would all the same have given us nothing. The standpoint at which people are content with such tales about spirits is itself a religious one, because for people who adopt it religion is a satisfactory answer, they regard religion as *causa sui* [its own cause] (for both "self-consciousness" and "man" are still religious) instead of explaining it from the empirical conditions and showing how definite relations of industry and intercourse are necessarily connected with a definite form of society, hence, with a definite form of state and hence with a definite form of religious consciousness. If Stirner had looked at the real history of the Middle Ages, he could have found why the Christian's notion of the world took precisely this form in the Middle Ages, and how it happened that it subsequently passed into a different one; he could have found that "*Christianity*" *has no history whatever* and that all the different forms in which it was visualised at various times were not "self-determinations" and "further developments" "of the religious spirit", but were brought about by wholly empirical causes in no way dependent on any influence of the religious spirit.

Since Stirner "does not stick to the rules" (p. 45), it is possible, before dealing in more detail with spirit-seeing, to say here and now that the various "transformations" of Stirner's people and their world consist merely in the transformation of the entire history of the world into the body of Hegel's philosophy; into ghosts, which only apparently are an "other being" of the thoughts of the Berlin professor. In the *Phänomenologie*, the Hegelian bible, "the book", individuals are first of all transformed into "consciousness" [and the] world into "object", whereby the manifold variety of forms of life and history is reduced to a different attitude of "consciousness" to the "object". This different attitude is reduced, in turn, to three cardinal relations: 1) the relation of consciousness to the object as to truth, or to truth as mere object (for example, sensual consciousness, natural religion, Ionic philosophy, Catholicism, the authoritarian state, etc.); 2) the relation of consciousness as *the true* to the object (reason, spiritual religion, Socrates, Protestantism, the French Revolution); 3) the true relation of consciousness to truth as object, or to the object as truth (logical thinking, speculative philosophy, the spirit as existing for the spirit). In Hegel, too, the first relation is defined as God the Father, the second as Christ, the third as the Holy Spirit, etc. Stirner already used these transformations when speaking of child and youth, of ancient and modern, and he repeats them later in regard to Catholicism and Protestantism, the Negro and the Mongol, etc., and then accepts this series of camouflages of a thought in all good faith as the world against which he has to assert and maintain himself as a "corporeal individual".

Second set of instructions in spirit-seeing. How to transform the world into the spectre of truth, and oneself into something made holy or spectral. A conversation between Saint Max and his servant Szeliga (pp. 47, 48).

Saint Max: "You have spirit, for you have thoughts. What are your thoughts?"

Szeliga: "Spiritual entities."

Saint Max: "Hence they are not things?"

Szeliga: "No, but they 'are the spirit of things, the important element in all things, their innermost essence, their idea."

Saint Max: "What you think is, therefore, not merely your thought?"

Szeliga: "On the contrary, it is the most real, genuinely true thing in the world: it is truth itself; when I but truly think, I think the truth. I can admittedly he mistaken about the truth and fail to perceive it, but when I truly perceive, then the object of my perception is the truth."

Saint Max: "Thus, you endeavour all the time to perceive the truth?"

Szeliga: "For me the truth is sacred.... The truth I cannot abolish; in the truth I believe, and therefore I investigate into its nature; there is nothing higher than it, it is eternal. The truth is sacred, eternal, it is the holy, the eternal."

Saint Max (indignantly): "But you, by allowing yourself to become filled with this holiness, become yourself holy."

Thus, when Szeliga truly perceives some object, the object ceases to be an object and becomes "the truth". This is the first manufacture of spectres on a large scale. — It is now no longer a matter of perceiving objects, but of perceiving the truth; first he perceives objects truly, which he defines as the truth of perception, and he transforms this into perception of the truth. But after Szeliga has thus allowed truth as a spectre to be imposed on him by the threatening saint, his stern master strikes home with a question of conscience, whether he is filled "all the time" with longing for the truth, whereupon the thoroughly confused Szeliga blurts out somewhat prematurely: "For me the truth is sacred." But he immediately notices his error and tries to correct it, by shamefacedly transforming objects no longer into the truth, but into a number of truths, and abstracting "the truth" as the truth of these truths, "the truth" which he can now no longer abolish after he has *distinguished* it from truths which are capable of being abolished. Thereby it becomes "eternal". But not satisfied with giving it predicates such as "sacred, eternal", he transforms it into the holy, the eternal, as subject. After this, of course, Saint Max can explain to him that having become "filled" with this holiness, he "himself becomes holy" and "should not be surprised" if he now "finds nothing but a spectre" in himself. Then our saint begins a sermon:

"The holy, moreover, is not for your senses" and quite consistently appends by means of the conjunction "and": "never will you, as a sensuous being, discover its traces"; that is to say, after sensuous objects are "all gone" and "the truth", "the sacred truth", "the holy" has taken their place, "But" — obviously, — "for your faith or more exactly for your spirit" (for your lack of spirit), "for it is itself something spiritual" (per appositionen), "a spirit" (again per appos.), "is spirit for the spirit".

Such is the art of transforming the ordinary world, "objects", by means of an arithmetical series of *appositions*, into "spirit for the spirit". Here we can only admire this dialectical method of appositions — later we shall have occasion to explore it and present it in all its classical beauty.

The method of oppositions can also be reversed — for example here, after we have once produced "the holy", it does not receive further oppositions, but is made the apposition of a new definition; this is combining progression with equation. Thus, as a result of some dialectical process "there remains the idea of another entity" which "I should serve more than myself" (*per appos.*), which for me should be more important than everything else" *(per appos.*), "in short — a something *in which I should seek my true salvation*" (and finally *per appos.* the return to the first series), and which becomes "something 'holy'" (p. 48). We have here two progressions which are equated to each other and can thus provide the opportunity for great variety of equations. We shall deal with this later. By this method too, "the sacred", which hitherto we have been acquainted with only as a purely theoretical designation of purely theoretical relations, has acquired a new practical meaning as "something in which I should seek my true salvation", which makes it possible to make the holy the opposite of the egoist. Incidentally we need hardly mention that this entire dialogue with the sermon that follows is nothing but another repetition of the story of the youth already met with three or four times before.

Here, having arrived at the "egoist", we need not stick to Stirner's "rules" either, because, firstly, we have to present his argument in all its purity, free from any intervening intermezzos, and, secondly, because in any case these intermezzi (on the analogy of "a Lazaroni" — *Wigand*, p. 159, the word should be Lazzarone — Sancho would say intermezzi's) will occur again in other parts of the book, for Stirner, far from obeying his own requirement "always to draw back into himself", on the contrary expresses himself again and again. We shall only just mention that the question raised on page 45: What is this something distinct from the "ego" that is the spirit? is now answered to the effect that it is the holy, i.e., that which is foreign to the "ego", and that everything that is foreign to the "ego" is — thanks to some unstated appositions, appositions "in themselves" — accordingly without more ado regarded as spirit. Spirit, the holy, the foreign are identical ideas, on which he declares war, in the same way almost word for word as he did at the very outset in regard to the youth and the man. We have, therefore, still not advanced a step further than we had on page 20.

a) The Apparition

Saint Max now begins to deal seriously with the "spirits" that are "offspring of the spirit" (p. 39), with the ghastliness of everything (p. 47). At any rate, he imagines so. Actually, however, he only substitutes a new name for his former conception of history according to which people were from the outset the representatives of general concepts. These general concepts appear here first of all in the Negroid form as objective spirits having for people the character of objects, and at this level are called spectres or — *apparitions*. The chief spectre is, of course, "man" himself, because, according to what has been previously said, people only exist for one another as representatives of a universal — essence, concept, the holy, the foreign, a the spirit — i.e., only as spectral persons, spectres, and because, according to Hegel's *Phänomenologie,* page 25 and elsewhere, the spirit, insofar as for man it has the "form of thinghood", is another man (see below about "the *man*").

Thus, we see here the skies opening and the various kinds of spectres passing before us one after the other. Jacques le bonhomme forgets only that he has already caused ancient and modern times to parade before us like gigantic spectres, compared with which all the harmless fancies about God, etc., are sheer trifles.

Spectre No. 1: the *supreme being,* God (p. 53). As was to be expected from what has preceded, Jacques le bonhomme, whose faith moves all the mountains' of world history, believes that "for thousands of years people have set themselves the *task*", "have tired themselves out struggling with the awful impossibility, the endless Danaidean labour" — "to prove the existence of God". We need not waste any more words on this incredible belief.

Spectre No. 2: *essence.* What our good man says about essence is limited — apart from what has been copied out of Hegel — to "pompous words and miserable thoughts" (p. 53). "The advance from" essence "to" world essence "is not difficult", and this world essence is, of course, Spectre No. 3: the *vanity of the world.* There is nothing to say about this except that from it "easily" arises

Spectre No. 4: *good and evil beings.* Something, indeed, could be said about this but is not said — and one passes at once to the next:

Spectre No. 5: the *essence and its realm.* We should not be at all surprised that we find here essence for the second time in our honest author, for he is fully aware of his "clumsiness" (*Wigand*, p. 166), and therefore repeats everything several times in order not to be misunderstood. Essence is here in the first place defined as the proprietor of a "realm" and then it is said of it that it is "essence" (p. 54), after which it is swiftly transformed into

Spectre No. 6: "*essences*". To perceive and to recognise them, and them alone, is religion. "Their realm" (of essences) "is — a realm of essences" (p. 54). Here there suddenly appears for no apparent reason

Spectre No. 7: the *God-Man*, Christ. Of him Stirner is able to say that he was "*corpulent*". If Saint Max does not believe in Christ, he at least believes in his "actual corpus". According to Stirner, Christ introduced great distress into history, and our sentimental saint relates with tears in his eyes "how the strongest Christians have racked their brains in order to comprehend him" — indeed,

"there has never been a spectre that caused such mental anguish, and no shaman, spurring himself into wild frenzy and nerve-racking convulsions, can have suffered such agony as Christians have suffered on account of this most incomprehensible spectre".

Saint Max sheds a sympathetic tear at the grave of the victims of Christ and then passes on to the "horrible being",

Spectre No. 8, *man.* Here our hold writer is seized with immediate "horror" — "he is terrified of himself", he sees in every man a "frightful spectre", a "sinister spectre" in which something "stalks" (pp. 55, 56). He feels highly uncomfortable. The split between phenomenon and essence gives him no peace. He is like Nabal, Abigail's husband, of whom it is written that his essence too was separated from his phenomenal appearance: "And there was a man in Maon, *whose possessions* [wesen (essence) — in Luther's Bible Wesen means "possession"] *were in Carmel*". (1 Samuel 25: 2.) But in the nick of time, before the "mental anguish" causes Saint Max in desperation to put a bullet through his head, he suddenly remembers the ancients who "took no notice of anything of the kind in their slaves". This leads him to

Spectre No. 9, *the national spirit* (p. 56), about which too Saint Max, who can no longer be restrained, indulges in "frightful" fantasies, in order to transform

Spectre No. 10, "*everything*", into an apparition and, finally, where all enumeration ends, to hurl together in the class of spectres the "holy spirit", truth, justice, law, the good cause (which he still cannot forget) and half a dozen other things completely foreign to one another.

Apart from this there is nothing remarkable in the whole chapter except that Saint Max's faith moves an historical mountain. That is to say, he utters the opinion (p. 56):

"Only for the sake of a supreme being has anyone ever been worshipped, only as a spectre has he been regarded as a sanctified, i.e." (that is!) "protected and recognised person."

If we shift this mountain, moved by faith alone, back into its proper place, then "it will read": Only for the sake of persons who are protected, i.e., who protect themselves, and who are privileged, i.e., who seize privileges for themselves, have supreme beings been worshipped and spectres sanctified. Saint Max imagines, for example, that in antiquity, when each people was held together by material relations and interests, e.g., by the hostility of the various tribes, etc., when owing to a shortage of productive forces each had either to be a slave or to possess slaves, etc., etc., when, therefore, belonging to a particular people was a matter of "the most natural interest" (*Wigand*, p. [162]) — that then it was only the concept people, or "nationality" that gave birth to these interests from itself; he imagines also that in modern times, when free competition and world trade gave birth to hypocritical, bourgeois cosmopolitanism and the notion of man — that here, on the contrary, the later philosophical construction of man brought about those relations as its "revelations" (p. 51). It is the same with religion, with the realm of essences, which he considers the unique realm, but concerning the essence of which he knows nothing, for otherwise he must have known that religion *as such* has neither essence, nor realm.

— On Religion —

In religion people make their empirical world into an entity that is only conceived, imagined, that confronts them as something foreign. This again is by no means to be explained from other concepts, from "self-consciousness" and similar nonsense, but from the entire hitherto existing mode of production and intercourse, which is just as independent of the pure concept as the invention of the *self-acting mule* and the use of railways are independent of Hegelian philosophy. If he wants to speak of an "essence" of religion, i.e., of a material basis of this inessentiality, then he should look for it neither in the "essence of man", nor in the predicates of God, but in the material world which each stage of religious development finds in existence (cf. above *Feuerbach*).

All the "spectres" which have filed before us were concepts. These concepts — leaving aside their real basis (which Stirner in any case leaves aside) — understood as concepts inside consciousness, as thoughts in people's heads, transferred from their objectivity back into the subject, elevated from substance into self-consciousness, are — *whimsies* or *fixed ideas.*

Concerning the origin of Saint Max's history of ghosts, see Feuerbach in *Anekdota* II, p. 66 [Ludwig Feuerbach, "Verläufige Thesen zur Reformation der Philosophie"], where it is stated:

"Theology is belief in ghosts. Ordinary theology, however, has its ghosts in the sensuous imagination, speculative theology has them in non-sensuous abstraction."

And since Saint Max shares the belief of all critical speculative philosophers of modern times that thoughts, which have become independent, objectified thoughts — ghosts — have ruled the world and continue to rule it, and that all history up to now was the history of theology, nothing could be easier for him than to transform history into a history of ghosts. Sancho's history of ghosts, therefore, rests on the traditional belief in ghosts of the speculative philosophers.

b) Whimsy

"Man, there are spectres in your head!... You have a fixed idea!" thunders Saint Max at his slave Szeliga. "Don't think I am joking," he threatens him. Don't dare to think that the solemn "Max Stirner" is capable of joking.

The man of God is again in need of his faithful Szeliga in order to pass from the object to the subject, from the apparition to the whimsy.

Whimsy is the hierarchy in the single individual, the domination of thought "in him over him". After the world has confronted the fantasy-making youth (of page 20) as a world of his "feverish fantasies", as a world of ghosts, "the off-springs of his own head" inside his head begin to dominate him. The world of his feverish fantasies — this is the step forward he has made' now exists as the world of his deranged mind. Saint Max — the man who is confronted by "the world of the moderns" in the form of the fantasy-making youth — has necessarily to declare that "almost the whole of mankind consists of veritable fools, inmates of a mad-house" (p.. 57).

The whimsy which Saint Max discovers in the heads of people is nothing but his own whimsy — the whimsy of the "saint" who views the world *sub specie aeterni* [under the aspect of eternity — see Spinoza, Ethics] and who takes both the hypocritical phrases of people and their illusions for the true motives of their actions;

that is why our naive, pious man confidently pronounces the great proposition: "Almost all mankind clings to something higher" (p. 57).

"Whimsy" is "a fixed idea", i.e., "an idea which has subordinated man to itself" or — as is said later in more popular form — all kinds of absurdities which people "*have stuffed into their heads*". With the utmost ease, Saint Max arrives at the conclusion that everything that has subordinated people to itself — for example, the need to produce in order to live, and the relations dependent on this — is such an ‚absurdity" or "*fixed idea*". Since the child's world is the only "world of things", as we learned in the myth of "a man's life", everything that does not exist "for the child" (at times also for the animal) is in any case an "idea" and "easily also" a "fixed idea". We are still a long way from getting rid of the youth and the child.

The chapter on whimsy aims merely at establishing the existence of the category of whimsy in the history of "man". The actual struggle against whimsy is waged throughout the entire "book and particularly in the second part. Hence a few examples of whimsy can suffice us here.

On page 59, Jacques le bonhomme believes that

our newspapers are full of politics, because they are in the grip of the delusion that man was created in order to become a zoon politikon [political animal — Aristotle]".

Hence, according to Jacques le bonhomme, people engage in politics because our newspapers are full of them! If a church father were to glance at the stock exchange reports of our newspapers, he could not judge differently from Saint Max and would have to say: these newspapers are full of stock exchange reports because they are in the grip of the delusion that man was created in order to engage in financial speculation. Thus, it is not the newspapers that possess whimsies, but whimsies that possess "Stirner".

Stirner explains the condemnation of incest and the institutions of monogamy from "the holy", "they are the holy". If among the Persians incest is not condemned, and if the institution of polygamy occurs among the Turks, then in those places incest and polygamy are "the holy". It is not possible to see any difference between these two "holies" other than that the nonsense with which the Persians and Turks have "stuffed their heads" is different from that with which the Christian Germanic peoples have stuffed their heads. — Such is the church father's manner of "detaching himself" from history "in good time". — Jacques le bonhomme has so little inkling of the real, materialist causes for the condemnation of polygamy and incest in certain social conditions that he considers this condemnation to be merely the dogma of a creed and in common with every philistine imagines that when a man is imprisoned for a crime of this kind, it means that "moral purity" is confining him in a “house of moral correction” (p. 60) — just as jails in general seem to him to be houses for moral correction — in this respect he is at a lower level than the educated bourgeois, who has a better understanding of the matter — cf. the literature on prisons. “Stirner’s” “jails” are the most trite illusions of the Berlin burgher which for him, however, hardly deserve to be called a “house of moral correction”.

After Stirner, with the help of an “episodically included” “historical reflection”, has discovered that

“it had to come to pass that the whole man with all his abilities would prove to be religious” (p. 64) “so, too, in point of fact” “it is not surprising” — “for we are now so thoroughly religious” — “that” the oath “of the members of the jury condemns us to death and that by means of the ‘official oath’ the police constable, as a good Christian, has us put in the clink”.

When a gendarme stops him for smoking in the Tiergarten [7], the cigar is knocked out of his mouth not by the royal Prussian gendarme who is paid to do so and shares in the money from fines, but by the “official oath”. In precisely the same way the power of the bourgeois in the jury court becomes transformed for Stirner — owing to the pseudo-holy appearance which the *amis du commerce* assume here — into the power of making a vow, the power of the oath, into the “holy”. “Verily, I say unto you: I have not found so great faith, no, not in Israel.” (Matthew 8:10)

“For some persons a thought becomes a maxim, so that it is not the person who possesses the maxim, but rather the latter that possesses him, and with the maxim he again acquires a firm standpoint.” But “it is not of him that willeth, nor of him that runneth, but of God that sheweth mercy” (Romans 9: 16).

Therefore Saint Max has on the same page to receive several thorns in the flesh [2 Corinthians 12:7] and must give us a number of maxims: firstly, the maxim [to recognise] no maxims, with which goes, secondly, the maxim not to have any firm standpoint; thirdly, the maxim “although we *should* possess spirit, spirit *should* not possess us”; and fourthly, the maxim that one should also be aware of one’s flesh, “for only by being aware of his flesh is man fully aware of himself, and only by being fully aware of *himself*, is he aware or rational”.

C. The Impurely Impure History of Spirits

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a) Negroes and Mongols

We now go back to the beginning of the "unique" historical scheme and nomenclature. The child becomes the Negro, the youth — the Mongol. See "The Economy of the Old Testament".

"The historical reflection on our mongolhood, which I shall include episodically at this point, I present without any claim to thoroughness or even to authenticity, but solely because it seems to me that it can contribute to clarifying the rest" (p. 87).

Saint Max tries to "clarify" for himself his phrases about the child and the youth by giving them world-embracing names, and he tries to "clarify" these world-embracing names by replacing them with his phrases about the child and the youth. "The *Negroid character* represents *antiquity*, dependence on *things*" *(child); "the Mongoloid character* — the period of dependence on *thoughts*, the Christian epoch" (*the youth*). (Cf. "The Economy of the Old Testament".) "The following words are reserved for the future: I am owner of the *world of things,* and I am owner of the *world of thoughts*" (pp. 87, 88). This "future" has already happened once, on page 20, in connection with the *man*, and it will occur again later, beginning with page 226.

First "historical reflection without claim to thoroughness or even to authenticity": Since Egypt is part of Africa where Negroes live, it follows that "included" "in the Negro era" (p. 88) are the "campaigns of Sesostris", which never took place, and the "significance of Egypt" (the significance it had also at the time of the Ptolemics, Napoleon's expedition to Egypt, Mohammed All, the Eastern question, the pamphlets of Duvergier de Haurannes, etc.), land of North Africa in general" (and therefore of Carthage, Hannibal's campaign against Rome, and "easily also", the significance of Syracuse and Spain, the Vandals, Tertuilian, the Moors, AI Hussein Abu Ali Ben Abdallah Ibn Sina, piratical states, the French in Algeria, Abd-el-Kader, Père Enfantin [8] and the font. new toads of the *Charivari*) (p. 88). Consequently, Stirner clarifies the campaigns of Sesostris, etc., by transferring them to the Negro era, and he clarifies the Negro era by "episodically including" it as a historical illustration of his unique thoughts "about our childhood years".

*Second "historical reflection": "*To the Mongoloid era belong the campaigns of the Huns and Mongols up to the Russians" (and *Wasserpolaken*[9]); thus here again the campaigns of the Huns and Mongols, together with the Russians, are "clarified" by their inclusion in the "Mongoloid era", and the "Mongoloid era" — by pointing out that it is the era of the phrase "dependence on thoughts", which we have already encountered in connection with the *youth.*

Third "historical reflection":

In the Mongoloid era the "value of my ego cannot possibly be put at a high level because the hard diamond of the non-ego is too high in price, because it is still too gritty and impregnable for it to be absorbed and consumed by my ego. On the contrary, people are simply exceptionally busy crawling about on this static world, this substance, like parasitic animalcules on a body from whose juices they extract nourishment, but nevertheless do not devour the body. It is the bustling activity of noxious insects, the industriousness of Mongols. Among the Chinese indeed everything remains as of old, etc.... Therefore" (because among the Chinese everything remains as of old) "in our Mongol era every change has only been reformatory and corrective, and not destructive, devouring or annihilating. The substance, the object remains. All our industriousness is only the activity of ants and the jumping of fleas ... juggling on the tightrope of the objective", etc. (p. 88. Cf. Hegel, Philosophie der Geschichte, pp. 113, 118, 119 (unsoftened substance). p. 140, etc., where China is understood as "substantiality").

We learn here, therefore, that in the true Caucasian era people will be guided by the maxim that the earth, "substance", the "object", the "static" has to be devoured, "consumed", "annihilated", "absorbed", "destroyed", and along with the earth the solar system that is inseparable from it. World-devouring "Stirner" has already introduced us to the "reformatory or corrective activity" of the Mongols as the youth's and Christian's "plans for the salvation and *correction* of the world" on page 36. Thus we have still not advanced a step. It is characteristic of the entire "unique" conception of history that the highest stage of this Mongol activity earns the title of "*scientific*" — from which already now the conclusion can be drawn, which Saint Max later tells us, that the culmination of the Mongolian heaven is the Hegelian kingdom of spirits. *Fourth "historical reflection"*. The world on which the Mongols crawl about is now transformed by means of a "flea jump" into the "positive", this into the "precept", and, with the help of a paragraph on page 89, the precept becomes "morality". "Morality appears in its first form as custom" — hence it conies forward as a person, but in a trice it becomes transformed into a sphere:

"To act in accordance with the morals and customs of one's country means here" (i.e., in the sphere of morality) "to be moral....... Therefore" (because this occurs in the sphere of morality as a custom) "pure, moral behaviour in the most straightforward form is practised in ... China! "

Saint Max is unfortunate in his examples. On page 116 in just the same way he attributes to the North Americans the "religion of honesty". He regards the two most rascally nations on earth, the patriarchal swindlers — the Chinese, and the civilised swindlers — the Yankees, as "straightforward", "moral" and "honest". If he had looked up his crib he could have found the North Americans classed as swindlers on page 81 of the *Philosophie der Geschichte* and the Chinese ditto on page 130.

“One” — that friend of the saintly worthy man — now helps him to arrive at *innovation*, and from this an “*and*” brings him back to *custom*, and thus the material is prepared for achieving a masterstroke in the

Fifth historical reflection: ‘There is in fact no doubt that by means of custom man protects himself against the importunity of things, of the world” — for example, from hunger;

“*and*” — as quite naturally follows from this —

“*founds a world of his* own” — which “Stirner” has need of now —

“*in which alone he feels in his native element and at home*”, — “*alone*”, after he has first by “custom” made himself “at home” in the existing “world” —

“*i.e., builds himself a heaven*” — because China is called the Celestial Empire.

“*For indeed heaven has no other significance than that of being the real homeland of man*” — in this context, however, it signifies the imagined unreality of the real homeland —

“*where nothing alien any longer prevails upon him*”, i.e., where what is his own prevails upon him as something alien, and all the rest of the old story. “Or rather”, to use Saint Bruno’s words, or “it is easily possible”, to use Saint Max’s words, that this proposition should read as follows:

1.Stirner’s proposition without claim to thoroughness or even to authenticity	**Clarified proposition**
“There is in fact no doubt that by means of custom man protects himself against the importunity of things, of the world, and founds a world of his own, in which alone he feels in his native element and at home, i.e., builds himself a heaven. ***For indeed ‘heaven’ has no other significance than that of being the real homeland of man, where nothing alien any longer prevails upon him and rules over him, no earthly influence any longer estranges him from himself, in***	***2.“There is in fact no doubt” that because China is called the Celestial Empire, because “Stirner” happens to be speaking of China and as he is “accustomed” by means of ignorance “to protect himself against the importunity of things, ,f the world, and to found a world of his own, in which alone he feels in his native element and at home” — therefore he “builds himself a heaven” out of the Chinese Celestial Empire. “For indeed” the importunity of the world, of things, “has no other significance than that of being the real” hell of the unique, “in***

short, where earthly dross is thrown aside and the struggle against the world has come to an end. where, therefore, nothing is forbidden him any more" (p. 89).

which" everything "prevails upon him and rules over him" as something "alien", but which he is able to transform into a "heaven" by "estranging himself" from all "earthly influences", historical facts and connections, and hence no longer thinks them strange; "in short", it is a sphere "where the earthly", the historical "dross is thrown aside", and where Stirner "does not find" in the "end" "of the world" any more "struggle" — and thereby everything has been said.

Sixth "historical reflection". On page 90, Stirner imagines that

"in China everything is provided for; no matter what happens, the Chinese always knows how he should behave, and he has no need to decide according to circumstances; no unforeseen event will overthrow his celestial calm".

Nor any British bombardment either — he knew exactly "how he should behave", particularly in regard to the unfamiliar steamships and shrapnel-bombs.[10] Saint Max extracted that from Hegel's *Philosophie der Geschichte,* pages 118 and 127, to which, of course, he had to add something unique, in order to achieve his reflection as given above.

"Consequently," continues Saint Max, "mankind climbs the first rung of the ladder of education by means of custom, and since it imagines that by gaining culture, it has gained heaven, the realm of culture or second nature, it actually mounts the first rung of the heavenly ladder" (p. 90).

"Consequently", i.e., because Hegel begins history with China, and because "the Chinese does not lose his equanimity", "Stirner" transforms mankind into a person who "mounts the first rung of the ladder of culture" and indeed does so "by means of custom", because China has no other meaning for Stirner than that of being the embodiment of "custom". Now it is only a question for our zealot against the holy of transforming the "ladder" into a "heavenly ladder", since China is also called the *Celestial* Empire. "Since mankind imagines" ("wherefrom" does Stirner "know everything that" mankind imagines, see *Wigand*, page 189) — and this ought to have been proved by Stirner — firstly that it transforms "culture" into the "heaven of culture", and secondly that it transforms the "heaven of culture" into the "culture of heaven" — (an alleged notion on the part of mankind which appears on page 91 as a notion of Stirner's and thereby receives its correct expression) — "so it *actually* mounts the first rung of the heavenly ladder". Since it *imagines* that it mounts the first rung of the heavenly ladder — so — it mounts it *actually*! "Since" the "youth" "imagines" that he becomes pure spirit, he does actually become such! See the "youth" and the "Christian" on the transition from the world of things to the world of the spirit, where the simple formula for this heavenly ladder of "unique" ideas already occurs.

Seventh historical reflection, page 90. "If Mongolism" (it follows immediately after the heavenly ladder, whereby "Stirner", through the alleged notion on the part of mankind, was able to ascertain the existence of a spiritual essence [*Wesen*]), "if Mongolism has established the existence of spiritual beings [*Wesen*]" (rather — if "Stirner" has established his fancy about the spiritual essence of the Mongols), "*then* the Caucasians have fought for thousands of years against these spiritual beings, in order to get to the bottom of them". (The youth, who becomes a man and "tries all the time" "to penetrate behind thoughts", the Christian, who "tries all the time" ',to explore the depths of divinity".) Since the Chinese have noted the existence of God knows what spiritual beings ("Stirner" does not note a single one, apart from his heavenly ladder) — so for thousands of years the Caucasians have to wrangle with "these" Chinese "spiritual beings"; moreover, two lines below Stirner puts on record that they actually "stormed the *Mongolian* heaven, the *tien*", and continues: "When will they destroy this heaven, when will they finally become *actual Caucasians* and *find themselves?*"

Here we have the negative unity, already seen earlier as man, now appearing as the "actual Caucasian", i.e., not Negroid, not Mongolian, but as the *Caucasian Caucasian*. This latter, therefore, as a concept, as essence, is here separated from the actual Caucasians, is counterposed to them as the "ideal of the Caucasian", as a „vocation" in which they should "find themselves", as a "destiny", a "task", as "the holy", as "the holy" Caucasian, "the perfect" Caucasian, "who indeed" is the Caucasian "in heaven — *God*".

"In the sedulous struggle of the Mongolian race, men had built a heaven" — so "Stirner" believes (p. 91), forgetting that actual Mongols are much more occupied with sheep than with heaven — "when the people of the Caucasian stock, so long as they ... *have* to do with heaven ... *undertook* the business of storming heaven." *Had built* a heaven, when ... so long as they *have*... [they] *undertook*. The unassuming "historical reflection" is here expressed in a *comecutio temporum* which also does not "lay claim" to classic form "or even" to grammatical correctness; the construction of the sentences corresponds to the construction of history. "Stirner's" "claims" "are restricted to this" and "thereby achieve their final goal".

Eighth historical reflection, which is the reflection of reflections, the alpha and omega of the whole of Stirner's history: Jacques le bonhomme, as we have pointed out from the beginning, sees in all the movement of nations that has so far taken place merely a sequence of heavens (p. 91), which can also be expressed as follows: successive generations of the Caucasian race up to the present day did nothing but squabble about the concept of morality (p. 92) and "their activity has been restricted to this" (p. 91). If they had got out of their heads this unfortunate morality, this apparition, they would have achieved something; as it was, they achieved nothing, absolutely nothing, and have to allow Saint Max to set them a task as if they were schoolboys. It is completely in accordance with his view of history that at the end (p. 92) he conjures up speculative philosophy so that "in it this heavenly kingdom, the kingdom of spirits and spectres, should find its proper order" — and that in a later passage speculative philosophy should be conceived as the "perfect kingdom of spirits".

Why it is that for those who regard history in the Hegelian manner the result of all preceding history was finally bound to be the kingdom of spirits perfected and brought into order in speculative philosophy — the solution of this secret "Stirner" could have very simply found by recourse to Hegel himself. To arrive at this result ',the concept of spirit must be taken as the basis and then it must be shown that history is the process of the spirit itself" *(Geschichte der Philosophie*, III, p. 91). After the "concept of spirit" has been imposed on history as its basis, it is very easy, of course, to "show" that it is to be discovered everywhere, and then to make this as a process "find its proper order".

After making everything "find its proper order", Saint Max can now exclaim with enthusiasm: "To desire to win freedom for the spirit, that is Mongolism", etc. (cf. p. 17: "To bring to light pure thought, etc. — that is the joy of the youth", etc.), and can declare hypocritically: "*Hence it is obvious* that Mongolism ... represents non-sensuousness and unnaturalness", etc. — when he ought to have said: it is obvious that the Mongol is only the disguised youth who, being the negation of the world of things, can also be called unnaturalness", "non-sensuousness", etc.

We have again reached the point where the "youth" can pass into the "man": "But who will transform the spirit into its nothing? *He*, who by means of the spirit represented nature as the futile, the finite, the transitory" (i.e., imagined it as such — and, according to page 16 et seq., this was done by the youth, later the Christian, then the Mongol, then the Mongoloid Caucasian, but properly speaking only by idealism), "he alone can also degrade the spirit" (namely 'it his imagination) "to the same futility" (therefore the Christian, etc.? No, exclaims "Stirner" resorting to a similar trick as on pages 19-20 in the case of the man). "I can do it, each of you can do it who operates and creates" (in his imagination) "as the unrestricted ego", "in a word, the *egoist* can do it" (p. 93), i.e., the man, the Caucasian Caucasian, who therefore is the perfect Christian, the true Christian, the holy one, the *embodiment* of the holy.

Before dealing with the further nomenclature, we also "should like at this point to include an historical reflection" on the origin of Stirner's "historical reflection about our Mongolism"; our reflection differs, however, from Stirner's 'n that it definitely "lays claim to thoroughness and authenticity". His whole historical reflection, just as that on the "ancients", is a concoction out of Hegel.

The Negroid state is conceived as "the child" because Hegel says on page 89 of his *Philosophie der Geschichte*:

"Africa is the country of the childhood of history." "in defining the African" (Negroid) "spirit we must entirety discard the category of universality" (p. 90) — i.e., although the child or the Negro has ideas, he still does not have the idea. "Among the Negroes consciousness has not yet reached a firm objective existence, as for example God, law, in which man would have the perception of his essence" ... "thanks to which, knowledge of an absolute being is totally absent. The Negro represents natural man in all his lack of restraint" (p. 90). "Although they must be conscious of their dependence on the natural" (on things, as "Stirner" says), "this, however, does not lead them to the consciousness of something higher" (p. 91).

Here we meet again all Stirner's determinations of the child and the Negro — dependence on things, independence of ideas and especially of "the idea", "the essence", "the absolute" (holy) "being", etc.

He found that in Hegel the Mongols and, in particular, the Chinese appear as the beginning of history and since for Hegel, too, history is a history of spirits (but not in such a childish way as with "Stirner"), it goes without saying that the Mongols brought the spirit into history and are the original representatives of everything "sacred". In particular, on page 110, Hegel describes the " *Mongolian* kingdom" (of the Dalai-Lama) as the "*ecclesiastical*" realm, the "kingdom of theocratic rule", a "spiritual, religious kingdom" — in contrast to the worldly empire of the Chinese. "Stirner", of course, has to identify China with the Mongols. In Hegel, on page 140, there even occurs the "*Mongolian principle*" from which "Stirner" derived his "*Mongolism*". Incidentally, if he really wanted to reduce the Mongols to the category of "idealism", he could have "found established" in the Dalai-Lama system and Buddhism quite different "spiritual beings" from his fragile "heavenly ladder". But he did not even have time to look properly at Hegel's *Philosophie der Geschichte.* The peculiarity and uniqueness of Stirner's attitude to history consists in the egoist being transformed into a "clumsy" copier of Hegel.

b) Catholicism and Protestantism (Cf. "The Economy of the Old Testament")

What we here call Catholicism, "Stirner" calls the "Middle Ages", but as he confuses (as "in everything") the pious, religious character of the Middle Ages, the religion of the Middle Ages, with the actual, profane Middle Ages in flesh and blood, we prefer to give the matter its right name at once.

"The Middle Ages" were a "lengthy period, in which people were content with the illusion of having the truth" (they did not desire or do anything else), "without seriously thinking about whether one must he true oneself in order to possess the truth". — "In the Middle Ages people" (that is, the whole of the Middle Ages) "mortified the flesh, in order to become capable of assimilating the holy" (p. 108).

Hegel defines the attitude to the divine in the Catholic church by saying

"that people's attitude to the absolute was as to something purely external" (Christianity in the form of externality) (Geschichte der Philosophie, Ill, p. 148, and elsewhere). Of course, the individual has to be purified in order to assimilate the truth, but "this also occurs in an external way, through redemptions, fasts, self-flagellations, visits to holy places, pilgrimages" (ibid., p. 140).

"Stirner" makes this transition by saying:

"In the same way, too, as people strain their eyes in order to see a distant object ... so they mortified the flesh, etc."

Since in "Stirner's" "book" the Middle Ages are identified with Catholicism, they naturally end with *Luther* (p. 108). Luther himself is reduced to the following definition, which has already cropped up in connection with the youth, in the conversation with Szeliga and elsewhere:

"Man, if he wants to attain truth, must become as true as truth itself. Only he who already has truth in faith can participate in it."

Concerning Lutheranism, Hegel says:

"The truth of the gospel exists only in the true attitude to it...... The essential attitude of the spirit exists only for the spirit.... Hence the attitude of the spirit to the content is that although the content is essential, it is equally essential that the holy and consecrating spirit should stand in relation to this content" (Geschichte der Philosophie, III, p. 234). "This then is the Lutheran faith — his" (i.e., man's) "faith is required of him and it alone can truly be taken into account" (ibid., p. 230). "Luther ... affirms that the divine is divine only insofar as it is apprehended in this subjective spirituality of faith" (ibid., p. 138).

"The doctrine of the" (Catholic) "church is truth as existent truth" (Philosophie der Religion, II, p. 331).

"Stirner" continues:

"Accordingly, with Luther the knowledge arises that truth, because it is thought, exists only for the thinking man, and this means that with regard to his object — thought — man must adopt a totally different standpoint, a pious" (per appos.), "scientific standpoint, or that of thinking" (p. 110).

Apart from the repetition which "Stirner" again "includes" here, only the transition from faith to thinking deserves attention. Hegel makes the transition in the following way:

"But this spirit" (namely, the holy and consecrating spirit) "is, secondly, essentially also thinking spirit. Thinking as such must also have its development in it", etc. ([*Geschichte der Philosophie*,] p. 234).

"Stirner" continues:

"This thought" ("that I am spirit, spirit alone") "pervades the history of the Reformation down to the present day" (p. 111).

From the sixteenth century onwards, no other history exists for "Stirner" than the history of the Reformation — and the latter only in the interpretation in which Hegel presents it.

Saint Max has again displayed his gigantic faith. He has again taken as literal truth all the illusions of German speculative philosophy; indeed, he has made them still more speculative, still more abstract. For him there exists only the history of religion and philosophy — and this exists for him only through the medium of Hegel, who with the passage of time has become the universal crib, the reference source for all the latest German speculators about principles and manufacturers of systems.

Catholicism = attitude to truth as thing, child, Negro, the "ancient".

Protestantism = attitude to truth in the spirit, youth, Mongol, the "modern".

The whole scheme was superfluous, since all this was already present in the section on "spirit".

As already mentioned in "The Economy of the Old Testament", it is now possible to make the child and the youth appear again in new transformations" within Protestantism, as "Stirner" actually does on page 112, where he conceives English, empirical philosophy as the child, in contrast to German, speculative philosophy as the youth. Here again he copies out *Hegel,* who here, as elsewhere in the "book", frequently appears as "*one*".

"One" — i.e., Hegel — "expelled Bacon from the realm of philosophy." "And, indeed, what is called English philosophy does not seem to have got any farther than the discoveries made by so-called clear intellects such as Bacon arid Hume" (p. 112).

Hegel expresses this as follows:

"Bacon is in fact the real leader and representative of what is called philosophy in England and beyond which the English have by no means gone as yet" (Geschichte der Philosophie, III, p. 254).

The people whom "Stirner" calls "clear intellects" Hegel (ibid., p. 255) calls "educated men of the world" — Saint Max on one occasion even transforms them into the "simplicity of childish nature", for the English philosophers have to represent the child. On the same childish grounds Bacon is not allowed to have "concerned himself with theological problems and cardinal propositions", regardless of what may be said in his writings (particularly *De Augmentis Scientiarum, Novum Organum* and the *Essays*). On the other hand, "German thought ... sees life only in cognition itself" (p. 112), for it is the *youth. Ecce iterum Crispinus!*

How Stirner transforms Descartes into a German philosopher, the reader can see for himself in the "book", p. 112.

D. Hierarchy

In the foregoing presentation Jacques le bonhomme conceives history merely as the product of abstract thoughts — or, rather, of his notions of abstract thoughts — as governed by these notions, which, in the final analysis, are all resolved into the "holy". This domination of the "holy", of thought, of the Hegelian absolute idea over the empirical world he further portrays as a historical relation existing at the present time, as the domination of the holy ones, the ideologists, over the vulgar world — as a *hierarchy*. In this hierarchy, what previously appeared *consecutively* exists *side by side,* so that one of the two coexisting forms of development rules over the other. Thus, the youth rules over the child, the Mongol over the Negro, the modern over the ancient, the selfless egoist (*citoyen*) over the egoist in the usual sense of the word (bourgeois), etc. — see "The Economy of the Old Testament". The "destruction" of the "world of things" by the "world of the spirit" appears here as the "domination" of the "world of thoughts" over the "world of things".

— The Professional Thinkers —

The outcome, of course, is bound to be that the domination which the "world of thoughts" exercises from the outset in history is at the end of the latter also presented as the real, actually existing domination of the thinkers — and, as we shall see, in the final analysis, as the domination of the speculative philosophers — over the world of things, so that Saint Max has only to fight against thoughts and ideas of the ideologists and to overcome them, in order to make himself "possessor of the world of things and the world of thoughts".

"Hierarchy is the domination of thought, the domination of the spirit. We are still — hierarchical to this day, we are under the yoke of those who rely on thoughts, and thoughts" — who has failed to notice it long ago? — "are the holy" (p. 97). (Stirner has tried to safeguard himself against the reproach that in his whole book he has only been producing "thoughts", i.e., the "holy,", by in fact nowhere producing any thoughts in it. Although in the Wigand periodical he ascribes to himself "virtuosity in thinking", i.e., according to his interpretation, virtuosity in the fabrication of the "holy" — and this we shall concede him.) — "Hierarchy is the supreme domination of spirit" (p. 467). — "The medieval hierarchy was only a weak hierarchy, for it was forced to allow all kinds of profane barbarism to exist unrestricted alongside it" ("how Stirner knows so much about what the hierarchy was forced to do", we shall soon see), "and only the Reformation steeled the power of the hierarchy" (p. 110). "Stirner" indeed thinks that "the domination of spirits was never before so all-embracing and omnipotent" as after the Reformation; he thinks that this domination of

spirits "instead of divorcing the religious principle from art, state and science, on the contrary, raised these wholly from actuality into the kingdom of tile spirit and made them religious".

This view of modern history merely dilates upon speculative philosophy's old illusion of the domination of spirit in history. Indeed, this passage even shows how pious Jacques le bonhomme in all good faith continually takes the world outlook derived from Hegel, and which has become traditional for him, as the *real world,* and "manoeuvres" on that basis. What may appear as "his own" and "unique" in this passage is the conception of this domination of the spirit as a *hierarchy* — and here, again, we will "include" a brief "historical reflection" on the origin of Stirner's "hierarchy". Hegel speaks of the philosophy of hierarchy in the following "transformations":

"We have seen in Plato's Republic the idea that philosophers should govern; now" (in the Catholic Middle Ages) "the time has come when it is affirmed that the spiritual should dominate, but the spiritual has acquired the meaning that the clerical, the clergy, should dominate. Thus, the spiritual is made a special being, the individual" (Geschichte der Philosophie, III, p. 132). — "Thereby actuality, the mundane, is forsaken by God ... a few individual persons are holy, the others unholy" (ibid., p. 136). "God-forsakenness" is more closely defined thus: "All these forms" (family, work, political life, etc.) "are considered nugatory, unholy" (Philosophie der Religion, II, p. 343). — "It is a union with worldliness which is unreconciled, worldliness which is crude in itself" (for this Hegel elsewhere also uses the word "barbarism"; cf., for example. Geschichte der Philosophie, III, p. 136) "and, being crude in itself, is simply subjected to domination." (Philosophie der Religion, If, pp. 342, 343). — "This domination" (the hierarchy of the Catholic church) "is, therefore, a domination of passion, although it should be the domination of the spiritual" (Geschichte der Philosophie, III, p. 134). — "The true domination of the spirit, however, cannot he domination of the spirit in the sense that what opposes it should be something subordinate" (ibid., p. 131). — "The true meaning is that the spiritual as such" (according to "Stirner" the "holy") "should be the determining factor, and this has been so until our times; thus, we see in the French Revolution" Following in the wake of Hegel, "Stirner" sees it) "that the abstract idea should dominate: state constitutions and laws should be determined by it, it should constitute the bond between people, and people should be conscious that that which they hold as valid are abstract ideas, liberty and equality, etc." (Geschichte dei. Philosophie, III, p. 132). The true domination of spirit as brought about by Protestantism, in contrast to its imperfect form in the Catholic hierarchy, is defined further in the sense that "the earthly is made spiritual in itself" (Geschichte der Philosophie, III, p. 185); "that the divine is realised in the sphere of actuality" (the Catholic God-forsakenness of actuality, therefore,

ceases to exist — Philosophie der Religion, II, p. 344); that the "contradiction" between holiness and worldliness "is resolved in morality" (Philosophie der Religion, II, p. 343); that "moral institutions" (marriage, the family, the state, earning one's livelihood, etc.) are "divine, holy" (Philosophie der Religion, II, p. 344).

Hegel expresses this true domination of spirit in two forms:

"State, government, low, property, civic order" (and, as we know from his other works, art, science, etc., as well), "all this is the religious... emerging in the form of the finite" (Geschichte der Philosophie, III, p. 185).

And, finally, this domination of the religious, the spiritual, etc., is expressed as the domination of philosophy:

"Consciousness of the spiritual is now" (in the eighteenth century) "essentially the foundation, and thereby domination has passed to philosophy" (Philosophie der Geschichte, p. 440).

Hegel, therefore, ascribes to the Catholic hierarchy of the Middle Ages the intention of wanting "to be the domination of spirit" and thereupon regards it as a restricted imperfect form of this domination of spirit, the culmination of which he sees in Protestantism and its alleged further development. However unhistorical this may be, nevertheless, Hegel is sufficiently historically-minded not to extend the use of the *name* "hierarchy" beyond the bounds of the Middle Ages. But Saint Max knows from this same Hegel that the later epoch is the "truth" of the preceding one; hence the epoch of the perfect domination of spirit is the truth of that epoch in which the domination of spirit was as yet imperfect, so that Protestantism is the truth of hierarchy and therefore *true hierarchy*. Since, however, only *true* hierarchy deserves to be called hierarchy, it is clear that the hierarchy of the Middle Ages had to be "weakly", and it is all the easier for Stirner to prove this since in the passages given above and in hundreds of other passages from Hegel the imperfection of the domination of spirit in the Middle Ages is portrayed. He only needed to copy these out, the whole of his "*own*" work consisting in substituting the word "hierarchy" for "domination of spirit". There was no need for him even to formulate the simple argument by means of which domination of spirit as such is transformed by him into hierarchy, since it has become the fashion among German theoreticians to give the name of the cause to the effect and, for example, to put back into the category of theology everything that has arisen out of theology and has not yet fully attained the height of the principles of these theoreticians — e.g., Hegelian speculation, Straussian pantheism, etc. — a trick especially prevalent in 1842. From the above-quoted passages it also follows that Hegel: 1) appraises the French Revolution as a new and more perfect phase of this domination of spirit; 2) regards philosophers as the rulers of the world of the nineteenth century; 3) maintains that now only abstract ideas have validity among people; 4) that he already regards marriage, the family, the state, earning one's livelihood, civic order, property, etc., as "divine and holy", as the "*religious principle*" and 5) that *morality* as worldly sanctity or as sanctified worldliness is represented as the highest and ultimate form of the domination of spirit over the world — all these things are repeated *word for word* in "Stirner".

Accordingly there is no need to say or prove anything more concerning Stirner's hierarchy, apart from why Saint Max copied out Hegel — a fact, however, for the explanation of which further material data are necessary, and which, therefore, is only explicable for those who are acquainted with 'the Berlin atmosphere. It is another question how the Hegelian idea of the domination of spirit arose, and about this see what has been said above.

Saint Max's adoption of Hegel's world domination of the philosophers and his transformation of it into a hierarchy are due to the extremely uncritical credulity of our saint and to a "holy" or unholy ignorance which is content with "seeing through" history (i.e., with glancing *through* Hegel's historical writings) without troubling to "know" many "things" about it. In general, he was bound to be afraid that as soon as he "learned" he would no longer be able to ‚abolish and dissolve" (p. 96), and, therefore, remain stuck in the "bustling activity of noxious insects" — a sufficient reason not to "proceed" to the "abolition and dissolution" of his own ignorance.

If, like Hegel, one designs such a system for the first time, a system embracing the whole of history and the present-day world in all its scope, one cannot possibly do so without comprehensive, positive knowledge, without great energy and keen insight and without dealing at least in some passages with empirical history. On the other hand, if one is satisfied with exploiting an already existing pattern, transforming it for one's "own" purposes and demonstrating this conception of one's own by means of isolated examples (e.g., Negroes and Mongols, Catholics and Protestants, the French Revolution, etc.) — and this is precisely what our warrior against the holy does — then absolutely no knowledge of history is necessary. The result of all this exploitation inevitably becomes comic; most of all comic when a jump is made from the past into the immediate present, examples of which we saw already in connection with whimsy".

As for the actual hierarchy of the Middle Ages, we shall merely note here that it did not exist for the people, for the great mass of human beings. For the great mass only feudalism existed, and hierarchy only existed insofar as it was itself either feudal or anti-feudal (within the framework of feudalism). Feudalism itself had entirely empirical relations as its basis. Hierarchy and its struggle against feudalism (the struggle of the ideologists of a class against the class itself) are only the ideological expression of feudalism and of the struggles developing within feudalism itself — which include also the struggles of the feudally organised nations among themselves.

Hierarchy is the ideal form of feudalism; feudalism is the political form of the medieval relations of production and intercourse. Consequently, the struggle of feudalism against hierarchy can only be explained by elucidating these practical material relations. This elucidation of itself puts an end to the previous conception of history which took the illusions of the Middle Ages on trust, in particular those illusions which the Emperor and the Pope brought to bear in their struggle against each other.

Since Saint Max merely reduces the Hegelian abstractions about the Middle Ages and hierarchy to "pompous words and paltry thoughts", there is no need to examine in more detail the actual, historical hierarchy.

From the above it is now clear that the trick can also be reversed and Catholicism regarded not just as a preliminary stage, but also as the negation of the real hierarchy; in which case Catholicism = negation of spirit, non-spirit, sensuousness, and then one gets the great proposition of Jacques le bonhomme — that the *Jesuits* "saved us from the *decay* and *destruction* of sensuousness" (p. 118). What would have happened to "us" If the "destruction" of sensuousness had come to pass, we do riot learn. The whole material movement since the sixteenth century, which did not save "us" from the "decay" of sensuousness, but, on the contrary, developed "sensuousness" to a much wider extent, does not exist for "Stirner" — it is the Jesuits who brought about all that. Compare, incidentally, Hegel's *Philosophie der Geschichte,* p. 425.

By carrying over the old domination of the clerics to modern times Saint Max interprets modern times as "*clericalism*"; and then by regarding this domination of the clerics carried over to modern times as something distinct from the old medieval clerical domination, he depicts it as domination of the ideologists, as "*scholasticism*". Thus clericalism = hierarchy as the domination of the spirit, scholasticism = the domination of the spirit as hierarchy.

"Stirner" achieves this simple transition to clericalism — which is no transition at all — by means of three weighty transformations.

Firstly, he "has" the "concept of clericalism" in anyone "who lives for a great idea, for a good cause" (still the good cause!), "for a doctrine, etc."

Secondly, in his world of illusion Stirner "comes up against" the age-old illusion of a world that has not yet learned to dispense with clericalism", namely — "to live and create for the sake of an *idea*, etc."

Thirdly, "it is the domination of the idea, i.e., clericalism", that is: "Robespierre, for example" (for example!), "Saint-Just, and so on" (and so on!) "were out-and-out priests", etc. All three transformations in which clericalism is "discovered", "encountered" and "called upon" (all this on p. 100), therefore, express nothing more than what Saint Max has already repeatedly told us, namely, the domination of spirit, of the idea, of the holy, over "life" (Ibid.).

After the "domination of the idea, i.e., clericalism" has thus been foisted upon history, Saint Max call, of course, without difficulty find this "clericalism" again in the whole of preceding history, and thus depict "Robespierre, for example, Saint-Just, and so on" as priests and identify them with Innocent III and Gregory VII, and so all uniqueness vanishes in the face of *the unique*. All of them, properly speaking, are merely different *names*, different disguises for one person, "clericalism", which made all history from the beginning of Christianity. As to how. with this sort of conception of history, "all cats become grey", since all historical differences are "abolished" and "resolved" in the "notion of clericalism" — as to this, Saint Max at once gives us a striking example in his "Robespierre, for example, Saint-Just, and so on". Here we are first given Robespierre as an "example" of Saint-Just, and Saint-Just — as an "and-so-on" of Robespierre. It is then said:

"These representatives of holy interests are confronted by a world of innumerable 'personal', earthly interests."

By whom were they confronted? By the Girondists and Thermidorians, who (see "for example" R. Levasseur's *Mémoires*, "and so on I.e. Nougaret, *Histoire des prisons*; Barère; "*Deux amis de la liberté*, [11] *(et du commerce*); Montgaillard, *Histoire de France*; Madame Roland, *Appel à la postérité;* J. B. Louvet's *Mémoires* and even the disgusting *Essais historiques* by Beaulieu, etc., etc., as well as all the proceedings before the revolutionary tribunal, "and so on") constantly reproached them, the real representatives of revolutionary power, i.e., of the class which *alone* was truly revolutionary, the "innumerable" masses, for violating "sacred interests", the constitution, freedom, equality, the rights of man, republicanism, law, *sainte propriété*, "for example" the division of powers, humanity, morality, moderation, "and so on". They were opposed by all the *priests*, who accused them of violating all the main and secondary items of the religious and moral catechism (see "for example" *Histoire du clergé de France pendant la revolution*, by M. R., Paris, *libraire catholique*, 1828, "and so on"). The historical comment of the bourgeois that during the *règne de la terreur* "Robespierre, for example, Saint-Just, and so on" cut off the beads of honnêtes *gens* (see the numerous writings of the simpleton Monsieur Peltier, "for example", *La conspiration de Robespierre* by Montjoie, "and so on") is expressed by Saint Max in the following transformation:

"Because the revolutionary priests and school-masters served Man, they cut the throats of men."

This, of course, saves Saint Max the trouble of wasting even one "unique" little word about the actual, empirical grounds for the cutting off of heads — grounds which were based on extremely worldly interests, though not, of course, of the stockjobbers, but of the "innumerable" masses. An earlier "priest", *Spinoza*, already in the seventeenth century had the brazen audacity to act the "strict school-master" of Saint Max, by saying: "Ignorance is no argument."' Consequently Saint Max loathes the priest Spinoza to such an extent that he accepts his anti-cleric, the priest *Leibniz*, and for all such astonishing phenomena as the terror, "for example", the cutting off of heads, "and so on", produces "sufficient grounds", viz., that "the ecclesiastics stuffed their heads with something of the kind" (p. 98).

Blessed Max, who has found sufficient grounds for everything ("I have now found the ground into which my anchor is eternally fastened, ,b in the idea, "for example", in the "clericalism", "and so on,' of "Robespierre, for example, Saint-Just, and so on", George Sand, Proudhon, the chaste Berlin seamstress,' etc.) — this blessed Max "does not blame the class of the bourgeoisie for having asked its egoism how far it should give way to the revolutionary *idea as such*". For Saint Max "the revolutionary idea" which inspired the *habits bleus* [12] and *honnêtes gens* of 1789 is the same "idea" as that of the sansculottes of 1793, *the same* idea concerning which people deliberate whether to "give way" to it — but no further "space can be given"' to any "idea" about this point.

We now come to present-day hierarchy, to the domination of the idea in ordinary life. The whole of the second part of "the book" is filled with struggle against this "hierarchy". Therefore we shall deal with it in detail when we come to this second part. But since Saint Max, as in the section on "whimsy", takes delight in anticipating his ideas here and repeats what comes later in the beginning, as he repeats the beginning in what comes later, we are compelled already at this point to note a few examples of his hierarchy. His method of writing a book is the unique "egoism" which we find in the whole book. His self-delight stands in inverse proportion to the delight experienced by the reader.

Since the middle class demand love for *their* kingdom, their regime, they want, according to Jacques le bonhomme, to "establish the kingdom of love on earth" (p. 98). Since they demand respect for their domination and for the conditions in which it is exercised, and therefore want to usurp domination over respect, they demand, according to this worthy man, the domination of *respect* as such, their attitude towards respect is the same as towards the holy spirit dwelling within them (p. 95). Jacques le bonhomme, with his faith that can move mountains, takes as the actual, earthly basis of the tons and bourgeois world the distorted form in which the sanctimonious and hypocritical ideology of the bourgeoisie voices their particular interests as universal interests. Why this ideological delusion assumes precisely this form for our saint, we shall see in connection with "political liberalism".

Saint Max gives us a new example on page 115, speaking of the family. He declares that, although it is very easy to become emancipated from the domination of one's own family, nevertheless, "refusal of allegiance easily arouses pangs of conscience", and so people retain family affection, the concept of the family, and therefore have the "holy conception of the family", the "holy" (p. 116).

— The Bourgeoisie and the Family —

Here again our good man perceives the domination of the holy where entirely empirical relations dominate. The attitude of the bourgeois to the institutions of his regime is like that of the Jew to the law; he evades them whenever it is possible to do so in each individual case, but he wants everyone else to observe them. If the entire bourgeoisie, in a mass and at one time, were to evade bourgeois institutions, it would cease to be bourgeoise conduct which, of course, never occurs to the bourgeois and by no means depends on their willing or running. [13] The dissolute bourgeois evades marriage and secretly commits adultery; the merchant evades the institution of property by depriving others of property by speculation, bankruptcy, etc.; the young bourgeois makes himself independent of his own family, if he can by in fact abolishing the family as far as he is concerned. But marriage, property, the family remain untouched in theory, because they are the practical basis on which the bourgeoisie has erected its domination, and because in their bourgeois form they are the conditions which make the bourgeois a bourgeois, just as the constantly evaded law makes the religious Jew a religious Jew. This attitude of the bourgeois to the conditions of his existence acquires one of its universal forms in bourgeois morality. One cannot speak at all of the family "*as such*". Historically, the bourgeois gives the family the character of the bourgeois family, in which boredom and money are the binding link, and which also includes the bourgeois dissolution of the family, which does not prevent the family itself from always continuing to exist. Its dirty existence has its counterpart in the holy concept of it in official phraseology and universal hypocrisy. Where the family is actually abolished, as with the proletariat, just the opposite of what "Stirner" thinks takes place. There the concept of the family does not exist at all, but here and there family affection based on extremely real relations is certainly to be found. In the eighteenth century the concept of the family was abolished by the philosophers, because the actual family was already in process of dissolution at the highest pinnacles of civilisation. The internal family bond, the separate components constituting the concept of the family were dissolved, for example, obedience, piety, fidelity in marriage, etc.; but the real body of the family, the property relation, the exclusive attitude in relation to other families, forced cohabitation — relations determined by the existence of children, the structure of modern towns, the formation of capital, etc. — all these were preserved, although with numerous violations, because the existence of the family is made necessary by its connection with the mode of production, which exists independently of the will of bourgeois society. That it was impossible to do without it was demonstrated in the most striking way during the French Revolution, when for a moment the family was as good as legally abolished. The family continues to exist even in the nineteenth century, only the process of its dissolution has become more general, not on account of the concept, but because of the higher development of industry and competition; the family still exists although its dissolution was long ago proclaimed by French and English socialists and this has at last penetrated also to the German church fathers, by way of French novels.

One other example of the domination of the idea in everyday life. Since school-masters may be told to find consolation for their scanty pay in the holiness of the cause they serve (which could only occur in Germany), Jacques le bonhomme actually believes that such talk is the reason for their low salaries (p. 100). He believes that "the, holy" in the present-day bourgeois world has an actual money value, he believes that the meagre funds of the Prussian state (see, inter alia, Browning on this subject [G. Browning, The domestic (and financial Condition of Great Britain; preceded by a Brief Sketch of her Foreign Policy: and of the Statistics and Politics of France, Russia, Austria and Prussia]) would be so increased by the abolition of "the holy" that every village school-master could suddenly be paid a ministerial salary.

This is the hierarchy of nonsense.

The "keystone of the magnificent cathedral" — as the great Michelet [Carl Michelet, Geschichte der letzten Système der Philosophie in Deutschland von Kant bis Hegel] puts it — of hierarchy is "sometimes" the work of "One".

"One sometimes divides people into two classes, the educated and the uneducated." (One sometimes divides apes into two classes, the tailed and the tailless.) "The former, insofar as they were worthy of their name, occupied themselves with thoughts, with the spirit." They "dominated in the post-Christian epoch and for their thoughts they demanded ... respect". The uneducated (the animal, the child, the Negro) are "powerless" against thoughts and "are dominated by them. That is the meaning of hierarchy."

The "educated" (the youth, the Mongol, the modern) are, therefore, again only occupied with "spirit", pure thought, etc.; they are metaphysicians by profession, in the final analysis Hegelians. "Hence" the "uneducated" are the non-Hegelians.' Hegel was indubitably "the most educated" Hegelian and therefore in his case it must "become apparent what a longing for things particularly the most educated man possesses". The point is that the "educated" and "uneducated" are within themselves in conflict with each other; indeed, in every man the "uneducated" is in conflict with the "educated". And since the greatest longing for things, i.e., for that which belongs to the "uneducated", becomes apparent in Hegel, it also becomes apparent here that "the most educated" man is at the same time "the most uneducated".

"There" (in Hegel) "reality should be completely in accordance with thought and no concept be without reality."

This should read: there the ordinary idea of reality should receive its complete philosophical expression, while Hegel imagines, on the contrary, that "consequently" every philosophical expression creates the reality that is in accordance with it. Jacques le bonhomme takes Hegel's illusion about his own philosophy for the genuine coin of Hegelian philosophy. The Hegelian philosophy, which in the form of the domination of the Hegelians over the non-Hegelians appears as the crown of the hierarchy, now conquers the last world empire.

"Hegel's system was the supreme despotism and autocracy of thought, the omnipotence and almightiness of the spirit" (p. 97).

Here, therefore, we find ourselves in the realm of spirits of Hegelian philosophy, which stretches from Berlin to Halle and Tübingen, the realm of spirits whose history was written by Herr Bayrhoffer [Karl Theodor Bayrhoffer, Die Idee und Geschichte der Philosophie] and for which the great Michelet collected the statistical data.

The preparation for this realm of spirits was the French Revolution, which "*did nothing* but transform *things* into *ideas about things*" (p. 115; cf. above Hegel on the revolution, p. [...])

"So people remained citizens" (in "Stirner", this occurs earlier, but "what Stirner says is not what he has in mind, and what he has in mind cannot be said", *Wigand*, p. 149) and "lived in reflection, they had their *eye* on an object, before which" (*per appos.)* "they felt reverence and fear". "Stirner" says in a passage on page 98: "The road to hell is paved with good intentions." But we say: the road to the unique is paved with bad concluding clauses, with oppositions, which are his "heavenly ladder" borrowed from the Chinese, and his rope of the objective" (p. 88) on which he makes his "flea-jumps". In accordance with this, for "modern philosophy *or* modern times" — since the emergence of the realm of spirits modern times are indeed nothing but modern philosophy — it is an easy matter to "transform the existing objects into notional objects, i.e., into concepts", page 114, a work which Saint Max continues.

We have already seen our knight of the rueful countenance even "before the mountains were brought forth", which he later moved by his faith, right at the beginning of his book, galloping headlong towards the great result of his "magnificent cathedral". His "donkey", apposition, could not jump swiftly enough for him; now, at last, on page 114, he has reached his goal and by means of a mighty "or" has transformed *modern times* into *modern philosophy.*

— On Ideas and Social Conditions —

Thereby ancient times (i.e., the ancient and modern, Negroid and Mongolian but, properly speaking, only pre-Stirnerian times) "reached their final goal". We can now reveal why Saint Max gave the title "Man" to the whole of the first part of his book and made out his entire history of miracles, ghosts and knights to be the history of "man". The ideas and thoughts of people were, of course, ideas and thoughts about themselves and their relationships, their consciousness of *themselves* and of people *in general* — for it was the consciousness not merely of a single individual but of the individual in his interconnection with the whole of society and about the whole of the society in which they lived. The conditions, independent of them, in which they produced their life, the necessary forms of intercourse connected herewith, and the personal and social relations thereby given, had to take the form — insofar as they were expressed in thoughts — of ideal conditions and necessary relations, i.e., they had to be expressed in consciousness as determinations arising from the concept of man *as such,* from human essence, from the nature of man, from man *as such.* What people were, what their relations were, appeared in consciousness as ideas of man as *such,* of his modes of existence or of his immediate conceptual determinations. So, after the ideologists had assumed that ideas and thoughts had dominated history up to now, that the history of these ideas and thoughts constitutes all history up to now, after they had imagined that real conditions had conformed to man *as such* and his ideal conditions, i.e., to conceptual determinations, after they had made the history of people's consciousness of themselves the basis of their actual history, after all this, nothing was easier than to call the history of consciousness, of ideas, of the holy, of established concepts — the history of "man" and to put it in the place of real history. The only distinction between Saint Max and all his predecessors is that he knows nothing about these concepts — even in their arbitrary isolation from real life, whose products they were — and his trivial creative work in his copy of Hegelian ideology is restricted to establishing his ignorance even of what he copies. — It is already evident from this how he can counterpose the history of the real individual in the form of *the unique* to his fantasy about the history of man.

The unique history takes place at the beginning in the Stoa in Athens, later almost wholly in Germany, and finally at the Kupfergraben [14] in Berlin, where the despot of "modern philosophy or modern times" set up his imperial residence. That already shows how exclusively national and local is the matter dealt with. Instead of world history, Saint Max gives a few and, what is more, extremely meagre and biased comments on the history of *German* theology and philosophy. If on occasion we appear to go outside Germany, it is only in order to cause the deeds and thoughts of other peoples, e.g., the French Revolution, to "reach their final goal" in Germany, namely, at the Kupfergraben. Only national-German facts are given, they are dealt with and interpreted in a national-German manner, and the result remains a national-German one. But even that is not enough. The views and education of our saint are not only German, but of a Berlin nature through and through. The role allotted to Hegelian philosophy is that which it plays in Berlin, and Stirner confuses Berlin with the world and world history. The "youth" is a Berliner; the good citizens that we encounter throughout the book are Berlin beer-drinking philistines. With such premises for the starting-point, it is natural that the result arrived at is merely one confined within the national and local framework. "Stirner" and his whole philosophical fraternity, among whom he is the weakest and most ignorant member, afford a practical commentary to the valiant lines of the valiant Hoffmann von Fallersleben:

In Germany alone, in Germany alone,

Would I for ever live.

The local Berlin conclusion of our valiant saint — that in Hegelian philosophy the world has "all gone" — enables him now without much expense to arrive at a universal empire of his "own". The Hegelian philosophy transformed everything into thought, into the holy, into apparition, into spirit, into spirits, into spectres. "Stirner" will fight against them, he will conquer them in his imagination and will erect on their dead bodies his "own", "unique", "corporeal" empire, the empire of the "whole fellow".

"For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places" (Ephesians 6:12).

Now "Stirner" has his "feet shod with the preparation" for waging the fight against thoughts. He has no need first to "take the shield of faith", for he has never laid it down. Armed with the "helmet" of disaster and the "sword" of spiritlessness (see ibid.), he goes into battle. "And it was given unto him to make war with the holy" but not "to overcome" it. (Revelation of St. John 13:7)

5. "Stirner" Delighted in His Construction

We now find ourselves again exactly where we were on page 19 in connection with the youth, who became the man, and on page 90 in connection with the Mongoloid Caucasian, who was transformed into the Caucasian Caucasian and "found himself". We are, therefore, at the third self-finding of the mysterious individual whose "arduous life struggle" Saint Max depicts for us. Only the whole story is now behind us, and, in view of the extensive material we have worked through, we must take a retrospective look at the gigantic corpse of the ruined man.

Though on a later page, where he has long ago forgotten his history, Saint Max asserts that "genius has long since been regarded as the creator of new world-historic productions" (p. 214), we have already seen that even his bitterest enemies cannot revile *his* history on that score, at any rate, for in it no individuals, let alone geniuses, make their appearance, but only ossified, crippled thoughts and Hegelian changelings.

Repetitio est mater studiorum. Saint Max, who expounded his whole history of "philosophy or time" only in order to find an opportunity for a few hurried studies of Hegel, finally repeats once again his whole unique history. However, he does it with a turn towards natural history, offering us important information about "unique" natural science, the reason being that for him, whenever the "world" has to play an important role, it immediately becomes transformed into *nature*. "Unique" natural science begins at once with the admission of its impotence. It does not examine the actual relation of man to nature, determined by industry and natural science, but proclaims a fantastic relation of man to nature.

"How little can man conquer! He has to allow the sun to trace its course, the sea to roll its waves, the mountains to tower to the sky" (p. 122).

Saint Max who, like all saints, loves miracles, but can only perform a logical miracle, is annoyed because he cannot make the sun dance the cancan, he grieves because he cannot still the ocean, he is indignant because he must allow the mountains to tower to the sky. Although on page 124 the world already becomes "prosaic" at the end of antiquity, it is still, for our saint, highly unprosaic. For him it still is the "sun" and riot the earth that traces its course, and to his sorrow he cannot *à la* Joshua command "sun, stand thou still: On page 123, Stirner discovers that

at the end of the ancient world, "spirit" "again foamed and frothed over irresistibly because gases" (spirits) "developed within it and, after the mechanical impact from outside became ineffective, chemical tension, which stimulate in the interior, began to come into wonderful play".

This sentence contains the most important data of the "unique" philosophy of nature, which on the previous page had already arrived at the conclusion that for man nature is the "unconquerable". Earthly physics knows nothing about a mechanical impact which becomes ineffective — *unique* physics alone has the merit of this discovery. Earthly chemistry knows no "gases" which stimulate "chemical tensions" and, what is more, "in the interior". Gases which enter into new combinations, into new chemical relations, do not stimulate any "tensions", but at most lead to a fall of tension, insofar as they pass into a liquid state of aggregation and thereby their volume decreases to something less than one-thousandth of their former volume. If Saint Max feels "tensions" "in" his own "interior" due to "gases", these are highly "mechanical impacts", and by no means "chemical tensions". They are produced by a chemical transformation, determined by physiological causes, of certain mixtures into others, whereby part of the constituents of the former mixture becomes gaseous, therefore, occupies a larger volume arid, in the absence of space for it, causes a "mechanical impact" or pressure towards the outside. [That] these nonexistent "chemical tensions" "come" into extremely "wonderful play" in Saint Max's "interior", namely, this time in his *head,* "we see" from the role they play in "unique" natural science. Incidentally, it is to be desired that Saint Max would no longer withhold from the profane natural scientists what nonsense he has in mind with the crazy expression "chemical tensions", which moreover "stimulate in the interior" (as though a "mechanical impact" on the stomach does not "stimulate it in the interior" as well).

Saint Max wrote his "unique" natural science only because on this occasion he was unable to touch on the ancients in decent fashion without at the same time letting fall a few words about the "world of things", about nature.

At the end of the ancient world the ancients, we are assured here, are all transformed into Stoics, "whom *no* collapse of the world" (how many times is it supposed to have collapsed "could put out of countenance" (p. 123). Thus, the ancients become Chinese, who also cannot be thrown down from the heavens of their tranquillity by any unforeseen event" (or idea") (p. 90). Indeed, Jacques le bonhomme seriously believes that against the last of the ancients "the mechanical impact from outside became ineffective". How far this corresponds to the actual situation of the Romans and Greeks at the end of the ancient world, to their complete lack of stability and confidence, which could hardly oppose any remnant of *vis inertiae* to the "mechanical impact" — on this point compare, *inter alia*, Lucian. The powerful mechanical shocks which the Roman empire received as a result of its division among several Caesars and their wars against one another, as a result of the colossal concentration of property, particularly landed property, in Rome, and the decrease in Italy's population caused by this, and as a result of the [pressure of the] Huns and Teutons — these shocks, in the opinion of our saintly historian, "became ineffective"; only the “chemical tensions”, only the “gases” which Christianity “stimulated in the interior” overthrew the Roman Empire. The great earthquakes [in the West] and in the East, and other “mechanical impacts” which buried hundreds of thousands of people under the [ruins] of their towns and [which by no] means left the consciousness of people unchanged, were presumably, according to “Stirner”, also “ineffective” or were chemical tensions. And “ *in fact”* (!) “ancient history ends in this, that I have made the world my property” — which is proved by means of the biblical saying: “All things are delivered unto me” (i.e., Christ) “of my Father. ,a Here, therefore, I = Christ. In this connection, Jacques le bonhomme cannot refrain from believing the Christian that he could move mountains, etc., if he “only wanted to”. As a Christian he proclaims himself the lord of the world, but he is this only *as a Christian*; he proclaims himself the “owner of the world”. “Thereby egoism won its first full victory, since I elevated myself to be the owner of the world” (p. 124). In order to rise to the level of the perfect Christian, Stirner’s ego had only to carry through the struggle to become *poor in spirit* as well (which he succeeded in doing even before the mountains arose). “Blessed are the poor in spirit: for theirs is the kingdom of heaven."” Saint Max has reached perfection as regards poverty of spirit and even boasts of it in his great rejoicing before the Lord.

Saint Max, poor in spirit, believes in the fantastic gas formations of the Christians arising from the decomposition of the ancient world. The ancient Christian owned nothing in this world and was, therefore, satisfied with his imaginary heavenly property and his divine right to ownership. Instead of making the world the possession of the people, he proclaimed himself and his ragged fraternity to be “God’s own possession” (1 Peter 2: 9). According to “Stirner”, the Christian idea of the world is the world into which the ancient world is actually dissolved, although this is at most [a world] of fantasy into which the world of ancient ideas has [been transformed] and in which the Christian [by faith] can move mountains, can feel [all-powerful] and press forward to a position where the “mechanical impact is ineffective”. Since for “Stirner” people are no longer determined by the [external] world, are no longer driven forward by the mechanical impact of the need to produce, since, in general, the mechanical impact, and with it the sexual act as well, has ceased to operate, it is only by a miracle that they have been able to continue to exist. Of course, for German prigs and school-masters with a gaseous content like that of “Stirner”, it is far easier to be satisfied with the Christian fantasy about property — which is truly nothing but the property of Christian fantasy — than to describe the transformation of the real property relations and production relations of the ancient world.

That same primitive Christian who, in the imagination of Jacques le bonhomme, was the owner of the ancient world, actually belonged for the most part to the world of owners; he was a slave and could be sold on the market. But "Stirner", delighted in his construction, irrepressibly continues his rejoicing.

"The first property, the first splendour has been won!" (p. 124).

In the same way ' Stirner's egoism continues to gain property and splendour and to achieve "complete victories". The theological attitude of the primitive Christian to the ancient world is the perfect prototype of all his property and all his splendour. The following are the grounds given for this property of the Christian:

"The world has lost its divine character ... it has become prosaic, it is my property, which I dispose of as I (viz., the spirit) choose" (p. 124).

This means: the world has lost its divine character, therefore, it is freed from my fantasies for my own consciousness; it has become prosaic, consequently its relation to me is prosaic and it disposes of me n the prosaic way it favours, by no means to please me. Apart from the fact that "Stirner" here actually thinks that in ancient times the prosaic world did not exist and the divine principle held sway in the world, he even falsifies the Christian concept, which continually bemoans its impotence in relation to the world, and itself depicts its victory over the world in its fantasy as merely an ideal one, by transferring t to the day of judgment. Only when a great secular power took possession of Christianity and exploited it, whereupon, of course, it ceased to be unworldly, could Christianity imagine itself to be the owner of the world. Saint Max ascribes to the Christian the same false relation to the ancient world as he ascribes to the youth with regard to the "world of the child"; he puts the egoist in the same relation to the world of the Christian as he puts the man to the world of the youth. The Christian has now nothing more to do than to become poor in spirit as quickly as possible and perceive the world of spirit in all its vanity — just as he did with the world of things — in order to be able to "dispose as he chooses" of the world of spirit also, whereby he becomes a perfect Christian, an egoist. The attitude of the Christian to the ancient world serves, therefore, as the standard for the attitude of the egoist to the modern world. The preparation for this spiritual poverty was the content of "almost two thousand years" of life — a life whose main epochs, of course, took place only in Germany.

"After various transformations the holy spirit in the course of time became the absolute idea, which again in manifold refractions split up into the various ideas of love of mankind, civic virtue, rationality, etc." (pp. 125, 126).

The German stay-at-home again turns the thing upside-down. The ideas of love of mankind, etc. — coins whose impressions had already been totally worn away, particularly owing to their great circulation in the eighteenth century — were recast by Hegel in the sublimate of the absolute idea, but after this re-minting they were just as little successful in retaining their value abroad as Prussian paper money. The consistent conclusion — which has already appeared again and again — of Stirner's view of history is as follows:

"Concepts should play the decisive roll everywhere, concepts should regulate life, concepts should rule. That is the religious world to which Hegel gave systematic expression" (p. 126),

and which our good-natured philistine so much mistakes for the real world that on the following page (p. 127) he can say:

"Now nothing but spirit rules in the world."

Stuck fast in this world of illusion, he can (on p. 128) build first of all an "altar" and then "erect a church" "round this altar", a church whose "walls" have legs for making progress and "move ever farther forward". "Soon this church embraces the whole earth." He, the unique, and Szeliga, his servant, stand outside, they "wander round these walls, and are driven out to the very edge". "Howling with agonising hunger", Saint Max calls to his servant: "One step more and the world of the holy has conquered." But Szeliga suddenly ',sinks into the outermost abyss", which lies above him — a literary miracle! For, since the earth is a sphere, the abyss can only lie above Szeliga as soon as the church embraces the whole earth. So he reverses the laws of gravity, ascends backwards into heaven and thereby reflects honour on "unique" natural science, which is all the easier for him since, according to page 126, "the nature of the thing and the concept of relation" are a matter of indifference to "Stirner", "do not guide him in his treatment or conclusion", and the "relationship into which" Szeliga "entered" with gravity "is itself unique" by virtue of Szeliga's "uniqueness", and by no means "depends" on the nature of gravity or on how "others", for instance, natural scientists, "classify it". "Stirner" moreover objects to Szeliga's "action being separated from the real" Szeliga and ,assessed according to human standards".

Having thus arranged for decent accommodation in heaven for his I faithful servant, Saint Max passes on to the subject of h' is own I passion. On page 95 he discovers that even the "gallows" has the "colour of the holy"; "people loathe coming into contact with it, there is something uncanny, i.e., unfamiliar, strange about it". In order to transcend this strangeness of the gallows, he transforms it into his own gallows, which he can only do by hanging himself on it. The lion of Judah makes also this last sacrifice to egoism. [cf. Revelation of John 5:,5] The holy Christian allows himself to he nailed to the cross, not to redeem the cross, but to redeem people from their impiety; the unholy Christian hangs himself on the gallows in order to redeem the gallows from holiness or to redeem himself from the strangeness of the gallows.

"The first splendour, the first property has been won, the first complete victory achieved!" The holy warrior has now conquered history, he has transformed it into thoughts, pure thoughts, which are nothing but thoughts — and at the end of time only a host of thoughts confront him. And so Saint Max, having taken his "gallows" on his back, just like an ass that carries a cross, and his servant Szeliga, who was welcomed in heaven with kicks and has returned to his master with his head hanging, set out to fight against this host of thoughts or, rather, against the mere halo of these thoughts. This time 't is Sancho Panza, full of moral sayings, maxims and proverbs, who takes on himself the struggle against the holy, and Don Quixote plays the role of his pious and faithful servant. The honest Sancho fights just as bravely as the *caballero Manchego* [Don Quixote] did in the old days, and like him does not fail several times to mistake a herd of Mongolian sheep for a swarm of spectres. The plump Maritornes "in the course of time, after various transformations in manifold refractions", is transformed into a chaste Berlin seamstress, [Marie Wilhelmine Dähnhardt] dying of anaemia, a subject on which Saint Sancho composes an elegy, one which causes all young graduates and Guards lieutenants to remember Rabelais' statement that the world-liberating "soldier's prime weapon is the flap of his trousers". [Rabelais' Gargantua and Pantagmel]

Sancho Panza achieves his heroic feats by *perceiving* the entire opposing host of thoughts in its nullity and vanity. All his great deed is confined to mere perception which in the end leaves everything existing as it was, changing only his conception, and that not even of things, but of philosophical phrases about things.

Thus, after the ancients have been presented realistically as child, Negro, Negroid Caucasians, animal, Catholics, English philosophy, the uneducated, non-Hegelians, and the world of things, and the moderns have been presented idealistically as youth, Mongol, Mongoloid Caucasians, man, Protestants, German philosophy, the educated, Hegelians, and the world of thoughts — after everything has happened that was from time immemorial decided in the Council of Guardians, the time has at last arrived. The negative unity of the ancient and the modern, which has already figured as the man, the Caucasian, the Caucasian Caucasian, the perfect Christian, in servant's clothing, seen "through a glass darkly" (I Corinthians 13:12), can now, after the passion and death of Stirner on the gallows and Szeliga's ascent to heaven in full glory, return to the simplest nomenclature and appear in the clouds of heaven endowed with great power and majesty. [cf. Matthew 24:30] "And so it is said": what was previously "One" (see "Economy of the Old Testament"'/ has become "*ego*" — the negative unity of realism and idealism, of the world of things and the world of spirit. Schelling calls this unity of realism and idealism "indifference" or, rendered in the Berlin dialect, "*Jeichjiltigkeit;* in Hegel it becomes the negative unity in which the two moments are transcended. Saint Max who, being a proper German speculative philosopher, is still tormented by the "unity of opposites", is not satisfied with this;

he wants this unity to be visible to him in the form of a "corporeal individual", in a "whole fellow", and he is encouraged in this by Feuerbach's views expressed in the *Anekdota* [Ludwig Feuerbach, "Vorläufige Thesen zur Reformation der Philosophie"] and in the *Philosophie der Zukunft*. This "ego" of Stirner's which is the final outcome of the hitherto existing world is, therefore, not a "corporeal individual", but a category constructed on the Hegelian method and supported by oppositions, the further "flea-jumps" of which we shall trace in the New Testament. Here we shall merely add that in the final analysis this ego comes into existence because it has the same illusions about the world of the Christian as the Christian has about the world of things. just as the Christian takes possession of the world of things by "getting into his head" fantastic nonsense about them, so the "ego" takes possession of the Christian world, the world of thoughts, by means of a series of fantastic ideas about it. What the Christian imagines about his own relation to the world, "Stirner" accepts in good faith, finds excellent, and good-naturedly repeats after him.

"Therefore we conclude that a man is justified by faith without the deeds" (Epistle to the Romans 3 : 28).

Hegel, for whom the modern world was also resolved into the world of abstract ideas, defines the task of the modern philosopher, in contrast to that of the ancient, as consisting in the following: instead of, like the ancients, freeing himself from "natural consciousness" and "purging the individual of the immediate, sensuous method and making him into conceived and thinking substance" (into spirit), the modern philosopher should "abolish firm, definite, fixed ideas". This, he adds, is accomplished by "dialectics" (*Phänomenologie*, pp. 26, 27). The difference between "Stirner" and Hegel is that the former achieves the same thing without the help of dialectics.

6. The Free Ones

What role "the free ones" have to play here is stated in the economy of the Old Testament. We cannot help it that the ego, which we had approached so closely, now recedes from us again into the nebulous distance. It is not at all our fault that we did not pass at once to the ego from page 20 of "the book".

A. Political Liberalism

The key to the criticism of liberalism advanced by Saint Max and his predecessors is the history of the German bourgeoisie. We shall call special attention to some aspects of this history since the French Revolution.

The state of affairs in Germany at the end of the last century is fully reflected in Kant's *Critik der Practischen Vernunft*. While the French bourgeoisie, by means of the most colossal revolution that history has ever known, was achieving domination and conquering the Continent of Europe, while the already politically emancipated English bourgeoisie was revolutionising industry and subjugating India politically, and all the rest of the world commercially, the impotent German burghers did not get any further than "good will". Kant was satisfied with "good will" alone, even if it remained entirely without result, and he transferred the *realisation* of this good will, the harmony between it and the needs and impulses of individuals, to *the world beyond*. Kant's good will fully corresponds to the impotence, depression and wretchedness of the German burghers, whose petty interests were never capable of developing into the common, national interests of a class and who were, therefore, constantly exploited by the bourgeois of all other nations. These petty, local interests had as their counterpart, on the one hand, the truly local and provincial narrow-mindedness of the German burghers and, on the other hand, their cosmopolitan swollen-headedness. In general, from the time of the Reformation German development has borne a completely petty-bourgeois character. The old feudal aristocracy was, for the most part, annihilated in the peasant wars; what remained of it were either imperial petty princes who gradually achieved a certain independence and aped the absolute monarchy on a minute, provincial scale, or lesser landowners who partly squandered their little bit of property at the tiny courts, and then gained their livelihood from petty positions in the small armies and government offices — or, finally, Junkers from the backwoods, who lived a life of which even the most modest English *squire* or French *gentilhomme de province* would have been ashamed. Agriculture was carried on by a method which was neither parcellation nor large-scale production, and which, despite the preservation of feudal dependence and corvées, never drove the peasants to seek emancipation, both because this method of farming did not allow the emergence of any active revolutionary class and because of the absence of the revolutionary bourgeoisie corresponding to such a peasant class.

As regards the middle class, we can only emphasise here a few significant factors. It is significant that linen manufacture, i.e., an industry based on the spinning wheel and the hand-loom, came to be of some importance in Germany at the very time when in England those cumbersome tools were already being ousted by machines. Most characteristic of all is the position of the German middle class in relation to *Holland*. Holland, the only part of the Hanseatic League[15] that became commercially important, tore itself free, cut Germany off from world trade except for two ports (Hamburg and Bremen) and since then dominated the whole of German trade. The German middle class was too impotent to set limits to exploitation by the Dutch. The bourgeoisie of little Holland, with its well-developed class interests, was more powerful than the far more numerous German middle class with its indifference and its divided petty interests. The fragmentation of interests was matched by the fragmentation of political organisation, the division into small principalities and free imperial cities. How could *political* concentration arise in a country which lacked all the *economic* conditions for it?

The impotence of each separate sphere of life (one can speak here neither of estates nor of classes, but at most of former estates and classes not yet born) did not allow any one of them to gain exclusive domination. The inevitable consequence was that during the epoch of absolute monarchy, which assumed here its most stunted, semi-patriarchal form, the special sphere which, owing to division of labour, was responsible for the administration of public interests acquired an abnormal independence, which became still greater in the bureaucracy of modern times. Thus, the state built itself up into an apparently independent force, and this position, which in other countries was only transitory — a transition stage — it has maintained in Germany until the present day. This position of the state explains both the conscientiousness of the civil servant, which is found nowhere else, and all the illusions about the state which are current in Germany, as well as the apparent independence of German theoreticians in relation to the middle class — the seeming contradiction between the form in which these theoreticians express the interests of the middle class and these interests themselves.

The characteristic form which French liberalism, based on real class interests, assumed in Germany we find again in Kant. Neither he, nor the German middle class, whose whitewashing spokesman he was, noticed that these theoretical ideas of the bourgeoisie had as their basis material interests and a *will* that was conditioned and determined by the material relations of production. Kant, therefore, separated this theoretical expression from the interests which it expressed; he made the materially motivated determinations of the will of the French bourgeois into *pure* self-determinations of "*free will*", of the will in and for itself, of the human will, and so converted it into purely ideological conceptual determinations and moral postulates. Hence the German petty bourgeois recoiled in horror from the practice of this energetic bourgeois liberalism as soon as this practice showed itself, both in the Reign of Terror and In shameless bourgeois profit-making.

Under the rule of Napoleon, the German middle class pushed its petty trade and its great illusions still further. As regards the petty-trading spirit which predominated in Germany at that time, Saint Sancho can, *inter alia*, compare Jean Paul, to mention only works of fiction, since they are the only source open to him. The German citizens, who railed against Napoleon for compelling them to drink chicory [16] and for disturbing their peace with military billeting and recruiting of conscripts, reserved all their moral indignation for Napoleon and all their admiration for England; yet Napoleon rendered them the greatest services by cleaning out Germany's Augean stables and establishing civilised means of communication, whereas the English only waited for the opportunity to exploit them *à tort et à travers* [at random, recklessly] In the same petty-bourgeois spirit the German princes imagined they were fighting for the principle of legitimism and against revolution, whereas they were only the paid mercenaries of the English bourgeoisie. In the atmosphere of these universal illusions it was quite in the order of things that the estates privileged to cherish illusions — ideologists, school-masters, students, members of the *Tugendbund* [17] — should talk big and give a suitable high-flown expression to the universal mood of fantasy and indifference.

The political forms corresponding to a developed bourgeoisie were passed on to the Germans from outside by the July [1830] revolution — as we mention only a few main points we omit the intermediary period. Since German economic relations had by no means reached the stage of development to which these political forms corresponded, the middle class accepted them merely as abstract ideas, principles valid in and for themselves, pious wishes and phrases, Kantian self-determinations of the will and of human beings as they ought to be. Consequently their attitude to these forms was far more moral and disinterested than that of other nations, i.e., they exhibited a highly peculiar narrow-mindedness and remained unsuccessful in all their endeavours.

Finally the ever more powerful foreign competition and world intercourse — from which it became less and less possible for Germany to stand aside — compelled the diverse local interests in Germany to adopt some sort of common attitude. Particularly since 1840, the German middle class began to think about safeguarding these common interests; its attitude became national and liberal and it demanded protective tariffs and constitutions. Thus it has now got almost as far as the French bourgeoisie in 1789.

If, like the Berlin ideologists, one judges liberalism and the state within the framework of local German impressions, or limits oneself merely to criticism of German-bourgeois illusions about liberalism, instead of seeing the correlation of liberalism with the real interests from which it originated and without which it cannot really exist — then, of course, one arrives at the most banal conclusions. This German liberalism, in the form in which it expressed itself up to the most recent period, is, as we have seen, even in its popular form, empty enthusiasm, ideological reflections about *real* liberalism. How easy it is, therefore, to transform its content wholly into philosophy, into pure conceptual determinations, into “rational cognition"! Hence if one is so unfortunate as to know even this bourgeoisified liberalism only in the sublimated form given it by Hegel and the school-masters who depend on him, then one will arrive at conclusions belonging exclusively to the sphere of the holy. Sancho will provide us with a pitiful example of this.

“Recently” in active circles “so much has been said” about the rule of the bourgeois, “that it is not surprising that news of it”, if only through the medium of L. Blanc (translated by the Berliner Buhl), [reference to Louis Blanc, Histoire de dix ans 1830-1840, which appeared in Berlin in 1844-45 in Ludwig Buhl’s translation under the title Geschichte der zehn jahre] etc., “has even penetrated to Berlin” and there attracted the attention of easy-going school-masters (*Wigand*, p. 190). It cannot, however, be said that “Stirner” in his method of appropriating current ideas has “adopted a particularly fruitful and profitable style” (*Wigand*, ibid.) — as was already evident from his exploitation of Hegel and will now be further exemplified.

It has not escaped our school-master that in recent times the liberals have been identified with the bourgeois. Since Saint Max identifies the bourgeois with the good burghers, with the petty German burghers, he does not grasp what has been transmitted to him as it is in fact and as it is expressed by all competent authors — viz., that the liberal phrases are the idealistic expression of the real interests of the bourgeoisie — but, on the contrary, as meaning that the final goal of the bourgeois is to become a perfect liberal, a citizen of the state. For Saint Max the bourgeois is not the truth of the *citoyen*, but the *citoyen* the truth of the bourgeois. This conception, which is as holy as it is German, goes to such lengths that, on page 130, “the middle class” (it should read: the domination of the bourgeoisie) is transformed into a “*thought, nothing but* a thought” and “the state” comes forward as the “true man”, who in the “Rights of Man” confers the rights of “Man”, the true solemnisation on each individual bourgeois. And — all this occurs after the illusions about the state and the rights of man had already been adequately exposed in the *Deutsch-Französische Jahrbücher*, [In the *Deutsch-Französische Jahrbücher* this was done, in view of the context, only in relation to the rights of man proclaimed by the French Revolution. [Cf. Marx*,* *On the Jewish Question*] incidentally, this whole conception of competition as “the rights of man” can already be found among representatives of the bourgeoisie a century earlier (John Hampden, Petty, Boisguillebert, Child, etc.). On the relation of the theoretical liberals to the bourgeois compare what has been said [above] on the relation of the ideologists of a class to the class itself.] a fact which Saint Max notices at last in his "Apologetical Commentary" anno 1845. Hence he can transform the bourgeois — having separated the bourgeois as a liberal from the empirical bourgeois — into a holy liberal, just as he transforms the state into the "holy", and the relation of the bourgeois to the modern state into a holy relation, into a *cult* (p. 131) — and with this, in effect, he concludes his criticism of political liberalism. He has transformed it into the "holy".

We wish to give here a few examples of how Saint Max embellishes this property of his with historical arabesques. For this purpose he uses the French Revolution, concern rig which a small contract to supply him with a few data has been negotiated by his history-broker, Saint Bruno.

On the basis of a few words from Bailly, obtained moreover through the intermediary of Saint Bruno's *Denkwürdigkeiten*, [reference to Edgar Bauer's essay "Bailly und die ersten Tage der Französischen Revolution" in Denkwürdigkeiten zur Geschichte der neueren Zeit seit der Revolution, by Bruno and Edgar Bauer] the statement is made that through the convening of the States General "those who hitherto were subjects arrive at the consciousness that they are proprietors" (p. 132). On the contrary, *mon brave*! By the convening of the States General, those who hitherto were proprietors show their consciousness of being no longer subjects — a consciousness which was long ago arrived at, for example in the Physiocrats, and — in polemical form against the bourgeoisie — in Linguet *(Théorie des lois civiles,* 1767), Mercier, Mably, and, in general, in the writings against the Physiocrats. This meaning was also immediately understood at the beginning of the revolution — for example by Brissot, Fauchet, Marat, in the *Cercle social* [18] and by all the democratic opponents of Lafayette. If Saint Max had understood the matter as it took place independently of his history-broker, he would not have been surprised that "Bailly's words certainly *sound* [as if each man is ... were now a proprietor..." and that the bourgeois express... the rule of the proprietors ... that now the proprietors have become the bourgeoisie *par excellence.*] [19]

The "*statement* of the Bishop of Autun and Barère" is a *motion* tabled by the former on July 4 (not 8), with which Barère had nothing to do except that together with many others he supported it on July 8. It was carried on July 9, hence it is not at all clear why Saint Max speaks of "July 8". This motion by no means "destroyed" "the illusion that *each man, the individual*, was of importance", etc.; but it destroyed the binding force of the Cahiers given to the deputies, that is, the influence and the "importance", not of "each man, the individual", but of the feudal 177 *bailliages* and 431 *divisions des ordres*. By carrying the motion, the Assembly discarded the characteristic features of the old, feudal *États généraux*. [20] Moreover, it was at that time by no means a question of the correct theory of popular representation, but of highly practical, essential problems. Broglie's army held Paris at bay and drew nearer every day; the capital was in a state of utmost agitation; hardly a fortnight had passed since the *jeu de paume* and the *lit de justice* [21], the court was plotting with the bulk of the aristocracy and the clergy against the National Assembly; lastly, owing to the still existing feudal provincial tariff barriers, and as a result of the feudal agrarian system as a whole, most of the provinces were in the grip of famine and there was a great scarcity of money. At that moment it was a question of an *assemblée essentiellement active,* as Talleyrand himself put it, while the Cahiers of [the] aristocratic' and other reactionary groups provided the court with an opportunity, to declare [the] decision of the Assembly [void by referring] to the wishes of the constituents. The Assembly proclaimed its independence by carrying Talleyrand's motion and seized the power it required, which in the political sphere could, of course, only be done within the framework of political form and by making use of the existing theories of Rousseau, etc. (cf. *Le point du jour,* par Barère de Vieuzac, 1789, Nos. 15 and 17.) The National Assembly had to take this step because it was being urged forward by the immense mass of the people that stood behind it. By so doing, therefore, it did not at all transform itself into an "utterly egoistical chamber, completely cut off from the umbilical cord and ruthless" [p. 147]; on the contrary it actually transformed itself thereby into the *true organ* of the vast majority of Frenchmen, who would otherwise have crushed it, as they later crushed "utterly egoistical" deputies who "completely cut themselves off from the umbilical cord". But Saint Max, with the help of his history-broker, sees here merely the solution of a theoretical question; he takes the Constituent Assembly, six days before the storming of the Bastille, for a council of *church fathers* debating a point of dogma! The question regarding the "importance of each man, the individual", can, moreover, only arise in a democratically elected representative body, and during the revolution it only came up for discussion in the Convention, and for as empirical reasons as earlier the question of the *Cahiers*. A problem which the Constituent Assembly decided *also* theoretically was the distinction between the representative body of a ruling *class* and that of the ruling *estates;* and this political rule of the bourgeois class was determined by each individual's position, since it was determined by the relations of production prevailing at the time. The representative system is a very specific product of modern bourgeois society which is as inseparable from the latter as is the isolated individual of modern times.

Just as here Saint Max takes the 177 *bailliages* and 431 *divisions des ordres* for "individuals", so he later sees in the absolute monarch and his *car tel est notre plaisir* ["for this is our will" — the concluding words of royal edicts] the rule of the "individual" as against the constitutional monarch, the "rule of the apparition" (p. 141), and in the aristocrat and the guild-member he again sees the "individual" in contrast to the citizen (p. 137).

“The Revolution was not directed against reality, but against this reality, against this definite existence” (p. 145).

Hence, not against the really existing system of landownership, of taxes, of customs duties which hampered commerce at every turn, and the [... gap in the manuscript]

[... “Stirner” thinks] it makes no difference ["to ‘the good burghers’ who defends them] and their principles, whether an absolute or a constitutional king, a republic, etc. — For the “good burghers” who quietly drink their beer in a Berlin beer-cellar this undoubtedly “makes no difference”; but for the historical bourgeois it is by no means a matter of indifference. The “good burgher” “Stirner” here again imagines — as he does throughout this section — that the French, American and English bourgeois are good Berlin beer-drinking philistines. If one translates the sentence above from the language of political illusion into plain language, it means: “it makes no difference” to the bourgeoisie whether it rules unrestrictedly or whether its political and economic power is counterbalanced by other classes. Saint Max believes that an absolute king, or someone else, *could* defend the bourgeoisie just as successfully as it defends itself. And even “Its principles”, which consist in subordinating state power to “*chacun pour soi, chacun chez soi*” [each for himself and the devil take the hindmost] and exploiting it for that purpose — an “absolute monarch” is supposed to be able to do that! Let Saint Max name any country with developed trade and industry and strong competition where the bourgeoisie entrusts its defence to an “absolute monarch”.

After this transformation of the historical bourgeois into German philistines devoid of history, “Stirner”, of course, does not need to know any other bourgeois than “comfortable burghers and loyal officials"(!!) — two spectres who only dare to show themselves on “holy” German soil — and can lump together the whole class as ‚obedient servants” (p. 138). Let him just take a look at these obedient servants on the stock exchanges of London, Manchester, New York and Paris. Since Saint Max is well under way, he can now go *the whole hog* and, believing one of the narrow-minded theoreticians of the *Einundzwanzig Bogen* who savs that “liberalism is rational cognition applied to our existing conditions” [from the article “Preussen seit der Einsetzung Arndt’s bis zur Absetzung Bauer’s” published anonymously in the Einundzwanzig Bogen aus der Schweiz], can declare that the “liberals are fighters for reason”. It is evident from these [...] phrases how little the Germans have recovered [from] their original illusions about liberalism. Abraham “against hope believed in hope” ... and his faith “was imputed to him for righteousness” (Romans 4: 18 and 22).

“The state pays well, so that its good citizens can without danger pay poorly; it provides itself by means of good payment with servants from whom it forms a force — the police — for the protection of good citizens and the good citizens

willingly pay high taxes to the state in order to pay so much lower amounts to their workers" (p. 152).

This should read: the bourgeois pay their state well and make the nation pay for it so that without risk they should be able to pay poorly; by good payment they ensure that the state servants are a force available for their protection — the police; they willingly pay, and force the nation to pay high taxes so as to be able without danger to shift the sums they pay on to the workers as a levy (as a deduction from wages). "Stirner" here makes the new economic discovery that wages are a levy, a tax, paid by the bourgeois to the proletarian; whereas the other, mundane economists regard taxes as a tribute which the proletarian pays to the bourgeois. Our holy church father now passes from the holy middle class to the Stirnerian "unique" proletariat (p. 148). The latter consists of "rogues, prostitutes, thieves, robbers and murderers, gamblers, propertyless people with no occupation and frivolous individuals" (ibid.). They form the "dangerous proletariat" and for a moment are reduced by "Stirner" to "individual shouters", and then, finally, to 1I vagabonds", who find their perfect expression in the "*spiritual* vagabonds" who do not "keep within the bounds of a moderate way of thinking...

"So wide a meaning has the so-called proletariat or" (per appos.) "pauperism"! (p. 149).

On page 151 ["on the other hand,] the state sucks the life-blood" of the proletariat. Hence the entire proletariat consists of ruined bourgeois and ruined proletarians, of a collection of *ragamuffins*, who have existed in every epoch and whose existence *on a mass scale* after the decline of the Middle Ages preceded the mass formation of the ordinary proletariat, as Saint Max can ascertain by a perusal of English and French legislation and literature. Our saint has exactly the same notion of the proletariat as the "good comfortable burghers" and, particularly, the "loyal officials". He is consistent also in identifying the proletariat with pauperism, whereas pauperism is the position only of the ruined proletariat, the lowest level to which the proletarian sinks who has become incapable of resisting the pressure of the bourgeoisie, and it is only the proletarian whose whole energy has been sapped who becomes a pauper. Compare Sismondi, [Simonde de Sismondi, Nouveaux principes d'économie politique] Wade, [John Wade, History of the Middle and Working Classes] etc. "Stirner" and his fraternity, for example, can in the eyes of the proletarians, in certain circumstances count as paupers but never as proletarians.

Such are Saint Max's "own" ideas about the bourgeoisie and the proletariat. But since with these imaginations about liberalism, good burghers and vagabonds he, of course, gets nowhere, he finds himself compelled in order to make the transition to communism to bring in the actual, ordinary bourgeois and proletarians insofar as he knows about them from hearsay. This occurs on pages 15I and 152, where the lumpen-proletariat becomes transformed into "workers", into ordinary proletarians, while the bourgeois "in course of time" undergoes "occasionally" a series of "various transformations" and "manifold refractions". In one line we read: "*The propertied rule*", i.e., the profane bourgeois; six lines later we read: "The citizen is what he is by the grace of the state", i.e., the holy bourgeois; yet another six lines later: "The state is the *status* of the middle class", i.e., the profane bourgeois; this is then explained by saying that "the state gives the propertied" "their property in feudal possession" and that the "money and property" of the "capitalists", i.e., the holy bourgeois, Is such "state property" transferred by the state to "feudal possession". Finally, this omnipotent state is again transformed into the "state of the propertied", i.e., of the profane bourgeois, which is in accord with a later passage: "Owing to the revolution the *bourgeoisie became omnipotent*" (p. 156). Even Saint Max would never have been able to achieve these "heart-rending" and "horrible" contradictions — at any rate, he would never have dared to promulgate them — had he not had the assistance of the German word "*Bürger*", which he can interpret at will as "*citoyen*" or as *bourgeois*" or as the German "good burgher".

Before going further, we must take note of two more great politico-economic discoveries which our simpleton "brings into being" "in the depths of his heart" and which have in common with the "joy of youth" of page 17 the feature of being also "pure thoughts".

On page 150 all the evil of the existing social relations is reduced to the fact that "burghers and workers believe in the 'truth' of money". Jacques le bonhomme imagines that it is in the power of the "burghers" and "workers", who are scattered among all civilised states of the world, suddenly, one fine day, to put on record their "disbelief" in the "truth of money"; he even believes that if this nonsense were possible, something would be achieved by it. He believes that any, Berlin writer could abolish the "truth of money" with the same ease as he abolishes in his mind the "truth" of God or of Hegelian philosophy. That money is a necessary product of definite relations of production and intercourse and remains a "truth" so long as these relations exist — this, of course, is of no concern to a holy man like Saint Max, who raises his eyes towards heaven and turns his profane backside to the profane world.

The second discovery is made on page 152 and amounts to this, that "the worker cannot turn his labour to account" because he "falls into the hands" of "those who" have received "some kind of state property" "in feudal possession". This is merely a further explanation of the sentence on page 15I already quoted above where the state sucks the life-blood of the worker. And here everyone will immediately "put forward" "the simple reflection" — that "Stirner" does not do so is not "surprising" — how does it come about that the state has not given the "workers" also some sort of "state property" in "feudal possession". If Saint Max had asked himself this question he would probably have managed to do without his construction of the "holy" burghers, because he would have been bound to see the relation in which the propertied stand to the modern state.

By means of the opposition of the bourgeoisie and proletariat — as even "Stirner" knows — one arrives at communism. But *how* one arrives at it, *only* "Stirner" knows.

"The workers have the most tremendous power in their hands ... they have only to cease work and to regard what they have produced by their labour as their property and to enjoy it. This is the meaning of the workers' disturbances which flare up here and there" (p. 153).

Workers' disturbances, which even under the Byzantine Emperor Zeno led to the promulgation of a law (Zeno, *de novis operibus constitutio* [Decree on New Works]), which "flared up" in the fourteenth century in the form of the Jacquerie and Wat Tyler's rebellion, in 1518 on the *Evil May Day* in London, and in 1549 in the great uprising of the tanner Kett [22] and later gave rise to Act 15 of the second and third year of the reign of Edward VI, and a series of similar Acts of Parliament; the disturbances which soon afterwards, in 1640 and 1659 (eight uprisings in one year), took place in Paris and which already since the fourteenth century must have been frequent in France and England, judging by the legislation of the time; the constant war which since 1770 in England and since the revolution in France has been waged with might and cunning by the workers against the bourgeoisie — all this exists for Saint Max only "here and there", in Silesia, Poznan, Magdeburg and Berlin, "according to German newspaper reports".

What is produced by labour, according to Jacques le bonhomme's imagination, would continue to exist and be reproduced, as an object to be "regarded" and "enjoyed", even if the producers "ceased work".

As he did earlier in the case of money, now again our good burgher transforms "the workers", who are scattered throughout the civilised world, into a private club which has only to adopt a decision in order to get rid of all difficulties. Saint Max does not know, of course, that at least fifty attempts have been made in England since 1830, and at the present moment yet another is being made, to gather all the English workers into a single association and that highly empirical causes have frustrated the success of all these projects. He does not know that even a minority of workers who combine and go on strike very soon find themselves compelled to act in a revolutionary way — a fact he could have learned from the 1842 uprising in England and from the earlier Welsh uprising of 1839, in which year the revolutionary excitement among the workers first found comprehensive expression in the "sacred month", which was proclaimed simultaneously with a general arming of the people. [23] Here again we see how Saint Max constantly tries to pass off his nonsense as "*the* meaning" of historical facts (in which he is successful at best in relation to *his* "one") — historical facts "on which he foists his own meaning, which are thus bound to lead to nonsense" (*Wigand*, p. 194). Incidentally, it would never enter the head of any proletarian to turn to Saint Max for advice about the "meaning" of the proletarian movements or what should be undertaken at the present time against the bourgeoisie.

After this great campaign, our Saint Sancho returns to his Maritornes with the following fanfare:

"The state rests on the slavery of labour. If labour were to become free, the state would be lost" (p. 153).

— Free Labour —

The *modern* state, the rule of the bourgeoisie, is based on *freedom of labour*. The idea that along with freedom of religion, state, thought, etc., and hence "occasionally" "also" "perhaps" with freedom of labour, not I become free, but only one of my enslavers — this idea was borrowed by Saint Max himself, many times, though in a very distorted form, from the *Deutsch-Französische Jahrbücher*. Freedom of labour is free competition of the workers among themselves. Saint Max is very unfortunate in political economy as in *all other* spheres. Labour is free in all civilised countries; it is not a matter of freeing labour but of abolishing it.

B. Communism

Saint Max calls communism "social liberalism", because he is well aware how great is the disrepute of the word liberalism among the radicals of 1842 and the most advanced Berlin "free-thinkers". [24] This transformation gives him at the same time the opportunity and courage to put into the mouths of the "social liberals" all sorts of things which had never been uttered before "Stirner" and the refutation of which is intended to serve also as a refutation of *communism*.

Communism is overcome by means of a series of partly logical and partly historical constructions.

First logical construction.

Because "we have seen ourselves made into servants of egoists", "we should" not ourselves "become egoists ... but should rather see to it that egoists become impossible. We want to turn them all into ragamuffins, we want no one to possess anything, in order that 'all' should be possessors. — So say the social [liberals]. — Who is this person whom you call 'all'? It is 'society'" (p. 153).

With the aid of a few quotation marks Sancho here transforms "all" into a person, society as a person, as a subject = holy society, the holy. Now our saint knows what he is about and can let loose the whole torrent of his flaming anger against "the holy", as the result of which, of course, communism is annihilated.

That Saint Max here again puts *his* nonsense into the mouth of the "social [liberals]", as being the meaning of *their* words, is not "surprising". He identifies first of all "owning" as a private property-owner with "owning" in general. Instead of examining the definite relations between private property and production, instead of examining "owning" as a landed proprietor, as a rentier, as a merchant, as a factory-owner, as a worker — where "owning" would be found to be a quite distinct kind of owning, control over other people's labour — he transforms all these relations into "owning as such".

[...four pages of the manuscript missing here.

...] political liberalism, which made the nation" the supreme owner. Hence communism has no longer to "abolish" any "personal property" but, at most, has to equalise the distribution of "feudal possessions", to introduce *égalité* there.

On society as "supreme owner" and on the "ragamuffin", Saint Max should compare, *inter alia*, *L'Égalitaire* for 1840:

"Social property is a contradiction, but social wealth is a consequence of communism. Fourier, in contradistinction to the modest bourgeois moralists, repeats a hundred times that it is not a social evil that some have too much but that ill have too little", and therefore draws attention also to the "poverty of the rich", in La fausse industrie, Paris, 1835, p. 410.

Similarly as far back as 1839 — hence before Weitling's *Garantien* [der Harmonie und Freiheit] — it is stated in the German communist magazine *Die Stimme des Volks* (second issue, p. 14) published in Paris:

"Private property, the much praised, industrious, comfortable, innocent 'private gain', does obvious harm to the wealth of life." [This seems to be a quotation from the article "Politischer und Socialer Umschwung" published in Blätter der Zukunft, 1846, No. 5. Die Stimme des folks was probably mentioned by mistake]

Saint Sancho here takes as communism the ideas of a few liberals tending towards communism, and the mode of expression of some communists who, for very practical reasons, express themselves in a political form. After "Stirner" has transferred property to "society", all the members of this society in his eyes at once become paupers and ragamuffins, although — even according to his idea of the communist order of things — they "own" the "supreme owner". — His benevolent proposal to the communists — "to transform the word 'Lump' into an honourable form of address, just as the revolution did with the word 'citizen' " — is a striking example of how he confuses communism with something which long ago passed away. The revolution even "transformed" the word sansculotte "into an honourable form of address", as against "*honnêtes gens",* which he translates very inadequately as good citizens. Saint Sancho does this in order that there may be fulfilled the words in the book of the prophet Merlin about the three thousand and three hundred slaps which the man who is to come will have to give himself:

Needful it is that your squire, Sancho Panza,

Shall deal himself three thousand and three hundred

Lashes upon his two most ample buttocks,

Both to the air exposed, and in such sort

That they shall smart, and sting and vex him sorely.

(Don Quixote, Vol. If, Ch. 35.)

Saint Sancho notes that the "elevation of society to supreme owner" is a "second *robbery* of the personal element in the interests of humanity", while communism is only the completed robbery of the "robbery of the personal element". "Since he unquestionably regards robbery as detestable", Saint Sancho "therefore believes for example" that he "has branded" communism "already by the" above "proposition" ("the book", p. 102). "Once" "Stirner" has "detected" "even robbery" in communism, "how could he fail to feel profound disgust' at it and 'just indignation"'! (*Wigand*, p. 156.) We now challenge "Stirner" to name a bourgeois who has written about communism (or Chartism) and has not put forward the same absurdity with great emphasis. Communism will certainly carry out "robbery" of what the bourgeois regards as "personal". *First corollary.*

Page 349: "Liberalism at once came forward with the statement that it is an essential feature of man to be not property, but property-owner. Since it was a question here of man, and not of an individual, the question of how much, which was precisely what constituted the particular interest of individuals, was left to their discretion. Therefore, the egoism of individuals had the widest scope as regards this how much and carried on tireless competition."

That is to say: liberalism, i.e., liberal private property-owners, at the beginning of the French Revolution gave private property a liberal appearance by declaring it one of the rights of man. They were forced to do so if only because of their position as a revolutionising party; they were even compelled not only to give the mass of the French [rural] population the right to property, [but also] to let them *seize actual* property, and they could do all this because thereby their own "how much", which was what chiefly interested them, remained intact and was even made safe.

We find here further that Saint Max makes competition arise from liberalism, a slap that he gives history in revenge for the slaps which he had to give himself above. A "more exact explanation" of the manifesto with which he makes liberalism "*at once* come forward" can be found in Hegel, who in 1820 expressed himself as follows:

"In respect of external things it is rational" (i.e., it becomes me as reason, as a man) "that I should possess property ... what and how much I possess is, therefore, legally a matter of chance" (Rechtsphilosophie, § 49).

It is characteristic of Hegel that he turns the phrase of the bourgeois into the true concept, into the essence of property, and "Stirner" faithfully imitates him. On the basis of the above analysis, Saint Max now makes the further statement, that communism

raised the question as to how much property, and answered it in the sense that man should have as much as he needs. Can my egoism be satisfied with that?... No. I must rather have as much as I am capable of appropriating" (p. 349).

First of all it should be remarked here that communism has by no means originated from § 49 of Hegel's *Rechtsphilosophie* and its "what and how much". Secondly, "communism" does not dream of wanting to give anything to "man", for "communism" is not at all of the opinion that "man" 1I needs" anything apart from a brief critical elucidation. Thirdly, Stirner foists on to communism the conception of "need" held by the present-day bourgeois; hence he introduces a distinction which, on account of its paltriness, can be of importance only in present-day society and its ideal copy — Stirner's union of "individual shouters" and free seamstresses. "Stirner" has again achieved great "penetration" into the essence of communism. Finally, in his demand to have as much as he is capable of appropriating (if this is not the usual bourgeois phrase that everyone should have as much as his ability [The German word Vermögen used several times in this passage means not only ability, capability but also wealth, fortune, means, property; the authors here play on the various meanings of the word] permits him, that everyone should have the right of free gain), Saint Sancho assumes communism as having already been achieved in order to be able freely to develop his "ability" and put it into operation, which by no means depends solely on him, any more than his fortune itself, but depends also on the relations of production and intercourse in which he lives. (Cf. the chapter on the "Union" b) Incidentally, even Saint Max himself does not behave according to his doctrine, for throughout his "book" he "needs" things and uses things which he was not "capable of appropriating". *Second corollary.*

"But the social reformers preach a social law to us. The individual thus becomes the slave of society" (p. 246). "in the opinion of the communists, everyone should enjoy the eternal rights of man" (p. 238).

Concerning the expressions “law”, “labour”, etc., how they are used by proletarian writers . and what should be the attitude of criticism towards them, we shall speak in connection with “True Socialism” (see Volume 11). As far as law is concerned, we with many others have stressed the opposition of communism to law, both political and private, as also in its most general form as the rights of man. See the *Deutsch-Französische Jahrbücher*, where privilege, the special right, is considered as. something corresponding to private property inseparable from social classes, and law as something corresponding to the state of competition, of free private property (p. 206 and elsewhere); equally, the rights of man themselves are considered as privilege, and private property as monopoly. Further, criticism of law is brought into connection with German philosophy and presented as the consequence of criticism of religion (p. 72); further, it is expressly stated that the legal axioms that are supposed to lead to communism are axioms of private property, and the right of common ownership is an imaginary premise of the right of private property (pp. 98, 99). Incidentally, even in the works of German communists passages appeared very early — e.g., in the writings of Hess, *Einundzwanzig Bogen aus der Schweiz*, 1843, p. 326 and elsewhere — which could be appropriated and distorted — “by Stirner” in his criticism of law. Incidentally, the idea of using the phrase quoted above against Babeuf, of regarding him as the theoretical representative of communism could only occur to a Berlin school-master. “Stirner”, however, has the effrontery to assert on page 247 that

> ***communism, which assumes “that all people by nature have equal rights, refutes its own thesis and asserts that people by nature have no rights at all. For it does not want, for example, to admit that parents have rights in relation to their children; it abolishes the family. in general, this whole revolutionary or Babouvist principle (compare Die Kommunisten in der Schweiz, Kommissionalbericht, p. 3) is based on a religious, i.e., false, outlook”.***

A Yankee comes to England, where he is prevented by a justice of the Peace from flogging his slave, and he exclaims indignantly: “Do you call this a land of liberty, where a man can’t larrup his nigger? ,d Saint Sancho here makes himself doubly ridiculous. Firstly, he sees an abolition of the “equal rights of man” in the recognition of the “equal rights by nature” of children in relation to parents, in the granting of *the same* rights of man to children as well as to parents. Secondly, two pages previously Jacques le bonhomme tells us that the state does not interfere when a father beats his son, because it recognises family rights. Thus, what he presents, on the one hand, as a particular right (family right), he includes, on the other hand, among the “equal rights of man by nature”. Finally, he admits that he knows Babeuf only from the Bluntschli report, while this report (p. 3), in turn, admits that its wisdom is derived from the worthy L. Stein, [Lorenz von Stein, Der Socialismus und Communismus des heutigen Frankreichs] Doctor of Law. Saint Sancho’s thorough knowledge of communism is evident from this quotation. just as Saint Bruno is his broker as regards revolution, so Saint Bluntschli is his broker as regards communists. With such a state of affairs we ought not to be surprised that a few lines lower down our rustic word of God reduces the *fraternité* of the revolution to "equality of the children of God" (in what Christian dogma is there any talk of *égalité*?). *Third corollary*.

Page 414: Because the principle of community culminates in communism, therefore, communism = "apotheosis of the state founded on love".

From the state founded on love, which is Saint Max's own fabrication, he here derives communism which then, of course, remains an exclusively Stirnerian communism. Saint Sancho knows only egoism on the one hand or the claim to the loving services, pity and aims of people on the other hand. Outside and above this dilemma nothing exists for him at all. *Third logical construction*.

"Since the most oppressive evils are to be observed in society, it is especially" (!) "the oppressed" (!) who "think that the blame is to be found in society and set themselves the task of discovering the right society" (p. 155).

On the contrary, it is "Stirner" who "sets himself the task" of discovering the "society" which is "right" for him, the holy society, the society as the incarnation of the holy. Those who are ,oppressed" nowadays "in society", "think" only about how to achieve the society which is *right for them*, and this consists primarily in abolishing the present society on the basis of the existing productive forces. If, e.g., "oppressive evils are to be observed" in a machine, if, for example, it refuses to work, and those who need the machine (for example, in order to make money) find the fault in the machine and try to alter it, etc. — then, in Saint Sancho's opinion, they are setting themselves the task not of putting the machine right, but of discovering the right machine, the holy machine, the machine as the incarnation of the holy, the holy as a machine, the machine in the heavens. "Stirner" advises them to seek the blame "*in themselves". Is* it not their fault that, for example, they need a hoe and a plough? Could they not use their bare hands to plant potatoes and to extract them from the soil afterwards? The saint, on page 156, preaches to them as follows:

"It is merely an ancient phenomenon that one seeks first of all to lay the blame anywhere but on oneself — and therefore on the state, on the selfishness of the rich, for which, however, we ourselves are to blame."

The "oppressed" who seeks to lay the "blame" for pauperism on the "state" is, as we have noted above, no other than Jacques le bonhomme himself. Secondly, the "oppressed" who comforts himself by causing the "blame" to be laid on the "selfishness of the rich" is again no other than Jacques le bonhomme. He could have learned something better about the other oppressed from the *Facts and Fictions* of John Watts a tailor and doctor of philosophy, from Hobson's *Poor Man's Companion*, etc. And, thirdly, who is the person that should bear the "blame"? Is it, perhaps, the proletarian child who comes into the world tainted with scrofula, who is reared with the help of opium and is sent into the factory when seven years old — or is it, perhaps, the individual worker who is here expected to "revolt" by himself against the world market — or is it, perhaps, the girl who must either starve or become a prostitute? No, not these but only he who seeks "all the blame", i.e., the "blame" for everything in the present state of the world, "in himself", viz., once again no other than Jacques le bonhomme himself. "This is merely the ancient phenomenon" of Christian heart-searching and doing penitence in a German-speculative form, with its idealist phraseology, according to which 1, the actual man, do not have to change actuality, which I can only change together with others, but have to change myself in myself. "It is the internal struggle of the writer with himself" *(Die heilige Familie*, p. 122, cf. pp. 73, 121 and 306) According to Saint Sancho, therefore, those oppressed by society seek the right society. If he were consistent, he should make those who "seek to lay the blame on the state" — and according to him they are *the very same* people — also seek the *right state.* But he cannot do this, because he has heard that the communists want to abolish the state. He has now to construct this abolition of the state, and our Saint Sancho once more achieves this with the aid of his "ass", the apposition, in a way that "looks very simple":

"Since the workers are in a state of distress" [Notstand], "the existing state of affairs" [Stand der Dinge], "i.e., the state" [Staat] (status = state or estate) "must be abolished" (ibid.).

Thus:

the state of distress = the existing state of affairs

the existing state of affairs = state or estate

state, estate = *status*

status = the State

Conclusion: the state of distress = the State.

What could "look simpler"? "It is only surprising" that the English bourgeois in 1688 and the French in 1789 did not "put forward" the same "simple reflections" and equations, since in those times it was much more the case that estate = status = the State. It follows from this that wherever a "state of distress" exists, "the State", which is, of course, the same in Prussia and North America, must be abolished.

As is his custom, Saint Sancho now presents us with a few proverbs of Solomon.

Proverb of Solomon No. 1

Page 163: "That society is no ego, which could give, etc., but an instrument from which we can derive benefit; that we have no social duties, but only interests; that we do not owe any sacrifices to society, but if we do sacrifice something we sacrifice it for ourselves — all this is disregarded by the social [liberals], because they are in — thrall to the religious principle and are zealously striving for a — holy society."

The following "penetrations" into the essence of communism result from this:

1. Saint Sancho has quite forgotten that it was he himself who transformed "society" into an "ego" and that consequently he finds himself only in his own "society".

2. He believes that the communists are only waiting for "society" to "give" them something, whereas at most they want to give themselves a society.

3. He transforms society, even before it exists, into an instrument from which he wants to derive benefit, without him and other people by their mutual social relations creating a society, and hence this "instrument".

4. He believes that in communist society there can be a question of "duties" and "interests", of two complementary aspects of an antithesis which exists only in bourgeois society (under the guise of interest the reflecting bourgeois always inserts a third thing between himself and his mode of action — a habit seen in truly classic form in Bentham, whose nose had to have some interest before it would decide to smell anything. Compare "the book" on the right to one's nose, page 247).

5. Saint Max believes that the communists want to "make sacrifices" for "society", when they want at most to sacrifice existing society; in this case he should describe their consciousness that their struggle is the common cause of all people who have outgrown the bourgeois system as a sacrifice that they make to themselves.

6. That the social [liberals] are in thrall to the religious principle and

7. that they are striving for a holy society — these points have already been dealt with above. How "zealously" Saint Sancho "strives" for a "holy society", so as to be able to refute communism by means of it, we have already seen.

Proverb of Solomon No. 2.

Page 277: "If interest in the social problem were less passionate and blind, then one ... would understand that a society cannot be turned into a new one so long as those of whom it consists and who constitute it remain as of old,"

"Stirner" believes that the communist proletarians who revolutionise society and put the relations of production and the form of intercourse on a new basis — i.e., on themselves as new people, on their new mode of life — that these proletarians remain "as of old". The tireless propaganda carried on by these proletarians, their daily discussions among themselves, sufficiently prove how little they themselves want to remain "as of old", and how little they want people to remain "as of old". They would only remain "as of old" if, with Saint Sancho, they "sought the blame in themselves"; but they know too well that only under changed circumstances will they cease to be "as of old", and therefore they are determined to change these circumstances at the first opportunity. In revolutionary activity the changing of oneself coincides with the changing of circumstances. — This great saying is explained by means of an equally great example which, of course, is again taken from the world of "the holy".

"If, for example, the Jewish people was to give rise to a society which spread a new faith throughout the world, then these apostles could not remain Pharisees."

The first Christians = a society for spreading faith (founded anno 1).

— *Congregatio de propaganda fide* [25]

(founded anno 1640).

Anno 1 =Anno 1640.

This society which should arise = These apostles.

These apostles = Non-Jews.

The Jewish people = Pharisees.

Christians = Non-Pharisees.

= Not the Jewish people.

What can look simpler?

Reinforced by these equations, Saint Max calmly utters the great historic words [paraphrase of line from Goethe's Iphigenie auf Tauris]:

"Human beings, by no means intending to achieve their own development, have always wanted to form a society.".

Human beings, by no means wanting to form a society, have, nevertheless, only achieved the development of society, because they have always wanted to develop only as isolated individuals and therefore achieved their own development only in and through society. Incidentally it would only occur to a saint of the type of our Sancho to separate the development of "human beings" from the development of the "society" in which they live, and then let his fantasy roam on this fantastic basis. Incidentally, he has forgotten his own proposition, inspired by Saint Bruno, in which just previously he set people the moral demand of changing themselves and thereby changing their society — a proposition, therefore, in which he identifies the development of people with the development of their society.

Fourth logical construction.

On page 156 he makes the communists say, in opposition to the citizens:

"Our essence" (!) "does not consist in all of us being equal children of the state" (!) "but in that we all exist for one another. We are all equal in that we all exist for one another, that each works for the other, that each of us is a worker." He then regards ',to exist as a worker" as equivalent to "each of us exists only through the other", so that the other, "for example, works to clothe me, and I to satisfy his need of entertainment, he for my food and I for his instruction. Hence participation in labour is our dignity and our equality.

"What advantage do we derive from citizenship? Burdens. And what value is put on our labour? The lowest possible What can you put against us? Again, only labour!" "Only for labour do we owe you a recompense"; "only for what you do that is useful to us" "have You any claim on us". "We want to be only worth so much to you as we perform for you; but you should be valued by us in just the same way." "Deeds which are of some value to us, i.e., work beneficial to the community, determine value.... He who does something useful takes second place to no one, or — all workers (beneficial to the community) are equal. Since however the worker is worthy of his wage, then let the wage also be equal" (pp. 157,158).

With "Stirner", "communism" begins with searchings for "*essence";* being a good "youth" he wants again only to " penetrate behind things". That communism 's a highly practical movement, pursuing practical aims by practical means, and that only perhaps in Germany, in opposing the German philosophers, can it spare a moment for the problem of "essence" — this, of course, is of no concern to our saint. This Stirnerian "communism", which yearns so much for "essence", arrives, therefore, only at a philosophical category, i.e., "being-for-one-another", which then by means of a few arbitrary equations:

Being-for-one-another = to exist *only* through another

= to exist as a worker

= universal community of workers

is brought somewhat closer to the empirical world. We would, moreover, challenge Saint Sancho to indicate, for example, in Owen (who, after all, as a representative of English communism can serve as an example of "communism" just as well as, for example, the non-communist Proudhon, [Proudhon, who was as early as 1841 strongly criticised by the communist workers' journal *La Fraternité* for advocating equal wages, community of workers in general and also the other economic prejudices which can be found in the works of this outstanding writer; Proudhon, from whom the communists have accepted nothing but his criticism of property, ... unfinished note] from whom the greater part of the above propositions were abstracted and then rearranged) a passage containing anything of these propositions about "essence", universal community of workers, etc. Incidentally we do not even have to go so far back. The third issue of *Die Stimme des Volks,* the German communist magazine already quoted above, says:

"What is today called labour is only a miserably small part of the vast, mighty process of production; for religion and morality honour with the name of labour only the kind of production that is repulsive and dangerous, and in addition they venture to embellish such labour with all kinds of maxims — as it were words of blessing (or witchcraft) — 'labour in the sweat of thy brow' as a test imposed by God; 'labour sweetens life' for encouragement, etc. The morality of the world in which we live takes very good care not to apply the term work to the pleasing and free aspects of human intercourse. These aspects are reviled by morality, although they too constitute production. morality eagerly reviles them as vanity, vain pleasure, sensuality. Communism has exposed this hypocritical preaching, this miserable morality."

As universal community of workers, Saint Max reduces the whole of communism to equal wages — a discover which is then repeated in the following three "refractions": on page 351, "Against competition there rises the principle of the society of ragamuffins — *distribution.* Is it possible then that I, who am very *resourceful*, should have no advantage over one who is resourceless?" Further, on page 363, he speaks of a "universal tax on human activity in communist society". And, finally, on page 350, he ascribes to the communists the view that "labour" is "the only resource" of man. Thus, Saint Max re-introduces into communism private property in its dual form — as distribution and wage-labour. As before in connection with "robbery", Saint Max here again displays the most ordinary and narrow-minded bourgeois views as "his own" "penetrations" into the essence of communism. He shows himself fully worthy of the honour of having been taught by Bluntschli. As a real petty bourgeois, he is then afraid that he, "who is very resourceful", "should have no advantage over one who is resourceless" — although he should fear nothing so much as being left to his own "resources".

Incidentally, he "who is very resourceful" imagines that citizenship is a matter of indifference to the proletarians, after he has first assumed that they *have* it. This is just as he imagined above that for the bourgeoisie the form of government is a matter of in difference. The workers attach so much importance to citizenship, i.e., to *active* citizenship, that where they *have* it, for instance in America, they make good use" of it, and where they do not have it, they strive to obtain it. Compare the proceedings of the North American workers at innumerable meetings, the whole history of English Chartism, and of French communism and reformism. [26]

First corollary.

"The worker, being conscious that the essential thing about him is that he is a worker, keeps himself away from egoism and subordinates himself to the supremacy of a society of workers, just as the bourgeois adhered with devotion" (!) "to the state based on competition" (p. 162).

The worker' is at most conscious that for the bourgeois the essential thing about him is that he is a worker, who, therefore, can assert himself against the bourgeois as such. Both these discoveries of Saint Sancho, the "devotion of the bourgeois" and the "*state* based on competition", can be recorded only as fresh proofs of the resourcefulness" of the "very resourceful" man. *Second corollary.*

"The aim of communism is supposed to be the 'well-being of all'. This indeed really looks as though in this way no one need be in an inferior position. But what sort of well-being will this be? Have all one and the same well-being? Do all people feel equally well in one and the same circumstances?... If that is so, then it is a matter of 'true well-being'. Do we not thereby arrive precisely at the point where the tyranny of religion begins?... Society has decreed that a particular sort of well-being is 'true well-being', and if this well-being were, for example, honestly earned enjoyment, but you preferred enjoyable idleness, then society ... would prudently refrain from making provision for what is for you well-being. By proclaiming the well-being of all, communism destroys the well-being of those who up to now have lived as rentiers", etc. (pp. 411. 412).

"If that is so", the following equations result from it:

The well-being of all = Communism

= If that is so

= One and the same well-being of all

= Equal well-being of all in one and the same circumstances

= True well-being

= [Holy well-being, the holy, the rule of the holy, hierarchy]

= Tyranny of religion.

Communism = Tyranny of religion.

"This indeed really looks as though" "Stirner" has said the same thing about communism as he has said previously about everything else.

How deeply our saint has "penetrated" into the essence of communism is evident also from the fact that he ascribes to communism the desire to bring about "true well-being" in the shape of "honestly earned enjoyment". Who, except "Stirner" and a few Berlin cobblers and tailors, thinks of "honestly earned enjoyment"!

And, what is more, to put this into the mouth of communists, for whom the basis of this whole opposition between work and enjoyment disappears. Let our highly moral saint put his mind at rest on this score. "Honest earning" will be left to him and those whom, unknown to himself, he represents — his petty handicraftsmen who have been ruined by industrial freedom and are morally indignant". "Enjoyable idleness", too, belongs wholly to the most trivial bourgeois outlook. But the crowning point of the whole statement is the artful bourgeois scruple that he raises against the communists: that they want to abolish the "well-being" of the rentier and yet talk about the "well-being of all". Consequently, he believes that in communist society there will still be rentiers, whose "well-being" would have to be abolished. He asserts that "wellbeing" *as rentier* is inherent in the individuals who are at present rentiers, that it is inseparable from their individuality, and he imagines that for these individuals there can exist no other "wellbeing" than that which is determined by their position as rentiers.

He believes further that a society which has still to wage a struggle against rentiers and the like, is already organised in a communist way. The communists, at any rate, will have no scruples about overthrowing the rule of the bourgeoisie and abolishing its "wellbeing", as soon as they are strong enough to do so. It does not matter to them at all whether this "well-being" common to their enemies and determined by class relations also appeals as personal "well-being" to a sentimentality which is narrow-mindedly presumed to exist.

Third corollary.

On page 190, in communist society

" ***Worry arises again in the form of labour".***

The good citizen "Stirner", who is already rejoicing that he will again find his beloved "worry" 'n communism, has nevertheless miscalculated this time. "Worry" 's nothing but the mood of oppression and anxiety which in the middle class is the necessary companion of labour, of beggarly activity for securing scanty earnings. "Worry" flourishes in its purest form among the German good burghers, where it is chronic and "always identical with itself", miserable and contemptible, whereas the poverty of the proletarian assumes an acute, sharp form, drives him into a life-and-death struggle, makes him a revolutionary, and therefore engenders not "worry", but passion. If then communism wants to abolish both the "worry" of the burgher and the poverty of the proletarian, it goes without saying that it cannot do this without abolishing the cause of both, i.e., "labour".

We now come to the *historical constructions* of communism.

First historical construction.

"So long as faith was sufficient for the honour and dignity of man, no objection could be raised against any, even the most arduous labour.... The oppressed classes existing social classes. could tolerate their misery only so long as they were Christians" (the most that can be said is that they were Christians so long as they tolerated their miserable position), "for Christianity" (which stands behind them with a stick) "keeps their grumbling and indignation in check" (p. 158).

"How 'Stirner' knows so well" what the oppressed classes could do, we learn from the first issue of the *Allgemeine Literatur-Zeitung*, where "criticism in the form of a master-bookbinder" quotes the following passage from an unimportant book. [from August Theodor Woeniger's book Publicistische Abhandlungen, quoted by Carl Ernst Reichardt — "the master-bookbinder" — in his article "Schriften über den Pauperismus"]

"Modern pauperism has assumed a political character; whereas formerly the beggar bore his fate submissively and regarded it as God's will, the modern ragamuffin asks whether he is forced to drag out his life in poverty just because he chanced to be born in rags."

It was due to this power of Christianity that during the liberation of the feudal serfs the most bloody and embittered struggles were precisely those against the *spiritual* feudal lords, and it was carried through despite all the grumbling and indignation of Christianity as embodied in the priests (cf. Eden, *History of the Poor,* Book I; Guizot, *Histoire de la civilisation en France;* Monteil, *Histoire des français des divers états,* etc.), while, on the other hand, the minor priests, particularly at the beginning of the Middle Ages, incited the feudal serfs to "grumbling" and "Indignation" against the temporal feudal lords (cf., *inter alia,* even the well-known capitulary of Charlemagne[27]). Compare also what was written above in connection with the "workers' disturbances which flared up here and there", about the "oppressed classes" and their revolts in the fourteenth century.' The earlier forms of workers' uprisings were connected with the degree of development of labour in each case and the resulting form of property; direct or indirect communist uprisings were connected with large-scale industry. Instead of going into this extensive history, Saint Max accomplishes a holy transition from the *patient* oppressed classes to the *impatient* oppressed classes:

"Now, when everyone ought to develop into a man" ("how," for example, do the Catalonian workers [28] "know" that "everyone ought to develop into a man"?), "the confining of man to machine labour amounts to slavery" (p. 158).

Hence, prior to Spartacus and the uprising of the slaves, it was Christianity that prevented the "confining of man to machine labour" from "amounting to slavery"; and in the days of Spartacus it was only the concept of "man" that removed this relation and brought about slavery. "Or did" Stirner "perhaps" "even" hear something about the connection between modern labour unrest and machine production and wanted here to give an intimation of this? In that case it was not the introduction of machine labour that transformed the workers into rebels, but the introduction of the concept of "man" that transformed machine labour into slavery. — "If that is so" then "it indeed really looks as though" we have here a "unique" history of the workers' movements. *Second historical construction.*

"The bourgeoisie has preached the gospel of material enjoyment and is now surprised that this doctrine finds supporters among us proletarians" (p. 159).

Just now the workers wanted to realise the concept of "man", the holy; now it is "material enjoyment", the worldly; above it was a question of the "drudgery" of labour, now it is only the labour of enjoyment. Saint Sancho strikes himself here on *ambas sus valientes posaderasa* [his two most ample buttocks] — first of all on material history, and then on Stirner's, holy history. According to material history, it was the aristocracy that first put the gospel of worldly enjoyment in the place of enjoyment of the gospel; it was at first for the aristocracy that the sober bourgeois' ie applied itself to work and it very cunningly left to the aristocracy the enjoyment from which it was debarred by its own laws (whereby the power of the aristocracy passed i . n the form of money into the pockets of the bourgeoisie).

According to Stirner's history, the bourgeoisie was satisfied to seek "the holy", to pursue the cult of the state and to "transform all existing objects into imaginary ones", and it required the Jesuits to "save sensuousness from complete decay". According to this same Stirnerian history, the bourgeoisie usurped all power by means of revolution, consequently also its gospel, that of material enjoyment, although according to the same Stirnerian history we have now reached the point where "ideas alone rule the world". Stirner's hierarchy thus finds itself "*entre ambas posaderas*".

Third historical construction.

Page 159: "After the bourgeois had given freedom from the commands and arbitrariness of individuals, there remained the arbitrariness which arises from the conjuncture of conditions and which can be called the fortuitousness of circumstances. There remained — luck and those favoured by luck."

Saint Sancho then makes the communists "find a law and a new order which puts an end to these fluctuations" (the thingumbob), about which order he knows this much, that the communists should now proclaim: "Let this order henceforth be holy!" (whereas he ought now rather to have proclaimed: Let the disorder of my fantasies be the holy order of the communists). "Here is wisdom' (Revelation of St. John, 13: 18). "Let him that bath understanding count the number" of absurdities which Stirner — usually so verbose and always repeating himself — [here] squeezes into a few [lines].

In its most general form the first proposition reads: after the bourgeoisie had abolished feudalism, the bourgeoisie remained. Or: after the domination of individuals had been abolished in "Stirner's" imagination, precisely the opposite remained to be done. "It indeed really looks as though" one could bring the two most distant historical epochs into a relationship which is the holy relationship, the relationship as the holy, the relationship in heaven.

Incidentally, this proposition of Saint Sancho's is not satisfied with the above-mentioned *mode simple* of absurdity, it has to bring it to the *,mode composé and bicomposé* [terms used by Fourier] of absurdity. For, firstly, Saint Max believes the bourgeoisie which liberates *itself* that, by liberating *itself* from the commands and arbitrariness of individuals, it has liberated the mass of society as a whole from the commands and arbitrariness of individuals. Secondly, in reality it liberated itself not from the "commands and arbitrariness of individuals", but from the domination of the corporation, the guild, the estates, and hence was now for the first time, as *actual* individual bourgeois, in a position to impose "commands and arbitrariness" on the workers. Thirdly, it only abolished the more or less idealistic appearance of the former commands and former arbitrariness of individuals, in order to establish instead these commands and this arbitrariness in their material crudity. He, the bourgeois, wanted his "commands and arbitrariness" to be no longer restricted by the hitherto existing "commands and arbitrariness" of political power concentrated in the monarch, the nobility and the corporations, but at most restricted only by the general interests of the whole bourgeois class, as expressed in bourgeois legislation. He did nothing more than abolish the commands and arbitrariness over the commands and arbitrariness of the individual bourgeois (see "Political Liberalism").

Instead of making a real analysis of the conjuncture of conditions, which with the rule of the bourgeoisie became a totally different conjuncture of totally different conditions, Saint Sancho leaves it in the form of the general category "conjuncture, etc.", and bestows on it the still more indefinite name of "fortuitousness of circumstances", as though the "commands and arbitrariness of individuals" are not themselves a "conjuncture of conditions". Having thus done away with the real basis of communism, i.e., the *definite* conjuncture of conditions under the bourgeois regime, he can now also transform this airy communism into his holy communism. "It indeed really looks" as though "Stirner" is a "man with only ideal", imagined, historical "wealth" — the "*perfect ragamuffin*". See "the book", p. 362.

This great construction or, rather, its major proposition is once more and with great emphasis repeated on page 189 in the following form:

"Political liberalism abolished the inequality of master and servant; it made people masterless, anarchic" (!); "the master was then separated from the individual, from the egoist, to become a spectre, the law or the state."

Domination of spectres = (hierarchy) = absence of domination equivalent to the domination of the "omnipotent" bourgeois. As we see, this domination of spectres is, on the contrary, the domination of the many actual masters; hence with equal justification communism could be regarded as liberation from this domination of the many. This, however, Saint Sancho could riot do, for then not only his logical constructions of communism but also the whole construction of "the free ones" would be overthrown. But this is how it is throughout "the book". A single conclusion from our saint's own premises, a single historical fact, overthrows the entire series of penetrations and results.

Fourth historical construction. On page 350, Saint Sancho derives communism directly from the abolition of serfdom.

I. *Major proposition*:

"Extremely much was gained when people succeeded in being regarded" (!) "as property-owners. Thereby serfdom was abolished and everyone who until then had himself been property henceforth became a master."

(According to the *mode simple* of absurdity this means: serfdom was abolished as soon as it was abolished.) The *mode composé* of this absurdity is that Saint Sancho believes that people became "property-owners" by means of holy contemplation, by means of "regarding" and "being regarded", whereas the difficulty consisted in becoming a "property-owner", and consideration came later of itself. The *mode bicomposé* of the absurdity is that when the abolition of serfdom, which at first was still partial, had begun to develop its consequences and thereby became universal, people ceased to be able to "succeed" in being "regarded" as *worth* owning (for the property-owners those they owned had become too expensive); consequently the vast mass "who until then had themselves been property" i.e., unfree workers, became as a result not "masters", but free workers. II. *Minor historical proposition*, which embraces about eight centuries, although one "will of course not perceive how momentous" it is (cf. *Wigand*, p. 194).

“However, henceforth your having [Dein Haben] and what you have [Deine Habe] no longer suffices, and is no longer recognised; on the other hand, your working and your work increases in value. We now respect your mastery of things as previously” (?) “we respected your possession of them. Your labour is your wealth. You are now the master or possessor of what you have obtained by work and not by inheritance” (ibid.).

“Henceforth” — “no longer” — “on the other hand” — “now” — “as previously” — “now” — “or” — “not” — such is the content of this proposition.

Although “Stirner” has “now” arrived at this, that you (viz., Szeliga) are the master of what you have obtained by work and not by inheritance, it “now” occurs to him that just the opposite is the case at present — and so he causes communism to be born as a monster from these two distorted propositions.

III. *Communist conclusion.*

“Since, however, now everything is inherited and every farthing you possess bears not the stamp of work, but of inheritance” (the culminating absurdity), “SO everything must be remoulded.”

On this basis Szeliga is able to imagine that he has arrived at both the rise and fall of the medieval communes, and the communism of the nineteenth century. And thereby Saint Max, despite everything “inherited” and “obtained by work”, does not arrive at any “mastery of things”, but at most at “having” nonsense.

Lovers of constructions can now see in addition on page 421 how Saint Max, after constructing communism from serfdom, then constructs it again in the form of serfdom *under* a liege lord — society — on the same model as he already, above, transformed the means by which we earn something into the “holy”, by “grace” of which something is given to us. Now, in conclusion, we shall deal in addition only with a few “penetrations” into the essence of Communism, which follow from the premises given above.

First of all, “Stirner” gives a new *theory of exploitation* which consists in this:

“the worker in a pin factory performs only one piece of work, only plays into the hand of another and is used. exploited by that other” (p. 158).

Thus, here “Stirner” makes the discovery that the workers in a factory exploit one another, since they “play into the hands” of one another; whereas the factory-owner, whose hands do not work at all, cannot, therefore, exploit the workers. “Stirner” here gives a striking example of the lamentable position in which communism has put the German theoreticians. Now they have to concern themselves also with mundane things like pin factories, etc., in relation to which they behave like real barbarians, like Ojibbeway Indians and New Zealanders. Stirnerian communism "on the contrary says" (ibid.):

"All work should have the aim of satisfying 'man'. Therefore, he" ("man") "must become master of it, i.e., be able to perform it as a totality."

"Man" must become a master! — "Man" remains a maker of pin-heads, but he has the consolation of knowing that the pin-head is part of the pin and that he *is able* to make the whole pin. The fatigue and disgust caused by the eternally repeated making of pin-heads is transformed, by this knowledge, into the "satisfaction of man". O Proudhon! A further penetration:

"Since communists declare that only free activity is the essence" (iterum Crispinus) "of man, they, like every workaday mode of thought, need a Sunday, a time of exaltation and devotion, in addition to their dull labour."

Apart from the "essence of man" that is dragged in here, the unfortunate Sancho is forced to convert "free activity", which is for the communists the creative manifestation of life arising from the free development of all abilities of the "whole fellow" (in order to make it comprehensible to "Stirner"), into "dull labour", for our Berliner notices that the question here is not one of the "hard work of thought". By this simple transformation the communists can now also be transposed into the "workaday mode of thought". Then, of course, together with the work-day of the middle-class its Sunday also is to be found again in communism.

Page 161: "The Sunday aspect of communism consists in the communist seeing in you the man, the brother."

Thus, the communist appears here as "man" and as "worker". This Saint Sancho calls (loc. cit.) "a dual *employment* of man by the communists — an office of material earning and one of spiritual earning".

Here, therefore, he brings back even "earning" and bureaucracy into communism which, of course, thereby "attains its final goal" and ceases to be communism. Incidentally he has to do this, because in his "union", which he will construct later, each also is given a "dual position" — as man and as the "unique". For the present he legitimises this dualism by foisting it on communism, a method we shall find again in his theory of feudalism and of utilisation.

On page 344 "Stirner" believes that the "communists" want to "settle the question of property amicably", and on page 413 he even makes them appeal to the self-sacrifice of people [and to] the self-denying disposition of the capitalists! The few non-revolutionary communist *bourgeois* who made their appearance since the time of Babeuf were a rare occurrence; the vast majority of the communists in all countries are revolutionary. All communists in France reproach the followers of Saint-Simon and Fourier with their peaceableness and differ from the latter chiefly in their having abandoned all hope of an "amicable settlement", just as in Britain it is the same criterion which chiefly distinguishes the Chartists from the socialists. Saint Max could discover the communist view of the "self-denying disposition of the rich" and the "self-sacrifice of people" from a few passages of Cabet, the very communist who most of all could give the impression that he appeals for *dévoûment*, self-sacrifice. These passages are aimed against the republicans and especially against the attacks on communism made by Monsieur Buchez, who still commands the following of a very small number of workers in Paris:

"The same thing applies to self-sacrifice (dévoûment); it is the doctrine of Monsieur Buchez, this time divested of its Catholic form, for Monsieur Buchez undoubtedly fears that his Catholicism is repugnant to the mass of the workers, and drives them away. 'In order to fulfil their duty (devoir) worthily' — says Buchez — 'self-sacrifice (dévoûment) is needed.' — Let those who can understand the difference between devoir and dévoûment. — 'We require self-sacrifice from everyone, both for great national unity and for the workers' association ... it is necessary for us to be united, always devoted (dévoûés) to one another.' — It is necessary, it is necessary — that is easy to say, and people have been saying it for a long time and they will go on saying it for a very long time yet without any more success, if they cannot devise other means! Buchez complains of the self-seeking of the rich; but what is the use of such complaints? All who are unwilling to sacrifice themselves Buchez declares to be enemies.

"'If,' he says, 'impelled by egoism, a man refuses to sacrifice himself for others, what is to be done?... We have not a moment's hesitation in answering: society always has the right to take from us what our own duty bids us sacrifice to it.... Self-sacrifice is the only means of fulfilling one's duty. Each one of us must sacrifice himself, always and everywhere. He who out of egoism refuses to fulfil his duty of self-sacrifice must be compelled to do it.' — Thus Buchez cries out to all: sacrifice yourselves, sacrifice yourselves! Think only of sacrificing yourselves! Does this not mean to misunderstand human nature and trample it underfoot? Is not this a false view? We might almost say — a childish, silly view" (Cabet, Réfutation des doctrines de l'Atelier, pp. 19, 20).

Cabet, further, on page 22, demonstrates to the republican Buchez that he inevitably arrives at an "aristocracy of self-sacrifice" with various ranks, and then asks ironically:

"What then becomes of dévoûment? What remains of dévoûment if people sacrifice themselves only in order to reach the highest pinnacles of hierarchy?... Such a system might originate in the mind of a man who would like to become

Pope or Cardinal — but in the minds of workers!!!" — "M. Buchez does not want labour to become a pleasant diversion, nor that man should work for his own well-being and create new pleasures for himself. He asserts ... 'that man exists on earth only to fulfil a calling, a duty (une fonction, un devoir)'. 'No,' he preaches to the communists, 'man, this great force, has not been created for himself (n'a point été fait Pour lui-même).... That is a crude idea. Man is a worker (ouvrier) in the world, he must accomplish the work (oeuvre) which morality imposes on his activity, that is his duty.... Let us never lose sight of the fact that we have to fulfil a high calling (une haute fonction) — a calling that began with the first day of man's existence and will come to an end only at the same time as humanity.' — But who revealed all these fine things to [M.] Buchez? (Mais qui a révélé toutes ces belles chases a M. Buchez lui-même" — which Stirner would have translated: How is it that Buchez knows so well what man should do?) — "Du reste, comprenne qui pourra. — Buchez continues: 'What! Man had to wait thousands of centuries in order to learn from you communists that he was created for himself and has no other aim than to live in all possible pleasures.... But one must not fall into such an error. One must not forget that we are created in order to labour (faits pour travailler), to labour always, and that the only thing we can demand is what is necessary for life (la suffisante vie), i.e., the well-being that suffices for us to carry out our calling properly. Everything that is beyond this boundary is absurd and dangerous.' — But just prove it, prove it! And do not be satisfied merely with delivering oracles like a prophet! At the very outset you speak of thousands of centuries! And then, who asserts that people have been waiting for us down all the centuries? But have people perhaps been waiting for you with all your theories about dévoûment, devoir, nationalité française, association ouvrière?' 'In conclusion,' says Buchez, 'we ask you not to take offence at what we have said.' — We also are polite Frenchmen and we, too, ask you not to take offence" (p. 31). — "'Believe us,' says Buchez, 'there exists a communauté which was created long ago and of which you too are members.' — Believe us, Buchez," concludes Cabet, "become a communist!"

"Self-sacrifice", "duty", "social obligation", "the right of society", "the calling, the destiny of man", "to be a worker the calling of man", "moral cause", "workers' association", "creation of what is indispensable for life" — are not these the same things for which Saint Sancho reproaches the communists, and for the *absence* of which the communists are reproached by M. Buchez, whose solemn reproaches are ridiculed by Cabet? Do we not find here even Stirner's "hierarchy"? Finally, Saint Sancho deals communism the *coup de grace* on page 169, by uttering the following proposition:

"By taking away also property" (!) "the socialists do not take into account that its continuance is safeguarded by the peculiarities of human beings. Are only

money and goods property, or is not every opinion also something that is mine, that belongs to me? Hence, every opinion must be abolished or made impersonal."

Or does Saint Sancho's opinion, insofar as it does not become the opinion of others as well, give him command over anything, even over another's opinion? By bringing into play against communism the capital of his opinion, Saint Max again does nothing but advance against it the oldest and most trivial bourgeois objections, and he thinks he has said something new because for him, the "educated" Berliner, these hackneyed ideas are new. Destutt de Tracy among, and after, many others said the same thing much better approximately thirty years ago, and also later, in the book quoted below. For example:

"Formal proceedings were instituted against property, and arguments were brought forward for and against it, as though it depended on us to decide whether property should or should not exist in the world; but this is based on a complete misunderstanding of our nature" (Traité de la volonté, Paris, 1826, p. 18).

And then M. Destutt de Tracy undertakes to prove that *propriété*, *individualité* and *personnalité* are identical, that the "ego" [*moi*] also includes "mine" [*mien*], and he finds as a natural basis for private property that

"nature has endowed man with an inevitable and inalienable property, property in the form of his own individuality" (p. 17). — The individual "clearly sees that this ego is the exclusive owner of the body which it animates, the organs which it sets in motion, all their capacities, all their forces, all the effects they produce, all their passions and actions; for all this ends and begins with this ego, exists only through it, is set in motion through its action; and no other person can make use of these same instruments or be affected in the same way by them" (p. 16). "Property exists, if not precisely, everywhere that a sentient individual exists, at least wherever there is a conative individual" (p. 19).

Having thus made private property and personality identical, Destutt de Tracy with a play on the words *propriété* and *propre*, like "Stirner" with his play on the words *Mein* and *Meinung*, *Eigentum* and *Eigenheit*, [one's own, my, mine; opinion, view; property; peculiarity] arrives at the following conclusion:

"It is, therefore, quite futile to argue about whether it would not be better for each of us to have nothing of our own (*de discuter s'il ne vaudrait pas mieux que rien ne fût propre à chacun de nous*) ... in any case it is equivalent to asking whether it would not be desirable for us to be quite different from what we are, and even to examining whether it would not be better for us not to exist at all" (p. 22).

"these are extremely popular", now already traditional objections to communism, and for that very reason "it is not surprising that Stirner" repeats them.

— Individuality and Property —

When the narrow-minded bourgeois says to the communists: by abolishing property, i.e., my existence as a capitalist, as a landed proprietor, as a factory-owner, and your existence as workers, you abolish my individuality and your own; by making it impossible for me to exploit you, the workers, to rake in my profit, interest or rent, you make it impossible for me to exist as an individual. — When, therefore, the bourgeois tells the communists: by abolishing my existence *as a bourgeois*, you abolish my existence *as an individual*; when thus he identifies himself as a bourgeois with himself as an individual, one must, at least, recognise his frankness and shamelessness. For the bourgeois it is actually the case, he believes himself to be an individual only insofar as he is a bourgeois.

But when the theoreticians of the bourgeoisie come forward and give a general expression to this assertion, when they equate the bourgeois's property with individuality in theory as well and want to give a logical justification for this equation, then this nonsense begins to become solemn and holy.

Above "Stirner" refuted the communist abolition of private property by first transforming private property into "having" and then declaring the verb "to have" an indispensable word, an eternal truth, because even in communist society it could happen that Stirner will "have" a stomach-ache. In exactly the same way here his arguments regarding the impossibility of abolishing private property depend on his transforming private property into the concept of property, on exploiting the etymological connection between the words *Eigentum* and *eigen* and declaring the word *eigen* an eternal truth, because even under the communist system it could happen that a stomach-ache will be *eigen* to him. All this theoretical nonsense, which seeks refuge in etymology, would be impossible if the actual private property that the communists want to abolish had not been transformed into the abstract notion of "property". This transformation, on the one hand, saves one the trouble of having to say anything, or even merely to know anything, about actual private property and, on the other hand, makes it easy to discover a contradiction in communism, since *after* the abolition of (*actual*) property it is, of course, easy to discover all sorts of things in communism which can be included in the concept "property". In reality, of course, the situation is just the reverse. In reality I possess private property only insofar as I have something vendible, whereas what is peculiar to me [*meine Eigenheit*] may not be vendible at all. My frock-coat is private property for me only so long as I can barter, pawn or sell it, so long [as it] is [marketable]. If it loses that feature, if it becomes tattered, it can still have a number of features which make it valuable for me, it may even become a feature of me and turn me into a tatterdemalion. But no economist would think of classing it as my private property, since it does not enable me to command any, even the smallest, amount of other people's labour. A lawyer, an ideologist of private property, could perhaps still indulge in such twaddle.

— Private Property and Alienation —

Private property alienates [*entfremdet*] the individuality not only of people but also of things. Land has nothing to do with rent of land, the machine has nothing to do with profit. For the landed proprietor, land has the significance only of rent of land; he leases his plots of land and receives rent; this is a feature which land can lose without losing a single one of its inherent features, without, for example, losing any part of its fertility; it is a feature the extent and even the existence of which depends on social relations which are created and destroyed without the assistance of individual landed proprietors. It is the same with machines. How little connection there is between money, the most general form of property, and personal peculiarity, how much they are directly opposed to each other was already known to Shakespeare ***better than to our theorising petty bourgeois:***

Thus much of this will make black, white; foul, fair;

Wrong, right; base, noble; old, young; coward, valiant.

This yellow slave...

Will make the hear leprosy adored...

This it is

That makes the wappened widow wed again;

She, whom the spital-house and ulcerous sores

Would cast the gorge at, this embalms and spices

To the April day again...

Thou visible god,

That solder'st close impossibilities,

And makest them kiss!"

[Shakespeare, Timon of Athens, Act IV, Scene 3]

In a word, rent of land, profit, etc., these actual forms of existence of private property, are *social relations* corresponding to a definite stage of production, and they are "*individual*" only so long as they have not become fetters on the existing productive forces.

According to Destutt de Tracy, the majority of people, the proletarians, must have lost all individuality long ago, although nowadays it looks as if it was precisely among them that individuality is most developed. For the bourgeois it is all the easier to prove on the basis of his language the identity of commercial and individual, or even universal, human relations, as this language itself is a product of the bourgeoisie, and therefore both in actuality and in language the relations of buying and selling have been made the basis of all others. For example, *propriété* — property [*Eigentum*] and characteristic feature [*Eigenschaft*]; property — possession [*Eigentum*] and peculiarity [*Eigentümlichkeit*]; "*eigen*" ["one's own"] — In the commercial and in the individual sense; *valeur*, value, *Wert*; commerce, *Verkehr*; *échange, exchange, Austausch*, etc., all of which are used both for commercial relations and for characteristic features and mutual relations of individuals as such. In the other modern languages this is equally the case. If Saint Max seriously applies himself to exploit this ambiguity, he may easily succeed in making a brilliant series of new economic discoveries, without knowing anything about political economy; for, indeed, his new economic facts, which we shall take note of later, lie wholly within this sphere of synonymy.

Our kindly, credulous Jacques takes the bourgeois play on the words *Eigentum* [property] and *Eigenschaft* [characteristic feature] so literally, in such holy earnest, that he even endeavours to behave like a private property-owner in relation to his own features, as we shall see later on.

Finally, on page 421, "Stirner" instructs communism that

"actually it" (viz., communism) "does not attack property, but the alienation of property".

In this new revelation of his, Saint Max merely repeats an old witticism already used repeatedly by, for example, the Saint-Simonists. Cf., for example, *Leçons sur l'industrie et les finances*, Paris, 1832, where, *inter alia*, it is stated:

"Property will not be abolished, but its form will be changed ... it will for the first time become true personification ... it will for the first time acquire its real, individual character" (pp. 42, 43).

Since this phrase, introduced by the French and particularly enlarged on by Pierre Leroux, was seized on with great pleasure by the German speculative socialists and used for further speculation, and finally gave occasion for reactionary intrigues and sharp practices — we shall not deal with it here where it says nothing, but later on, in connection with true socialism.

Saint Sancho, [following the] example of Woeniger, whom Reichardt [used], takes delight in turning the proletarians, [and hence] also the communists, into "*ragamuffins*". He defines his "ragamuffin" on page 362 as a "man possessing only ideal wealth". If Stirner's "ragamuffins" ever set up a vagabond kingdom, as the Paris beggars did in the fifteenth century, then Saint Sancho will be the vagabond king, for he is the "perfect" ragamuffin, a man possessing not even ideal wealth and therefore living on the interest from the capital of his opinion.

C. Humane Liberalism

After Saint Max has interpreted liberalism and communism as imperfect modes of existence of philosophical "man", and thereby also of modern German philosophy in general (which he was justified in doing, since in Germany not only liberalism but communism as well was given a petty-bourgeois and at the same time high-flown ideological form), after this, it is easy for him to depict the latest forms of German philosophy, what he has called "humane liberalism", as perfect liberalism and communism, and, at the same time, as criticism of both of them.

With the aid of this holy construction we now get the following three delightful transformations (cf. also "The Economy of the Old Testament"):

1. The individual *is* not man, therefore he is of no value — absence of personal will, ordinance — "whose name will be named": "masterless" — political liberalism, which we have already dealt with above.

2. The individual *has* nothing human, therefore no validity attaches to mine and thine or property: "propertyless" — communism, which we have also already dealt with.

3. In criticism the individual should give place to man, now found for the first time: "godless" = identity of "masterless" and "propertyless" — humane liberalism (pp. 180-81). — In a more detailed exposition of this last negative unity, the unshakeable orthodoxy of Jacques reaches the following climax (p. 189):

"The egoism of property loses its last possession if even the words 'my God' become meaningless, for" (a grand "for"!) "God only exists if he has at heart the salvation of each individual, just as the latter seeks his salvation in God."

According to this, the French bourgeois would only "lose" his "last" "Property" if the word *adieu* were banished from the language. In complete accord with the preceding construction, property in God, holy property in heaven, the property of fantasy, the fantasy of property, are here declared to be supreme property and the last sheet-anchor of property.

From these three illusions about liberalism, communism and German philosophy, he now concocts his new — and, thanks be to the "holy", this time the last — transition to the "*ego*". Before following him in this, let us once more glance at his last "arduous life struggle" with "humane liberalism".

After our worthy Sancho in his new role of *caballero andante* [knight-errant], and in fact as *caballero de la tristisima figura*, [knight of the most rueful countenance] has traversed the whole of history, everywhere battling and "blowing down" spirits and spectres, "dragons and ostriches, satyrs and hobgoblins, wild beasts of the desert and vultures, bitterns and hedgehogs" (cf. Isaiah, 34:11-14), how happy he must now be, after his wanderings through all these different lands, to come at last to his island of Barataria [29] to "the land" as such, where "Man" goes about in *puris naturalibus* [in the pure natural state]! Let us once more recall his great thesis, the dogma imposed on him, on which his whole construction of history rests, to the effect that:

"the truths which arise from the concept of man are revered as revelations of precisely this concept and regarded as holy"; "the revelations of this holy concept", even "with the abolition of many a truth manifested by means of this concept, are not deprived of their holiness" (p. 51).

We need hardly repeat what we have already proved to our holy author in respect of all his examples, namely, that empirical relations, created by real people in their real intercourse and not at all by the holy concept of man, are afterwards interpreted, portrayed, imagined, consolidated and justified by people as a revelation of the concept "man". One may also recall his hierarchy. And now on to humane liberalism. On page 44, where Saint Max "in brief" "contrasts Feuerbach's [theological] view with our view", at first nothing but phrases are advanced against Feuerbach. As we already saw in regard to the manufacture of spirits, where "Stirner" places his stomach among the stars (the third Dioscuros, a patron saint and protector against seasickness [30]), because he and his stomach are "different names for totally different things" (p. 42), so, here, too, essence [*Wesen*] appears first of all as an existing thing, and "so it is now said" (p. 44):

"The supreme being is, indeed, the essence of man, but precisely because it is his essence, and not man himself, it makes absolutely no difference whether we see this essence outside man and perceive it as 'God' or find it in man and call it the 'essence of man' or 'Man'. I am neither God nor Man, neither the supreme being nor my essence — and, therefore, in the main, it makes no difference whether I think of this essence as inside me or outside me."

Hence, the "essence of man" is presupposed here as an existing thing, it is the "supreme being", it is not the "ego", and, instead of saying something about "essence", Saint Max restricts himself to the simple statement that it makes "no difference" "whether I *think* of it as inside me or outside me", in this locality or in that. That this indifference to essence is no mere carelessness of style is already evident from the fact that he himself makes the distinction between essential and inessential and that with him even "the *noble essence of* egoism" finds a place (p. 71). Incidentally everything the German theoreticians have said so far about essence and non-essence is to be found already far better said by Hegel in his *Logik*. We found the boundless orthodoxy of "Stirner" with regard to the illusions of German philosophy expressed in concentrated form in the fact that he constantly foists "Man" on history as the sole *dramatis persona* and believes that "Man" has made history. Now we shall find the same thing recurring in connection with Feuerbach, whose illusions "Stirner" faithfully accepts in order to build further on their foundation.

Page 77: "In general Feuerbach only transposes subject and predicate, giving preference to the latter. But since he says himself: 'Love is not holy because it is a predicate of God (nor have people ever held it to be holy for that reason) but it is a predicate of God because it is divine by and for itself,' he was able to conclude that the struggle had to be begun against the predicates themselves, against love and everything holy. How could he hope to turn people away from God, once he had left them the divine? And if, as Feuerbach says, the main thing for people has never been God, but only his predicates, he could after all have allowed them to keep this tinsel, since the puppet, the real kernel, still remained."

Since, therefore, Feuerbach "*himself*" says this, it is reason enough for Jacques le bonhomme to *believe* him that people have esteemed love because it is "divine by and for itself ". If precisely the *opposite* of what Feuerbach says took place — and we "make bold to say this" (*Wigand*, p. 157) — if neither God nor his predicates have ever been the main thing for people, if this itself is only a religious illusion of German theory — it means that the very same thing has happened to our Sancho as happened to him before in Cervantes, when four stumps were put under his saddle while he slept and his ass was led away from under him.

— Criticism of Religion —

Relying on these statements of Feuerbach, Sancho starts a battle which was likewise already anticipated by Cervantes in the nineteenth chapter, where the *ingenioso hidalgo* fights against the predicates, the mummers, while they are carrying the corpse of the world to the grave and who entangled in their robes and shrouds, are unable to move and so make it easy for our hidalgo to overturn them with his lance and give them a thorough thrashing. The last attempt to exploit further the criticism of religion as an independent sphere (a criticism which has been flogged to the point of exhaustion), to remain within the premises of German theory and yet to appear to be going beyond them, and to cook from this bone, gnawed away to the last fibres, a thin Rumford beggar's broth [31] [for "the] book" — this last attempt consisted in attacking material relations, not in their actual form, and not even in the form of the mundane illusions of those who are practically involved in the present-day world, but in the heavenly extract of their mundane form as predicates, as emanations from God, as angels. Thus, the heavenly kingdom was now repopulated and abundant new material created for the old method of exploitation of this heavenly kingdom. Thus, the struggle against religious illusions, against God, was again substituted for the real struggle. Saint Bruno, who earns his bread by theology, in his "arduous life struggle" against substance makes the same attempt *pro aris et focie* [for home and hearth] as a theologian to go beyond the limits of theology. His "substance" is nothing but the predicates of God united under one name; with the exception of personality, which he reserves for himself — these predicates of God are again nothing but deified names for the ideas of people about their definite, empirical relations, ideas which subsequently they hypocritically retain because of practical considerations.

With the theoretical equipment inherited from Hegel it is, of course, not possible even to understand the empirical, material attitude of these people. Owing to the fact that Feuerbach showed the religious world as an illusion of the earthly world — a world which in his writing appears merely as a *phrase* — German theory too was confronted with the question which he left unanswered: how did it come about that people "got" these illusions "into their heads"? Even for the German theoreticians this question paved the way to the materialistic view of the world, a view which is *not without premises*, but which empirically observes the actual material premises as such and for that reason is, for the first time, *actually* a critical view of the world. This path was already indicated in the *Deutsch-Französische Jahrbücher* — in the *Einleitung zur Kritik der Hegelschen Rechtsphilosophie and Zur Judenfrage*. But since at that time this was done in philosophical phraseology, the traditionally occurring philosophical expressions such as "human essence", "species", etc., gave the German theoreticians the desired reason for misunderstanding the real trend of thought and believing that here again it was a question merely of giving a new turn to their worn-out theoretical garment — just as Dr. Arnold Ruge, the *Dottore Graziano* of German philosophy, imagined that he could continue as before to wave his clumsy arms about and display his pedantic-farcical mask. One has to "leave philosophy aside" (*Wigand*, p. 187, cf. Hess, *Die letzten Philosophen,* p. 8), one has to leap out of it and devote oneself like an ordinary man to the study of actuality, for which there exists also an enormous amount of literary material, unknown, of course, to the philosophers. When, after that, one again encounters people like *Krummacher* or "*Stirner*", one finds that one has long ago left them "behind" and below. Philosophy and the study of the actual world have the same relation to one another as onanism and sexual love. Saint Sancho, who in spite of his absence of thought — which was noted by us patiently and by him emphatically — remains within the world of pure thoughts, can, of course, save himself from it only by means of a moral postulate, the postulate of "*thoughtlessness"* (p. 196 of "the book"). He is a bourgeois who saves himself in the face of commerce by the *banqueroute cochenne*, [32] whereby, of course, he becomes not a proletarian, but an impecunious, bankrupt bourgeois. He does not become a man of the world, but a bankrupt philosopher without thoughts.

The predicates of God handed down from Feuerbach as real forces over people, as hierarchs, are the monstrosity which is substituted for the empirical world and which "Stirner" finds in existence. So heavily does Stirner's entire "peculiarity" depend merely on "prompting". If "Stirner" (see also p. 63) reproaches Feuerbach for reaching no result because he turns the predicate into the subject and vice versa, he himself is far less capable of arriving at anything, [for] he faithfully accepts these Feuerbachian predicates, transformed into subjects, as real personalities ruling [the world], he faithfully accepts these phrases about relations as actual relations, attaching the predicate "holy" to them, transforming *this predicate into a subject,* the "holy", i.e., doing exactly the same as that for which he reproaches Feuerbach. And so, after he has thus completely got rid of the definite content that was the matter at issue, he begins his struggle — i.e., his "antipathy" — against this "holy", which, of course, always remains the same. Feuerbach has still the consciousness "that for him it is 'only a matter of destroying an illusion'" — and it is this with which Saint Max reproaches him (p. 77 of "the book") — although Feuerbach still attaches much too great importance to the struggle against this illusion. In "Stirner" even this consciousness has "all gone", he actually believes in the domination of the abstract ideas of ideology in the modern world; he believes that in his struggle against "predicates", against concepts, he is no longer attacking an illusion, but the real forces that rule the world. Hence his manner of turning everything upside-down, hence the immense credulity with which he takes at their face value all the sanctimonious illusions, all the hypocritical asseverations of the bourgeoisie. How little, incidentally, the "puppet" is the "real kernel" of the "tinsel", and how lame this beautiful analogy is, can best be seen from "Stirner's" own "puppet" — "the book", which contains no "kernel", whether "real" or not "real", and where even the little that there is in its 491 pages scarcely deserves the name "tinsel". — If, however, we must find some sort of "kernel" in it, then that kernel is the *German petty bourgeois.*

Incidentally, as regards the source of Saint Max's hatred of "predicates", he himself gives an extremely naive disclosure in the "Apologetic Commentary". He quotes the following passage from *Das Wesen des Christenthums* (p. 31): "A true atheist is only one for whom the *predicates* of the divine being, e.g., love, wisdom, justice are nothing, but not one for whom only the *subject* of these predicates is nothing" — and then he exclaims triumphantly: "*Does this not hold good for Stirner*?" — "Here is wisdom." In the above passage Saint Max found a hint as to how one should start in order to go "*farthest of all*". He believes Feuerbach that the above passage reveals the "essence" of the "*true atheist",* and lets Feuerbach set him the "task" of becoming a "true atheist". The "unique" is "the *true atheist".*

Even more credulously than in relation to Feuerbach does he "handle" matters in relation to Saint Bruno or "criticism". We shall gradually see all the things that he allows "criticism" to impose on him, how he puts himself under its police surveillance, how it dictates his mode of life, his "calling". For the time being it suffices to mention as an example of his faith in criticism that on page 186 he treats "Criticism" and the "Mass" as two persons fighting against each other and "striving to free themselves from egoism", and on page 187 he "accepts" both "for what *they ... give themselves out to be".*

With the struggle against humane liberalism, the long struggle of the Old Testament, when man was a school-master of the unique, comes to an end; the time is fulfilled, and the gospel of grace and joy is ushered in for sinful humanity.

The struggle over "man" is the fulfilment of the word, as written in the twenty-first chapter of Cervantes, which deals with "the high adventure and rich prize of Mambrino's helmet". Our Sancho, who in everything imitates his former lord and present servant, "has sworn to win Mambrino's helmet" — Man — for himself. After having during his various "campaigns", sought in vain to find the longed-for helmet among the ancients and moderns, liberals and communists, "he caught sight of a man on a horse carrying something on his head which shone like gold". And he said to Don Quixote-Szeliga: "If I am not mistaken, there is someone approaching us bearing on his head that helmet of Mambrino, about which I swore the oath you know of." "Take good care of what you say, your worship, and even greater care of what you do," replied Don Quixote, who by now has become wiser. "Tell me, can you not see that knight coming towards us on a dapple-grey steed with a gold helmet on his head?" — "What I see and perceive," replies Don Quixote, "is nothing but a man on a grey ass like yours with something glittering on his head." — "Why, that is Mambrino's helmet," says Sancho.

Meanwhile, at a gentle trot there approaches them Bruno, the holy barber, on his small ass, criticism, with his barber's basis on his head; Saint Sancho sets on him lance in hand, Saint Bruno jumps from his ass, drops the basin (for which reason we saw him here at the Council without the basin) and rushes off across country, "for he's the Critic himself". Saint Sancho with great joy picks up the helmet of Mambrino, and to Don Quixote's remark that it looks exactly like a barber's basin he replies: "This famous, enchanted helmet, which has become 'ghostly', undoubtedly fell into the hands of a man who was unable to appreciate its worth, and so he melted down one half of it and hammered out the other half 'n such a way that, as you say, it appears to be a barber's basin; in any case, whatever it may look like to the vulgar eye, for me, since I know its value, that is a matter of indifference."

"The second splendour, the second property, has now been won!" Now that he has gained his helmet, "man", he puts himself in opposition to him, behaves towards him as towards his "most irreconcilable enemy" and declares outright to him (why, we shall see later) that he (Saint Sancho) is not "man", but an "unhuman being, the inhuman". In the guise of this "inhuman", he now moves to Sierra-Morena, in order to prepare himself by acts of penitence for the splendour of the New Testament. There he strips himself "stark naked" (p. 184) in order to achieve his peculiarity and surpass what his predecessor in Cervantes does in chapter twenty-five:

"And hurriedly stripping off his breeches, he stood in his skin and his shirt. And then, without more ado, he took two goat leaps into the air burning head over heels, thereby revealing such things as caused his trusty armour-bearer to turn Rosinante aside, so as not to see them."

The "inhuman" far surpasses its mundane prototype. It "*resolutely turns its back on itself* and thus also turns away from the disquieting critic,", and "leaves him behind". The "*inhuman*" then enters into an argument with criticism that has been "left behind"; it "despises itself", it "conceives itself in comparison with another", it "commands God", it "seeks its better self outside itself", it does penance for not yet being unique, it declares itself to be the unique, "the egoistical and the *unique*" — although it was hardly necessary for it to state this after having resolutely turned its back *on itself*. The "Inhuman" has accomplished all this by its own efforts (see Pfister, *Geschichte der Teutschen*) and now, purified and triumphant, it rides on its ass into the kingdom of the unique.

End of the Old Testament

The New Testament: "Ego"[33]

1. The Economy of the New Testament

Whereas in the Old Testament the object of our edification was unique" logic in the framework of the past, we are now confronted by the *present time* in the framework of "unique" logic. We have already thrown sufficient light on the "unique" in his manifold antediluvian "refractions" — as man, Caucasian Caucasian, perfect Christian, truth of humane liberalism, negative unity of realism and idealism, etc., etc. Along with the historical construction of the "ego", the "ego" itself also collapses. This "ego", the end of the historical construction, is no "corporeal" ego, carnally procreated by man and woman, which needs no construction in order to exist; it is an "ego" spiritually created by two categories, "idealism" and "realism," a merely conceptual existence.

The New Testament, which has already been dissolved together with its premise, the Old Testament, possesses a domestic economy that is literally as wisely designed as that of the Old, namely the same "with various transformations", as can be seen from the following table:

I. *Peculiarity* = the ancients, child, Negro, etc., in their *truth*, i.e., development from the "world of things" to one's "own" outlook and taking possession of this world. Among the ancients this led to riddance of the world, among the moderns — riddance of spirit, among the liberals — riddance of the individual, among the communists — riddance of property, among the — humane [liberals] — riddance of God: hence it led in general to the category of riddance (freedom) as the goal. The negated category of *riddance* is peculiarity, which of course has no other content than this riddance. Peculiarity is the philosophically constructed quality of all the qualities of Stirner s individual.

II. The *owner* — as such Stirner has penetrated beyond the *untruthfulness* of the world of things and the world of spirit; hence the moderns, the phase of Christianity within the logical development: youth, Mongol. — Just as the moderns divide into the triply determined free ones, so the owner falls into three further determinations:

1. *My power,* corresponding to *political liberalism*, where the *truth of right* is brought to light and right as the power of "man" is resolved in power as the right of the "ego". The struggle against the *state as such.*

2. *My intercourse*, corresponding to *communism*, whereby the *truth of society* is brought to light and society (in its forms of prison society, family, state, bourgeois society, etc.) as intercourse mediated by "man" is resolved in the intercourse of the "ego".

3. *My self-enjoyment*, corresponding to critical, *humane liberalism*, in which the *truth of criticism*, the consumption, dissolution and truth of absolute self-consciousness, comes to light as self-consumption, and criticism as dissolution in the interests of man is transformed into dissolution in the interests of the "ego".

The peculiarity of the individuals was resolved, as we have seen, in the universal category of peculiarity, which was the negation of riddance, of freedom in general. A description of the special qualities of the individual, therefore, can again only consist in the negation of this "freedom" in its three "refractions"; each of these negative freedoms is now converted by its negation into a positive quality. Obviously, just as in the Old Testament riddance of the world of things and the world of thoughts was already regarded as the acquisition of both these worlds, so here also it is a matter of course that this peculiarity or acquisition of things and thoughts is in its turn represented as perfect riddance.

The "ego" with its property, its world, consisting of the qualities just "pointed out", is *owner*. As self-enjoying and self-consuming, it is the "ego" raised to the second power, the owner of the owner, it being as much rid of the owner as the owner belongs to it; the result is "absolute negativity" in its dual determination as indifference, "unconcern"' and negative relation to itself, the owner. Its property in respect of the world and its riddance of the world is now transformed into this negative relation to itself, into this self-dissolution and self-ownership of the owner. The ego, thus determined, is —

III. *The unique*, who again, therefore, has no other content than that of owner plus the philosophical determination of the "negative relation to himself". The profound Jacques pretends that there is nothing to say about this unique, because it is a corporeal, not constructed individual. But the matter here is rather the same as in the case of Hegel's absolute idea at the end of the *Logik* and of absolute personality at the end of the *Encyklopädie*, about which there is likewise nothing to say because the construction contains everything that can be said about such constructed personalities. Hegel knows this and does not mind admitting it, whereas Stirner hypocritically maintains that his "unique" 's also something different from the constructed unique alone, but something that cannot be expressed, viz., a corporeal individual. This hypocritical appearance vanishes 'f the thing is reversed, if the unique is defined as owner, and it is said of the owner that he has the universal category of peculiarity as his universal determination. This not only says everything that is "*sayable*" about the unique, but also what he is in general — minus the fantasy of Jacques le bonhomme about him.

"O the depth of the riches both of the wisdom and knowledge of the unique! How incomprehensible are his thoughts, and his ways past finding out! " [Romans 11:33]

"Lo, these are parts of his ways: but how little a portion is heard of him!" (Job 26:14.)

2. The Phenomenology of the Egoist in Agreement with Himself, or the Theory of Justification

As we have already seen in "The Economy of the Old Testament" and afterwards, Saint Sancho's true egoist in agreement with himself must on no account be confused with the trivial, everyday egoist, the *egoist in the ordinary sense*". Rather he has as his presupposition both this latter (the one in thrall to the world of things, child, Negro, ancient, etc.) and the selfless egoist (the one in thrall to the world of thoughts, youth, Mongol, modern, etc,). It is, however, part of the nature of the secrets of the unique that this antithesis and the negative unity which follows from it — the "*egoist in agreement with himself*" — can be examined only now, in the New Testament.

Since Saint Max wishes to present the "true egoist" as something quite new, as the goal of all preceding history, he must, on the one hand, prove to the selfless, the advocates of *dévoûment*, that they are egoists against their will, and he must prove to the egoists in the ordinary sense that they are selfless, that they are not true, holy, egoists. — Let us begin with the first, with the selfless.

We have already seen countless times that in the world of Jacques le bonhomme everyone is obsessed by the holy. "Nevertheless it makes a difference" whether "one is educated or uneducated". The educated, who are occupied with pure thought, confront us here as "obsessed" by the holy *par excellence.* They are the "selfless" in their practical guise.

"Who then is selfless? Completely" (!) "most" (!!) "likely" (!!!) "he who stakes everything else on one thing, one aim, one purpose, one passion.... He is ruled by a passion to which he sacrifices all others. And are these selfless not selfish, perhaps? Since they possess only a single ruling passion, they are concerned only with a single satisfaction, but the more ardently oil that account. All their deeds and actions are egoistic, but it is a one-sided, concealed, narrow egoism; it is — obsession" (p. 99).

Hence, according to Saint Sancho, they *possess* only a *single* ruling passion; ought they to be concerned also with the passions which not *they,* but *others possess,* in order to rise to an all-round, unconcealed, unrestricted egoism, in order to correspond to this *alien* scale of "holy" egoism? In this passage are incidentally introduced also the "miser" and the "*pleasure-seeker*" probably because Stirner thinks that he seeks "*pleasure"* as such, holy pleasure, and not all sorts of real pleasures), as also "Robespierre, for example, Saint-Just, and so on " (p. 100) as examples of "selfless, obsessed egoists". "From a certain moral point of view it is argued" (i.e., our holy "egoist in agreement with himself " argues from his own point of view in extreme disagreement with himself) "approximately as follows":

"But if I sacrifice other passions to one passion, still do not thereby sacrifice myself to this passion, and I do not sacrifice anything thanks to which I am truly I myself" (p. 386).

Saint Max is compelled by these two propositions "in disagreement with each other" to make the "paltry" distinction that one may well sacrifice six "for example", or seven, "and so on", passions to a single other passion without ceasing to be "truly I myself", but by no means ten passions, or a still greater number. Of course, neither Robespierre nor Saint-Just was "*truly* I myself", Just as neither was truly "man", but they were *truly* Robespierre and Saint-Just, those unique, incomparable individuals.

The trick of proving to the "selfless" that they are egoists is an old dodge, sufficiently exploited already by Helvétius and Bentham. Saint Sancho's "own" trick consists in the transformation of "egoists in the ordinary sense", the bourgeois, into non-egoists. Helvétius and Bentham, at any rate, prove to the bourgeois that by their narrow-mindedness they *in practice* harm themselves, but Saint Max's " own trick consists in proving that they do not correspond to the "ideal", the "concept", the essence", the "calling", etc., of the egoist and that their attitude towards themselves is not that of absolute negation. Here again he has 'n mind only his German petty bourgeois. Let us point out, incidentally, that whereas on page 99 our saint makes the "miser" figure as a "selfless egoist", on page 78, on the other hand, the "avaricious one" is included among "egoists in the ordinary sense", among the "impure, unholy".

This second class of the hitherto existing egoists is defined on page 99 as follows:

"These people" (the bourgeois) "are therefore not selfless, not inspired, not ideal, not consistent, not enthusiasts; they are egoists in the ordinary sense, selfish people, thinking of their own advantage, sober, calculating, etc."

Since "the book" is not all of a piece, we have already had occasion, in connection with "whimsy" and "political liberalism", to see how Stirner achieves the trick of transforming the bourgeois into non-egoists, chiefly owing to his great ignorance of real people and conditions. This same ignorance serves him here as a lever.

"This" (i.e., Stirner's fantasy about unselfishness) "is repugnant to the stubborn brain of worldly man but for thousands of years he at least succumbed so far that he had to bend his obstinate neck and worship higher powers" (p. 104). The egoists in the ordinary sense "behave half clerically and half in a worldly way, they serve both God and Mammon" (p. 105).

We learn on page 78: "The Mammon of heaven and the God of the world both demand precisely the *same* degree of *self-denial",* hence it is impossible to understand how self-denial for Mammon and self-denial for God can be opposed to each other as "worldly" and "clerical". On page 105-106, Jacques le bonhomme asks himself:

“How does it happen, then, that the egoism of those who assert their personal interest nevertheless constantly succumbs to a clerical or school-masterly, i.e., an ideal, interest?”

(Here, one must in passing “point out” that in this passage the bourgeois are depicted as representatives of *personal* interests.) It happens because:

“Their personality seems to them too small, too unimportant — as indeed it is — to lay claim to everything and be able to assert itself fully. A sure sign of this is the fact that they divide themselves into two persons, an eternal and a temporal; on Sundays they take care of the eternal aspect and on weekdays the temporal. They have the priest within them, therefore they cannot get rid of him.”

Sancho experiences some scruples here; he asks anxiously whether ‘,the same thing will happen” to peculiarity, the egoism in the extraordinary sense.

We shall see that it is not without grounds that this anxious question is asked. Before the cock has crowed twice, Saint Jacob (Jacques le bonhomme) will have “*denied*” himself thrice. [cf. Mark 14: 30]

He discovers to his great displeasure that the two sides prominently appearing in history, the private interest of individuals and the so-called general interest, always accompany each other. As usual, he discovers this in a false form, in its holy form, from the aspect of ideal interests, of the holy, of illusion. He asks: how is it that the ordinary egoists, the representatives of personal interests, are at the same time dominated by general interests, by school-masters, by the hierarchy? His reply to the question is to the effect that the bourgeois, etc., “seem to themselves too small”, and he discovers a “sure sign” of this in the fact that they behave in a religious way, i.e., that their personality is divided into a temporal and an eternal one, that is to say, he explains their religious behaviour by their religious behaviour, after first transforming the struggle between general and personal interests into a mirror image of the struggle, into a simple reflection inside religious fantasy.

How the matter stands as regards the domination of the ideal, see above in the section on hierarchy.

If Sancho’s question is translated from its high-flown form into everyday language, then “it now reads":

— On Class Interests —

How is it that personal interests always develop, against the will of individuals, into class interests, into common interests which acquire independent existence in relation to the individual persons, and in their independence assume the form of *general* interests? How is it that as such they come into contradiction with the actual individuals and in this contradiction, by which they are defined as *general* interests, they can be conceived by consciousness as *ideal* and even as religious, holy interests? How is it that in this process of private interests acquiring independent existence as class interests the personal behaviour of the individual is bound to be objectified [*sich versachlichen*], estranged [*sich entfremden*], and at the same time exists as a power independent of him and without him, created by intercourse, and is transformed into social relations, into a series of powers which determine and subordinate the individual, and which, therefore, appear in the imagination as "holy" powers? Had Sancho understood the fact that within the framework of definite *modes of production*, which, of course, are not dependent on the will, alien [*fremde*] practical forces, which are independent not only of isolated individuals but even of all of them together, always come to stand above people — then he could be fairly indifferent as to whether this fact is presented in a religious form or distorted in the fancy of the egoist, above whom everything is placed in imagination, in such a way that he places nothing above himself. Sancho would then have descended from the realm of speculation into the realm of reality, from what people fancy to what they actually are, from what they imagine to how they act and are bound to act in definite circumstances. What seems to him a product of *thought,* he would have understood to be a product of *life*. He would not then have arrived at the absurdity worthy of him — of explaining the division between personal and general interests by saying that people imagine this division also in a religious way and *seem* to themselves to be such and such, which is, however, only another word for "imagining".

Incidentally, even in the banal, petty-bourgeois German form in which Sancho perceives the contradiction of personal and general interests, he should have realised that individuals have always started out from themselves, and could not do otherwise, and that therefore the two aspects he noted are aspects of the personal development of individuals; both are equally engendered by the empirical conditions under which the individuals live, both are only expressions of *one and the same* personal development of people and are therefore only in *seeming* contradiction to each other. As regards the position — determined by the special circumstances of development and by division of labour — which falls to the lot of the given individual, whether he represents to a greater extent one or the other aspect of the antithesis, whether he appears more as an egoist or more as selfless — that was a quite subordinate question, which could only acquire any interest at all if it were raised in definite epochs of history in relation to definite individuals. Otherwise this question could only lead to morally false, charlatan phrases. But as a dogmatist Sancho falls into error here and finds no other way out than by declaring that the Sancho Panzas and Don Quixotes are born such, and that then the Don Quixotes stuff all kinds of nonsense into the heads of the Sanchos; as a dogmatist he seizes on one aspect, conceived in a school-masterly manner, declares it to be characteristic of individuals as such, and expresses his aversion to the other aspect. Therefore, too, as a dogmatist, the other aspect appears to him partly as a mere *state of mind*, *dévoûment*, partly as a mere "*principle*", and not as a relation necessarily arising from the preceding natural mode of life of individuals. One has, therefore, only to "get this principle out of one's head", although, according to Sancho's ideology, it creates all kinds of empirical things. Thus, for example, on page 180 ‚social life, all sociability, all fraternity and all that ... was created by the life principles or social principle". It is better the other way round: life created the principle.

— On Communism and Morality —

Communism is quite incomprehensible to our saint because the communists do not oppose egoism to selflessness or selflessness to egoism, nor do they express this contradiction theoretically either in its sentimental or 'it its high-flown ideological form; they rather demonstrate its material source, with which it disappears of itself. The communists do not preach *morality* at all, as Stirner does so extensively. They do not put to people the moral demand: love one another, do not be egoists, etc.; on the contrary, they are very well aware that egoism, just as much as selflessness, is in definite circumstances a necessary form of the self-assertion of individuals. Hence, the communists by no means want, as Saint Max believes, and as his loyal *Dottore Graziano* (Arnold Ruge) repeats after him (for which Saint Max calls him "an unusually cunning and politic mind", *Wigand*, p. 192), to do away with the "private individual" for the sake of the "general", selfless man. That is a figment of the imagination concerning which both of them could already have found the necessary explanation in the *Deutsch-Französische Jahrbücher*. Communist theoreticians, the only communists who have time to devote to the study of history, are distinguished precisely by the fact that they alone have *discovered* that throughout history the "general interest" is created by individuals who are defined as "private persons". They know that this contradiction is only a *seeming* one because one side of it, what is called the "general interest", is constantly being produced by the other side, private interest, and in relation to the latter it is by no means an independent force with an independent history — so that this contradiction is in practice constantly destroyed and reproduced. Hence it is not a question of the Hegelian "negative unity" of two sides of a contradiction, but of the materially determined destruction of the preceding materially determined mode of life of individuals, with the disappearance of which this contradiction together with its unity also disappears.

Thus we see how the "egoist in agreement with himself" as opposed to the "egoist in the ordinary sense" and the "selfless egoist", is based from the outset on an illusion about both of these and about the real relations of real people. The representative of personal interests is merely an “egoist in the ordinary sense” because of his necessary contradiction to communal interests which, within the existing mode of production and intercourse, are given an independent existence as general interests and are conceived and vindicated in the form of ideal interests. The representative of the interests of the community is merely “selfless” because of his opposition to personal interests, fixed as private interests, and because the interests of the community are defined as general and ideal interests.

Both the “selfless egoist” and the “egoist in the ordinary sense” coincide, in the final analysis, in *self-denial.*

Page 78: “Thus, self-denial is common to both the holy and unholy, the pure and impure: the impure denies all better feelings, all shame, even natural timidity, and follows only the desire which rules him. The pure renounces his natural relation to the world.... Impelled by the thirst for money, the avaricious person denies all promptings of conscience, all sense of honour, all soft-heartedness and pity; he is blind to all consideration, his desire drives him on. The holy person acts similarly: he makes himself a laughing-stock in the eyes of the world, he is ‘hard-hearted’ and ‘severely just’, for he is carried away by his longing.”

The “avaricious man”, shown here as an impure, unholy egoist, hence as an egoist in the ordinary sense, is nothing but a figure on whom moral readers for children and novels dilate, but that actually occurs only as an exception, and is by no means the representative of the avaricious bourgeois. The latter, on the contrary, have no need to deny the “promptings of conscience”, “the sense of honour”, etc., or to restrict themselves to the one passion of avarice alone. On the contrary, their avarice engenders a series of other passions — political, etc. — the satisfaction of which the bourgeois on no account sacrifice. Without going more deeply into this matter, let us at once turn to Stirner’s “self-denial”. For the self which denies itself, Saint Max here substitutes a different self which exists only in Saint Max’s imagination. He makes the “impure” sacrifice general qualities such as “better feelings”, “shame”, “timidity”, “sense of honour”, etc., and does not at all ask whether the impure actually possesses these properties. As if the “impure” is necessarily bound to possess all these qualities! But even if the “impure” did possess all of them, the sacrifice of these qualities would still be no *self*-denial, but only confirm the fact — which has to be justified even in morality “in agreement with itself” — that for the sake of one passion several others are sacrificed. And, finally, according to this theory, everything that Sancho does or does not do is “self-denial”. He may or may not act in a particular manner ...

[there is a gap here. An extant page, which has been crossed out and greatly damaged, contains the following:] he is an egoist, his own self-denial. If he

pursues an interest he denies the indifference to this interest, if he does something he denies idleness. Nothing is easier for Sancho than to prove to the "egoist in the ordinary sense — his stumbling-block-that he always denies himself, because he always denies the opposite of what he does, and never denies his real interest.

In accordance with his theory of self-denial Sancho can exclaim on page 80: "Is perhaps unselfishness unreal and non-existent? On the contrary, nothing is more common!"

We are really very happy [about the "unselfishness "] of the consciousness of the German petty [bourgeois]....

He immediately gives a good example of this unselfishness by [adducing] Orphanage-F[rancke [34] O'Connell, Saint Boniface, Robespierre, Theodor Körner ...].

O'Connell [...], every [child] in Britain knows this. Only in Germany, and particularly in Berlin, is it still possible to believe that O'Connell is "unselfish". O'Connell, who "tirelessly works" to place his illegitimate children and to enlarge his fortune, who has not for love exchanged his lucrative legal practice (£10,000 per annum) for the even more lucrative job of an agitator (£20,000-30,000 per annum) (especially lucrative in Ireland, where he has no competition); O'Connell who, acting as middleman a "hard-heartedly" exploits the Irish peasants making them live with their pigs while he, King Dan, holds court in princely style in his palace in Merrion Square and at the same time laments continually over the misery of these peasants, "for he is carried away by his longing"; O'Connell, who always pushes the movement just as far as is necessary to secure his national tribute and his position as chief, and who every year after collecting the tribute gives up all agitation in order to pamper himself on his estate at Derrynane. Because of his legal charlatanism carried on over many years and his exceedingly brazen exploitation of every movement in which he participated, O'Connell is regarded with contempt even by the English bourgeoisie, despite his usefulness.

It is moreover obvious that Saint Max, the discoverer of true egoism, is strongly interested in proving that unselfishness has hitherto ruled the world. Therefore he puts forward the great proposition (Wigand, p. 165) that the world was "not egoistic for millennia". At most he admits that from time to time the "egoist" appeared as Stirner's forerunner and "ruined nations".

[III. Consciousness] Although on page 420 Saint Max now says:

"Over the portals of our [epoch] are written not the words ... 'know thyself', [but] turn yourself to account"' [Verwerte Dich]

(here our school-master again transforms the actual turning to account which he finds in existence into a moral precept about turning to account), nevertheless [for the] "egoist in the ordinary [sense' instead of for] the former "selfless egoist", "the [Apollonic" maxim [35] should read:

"Only know yourselves], only know what [you] are in reality and give up your foolish endeavour to be something different from what you are!" "For": "This leads to the phenomenon of deceived egoism, in which I satisfy not myself, but] only one [of my desires, e.] g., the [thirst for] happiness. [— All] your deeds and [actions are secret], concealed ... [egoism,] unconscious egoism, [but] for that very reason not egoism, but slavery, service, self-denial. You are egoists and at the same time not egoists, inasmuch as you deny egoism" (p. 217).

"No sheep, no dog, endeavours to become a real" egoist (p. 443);

no animal" calls to the others: "Only know yourselves, only know what you are in reality". — "It is your nature to be" egoistical, "you are" egoistical "natures, i. e.", egoists. "But precisely because you are that already, you have no need to become so" (ibid.). To what you are belongs also your consciousness, and since you are egoists you possess also the consciousness corresponding to your egoism, and therefore there is no reason at all for paying the slightest heed to Stirner's moral preaching to look into your heart and do penance.

Here again Stirner exploits the old philosophical device to which we shall return later. The philosopher does not say directly: You are not people. [He says:] You have always been people, but you were not *conscious* of what you were, and for that very reason you were not in reality True People. Therefore your appearance was not appropriate to your essence. You were people and you were not people.

In a roundabout way the philosopher here admits that a definite consciousness is appropriate to definite people and definite circumstances. But at the same time he imagines that his moral demand to people — the demand that they should change their consciousness — will bring about this altered consciousness, and in people who have changed owing to changed empirical conditions and who, of course, now also possess a different consciousness, he sees nothing but a changed [consciousness]. — It is just the same [with the consciousness for which you are secretly] longing; [in regard to this] you are [secret, unconscious] egoists — i.e., you are really egoists, insofar as you are *unconscious*, but you are non-egoists, insofar as you are *conscious*. Or: at the root of your present [consciousness lies] a definite being, which is not the [being] which I demand; your consciousness is the consciousness of the egoist such as he should not [be], and therefore it shows that you yourselves are egoists such as egoists should not be — or it shows that you *should be* different from what you *really are*. This entire separation of consciousness from the individuals who are its basis and from their actual conditions, this notion that the egoist of present-day bourgeois society does not possess the consciousness corresponding to his egoism, is merely an old philosophical fad that Jacques le bonhomme here credulously accepts and copies. Let us deal with Stirner's "touching example" of the avaricious person. He wants to persuade this avaricious person, who is not an "avaricious person" in general, but the avaricious "Tom or Dick"; a quite individually defined, "unique" avaricious person, whose avarice is not the category of "avarice" (an abstraction of Saint Max's from his all-embracing, complex, "unique" manifestation of life) and "does not depend on the heading under which other people" (for example, Saint Max) "classify it" — he wants to persuade this avaricious person by moral exhortations that he "is satisfying not himself but one of his desires". But "you are you only for a [moment], only as a momentary being are you real. What [is separated from you,] from the 'momentary being" is something absolutely higher, [e.g., money. But whether] "for you" money is "rather" [a higher pleasure], whether it is for you [something "absolutely higher" or] not [... ?] perhaps ["deny"] myself [? — He] finds that O am possessed [by avarice] day and night, [but] this is so only in his reflection. It is he who makes "day and night" out of the many moments in which I am always the momentary being, always myself, always real, just as he alone embraces in one moral judgment the different moments of my manifestation of life and asserts that they are the satisfaction of avarice. When Saint Max announces that I am satisfying only one of my desires, and not myself, he puts me as a complete and whole being in opposition to me myself. "And in what does this complete and whole being consist? It is certainly not your Momentary being, not what you are at the present moment" — hence, according to Saint Max himself, it consists in the holy "being" (*Wigand*, p. 171). When "Stirner" says that I must change my consciousness, then I know for my part that my momentary consciousness also belongs to my momentary being, and Saint Max, by disputing that I have this consciousness, attacks as a covert moralist my whole mode of life. [III (Consciousness)] And then — "do you exist only when you think about yourself, do you exist only owing to self-consciousness?" (*Wigand*, pp. 157-158.) How can I be anything but an egoist? How can Stirner, for example, be anything but an egoist — whether he denies egoism or not? "You are egoists and you are not egoists, inasmuch as you deny egoism," — that is what you preach.

Innocent, "deceived", "unavowed" school-master! Things are just the reverse. We egoists in the ordinary sense, we bourgeois, know quite well: *Charité bien ordonnée commence par soi-même*, [charity begins at home] and we have long had the motto: love thy neighbour as thyself, interpreted lit the sense that each is his own neighbour. But we deny that we are heartless egoists, exploiters, ordinary egoists, whose hearts can not be lifted up to the exalted feeling of making the interests of their fellow-men their own — which, between ourselves, only means that we declare our interests to be the interests of our fellow-men. [You] deny the "ordinary" [egoism of the] unique egoist [only because] you ["deny]" your ["natural] relations to the [world]". Hence you do not understand why we bring practical egoism to perfection precisely by denying the phraseology of egoism — we who are concerned with realising real egoistical interests, not the holy interest of egoism. Incidentally, it could be foreseen — and here the bourgeois coolly turns his back on Saint Max — that you German school-masters, if you once took up the defence of egoism, would proclaim not real, "mundane and plainly evident" egoism ("the book", p. 455), that is to say, "not what is called" egoism, but egoism in the extraordinary, school-masterly sense, philosophical or vagabond egoism.

The egoist in the extraordinary sense, therefore, is "only now discovered". "Let us examine this new discovery more closely" (p. 11).

From what has been just said it is already clear that the egoists who existed till now have only to change their consciousness in order to become egoists in the extraordinary sense, hence that the egoist in agreement with himself is distinguished from the previous type only by consciousness, i.e., only as a learned man, as a philosopher. It further follows from the whole historical outlook of Saint Max that, because the former egoists were ruled only by the "holy", the true egoist has to fight only against the "holy". "Unique" history has shown us how Saint Max transformed historical conditions into ideas, and then the egoist into a sinner against these ideas; how every egoistic manifestation was transformed into a sin [against these] ideas, [the power of] the privileged into a sin [against the ideal of equality, into the sin of despotism. [Concerning the] idea of freedom [of competition,] therefore, it could be [said in "the book"] that [private property is regarded] by him [(p. 155) as"] the personal" [...] great, [...] [selfless] egoists [...] essential arid invincible [...] only to be fought by transforming them into something holy and then asserting that he abolishes the holiness in them, i.e., his holy idea about them, [i.e.,] abolishes them only insofar as they exist in him as *a holy one.*

[II (Creator and Creation)]

Page 50: "How you are at each moment you are as your creation, and it is precisely in this creation that you do not want to lose yourself, the creator. You yourself are a higher being than yourself, i.e., you are not merely a creation, but likewise a creator; and it is this that you fail to recognise as an involuntary egoist, and for that reason the higher being is something foreign to you."

In a somewhat different variation, this same wisdom is stated on page 239 of "the book":

"The species is nothing" (later it becomes all sorts of things, see "Self-Enjoyment"), land when the individual rises above the limitations of his individuality, it is precisely here that he himself appears as an individual; he

exists only by raising himself, he exists only by not remaining what he is, otherwise he would be done for, dead.”

In relation to these propositions, to his “creation”, Stirner at once begins to behave as “creator”, “by no means losing himself in them":

“You are only for a moment, only as a momentary being are you real.... At each moment I am wholly what I am ... what is separated from you, the momentary being”, is “something absolutely higher” ... (Wigand, p. 170); arid, on page 171 (ibid.), “your being” is defined as momentary being”.

Whereas lit “the book” Saint Max says that besides a momentary being he has also another, higher being, in the “Apologetical Commentary” “the momentary being” [of his] individual is equated with his “complete [and whole] being”, and every [being] as a “momentary being” is transformed [into an] “absolutely higher being”. In “the book” therefore he is, at every moment, a higher being than what he is at that moment, whereas in the Commentary”, everything that he is not directly at a given moment is defined as an absolutely higher being”, a holy, being. — And in contrast to all this division we read on page 200 of “the book":

“I know nothing about a division into an ‘imperfect’ and a ‘perfect’ ego.”

“The egoist in agreement with himself” needs no longer sacrifice himself to something higher, since in his own eyes he is himself this higher being, and he transfers this schism between a “higher” and a “lower being” into himself. So, in fact (Saint Sancho contra Feuerbach, “the book”, p. 243), “the highest being has undergone nothing but a metamorphosis”. The true egoism of Saint Max consists in an egoistic attitude to real egoism, to himself, as he is “at each moment”. This egoistic attitude to egoism is selflessness. From this aspect Saint Max as a creation is an egoist in the ordinary sense; as creator he is a selfless egoist. We shall also become acquainted with the opposite aspect, for both these aspects prove to be genuine determinations of reflection since they undergo absolute dialectics in which each of them is the opposite of itself.

Before entering more deeply into this mystery in its esoteric form, one has to observe some of [its arduous] life battles.

[on pages 82, 83 Stirner achieves the feat of] bringing the most general quality, [the egoist,] [into agreement] with himself as creator, [from the standpoint of the world] of spirit:

["Christianity aimed] at [delivering us from natural determination (determination through nature), from desires as a driving force, it consequently wished that man should not allow himself to be] determined [by his desires. This does not mean that] he [should have] no [desires], but that [desires] should

not possess [him,] that [they] should not become fixed, unconquerable, ineradicable. Could we not apply these machinations of Christianity against desires to its own precept, that we should be determined by the spirit ... ? ... Then this would signify the dissolution of spirit, the dissolution of all thoughts. As one ought to have said there ... so one would have to say now: We should indeed possess spirit, but spirit should not possess us."

"And they that are Christ's have crucified the flesh with the affections and lusts" (Galatians 5:24) — thus, according to Stirner, they deal with their crucified affections and lusts like true owners. He accepts Christianity in instalments, but will not let matters rest at the crucified flesh alone, wanting to crucify his spirit as well, consequently, the "whole fellow".

— Human Nature —

The only reason why Christianity wanted to free us from the domination of the flesh and "desires as a driving force" was because it regarded our flesh, our desires as something foreign to us; it wanted to free us from determination by nature only because it regarded our own nature as not belonging to us. For if I myself am not nature, if my natural desires, my whole natural character, do not belong to myself — and this is the doctrine of Christianity — then all determination by nature — whether due to my own natural character or to what is known as external nature — seems to me a determination by something foreign, a fetter, compulsion used against me, *heteronomy as opposed to autonomy of the spirit.* Stirner accepts this Christian dialectic without examining it and then applies it to our spirit. Incidentally, Christianity has indeed never succeeded in freeing us from the domination of desires, even in that *juste milieu* sense foisted on it by Saint Max; it does not go beyond mere moral injunctions, which remain ineffective in real life. Stirner takes moral injunctions for real deeds and supplements them with the further categorical imperative: "We should indeed possess spirit, but spirit should not possess us" — and consequently all his egoism in agreement with itself is reduced "on closer examination", as Hegel would say, to a moral philosophy that is as delightful as it is edifying and contemplative.

— On Desire and the Conditions of Life —

Whether a desire becomes fixed or not, i.e., whether it obtains exclusive [power over us] — which, however, does [not] exclude [further progress] — depends on whether material circumstances, "bad" mundane conditions permit the normal satisfaction of this desire and, on the other hand, the development of a totality of desires. This latter depends, in turn, on whether we live in circumstances that allow all-round activity and thereby the full development of all our potentialities. On the actual conditions, and the possibility of development they give each individual, depends also whether thoughts become fixed or not — just as, for example, the fixed ideas of the German philosophers, these "victims of society", *qui nous font pitié* [for whom we feel pity] are inseparable from the German 'conditions. Incidentally, in Stirner the domination of desires is a mere phrase, the imprint of the absolute saint. Thus, still keeping to the "touching example" of the avaricious person, we read:

"An avaricious person is not an owner, but a servant, and he can do nothing for his own sake without at the same time doing it for the sake of his master" (p. 400).

No one can do anything without at the same time doing it for the sake of one or other of his needs and for the sake of the organ of this need — for Stirner this means that this need and its organ are made into a master over him, just as earlier he made the *means* for satisfying a need (cf. the. sections on political liberalism and communism) into a master over him. Stirner cannot eat without at the same time eating for the sake of his stomach. If the worldly conditions prevent him from satisfying his stomach, then his stomach becomes a master over him, the desire to eat becomes a fixed desire, and the thought of eating becomes a fixed idea — which at the same time gives him an example of the influence of world conditions in fixing his desires and ideas. Sancho's "revolt" against the fixation of desires and thoughts is thus reduced to an impotent moral injunction about self-control and provides new evidence that he merely gives an ideologically high-sounding expression to the most trivial sentiments of the petty bourgeois.

Thus, in this first example he fights, on the one hand, against his carnal desires, and on the other against his spiritual thoughts — on the one hand against his flesh, on the other against his spirit — when they, his creations, want to become independent of him, their creator. How our saint conducts this struggle, how he behaves as creator towards his creation, we shall now see.

In the Christian "in the ordinary sense", in the *chrétien* "simple", to use Fourier's expression,

"spirit has undivided power and pays no heed to any persuasion of the 'flesh'. However, only through the 'flesh' can I break the tyranny of the spirit; for only when man perceives also his flesh does he perceive himself wholly, and only when he perceives himself wholly does he become perceptive or rational.... But as soon as the flesh speaks and — as cannot be otherwise — in a passionate tone... then he" (the chrétien simple) "believes he hears devil voices, voices against the spirit... and with good reason comes out passionately against them. He would not he a Christian if he were prepared to tolerate them" (p. 83).

Hence, when his spirit wishes to acquire independence in relation to him, Saint Max calls his flesh to his aid, and when his flesh becomes rebellious, he remembers that he is also spirit. What the Christian does in one direction, Saint Max does in both. He is the *chrétien* "*composé*", he once again reveals himself as the perfect Christian.

Here, in this example, Saint Max, as spirit, does not appear as the creator of his flesh and vice versa; he finds his flesh and his spirit both present, and only when one side rebels does he remember that he has also the other, and asserts this other side, as his true ego, against it. Here, therefore, Saint Max is creator only insofar as he is one who is "*also-otherwise-determined",* insofar as he possesses yet another quality besides that which it just suits him to subsume under the category of "creation". His entire creative activity consists here in the good resolution to perceive himself, and indeed to perceive himself *entirely* or be *rational*, [Here, therefore, Saint Max completely justifies Feuerbach's "touching example" of the hetaera and the beloved. In the first case, a man "perceives" *only his flesh* or only her flesh, in the second he perceives *himself entirely* or her *entirely*. See *Wigand*, pp. 170, 171.] to perceive himself as a "complete, entire being", as a being different from "his momentary being", and even in direct contradiction to the kind of being he is "momentarily".

[Let us now turn to one of the "arduous] life battles" [of our saint]:

[Pages 80, 81: "My zeal] need not [be less than the] most fanatical, [but at the same] time [I remain] towards [it cold as ice, sceptical], and its [most irreconcilable enemy;] I remain [its judge, for I am its] owner."

[If one desires to] give [meaning] to what Saint [Sancho] says about himself, then it amounts to this: his creative activity here is limited to the fact that in his zeal he preserves the consciousness of his zeal, that he reflects on it, that he adopts the attitude of the reflecting ego to himself as the real ego. It is to consciousness that he arbitrarily gives the name "creator". He is "creator" only insofar as he possesses *consciousness.*

"Thereupon, you forget yourself in sweet self-oblivion.... But do you exist only when you think of yourself, and do you vanish when you forget yourself? Who does not forget himself at every instant, who does not lose sight of himself a thousand times an hour?" (Wigand, pp. 157, 158).

This, of course, Sancho cannot forgive his "self-oblivion" and therefore "remains at the same time its most irreconcilable enemy".

Saint Max, the creation, burns with immense zeal at the very time when Saint Max, the creator, has already risen above his zeal by means of reflection; or the real Saint Max burns with zeal, and the reflecting Saint Max imagines that he has risen above this zeal. This rising in reflection above what he actually is, is now amusingly and adventurously described in the phrases of a novel to the effect that he allows his zeal to remain in existence, i.e., he does not draw any serious consequences from his hostility to it, but his attitude towards it is "cold as ice", "sceptical" and that of its "most irreconcilable enemy".

Insofar as Saint Max burns with zeal, i.e., insofar as zeal is his true quality, his attitude to it is not that of creator; and insofar as his attitude is that of creator, he does not really burn with zeal, zeal is foreign to him, not a quality of him. So long as he burns with zeal he is not the owner of zeal, and as soon as he becomes the owner, he ceases to burn with zeal. As an aggregate complex, he is at every instant, in the capacity of creator and owner, the sum total of all his qualities, with the exception of the one quality which he puts in opposition to himself, the embodiment of all the others, as creation and property — so that precisely *that* quality which he stresses as his own is always *foreign* to him.

No matter how extravagant Saint Max's true story of his heroic exploits within himself, in his own consciousness, may sound, it is nevertheless an acknowledged fact that there do exist reflecting individuals, who imagine that in and through reflection they have risen above everything, because in actual fact they never go beyond reflection.

This trick — of declaring oneself against some definite quality as being someone who is also — otherwise-determined, namely, in the present example as being the *possessor of reflection directed towards the opposite* — this trick can be applied with the necessary variations to any quality you choose. For example, my indifference need be no less than that 6f the most *blasé* person; but at the same time I remain towards it extremely ardent, sceptical and its most irreconcilable enemy, etc.

[It should] not be forgotten that [the aggregate] complex of all his [qualities, the owner] — in which capacity [Saint] Sancho [by reflecting opposes one particular] quality — is in this [case nothing but Sancho's] simple [reflection about this] one quality, [which he has] transformed [into his ego by] putting forward, instead of the whole [complex, one] merely reflecting [quality and] putting forward in opposition to each of his qualities [and to] the series [merely the one] quality of reflection, an ego, and himself as the imagined ego.

Now he himself gives expression to this hostile attitude to himself, this solemn parody of Bentham's book-keeping [36] of his own interests and qualities.

Page 188: "An interest, no matter towards what end it may be directed, acquires a slave in the shape of myself, if I am unable to rid myself of it; it is no longer my property, but I am its property. Let us, therefore, accept the directive of criticism that we should feel happy only in dissolution."

"We!" — Who are "We?" It never occurs to "us" to "accept" the "directive of criticism". — Thus Saint Max, who for the moment is under the police surveillance of "criticism", here demands "the same well-being for all", "equal well-being for all in one and the same [respect]", "the direct tyrannical domination of *religion*".

His interestedness in the extraordinary sense is here revealed as a heavenly disinterestedness.

Incidentally, there is no need here to deal at length with the fact that in existing society it does not at all depend on Saint Sancho whether an "interest" "acquires a slave in the shape of himself" and whether "he is unable to rid himself of it". The fixation of interests through division of labour and class relations is far more obvious than the fixation of "desires" and "thoughts".

In order to outbid critical criticism, our saint should at least have gone as far as the dissolution of dissolution, for otherwise dissolution becomes an interest which he cannot get rid of, which in him acquires a slave. Dissolution is no longer his property, but he is the property of dissolution. Had he wanted to be consistent in the example just given, [he should] [have treated his zeal against his] own "zeal" as [an "interest"] and [behaved] towards it [as an "irreconcilable] enemy". [But he should have] also considered his ["ice-cold" disinterestedness] in relation to his ["ice-cold" zeal] and become [just as wholly "ice-cold"] and thereby, [obviously, he would have spared] his original ["interest"] and hence himself the "temptation" to turn [in a circle] on the [heel] of speculation. — Instead, he cheerfully continues (ibid.):

I shall only take care to safeguard my own property for myself" (i.e., to safeguard myself from my property) "and, in order to safeguard it, I take it back into myself at any time, I destroy in it any inclination towards independence and absorb it before it becomes fixed and can become a fixed idea or passion."

How does Stirner "absorb" the persons who are his property! Stirner has just allowed himself to be given a "vocation" by "criticism". He asserts that he at once absorbs this "vocation" again, by saying on page 189:

"I do this, however, not for the sake of my human vocation, but because I call on myself to do so."

If I do not call on myself to do so, I am, as we have just heard, a slave, not an owner, not a true egoist, I do not behave to myself as creator, as I should do as a true egoist; therefore, insofar as a person wants to be a true egoist, he must call himself to this vocation given him by "criticism". Thus, it is a universal vocation, a vocation for all, not merely *his* vocation, but also his *vocation.*

On the other hand, the true egoist appears here as an ideal which is unattainable by the majority of individuals, for (p. 434) "innately limited intellects unquestionably form the most numerous class of mankind" — and how could these "limited intellects" be able to penetrate the mystery of unlimited absorption of oneself and the world.

Incidentally, all these terrible expressions — to destroy, to absorb etc. — are merely a new variation of the above-mentioned "ice-cold, most irreconcilable enemy".

Now, at last, we are put in a position to obtain an insight into Stirner's objections to communism. They were. nothing but a preliminary, concealed legitimisation of his egoism in agreement with itself, in which these objections are resurrected in the flesh. The "*equal well-being of all in one and the same respect*" is resurrected in the demand that "we should [only] feel happy in [dissolution". "*Care*]" is resurrected [in the form of the unique "care]" to secure [one's ego] [as one's property]; [but "with the passage of time]" ["care"] again arises as to "how" [one can arrive] at a [unity —] viz., unity [of creator and creation.] And, finally, humanism re[-appears, which in the form of the true] egoist confronts empirical individuals as an unattainable ideal. Hence page 117 of "the book" should read as follows: Egoism in agreement with itself really endeavours to transform every man into a "secret police state". The spy and sleuth "reflection" keeps a strict eye on every impulse of spirit and body, and every deed and thought, every manifestation of life is, for him, a matter of reflection, i.e., a police matter. It is this dismemberment of man into "natural instinct" and "reflection" (the inner plebeian-creation, and the internal police — creator) which constitutes the egoist in agreement with himself.

Hess *(Die letzten Philosophen,* p. 26) reproached our saint:

"He is constantly under the secret police surveillance of his critical conscience.... He has not forgotten the 'directive of criticism ... to feel happy only in dissolution..... The egoist — his critical conscience is always reminding him — should never become so interested in anything as to devote himself entirely to his subject", and so on.

Saint Max "empowers himself" to answer as follows:

When "Hess says of Stirner that he is constantly, etc'. — What does this mean except that when he criticises he wants to criticise not at random" (i.e., by the way: in the unique fashion), "not talking twaddle, but criticising properly" (i.e., like a human being)?

"What it means", when Hess speaks of the secret police, etc., is so clear from the passage by Hess quoted above that even Saint Max's "unique" understanding of it can only be explained as a deliberate misunderstanding. His "virtuosity of thought" is transformed here into a virtuosity in lying, for which we do not reproach him since it was his only way out, but which is hardly in keeping with the subtle little distinctions on the right to lie which he sets out elsewhere in "the book".

Incidentally, we have already demonstrated — at greater length than he deserves — that "when he criticises", Sancho by no means "criticises properly", but "criticises at random" and "talks twaddle".

Thus, the attitude of the true egoist as creator towards himself as creation was first of all defined in the sense that in opposition to a definition in which he became fixed as a creation — for example, as against himself as thinker, as spirit — he asserts himself as a person also-otherwise-determined, as flesh. Later, he no longer asserts himself as *really* also-otherwise-determined, but as the *mere idea of being also-otherwise-determined* in general — hence, in the above example as someone who also-does-not think, who is thoughtless or indifferent to thought, an idea which he abandons again as soon as its nonsensicalness becomes evident. See above on turning round on the heel of speculation. Hence the creative activity consisted here in the reflection that this single determination, in the present case thought, could also be indifferent for him, i.e., it consisted in reflecting in general; as a result, of course, he creates only reflective definitions, if he creates anything at all (e.g., the idea of antithesis, the simple essence of which is concealed by all kinds of fiery arabesques).

As for the *content* of himself as a creation, we have seen that nowhere does he create this content, these definite qualities, e.g., his thought, his zeal, etc., but only the reflective definition of this content as creation, the idea that these definite qualities are his creations. All his qualities are present in him and whence they come is all the same to him. He, therefore, needs neither to develop them — for example, to learn to dance, in order to have mastery over his feet, or to exercise his thought on material which is not given to everyone, and is not procurable by everyone, in order to become the owner of his thought — nor does he need to worry about the conditions in the world, which in reality determine the extent to which an individual can develop.

Stirner actually only rids himself of one quality by means of another (i.e., the suppression of his remaining qualities by this "other"). In reality, however, [as we] have [already shown,] he does this only insofar as this quality has not only achieved free development, i.e., has not remained merely potential, but also insofar as conditions in the world have permitted him to develop in an equal measure a totality of qualities, [that is to say,] thanks to the division of [labour,] thus making possible the [predominant pursuit] of a [single passion, e.g., that of [writing] books. [In general], it is an [absurdity to assume], as Saint [Max does], that one could satisfy one [passion], apart from all others, that one could satisfy it without at the same time satisfying *oneself*, the entire living individual. If this passion assumes an abstract, isolated character, if it confronts me as an alien power, if, therefore, the satisfaction of the individual appears as the one-sided satisfaction of a single passion — this by no means depends on consciousness or "good will" and least of all on lack of reflection on the concept of this quality, as Saint Max imagines.

— Individual and Class Interests —

It depends not on *consciousness,* but on *being*; not on thought, but on life; it depends on the individual's empirical development and manifestation of life, which in turn depends on the conditions obtaining in the world. If the circumstances in which the individual lives allow him only the [one]-sided development of one quality at the expense of all the rest, [If] they give him the material and time to develop only that one quality, then this individual achieves only a one-sided, crippled development. No moral preaching avails here. And the manner in which this one, pre-eminently favoured quality develops depends again, on the one hand, on the material available for its development and, on the other hand, on the degree and manner in which the other qualities are suppressed. Precisely because thought, for example, is the thought of a particular, definite individual, it remains *his* definite thought, determined by his individuality and the conditions in which he lives. The thinking individual therefore has no need to resort to prolonged reflection about thought as such in order to declare that his thought is his own thought, his property; from the outset it is his own, peculiarly determined thought and it was precisely his peculiarity which [in the case of Saint] Sancho [was found to be] the "opposite" of this, a peculiarity which is peculiarity "*as such*". In the case of an individual, for example, whose life embraces a wide circle of varied activities and practical relations to the world, and who, therefore, lives a many-sided life, thought has the same character of universality as every other manifestation of his life. Consequently, it neither becomes fixed in the form of abstract thought nor does it need complicated tricks of reflection when the individual passes from thought to some other manifestation of life. From the outset it is always a factor in the total life of the individual, one which disappears and is reproduced as *required,*

In the case of a parochial Berlin school-master or author, however, whose activity is restricted to arduous work on the one hand and the pleasure of thought on the other, whose world extends from Moabit to Köpenick and ends behind the Hamburger Tor, [37] whose relations to this world are reduced to a minimum by his pitiful position in life, when such an individual experiences the need to think, it is indeed inevitable that his thought becomes just as abstract as he himself and his life, and that thought confronts him, who is quite incapable of resistance, in the form of a fixed power, whose activity offers the individual the possibility of a momentary escape from his "bad world", of a momentary pleasure. In the case of such an individual the few remaining desires, which arise not so much from intercourse with the world as from the constitution of the human body, express themselves only through *repercussion*, i.e., they assume in their narrow development the same one-sided and crude character as does his thought, they appear only at long intervals, stimulated by the excessive development of the predominant desire (fortified by immediate physical causes, e.g. [stomach] spasm) and are manifested turbulently and forcibly, with the most brutal suppression of the ordinary, [natural] desire [— this leads to further] domination over [thought.] As a matter of course, the schoolmaster's [thinking reflects on and speculates about] this empirical [fact in a school]masterly fashion. [But the mere announcement] that Stirner in general "creates" [his qualities] does not [explain] even their particular form of development. The extent to which these qualities develop on the universal or local scale, the extent to which they transcend local narrow-mindedness or remain within its confines, depends not on Stirner, but on the development of world intercourse and on the part which he and the locality where he lives play in it. That under favourable circumstances some individuals are able to rid themselves of their local narrow-mindedness is by no means due to individuals imagining that they have got rid of, or intend to get rid of their local narrow-mindedness, but is only due to the fact that in their real empirical life individuals, actuated by empirical needs, have been able to bring about world intercourse.

The only thing our saint achieves with the aid of his arduous reflection about his qualities and passions is that by his constant crotchetiness and scuffling with them he poisons the enjoyment and satisfaction of them.

Saint Max creates, as already said, only himself as a creation, i.e., he is satisfied with placing himself in this category of created entity. His activity [as] creator consists in regarding himself as a creation, and he does not even go on to resolve this division of himself into [creator and] creation, which is his own [product]. The division [into the "essential" and] the "Inessential" becomes [for him a] permanent life process, [hence mere appearance,] i.e., his real life exists only [in "pure"] reflection, is [not] even actual existence; [for since this latter is at every] instant outside [him and his reflection], he tries [in vain to] present [reflection as] essential.

"But [since] this enemy" (viz., the true egoist as a creation) "begets himself in his defeat, since consciousness, by becoming fixed on him, does not free itself from him, but instead always dwells on him and always sees itself besmirched, and since this content of his endeavour is at the same time the very lowest, we find only an individual restricted to himself and his petty activity" (inactivity), "and brooding over himself, as unhappy as he is wretched" (Hegel) [Phänomenologie des Geistes. B. Selbstbewusstsein. 3. Das unglückliche Bewusstsein].

What we have said so far about the division of Sancho into creator and creation, he himself now finally expresses in a logical form: the creator and the creation are transformed into the presupposing and the presupposed ego, or (inasmuch as his presupposition [of his ego] is a *positing*) into the positing and the posited ego:

"I for my part start from a certain presupposition since I presuppose myself; but my presupposition does not strive for its perfection" (rather does Saint Max strive for its abasement), "on the contrary, it serves me merely as something to enjoy and consume!' (an enviable enjoyment!). "I am nourished by my presupposition alone and exist only by consuming it. But for that reason" (a grand "for that reason"!) "the presupposition in question is no presupposition at all, for since" (a grand "for since"!) "I am the unique" (it should read: the true egoist in agreement with himself), "I know nothing about the duality of a presupposing and presupposed ego (of an 'imperfect' and 'perfect' ego or man)" — it should read: the perfection of my ego consists in this alone, that at every instant I know myself as an imperfect ego, as a creation — " but" (a magnificent "but"!) "the fact that I consume myself signifies merely that I am." (It should read: The fact that I am signifies here merely that in me I consume in imagination the category of the presupposed.) "I do not presuppose myself, because I really only posit or create myself perpetually" (viz., I posit and create myself as the presupposed, posited or created) "and I am I only because I am not presupposed, but posited" (it should read: and I exist only because I am antecedent to my positing) land, again, I am posited only at the moment when I posit myself, i.e., I am creator and creation in one."

Stirner is a "posited man", since he is always a posited ego, and his ego is "*also a man*" (*Wigand*, p. 183). "*For that reason*" he is a posited man; "for *since*" he is never driven by his passions to excesses, "*therefore*", he is what burghers call a sedate man, "*but*" the fact that he is a sedate man "signifies merely" that he always keeps an account of his own transformations and refractions.

What was so far only "for us" — to use for once, as Stirner does, the language of Hegel — viz., that his whole creative activity had no other content than general definitions of reflection, is now "posited" by, Stirner himself. Saint Max's struggle against "*essence*" here attains its "final goal" in that he identifies himself with essence, and indeed with pure, speculative essence. The relation of creator and creation is transformed into an explication of *self-presupposition*, i.e., [Stirner transforms] into an extremely "clumsy" and confused [idea] what Hegel [says] about reflection in "the [Doctrine of Essence]". [Since] Saint Max takes out *one* [element of his] reflection, [viz., positing reflection, his fantasies become] "negative", [because he] transforms himself, etc., into "self-[presupposition", in] contradistinction to [himself as the positing] and himself as the posited, [and] transforms reflection into the mystical antithesis of creator and creation. It should be pointed out, by the way, that in this section of his *Logik* Hegel analyses the "machinations" of the "creative nothing", which explains also why Saint Max already on page 8 had to "posit" himself as this "creative nothing".

We shall now "episodically insert" a few passages from Hegel's explanation of self-presupposition for comparison with Saint Max's explanation. But as Hegel does not write so incoherently and "at random" as our Jacques le bonhomme, we shall have to collect these passages from various pages of the *Logik* in order to bring them into correspondence with Sancho's great thesis.

"Essence presupposes itself and is itself the transcendence of this presupposition. Since it is the repulsion of itself from itself or indifference towards itself, negative relation to itself, it thereby posits itself against itself ... positing has no presupposition ... the other is only posited through essence itself... Thus, reflection is only the negative of itself. Reflection in so far as it presupposes is simply positing reflection. It consists therefore in this, that it is itself and' not itself in a unity" ("creator and creation in one") (Hegel, Logik, II, pp. 5, 16, 17, 18, 22).

One might have expected from Stirner's "virtuosity of thought" that he would have gone on to further researches into Hegel's *Logik*. However, he wisely refrained from doing so. For, if he had done so, he would have found that he, as mere "posited" ego, as creation, i.e., insofar as he possesses *existence*, is merely a *seeming* ego, and he is "*essence*", *creator*, only insofar as he does *not* exist, but only imagines himself. We have already seen, and shall see again further on, that all his qualities, his whole activity, and his whole attitude to the world, are a mere appearance which he creates for himself, nothing but "juggling tricks on the tightrope of the objective". His ego is always a dumb, hidden "ego", hidden in his ego imagined as *essence*.

Since the true egoist in his creative activity is, therefore, only a paraphrase of speculative reflection or pure essence, it follows, "according to the myth", "by natural reproduction", as was already revealed when examining the "arduous life battles" of the true egoist, that his "creations" are limited to the simplest determinations of reflection, such as identity, difference, equality, inequality, [opposition,] etc. — determinations [of reflection] which he [tries] to make clear for himself in ["himself"], concerning whom "the tidings have [gone] as far as [Berlin]". [Concerning] his *presuppositionless* [ego] we [shall] have occasion to "hear [a little] word" later on. See, inter alia, "The Unique".

As in *Sancho's* construction of history the later historical phenomenon is transformed, by Hegel's method, into the cause, the creator, of an earlier phenomenon, so in the case of the egoist in agreement with himself the Stirner of today is transformed into the creator of the Stirner of yesterday, although, to use his language, the Stirner of today is the creation of the Stirner of yesterday. Reflection, indeed, reverses all this, and in reflection the Stirner of yesterday is the creation of the Stirner of today, as a product of reflection, as an idea — just as in reflection the conditions of the external world are *creations* of his reflection.

Page 216: "Do not seek in 'self-denial' the freedom that actually deprives you of yourselves, but seek yourselves" (i.e., seek yourselves in self-denial), "become egoists, each of you should become an all-powerful ego!"

After the foregoing, we should not be surprised if later on Saint Max's attitude to this proposition is again that of creator and most irreconcilable enemy and he "dissolves" his lofty moral postulate: "Become an *all-powerful* ego" into this, that each, in any case, does what he can, and that he can do what he does, and therefore, of course, for Saint Max, he is "all-powerful".

Incidentally, the nonsense of the egoist in agreement with himself is summarised in the proposition quoted above. First comes the moral injunction to seek and, moreover, to seek oneself. This is defined in the sense that man should become something that he so far is not, namely, an egoist, and this egoist is defined as being an "all-powerful ego", in whom the peculiar ability has become resolved from actual ability into the ego, into omnipotence, into the fantastic idea of ability. To seek oneself means, therefore, to become something different from what one is and, indeed, to become *all-powerful*, i.e., nothing, a non-thing, a phantasmagoria.

We have now progressed so far that one of the profoundest mysteries of the unique, and at the same time a problem that has long kept the civilised world in a state of anxious suspense, can be disclosed and solved.

Who is Szeliga? Since the appearance of the critical *Literatur-Zeitung* (see *Die heilige Familie*, etc.) this question has been put by everyone who has followed the development of German philosophy. Who is Szeliga? Everyone asks, everyone listens attentively when he hears the barbaric sound of this name — but no one replies.

Who is Szeliga? Saint Max gives us the key to this "secret of secrets".

Szeliga is Stirner as a creation, Stirner is *Szeliga as* creator. Stirner is the "I", Szeliga the "you", in "the book". Hence Stirner, the creator, behaves towards Szeliga, his creation, as towards his "most irreconcilable enemy". As soon as Szeliga wishes to acquire independence in relation to Stirner — he a made a hapless attempt in this direction in the *Norddeutsche Blätter* — Saint Max "takes him back into himself", an experiment which was carried out against this attempt of Szeliga's on pages 176-79 of the "Apologetic Commentary" in *Wigand.* The struggle of the creator against the creation, of Stirner against Szeliga, is, however, only a seeming one: [Now] Szeliga advances against his creator the phrases of this [creator himself] — for example, the assertion "that [the mere,] bare body is [absence of] thought" (*Wigand*, p. 148). Saint

[Max,] as we have seen, [was thinking] only of [the bare flesh], the body before its [formation], and in [this connection] he gave the body the [determination] of being "the other of thought", non-thought and the non-thinking being, hence absence of thought; and indeed in a later passage he bluntly declares that *only* absence of thought (as previously *only* the flesh — thus the two concepts are treated as identical) saves him from thoughts (p. 196).

We find a still more striking proof of this mysterious connection in *Wigand*, We have already seen on page 7 of "the book" that the "ego", i.e., Stirner, is "the unique". On page 153 of the "Commentary" he addresses his "you": "You......... are the *content of the phrase*",. viz., the content of the "unique", and on the same page it is stated: "he overlooks the fact that *he himself, Szeliga, is the content of the* phrase". "The unique" is a phrase, as Saint Max says in so many words. Considered as the "*ego",* i.e., as *creator*, he is the *owner of the phrase* — this is *Saint Max*. Considered as "*you*", i.e., as *creation*, he is the *content of the phrase* — this is *Szeliga*, as we have just been told. Szeliga the creation appears as a selfless egoist, as a degenerate Don Quixote; Stirner the creator appears as an egoist in the ordinary sense, as Saint Sancho Panza.

Here, therefore, the other aspect of the antithesis of creator and creation makes its appearance, each of the two aspects containing its opposite in itself. Here Sancho Panza Stirner, the egoist in the ordinary sense, is victorious over Don Quixote Szeliga, the selfless and illusory egoist, is victorious over him precisely as Don Quixote by his faith in the world domination of the holy. Who indeed was Stirner's egoist in the [ordinary] sense if not Sancho [Panza,] and who his self-sacrificing egoist [if not] Don Quixote, and what was [their mutual] relation in the [form in which it has so far existed if] not the relation of [Sancho Panza Stirner] to Don Quixote [Szeliga? Now as] Sancho Panza [Stirner belongs to himself as] Sancho only [in order to make Szeliga as] Don Quixote [believe that] he surpasses him in Don [quixotry] and [in accordance with this role, as] the presupposed universal Don [quixotry,] he takes [no steps] against the [Don quixotry of his] former master (Don quixotry, by which he swears with all the firm faith of a servant), and at the same time he displays the cunning already described by Cervantes. In actual content he is, therefore, the defender of the practical petty bourgeois, but he combats the consciousness that corresponds to the petty bourgeois, a consciousness which in the final analysis reduces itself to the idealising ideas of the petty bourgeois about the bourgeoisie to whom he cannot attain.

Thus, Don Quixote now, as Szeliga, performs mental services for his former armour-bearer.

How greatly Sancho in his new "transformation" has retained his old habits, he shows on every page. "Swallowing" and "consuming" still constitute one of his chief qualities, his "natural timidity" has still such mastery over him that the King of

Prussia and Prince Heinrich LXXII become transformed for him into the “Emperor of China” or the “Sultan” and he ventures to speak only about the “G[erman] chambers”; he still strews around him proverbs and moral sayings from his knapsack, he continues to be afraid of “spectres” and even asserts that they alone are to be feared; the only difference is that whereas Sancho in his unholiness was bamboozled by the peasants in the tavern, now in a state of saintliness he continually bamboozles himself.

But let us return to Szeliga. Who has not long ago discovered the hand of Szeliga in all the “phrases” which Saint Sancho put into the mouth of his “you"? And it is always possible to discover traces of Szeliga not only in the phrases of this “you”, but also in the phrases in which Szeliga appears as creator, i.e., as Stirner. But because Szeliga is a creation, he could only figure in *Die heilige Familie* as a “*mystery*”. The revelation of this mystery was the task of Stirner the creator. Me surmised, of course, that some great, holy adventure was at the root of this. Nor were we deceived. The unique adventure really has never been seen or heard of and surpasses the adventure with the fulling mills in Cervantes’ twentieth chapter.

3. The Revelation of John the Divine, or "The Logic of the New Wisdom"

In the beginning was the word, the logos. In it was life, and the life was the light of men. And the light shone in darkness and the darkness *did not comprehend* it. That was the true light, it was in the world, and the world did not know it. He came into *his own*, and his own received him not. But as many as received him, to them gave he power to become owners, who believe in the name of the unique. [But who] has ever [seen] the unique [?]

[Let] us now [examine] this "light of the [world" in "the] logic of the new wisdom [", for Saint] Sancho does not rest content with his previous [destructions].

[In the case of our] "unique" author, it is a matter [of course that] the basis of his [genius lies] in the brilliant [series of personal] advantages [which constitute] his special [virtuosity] of thought. [Since] all these advantages have already been extensively demonstrated, it suffices here to give a brief summary of the most important of them: carelessness of thought — confusion — incoherence — admitted clumsiness — endless repetitions — constant contradiction with himself — unequalled comparisons — attempts to intimidate the reader — systematic legacy-hunting in the realm of thoughts by means of the levers "you", "it", "one", etc., and crude abuse of the conjunctions for, therefore, for that reason, because, accordingly, but, etc. — ignorance — clumsy assertions — solemn frivolity — revolutionary phrases and peaceful thoughts — bluster — bombastic vulgarity and coquetting with cheap indecency — elevation of Nante the loafer[38] to the rank of an absolute concept — dependence on Hegelian traditions and current Berlin phrases — in short, sheer manufacture of a thin beggar's broth (491 pages of it) in the Rumford manner.

Drifting like bones in this beggar's broth are a whole series of *transitions*, a few specimens of which we shall now give for the amusement of the German public depressed as it is:

"Could we not — now, however — one sometimes shares — one can then — to the efficacy of ... belongs especially that which one frequently ... hears called — and that is to say — to conclude, it can now be clear — in the meantime — thus it can, incidentally, be thought here — were it not for — or if, perhaps, it were not — progress from ... to the point that ... is not difficult — from a certain point of view it is argued approximately, thus — for example, and so on", etc., and "it is to that" in all possible "transformations".

We can at once mention here a [logical] trick about which [it is impossible] to decide whether it owes [its] existence to the [lauded] efficiency of Sancho [or to] the inefficiency of his [thinking]. This [trick consists] in seizing on [*one* aspect], treating it as if it were the sole [and only] aspect so far known of an idea [or] concept which [has several well]-defined aspects, foisting this aspect [on the concept as] its *sole characteristic* and then setting [against it every other] aspect under a [new name, as] something original. This is how the concepts of freedom and peculiarity are dealt with, [as] we shall see later.

Among the categories which owe their origin not so much to the personality of Sancho, as to the universal distress in which the German theoreticians find themselves at the present time, the first place is taken by *trashy distinction*, the extreme of trashiness. Since our saint immerses himself in such "soul-torturing" antitheses as singular and universal, private interest and universal interest, ordinary egoism and selflessness, etc., in the final analysis one arrives at the trashiest mutual concessions and dealings between the two aspects, which again rest on the most subtle distinctions — distinctions whose existence side by side is expressed by "*also"* and whose separation from each other is then maintained by means of a miserable "*insofar as*". Such trashy distinctions, for instance, are: how people *exploit* one another, but none does so *at the expense of another*, the extent to which something in me is *inherent* or *suggested;* the construction of *human* and of *unique* work, existing side by side, what is indispensable for *human* life and what is indispensable for *unique* life; what belongs to personality in its pure form and what is essentially fortuitous, to decide which Saint Max, from his point of view, has no criterion at all; what belongs to the *rags and tatters* and what to the *skin* of the individual; what by means of denial he *gets rid of* altogether or *appropriates*, to what extent he sacrifices merely his freedom or merely his peculiarity, in which case he also makes a sacrifice but only insofar as, properly speaking, he does not make a sacrifice; what brings me into relation with others as a link or as a personal relation. Some of these distinctions are absolutely trashy, others — in the case of Sancho at least — lose all meaning and foundation. One can regard as the peak of these trashy distinctions that between the *creation of the world* — by the individual and the *impulse* which the individual receives from the world. If, for example, he had gone more deeply here into this impulse, into the whole extent and multifarious character of its influence on him, he would in the end have discovered the contradiction that he is as *blindly* [*dependent*] on the world as he [egoistically] and ideologically *creates* [it]. (See: "My Self-Enjoyment".) He [would not then have put] side by side [his"] *.also"* and "*insofar as",* [any more than] "human" work [and] unique" work; he would not have opposed one to the other, therefore one would [not have] attacked the other [in the rear,] and the "egoist in *agreement* [with himself"] would not be completely [subordinated to himself] — but we [know] that the latter did not need to be [presupposed] because from the outset this was the point of departure.

This trashy play with distinctions occurs throughout "the book"; It is a main lever also for the other logical tricks and particularly takes the form of a moral casuistry that is as self-satisfied as it is ridiculously cheap. Thus, it is made clear to us by means of examples how far the true egoist has the right to tell lies and how far he has not; to what extent the betrayal of confidence is "despicable" and to what extent it is not; to what extent the Emperor Sigismund and the French King Francis I had the right to break their oath [39] and how far their behaviour in this respect was "disgraceful", and other subtle historical illustrations of the same sort. Against these painstaking distinctions and petty questions there stands out in strong relief the indifference of our Sancho for whom it is all the same and who ignores all actual, practical and conceptual differences. In general we can already say now that his ability to distinguish is far inferior to his ability not to distinguish, to regard all cats as black in the darkness of the holy, and to reduce everything to anything — an art which finds its adequate expression in the use of the *apposition.*

Embrace your "ass", Sancho, you have found him again here. He gallops merrily to meet you, taking no notice of the kicks he has been given, and greets you with his ringing voice. Kneel before him, embrace his neck and fulfil the calling laid down for you by Cervantes in Chapter XXX.

The *apposition* is Saint Sancho's ass, his logical and historical locomotive, the driving force of "the book", reduced to its briefest and simplest expression. In order to transform one idea into another, or to prove the identity of two quite different things, a few intermediate links are sought which partly by their meaning, partly by their etymology and partly by their mere sound can be used to establish an apparent connection between the two basic ideas. These links are then appended to the first idea in the form of an apposition, and in such a way that one gets farther and farther away from the starting-point and nearer and nearer to the point one wants to reach. If the chain of oppositions has got so far that one can draw a conclusion without any danger, the final idea is likewise fastened on in the form of an apposition by means of a dash, and the trick is done. This is a highly recommendable method of insinuating thoughts, which is the more effective the more it is made to serve as the lever for the main arguments. When this trick has been successfully performed several times, one can, following Saint Sancho's procedure, gradually omit some of the intermediate links and finally reduce the series of oppositions to a few absolutely essential hooks.

The apposition, as we have seen above, can also be reversed and thus lead to new, even more complicated tricks and more astounding results. We have seen there, too, that the apposition is the logical form of the infinite series of mathematics.

Saint Sancho employs the apposition in two ways: on the one hand, purely logically, in the canonisation of the world, where it enables him to transform any earthly thing into "the holy", and, on the other hand, historically, in disquisitions on the connection of various epochs and in summing them up, each historical stage being reduced to a single word, and the final result is that the last link of the historical series has not got us an inch farther than the first, and in the end all the epochs of the series are combined in a single abstract category like idealism, dependence on thoughts, etc. If the historical series of oppositions is to be given the appearance of progress, this is achieved by regarding the concluding phrase as the completion of the first epoch of the series, and the intermediate links as ascending stages of development leading to the final, culminating phrase.

Alongside the apposition we have *synonymy*, which Saint Sancho exploits in every way. If two words are etymologically linked or are merely similar in sound, they are made responsible for each other, or if one word has different meanings, then, according to need, it is used sometimes in one sense and sometimes in the other, while Saint Sancho makes it appear that he is speaking of one and the same thing in different "refractions". Further, a special branch of synonymy consists of *translation*, where a French or Latin expression is supplemented by a German one which only half-expresses it, and in addition denotes something totally different; as we saw above, for example, when the word " *respektieren*" was translated "to experience reverence and fear", and so on. One recalls the words *Staat, Status, Stand*, *Notstand,* etc. In the section on communism we have already had the opportunity of observing numerous examples of this use of ambiguous expressions. Let us briefly examine an example of etymological synonymy.

"The word 'Gesellschaft' [society] is derived from the word 'Sal'. If there are many people in a Saal, [hall, room] then the Saal brings it about that they are in society. They are in society and they constitute at most a salon society, since they talk in conventional salon phrases. If real intercourse takes place, it should be regarded as independent of society" (p. 286).

Since the "word '*Gesellschaft'* is derived from '*Sal*'" (which, incidentally, is not true, for the *original* roots of all words are verbs) then "*Sal*" must be equivalent to "*Saal*". But "*Sal*" in old High-German means a *building*; *Kisello, Geselle* — from which *Gesellschaft* is derived — means a *house companion*; hence "*Saal*" is dragged in here quite arbitrarily. But that does not matter; "*Saal*" is immediately transformed into "salon", as though there was not a gap of about a thousand years and a great many miles between the old High-German " *Sal*" and the modern French "*salon*". Thus society is transformed into a salon society, in which, according to the German philistine idea, an intercourse consisting only of phrases takes place and all real intercourse is excluded. — Incidentally since Saint Max only aimed at transforming society into "the holy", he could have arrived at this by a much shorter route if he had made a somewhat more accurate study of etymology and consulted any dictionary of word roots. What a find it would have been for him to discover there the etymological connection between the words "*Gesellschaft" and* "*selig"; Gesellschaft*

— *selig* — *heilig* — *das Heilige* [society-blessed-holy-the holy] — what could look simpler?

If "Stirner's" etymological synonymy is correct, then the communists are seeking the true earldom, the earldom as the holy. As *Gesellschaft* comes from Sal, a building, so *Graf* [earl] (Gothic *garâvo*) comes from the Gothic *râvo*, house. *Sal*, building = *râvo*, house; consequently *Gesellschaft=Grafschaft.* [earldom] The prefixes and suffixes are the same in both words, the root syllables have the same meaning — hence the holy society of the communists is the holy earldom, the earldom as the holy — what could look simpler? Saint Sancho had an inkling of this, when he saw in communism the perfection of the feudal system, i.e., the system of earldoms.

Synonymy serves our saint, on the one hand, to transform empirical relations into speculative relations, by using in its speculative meaning a word that occurs both in practical life and in philosophical speculation, uttering a few phrases about this speculative meaning and then making out that he has thereby also criticised the actual relations which this word denotes as well. He does this with the word *speculation.* On page 406, "speculation" "appears" showing two sides as *one* essence that possesses a "dual manifestation" — O Szeliga! He rages against *philosophical* speculation and thinks he has thereby also settled accounts with *commercial* speculation, about [which] he knows nothing. On the other hand, this synonymy enables him, a concealed petty bourgeois, to transform bourgeois relations (see what was said above in dealing with "communism about the connection between language and bourgeois relations') into personal, individual relations, which one cannot attack without attacking the individuality, "peculiarity" and "uniqueness" of the individual. Thus, for example, Sancho exploits the etymological connection between *Geld* [money] and *Geltung*, [worth, value] Vermögen [wealth, property] *vermögen*, [to be able, capable] etc.

Synonymy, combined with the apposition, provides the main lever for his *conjuring tricks*, which we have already exposed on countless occasions. To give an example how easy this art is, let us also perform a conjuring trick *à la* Sancho.

Wechsel, [change, bill of exchange] as *change,* is the law of phenomena, says Hegel, *This is the reason*, "Stirner" could continue, for the phenomenon of the strictness of the law against false *bills of exchange;* for we see here the law raised above phenomena, the law as such, holy law, the law as the holy, the holy itself, against which sin is committed and which is avenged in the punishment. Or in other words: *Wechsel* "in its dual manifestation", as a bill of exchange *(lettre de change)* and as change (*changement*), leads to *Verfall* [expiry, falling due, decline], (*échéance* and *décadence). Decline* as a result of *change* is observed in history, *inter alia*, in the fall of the Roman Empire, feudalism, the German Empire and the domination of Napoleon. The "transition from" these great *historical crises* "to" the *commercial* *crises* of our day "is not difficult", and this explains also why these commercial crises are always determined by the *expiry of bills of exchange*.

Or he could also, as in the case of "*Vermögen*" and "*Geld*", justify the "*Wechsel*" etymologically and "from a certain point of view argue approximately as follows". The communists want, among other things, to abolish the *Wechsel* (bill of exchange). But does not the main pleasure of the world lie precisely in *Wechsel* (change)? They want, therefore, the dead, the immobile, *China* — that is to say, the perfect Chinese is a communist. "Hence" communist declamations against *Wechsel*briefe and *Wechsler*. As though every letter were not a *Wechsel*brief, a letter that notes a *change,* and every man not a *Wechselnder, a Wechsler*.

To give the simplicity of his construction and logical tricks the appearance of great variety, Saint Sancho needs the *episode*. From time to time he "*episodically*" inserts a passage which belongs to another part of the book, or which could quite well have been left out altogether, and thus still further breaks the thread of his so-called argument, which has already been repeatedly broken without that. This is accompanied by the naive statement that "we" "do not stick to the rules", and after numerous repetitions causes in the reader a certain insensitiveness to even the greatest incoherence. When one reads "the book", one becomes accustomed to everything and finally one readily submits even to the worst. Incidentally, these episodes (as was only [to be] expected from Saint Sancho) are themselves only imaginary and mere repetitions under [other guises] of phrases encountered hundreds of times [already].

After Saint Max has [thus displayed] his personal qualities, and then revealed himself as ["*appearance*" and] as "*essence"* in the distinction, [in] synonymy and in the episode, [we] come [to the] true culmination and completion of logic, the "*concept*".

[The] concept is the "ego" (see Hegel's *Logik*, Part 3), logic [as the ego]. This is the pure relation [of the] ego to the world, a relation [divested] of all the real relations that exist for it; [a formula] for all the equations to [which the holy] man reduces mundane [concepts]. It was already [revealed] above that by applying this formula to all sorts of things Sancho merely makes an unsuccessful "attempt" to understand the various pure determinations of reflection, such as identity, antithesis,, etc.

Let us begin at once with a definite example, e.g., the relation between the "ego" and the people.

1=I am not the people.

The people = non-I

I = the non-people.

Hence, I am the negation of the people, the people is dissolved in me.

The second equation can be expressed also by an auxiliary equation:

The people's ego is non-existent,

or:

The ego of the people is the negation of my ego.

The whole trick, therefore, consists in: 1) that the negation which at the outset belonged to the copula is attached first to the subject and then to the predicate; and 2) that the negation, the "not", is, according to convenience, regarded as an expression of dissimilarity, difference, antithesis or direct dissolution. In the present example it is regarded as absolute dissolution, as complete negation; we shall find that — at Saint Max's convenience — it is used also in the other meanings. Thus the tautological proposition that I am not the people is transformed into the tremendous new discovery that I am the dissolution of the people.

For the equations given above, it was not even necessary for Saint Sancho to have any idea of the people; it was enough for him to know that I and the people are "totally different names for totally different things"; it was sufficient that the two words do not have a single letter in common. If now there is to be further speculation about the people from the standpoint of egoistical logic, it suffices to attach any kind of trivial determination to the people and to "I" from outside, from day-to-day experience, thus giving rise to new equations. At the same time it is made to appear that different determinations are being criticised in different ways. We shall now proceed to speculate in this manner about freedom, happiness and wealth:

Basic equations: The people = non-I.

Freedom of the people = Not my freedom.

Equation No. 1: Freedom of the people = My non-freedom.

Freedom of the people = My lack of freedom.

(This can also be reversed, resulting in the grand proposition: My lack of freedom = slavery is the freedom of the people.)

Happiness of the people = Not my happiness.

Equation No. 2: Happiness of the people = My non-happiness.

Happiness of the people = My unhappiness.

(Reversed equation: My unhappiness, my distress, is the happiness of the people.)

Wealth of the people = Not my wealth.

Equation No. 3: Wealth of the people = My non-wealth.

Wealth of the people = My poverty.

Reversed equation: My poverty is the wealth of the people.) This can be continued *ad libitum* and extended to other determinations.

For the formation of such equations all that is required, apart from a very general acquaintance with such ideas as Stirner can combine in one notion with “people”, is to know the positive expression for the result obtained in the negative form, e.g., “poverty” — for “non-wealth”, etc. That is to say, as much knowledge of the language as one acquires in everyday life is quite sufficient to arrive in this way at the most surprising discoveries.

The entire trick here, therefore, consisted in transforming not-my-wealth, not-my-happiness, not-my-freedom into my non-wealth, my non-happiness, my non-freedom. The “not”, which in the first equation is a general negation that can express all possible forms of difference, e.g., it may merely mean that it is our common, and not exclusively my, wealth — this “not” is transformed in the [second] equation into the negation of my wealth, [my] happiness, etc., and ascribes to me [non-happiness], unhappiness, slavery. [Since] I am denied some definite form of wealth, [the people’s] wealth but by no means [wealth] in general, [Sancho believes poverty] must be ascribed to me. [But] this is also [brought about] by expressing my non-freedom in a positive way and so transforming it into my ["lack of freedom"]. But [my non-freedom] can, of course, also mean hundreds [of other] things — e.g., my ["lack of freedom]”, my non-freedom from [my] body, etc.

We started out just now from the second equation: the people = non-I. We could also have taken the third equation as Our starting-point: I =the non-people, and then, in the case of wealth for example, according to the same method, it would be proved in the end that “my wealth is the poverty of the people”. Here, however, Saint Sancho would not proceed in this way, but would dissolve altogether the property relations of the people and the people itself, and then arrive at the following result: my wealth is the destruction not only of the people’s wealth but of the people itself. This shows how arbitrarily Saint Sancho acted when he transformed non-wealth into poverty. Our saint applies these different methods higgledy-piggledy and exploits negation sometimes in one meaning and sometimes in another. Even “anyone who has not read Stirner’s book” “sees at once” (*Wigand*, p. 191) what confusions this is liable to produce.

In just the same way the “ego” “operates” against the state.

1=I am not the state.

State=non-I.

I="Negation” of the state.

Nothing of the state=I.

Or in other words: I am the “creative nothing” in which the state is swallowed up.

This simple melody can be used to ring the changes with any subject.

The great proposition that forms the basis of all these equations is: I am not non-I. This non-I is given various names, which, on the one hand, can be purely logical, e.g., being-in-itself, other-being, or, on the other hand, the names of concrete ideas such as the people, state, etc. In this way the appearance of a development can he produced by taking these names as the starting-point and gradually reducing them — with the aid of equations, or a series of appositions — again to the non-ego, which was their basis at the outset. Since the real relations thus introduced figure only as different modifications of the non-ego, and only nominally different modifications at that — nothing at all need be said about these real relations themselves. This is all the more ludicrous since [the real] relations are the relations [of the individuals] themselves, and declaring them to be relations [of the non]-ego only proves that one knows nothing about them. The matter is thereby so greatly simplified that even “the great majority consisting of innately limited intellects” can learn the trick in ten minutes at most. At the same time, this gives us a criterion of the “uniqueness” of Saint Sancho.

Saint Sancho further defines the non-ego opposed to the ego as being that which is *alien* to the ego, that which is the alien. The relation of the non-ego to the ego is “therefore” that of alienation [*Entfremdung*]. We have just given the logical formula by which Saint Sancho presents any object or relation whatsoever as that which is alien to the ego, as the alienation of the ego; on the other hand, Saint Sancho can, as we shall see, also present any object or relation as something created by the ego *and belonging to it.* Apart, first of all, from the arbitrary way in which he presents, or does not present, any relation as a relation of alienation (for everything can he made to fit in the above equations), we see already here that his only concern is to present all actual relations, [and also] actual individuals, [as alienated] (to retain this philosophical [expression] for the time being), to [transform] them into the wholly [abstract] phrase of alienation. Thus [instead] of the task of describing [actual] individuals in their [actual] alienation and in the empirical relations of this alienation, [purely empirical] relations, the same happens here — the setting forth is replaced by the [mere idea] of alienation, of [the Alien], of the Holy. [The] substitution of the *category* of alienation (this is again a determination of reflection which can be considered as antithesis, difference, non-identity, etc.) finds its final and highest expression in “the alien” being transformed again into “*the holy”,* and alienation into the relation of the ego to anything whatever as the holy. We prefer to elucidate the logical process on the basis of Saint Sancho's relation to the holy, since this is the predominant formula, and in passing we note that "the alien" is considered also as ',the existing" (*per appos.*), that which exists apart from me, that which exists independently of me, per *appos.,* that which is regarded as independent owing to my non-independence, so that Saint Sancho can depict as the holy everything that exists independently of him, e.g., the Blocksberg. [40]

Because the holy is something alien, everything alien is transformed into the holy; and because everything holy is a bond, a fetter, all bonds and all fetters are transformed into the holy. By this means Saint Sancho has already achieved the result that everything alien becomes for him a mere *appearance*, a mere *idea*, from which he frees himself by simply protesting against it and declaring that he does not have this idea. just as we saw in the case of the egoist not in agreement with himself: people have only to change their consciousness to make everything in the world *all right*.

Our whole exposition has shown that Saint Sancho criticises all actual conditions by declaring them "the holy", and combats them by combating his holy idea of them. This simple trick of transforming everything into the holy was achieved, as we have already seen in detail above, by Jacques le bonhomme accepting in good faith the illusions of philosophy, the ideological, speculative expression of reality divorced from its empirical basis, for reality, just as he mistook the illusions of the petty [bourgeois concerning] the bourgeoisie for the "[holy essence" of the] bourgeoisie, and could therefore imagine that he was only dealing with thoughts and ideas. With equal ease people were transformed into the "holy", for after their thoughts had been divorced from them themselves and from their empirical relations, it became possible to consider people as mere vehicles for these thoughts and thus, for example, the bourgeois was made into the holy liberal.

The positive relation of [Sancho] — who is in the final analysis [pious] — to the holy (a relation [he] calls *respect*) figures also [under the] name of "love". "Love" [is a] relation that approves of "[man"], the holy, the ideal, the supreme being, or such a human, holy, ideal, essential relation. Anything that was elsewhere designated as the existence of the *holy*, e.g., the state, prisons, torture, police, trade and traffic, etc., can also be regarded by Sancho as "another example" of "*love"*. This new nomenclature enables him to write new chapters about what he has already utterly rejected under the trade mark of the holy and respect. It is the old story of the goats of the shepherdess Torralva, in a holy form. And as at one time, with the aid of this story, he led his master by the nose, so now he leads himself and the public by the nose throughout the book without, however, be) rig able to break off his story as wittily as he did in those earlier times when he was still a secular armour-bearer. In general, since his canonisation Sancho has lost all his original mother wit.

The first difficulty appears to arise because this holy is in itself very diverse, so that when criticising some definite holy thing one ought to leave the holiness out of account and criticise the definite content itself. Saint Sancho avoids this rock by presenting everything definite as merely an "*example*" of the holy; just as in Hegel's *Logik* it is immaterial whether atom or personality is adduced to explain "being-for-itself", or the solar system, magnetism or sexual love as an example of attraction. It is, therefore, by no means an accident that "the book" teems with *examples*, but is rooted in the innermost essence of the method of exposition employed in it. This is the unique" possibility which Saint Sancho has of producing an appearance of some sort of content, the prototype of which is already to be found in Cervantes, since Sancho also speaks all the time in examples. Thus Sancho is able to say: "Another example of *the* holy" (the uninteresting) "is labour". He could have continued: another example is the state, another is the family, another is rent of land, another is Saint Jacob (Saint-Jacques, le bonhomme), another is Saint Ursula and her eleven thousand virgins.[41] Indeed, in his imagination, all these things have this in common: that they are the "holy". But at the same time they are totally different things, and it is just this that constitutes their specific nature. Insofar as one speaks of their specific nature, one does not speak of them as "the holy".

[Labour is] not rent of land, and [rent of land] is not the state; [the main] thing, therefore, is to define [what] the state, land rent and labour are [apart from] their imagined holiness, [and Saint] Max achieves this in the following way. [He pretends to] be speaking about the state, [labour,] etc., and then calls ["the" state] the reality of some [sort of idea] — of love, of [being]-for-one-another, of the existing, of power over [Individuals], and — by means [of a] dash — of "the holy", but [he could] have said [that at the] outset. Or [he says] of labour that it is regarded as a life task, [a vocation, a] destiny — "the holy". That is to say, the state and labour are first of all brought under a particular kind of the holy which has been previously prepared in the same way, and this *particular* holy is then again dissolved in the *universal* "holy"; all of which can take place without saying anything about labour and. the state. The same stale cud can then be chewed over again on any convenient occasion, because everything that is apparently the object of criticism serves our Sancho merely as an excuse for declaring that the abstract ideas and the predicates transformed into subjects (which are nothing but suitably assorted holies, a sufficient store of which is always kept in reserve) are what they were made to be at the outset, viz., *the holy*. He has in fact reduced everything to its exhaustive, classic expression, by saying of it that it is "another example of the holy". The definitions which he has picked up by hearsay, and which are supposed to relate to content, are altogether superfluous, and on closer examination it is found, too, that they introduce neither definition nor content and amount to no more than ignorant banalities. This cheap "virtuosity of thought" which polishes off any subject-matter whatever even before knowing anything about it, can of course be acquired by anyone, and not in ten minutes, as previously [stated], but even in five. In the “Commentary” Saint Sancho threatens us with “*treatises*” about Feuerbach, socialism, bourgeois society, and only the holy knows what else. Provisionally we can already here reduce these treatises to their simplest expression as follows:

First treatise: Another example of the holy is *Feuerbach.*

Second treatise: Another example of the holy is *socialism.*

Third treatise: Another example of the holy is *bourgeois society.*

Fourth treatise: Another example of the holy is the “treatise” in the Stirner manner.

Etc., *in infinitum*.

A little reflection shows that the second rock against which Saint Sancho was bound to suffer shipwreck was his own assertion that every individual is totally different from every other, is unique. Since every individual is an altogether different being, hence an other-being, it is by no means necessary that what is alien, holy, for one individual should be so for another individual; it even *can*not be so. And the common name used, such as state, religion, morality, etc., should not mislead us, for these names are only abstractions from the actual attitude of separate individuals, and these objects, in consequence of the totally different attitude towards them of the unique individuals, become for each of the latter *unique* objects, hence totally different objects, which have only their name in common. Consequently, Saint Sancho could at most have said: for me, Saint Sancho, the state, religion, etc., are the alien, the holy. Instead of this he has to make them the absolutely holy, the holy for all individuals — how else could he have fabricated his constructed ego, his egoist in agreement with himself, etc., how else could he at all have written his whole “book"? How little it occurs to him to make each “unique” the measure of his own “uniqueness”, how much he uses his own “uniqueness” as a measure, as a moral norm, to be applied to all other individuals, like a true moralist forcing them into his Procrustean bed, is already evident, *inter alia*, from his judgment on the departed and forgotten Klopstock, whom he opposes with the moral maxim that he ought to have adopted an “attitude to religion altogether *his own”,* in that case he would have arrived not at a *religion of his own,* which would be the correct conclusion (a conclusion that “Stirner” himself draws innumerable times, e.g., in regard to money), but at a “dissolution and swallowing up of religion” (p. 85), a universal result instead of an individual, unique result. As though Klopstock had not arrived at a “dissolution and swallowing up of religion”, and indeed at a quite individual, unique dissolution, such as only this unique Klopstock could have ‚achieved”, a dissolution whose uniqueness “Stirner” could have easily seen even from the many unsuccessful imitations. Klopstock’s attitude to religion is supposed to be not his “own”, although it was altogether peculiar to him, and indeed was a relation to religion which made Klopstock Klopstock. His attitude to religion would have been "peculiar" only if he had behaved towards it not like Klopstock but like a modern German philosopher.

The "egoist in the ordinary sense", who is not so docile as Szeliga and who has already above put forward all sorts of objections, here makes the following retort to our saint: here in the actual world, as I know very well, I am concerned with my own advantage and nothing else, *rien pour la gloire* [mere honour is worth nothing]. Besides this, I enjoy thinking that I am immortal and can have advantages also in heaven. Ought I to sacrifice this egoistical conception for the sake of the mere consciousness of egoism in agreement with itself, which will not bring me in a farthing? The philosophers tell me: that is inhuman. What do I care? Am I not a human being? Is not everything I do human, and human because I do it, and is it any concern of mine how "others" "classify" my actions? You, Sancho, who indeed are also a philosopher, but a bankrupt one — and because of your philosophy you deserve no financial credit, and because of your bankruptcy you deserve no intellectual credit — you tell me that my attitude to religion is not one peculiar to me. What you say, therefore, is the same as what the other philosophers tell me, but in your case, as usual, it loses all meaning since you call "peculiar" what they call "human". Could you speak of any other peculiarity than your own and transform your own relation again into a universal one? In my own way, my attitude to religion, if you like, is also a critical one. Firstly, I have no hesitation in sacrificing it, as soon as it attempts to interfere in my commerce; secondly, in my business affairs it is useful for me to be regarded as religious (as it is useful for my proletarian, if the pie that I eat here he eats at least in heaven); and, finally, I turn heaven into my property. It is *une propriété ajoutée à la propriété*, [property added to property] although already Montesquieu, who was of course a quite different type of man from you, tried to make me believe that it is *une terreur ajoutée à la terreur.* [terror added to terror]My attitude to heaven is not like that of any other person, and by virtue of the unique attitude that I adopt towards it, it is a unique object, a unique heaven. At most, therefore, you are criticising your idea of my heaven, but not my heaven. And now immortality! Here you become simply ridiculous. I deny my egoism — as you assert to please the philosophers — because I immortalise it and declare the laws of nature and thought null and void, as soon as they want to give my existence a determination which is not produced by me myself and is highly unpleasant for rite, namely, death. You call immortality "tedious stability" — as though I could not always live an "eventful" life so long as trade is flourishing in this or the other world and I can do business in other things than your "book". And what can be "more stable" than death, which against my will puts an end to my movement and submerges me in the universal, nature, the species, the holy? And now the state, law, police! For many an "ego" they may appear to be alien powers; but I know that they are my own powers. Incidentally

— and at this point the bourgeois, this time with a gracious nod of the head, again turns his back on our saint — as far as I am concerned, go on blustering against religion, heaven, God and so on. I know all the same that in everything that interests me — private property, value, price, money, purchase and sale — you always perceive something "peculiar".

We have just seen how individuals differ from one another. But every individual again is diverse in himself. Thus, by reflecting himself in one of these qualities, i.e., by regarding, *defining* his "ego" through one of these determinations, Saint Sancho can define the object of the other qualities and these other qualities themselves as the alien, the holy; and so in turn with all his qualities. Thus, for example, that which is object for his flesh is the holy for his spirit, or that which is object for his need of rest is the holy for his need of movement. His transformation, described above, of all action and inaction into self-denial is based on this trick. Moreover, his ego is no real ego, but only the ego of the equations given above, the same ego that in formal logic, in the theory of propositions, figures as *Caius* [42].

"Another example", namely, a more general example of the canonisation of the world, is the transformation of real collisions, i.e., collisions between individuals and their actual conditions of life, into ideal collisions, i.e., into collisions between these individuals and the ideas which they form or get into their heads. This trick, too, is extremely simple. As Saint Sancho earlier made the thoughts of individuals into something existing independently, so here he separates the ideal reflection of real collisions from these collisions and turns this reflection into something existing independently. The real contradictions in which the Individual finds himself are transformed into contradictions of the individual with his idea or, as Saint Sancho also expresses it more simply, into contradictions with the idea *as such*, with the holy. Thus he manages to transform the real collision, the prototype of its ideal copy, into the consequence of this ideological pretence. Thus he arrives at the result that it is not a question of the practical abolition of the practical collision, but only of *renouncing the idea of this collision,* a renunciation which he, as a good moralist, insistently urges people to carry out.

After Saint Sancho has thus transformed all the contradictions and collisions in which the individual finds himself into mere contradictions and collisions of the individual with one or other of his ideas, an idea which has become independent of him and has subordinated him to itself, and, therefore, is "easily" transformed into the idea *as such,* the holy idea, the holy — after this there remains only one thing for the individual to do: to commit the sin against the Holy Spirit, to abstract from this idea and declare the holy to be a spectre. This logical swindle, which the individual performs on himself, our saint regards as one of the greatest efforts of the egoist. On the other hand, however, anyone can see how easy it is in this way to declare that from the egoistical point of view all historically occurring conflicts and movements are subsidiary, without knowing anything about them. To do this one has only to extract a few of the phrases usually adopted in such cases, to transform them, in the manner indicated, into "the holy", to depict the individuals as being subordinated to this holy, and to put oneself forward as one who despises "the holy as such".

A further offshoot of this logical trick, and indeed our saint's favourite manoeuvre, is the exploitation of the words designation, vocation, task, etc., thereby immensely facilitating the transformation of whatever he likes into the holy. For, in vocation, designation, task, etc., the individual appears in his own imagination as something different from what he actually is, as the alien, hence as the holy, and in opposition to his real being he asserts his idea of what he ought to be as the rightful, the ideal, the holy. Thus, when it is necessary for him, Saint Sancho can transform everything into the holy by means of the following series of oppositions: to designate oneself, i.e., to choose a designation (insert here any content you like) for oneself; to choose the designation *as such;* to choose a holy designation, to choose a designation as the holy, i.e., to choose the holy as designation. Or: to be designated, i.e., to have a designation, to have the designation, the holy designation, designation as the holy, the holy as designation, the holy for designation, the designation of the holy.

And now, of course, it only remains for him strongly to admonish people to select for themselves the designation of absence of any designation, the vocation of absence of any vocation, the task of absence of any task — although throughout "the book", "up to and including" the "Commentary", he does nothing but select designations for people, set people tasks and, like a prophet in the wilderness, call them to the gospel of true egoism, about whom, of course, it is said: many are called but only one — *O'Connell* — is chosen.

— The Conditions of Life of a Class Appear as Universal —

We have already seen above how Saint Sancho separates the ideas of individuals from the conditions of their life, from their practical collisions and contradictions, in order then to transform them into the holy. Now these ideas appear in the form of *designation, vocation, task*. For Saint Sancho vocation has a double form; firstly as the vocation which others choose for me — examples of which we have already had above in the case of the newspapers that are full of politics and the prisons that our saint mistook for houses of moral correction. Afterwards vocation appears also as a vocation in which the individual himself believes. If the ego is divorced from all its empirical conditions of life, its activity, the conditions of its existence, if it is separated from the world that forms its basis and from its own body, then, of course, it has no other vocation and no other designation than that of representing the Caius of the logical proposition and to assist Saint Sancho in arriving at the equations given above. In the real world, on the other hand, where individuals have needs, they thereby already have a *vocation and task;* and at the outset it is still immaterial whether they make this their vocation in their imagination as well. It is clear, however, that because the individuals possess consciousness they form an idea of this vocation which their empirical existence has given them and, thus, furnish Saint Sancho with the opportunity of seizing on the word vocation, that is, on the mental expression of their actual conditions of life, and of leaving out of account these conditions of life themselves. The proletarian, for example, who like every human being has the vocation of satisfying his needs and who is not in a position to satisfy even the needs that he has in common with all human beings, the proletarian whom the necessity to work a 14-hour day debases to the level of a beast of burden, whom competition degrades to a mere thing, an article of trade, who from his position as a mere productive force, the sole position left to him, is squeezed out by other, more powerful productive forces — this proletarian is, if only for these reasons, confronted with the real task of revolutionising his conditions. He can, of course, imagine this to be his "vocation", he can also, if he likes to engage in propaganda, express his "vocation" by saying that to do this or that is the human vocation of the proletarian, the more so since his position does not even allow him to satisfy the needs arising directly from his human nature. Saint Sancho does not concern himself with the reality underlying this idea, with the practical aim of this proletarian — he clings to the word "vocation" and declares it to be the holy, and the proletarian to be a servant of the holy — the easiest way of considering himself superior and "proceeding further".

Particularly in the relations that have existed hitherto, when one class always ruled, when the conditions of life of an individual always coincided with the conditions of life of a class, when, therefore, the practical task of each newly emerging class was bound to appear to each of its members as a *universal* task, and when each class could actually overthrow its predecessor only by liberating the individuals of all classes from certain chains which had hitherto fettered them — under these circumstances it was essential that the task of the individual members of a class striving for domination should be described as a universal human task.

Incidentally, when for example the bourgeois tells the proletarian that his, the proletarian's, human task is to work fourteen hours a day, the proletarian is quite justified in replying in the same language that on the contrary his task is to overthrow the entire bourgeois system.

We have already repeatedly seen how Saint Sancho puts forward a whole series of tasks all of which resolve themselves into the final task, which exists for all people, that of true egoism. But even where he does not reflect, and does not see himself as creator and creation, he manages to arrive at a task by means of the following trashy distinction.

Page 466: "Whether you want to continue to occupy yourself with thinking depends on you. If you wish to achieve anything substantial in thinking, then" (the conditions and designations begin for you) "then ... anyone who wishes to think, therefore, certainly has a task, which by having that wish he sets himself, consciously or unconsciously; but no one has the task of thinking."

First of all, apart from any other content of this proposition, it is incorrect even from Saint Sancho's own viewpoint, since the egoist in agreement with himself, whether he wishes it or not, certainly has the "task" of thinking. He must think, on the one hand, to keep in check the flesh, which can be tamed only through the spirit, through thought, and, on the other hand, to be able to fulfil his reflective determination as creator and creation. Consequently he sets the whole world of deceived egoists the "task" of knowing themselves — a "task" which, of course, cannot be accomplished without thought.

In order to change this proposition from the form of trashy distinction into a logical form, one must first of all get rid of the term "substantial". For each person the "substantial" that he wishes to achieve in thought is something different, depending on his degree of education, the conditions of his life and his aim at the time. Saint Max, therefore, does not give us here any firm criterion for determining *when* the task begins which one sets oneself by thinking and how far one can go in thought without setting oneself any task — he limits himself to the relative expression "substantial". But for me everything is "substantial" that induces me to think, everything about which I think is "substantial". Therefore instead of: "if you want to achieve anything substantial in thinking", it should read: "if you want to *think* at all". This depends, however, not at all on your wishing or not wishing, since you possess consciousness and can satisfy your needs only by an activity in which you have to use your consciousness *as well*. Further, the hypothetical form must be got rid of. "If you *want* to think" — then from the outset you are setting yourself the "task" of thinking; Saint Sancho had no need to proclaim this tautological statement with such pomposity. The whole proposition was only clothed in this form of trashy distinction and pompous tautology in order to conceal the content: as a *definite* person, an actual person, you have a *designation*, a task, whether you are conscious of it or not. It arises from your need and the connection of the latter with the existing world. Sancho's real wisdom lies in his assertion that it depends on your will whether you think, live, etc., whether in general you possess any sort of determinateness. He is afraid that otherwise determination would cease to be your self-determination. When you equate your self with your reflection, or according to need, with your will, then it is obvious that in this abstraction everything that is not posited by your reflection or your will is not self-determination — therefore also, for example, your breathing, your blood circulation, thought, life, etc. For Saint Sancho, however, self-determination does not even consist in will but, as we saw already in regard to the true egoist, in the *reservatio mentalis* of indifference to any kind of determinateness — an indifference which reappears here as absence of determination. In his "own" series of oppositions this would assume the following form: as opposed to all real determination, he chooses absence of determination as his determination, at each moment he distinguishes between himself and the undeterminated, thus at each moment he is also some other than he is, a third person, and indeed the other pure and simple, the holy other, the other counterposed to all uniqueness, the undeterminated, the universal, the ordinary — the ragamuffin.

If Saint Sancho saves himself from determination by his leap into absence of determination (which is itself a determination and indeed the worst of all), then the practical, moral content of this whole trick, apart from what was said above in connection with the true egoist, is merely an apology for the vocation forced on every individual in the world as it has existed so far. If, for example, the workers assert in their communist propaganda that the vocation, designation, task of every person is to achieve all-round development of all his abilities, including, for example, the ability to think, Saint Sancho sees in this only the vocation to something alien, the assertion of "the holy". He seeks to free them from this by defending the individual who has been crippled by the division of labour at the expense of his abilities and relegated to a one-sided vocation against his *own* need to become different, a need which has been *stated to be* his vocation by others. What is here asserted in the form of a vocation, a designation, is precisely the negation of the vocation that has hitherto resulted in practice from the division of labour, i.e., the only actually existing vocation — hence, the negation of vocation altogether. The all-round realisation of the individual will only cease to be conceived as an ideal, a vocation, etc., when the impact of the world which stimulates the real development of the abilities of the individual is under the control of the individuals themselves, as the communists desire.

Finally, in the egoistical logic all the twaddle about vocation has moreover the purpose of making it possible to introduce the holy into things and to enable us to destroy them without having to touch them. Thus, for example, one person or another regards work, business affairs, etc., as his vocation. Thereby these become holy work, holy business affairs, the holy. The true egoist does not regard them as vocation; thereby he has dissolved holy work and holy business affairs. So they remain what they are and he remains what he was. It does not occur to him to investigate whether work, business affairs, etc., these modes of existence of individuals, by their real content and process of development necessarily lead to those ideological notions which he combats as independent beings, or, to use his expression, which he canonises.

Just as Saint Sancho canonises communism in order later, in connection with the union, the better to palm off his holy idea of it as his "own" invention, so, in exactly the same way, he blusters against "vocation, designation, task" merely in order to reproduce them throughout his book as the *categorical imperative*. Wherever difficulties arise, Sancho hacks his way through them by means of a categorical imperative such as "turn yourself to account", "recognise yourself", "let each become an all-powerful ego", etc. On the categorical imperative, see the section on the "union"; on "vocation", etc., see the section on "self-enjoyment".

We have now revealed the chief logical tricks Saint Sancho uses to canonise the existing world and thereby to criticise and consume it. Actually, however, he consumes only the holy in the world, without even touching the world itself. Hence it is obvious that he has to remain wholly conservative in practice. If he wanted to criticise, then earthly criticism would begin just where any possible halo ends.

— Social Development Exposes Falsehoods —

The more the normal form of intercourse of society, and with it the conditions of the ruling class, develop their contradiction to the advanced productive forces, and the greater the consequent discord within the ruling class itself as well as between it and the class ruled by it, the more fictitious, of course, becomes the consciousness which originally corresponded to this form of intercourse (i.e., it ceases to be the consciousness corresponding to this form of intercourse), and the more do the old traditional ideas of these relations of intercourse, in which actual private interests, etc., etc., are expressed as universal interests, descend to the level of mere idealising phrases, conscious illusion, deliberate hypocrisy. But the more their falsity is exposed by life, and the less meaning they have for consciousness itself, the more resolutely are they asserted, the more hypocritical, moral and holy becomes the language of this normal society. The more hypocritical this society becomes, the easier it is for such a credulous man as Sancho to discover everywhere the idea of the holy, the ideal. From the universal hypocrisy of society he, the credulous, can deduce universal faith in the holy, the domination of the holy, and can even mistake this holy for the pedestal of existing society. He is the dupe of this hypocrisy, from which he should have drawn exactly the opposite conclusion.

The world of the holy is in the final analysis epitomised in "man". As we have already seen throughout the Old Testament, Sancho regards "man" as the active subject on which the whole of previous history 's based; in the New Testament he extends this domination of "man" to the whole of the existing, contemporary physical and spiritual world, and also to the properties of the individuals at present existing. Everything belongs to "man" and thus the world is transformed into the "world of man". The holy as a person is "man", which for Sancho is only another name for the concept, the idea. The conceptions and ideas of people, separated from actual things, are bound, of course, to have as their basis not actual individuals, but the individual of the philosophical conception, the individual separated from his actuality and existing only in thought, man as such, the concept of man. With this, his faith in philosophy reaches its culmination.

Now that everything has been transformed into "the holy" or into what belongs to "man", our saint is enabled to proceed further to *appropriation*, by renouncing the idea of "the holy" or of "man" as a power standing above him. Owing to the alien having been transformed into the holy, into a mere idea, this idea of the alien, which he mistakes for the actually existing alien, is of course his property. The basic formulas for the appropriation of the world of man (the way in which the ego gains possession of the world when it no longer has any respect for the holy) are already contained in the equations given above.

As we have seen, Saint Sancho is already master of his qualities as the egoist in agreement with himself. In order to become master of the world, all he has to do is to make it one of his qualities. The simplest way of doing so is for Sancho to proclaim the quality of "man", with all the nonsense contained in this, directly as *his* quality. Thus he claims for himself, for example, as a quality of the ego, the nonsense of *universal love of mankind* by asserting that he loves "*everyone*" (p. 387) and indeed with the consciousness of egoism, for "love makes him happy". A person who has such a happy nature, indubitably belongs to those of whom it is said: Woe unto you if you offend even *one of these little ones!* [cf. Luke 17:1-2]

The second method is that Saint Sancho tries to preserve something as a *quality of his,* while he transforms it — when it seems necessary to him as a *relation* — into a relation, a mode of existence, of "man", a *holy relation*, and thereby repudiates it. Saint Sancho does this even when the quality, separated from the relation through which it is realised, becomes pure nonsense. Thus, for example, on page 322 he wants to preserve national pride by declaring that "nationality is one of *his qualities* and the nation *his owner* and master". He could have continued: *religiousness* is a quality of mine, I have no intention of renouncing it as one of my qualities — religion is my master, the holy. Family love is a quality of mine, the family is my master. justice is a quality of mine, the law is my master; to engage in politics is a quality of mine, the state is my master.

The third method of appropriation is employed when some alien power whose force he experiences in practice is regarded by him as holy and spurned altogether without being appropriated. In this case he sees his own powerlessness in the alien power and recognises this powerlessness as his property, his creation, above which he always stands as creator. This, for example, is the case with the state. Here, too, he fortunately arrives at the point at which he has to deal not with something alien, but only with a quality of his own, against which he needs only to set himself as creator in order to overcome it. In an emergency, therefore, the lack of a quality is also taken by him as a quality of his. When Saint Sancho is starving to death it is not due to lack of food, but to his own hungriness, his own quality of starving. If he falls out of a window and breaks his neck, it happens not because the force of gravity plunges him downwards, but because absence of wings, inability to fly, is a quality of his own.

The fourth method, which he employs with the most brilliant success, consists in declaring that everything that is the object of one of his qualities, is, since it is his object, his property, because he has a relation to it by virtue of one of his qualities, irrespective of the character of this relation. Thus, what has up to now been called seeing, hearing, feeling, etc., Sancho, this inoffensive acquisitor, calls: acquiring property. The shop at which I am looking is, as something seen by me, the object of my eye, and its reflection on my retina is the possession of my eye. And now the shop, besides its relation to the eye, becomes his possession and not merely the possession of his eye — his possession, which is as much upside-down as the image of the shop on his retina. When the shopkeeper lets down the shutters (or, as Szeliga puts it, the "blinds and curtains"), his property disappears and, like a bankrupt bourgeois, he retains only the painful memory of vanished brilliance. If "Stirner" passes by the royal kitchen he will undoubtedly acquire possession of the smell of the pheasants roasting there, but he will not even see the pheasants themselves. The only persisting possession that falls to his share is a more or less vociferous rumbling in his stomach. incidentally, what and how much he can see depends not only on the existing state of affairs in the world, a state of affairs by no means created by him, but also on his purse and on the position in life which falls to his lot owing to division of labour, which perhaps shuts away very much from him, although he may have very acquisitive eyes and ears.

If Saint Sancho had said simply and frankly that everything that is the object of his imagination, as an object imagined by him, i.e., as his idea of an object, is his idea, i.e., his possession (and the same thing holds with looking at something, etc.), one would only have marvelled at the childish näiveté of a man who believes that such a triviality is a discovery and a fortune. But the fact that he passes off this conjectural property as property in general was bound, of course, to have a magical attraction for the propertyless German ideologists.

Every other person in his sphere of action, too, is his object, and "as his object — his property", his creature. Each ego says to the other (see p. 184):

"For me you are only what you are for me" (for example, my exploiteur), "namely my object and, because my object, my property."

Hence also my creature, which at any moment as creator I can swallow up and take back into myself. Thus, each ego regards the other not as a property-owner, but as his property; not as "ego" (see [p. 184)l but as being-for-him, as object; not as belonging to himself, but as belonging to *him*, to another, as alienated *from himself.* 'Let us take both for what they give themselves out to be" (p. 187), for property-owners, for something belonging to themselves, "and for what they take each other to be", for property, for something belonging to the alien. They are property-owners and they are not property-owners (cf. p. 187). What is important for Saint Sancho, however, in all relations to others, is not to take the real relation, but how each can see himself in his imagination, in his reflection.

Since everything that is *object* for the "ego" is, through the medium of one or other of his properties, also *his* object and, therefore, *his property* — thus, for example, the beatings he receives as the object of *his* members, *his* feelings and *his* mind, are *his* object and, therefore, his property — he is able to proclaim himself the owner of every object that exists for him. By this means he can proclaim that the world surrounding him is his property, and that he is its owner — no matter how much it maltreats him and debases him to the level of a "man having only ideal wealth, a ragamuffin". On the other hand, since every object for the "ego" is not only *my* object, but also my *object,* it is possible, with the same indifference towards the content, to declare that every *object* is not-my-own, alien, holy. one and the same object and one and the same relation can, therefore, with equal ease and with equal success be declared to be the holy and my property. Everything depends on whether stress is laid on the word "*my*" or on the word "*object*". The methods of appropriation and canonisation are merely two different "refractions" of one "transformation".

All these methods are merely positive expressions for negating what was posited as alien to the ego in the above equations; except that the negation is again, as above, taken in various determinations. Negation can, firstly, be determined in a purely formal way, so that it does not at all affect the content — as we saw above in the case of love of mankind and in all cases when its whole alteration is limited to introducing consciousness of indifference. Or the whole sphere of the object or predicate, the whole content, can be negated, as in the case of religion and the state. Or, thirdly, the copula alone, my hitherto alien relation to the predicate, can be negated and the stress laid on the word "*my*" so that my attitude to what is mine is that of property-owner — in the case of money, for instance, which becomes coin of my own coining. In this last case both the quality of Man and his relation can lose all meaning. Every one of the qualities of Man, by being taken back into myself, is extinguished in my individuality. It is no longer possible to say what the quality is. It remains only nominally what it was. As "*mine*", as determinateness dissolved in me, it no longer has any determinateness whether in relation to others or in relation to me, it is only posited by me, an *illusory* quality. Thus, for example, my thought. just as with my qualities, so with the things which stand in a relation to me and which, as we have seen above, are basically also only my qualities — as, for example, in the case of the shop I am looking at. Insofar, [therefore,] as thought in me is totally [different] from all [other] qualities, just as, for example, a jeweller's shop is totally different from a sausage shop, etc. — the [difference] emerges again as a difference of appearance, and reasserts itself externally too in my manifestation for others. Thereby this annihilated determinateness is fortunately restored and, insofar as it is at all possible to express it in words, must also be reproduced in the old expressions. (Incidentally, we shall be hearing a little more yet concerning Saint Sancho's non-etymological illusions about language.)

The simple equation encountered above is here replaced by the *antithesis*. In its simplest form it is expressed, for example, as follows:

Man's thought — my thought, egoistical thought,

where the word my means only that he can also be without thoughts, so that the word *my* abolishes *thought*. The antithesis already becomes more complicated in the following example:

Money as man's means of exchange — Money of my own coining as the egoist's means of exchange

where the absurdity stands revealed.

The antithesis becomes still more complicated when Saint Max introduces a determination and wants to create the appearance of a far-reaching development. Here the single antithesis becomes a series of antitheses. First of all, for example, it is stated:

Right in general as the right of man Right is what is right for me,

where, instead of right, he might equally well have put any other word, since admittedly it no longer has any meaning. Although this nonsense continues to crop up all the time, in order to proceed further he has to introduce another, *well-known* determination of right which can be used both in the purely personal and in the ideological sense — for example, *might* as the basis of right. Only now, where the right mentioned in the first thesis has acquired yet another determination, which is retained in the antithesis, can this antithesis produce Some content. Now we get:

Right — might of Man — Might — my right

which then again simply becomes reduced to:

1=Might as my right = My might.

These antitheses are no more than positive reversals of the above-mentioned negative equations, in which antitheses continually proved to be contained in the conclusion. They even surpass those equations in simple grandeur and great simple-mindedness.

Just as previously Saint Sancho could regard everything as *alien*, as existing independently of him, as holy, so now with equal ease he can regard everything as his own product, as only existing thanks to him, as his property. Indeed, since he transforms everything into his qualities, it only remains for him to behave towards them as he behaves towards his original qualities, in the capacity of the egoist in agreement with himself, a procedure we do not need to repeat here. In this way our Berlin school-master becomes the absolute master of the world — "this, of course, is also the case with every goose, every dog, every horse" (*Wigand*, p. 187).

The real logical experiment, on which all these forms of appropriation are based, is a mere form of *speech,* namely a *paraphrase*, expressing one relation as a manifestation, as a mode of existence of another. just as we have seen that every relation can be depicted as an example of the relation of property, in exactly the same way it can be depicted as the relation of love, might, exploitation, etc. Saint Sancho found this manner of paraphrase ready-made in philosophical speculation where it plays a very important part. See below on the "theory of exploitation".

The various categories of appropriation become emotional categories as soon as the appearance of practice is introduced and appropriation is to be taken seriously. The emotional form of assertion of the ego against the alien, the holy, the world of "Man", is *bragging.* Refusal to revere the holy is proclaimed (reverence, respect, etc. — these emotional categories serve to express his relation to the holy or to some third thing as the holy), and this permanent refusal is entitled a deed, a deed that appears all the more comic because all the time Sancho is battling only against the spectre of his own sanctifying conception. On the other hand, since the world, despite his refusal to revere the holy, treats him in the most ungodly fashion, he enjoys the inner satisfaction of declaring to the world that he has only to attain power over it in order to treat it without any reverence. This threat with its world-shattering *reservatio mentalis* completes the comedy. To the first form of bragging belongs Saint Sancho's statement on page 16 that he "is not afraid of the anger of *Poseidon,* nor of the vengeful *Eumenides*", "does not fear the curse" (p. 58), "desires no forgiveness" (p. 242), etc., and his final assurance that he commits "the most boundless desecration" of the holy. To the second form belongs his threat against the moon (p. 218):

"If only I could seize you, I would in truth seize you, and if only I could find a means to get to you, you would in no way terrify me.... I do not surrender to you, but am only hiding my time. Even if for the present I refrain from having designs on you, I still have a grudge against you" —

an apostrophe in which our saint sinks below the level of Pfeffel's pug-dog in the ditch. [43] And likewise on page 425, where he "does not renounce power over life and death", etc.

Finally, the practice of bragging [can] again become mere [practice] within the sphere of theory [by] our holy man [asserting] in the [most] pompous language that he has performed actions that he has never performed, and [at the same time] endeavouring by means of high-sounding phrases to smuggle in traditional trivialities [as] his original creations. Actually this is characteristic of the *entire book,* particularly his construction of history — which is foisted on us as an exposition of his thought but is only a bad piece of copying out — then the assurance that "the book" "appears to be written against man" (*Wigand*, p. 168), and a multitude of separate assertions, such as: "With one puff of the living ego I blow down whole peoples" (p. 219 of "the book"), "I recklessly attack" (p. 254), "the people is dead" (p. 285), further the assurance that he "delves into the bowels of right" (p. 275), and, finally, the challenging call, embellished with quotations and aphorisms, for "a flesh-and-blood opponent" (p. 280).

Bragging is already in itself sentimental. But, in addition, *sentimentality* occurs in "the book" as a particular category, which plays a definite part especially in positive appropriation that is no longer mere assertion against the alien. However simple the methods of appropriation so far examined, with a more detailed exposition the appearance has to be given that the ego thereby acquires also property "in the ordinary sense", and this can only be achieved by a forcible puffing-up of this ego, by enveloping himself and others in a sentimental charm. Sentimentality cannot be avoided since, without previous examination, he claims the predicates of "Man" as his own — he asserts, for example, that he "loves" "*everyone*" "out of egoism" — and thus gives his qualities an exuberant turgidity. Thus, on page 351, he declares that the "smile of the infant" is "his property" and in the same passage the stage of civilisation at which old men are no longer killed off is depicted with the most touching expressions as the deed of these old men themselves, etc. His attitude to Maritornes also belongs wholly to this same sentimentality.

The unity of sentimentality and bragging is *rebellion.* Directed outwards, against others, it is bragging; directed inwards, as grumbling-in-oneself, it is sentimentality. It is the specific expression of the impotent dissatisfaction of the philistine. He waxes indignant at the thought of atheism, terrorism, communism, regicide, etc. The object against which Saint Sancho rebels is *the holy;* therefore rebellion, which indeed is also characterised as a crime, becomes, in the final analysis, a sin. It is therefore by no means necessary for rebellion to take the form of an *action*, as it is only the "sin" against "the holy". Saint Sancho, therefore, is satisfied with "getting" "holiness" or the "spirit of alienation" "out of his head" and accomplishing his ideological appropriation. But just as present and future are altogether confused in his head, and just as he sometimes asserts that he has already appropriated everything and sometimes that it has still to be acquired, so in connection with rebellion also at times it occurs to him quite accidentally that he is still confronted by the *actually existing* alien even after he has finished with the halo of the alien. In this case, or rather in the case of this sudden idea, rebellion is transformed into an imaginary act, and the ego into we". We shall examine this in more detail later (see "*Rebellion*").

The true egoist, who from the description given so far has proved to be the greatest conservative, finally collects up the fragments of the "world of man", twelve basketfuls; for "far be it that anything should be lost!" Since his whole activity is limited to trying a few hackneyed, casuistical tricks on the world of thoughts handed down to him by philosophical tradition, it is a matter of course that the real world does not exist for him at all and, therefore, too, remains in existence as before. The content of the New Testament will furnish us with detailed proof of this.

Thus, "we appear at the bar of majority and are declared of age" (p. 86).

4. Peculiarity

“To create for oneself one’s own world, that means building a heaven for oneself” (p. 89 of “the book”).

[Leopold Ranke’s “Einleitung” in Historisch-politische Zeitschrift. I. Band, Hamburg, 1832 — the place and date of publication are cited incorrectly in the text]

We have already “penetrated” into the innermost sanctuary of this heaven; now we shall try to learn “more things” about it. In the New Testament, however, we shall rediscover the same hypocrisy that permeated the Old Testament. just as in the latter the historical data were only names for a few simple categories, so here in the New Testament, too, all worldly relations are only disguises, different designations, for the meagre content which we have assembled in the “Phenomenology” and “Logic”. Under the appearance of speaking about the actual world, Saint Sancho always speaks only about these meagre categories.

“You do not want the freedom to have all these fine things.... You want to have them in actuality ... to possess them as your property.... You ought to be not only a free person, but also an owner” (p. 205).

One of the oldest formulas arrived at by the early social movement — the opposition between socialism in its most miserable form and liberalism — is here exalted into an utterance of the “egoist in agreement with himself”. How old this opposition is even for Berlin, our holy man could have seen if only from the fact that it is mentioned with terror already in Ranke’s *Historisch-politische Zeitschrift,* Berlin, 1831 .

“How I utilise it” (freedom) “depends on my peculiarity” (p. 205).

The great dialectician can also reverse this and say: “How I utilise my peculiarity depends on my freedom.” — Then he continues:

“Free — from what?”

Here, therefore, by means of a dash freedom is already transformed into freedom *from something* and, *per appos.,* from “everything”. This time, however, the apposition is given in the form of a proposition that apparently provides a closer definition. Having thus achieved this great result, Sancho becomes sentimental.

“Oh, how much can be shaken off!" First, the “yoke of serfdom”, then a whole series of other yokes, leading imperceptibly to the result that “the most perfect self-denial is nothing but freedom, freedom ... from one’s own ego, and the urge towards freedom as something absolute ... has deprived us of our peculiarity.”

By means of an extremely artless series of yokes, liberation from serfdom, which was the assertion of the individuality of the serfs and at the same time the abolition of a definite empirical barrier, is here equated with the much earlier Christian-idealist freedom of the Epistles to the Romans and Corinthians, thereby transforming freedom in general into self-denial. At this point we have already finished with freedom, since it is now indisputably the "holy". Saint Max transforms a definite historical act of self-liberation into the abstract category of "freedom", and this category is then defined more closely by means of a totally different historical phenomenon which can likewise be included under the general conception of "freedom". This is the whole trick by which the throwing off of the yoke of serfdom is transformed into self-denial. To make his theory of freedom as clear as noonday to the German burgher, *Sancho* now begins to declaim in the burgher's own language, particularly that of the Berlin burgher:

"But the freer I become, the larger does compulsion loom before my eyes, and the more powerless do I feel. The unfree son of the wilds is not yet aware of all the limitations that trouble an 'educated' man, he imagines himself freer than the latter. In proportion as I achieve freedom for myself I create new limits and new tasks for myself; no sooner have I invented railways than I again feel myself weak because I still cannot sail through the air like a bird, and I have no sooner solved a problem that was perplexing my mind than countless others await me," etc. (pp. 205, 206).

O "clumsy" story-writer for townsman and villager!

Not the "unfree sons of the wilds" but "educated people" "imagine" the savage freer than the educated man. That the son of the wilds" (whom F. Halm brought on the stage [Friedrich Halm, Der Sohn der Wildniss]) is ignorant of the limitations of the educated man because he cannot experience them is just as clear as that the "educated" citizen of Berlin, who only knows the "son of the wilds" from the theatre, knows nothing of the limitations of the savage. The simple fact is this: the limitations of the savage are not those of the civilised man. The comparison that our saint draws between them is the fantastic comparison of an "educated" Berliner whose education consists of knowing nothing about either of them. That he knows nothing of the limitations of the savage is explicable, although after the large number of new travel books, it is certainly easy enough to know something about them; but that he is also ignorant of the limitations of the educated man, is proved by his example of railways and flying. The inactive petty bourgeois, for whom railways dropped from the sky and who for that very reason I imagines that he invented them himself, begins to indulge in fantasies about aerial flight after having once travelled by railway. Actually, the balloon came *first* and then the railways. Saint Sancho had to reverse this, for otherwise everyone would have seen that when the balloon was invented the demand for railways was still a long way off, whereas the opposite is easy to imagine. In general, Sancho turns empirical relations upside down. When hackney carriages and carts no longer sufficed for the growing requirements of communication, when, *inter alia*, the centralisation of production due to large-scale industry necessitated new methods to accelerate and expand the transport of its mass of products, the locomotive was invented and thus the use of railways for transport on a large scale. The inventor and shareholders were interested in their profits, and commerce in general in reducing production costs; the possibility, indeed the absolute necessity, of the invention lay in the empirical conditions. The application of the new invention in the various countries depended on the various empirical conditions; in America, for example, on the need to unite the individual states of that vast area and to link the semi-civilised districts of the interior with the sea and the markets for their products. (Compare, *inter alia,* M. Chevalier, *Lettres sur 1'Amérique du Nord.*) In other countries, for example in Germany, where every new invention makes people regret that it does not complete the sum total of inventions — in such countries after stubbornly resisting these detestable railways which cannot supply them with wings, people are nevertheless compelled by competition to accept them in the end and to give up hackney carriages and carts along with the time-honoured, respectable spinning-wheel. The absence of other profitable investment of capital made railway construction the predominant branch of industry in Germany. The development of her railway construction and reverses on the world market went hand in hand. But nowhere are railways built for the sake of the category "*freedom from*"; Saint Max could have realised this even from the fact that no one builds railways in order to *free* himself *from* his money. The real kernel of the burgher's ideological contempt for railways due to his longing to fly like a bird is to be found in his preference for hackney carriages, vans and country roads. Sancho yearns for his "own world" which, as we saw above, is heaven. Therefore he wants to replace the locomotive by Elijah's fiery chariot and be carried up to heaven.

After the actual tearing down of restrictions — which is at the same time an extremely positive development of the productive forces, real energy and satisfaction of urgent requirements, and an expansion of the power of individuals — after the actual tearing down of restrictions has been transformed in the eyes of this passive and ignorant spectator into simple freedom from a restriction, which he can again logically make into a postulate of freedom *from* restriction *as such* — at the conclusion of the whole argument, we arrive at what was already presupposed at the beginning:

"To be free from something means only to be relieved of something, to be rid of something" (p. 206).

He at once gives an extremely unfortunate example: "He is free of headache is equivalent to saying: he is rid of it"; as though this "riddance" of headache were not equivalent to a wholly positive ability to dispose of my head, equivalent to ownership of my head, while as long as I had a headache I was the property of my sick head.

"In 'riddance' — in riddance from sin, from God, from morality, etc. — we consummate the freedom that Christianity recommends" (p. 206).

Hence our "consummate Christian", too, finds his peculiarity only in "riddance" from "thought", from "determination", from "vocation", from "law", from "constitution", etc., and invites his brothers in Christ to "feel happy only in dissolution", i.e., in accomplishing "riddance" and the "consummate", "Christian freedom". He continues:

"Ought we, perhaps, to renounce freedom because it turns out to he a Christian ideal? No, nothing should be lost" (voilà notre conservateur tout trouvé [there's the conservative all complete]), "freedom too should not be lost, it should however become our own, and it cannot become our own in the form of freedom" (p. 207).

Here "our egoist" (*toujours et partout* [always and everywhere]) "in agreement with himself" forgets that already in the Old Testament, thanks to the Christian ideal of freedom, i.e., thanks to the illusion of freedom, we became "owners" of the "world of things"; he forgets, likewise, that accordingly we had only to get rid of the "world of thoughts" to become "owners" of that world as well, that in this context peculiarly" was for him a *consequence* of freedom, of riddance.

Having interpreted freedom as the state of being free from something, and this, in turn, as "riddance", and this as the Christian ideal of freedom, and hence as the freedom of "Man", our saint can, with the material thus prepared, carry through a practical course of his logic. The first, simplest antithesis reads:

Freedom of Man — My freedom,

where in the antithesis freedom ceases to exist "in the form of freedom". Or:

Riddance in the interests of Man — Riddance in my interests.

Both these antitheses, with a numerous retinue of declamations, continually appear throughout the chapter on peculiarity, but with their help alone our world-conquering Sancho would attain very little, he would not even attain the island of Barataria. Earlier, when observing the behaviour of people from his "own world", from his "heaven", he set aside two factors of actual liberation in making his abstraction of freedom. The first factor was that individuals in their self-liberation satisfy a definite need actually experienced by them. As the result of setting aside this factor, "*Man*" has been substituted for actual individuals, and striving for a fantastic ideal — for freedom as such, for the "freedom of Man" — has been substituted for the satisfaction of actual needs.

The second factor was that an ability that has hitherto existed merely as a potentiality in the individuals who are freeing themselves begins to function as a real power, or that an already existing power becomes greater by removal of some restriction. The removal of the restriction, which is merely a *consequence* of the new creation of power, can of course be considered the main thing. But this illusion arises only if one takes politics as the basis of empirical history, or if, like Hegel, one wants everywhere to demonstrate the negation of negation, or finally if, after the new power has been created, one reflects, as an ignorant citizen of Berlin, on this new creation.

By setting aside this second factor for his own use, Saint Sancho acquires a determinateness that he can counterpose to the remaining, abstract *caput mortuum* of “freedom”. Thus he arrives at the following new antitheses:

Freedom, the empty removal of alien power — Peculiarity, the actual possession of one’s own power.

Or, even:

Freedom, repulsion of alien power — Peculiarity, possession of one’s own power.

To show the extent to which Saint Sancho has juggled his own “power”, which he here counterposes to freedom, out of this same freedom and into himself, we do not intend to refer him to the materialists or communists, but merely to the *Dictionnaire de 1'académie,* where he will find that the word *liberté* is most frequently used in the sense of puissance. If, however, Saint Sancho should maintain that he does not combat “*liberté* “, but “*freedom*”, then he ought to consult Hegel on negative and positive freedom. As a German petty bourgeois, he might enjoy the concluding remark in this chapter.

The antithesis can also be expressed as follows:

Freedom, idealistic striving for riddance and the struggle against other-being	Peculiarity, *actual* riddance and pleasure in one’s own existence.

Having thus, by means of a cheap abstraction, *distinguished* peculiarity from freedom, Sancho pretends that he is only now beginning to analyse this difference and exclaims:

“What a difference there is between freedom and peculiarity!” (p. 207).

We shall see that, apart from the general antitheses, he has achieved nothing, and that peculiarity “in the ordinary sense” continues most amusingly to creep in side by side with this definition of peculiarity.

“In spite of the state of slavery, one can be inwardly free, although, again, only from various things, but not from everything, but the slave cannot be free from the whip, from the despotic mood, etc., of his master.”

"On the other hand, peculiarity is my whole essence and existence, it is I myself. I am free from that which I have got rid of; I am the owner of that which I have in my power or which I have mastered. I am my own at all times and under all circumstances, if only I know how to possess myself and do not abandon myself to others. I cannot truly want the state of being free, because I cannot ... achieve it; I can only wish for it and strive towards it, for it remains an ideal, a spectre. At every moment the fetters of actuality cut very deeply into my flesh. But I remain my own. Belonging as a feudal serf to some master, I think only of myself and of my own advantage; his blows, it is true, strike me: I am not free from them; but I endure them only for my own good, for example, in order to deceive him by an appearance of patience and to lull him into security or perhaps in order not to incur something worse by my defiance. But since I constantly have in mind myself and my own advantage" (while the blows retain possession of him and his back) "I seize on the first convenient opportunity" (i.e., he "wishes", he "strives" towards the first convenient opportunity, which, however, "remains an ideal, a spectre") "to crush the slave-owner. That I then become free from him and his whip is only a consequence of my previous egoism. It will, perhaps, he said here that even in the state of slavery I was free, namely 'in myself' or 'inwardly'; however, 'free in oneself' is not 'actually free', and 'inwardly' is not 'outwardly'. On the other hand, was myself, my own wholly and completely, both inwardly and outwardly. Under the domination of a cruel master, my body is not 'free' from the pain of torture and the lashes of the whip; but it is my bones that crack under torture, my muscles that twitch under the blows, and it is I who groan because my body suffers. The fact that I sigh and tremble proves that I still belong to myself, that I am my own" (pp. 207, 208).

Our Sancho, who here again acts the story-teller for the petty bourgeois and villagers, proves here that, despite the numerous drubbings he has already received in Cervantes, he has always remained "owner" of himself and that these blows belonged rather to his "peculiarity". He is "his own" "at all times and under all circumstances" *provided he knows how* to possess himself. Here, therefore, peculiarity is hypothetical and depends on his knowledge, by which term he understands a slavish casuistry. This knowledge later on becomes *thinking* as well, when he begins "to think" about himself and his "advantage" — this thinking and this imagined "advantage" being his imagined "property". It is further interpreted in the sense that he endures the blows "for his own good", where peculiarity once again consists in the *idea* of "good", and where he "endures" the bad in order not to become the "owner" of "something worse". Subsequently, knowledge is revealed also as the "owner" of the reservation about "the first convenient opportunity", hence of a mere *reservatio mentalis*, and, finally, as the "crushing" of the "slave-owner", in the anticipation of the idea, in which case he is the "owner" of this anticipation, whereas at present the slave-owner actually tramples him underfoot. While, therefore, he identifies himself here with his *consciousness,* which endeavours to calm itself by means of all kinds of maxims of worldly wisdom, in the end he identifies himself with his body, so that he is wholly "his own", outwardly as well as inwardly, so long as he still retains a spark of life, even if it is merely unconscious life. Such phenomena as the cracking of his "bones", the twitching of his muscles, etc., are phenomena which, when translated from the language of *unique* natural science into the language of pathology, can be produced with the aid of galvanism on his corpse, when freshly cut down from the gallows on which he hanged himself, as we saw above, and which can be produced even in a dead frog — these phenomena serve him here as proof that he is "wholly and completely" "both inwardly and outwardly" still "his own", that he still has control over himself. The very fact which demonstrates the power and peculiarity of the slave-owner, namely that it is precisely *he* who is flogged and not someone else, that it is precisely *his* bones that "crack", *his* muscles that twitch, without his being able to alter it — this very fact here serves our saint as proof of his own peculiarity and power. Thus, when he lies trussed up in the *spanso bocko"* [44] torture of Surinam, unable to move hand or foot, or any other of his limbs, and has to put up with everything done to him, in such circumstances his power and peculiarity do not consist in his being able to make use of his limbs, but in the fact that they are *his* limbs. Here once again he has saved his peculiarity by always considering himself as otherwise-determined — sometimes as mere consciousness, sometimes as an unconscious body (see the "*Phenomenology*").

At any rate, Saint Sancho "endures" his portion of blows with more dignity than actual slaves do. However often, in the interests of the slave-owners, missionaries may tell the slaves that they have to "endure" the blows "for their own good", the slaves are not taken in by such twaddle. They do not coldly and timidly reflect that they would otherwise "incur something worse", nor do they imagine that they "deceive the slave-owner by an appearance of patience". On the contrary, they scoff at their torturers, they jeer at the latter's impotence even to force them to humble themselves, and they in suppress every "groan" and every sigh, as long as the physical pain permits them to do so. (See Charles Comte, *Traité de legislation.*) They are therefore, neither "inwardly" nor "outwardly" their own "owners", but only the "owners" of their defiance, which could equally well be expressed by saying that they are neither "inwardly" nor "outwardly" "free", but are free only in one respect, namely that they are "inwardly" free from self-humiliation as they also show "outwardly". Insofar as "Stirner" suffers blows, he is the owner of the blows and thus free from being not beaten; and this freedom, this riddance, belongs to his peculiarity.

From the fact that Saint Sancho assumes that the reservation about running away at "the first convenient opportunity" is a special characteristic of peculiarity and sees in the "liberation" thus obtained "merely the consequence of his previous egoism" (*of his own* egoism, i.e., egoism in agreement with itself), it follows that he imagines that the insurgent Negroes of Haiti[45] and the fugitive Negroes of all the colonies wanted to free not *themselves,* but "man". The slave who takes the decision to free himself must already be superior to the idea that slavery is his "peculiarity". He must be "*free*" from this "*peculiarity*". The peculiarity" of an individual, however, can consist in his "*abandoning*" himself. For "one" to assert the opposite means to apply an "alien scale" to this individual.

In conclusion, Saint Sancho takes revenge for the blows he has received by the following address to the "owner" of his "peculiarity", the slave-owner:

"My leg is not 'free' from the blows of the master, but it is my leg, and it cannot be taken away. Let him tear it firm me and see whether he has possession of my leg! He will find in his hands nothing but the corpse of my leg, which is as little my leg as a dead dog is a dog" (p. 208).

But let him — Sancho, who imagines here that the slave-owner wants to have his living leg, probably for his own use — let him "see" what he still retains of his leg which "cannot be taken away". He retains nothing but the loss of his leg and has become the one-legged owner of his torn-out leg. If he has to labour at a treadmill eight hours every day, then it is *he* who in the course of time becomes an idiot, and idiocy will then be *his* "peculiarity". Let the judge who sentences him to this "see" whether he has still Sancho's brain "in his hands". But that will be of little help to poor Sancho.

"The first property, the first splendour has been won!"

After our saint, by means of these examples, which are worthy of an ascetic, has revealed the difference between freedom and peculiarity, at a considerable belletristical production cost, he quite unexpectedly declares on page 209 that

"between peculiarity and freedom there lies a still deeper gulf than the simple verbal difference".

This "deeper gulf" consists in the fact that the above definition of freedom is repeated with "manifold transformations" and "refractions" and numerous "episodical insertions". From the definition of "freedom" as "riddance" the questions arise: from what should people be free (p. 209), etc., disputes concerning this "from what" (ibid.) (here, too, as a German petty bourgeois, he sees in the struggle of actual interests only wrangling about the definition of this "from what", in which connection, of course, it appears very strange to him that the "citizen" does not wish to be free "from citizenship", page 210). Then the proposition is repeated that the removal of a barrier is the establishment of a new barrier, in the form that "the striving for a definite freedom always includes the aim of a new rule", page 210 (in which connection we learn that in the revolution the bourgeois was not striving for his own rule but for the "rule of law" — see above concerning liberalism); then follows the result that one does not wish to be rid of what "is wholly to one's liking, e.g., the irresistible glance of the beloved" (p. 211). Further on, it turns out that freedom is a "phantom" (p. 211), a "dream" (p. 212); then we learn by the way that the "voice of nature" can sometimes also become "peculiarity" (p. 213); on the other hand the "voice of God and conscience" is to be considered "devil's work", and the author boasts: "Such godless people" (who consider it the work of the devil) "do exist; how will you deal with them?" (pp. 213, 214). But it is not nature that should determine me, but I who should determine my nature, says the egoist in agreement with himself. And my conscience is also a "voice of nature". In this connection it also turns out that the animal "takes very correct steps" (p. 213). We learn further that "freedom is silent about what should happen after I have become free" (p. 215). (See "Solomon's Song of Songs") The exposition of the abovementioned "deeper gulf" is closed by Saint Sancho repeating the scene with the blows and this time expressing himself somewhat more clearly about peculiarity:

"Even when unfree, even bound by a thousand fetters, I nevertheless exist, and I exist not only just in the future, and in the hope, like freedom, but even as the most abject of slaves I am present" (p. 215).

Here, therefore, he counterposes *himself* and "*freedom*" as two persons, and peculiarity becomes mere existence, being present, and indeed the "most abject" presence. Peculiarity here is the simple registering of personal identity. Stirner, who in an earlier passage has already constituted himself the "secret police state", here sets himself up as the passport department. "By no means" should anything be lost" from "the world of human beings!" (See "Solomon's Song of Songs".)

According to page 218, one can also "give up" one's peculiarity through "submissiveness", "submission", although, according to the preceding, peculiarity cannot cease so long as one is *present* at all, even in the most "abject" or "submissive" form. And is not the most abject" slave the "most submissive"? According to one of the earlier descriptions of peculiarity, one can only "give up" one's peculiarity by giving up one's *life*.

On page 218, peculiarity as one aspect of freedom, as power, is once again set against freedom as riddance; and among the means by which Sancho pretends to protect his peculiarity, are mentioned "hypocrisy", "deception" (means which my peculiarity employs. because it had to "submit" to the conditions of the world), etc.,

"for the means that I employ are determined by what I am".

We have already seen that among these means the *absence* of any means plays a major role, as was evident also from his proceedings against the moon (see above "Logic").

Then, for a change, freedom is regarded as "*self-liberation", "*i.e., that I can only have as much freedom as I procure by my peculiarity", where the definition of freedom as *self-determination*, which occurs among all, and particularly German, ideologists, makes its appearance as peculiarity. This is then explained to us on the example of "sheen"; to whom it is of no use" at all "if they are given freedom of speech" (p. 220). How trivial is his conception here of peculiarity as self-liberation is evident if only from his repetition of the most hackneyed phrases about granted freedom, setting free, self-liberation, etc. (pp. 220, 221). The antithesis between freedom as riddance and peculiarity as the negation of this riddance is now also portrayed poetically:

"Freedom arouses your wrath against everything that you are not" (it is, therefore, *wrathful* peculiarity, or have choleric natures, e.g., Guizot, in Saint Sancho's opinion, no "peculiarity"? And do I not enjoy myself in wrath against others„), "egoism calls on you to *rejoice* over yourself, to delight in yourself " (hence egoism is freedom which rejoices; incidentally, we have already become acquainted with the joy and self-enjoyment of the egoist in agreement with himself). "Freedom is and remains a longing" (as though longing were not also a peculiarity, the self-enjoyment of individuals of a particular nature, especially of Christian-German individuals — and should this longing "be lost"?). "Peculiarity is a reality which *of itself* abolishes all the non-freedom which is an impediment and blocks your own path" (in which case, then, until non-freedom is abolished my peculiarity is a *blocked* peculiarity. It is characteristic again of the German petty bourgeois that for him all barriers and obstacles disappear "of themselves", since he never lifts a finger to achieve it, and by habit he turns those barriers which do not disappear "of themselves" into his peculiarity. It may be remarked in passing that peculiarity appears here as an acting *person*, although it is later demoted to a mere *description* of its owner) (p. 215).

The same antithesis appears again in the following form:

"As being your own, you are in actuality rid of everything, and what remains with you, you have yourself accepted, it is your choice and option. One who is his own is born free, one who is free on the other hand is only one who desires freedom."

Nevertheless Saint Sancho "admits" on page 252

"that each is born as a human being; hence in this respect the newborn children are equal".

What you as being your own have not "rid yourself of" is "your choice and option", as in the case of the beatings of the slave mentioned above. — Banal paraphrase! — Here, therefore, peculiarity is reduced to the fantastic idea that Saint Sancho has voluntarily accepted and retained everything from which he has not "rid" himself, e.g., hunger when he has no money. Apart from the many things, e.g., dialect, scrofula, haemorrhoids, poverty, one-leggedness, forced philosophising imposed on him by division of labour, etc., etc. — apart from the fact that it in no way depends on him whether he "accepts" these things or not; all the same, even if for an instant we accept his premises, he has only the choice between definite things which lie within his province and which are in no way posited by his peculiarity. As an Irish peasant, for example, he can only choose to eat potatoes or starve, and he is not always free to make even this choice. In the sentence quoted above one should note also the beautiful apposition, by which, just as in jurisprudence, "acceptance" is directly identified with "choice" and "option". Incidentally, it is impossible to say what Saint Sancho means by one who is "born free", whether in the context or outside it. And is not a feeling instilled into him, his feeling accepted by him? And do we not learn on pages 84, 85, that "instilled" feelings are not "ones own" feelings? For the rest, it turns out here, as we have already seen in connection with Klopstock (who is put forward here as an example), that "one's own" behaviour by no means coincides with individual behaviour, although for Klopstock Christianity seems to have been "quite right" and in no way to have "obstructively blocked his path".

"One who is his own does not need to free himself, because from the outset he rejects everything except himself.... Although he remains in the confines of childish reverence, he already works to 'free' himself from this enthralment."

Since one who is his own does not *need* to free himself, already as a child he works to free himself, and all this because, as we have seen, he is one who is "*born free*". "Although he remains in the confines of childish reverence" he already reflects without any restraint, namely in his own fashion, about this his own enthralment. But this should not surprise us: we already saw at the beginning of the Old Testament what a prodigy the egoist in agreement with himself was.

"Peculiarity works in the little egoist and secures him the desired 'freedom'."

It is not "Stirner" who lives, it is "peculiarity" that lives, "works" and "secures" in him. Here we learn that peculiarity is not a *description* of one who is his own, but that one who is his own is merely a *paraphrase* of peculiarity.

As we have seen, "riddance" at its climax was riddance from one's own self, self-denial. We saw also that on the other hand he put forward "peculiarity" as the assertion of self, as self-interestedness. But we have seen likewise that this self-interestedness itself was again self-denial.

For some time past we have been painfully aware that "the holy" was missing. But we rediscover it suddenly, on page 224, at the end of the section on peculiarity, where it stands quite bashfully and proves its identity by means of the following new turn of expression:

"My relation to something which I selfishly carry on" (or do not carry on at all) "is different from my relation to something which I unselfishly serve" (or which I carry on).

But Saint Max is not satisfied with this remarkable piece of tautology, which he "accepted" from "choice and option"; there suddenly reappears the long forgotten "one", in the shape of the night watchman who establishes the identity of the holy, and declares that he

"could put forward the following distinguishing mark: against the former I can sin or commit a sin" (a remarkable tautology!), "the other I can only lose by my folly, push away from myself, deprive myself of it, i.e., do something stupid" (it follows that he can lose himself by his folly, can deprive himself of himself, can be deprived of himself — can be deprived of life). "Both these points of view are applicable to freedom of trade, because it" is partly taken for the holy and partly not so taken, or, as Sancho himself expresses it more circumstantially, "because it is partly regarded as a freedom which can be granted or withdrawn depending on circumstances, and partly as a freedom which should be regarded as holy under all circumstances" (pp. 224, 225).

Here again Sancho reveals his "peculiar" "penetration" into the question of freedom of trade and protective tariffs. He is herewith given the "vocation" of pointing out just one single case where freedom of trade was regarded as "holy" 1) *because* it is a "*freedom",* and 2) "*under all circumstances*". The holy comes in useful for all purposes. After peculiarity, by means of logical antitheses and the phenomenological "being-also-otherwise-determined", has been *constructed*, as we have seen, from a "freedom" previously trimmed up for the purpose — Saint Sancho meanwhile having "dismissed" everything that happened to suit him (e.g., beatings) into peculiarity, and whatever did not suit him into freedom — we learn finally that all this was still not true peculiarity.

"Peculiarity," it is stated on page 225, "is not at all an idea, such as freedom, etc., it is only a description — of the owner."

We shall see that this "description of the owner" consists in negating freedom in the three refractions which Saint Sancho ascribes to it — liberalism, communism and humanism — comprehending it in its truth and then calling this process of thought, which is extremely simple according to advanced logic, the description of a real ego.

The entire chapter about peculiarity boils down to the most trivial self-embellishments by means of which the German petty bourgeois consoles himself for his own impotence. Exactly like Sancho, he thinks that in the struggle of bourgeois interests against the remnants of feudalism and absolute monarchy in other countries everything turns merely on a question of principles, on the question of *from what* "Man" should free himself. (See also above on political liberalism.) Therefore in freedom of trade he sees only a freedom and, exactly like Sancho, expatiates with a great air of importance about whether "Man" ought to enjoy freedom of trade "under all circumstances' or not. And when, as is inevitable in such conditions, his aspirations for freedom suffer a miserable collapse, then, again like Sancho, he consoles himself that "Man", or he himself, cannot "become free from everything", that freedom is a highly indefinite concept, and that even Metternich and Charles X were able to appeal to "true freedom" (p. 210 of "the book"; and it need only be remarked here that it is precisely the reactionaries, especially the Historical School and the Romanticists[46] who — again just like Sancho — reduce true freedom to peculiarity, for instance, to the peculiarity of the Tyrolean peasants, and in general, to the peculiar development of individuals, and also of localities, provinces and estates). — The petty bourgeois also consoles himself that as a German, even if he is not free, he finds compensation for all sufferings in his own indisputable peculiarity. Again like Sancho, he does not see in freedom a power that he is able to obtain and therefore declares his own impotence to be power.

What the ordinary German petty bourgeois whispers to himself as a consolation, in the quiet depths of his mind, the Berliner trumpets out loudly as an ingenious turn of thought. He is proud of his trashy peculiarity and his peculiar trashiness.

5. The Owner

For the way in which the "owner" is divided into three refractions": "my power", "my intercourse" and my self-enjoyment", see "The Economy of the New Testament". We shall pass directly to the first of these refractions.

A. My Power

The chapter on power has in its turn a trichotomous structure in that it treats of: 1) right, 2) law, and 3) crime. In order to conceal this trichotomy, Sancho resorts very frequently to the "episode". We give here the entire content in tabular form, with the necessary episodical insertions.

I. Right

A. Canonisation in General

Another example of the holy is right.

Right is not ego

= not my right

= alien right

= existing right.

All existing right	= alien right = right *of others* (not my right) = right given by others = (right, which one gives me, which is meted out to me) (pp. 244, 245).	The Holy

Note No. 1. The reader will wonder why the conclusion of equation No. 4 suddenly appears in equation No. 5 as the antecedent of the conclusion of equation No. 3, so that in the place of "right", "all existing right" suddenly appears as the antecedent. This is done to create the illusion that Saint Sancho is speaking of *actual*, existing right which, however, he by no means intends to do. He speaks of right only insofar as it is represented to be a holy "predicate".

Note No. 2. After right has been determined as "alien right", it can be given any names you like, such as "Sultan's right", "people's right", etc., depending on how Saint Sancho wishes to define the alien from whom he receives the right in question.

This allows Sancho to go on to say that "alien right is given by nature, God, popular choice, etc." (p. 250), hence "not by me". What is naive is only the method by which our saint through the use of synonymy tries to give some semblance of development to the above simple equations.

"If some blockhead considers me right" (what if he himself is the blockhead who considers him right?). "I begin to be mistrustful of my right" (it would be desirable in "Stirner's" interests that this were so). "But even if a wise man considers me right, this still does not mean that I am right. Whether I am right is quite independent of my being acknowledged right by fools or wise men. Nevertheless, up to now we have striven for this right. We seek right and to this end we appeal to the court.... But what do I seek from this court? I seek Sultan's right, not my right, I seek alien right ... before the high court of censorship I seek, therefore, the right of censorship" (pp. 244, 245).

One has to admire the cunning use of synonymy in this masterly proposition. Recognition of right in the ordinary conversational sense is identified with recognition of right in the juridical sense. Even more worthy of admiration is the faith capable of moving mountains in the idea that one "appeals to the court" for the sake of the pleasure of vindicating one's right — a faith which explains that courts are due to litigiousness.

Notable, finally, is also the craftiness with which Sancho — as in the case of equation No. 5 above — smuggles in, *in advance,* the more concrete name, in this case "Sultan's right", in order to be able more confidently later to bring in his universal category of "alien right".

Alien right =not my right.

= not to be right
My being right according to alien right = *to have no right*
= to be *rightless* (p. 247).

= not your right
My right
= *your wrong.*

Your right = my wrong.

Note. "You desire to be in the right against others" (it should read: to be in Your right). "You cannot be this, in relation to them you will always remain in the 'wrong', for they would not be your opponents if they were not also in 'their' right. They will always 'consider' You 'wrong..... if You remain on the basis of right, then you remain on the basis of litigiousness" (pp. '248, 253).

“Let us in the meantime consider the subject from yet another aspect.” Having thus given adequate evidence of his knowledge of right. Saint Sancho can now restrict himself to defining right once again as the holy, in this connection repeating some of the epithets previously given to the holy with the addition of the word “right”.

“Is not tight a religious concept, i.e., something holy?” (p. 247).

"Who can ask about ‘right’ if he does not have a religious standpoint?” (ibid.).

"Right ‘in and for itself’. Therefore without relation to me? ‘Absolute right'! Therefore separated from me. — Something ‘being in and for itself'! — An Absolute! An eternal right, like an eternal truth” — the holy (p. 270).

"You recoil in horror before others because You imagine You see by their side the spectre of right"’ (p. 253).

"You creep about in order to win the apparition over to Your side” (ibid.).

"Right is a whimsy, dispensed by an apparition” (the synthesis of the two propositions given above) (p. 276).

"Right is ... a fixed idea” (p. 270).

"Right is spirit ...” (p. 244).

"Because right can be dispensed only by a spirit” (p. 275).

Saint Sancho now expounds again what he already expounded in the Old Testament, viz., what a “fixed idea” is, with the only difference that here “right” crops up everywhere as another example” of the “fixed idea”.

“Right is originally my thought, or it” (!) “has its origin in me. But if it’ has escaped from me” (in common parlance, absconded), “if the ‘word’ has been uttered, then it has become flesh” [cf. John 1:14] (and Saint Sancho can cat his fill of it), “a fixed idea” — for which reason Stirner’s whole book consists of “fixed ideas”, which have “escaped” from him, but have been caught by us and confined in the much-praised “house for the correction of morals”. “Now I can no longer get rid of the idea” (after the idea has got rid of him!); “however I twist and turn, it confronts me.” (The pigtail, which hangs down behind him.) “Thus, people have been unable to regain control of the idea of ‘right’ that they themselves have created. Their creature runs away with them. That is absolute right, which is absolved” (o synonymy!) “and detached from me. Since we worship it as Absolute, we cannot devour it again and it deprives us of our creative power; the creation is more than the creator, it exists in and for itself. Do not allow right to run about freely any longer...... (We shall already in this sentence follow this advice and chain it up for the time being) (p. 270).

Having thus dragged right through all possible ordeals of sanctification by fire and water and canonised it, Saint Sancho has thereby destroyed it.

"With absolute right, right itself disappears, at the same time the domination of the concept of right" (hierarchy) "is wiped out. For one should not forget that concepts, ideas, and principles have up to now ruled over us and that among these rulers the concept of right or the concept of justice has played one of the most important parts" (p. 276).

That relations of right here once again appear as the domination of the *concept* of right and that Stirner kills right simply by declaring it a concept, and therefore the holy, is something to which we are already accustomed; on this see "Hierarchy". Right [according to Stirner] does not arise from the material relations of people and the resulting antagonism of people against one another, but from their struggle against their own concept, which they should "get out of their heads". See "Logic".

This last form of the canonisation of right comprises also the following three notes:

Note 1.

"So long as this alien right coincides with mine, I shall, of course, find the latter also in it" (p. 2451).

Saint Sancho might ponder awhile over this proposition. Note 2.

"If once an egoistic interest crept in, then society was corrupted ... as is shown, for example, by the Roman society with its highly developed civil law" (p. 278).

According to this, Roman society from the very outset must have been *corrupted* Roman society, since egoistic interest is manifested in the Ten Tables [47] even more sharply than in the "highly developed civil law" of the imperial epoch. In this unfortunate reminiscence from Hegel, therefore, civil law is considered a symptom of egoism, and not of the holy. Here, too, Saint Sancho might well reflect on the extent to which civil *law* [*Privatrecht*] is linked with private *property* [*Privateigentum*] and to what extent civil law implies a multitude of other legal relations (cf. "Private Property, State and Right) about which Saint Max has nothing to say except that they are the holy. Note 3.

"Although right is derived from the concept, nevertheless it only comes into existence because it serves men's needs."

So says Hegel (*Rechtsphilosophie* par 209, Addition) from whom our saint derived the hierarchy of concepts in the modern world. Hegel, therefore, explains the *existence* of right from the empirical *needs* of individuals, and rescues the *concept* only by means of a simple assertion. One can see how infinitely more materialistically Hegel proceeds than our "corporeal ego", Saint Sancho.

B. Appropriation by Simple Antithesis

a) The right of man	My right.
b) Human right	Egoistic right.
c) Alien right = to be authorised by others	My right = to be authorised by myself.
d) Right is that which man considers right	Right is that which I consider right.

"This is egoistic right, i.e., I consider it right, therefore, it is right" (passin; the last sentence is on p. 25 1).

Note 1.

"I am authorised by myself to commit murder if I do not forbid myself to do so, if I myself am not afraid of murder as a wrong" (p. 249).

This should read: I *commit murder* if I do not forbid myself to do so, if I am not *afraid* of murder. This whole proposition is a boastful expansion of the second equation in antithesis c, where the word authorised" has lost its meaning. Note 2.

"I decide whether it is right within me; outside me, no right exists" (p. 249). — "Are we what is in us? No, no more than we are what is outside us.... Precisely because we are not the spirit which dwells in us, for that very reason we had to transfer it outside us ... think of it as existing outside us ... in the beyond" (p. 43).

Thus, according to his own statement on page 43, Saint Sancho has again to transfer the right "in him" to "outside himself", and indeed "into the beyond". But if at some stage he wants to appropriate things for himself in this fashion, then he can transfer "into himself" morality, religion, everything "holy", and decide whether "in him" it is the moral, the religious, the holy — "outside him there exists no" morality, religion, holiness — in order thereupon to transfer them, according to page 43, again outside himself, into the beyond. Thereby the "restoration of all things" [Mark 9:12] according to the Christian model is brought about. Note 3.

"Outside me no right exists. If I consider it right then it is right. It is possible that it is still not on that account right for others" (p. 249).

This should read: If I consider it right then it is right for me, but it is still not right for others. We have by now had sufficient examples of the sort of synonymical "flea-jumps" Saint Sancho makes with the word "right". The right and right, legal "right", moral "right", what he considers "right", etc. — all are used higgledy-piggledy, as it suits him. Let Saint Max attempt to translate his propositions about right into another language; his nonsense would then become fully apparent. Since this synonymy was dealt with exhaustively in "The Logic [of the New Wisdom]", we need here only refer to that section. The proposition mentioned above is also presented in the following three "transformations":

A. "Whether I am right or not, of that there can be no other judge than I myself. Others can judge and decide only whether they agree with my right and whether it exists as right also for them" (p. 246).

B. "it is true that society wants each person to attain his right, but only light sanctioned by society, social right, and not actually his right" (it should read: "what is his" — "right" is a quite meaningless word here. And then he continues boastfully:) "I, however, give myself, or take for myself, right on my own authority.... Owner and creator of my right" ("creator" only insofar as he first declares right to be his thought and then asserts that he has taken this thought back into himself), "I recognise no other source of right but myself — neither God, nor the state, nor nature, nor man, neither divine nor human right" (p. 269).

C. "Since human right is always something given, in reality it always amounts to the right which people give to, i.e., concede, one another" (p. 251).

Egoistical right, on the other hand, is the right which *I give myself* or *take*.

However, "let us say in conclusion, it can be seen" that in Sancho's millennium egoistical right, about which people "*came to terms*" with each other, is not so very different from that which people "*give to*" or "*concede*" one another.

Note 4.

"In conclusion, I have now still to take back the half-and-half mode of expression which I desired to use only while I was delving into the bowels of right and allowed at least the word to remain. In point of fact, however, together with the concept the word loses its meaning. What I called my right, is no longer right at all" (p. 275).

Everyone will see at a glance why Saint Sancho allowed the "*word*" right to remain in the above antitheses. For as he dces not speak at all about the *content* of right, let alone criticise it, he can only by retaining the *word* right make it appear that he is speaking about right. If the word right is left out of the *anti*thesis, all that it contains is "my" and the other grammatical forms of the first person pronoun. The content was always introduced only by means of examples which, however, as we have seen, were nothing but tautologies, such as: if I commit murder, then I commit murder, etc., and in which the words "right", "authorised", etc., were introduced only to conceal the simple tautology and give it some sort of connection with the antitheses. The *synonymy*, too, was intended to create the appearance of dealing with some sort of content. Incidentally, one can see at once what a rich source of bragging this empty chatter about right provides.

Thus, all the “delving into the bowels of right” amounted to this, that Saint Sancho “made use of a half-and-half mode of expression” and “allowed at least the *word* to remain”, because he was unable to say anything about the *subject itself.* If the antithesis is to have any meaning, that is to say, if “Stirner” simply wanted to demonstrate in it his repugnance to right, then one must say rather that it was not he who “delved into the bowels of right”, but that right “delved” into his bowels and that he merely recorded the fact that right is not to his liking. “Keep this right uncurtailed”, Jacques le bonhomme!

To introduce some sort of content into this void, Saint Sancho has to undertake vet another logical manoeuvre, which with great “virtuosity” he thoroughly shuffles together with canonisation and the simple antithesis, and so completely masks with numerous episodes that the German public and German philosophers, at any rate, were unable to see through it.

C. Appropriation by Compound Antithesis

“Stirner” now has to introduce an empirical definition of right, which he can ascribe to the individual, i.e., he has to recognise something else in right besides holiness. In this connection, he could have spared himself all his clumsy machinations, since, starting with Machiavelli, Hobbes, Spinoza, Bodinus and others of modern times, not to mention earlier ones, might has been represented as the basis of right. Thereby the theoretical view of politics was freed from morality, and apart from the postulate of an independent treatment of politics nothing was accepted. Later, in the eighteenth century in France and in the nineteenth century in England, all right was reduced to civil law (which Saint Max does not discuss) and the latter to a quite definite power, the power of the owners of private property. Moreover, the matter was by no means left at a mere phrase.

Thus Saint Sancho draws the definition of *might* from *right* and explains it as follows:

“We are in the habit of classifying states according to the various ways in which the ‘supreme power’ is divided ... hence, the supreme power! Power over whom, Over the individual.... The state uses force ... the behaviour of the state is exercise of force, and it calls its force right.... The collective as a whole ... has a power which is called rightful, i.e., which is right” (pp. 259, 260).

Through “our” “habit”, our saint arrives at his longed-for power and can now “look after” [in German a pun on pflegen, which can mean to be accustomed to and to look after] himself.

Right, the might of man — might, my right.

Intermediate equations:

1=To be authorised = to be empowered. To authorise oneself = to empower oneself.

Antithesis:

To be authorised by man — to be empowered by me.

First antithesis:

Right, might of man — Might, my right

now becomes converted into:

Right of man — Might of me, My might,

because in the thesis right and might are identical, and in the antithesis the "half-and-half mode of expression" has to be "taken back", since right, as we have seen, has "lost all meaning".

Note 1. Examples of bombastic and boastful paraphrases of the above antitheses and equations:

"What You have the power to be, You have the right to be." "I derive all right and all authority from myself, I am authorised to do everything which I have the power to do." — "I do not demand any right, and therefore I need recognise none. What I can obtain for myself by force, I obtain for myself, and what I cannot obtain by force, to that I have no right either, etc. — It is a matter of indifference to me whether I am authorised or not; if only I have the power, then I am already empowered as a matter of course and do not need any other power or authority" (pp. 248, 275).

Note 2. Examples of the way in which Saint Sancho expounds might as the real basis of right:

"Thus, 'the communists' say" (how on earth does "Stirner" know what the communists say, since he has never set eves on anything concerning them except the Bluntschli report,' Becker's Volksphilosophie and a few other things?): "Equal work gives people the right to equal enjoyment.... No, equal work does not give you this right, only equal enjoyment gives you the right to equal enjoyment. Enjoy, and you are entitled to enjoyment.... if You take enjoyment, then it is your right; if, on the other hand, you only yearn for it, without seizing it, it will remain as before the 'established right' of those who have the privilege of enjoyment. It is their right, just as it would become your right, by your seizing it" (p. 250).

Compare what is here put into the mouth of the communists with what was previously said about "communism". Saint Sancho again presents the proletarians here as a "closed society", which has only to take the decision of "seizing" in order the next day to put a summary end to the entire hitherto existing world order. But in reality the proletarians arrive at this unity only through a long process of development in which the appeal to their right also plays a part. Incidentally, this appeal to their right is only a means of making them take shape as "they", as a revolutionary, united mass. As for the above proposition itself, from start to finish it is a brilliant example of tautology, as is at once clear if one omits both might and right, which can be done without any harm to the content. Secondly, Saint Sancho himself distinguishes between personal and material property, [*vermögen*] thereby making a distinction between enjoying and the power to enjoy. I may have great *personal* power (capacity) of enjoyment without necessarily having the corresponding *material* power (money, etc.). Thus my actual "enjoyment" still remains hypothetical.

"That the child of royalty sets himself above other children," continues our school-master, using examples suitable for a child's book, "is already his act, one which ensures his superiority, and that other children recognise and approve this act is their act, which makes them deserving of being subjects" (p. 250).

In this example, the social relation in which the royal child stands to other children is regarded as the power and indeed as the *personal* power of the royal child, and as the impotence of other children. If the fact that other children allow themselves to be commanded by the royal child is regarded as the "*act*" of the other children, this proves at most that they are egoists. "Peculiarity is at work in the little egoists" and induces them to exploit the royal child, to extract an advantage from him.

"It is said" (i.e., Hegel said) "that punishment is the right of the criminal. But impunity is equally his right. If he succeeds in his undertakings, he gets his right, and if he fails it equally serves him right. If someone with reckless courage puts himself in danger and is killed, we say: it serves him right, he asked for it. But if he overcomes the danger, i.e., if his power is victorious, it appears he is also right. If a child plays with a knife and cuts himself, it serves him right; if he does not cut himself, that is also all right. Therefore it serves the criminal right if he suffers the penalty he risked; why did he take the risk, knowing the possible consequences?" (p. 255).

in the concluding words of the last sentence, where the criminal is asked why he took the risk, the school-masterish nonsense of the whole passage is latent. Whether it serves a criminal right if on burgling a house he falls down and breaks his leg, or a child who cuts himself all these important questions, with which only a man like Saint Sancho is capable of occupying himself, yield only the result that here *chance* is declared to be my power. Thus, in the first example it was my action that was "my power", in the second example it was social relations independent of me, in the third it was chance. But we have already encountered these contradictory definitions in connection with peculiarity. Between the above childish examples Sancho inserts the following amusing little intermezzo:

"For otherwise right would be a humbug. The tiger who attacks me is right and I, who kill it, am also right. I am protecting against it not my right, but myself" (p. 251).

In the first part of this passage Saint Sancho sets himself in a relation of right to the tiger, but in the second part it occurs to him that basically no relation of right is involved at all. *For that reason* "right" appears to "be a humbug". The right of "Man" merges into the right of the "Tiger".

This concludes the criticism of right. Long after having learned from hundreds of earlier writers that right originated from force, we now learn from Saint Sancho that "right" is "the power of man". Thus he has successfully eliminated all questions about the connection between right and *real* people and their relations, and has established his antithesis. He restricts himself to abolishing right in the form in which he posits it, namely, as the holy, i.e., he restricts himself to abolishing the holy and leaving right untouched.

This criticism of right is embellished with a host of episodes — all sorts of things which people are "in the habit" of discussing at Stehely's between two and four in the afternoon.

Episode 1. "The right of man" and "*established right"*.

"When the revolution made 'equality' into a 'right', it [the revolution] fled into the religious sphere, into the domain of the holy, the ideal. Therefore a struggle has been waged ever since over the holy, inalienable rights of man. Quite naturally and with equal justification, the 'established right of the existing' is asserted against the eternal right of man; right against right, and of course each of these condemns the other as a wrong. Such has been the dispute over right since the revolution" (p. 248).

Here Saint Sancho first of all repeats that the rights of man are "the holy" and that *therefore* a struggle over the rights of man has been waged ever since. Thereby he only proves that the material basis of this struggle is still, for him, holy, i.e., alien.

Since the "right of man" and "established right" are both rights", they are "equally justified" and here in fact "justified" in the *historical* sense. Since both are "rights" in the *legal* sense, they are "equally justified" in the *historical* sense. In this way one can dispose of everything in the shortest space of time without knowing anything about the matter. Thus, for example, it can be said of the struggle over the Corn Laws in England: "quite naturally and with equal justification" rent, which is also profit (gain), is "asserted" against the profit (gain) [of the manufacturers], gain against gain, and "of course each of these decries the other. Such has been the struggle" over the Corn Laws in England since 1815.[48]

Incidentally, Stirner might have said from the outset: existing right is the right of man, human right. In certain circles one is also "in the habit" of calling 't "established right". Where then is the difference between the "right of man" and "established right"?

We already know that alien, holy right is what is given to me by others. But since the rights of man are also called natural, innate rights, and since for Saint Sancho the name is the thing itself, it follows that they are rights which are mine by nature, i.e., by birth.

But "established rights amount to the same thing, namely to nature, which gives me a right, that is to birth and, furthermore, to inheritance", and so on. "I am born as a man is equivalent to saying: I am born as a king's son"

This is on pages 249, '50, where Babeuf is reproached for not having had this dialectical talent for dissolving differences. Since under all circumstances", the "ego" is "also" man, as Saint Sancho later concedes, and therefore has the benefit "also" of what it has as man, just as the ego, for instance, as a Berliner has the benefit of the Berlin Tiergarten,' so "also" the ego has the benefit of the right of man "under all circumstances". But since he is by no means born a "king's son" "under all circumstances", he by no means has the benefit of "established right" "under all circumstances". In the sphere of right, therefore, there is an essential difference between the "right of man" and "established right". If it had not been necessary for Saint Sancho to conceal his logic it "should have been said here": After I have, in my opinion, dissolved the concept of right, in the way in which I am generally "in the habit" of dissolving concepts, the struggle over these two special rights becomes a struggle within a concept which, in my opinion, has been dissolved by me, and "therefore" does not need to be touched upon any further by me.

For greater thoroughness Saint Sancho could have added the following new turn of expression: *The right of man* too is acquired, hence *well acquired,* and *well-acquired* [i.e., established] *right* is the human right possessed by men, *the right of man.*

That such concepts, if they are divorced from the empirical reality underlying them, can be turned inside-out like a glove [Shakespeare, Twelfth Night, Act III, Scene 1] has already been thoroughly enough proved by Hegel, whose use of this method, as against the abstract ideologists, was justified. Saint Sancho, therefore, has no need to make it appear ridiculous by his own "clumsy" "machinations".

So far established right and the right of man "have amounted to *the same thing*", so that Saint Sancho could reduce to nothing a struggle that exists outside his mind, in history. Now our saint proves that he is as keen-witted in drawing distinctions as he is all-powerful in heaping everything together, in order to be able to bring about a new terrible struggle in the "creative nothing" of his head.

"I am also ready to admit" (magnanimous Sancho) "that everyone is born as a human being" (hence, according to the above-mentioned reproach against Babeuf, also as a "king's son"), "hence, the newly born are in this respect equal to one another ... only because as Yet they reveal themselves and act as nothing but mere children of men, naked little human beings." On the other hand, adults are the "children of their own creation". They "possess more than merely innate rights, they have acquired rights".

(Does Stirner believe that the infant emerged from the mother's womb without any act of his own, an act by which he *acquired* the right" to be outside the mother's womb; and does not every child from the very beginning reveal himself and act as a "unique" child?)

"What a contradiction, what a battlefield! The old battle of innate rights and established rights!" (p. 252).

What a battle of bearded men against babes!

Incidentally, Sancho speaks against the rights of man only because "in recent times" it has again become "customary" to speak against them. In fact he has "acquired" these innate rights of man. In connection with peculiarity we already met the man who is "born free"; there Sancho made peculiarity the innate right of man, because merely by being born he revealed himself as being free and acted as such'. Furthermore: "Every ego is already from birth a criminal against the state", whereby a crime against the state becomes an innate right of man, and the child already commits a crime against something that does not yet exist for him, but for which he exists. Finally, "Stirner" speaks further on about "*innately* limited intellects", "*born* poets", "*born* musicians", etc. Since here the power (musical, poetic *resp.* limited *ability*) is innate, and right = power, one sees how "Stirner" claims for the "ego" the innate rights of man, although this time equality does not figure among these rights.

Episode 2. Privileges and *equal rights*. Our Sancho first of all transforms the struggle over privilege and equal right into a struggle over the mere "*concepts"* privileged and equal. In this way he saves himself the trouble of having to know anything about the medieval mode of production, the political expression of which was privilege, and the modern mode of production, of which *right* as such, *equal right*, is the expression, or about the relation of these two modes of production to the legal relations which correspond to them. He can even reduce the two above-mentioned "concepts" to the still simpler expression: equal and unequal, and prove that one and the same thing (e.g., other people, a dog, etc.) may, according to circumstances, be a matter of indifference i.e., of equanimity,, equality, or it may not be a matter of indifference — i.e., it may be different, unequal, preferred, etc., etc.

"Let the brother of low degree rejoice in that he is exalted." (Saint-Jaques le bonbomme [James] 1:9)

II. Law

Here we must disclose to the reader a great secret of our saint, viz., that he begins his whole treatise about right with a general explanation of right, which "escapes" from him so long as he is speaking about right, and which he is only able to recapture when he begins to speak about something totally different, namely — law. Then the gospel called out to our saint: judge not, that ye be not judged [Matthew 7:1] — and he opened his mouth and taught, saying:

"Right is the spirit of society. " (But society is the holy). "If society has a will, then this will is indeed right: society exists only thanks to right. But since it exists only thanks to the fact" (not thanks to right, but only thanks to the fact) "that it exercises its domination over individuals, so right is its dominant will" (p. 244).

That is to say: "*right* ... is ... has ... then ... indeed ... exists only since ... exists only thanks to the fact ... that ... so ... *dominant will*". This passage is Sancho in all his perfection. This passage "escaped" at that time from our saint because it was not suitable for his theses, and has now been partially recaptured because it is now partially suitable again.

"States endure so long as there is a dominant will and this dominant will is regarded as equivalent to one's own will. The will of the ruler is law" (p. 256).

1=The dominant will of society = right

Dominant will = law

Right = law.

"Sometimes", i.e., as the trade mark of his "treatise" about law, there will still turn out to be a distinction between right and law, a distinction which — strange to say — has almost as little to do with his treatise" about law as the definition of right which "escaped" from him has to do with the "treatise" about "right":

"But what is right, what is considered legitimate in a society is also given a verbal expression — in law" (p. 255),

This proposition is a "clumsy" copy of Hegel:

"That which is lawful is the source of the knowledge of what is right or, properly, what is legitimate."

What Saint Sancho calls "receiving verbal expression", Hegel also calls: "posited", "known", etc., *Rechtsphilosophie,* par. 211 et seq.

It is very easy to understand why Saint Sancho had to exclude right as the "will" or the "dominant will" of society from his "treatise" about right. Only to the extent that *right* was defined as man's *power* could he take it back into himself as *his power.* For the sake of his antithesis, therefore, he had to hold fast to the materialistic definition of "power" and let the idealistic definition of "*will*" "escape". Why, when speaking of "law", he now recaptures "will" we shall understand in connection with the antitheses about law.

— Material Life the Basis of the State —

In actual history, those theoreticians who regarded *might* as the basis of right were in direct contradiction to those who looked on *will* as the basis of right — a contradiction which Saint Sancho could have regarded also as that between realism (the child, the ancient, the Negro, etc.) and idealism (the youth, the modern, the Mongol, etc.). If power is taken as the basis of right, as Hobbes, etc., do, then right, law, etc., are merely the symptom, the expression of *other* relations upon which state power rests. The material life of individuals, which by no means depends merely on their "will", their mode of production and form of intercourse, which mutually determine each other — this is the real basis of the state and remains so at all the stages at which division of labour and private property are still necessary, quite independently of the *will* of individuals. These actual relations are in no way created by the state power; on the contrary they are the power creating it, The individuals who rule in these conditions — leaving aside the fact that their power must assume the form of the *state* — have to give their will, which is determined by these definite conditions, a universal expression as the will of the state, as law, an expression whose content is always determined by the relations of this class, as the civil and criminal law demonstrates in the clearest possible way. Just as the weight of their bodies does not depend on their idealistic will or on their arbitrary decision, so also the fact that they enforce their own will in the form of law, and at the same time make it independent of the personal arbitrariness of each individual among them, does not depend on their idealistic will. Their personal rule must at the same time assume the form of average rule. Their personal power is based on conditions of life which as they develop are common to many individuals, and the continuance of which they, as ruling individuals, have to maintain against others and, at the same time, to maintain that they hold good for everybody. The expression of this will, which is determined by their common interests, is the law. It is precisely because individuals who are independent of one another assert themselves and their own will, and because on this basis their attitude to one another is bound to be egoistical, that self-denial is made necessary in law and right, self-denial in the exceptional case, and self-assertion of their interests in the average case (which, therefore, not *they*, but only the "egoist in agreement with himself" regards as self-denial). The same applies to the classes which are ruled, whose will plays just as small a part in determining the existence of law and the state. For example, so long as the productive forces are still insufficiently developed to make competition superfluous, and therefore would give rise to competition over and over again, for so long the classes which are ruled would be wanting the impossible if they had the "will" to abolish competition and with it the state and the law. Incidentally, too, it is only in the imagination of the ideologist that this "will" arises before relations have developed far enough to make the emergence of such a will possible. After relations have developed sufficiently to produce it, the ideologist is able to imagine this will as being purely arbitrary and therefore as conceivable at all times and under all circumstances.

Like right, so crime, i.e., the struggle of the isolated individual against the predominant relations, is not the result of pure arbitrariness. On the contrary, it depends on the same conditions as that domination. The same visionaries who see in right and law the domination of some independently existing general will can see in crime the mere violation of right and law. Hence the state does not exist owing to the dominant will, but the state, which arises from the material mode of life of individuals, has also the form of a dominant will. If the latter loses its domination, it means that not only the will has changed but also the material existence and life of the individuals, and only for that reason has their will changed. It is possible for rights and laws to be "inherited", [paraphrase of a passage from Goethe's Faust, 1. Teil, 2. "Studierzimmerszene", where Mephistopheles says: "Laws and rights are inherited like an eternal malady"] but in that case they are no longer dominant, but nominal, of which striking examples are furnished by the history of ancient Roman law and English law. We saw earlier how a theory and history of pure thought could arise among philosophers owing to the separation of ideas from the individuals and their empirical relations which serve as the basis of these ideas. In the same way, here too one can separate right from its real basis, whereby one obtains a "dominant will" which in different eras undergoes various modifications and has its own, independent history in its creations, the laws. On this account, political and civil history becomes ideologically merged in a history of the domination of successive laws. This is the specific illusion of lawyers and politicians, which Jacques le bonhomme adopts *sans façon*. He succumbs to the same illusion as, for example, Frederick William IV, who also regards laws as mere caprices of the dominant will and hence always finds that they come to grief against the "awkward something" [paraphrase from Goethe's Faust, 1. Teil, 1. "Studierzimmerszene", where

Mephistopheles says: "This something, this awkward world"] of the world. Hardly [one] of his quite harmless whims reaches a further stage of realisation than cabinet decrees. Let him issue an order for a twenty-five million loan, i.e., for one hundred and tenth part of the English national debt, and he will see whose will his dominant will is. Incidentally, we shall — find later on, too, that Jacques le bonhomme uses the phantoms or apparitions of his sovereign and fellow-Berliner as documents out of which to weave his own theoretical whimsies about right, law, crime, etc. This should occasion us the less surprise since even the spectre of the *Vossische Zeitung* repeatedly "offers" him something, e.g., the constitutional state. The most superficial examination of legislation, e. g., poor laws in all countries, shows how far the rulers got when they imagined that they could achieve something by means of their "dominant will" alone, i. e., simply by exercising their will. Incidentally, Saint Sancho has to accept the illusion of the lawyers and politicians about the dominant will in order to let his own will be splendidly displayed in the equations and antitheses with which we shall presently delight ourselves, and in order to arrive at the result that he can get out of his head any idea which he has put into it.

"My brethren, count it all joy when ye fall into divers temptations" (Saint-Jacques le bonhomme [James] 1:2)."

Law = Dominant will of the state,

= state will.

Antitheses:

State will, alien will — My will, own will.

Dominant will of the state — My own will

— My self-will.

Subjects of the state, who sustain the law of the state "Subjects of themselves (unique ones), who bear their own law in themselves" (p. 268).

Equations:

A) State will = Not-my will.

B) My will = Not-state will.

C) Will = Desire.

D) My will = Non-desire of the state,

= Will against the state,

= Ill will towards the state.

E) To desire the non-state = Self-will.

Self-will = Not to desire the state.

F) State will = Negation of my will,

= My lack of will.

G) My lack of will = Existence of state will.

(We know already from the preceding that the existence of the state *will* is equal to the existence of the *state,* from which the following new equation results:)

H) My lack of will = Existence of the state.

I) The negation of my lack of will = Non-existence of the state.

K) Self-will = Negation of the state.

L) My will = Non-existence of the state.

Note 1.

According to the already quoted passage from page 256:

"States endure so long as the dominant will is regarded as equivalent to one's own will."

Note 2.

"He who in order to exist" (the conscience. of the state is appealed to) "is compelled to count on the lack of will of others is a creation of those others, just as the master is a creation of the servant" (p. 257). (Equations F, G, H, I.)

Note 3.

"My own will is the corrupter of the state. Therefore, it is branded by the latter as self-will. One's own will and the state are powers that are mortal enemies, between whom eternal peace is impossible" (p. 257). — "Therefore it in fact watches everybody, it sees an egoist in everyone" (self-will), "and it fears the egoist" (p. 263). "The state ... opposes the duel ... even a scuffle is punishable" (even if the police are not called in) (p. 245).

Note 4.

This can also be expressed rhetorically:

"What is the use of your laws if no one obeys them, what is the use of your orders if everybody refuses to accept any orders?" (p. 256).

Note 5.

The simple antithesis: "state will — my will" is given an apparent motivation in the following paragraph: "Even if one were to imagine a case where each individual in the nation had expressed the same will and thus a perfect collective will" (!) "had come into existence, things would still remain the same. Would I not today and later be bound by my will of yesterdays... My creation, that is, a definite expression of will, would have become my master: but I ... the creator, would be hampered in my course and my dissolution.... Because yesterday I possessed will, I have today no will of my own; yesterday voluntary, today involuntary" (p. 258).

The old thesis, which has often been put forward both by revolutionaries and reactionaries, that in a democracy individuals. only exercise their sovereignty for a moment and then at once relinquish their authority — this thesis Saint Sancho endeavours to appropriate here in a "clumsy" fashion by applying to it his phenomenological theory of creator and creation. But the theory of creator and creation deprives this thesis of all meaning. According to this theory of his, it is not that Saint Sancho has no will of his own today because he has changed his will of yesterday, i.e., has a differently defined will, so that the nonsense which yesterday he exalted into a law as the expression of his will, now weighs like a bond or fetter on his more enlightened will of today. On the contrary, according to his theory, his, will of today *must* be the negation of his will of yesterday, because, as creator, he is in duty bound to dissolve his will of yesterday. Only as "one without will" is he creator, as one actually having will he is always the creation. (See "Phenomenology") In that case, however, it by no means follows that "because yesterday he possessed will", today he is "without will", but rather that he bears *ill will* to his will of yesterday, whether the latter has assumed the form of law or not. In both cases he can abolish it as he, in general, is accustomed to do, namely *as his will.* Thereby he has done full justice to egoism in agreement with itself. It is, therefore, a matter of complete indifference here whether his will of yesterday has assumed as law the form of something existing outside his head, particularly if we recall that earlier the "word which escaped from him" behaved likewise in a rebellious way towards him. In the above-mentioned thesis, moreover, Saint Sancho desires to preserve, not indeed his self-will, but his *free* will, *freedom* of will, *freedom*, which is a serious offence against the moral code of the egoist in agreement with himself. In committing this offence, Saint

Sancho even goes so far as to proclaim that true peculiarity is the inner freedom that was so much condemned above, the freedom of bearing ill will.

"How is this to be changed?," cries Sancho. "Only in one way: by not recognising any duty, i.e., not binding myself and not allowing myself to be bound [...]

"However, they will bind me' No one can bind my will, and my ill will remains free!" (p. 258).

Drums and trumpets pay homage

To his youthful splendour!

[From Heine's poem "Berg-Idylle"]

Here Saint Sancho forgets "to make the simple reflection" that his will" is indeed "bound" inasmuch as, against his will, it is "*ill* will".

The above proposition that the individual will is bound by the general will expressed through law completes, by the way, the idealistic conception of the state, according to which it is only a matter of the will, and which has led French and German writers to the most subtle philosophising.

Incidentally, if it is merely a matter of "desiring" and not of "being able" and, at worst, merely of "ill will", then it is incomprehensible why Saint Sancho wants to abolish altogether an object so productive of "desiring" and "ill will" as state law.

"Law in general, etc. — that is the stage we have reached today" (p. 256).

The things Jacques le bonhomme believes!

The equations so far examined were purely destructive as regards state and law. The true egoist *had* to adopt a purely destructive attitude to both. We missed appropriation; on the other hand, we had the satisfaction of seeing Saint Sancho performing a great trick

in which he shows how the state is destroyed by a mere change of will, a change which in turn depends, of course, only on the will. However, appropriation is not lacking here either, although it is quite secondary, and can produce results only later on "from time to time". The two antitheses given above:

State will, alien will — My will, own will, Dominant will of the state — My own will

can also be summarised as follows:

Domination of alien will — Domination of one's own will.

In this new antithesis, which incidentally all the time formed the concealed basis of his destruction of the state through his self-will, Stirner appropriates the political illusion about the domination of arbitrariness, of ideological will. He could also have expressed this as follows:

Arbitrariness of law — Law of arbitrariness.

Saint Sancho, however, did not reach such simplicity of expression.

In antithesis III we already have a "law within him", but he appropriates the law still more directly in the following antithesis:

Law, the state's declaration of will — Law, declaration of my will, my declaration of will.

"Someone can, of course, declare what he is prepared to put up with, and consequently forbid the opposite by a law," etc. (p. 256).

This prohibition is necessarily accompanied by threats. The last antithesis is of importance for the section on crime.

Episodes. We are told on page 256 that there is no difference between "law" and "arbitrary command, ordinance" because both = "declaration of will", consequently "command". — On pages 254, 255, 260 and 263, while pretending to speak about "the State" Stirner substitutes the *Prussian* state and deals with questions that are of the greatest importance for the *Vossische Zeitung*, such as the constitutional state, removability of officials, bureaucratic arrogance and similar nonsense. The only important thing here is the discovery that the old French parliaments insisted on their right to register royal edicts *because* they wanted "to judge according to their own right". The registration of laws by the French parliaments came into being at the same time as the bourgeoisie and hence the acquisition of absolute power by the kings, for whom in face of both the feudal nobility and foreign states it became necessary to plead an alien will on which their own will depended, and at the same time to give the bourgeois some sort of guarantee. Saint Max can learn more about this from the history of his beloved Francis 1; for the rest, before speaking about the French parliaments again, he might consult the fourteen volumes of *Des Etats généraux et autres assemblées nationales,* Paris, 1788 [by Charles Joseph Mayer] concerning what the French parliaments wanted or did not want and their significance. In general it would be in place here to introduce a short episode about the *erudition* of our saint who is so desirous of conquests. Apart from theoretical works, such as the writings of Feuerbach and Bruno Bauer, as well as the Hegelian tradition, which is his main source, apart from these meagre theoretical sources, our Sancho uses and quotes the following historical sources: on the French Revolution — Rutenberg's *Politische Reden* and the Bauers' *Denkwürdigkeiten*; on communism —

Proudhon, August Becker's *Volksphilosophie,* the *Einundzwanzig Bogen* and the Bluntschli report; on liberalism — the *Vossische Zeitung*, the *Sächsische Vaterlands-Blätter*, Protocols of the Baden Chamber, the Einundzwanzig Bogen again and Edgar Bauer's epoch-making work [Edgar Bauer, Die liberalen Bestrebungen in Deutschland]; in addition, here and there as historical evidence there are also quoted: the Bible, Schlosser's *18. Jahrhundert* [Friedrich Christoph Schlosser, Geschichte des achtzehnten Jahrhunderts und des neunzehnten bis zum Sturz des französischen Kaiserreichs], Louis Blanc's *Histoire de dix ans*, Hinrichs' *Politische Vorlesungen*, Bettina's *Dies Buch gehört dem König*, Hess' *Triarchie*, [Moses Hess, Die europäische Triarchie] the *Deutsch-Französische Jahrbücher*, the Zurich *Anekdota*, Moriz Carrière on Cologne Cathedral, the session of the Paris Chamber of Peers of April 25, 1844, Karl Nauwerck, *Emilia Galotti* [reference is to Moriz Carrière, Der Kölner Dom als freie deutsche Kirche; François Guizot, Discours dans la chambre des pairs le 25 april 1844; Karl Nauwerck, Ueber die Theilnahme am Staate; Gotthold Ephraim Lessing's drama Emilia Galotti], the Bible — in short, the entire Berlin reading-room together with its owner, Willibald Alexis Cabanis. After this sample of Sancho's profound studies, one can easily understand why it is that he finds in this world so very much that is alien, i.e., holy.

III. Crime

Note 1.

"If You allow yourself to be judged right by someone else, then you must equally allow yourself to be judged wrong by him. If you receive justification and reward from him, then expect also accusation and punishment from him. Right is accompanied by wrong, Legality by crime. Who — are — you? — You — are — a — criminal!!" (p. 262).

The *code civil* is accompanied by the *code pénal*, the *code pénal* by the *code de commerce*. Who are you? You are a *commerçant*!

Saint Sancho could have spared us this nerve-shattering surprise. In his case the words: "If you allow yourself to be judged right by someone else, then you must equally allow yourself to be judged wrong by him" have lost all meaning if they are intended to add a new definition; for one of his earlier equations already states: If you allow yourself to be judged right by someone else, then you allow yourself to be judged by alien right, hence *your wrong*.

A. Simple Canonisation of Crime and Punishment

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a) Crime

As regards crime, we have already seen that this is the name for a universal category of the egoist in agreement with himself, the negation of the holy, *sin*. In the previously given antitheses and equations concerning examples of the holy (state, right, law), the negative relation of the ego to these holies, or the copula, could also be called crime, just as about Hegelian logic, which is likewise an example of the holy, Saint Sancho can also say: I am not Hegelian logic, I am a sinner against Hegelian logic. Since he was speaking of right, state. etc., he should now have continued: another example of sin or crime are what are called *juridical* or *political* crimes. Instead of this, he again informs us in detail that these crimes are

sin against the holy,

sin against the fixed idea,

sin against the spectre,

sin against "Man".

"Criminals exist only against something holy" (p. 268).

"Only owing to the holy does the criminal code exist" (p. 318).

"Crimes arise from the fixed idea" (p. 269).

"One sees here that it is again 'man' who also creates the concept of crime, of sin, and thereby also of right." (Previously it was the reverse.) "A man in whom I do not recognise man is a sinner" p, 268).

Note 1.

"Can I assume that someone commits a crime against me" (this is asserted in opposition to the French people in the revolution), "without also assuming that he ought to act as I consider right? And actions of this kind I call the right, the good, etc., those deviating from this — a crime. Accordingly I think that the others ought to aim with me at the same goal ... as beings who should obey some sort of 'rational' law" (Vocation! Designation! Task! The Holy!!!). "I lay down what man is and what it means to act truly as a man, and I demand from each that this law should become for hint the norm and the ideal; in the reverse case he proves himself a sinner and criminal ..." (pp. [267,] 268).

At the same time, he sheds an anxious tear at the grave of those "proper people" who in the epoch of terror were slaughtered by the sovereign people in the name of the holy. Further, by means of an example, he shows how the names of real crimes can I be construed from this holy-point of view.

"If, as in the revolution, this spectre, man, is understood to mean the 'good citizen', then the familiar 'political transgressions and crimes' are brought about from this concept of man." (He should have said: this concept, etc., brings up the familiar crimes) (p. 268).

A brilliant example)f the extent to which credulity is Sancho's predominant quality in the section on crime is furnished by his transformation of the sansculottes of the revolution into "good citizens" of Berlin through a synonymical abuse of the word *citoyen*. According to Saint Max, "good citizens and loyal officials" are inseparable. Hence "Robespierre, for example, Saint-Just, and so on" would be "loyal officials", whereas Danton was responsible for a cash deficit and squandered state money. Saint Sancho has made a good start for a history of the revolution for the Prussian townsman and villager.

Note 2.

Having thus described for us political and juridical crime as an example of crime in general — namely his category of crime, sin, negation, enmity. insult, contempt for the holy, disreputable behaviour towards the holy — Saint Sancho can now confidently declare:

"In crime, the egoist has hitherto asserted himself and mocked the, holy" (p. 319)

In this passage all the crimes hitherto committed are assigned to the credit of the egoist in agreement with himself, although subsequently we shall have to transfer a few of them to the debit side. Sancho imagines that hitherto crimes have been committed only in order to mock at "the holy" and to assert oneself not against things, but against the holy *aspect* of things. Because the theft committed by a poor devil who appropriates someone else's taler can be put in the category of a crime against the law, *for that reason* the poor devil committed the theft just because of a desire to break the law. In exactly the same way as in an earlier passage Jacques le bonhomme imagined that laws are issued only for the sake of the holy, and that thieves are sent to prison only for the sake of the holy.

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b) Punishment

Since we are at present concerned with juridical and political crimes we discover in this connection that such crimes "in the ordinary sense" usually involve a *punishment*, or, as it is written, "the wages of sin is death". [Romans 6:23] After what we have already learned about crime, it follows, of course, that punishment is the self-defence and resistance of *the holy* to those who desecrate it.

Note 1.

“Punishment has sense only when it is intended as expiation for violating something holy” (p. 316). In punishing, ‚we commit the folly of desiring to satisfy right, a spectre” (the holy). “The holy must” here “defend itself against man”. (Saint Sancho here “commits the folly” of mistaking “Man” for “the unique ones”, the “proper egos”, etc.) (p. 318).

Note 2.

“Only owing to the holy does the criminal code exist and it disintegrates of itself when punishment is abandoned” (p. 318).

What Saint Sancho really wants to say is: Punishment falls into decay of itself if the criminal code is abandoned, i.e., punishment only exists owing to the criminal code. “But is not” a criminal code that only exists owing to punishment “all nonsense, and is not” punishment that exists only owing to the criminal code “also nonsense"? (Sancho contra Hess, *Wigand*, [Max Stirner, “Recensenten Stirners"] p. 186.) Sancho here mistakes the criminal code for a textbook of theological morality.

Note 3.

As an example of how crime arises from the fixed idea, there is the following:

“The sanctity of marriage is a fixed idea. From this sanctify it follows that infidelity is a crime, and — therefore a certain law on marriage” (to the great annoyance of the “G[erman] Chambers” and of the “Emperor of all R[ussians]”, not to speak of the “Emperor of Japan” and the “Emperor of China”, and particularly the “Sultan”) “imposes a shorter or longer term of punishment for that” (p. 269).

Frederick William !V, who thinks he is able to promulgate laws in accordance with the holy, and therefore is always at loggerheads with the whole world, can comfort himself with the thought that in our Sancho he has found at least one man imbued with faith in the state. Let Saint Sancho just compare the Prussian marriage law, which exists only in the head of its author, with the provisions of the *Code civil,* which are operative in practice, and he will be able to discover the difference between holy and worldly marriage laws.[49] In the Prussian phantasmagoria, for reasons of state, the sanctity of marriage is supposed to be enforced both upon husband and wife; in French practice, where the wife is regarded as the private property of her husband, only the wife can be punished for adultery, and then only on the demand of the husband, who exercises his property right.

B. Appropriation of Crime and Punishment Through Antithesis

1=Crime in the sense of man = Violation of man’s law (of the state’s declaration of will, of state power), p. 259 et seq. 1=Crime in my sense = Violation of my law (of my declaration of will, of my power), p. 256 and passim.

These two equations are counterposed as antitheses and derive simply from the opposition of “man” and the “ego”. They merely sum up what has been said already.

The holy punishes the “ego” — I punish the ‘ego”

Crime = hostility to Man’s law (the Holy). — *Hostility* = crime against my law.

The criminal the enemy or opponent of the holy (the Holy as a moral person). — *Enemy* or *opponent* = criminal against the “ego”, the corporeal.

Punishment = self-defence of the holy against the “ego”. — *My self-defence* = My punishment of the “ego”.

Punishment = satisfaction (vengeance) of man in relation to the “ego”. — *Satisfaction (vengeance)* = My punishment of the “ego”,

In the fast antithesis, satisfaction can also be called *self*-satisfaction, since it is the satisfaction of *me*, in opposition to the satisfaction of *man*.

If in the above antithetical equations only the first member is taken into account, then one obtains the following series of simple antitheses where the thesis always contains the holy, universal, alien *name*, while the *anti*-thesis always contains the worldly, personal, appropriated *name*.

Crime — Hostility.

Criminal — Enemy or opponent.

Punishment — My defence.

Punishment — Satisfaction, vengeance, self-satisfaction.

In an instant we shall say a few words about these equations and antitheses which are so simple that even a “born simpleton” (p. 434) can master this “unique” method of thought in five minutes. But first a few more quotations in addition to those given earlier.

Note 1.

“in relation to me you can never be a criminal but only an opponent” (p. 268),and “enemy” in the same sense on p. 256. — Crime as the hostility of man is illustrated on page 268 by the example of the “enemies of the Fatherland”. — “punishment ought” (a moral postulate) “to be replaced by satisfaction, which again cannot aim at satisfying right or justice, but at giving us satisfaction” (p. 318).

Note 2. While Saint Sancho attacks the halo (the windmill) of existing power, he does not even understand this power, let alone come to grips with it; he only advances the moral demand that the relation of the ego to it should be formally changed. (See “Logic”)

“I am forced to put up with the fact” (bombastic assurance) “that he” (viz. My enemy, who has a few million people behind him) “treats me as his enemy; but I shall never permit him to treat me as his creature or to make his reason or unreasonableness my guiding principle” (p. 256, where he allows the aforesaid Sancho a very restricted freedom, namely the choice between allowing himself to be treated as his creature or of suffering the 3,300 lashes imposed by Merlin on his posaderas. This freedom is allowed him by any criminal code which. it is true, does not first ask the aforesaid Sancho in what form it should declare its hostility to him). "But even if you impress your opponent as a force” (being for him an “impressive force”) “You do not on that account become a sanctified authority; unless he is a wretch. He is not obliged to respect you and pay regard to you even if he has to be on his guard against you and your power” (p. 258).

Here Saint Sancho himself appears as a “wretch” when with the greatest seriousness he haggles [pun on the word Schächer which means “wretch” or “robber”, while schachern means “to barter” to haggle"] about the difference between “to impress” and “to be respected”, “to be on one’s guard” and to “have regard for” — a difference of a sixteenth part at most. When Saint Sancho is “on his guard” against someone,

“he gives himself over to reflection, and he has an object which he has in view, which he respects and which inspires him with reverence and fear” (p. 115).

In the above equations, punishment, vengeance, satisfaction, etc., are depicted as coming only from me; inasmuch as Saint Sancho is the object of satisfaction, the antitheses can be turned round: then self-satisfaction is transformed into another-getting-satisfaction-with-regard-to-me or the prejudicing-of-my-satisfaction.

Note 3.

The very same ideologists who could imagine that right, law, state, etc., arose from a general concept, in the final analysis perhaps the concept of man, and that they were put into effect for the sake of this concept — these same ideologists can, of course, also imagine that crimes are committed purely because of a wanton attitude towards some concept, that crimes, in general, are nothing but making mockery of concepts and are only punished in order to do justice to the insulted concepts. Concerning this we have already said what was necessary in connection with right, and still earlier in connection with hierarchy, to which we refer the reader.

In the above-mentioned antitheses, the canonised definitions — crime, punishment, etc. — are confronted with the name of another definition, which Saint Sancho in his favourite fashion *extracts* from these first definitions and *appropriates for himself.* This new definition, which, as we have said, appears here as a mere name, being worldly is supposed to contain the direct *individual* relation and express the *factual* relations. (See "Logic".) The history of right shows that in the earliest, most primitive epochs these individual, factual relations in their crudest form directly constituted right. With the development of civil society, hence with the development of private interests into class interests, the relations of right underwent changes and acquired a civilised form. They were no longer regarded as individual, but as universal relations. At the same time, division of labour placed the protection of the conflicting interests of separate individuals into the hands of a few persons, whereby the barbaric enforcement of right also disappeared. Saint Sancho's entire criticism of right in the above-mentioned antitheses is limited to declaring the *civilised* form of. legal relations and the civilised division of labour to be the fruit of the "fixed idea", of the holy, and, on the other hand, to claiming *for himself* the barbaric expression of relations of right and the barbaric method of settling conflicts. For him it is all *only* a matter of *names*; he does not touch on the content itself, since he does not know the real relations on which these different forms of right are based, and in the juridical expression of class relations perceives only the idealised names of those barbaric relations. Thus, in Stirner's declaration of will, we rediscover the feud; in hostility, self-defence, etc. — a copy of club-law and practice of the old feudal mode of life; in satisfaction, vengeance, etc. — the *jus talionis,* the old German *Gewere, compensatio, satisfactio* — in short, the chief elements of the *leges barbarorum* and *consuetudines feudorum* [50], which Sancho has appropriated for himself and taken to his heart not from libraries, but from the tales of his former master about Amadis of Gaul. In the final analysis, therefore, Saint Sancho again arrives merely at an impotent moral injunction that everybody should himself obtain satisfaction and carry out punishment. He believes Don Quixote's assurance that by a mere moral injunction he can without more ado convert the material forces arising from the division of labour into personal forces. How closely juridical relations are linked with the development of these material forces due to the division of labour is already clear from the historical development of the power of the law courts and the complaints of the feudal lords about the legal development. (See, e.g., Monteil. loc.

cit., XIV, XV *siècle*) It was just in the epoch between the rule of the aristocracy and the rule of the bourgeoisie, when the interests of two classes came into conflict, when trade between the European nations began to be important, and hence international relations themselves assumed a *bourgeois* character, it was just at that time that the power of the courts of law began to be important, and under the rule of the bourgeoisie, when this broadly developed division of labour becomes absolutely essential, the power of these courts reaches its highest point. What the servants of the division of labour, the judges and still more the *professores juris,* imagine in this connection is a matter of the greatest indifference.

C. Crime in the Ordinary and Extraordinary Sense

We saw above that crime in the ordinary sense, by being falsified, was put to the credit of the egoist in the extraordinary sense. Now this falsification becomes obvious. The extraordinary egoist now finds that he commits only extraordinary crimes, which have to be set against the ordinary crimes. Therefore we debit the aforesaid egoist with the ordinary crimes, which have been previously entered into the credit column.

The struggle of the ordinary criminals against other people's property can also be expressed as follows (although this holds good of any competitor):

that they — "seek *other people's* goods" (p. 265),

seek holy goods,

seek *the holy,* and in this way the ordinary criminal

is transformed into a "believer" (p. 265).

But this reproach which the egoist in the extraordinary sense levels against the criminal in the ordinary sense is only an apparent one — for it is indeed he himself who strives for the halo of the whole world. The real reproach that he levels against the criminal is not that he seeks "*the holy*", but that he seeks "*goods*".

After Saint Sancho has built himself a "world of his own, a heaven", namely this time an imaginary world of feuds and knights-errant, transferred to the modern world, after he has at the same time given documentary evidence of his difference, as a knightly criminal, from ordinary criminals, after this he once more undertakes a crusade against "dragons and ostriches, hobgoblins", "ghosts, apparitions and fixed ideas". His faithful servant, Szeliga, gallops reverently after him. As they wend their way, however, there occurs the astounding adventure of the unfortunate ones who were being dragged off to some place they had no wish to go to, as described in Chapter XXII of Cervantes. For while our knight-errant and his servant Don

Quixote were jogging along their path, Sancho raised his eyes and saw coming towards him some dozen men on foot manacled and bound together by a long chain, accompanied by a commissar and four gendarmes, belonging to the holy Hermandad,[51] to the Hermandad which is holy, to the holy. When they came close, Saint Sancho very politely asked the guards to be so kind as to tell him why these people were being led in chains. — They are convicts of His Majesty sent to work at Spandau,[52] you do not have to know any more. — How, cried Saint Sancho, men being forced? Is it possible that the king can use force against someone's "proper ego"? In that case I take upon myself the vocation of putting a stop to this force. "The behaviour of the state is violent action, and it calls this justice. Violent action of an individual, however, it calls crime." Thereupon Saint Sancho first of all began to admonish the prisoners, saying that they ought not to grieve, that although they were "not free", they were still their "own", and that although maybe their "bones" might "crack" under the lash of the whip and that perhaps they might even have a "leg torn off", yet, he said, you will triumph over all that, for "no one can bind your will"! "And I know for certain that there is no witchcraft in the world that could direct and compel the will, as some simpletons imagine; for the will is our free arbitrary power and there is no magic herb or spell that can subdue it." Yes, "your will no one can bind and your ill will remains free!"

But since this sermon did not pacify the convicts, who began one after the other to relate how they had been unjustly condemned, Sancho said: "Dear brethren, from what you have related it has become clear to me that, although you have been punished for your crimes, yet the punishment which you are suffering gives you little pleasure and that hence you are reluctant to receive it and do not look forward to it. And it is highly possible that the cause of your ruin is pusillanimity on the rack in one case, poverty in another, lack of favour in a third and, finally, the *judge's* unfair *judgment*, and that you *have not been given the justice that was your due*, 'your right'. All this compels me to show you why heaven sent me into the world. But since the wisdom of the egoist in agreement with himself prescribes not doing by force what can be done by agreement, I hereby request the commissar and gendarmes to release you and let you go your ways. Moreover, my dear gendarmes, these unfortunates have done *you* no harm. It does not behove egoists in agreement with themselves to become the executioners of other unique ones who have done them no harm. Evidently, with you 'the category of the one who has been robbed stands in the forefront'. Why do you show such 'zeal' in your actions 'against crime'? 'Verily, verily I say unto you, you are enthusiastic for morality, you are filled with the idea of morality', 'You persecute all those who are hostile to it' — 'Owing to your oath as officials', you are bringing these poor convicts 'to prison', you are the holy! Therefore release these people voluntarily. if you do not, you will have to reckon with me, who overthrows nations with one puff of the living ego', who 'commits the most unmeasured desecration' and 'is not afraid even of the Moon'."

"This is a fine piece of impudence indeed!„ cried the commissar. ‚You'd do better to put that basin straight on your head and be on your way!"

Saint Sancho, however, infuriated by this Prussian rudeness, couched his lance and rushed at the commissar with as much speed as the "apposition" is capable of, so that he immediately threw him to the ground. There ensued a general mêlée, during which the convicts freed themselves from their chains, a gendarme threw Szeliga-Don Quixote into the *Landwehrgraben* [53] or sheep's ditch [*Schafgraben*], and Saint Sancho performed the most heroic feats in his struggle against the holy. A few minutes later, the gendarmes were scattered, Szeliga crept out of the ditch and the holy was abolished for the time being.

Then Saint Sancho gathered round him the liberated convicts and addressed them as follows (pp. 265, 266 of "the book"):

"What is the ordinary criminal" (the criminal in the ordinary sense) "but a man who has committed the fatal mistake" (a fatal story-teller for the citizen and the countryman!) "of striving after what belongs to the people instead of seeking what is his own? He has desired the contemptible" (a general muttering among the convicts at this moral judgment) "goods of another, he has done what believers do who aspire to what belongs to God" (the criminal as a noble soul). "What does the priest do who admonishes the criminal? He tells him of the great violation of right he has committed by his action in desecrating what the state has sanctified, the property of the state, which also includes the life of the state's subjects. Instead of this the priest might have done better to reproach the criminal with having besmirched himself" (titters among the convicts at this egoistical appropriation of banal clerical phraseology) "by not despising the alien but regarding it as worthy of being robbed" (murmuring among the convicts). "He could have done so, were he not a priest" (one of the convicts: "In the ordinary sense!"). I, however, "speak with the criminal as with an egoist, and he will be ashamed" (shameless, loud cheers from the criminals, who do not wish to he called upon to feel shame), "not because he has committed a crime against your laws and your goods, but because he considered it worth while to circumvent your laws" (this refers only to "circumvention in the ordinary sense"; elsewhere, however, "I go round a rock so long as I am unable to blow it up" and I "circumvent", for example, even the "censorship"), "and to desire your goods" (renewed cheers); "he will be ashamed ...

Gines de Passamonte, the arch-thief, who in general was not very patient, shouted: "Are we then to do nothing but feel *ashamed*, be submissive, when a priest in the ***extraordinary sense 'admonishes' us?"***

"He will be ashamed," continues Sancho, ",that he did not despise you, together with what is yours, that he was too little of an egoist." (Sancho here applies an alien measure to the egoism of the criminal. In consequence, a general bellowing breaks out among the convicts; in some confusion, Sancho gives way, turning with a rhetorical gesture to the absent "good burghers".) "But you cannot speak to him egoistically, for you have not the stature of a criminal, you ... perpetrate nothing."

Gines again interrupts: "What credulity, my good man! Our prison warders perpetrate all kinds of crimes, they embezzle, they defraud, they commit rape [... twelve pages of manuscript missing here ...]

[B. My Intercourse]

[I. Society][54]

[...] again he reveals only his credulity. The reactionaries knew already that by the constitution the bourgeoisie abolishes the naturally arisen state and establishes and *makes* its own state, that "*le pouvoir constituant, qui était dans le temps*" naturally "*passa dans la volonté humaine*", ["The constitutional power which had been shaped in the course of time had permeated the human will." Lourdoueix, "Appel à la France contre la division des opinions", quoted from Karl Wilhelm Lancizolle's book Ueber Ursachen, Character und Folgen der Julitage] that "this *fabricated* state was like a fabricated, painted tree", etc. See Fiévée's *Correspondance politique et administrative*, Paris, 1815, *Appel à la France contre la division des opinions, Le drapeau blanc* by Sarran *ainé* the *Gazette de France* of the Restoration period, and the earlier works of Bonald, de Maistre, etc. The liberal bourgeois, in turn, reproach the old republicans — about whom they obviously know as little as Saint Max knows about the bourgeois state — on the grounds that their patriotism is nothing but "une passion *factice* envers un être abstrait, une *idée* générale" ["An artificial passion directed towards something abstract, a general idea."] (Benj. Constant, *De 1'esprit de conquête*, Paris, 1814, p. 48), whereas the reactionaries accused the bourgeois on the grounds that their political ideology is nothing but "*une mystification que la classe aisée fait subir à celles qui ne le sont pas*" (*Gazette de* France, 1831, Février. ["A deception with which the wealthy class deludes those that are not wealthy." Quoted from Karl Wilhelm Lancizolle, op. cit.]

On page 295, Saint Sancho declares that the state is "an institution for making the nation Christian", and all he can say about the basis of the state is that it "is held together" with the "cement" o "respect for the law", or that the holy "is held together" by respect (the holy as link) for the holy (p. 314).

Note 4.

If the state is holy, there must be censorship" (p. 316). "The French Government does not contest freedom of the press as a right of man, but it demands a guarantee from the individual that he is really a human being." (Quel bonhomme! [What a simpleton] Jacques le bonhomme is "called upon" to study the September Laws[55]) (p. 380).

Note 5, in which we find the most profound explanations about the various forms of the state, which Jacques le bonhomme makes independent and in which he sees only different attempts to realise the true state.

"The republic is nothing but absolute monarchy, for it makes no difference whether the monarch is called prince of people, since both are majesties" (the holy) ... "Constitutionalism is a step further than the republic, for it is the state in the process of dissolution."

This dissolution is explained as follows:

"In the constitutional state ... the government wants to be absolute, and the people wants to be absolute. These two absolutes" (i.e., holies) "will destroy one another" (p. 302). "I am not the state, I am the creative negation of the state"; "thereby all questions" (about the constitution, etc.) "sink into their true nothing" (p. 310).

He should have added that these propositions about forms of the state are merely a paraphrase of this "nothing", whose sole creation is the proposition given above: I am not the state. Saint Sancho, just like a German school-master, speaks here of "the republic," which is, of course, far older than constitutional monarchy, e.g., the Greek republics.

That in a democratic, representative state like North America class conflicts have already reached a form which the constitutional monarchies are only just being forced to approach — about this, of course, he knows nothing. His phrases about constitutional monarchy prove that since 1842 by the Berlin calendar[56], he has learned nothing and forgotten nothing. [paraphrase of the French saying: "Ils n'ont rien appris ni rien oublié" — "They have learned nothing and forgotten nothing"; when it was first coined, shortly after the French Revolution, it was used in relation to the royalists]

Note 6.

"The state owes its existence only to the contempt which I have for myself", and with the disappearance of this disdain it will fade away entirely" (it seems that it depends solely on Sancho how soon all the states on earth will "fade away". Repetition of Note 3 in the reversed equation, see "Logic"): "It exists only when it is superior to me, only as might [Macht] and the mighty [Mächtiger]. Or" (a remarkable or which proves just the opposite of what it is intended to prove)

“can you imagine a state the inhabitants of which in all their entirety” (a jump from “I” to “we”) “attach no importance to it [sich allesamt nichts aus ihm machen]?” (p. 377).

There is no need to dwell on the synonymy of the words “ *Macht* “*Mächtig”* and “*machen*”.

From the fact that in any state there are people who attach importance to it, i.e., who, in the state and thanks to the state, *themselves* acquire importance, Sancho concludes that the state is a power standing above these people. Here again it is only a matter of getting the fixed idea about the state out of one’s mind. Jacques le bonhomme continues to imagine that the state is a mere idea and he believes in the independent power of this idea of the state. He is the true “politician who believes in the state, is possessed by the state” (p. 309). Hegel idealises the conception of the state held by the political ideologists who still took separate individuals as their point of departure, even if it was merely the will of these individuals; Hegel transforms the common *will* of these individuals into the absolute will, and Jacques le bonhomme *bona fide* accepts this idealisation of ideology as the correct view of the state and, in this belief, criticises it by declaring the Absolute to be the Absolute.

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5. Society as Bourgeois Society

We shall spend somewhat more time on this chapter because, not unintentionally, it is the most confused of all the confused chapters in “the book”, and because at the same time it proves most strikingly how little our saint succeeds in getting to know things in their mundane shape. Instead of making them worldly, he makes them holy by “giving” the reader the “benefit” only of his own holy conception. Before coming to bourgeois society proper, we shall hear some new explanations about property in general and in its relation to the state. These explanations appear the newer because they give Saint Sancho the opportunity to put forward again his most favourite equations about right and the state and thus to give his “treatise” “more manifold transformations” and “refractions”. We need, of course, only quote the last members of these equations since the reader will still have it mind their context from the chapter “My Power”.

Private property or bourgeois property = Not my property

= Holy property

= Property of others

= Respected property or respect for the property of others

= Property of *man* (pp. 327, 369).

From these equations one obtains at once the following antitheses:

Property in the bourgeois sense = Property in the egoistical sense (p. 327).

“Property of *man*” = “My property.”

(“Human belongings” = My, belongings.) p. 324.

Equations: Man = Right

= State power.

Private property or bourgeois property = Rightful property (p. 324),

= mine by virtue of right (p. 332),

= guaranteed property,

= property of others,

= property belonging to another,

= property belonging to right,

= property by right (pp. 367, 332),

= a concept of right,

= something spiritual,

= universal,

= fiction,

= pure thought,

= fixed idea,

= spectre,

= property of the spectre (pp. 368, 324, 332, 367, 369).

Private property = Property of right.

Right = Power of the state.

Private property = Property in the power of the state

= State property or also

Property = State Property.

State property = My non-property.

State = The sole owner (pp. 339, 334).

We now come to the antitheses:

Private property — *Egoistical property.*

Authorised by right (by the state, by Man) to have property — Empowered by me to have property (p. 339).

Mine by virtue of right — Mine by virtue of my power or force (p. 332).

Property given by another — Property taken by, me (p. 339).

Rightful property of others — Rightful property of another is what I consider right(p. 339),

which can be repeated in a hundred other formulas if, for example, one puts plenary powers instead of power, or uses formulas already given.

Private property = alien relation to the property of all others — My property, = property relation to the property of all others.

Or also:

Property comprising a few objects — Property comprising everything (p. 343).

Alienation [*Entfremdung*], as the relation or link in the above equations, can be expressed also in the following antitheses:

Private property	— *Egoistical property.*
"To behave towards property as towards something holy,	— "To renounce the holy relation towards property",
a spectre",	no longer to regard it as alien,
"to respect it",	no longer to fear the spectre,
"to have respect for property" (p. 324).	to have no respect for property,
	to have the property of lack of respect (pp. 368, 340, 343).

The modes of appropriation contained in the above equations and antitheses will be dealt with when we come to the " union ", but as for the time being we are still in the "holy society", we are here only concerned with canonisation.

Note. In the section "Hierarchy" we already dealt with the question why the ideologists can regard the property relation as a relation of "Man", the different forms of which in different epochs are determined by the individuals' conception of "Man". It suffices here to refer the reader to that analysis.

Treatise 1. On the parcellation of landed property, the redemption of feudal obligations and the swallowing-up of small landed property by large landed property.

All these things are deduced from holy property and the equation: bourgeois property = respect for the holy.

1) "Property in the bourgeois sense means holy property, in such a way that I must respect your property. 'Respect for property!' Hence the politicians would like everyone to possess his little piece of property and by their endeavour have partly brought about an incredible parcellation" (pp. 327, 328). — 2) "The political liberals see to it that as far as possible all feudal obligations are redeemed and that everyone is a free master on his land, even though this land has only such a quantity of ground" (the land has a quantity of ground!) "that it can be adequately fertilised by the manure from one person.... No matter how small it is, so long as it is one's own, i.e., a respected property! The more such owners there are, the more free people and good patriots has the state" (p. 328). — 3) "Political liberalism, like everything religious, counts

on respect, humanity, the virtues of love. Therefore it experiences constant vexation. For in practice people respect nothing, and every day small properties are being bought up by large landowners, and the 'free people' are turned into day-labourers. If, on the other hand, the 'small owners' had borne in mind that large property also belongs to them, they would not have respectfully excluded themselves from it and would not have become excluded" (p. 328).

1) Here, therefore, first of all the whole development of parcellation, about which Saint Sancho knows only that it is the holy, is explained from a mere idea which "the politicians" "have got into their heads". *Because* "the politicians" demand "respect for property", *hence* they "would like" parcellation, which moreover was carried out everywhere by *not respecting* other people's property! "The politicians" actually have "partly brought about an incredible parcellation". It was therefore through the action of the "politicians" that in France even before the revolution, just as today in Ireland and partly in Wales, parcellation had long existed in *agriculture*, and that capital and all other conditions were lacking for large-scale cultivation. Incidentally, how much "politicians" nowadays "world like" to carry out parcellation, Saint Sancho could see from the fact that all the French bourgeois are dissatisfied with parcellation, both because it weakens competition among the workers and also for political reasons; further, from the fact that all reactionaries (as Sancho could see if only from the *Erinnerungen* of the old Arndt) regarded parcellation simply as the conversion of landed property into modern, industrial, marketable, desanctified property. We shall not here set forth for our saint the *economic* reasons why the bourgeoisie, as soon as it has attained power, must carry out this conversion, which can come about both by the abolition of land rents that exceed profit and by parcellation. Nor shall we explain to him that the form in which this conversion takes place depends on the level of development of industry, trade, shipping, etc., in the country concerned. The propositions cited above about parcellation are nothing more than a bombastic circumlocution of the simple fact that in various places "here and there" considerable parcellation exists — expressed in our Sancho's canonising manner of speech, which suits everything and nothing. For the rest, Sancho's propositions given above contain merely the fantasies of the German petty bourgeois about parcellation which, of course, is for him the alien, "the holy". Cf. "Political Liberalism".

2) The redemption of feudal obligations, a misery which occurs only in Germany, where the governments were only compelled to carry it through by the more advanced conditions in neighbouring countries and by financial difficulties — this redemption is held by our saint to be something that "the political liberals" desire in order to produce "free people and good burghers". Sancho's horizon again does not go beyond the Pomeranian Landtag and the Saxon Chamber of Deputies. This German redemption of feudal obligations never led to any political or economic

results and, being a half-measure, remained without any effect at all. Sancho knows nothing, of course, about the *historically* important redemption of feudal obligations in the fourteenth and fifteenth centuries which was due to the commencing development of trade and industry and the landowners' need for money.

The very same people who, like Stein and Vincke, wanted the redemption of feudal obligations in Germany in order, as Sancho believes, to make good burghers and free people, found later on that in order to produce "good burghers and free people" feudal obligations ought to be restored, as is just now being attempted in Westphalia. From which it follows that "respect", like the fear of God, is useful for all purposes.

3) The "buying-up" of small landed property by the "large landowners" takes place, according to Sancho, because in practice "respect for property" does not occur. Two of the most common consequences of competition — concentration and buying-up — and competition as a whole, which does not exist without concentration, seem here to our Sancho to be *violations* of bourgeois *property*, which moves within the sphere of competition. Bourgeois property is already violated by the very fact of its existence. In Sancho's opinion, it is not possible to buy anything without attacking property. How deeply Saint Sancho has penetrated into the concentration of landed property can already be deduced from the fact that he sees in it only the most obvious act of concentration, the mere "buying-up". Incidentally, from what Sancho says it is not possible to perceive to what extent small landowners cease to be owners by becoming day-labourers. Indeed, on the following page (p. 329) Sancho himself with great solemnity advances as an argument against Proudhon that they continue to be "owners of the share remaining to them in the utilisation of the land", namely owners of wages. "It can sometimes be observed in history" that large landed property swallows up small landed property, and then in turn the small swallows up the large, two phenomena which, in Saint Sancho's opinion, become peacefully resolved into the adequate reason that "in practice people respect nothing". The same thing holds good for the other manifold forms of landed property. And then the wise "if the small owners had", etc.! In the Old Testament we saw how Saint Sancho, in accordance with the speculative method, made earlier generations reflect on the experiences of later ones; now we see how, in accordance with his ranting method, he complains that the earlier generations have failed to bear in mind not only the thoughts of later generations about them, but also his own nonsense. What schoolmasterly "wisdom! If the terrorists had considered that they would bring Napoleon to the throne, if the English barons at the time of Runnymede and Magna Charta had considered that in 1849 the Corn Laws [57] would be repealed, if Croesus had considered that Rothschild would surpass him in riches, if Alexander the Great had considered that Rotteck would judge him and that his Empire would fall into the hands of the Turks, if Themistocles had considered that he would defeat the Persians in the interests of Otto the Child,[58] if Hegel had considered that he would

be exploited in such a "vulgar" way by Saint Sancho, if, if, if! About what kind of "small owners" does Saint Sancho fancy that he is talking? About the propertyless peasants who only *became* "small owners" as a result of the parcelling out of large landed property, or about those who are being ruined nowadays as a result of concentration? For Saint Sancho these two cases are as like as two drops of water. In the first case, the small owners did not by any means exclude themselves from "large property", but each took possession of it insofar as he was not excluded by others and had the power to do so. This power, however, was not Stirner's vaunted power, but was determined by quite empirical relations, e.g., their development and the whole preceding development of bourgeois society, the locality and its greater or lesser degree of connection with the neighbourhood, the size of the piece of land taken into possession, and the number of those who appropriated it, the relations of industry, of intercourse, means of communication, instruments of production, etc., etc' That they had no intention of excluding themselves from large landed property is evident even from the fact that many of them became large landed proprietors themselves. Sancho makes himself ridiculous even in Germany by his unreasonable demand that these peasants should have jumped the stage of parcellation, which did not yet exist and was at that time the only revolutionary form for them, and that they should have thrown themselves at a bound into his egoism in agreement with itself. Disregarding this nonsense of his, it was not possible for these peasants to organise themselves communistically, since they lacked all the means necessary for bringing about the first condition of communist association, namely collective husbandry, and since, on the contrary, parcellation was only one of the conditions which subsequently evoked the need for such an association. In general, a communist movement can never originate from the countryside, but only from the towns.

In the second case, when Saint Sancho talks of the ruined small owners, these still have a common interest with the big landowners as against the wholly propertyless class and the industrial bourgeoisie. If this common interest is absent, they lack the power to appropriate large landed property, since they live scattered and their whole activity and way of life make association, the first condition for such appropriation, impossible for them, and such a movement, in its turn, presupposes a much more general movement which by no means depends on them.

Finally, Sancho's whole tirade amounts to this: that they ought merely to get rid of their respect for the property of others. We shall hear a little more about this later on.

In conclusion, let us take one more proposition *ad acta*. "*The point is that in practice people respect nothing*," so, after all, it appears that it is not "just" a matter of "respect".

Treatise No. 2. Private property, state and right.

"If, if, if!"

"If" Saint Sancho had for one moment set aside the current ideas of lawyers and politicians about private property, and also the polemic against it, if he had once looked at this private property in its empirical existence, in its connection with the productive forces of individuals, then all his Solomon's wisdom, with which he will now entertain us, would have been reduced to nothing. Then it would hardly have escaped him (although like Habakkuk he is *capable de tout* [59]) that private property is a form of intercourse necessary for certain stages of development of the productive forces; a form of . intercourse that cannot be abolished, and cannot be dispensed with in the production of actual material life, until productive forces have been created for which private property becomes a restricting fetter. In that case it could not have escaped the reader also that Sancho ought to have occupied himself with material relations, instead of dissolving the whole world in a system of theological morality in order to set against it a new system of would-be egoistical morality. It could not have escaped him that it was a question of things altogether different from "respect" or disrespect. "If, if, if!"

Incidentally, this "if" is only an echo of Sancho's proposition given above; for "if" Sancho had done all that, he obviously could not have written his book.

Since Saint Sancho accepts in good faith the illusion of politicians, lawyers and other ideologists which puts all empirical relations upside-down, and, in addition, in the German manner adds something of his own, *private property* for him *becomes transformed* into *state property*, or *property by right*, on which he can now make an experiment to justify his equations given above. Let us first of all look at the transformation of private property into state property.

"The question of property is decided only by force" (on the contrary, the question of force has so far been decided by property), "and since the state alone is the mighty one — irrespective of whether it is a state of burghers, a state of ragamuffins" (Stirner's "union") "or simply a state of human beings — it alone is the owner" (p. 333).

Side by side with the fact of the German "state of burghers" here again fantasies invented by Sancho and Bauer appear on an equal footing, whereas no mention is made anywhere of the historically important state formations. First of all he transforms the state into a person, into "the Mighty one". The fact that the ruling class establishes its joint domination as public power, as the state, Sancho interprets and distorts in the German petty bourgeois manner as meaning that the "state" is established as a third force against this ruling class and absorbs all power in the face of it. He proceeds now to confirm this belief of his by means of a series of examples. Because property under the rule of the bourgeoisie, as in all epochs, is bound up with definite conditions, first of all economic, which depend on the degree of development of the productive forces and intercourse — conditions which inevitably acquire a legal and political expression — Saint Sancho in his simplicity believes that

"the state links possession of property" (car tel est son bon plaisir [because it chooses to do so — a paraphrase of the concluding words of French royal edicts]) "just as it links everything else, e.g., marriage, with certain conditions" (p. 335).

Because the bourgeois do not allow the state to interfere in their private interests and give it only as much power as is necessary for their own safety and the maintenance of competition and because the bourgeois in general act as citizens only to the extent that their private interests demand it, Jacques le bonhomme believes that they are "nothing" in face of the state.

"The state is only interested in being wealthy itself; whether Michael is rich and Peter poor is a matter of indifference to it ... in face of it both of them are nothing" (p. 334).

On page 345 he derives the same wisdom from the fact that competition is tolerated in the state.

Because the board of a railway is concerned about its shareholders only insofar as they make their payments and receive their dividends, the Berlin school-master in his innocence concludes that the shareholders are "nothing in face of the board just as we are all sinners in the face of God". On the basis of the impotence of the state in face of the activities of private property-owners Sancho proves the impotence of private property-owners in face of the state and his own impotence in face of both.

Further, since the bourgeois have organised the defence of their own property in the state, and the "ego" cannot, therefore, take away his factory "from such and such a manufacturer", except under the conditions of the bourgeoisie, i.e., under the conditions of competition, Jacques le bonhomme believes that

"the state has the factory as property, the manufacturer holds it only in fee, as possession" (p. 347).

In exactly the same way when a dog guards my house it "has" the house "as property", and I hold it only "in fee, as possession" from the dog. Since the concealed material conditions of private property are often bound to come into contradiction with the *juridical illusion* about private property — as seen, for example, in expropriations — Jacques le bonhomme, concludes that

"here the otherwise concealed principle that only the state is the property-owner whereas the individual is a feudal tenant, strikes the eye" (p. 335).

All that "strikes the eye here" is the fact that worldly property relations are hidden from the eyes of our worthy burgher behind the mantle of "the holy", and that he has still to borrow a "heavenly ladder" from China In order to "climb" to the "rung of civilisation" attained even by school-masters in civilised countries. In the same way as Sancho here transforms the contradictions belonging to the *existence* of private property into the *negation* of private property, he dealt, as we saw above, with the contradictions within the bourgeois family. Since the bourgeois, and in general all the members of civil society, are forced to constitute themselves as "we", as a juridical person, as the state, in order to safeguard their common interests and — if only because of the division of labour — to delegate the collective power thus created to a few persons, Jacques le bonhomme imagines that

"each has the use of property only so long as he bears within himself the ego of the state or is a loyal member of society.... He who is a state — ego, i.e., a good burgher or subject, he, as such an ego, not as his own, holds the fee undisturbed" (pp. 334, 335).

From this point of view, a. person possesses a railway share only so long as he "bears within himself" the "ego" of the board; consequently it is only as a saint that one can possess a railway share. Having in this way convinced himself of the identity of private and state property, Saint Sancho can continue:

"That the state does not arbitrarily take away from the individual that which he has from the state, only means that the state does not rob itself" (pp. 334, 335).

That Saint Sancho does not arbitrarily rob others of their property only means that Saint Sancho does not rob himself, for indeed he "*regards*" all property as his own.

One cannot demand of us that we should deal further with the rest of Saint Sancho's fantasies about the state and property, e.g., that the state "tames" and "rewards" individuals by means of property, that out of special malice it has invented high stamp duties in order to ruin the citizens if they are not loyal, etc., etc. and in general with the *petty-bourgeois German* idea of the *omnipotence* of the state, an idea which was already current among the old German lawyers and is here presented in the form of grandiloquent assertions.

Finally Saint Sancho also tries to confirm his adequately proved identity of state and private property by means of etymological synonymy; in doing which, however, he belabours his erudition *en ambas posaderas*.

"My private property is only that which the state allows me out of its property, by depriving [privieren] other state members of it: it is state property" (p. 339).

By chance this is just the reverse of what happened. Private property in *Rome*, to which alone this etymological witticism can relate, was in the most direct contradiction to state property. True, the state gave the plebeians private property; in doing so it did not, however, deprive "others" of their private property but deprived these plebeians themselves of their state property (*ager publicus* [common land]) and their political rights, and it was precisely on that account that they *themselves* were called *privati*, robbed ones. and not the fantastical "other state members" of whom Saint Sancho dreams. Jacques le bonhomme covers himself with shame in all countries, all languages and all epochs as soon as he begins to talk about positive facts concerning which "the holy" cannot have any knowledge *a priori*. Desperation because the state swallows up all property drives Sancho back to his innermost "indignant" self-consciousness, where he is surprised to discover that he is a *man of letters*. He expresses his astonishment in the following remarkable words:

"In opposition to the state I feel ever more clearly that I still retain one great power, power over myself."

Further on this is developed thus:

"My thoughts constitute real property for me with which I can carry on trade" (p. 339).

Thus, Stirner the "ragamuffin", the "man of only ideal wealth", arrives at the desperate decision to carry on trade with the curdled, sour milk of his thoughts. [60] But what cunning does he use if the state declares his thoughts to be contraband? Just listen to this:

"I renounce them" (which is undoubtedly very wise) "and exchange them for others" (that is, if anyone should be such a bad businessman as to accept his exchanges of thoughts), " which then become my new, purchased property" (p. 339).

Our honourable burgher will not rest until he has it in black and white that he has bought his property honestly. Here one sees the consolation of the Berlin burgher in the face of all his political calamities and police tribulations: "Thoughts are free of customs duty!" [Martin Luther, Von weltlicher Obrigkeit]

The transformation of private property into state property reduces itself, in the final analysis, to the idea that the bourgeois has possessions only as a member of the bourgeois species, a species which as a whole is called the state and which invests individuals with the fief of property. He re again the matter is put upside-down. In the bourgeois class, as in every other, it is only personal conditions that are developed into common and universal conditions under which the separate members of the class possess and live. Although previously philosophical illusions of this kind could be current in Germany, they have now become completely ludicrous, since world trade has adequately proved that bourgeois gain is quite independent of politics, but that politics, on the other hand, is entirely dependent on bourgeois gain. Already in the eighteenth century, politics was so dependent on trade that when, for example, the French Government wanted to raise a loan, the Dutch demanded that a private individual should stand security for the state.

That "my worthlessness" or "pauperism" is the "realisation of the value" or the "existence" of the "state" (p. 336) is one of the thousand and one Stirnerian equations which we mention here only because in this connection we shall hear something new about pauperism.

"Pauperism is my worthlessness, the phenomenon that I cannot realise my value. Hence state and pauperism are one and the same.... The state is always trying to derive benefit from me, i.e., to exploit me. make use of me, to utilise me, even though this utilisation consists merely in my providing proles [offspring] (proletariat). It wants me to be its creature" (p. 336).

Apart from the fact that one sees here how little it depends on him to realise his value, although everywhere and at all times he can assert his peculiarity, and that here once again, in contradiction to former statements, essence and appearance are totally divorced from each other, we have again the above-mentioned petty-bourgeois view of our *bonhomme* that the "state" wants to exploit him. The only further point of interest to us is the ancient Roman etymological derivation of the word "proletariat", which is here naively smuggled into the modern state. Does Saint Sancho really not know that wherever the modern state has developed, "providing *proles*" is for the state, i.e., the official bourgeois, precisely the most unpleasant activity of the proletariat? Perhaps he ought to translate Malthus and Minister Duchâtel into German, [Thomas Robert Malthus, An Essay on the Principle of Population; Charles Marie Duchâtel, De la Charité] for his own benefit', just now, Saint Sancho, as a German petty bourgeois, "felt" "ever more clearly" that "in opposition to the state he still retained one great power", namely — the power to think in defiance of the state. If he were an English proletarian He would have felt that he "retained the power" to produce children in defiance of the state. Another Jeremiad against the state! Another theory of pauperism! To start with he, as "ego", "creates" "flour, linen or iron and coal", thereby from the outset abolishing division of labour. Then he begins "to complain" "at length" that his work is not paid for at its value, and in the first instance he comes into conflict with those who pay for it. Then the state comes between them in the role of "conciliator".

"If I am not satisfied with the price it" (i.e., the state) "pays for my commodity and labour, if instead I myself endeavour to fix the price of my commodity, i.e., try to see that it is lucrative for me, I come into conflict in the first instance" (a great "in the first instance"! — not with the state, but) "with the buyers of the commodity" (p. 337).

If then he wants to enter into "direct relation" with these buyers, i.e., "seize them by the throat", the state "intervenes", "tears man from man" (although it was not a matter of "man in general" but of worker and employer or, what he lumps together in confusion, of the seller and buyer of commodities); moreover, the state does this with the malicious intention "to put itself in the middle as *spirit*" (obviously the holy spirit).

"Workers who demand higher wages are treated as criminals as soon as they try to achieve this by force" (p. 337).

Once more we are presented with a bouquet of nonsense. Mr. Senior need never have written his letters on wages [Nassau William Senior, Three Lectures on the Rate of Wages] if he had first entered into "direct relation" with Stirner, especially as in that case the state would hardly have "torn man from man". Sancho here gives the state a triple function. It first acts as a "conciliator", then as price fixer, and finally as "spirit", as the holy. The fact that, after having gloriously identified private and state property, Saint Sancho also makes the state fix the level of wages, is testimony equally to his great consistency and his ignorance of the affairs of this world. The fact that in England, America and Belgium "workers A ho try to gain higher wages by force" are by no means immediately treated as "criminals", but on the contrary quite often actually succeed in obtaining higher wages, is also something of which our saint is ignorant, and which disposes of his whole legend about wages. The fact that, even if the state did not "put itself in the middle", the workers would gain nothing by "seizing" their employers "by the throat" or at any rate much less than through association and strikes, that is, so long as they remain workers and their opponents capitalists — this is also something that could be comprehended even in Berlin. There is likewise no need to demonstrate that bourgeois society, which is based on competition, and its bourgeois state, owing to their whole material basis, cannot permit any struggle among the citizens except the struggle of competition, and are bound to intervene not as "spirit", but with bayonets if people "seize each other by the throat".

Incidentally, Stirner's idea that only the state becomes richer when individuals become richer on the basis of bourgeois property, or that up to now all private property has been state property, is an idea that again puts historical relations upside-down.

— Economic Dependence of the State on the Bourgeoisie —

With the development and accumulation of bourgeois property, i.e., with the development of commerce and industry, individuals grew richer and richer while the state fell ever more deeply into debt. This phenomenon was evident already in the first Italian commercial republics; later, since the last century, it showed itself to a marked degree in Holland, where the stock exchange speculator Pinto drew attention to it as early as 1750, [Isaac Pinto, Lettre sur la Jalousie du Commerce in Traité de la Circulation et du Crédit] and now it is again occurring in England. It is therefore obvious that as soon as the bourgeoisie has accumulated money, the state has to beg from the bourgeoisie and in the end it is actually bought up by the latter. This takes place in a period in which the bourgeoisie is still confronted by another class, and consequently the state can retain some appearance of independence in relation to both of them. Even after the state has been bought up, it still needs money and, therefore, continues to be dependent on the bourgeoisie; nevertheless, when the interests of the bourgeoisie demand it, the state can have at its disposal more funds than states which are less developed and, therefore, less burdened with debts. However, even the least developed states of Europe, those of the Holy Alliance, are inexorably approaching this fate, for they will be bought up by the bourgeoisie; then Stirner will be able to console them with the identity of private and state property, especially his own sovereign, who is trying in vain to postpone the hour when political power will be sold to the "burghers" who have become "angry".

We come now to the relation between private property and right, where we have to listen to the same stuff in another form. The identity of state and private property is apparently given a new turn. Political *recognition* of private property in law is declared to be the *basis* of private property.

"Private property lives by grace of right. It is guaranteed only in right — for possession is not yet property — it becomes mine only with the consent of right; it is not a fact, but a fiction, a thought. That is property by right, rightful property, guaranteed property; it is mine not thanks to me, but thanks to right" (p. 332).

In this passage the previous nonsense about state property merely reaches still more comical heights. We shall, therefore, pass on at once to Sancho's exploitation of the fictitious *jus utendi et abutendi.* [the right of using and consuming (also: abusing), i.e., of disposing of a thing at will] On page 332 we learn, besides the beautiful passage above, that property

"is unlimited power over something which I can dispose of as I please". But "power" is "not something existing of itself, but exists only in the powerful ego, in me, the possessor of power" (p. 366). Hence property is not a "thing", "what is mine is not this tree, but my power over it, my ability to dispose of it" (p. 366). He only knows "things" or "egos". "The power" which is "separated from the ego", given independent existence, transformed into a "spectre", is "right". "This perpetuated power" (treatise on right of inheritance) "is not extinguished even when I die, but is passed on or inherited. Things now really belong not to

me, but to right. On the other hand, this is nothing but a delusion, for the power of the individual becomes permanent, and becomes a right, only because other individuals combine their power with his. The delusion consists in their belief that they cannot take back their power" (pp. 366, 367). "A dog who sees a bone in the power of another dog stands aside only if it feels it is too weak. Man, however, respects the right of the other man to his bone.... And as here, so in general, it is called 'human' when something spiritual, in this case right, is seen in everything, i.e., when everything is made into a spectre and treated as a spectre.... It is human to regard the individual phenomenon not as an individual, but as a universal phenomenon" (pp. 368, 369).

Thus once again the whole mischief arises from the faith of individuals in the conception of right, which they *ought* to get out of their heads. Saint Sancho only knows "things" and "egos", and as regards anything that does not come under these headings, as regards all relations, he knows only the abstract concepts of them, which for him, therefore, also become "spectres". "On the other hand", it does dawn on him at times that all this is "nothing but a delusion" and that the "power of the individual" very much depends on whether others combine their power with his. But in the final analysis everything is nevertheless reduced to the "illusion" that individuals "*believe* that they cannot take back their power". Once again the railways do not "actually" belong to the shareholders, but to the statutes. Sancho immediately puts forward the right of inheritance as a striking example. He explains it not from the necessity for accumulation and from the family which existed before right, but from the *juridical fiction* of the *prolongation of power* beyond death. However, the more feudal society passes into bourgeois society, the more is this juridical fiction itself abandoned by the legislation of all countries. (Cf., for example, the *Code Napoléon*.) There is no need to show here that absolute paternal power and primogeniture — both natural feudal primogeniture and the later form — were based on very definite material relations. The same thing is to be found among ancient peoples in the epoch of the disintegration of the *community* in consequence of the development of *private* life (the best proof of this is the history of the Roman right of inheritance). In general, Sancho could not have chosen a more unfortunate example than the right of inheritance, which in the clearest possible way shows the dependence of right on the relations of production. Compare, for example, Roman and German right of inheritance. Certainly, no dog has ever made phosphorus, bone-meal or lime out of a bone, any more than it has ever "got into its head" anything about its "right" to a bone; equally, it has never "entered the head" of Saint Sancho to reflect whether the right to a bone which people, but not dogs, claim for themselves, is not connected with the way in which people, but not dogs, utilise this bone in production. In general, in this one example we have before us Sancho's whole method of criticism and his unshakeable faith in current illusions. The hitherto existing production relations of individuals are bound also to be expressed as political and legal relations.

(See above a) Within the division of labour these relations are bound to acquire an independent existence over against the individuals. All relations can be expressed in language only in the form of concepts. That these general ideas and concepts are looked upon as mysterious forces is the necessary result of the fact that the real relations, of which they are the expression, have acquired independent existence. Besides this meaning in everyday consciousness, these general ideas are further elaborated and given a special significance by politicians and lawyers, who, as a result of the division of labour, are dependent on the cult of these concepts, and who see in them, and not in the relations of production, the true basis of all real property relations. Saint Sancho, who takes over this illusion without examination, is thus enabled to declare that property by right is the basis of private property, and that the concept of right is the basis of property by right, after which he can restrict his whole criticism to declaring that the concept of right is a concept, a spectre. That is the end of the matter for Saint Sancho. To set his mind at rest, we can add that in all the early law books the behaviour of two dogs who have found a bone is regarded as right: *vim vi repellere licere* [it is permissible to repel force by force], say the Pandects [61]; *idque jus nature comparatur* [and this right is fixed by nature], by which is meant jus quod nature omnia animalia (people and dogs) *docuit* [a right which nature has taught all living beings]; but that later it is "just" the organised repulsion of force by force that becomes right. Saint Sancho, who is now well under way, proves his erudition in the field of the history of right by disputing a "bone" with Proudhon.

Proudhon, he says, "tries to humbug us into believing that society is the original possessor and sole owner of imprescriptible right; that the so-called owner has committed theft with regard to society; that if society takes from any present-day owner his property, it does not steal anything from him, for it is only asserting its imprescriptible right. That is where one can get with the spectre of society as a juridical person" (pp. 330, 331).

In contrast to this Stirner "tries to humbug us into believing" (pp. 340, 367, 420 and elsewhere) that we, viz., the propertyless, presented the owners with their property, out of ignorance, cowardice or good nature, etc., and he calls on us to take back our gift. The difference between these two "attempts at humbugging" is that Proudhon bases himself on a historical fact, while Saint Sancho has only "got something into his head" in order to give the matter a new turn". For recent investigations into the history of right have established that both in Rome and among the German, Celtic and Slay peoples the development of property had as its starting-point communal or tribal property and that private property strictly speaking arose everywhere by usurpation; Saint Sancho could of course not extract this from the profound idea that the concept of right is a concept. In relation to the legal dogmatists, Proudhon was perfectly right when he stressed this fact and in general combated them by means of their own premises. "That is where one can get with the spectre" of the concept of right as a concept. Proudhon could only have been attacked on account of his proposition quoted above if he had defended the earlier and cruder form of property against the private property that had developed out of this primitive communal system. Sancho sums up his criticism of Proudhon in the arrogant question:

"Why such a sentimental appeal for sympathy as if he were a poor victim of robbery?" (p. 420).

Sentimentality, of which, incidentally, not a trace is to be found in Proudhon, is only permitted towards Maritornes. Sancho really imagines that he is a "whole fellow" compared with such a believer in apparitions as Proudhon. He considers his inflated bureaucratic style, of which even Frederick William IV would be ashamed, to be revolutionary. "Blessed are those that believe." On page 340 we learn:

"All the attempts to enact rational laws about property proceeded from the bay of love into a barren ocean of definitions."

A fitting companion to this is the equally bizarre statement:

"Intercourse hitherto has been based on love, on considerate behaviour, on care for one another" (p. 385).

Saint Sancho here surprises himself with a striking paradox about right and intercourse. If, however, we recall that by "love" he understands love of "Man", love of something existing in and for itself, of the universal, that by love he understands the relation to an individual or thing regarded as essence, the holy, then this appearance of brilliance is dissipated. The oracular utterances quoted above are then reduced to the old trivialities which have bored us throughout the "book", i.e., that two things, about which Sancho knows nothing, viz., in this case hitherto existing right and hitherto existing intercourse, are "the holy", and that in general only "concepts have ruled the world" up to now. The relation to the holy, as a rule called "respect", can on occasion also be entitled "love". (See "Logic".) Just one example of how Saint Sancho transforms legislation into a love relation, and trade into a love-affair:

"In a Registration Bill for Ireland, the government put forward the proposal to give the suffrage to those who pay a tax of £5 for the poor. Consequently one who gives alms acquires political rights or, elsewhere, becomes a Knight of the Swan" (p. 344).

It is to be noted here first of all that this "Registration Bill" granting "political rights" was a municipal or corporation Bill or, in more comprehensible language to Sancho, an "urban regulation", which was not designed to grant "political rights" but only urban rights, the right to elect local officials. Secondly, Sancho, who translates

McCulloch, surely ought to know quite well the meaning of "to be assessed to the poor-rates at five pounds". [McCulloch, Statistical Account of the British Empire] This does not mean "to pay a tax of £5 for the poor", but means to be entered on the list of those who pay this tax as the tenants of a house the annual rent of which amounts to £5. Our Berlin bonhomme does not know that the poor-rate in England and Ireland is a local tax which varies in amount in different towns and different years, so that it would be a sheer impossibility to connect any sort of right with the payment of a particular amount of tax. Finally, Sancho believes that the English and Irish poor-rate is an "*alms*"; whereas it only provides funds for a direct and open offensive war of the ruling bourgeoisie against the proletariat. It pays the cost of work-houses which, as is well known, are a Malthusian deterrent against pauperism. We see how Sancho "proceeds from the bay of love into a barren ocean of definitions".

It may be remarked in passing that German philosophy, because it took consciousness alone as its point of departure, was bound to end in moral philosophy, where the various heroes squabble about true morals. Feuerbach loves man for the sake of man, Saint Bruno loves him because he "deserves" it (*Wigand*, p. 137 [Bruno Bauer, "Charakteristic Ludwig Feuerbachs"]), while Saint Sancho loves "everyone", because he likes to do so, with the consciousness of egoism ("the book", p. 387).

We have already seen above — in the first treatise — how the small landed proprietors respectfully excluded themselves from large landed property. This self-exclusion from other people's property, out of respect, is depicted in general as the characteristic of bourgeois property. From this characteristic Stirner is able to explain to himself why it is that

"within the bourgeois system, in spite of its implication that everyone should be an owner, the majority have practically nothing" (p. 348). This "occurs because the majority are pleased if they are owners at all, even if they are merely owners of a few rags" (p. 349).

That the "majority" possess only "a few rags", Szeliga regards as a perfectly natural consequence of their love of rags.

Page 343: "Am I thus nothing but an owner? No, hitherto a person was merely an owner, secure in possession of a plot of land by allowing others also to possess their plot; now, however, everything belongs to me. I am the owner of everything that I need and can take possession of."

Just as Sancho previously made small landed proprietors respectfully exclude themselves from large landed property, and now makes the small landed proprietors exclude one another, so he could go into more detail and make respect responsible for the exclusion of commercial property from landed property, of industrial property from commercial property proper, etc., and thus arrive at a totally new political economy on the basis of the holy. He has only then to get respect out of his head in order to abolish at one stroke division of labour and the form of property that arises from it. Sancho gives an example of this new political economy on page 128 of "the book", where he buys a needle not from a shopkeeper a but from respect, and not with money paid to the shopkeeper, but with respect paid to the needle. Incidentally, the *dogmatic* self-exclusion of each individual from other people's property which Sancho attacks is a purely juridical illusion. Under the modern mode of production and intercourse each person delivers a blow at this illusion and directs his efforts precisely to excluding all others from the property that at present belongs to them. How the matter stands with regard to Sancho's "property in everything" is clear enough from the supplementary clause: "that I need and *can take possession of "* He explains this in more detail on page 353:

"If I say: the world belongs to me, then, properly speaking, this too is empty talk, which has meaning only insofar as I do not respect any property of others";

that is insofar as *non-respect* of the property of others constitutes *his property.*

What irks Sancho about the. private property that is so dear to him is precisely its exclusiveness, without which it would be nonsense — the fact that besides him there are also other private owners. For the private property of others is something holy. We shall see how in his "union" he gets over this inconvenience. We shall find that his egoistical property, property in the extraordinary sense, is nothing but ordinary or bourgeois property transfigured by his sanctifying fantasy.

Let us conclude with the following wisdom of Solomon:

"If people reach a stage where they lose respect for property, then each will possess property ... then [in this matter, too, unions will augment the means of the individual and safeguard his contested property" (p. 342)]."

[Four pages of the manuscript are missing here ... Treatise No. 3. On competition in the ordinary and extraordinary sense.] One morning the writer of these lines, in suitable attire, went to see Herr Minister Eichhorn:

"Since things have come to nothing with the factory-owner" (for the Finance Minister had given him neither a site nor funds to build a factory of his own, and the Minister of justice had not given him permission to take the factory away from the factory-owner — see above on bourgeois property) "I will compete with this professor of law; the man is a blockhead, and I, who know a hundred times more than he does, will take his audience away from him." — "But, my friend, did you study at a university and get a degree?" — "No, but what of that? I fully understand all that is necessary for teaching." — "I'm sorry, but in this matter there is no free competition. I have nothing against you personally, but the

essential thing is lacking — a doctor's diploma — and I, the state, demand it." — "So that is the freedom of competition," sighed the author. "Only the state, my master, gives me the possibility of competing." Whereupon he returned home downcast (p. 347).

In a more advanced country it would not have occurred to him to ask the state for permission to compete with a professor of law. But once he turns to the state as an *employer* and asks for remuneration, i.e., *wages,* thus entering the sphere of competition, then of course after his previous treatises about private property and *privati*, communal property, the proletariat, *lettres patentes,* the state and *status,* etc., one cannot suppose that his "solicitation will be successful". Judging by his past feats, the state can at best appoint him as custodian (*custos*) of "the holy" on some domanial estate in the backwoods of Pomerania.

By way of amusement we can "insert" here "episodically" Sancho's great discovery that there is no "other difference" between the "*poor*" and the "*rich*" "than that between the resourceful [*vermögende*] and the *resourceless* [*unvermögende*]" (p. 354).

Let us plunge once more into the "barren ocean" of Stirner's "definitions" of competition:

"Competition is connected less" (Oh, "less"!) "with the intention of doing a thing as well as possible, than with the intention of making it as profitable, lucrative, as possible. For that reason people study for the sake of a post (bread-and-butter study), cultivate obsequiousness and flattery, routine and knowledge of business; they work for appearance. Hence while apparently it is a matter of a good performance, in reality people aim only at a good stroke of business and monetary gain. Of course, no one wants to be a censor, but people want to get advancement ... people are afraid of being transferred or even more of being dismissed" (pp. 354, 355).

Let our bonhomme discover a textbook on political economy where even theoreticians assert that in competition it is a matter of a "good performance" or "of doing a thing as well as possible" and not of making "it as profitable as possible". Incidentally, in any such book he will find it stated that under the system of private property highly developed competition, for example in England, certainly causes a "thing" to be "done as well as possible". Small-scale commercial and industrial swindling flourishes only in conditions of restricted competition, among the Chinese, Germans and Jews, and in general among hawkers and small shopkeepers. But even hawking is not mentioned by our saint; he only knows the competition of supernumerary officials and school-masters on probation, he reveals himself here as a downright royal-Prussian junior official. He might just as well have given as an example of competition the endeavour of courtiers in every age to win the favour of their sovereign, but that lay much too far beyond his petty-bourgeois field of vision.

After these tremendous adventures with supernumerary officials, salaried accountants and registrars, Saint Sancho experiences his great adventure with the famous horse Clavileño, of which the prophet Cervantes has already spoken in the New Testament, Chapter 41. For Sancho mounts the high horse of political economy and determines the minimum wage by means of "the holy". True, here once again he reveals his innate timidity and at first refuses to mount the flying steed that carries him far above the clouds into the region "where hail and snow, thunder, lightning and thunderbolts are engendered". But the "Duke", i.e., the "state", encourages him and as soon as the bolder and more experienced Szeliga-Don Quixote has swung himself into the saddle, our worthy Sancho climbs behind him on to the horse's crupper. And when Szeliga's hand had turned the peg on the horse's head, the horse soared high into the air and all the ladies — especially Maritornes — cried after them: "May egoism in agreement with itself guide you, valiant knight, and you, still more valiant armour-bearer, and may you succeed in liberating us from the spectre of Malambruno, of 'the holy'. Only keep your balance, valiant Sancho, so that you do not fall and suffer the same fate as Phaeton, when he wanted to drive the chariot of the sun."

"If we assume" (he is already wavering hypothetically) "that just as order belongs to the essence of the state, subordination too is based on its nature" (a pleasant modulation between "essence" and "nature" — the "goats" which Sancho observed during his flight), "then we observe that the underprivileged are excessively overcharged and defrauded by the inferior" (it should probably read superior) "or privileged" (p. 357).

"If we assume ... then we observe." It should read: then we assume. If we assume that "superior" and "inferior" exist in the state, then "we assume" likewise that the former are "privileged" compared with the latter. We can, however, ascribe the stylistic beauty of this sentence, as also the sudden recognition of the "essence" and "nature" of a thing, to the timidity and confusion of our Sancho while anxiously trying to retain his balance during his aerial flight, and to the rockets set alight under his nose. We are not even surprised that Saint Sancho derives the consequences of competition not from competition but from bureaucracy, and once again makes the state determine wages.

He does not take into consideration that the continual fluctuations in wages explode the whole of his beautiful theory; a closer examination of industrial conditions would certainly have provided him with examples of a factory-owner being "overcharged" and "defrauded" by his workers according to the universal laws of competition, if these juridical and moral expressions had not lost all meaning within the framework of competition.

The dwarfish form to which competition has shrunk for Sancho once again demonstrates the naive and petty-bourgeois manner in which world-embracing relations are reflected inside his unique skull, and the extent to which he as a school-master is bound to extract moral applications from all these relations and to refute them with moral postulates. We must give this precious passage *in extenso* "so that nothing should be lost".

"As regards competition again, it exists precisely because not all persons attend to their business and come to an understanding with one another about it. Thus, for example, bread is needed by all the inhabitants of a town; hence they could easily come to an agreement to establish a public bakery. Instead, they leave the supply of bread to competing bakers. Similarly, they leave the supply of great to the butchers, of wine to the wine merchants, etc.... If I do not concern myself with my business, then I have to be content with what it suits others to offer me. To have bread is my business, my wish and desire, and yet people leave it to the bakers, and hope at most, thanks to their contention, rivalry and their attempts to outstrip one another, in a word, thanks to their competition, to get an advantage which people could not count on under the guild-system, when the right to bake bread belonged wholly and solely to the guilds-men" (p. 365).

It is characteristic of our petty bourgeois that he here recommends to his fellow-philistines, in place of competition, an institution like public bakeries, which existed in many places under the guild-system and which were put an end to by the cheaper competitive mode of production. That is to say, he recommends an institution of a local nature, which could only persist under narrowly restricted conditions and was inevitably bound to perish with the rise of competition, which abolished local narrowness. He has not even learned from competition that the "need" of bread, for example, differs from day to day, that it does not at all depend on him whether tomorrow bread will still be "his business" or whether others will still regard his need as their business, and that within the framework of competition the price of bread is determined by the costs of production and not by the whim of the bakers. He ignores all those relations which were brought about by competition: the abolition of local narrowness, the establishment of means of communication, highly developed division of labour, world intercourse, the proletariat, machinery, etc., and regretfully looks back to medieval philistinism. All he knows about competition is that it is "contention, rivalry and attempts to outstrip one another"; he is not concerned about its connection with division of labour, the relation between supply and demand, etc. That the bourgeois, whenever their interests demanded it (and they are better judges of this than Saint Sancho), always "came to an understanding" insofar as this was possible in the framework of competition and private property, is proved by the joint-stock companies, which came into being with the rise of sea-borne trade and manufacture and took possession of all the branches of industry and commerce accessible to them. Such "agreements", which led among other things to the conquest of an empire in the East Indies,[62] are of course a small matter compared with the well-meaning fantasy about public bakeries, which is worthy of being discussed in the *Vossische Zeitung.* As for the proletarians, they — at any rate in the modern form — first arose out of competition; they have already repeatedly set up collective enterprises which, however, always perished because they were unable to compete with the "contending" private bakers, butchers, etc., and because for proletarians — owing to the frequent opposition of interests among them arising out of the division of labour — no other "agreement" is possible than a political one directed against the whole present system. Where the development of competition enables the proletarians to "come to an understanding", they reach an understanding not about public bakeries but about quite different matters. The lack of "agreement" between competing individuals that Sancho notes here entirely corresponds to and contradicts his further exposition of competition, which we can enjoy in the "Commentary" (*Wigand*, p. 173).

"Competition was introduced because it was looked upon as a blessing for all. People came to an agreement about it, attempts were made to approach it jointly ... people agreed about it in much the same way as on a hunting expedition all the hunters taking part... may find it expedient for their purpose to scatter in the forest and to hunt "singly..... True, it now turns out ... that in the case of competition not everyone gets ... his advantage."

"It turns out" that Sancho knows as much about hunting as he knows about competition. He is not speaking about a battue nor about hunting with hounds, but about hunting in the extraordinary sense. It only remains for him to write a new history of industry and commerce according to the above principles, and to set up a "union" for this kind of extraordinary hunting. In the same calm, comfortable style appropriate to a parish magazine he speaks of the relation of competition to morality.

"Those corporeal goods which man as such" (!) "cannot maintain, we have the right to take away from him: this is the meaning of competition, of freedom of industry. Any of the spiritual goods that he cannot maintain devolve likewise upon us. But sanctified goods are inviolable. Sanctified and guaranteed — by whom?... By man or the concept, the concept of the matter under consideration." As such sanctified goods he cites "life", "freedom of the person", "religion", "honour", "sense of decency", "sense of shame", etc. ([Stirner, Der Einzige and sein Eigenthum,] p. 325).

In the advanced countries, Stirner "has the right" to take all these "sanctified goods", although not from "man as such", but from actual men, of course, by means of and under the conditions of competition. The great revolution of society brought about by competition, which resolved the relations of the bourgeois to one another and to the proletarians into purely monetary relations, and converted all the above-named “sanctified goods” into articles of trade, and which destroyed for the proletarians all naturally derived and traditional relations, e.g., family and political relations, together with their entire ideological superstructure — this mighty revolution did not, of course, originate in Germany. Germany played only a passive role in it; she allowed her sanctified goods to be taken from her without even getting the current price for them. Hence our German petty bourgeois knows only the hypocritical assertions of the bourgeoisie about the moral limits of competition observed by the bourgeoisie, which every day tramples underfoot the “sanctified goods” of the proletarians, their “honour”, “sense of shame” and “freedom of the person”, and which even deprives them of religious instruction. These would-be “moral limits” are regarded by Sancho as the true “meaning” of competition, and its reality is excluded from its meaning. Sancho sums up the results of his investigation of competition as follows:

“Is the competition free which the state, this ruler, according to bourgeois principles, cramps by a thousand barriers?” (p. 347).

Sancho’s “bourgeois principles” of everywhere making the “state” the “ruler” and regarding the barriers of competition that arise from the mode of production and intercourse as barriers by which the state” “cramps” competition, are here once more proclaimed with suitable “indignation”. “Recently” Saint Sancho has vaguely heard miscellaneous news “from France” (cf. *Wigand*, p. 190), inter alia, about the objectification of persons in competition and the difference between competition and emulation. But the “poor Berliner” has, “*out of stupidity,* spoilt these fine things” (*Wigand*, ibid., where it is his guilty conscience that speaks). “Thus, for example, he says” on page 346 of “the book":

“Is free competition actually free? Indeed, is it real competition, i.e., competition of persons, as it gives itself out to be, because it bases its right on this title?”

Madame Competition gives herself out to be something, because she (i.e., some lawyers, politicians and petty-bourgeois dreamers, trailing in the tail of her suite) bases bet, right on this title. With this allegory Sancho begins to adapt the “fine things” “from France” to suit the Berlin meridian. We shall skip the absurd assertion already dealt with above that “the state has no objection to make against me personally” and thus allows me to compete, but does not give me the “thing” (p. 347), and we shall pass straight on to his proof that competition is not at all a competition of persons.

“But is it persons who actually compete? No, it is again only things! In the first place — money, etc. There is always one who lags behind the other in the contest. But it makes a difference whether the means that are lacking can be gained through personal power or can only be obtained by grace, as a gift, and

moreover by the poorer, for instance, being forced to leave, I.e., to present, his wealth to the richer" (p. 348).

As for the gift theory, we shall "spare him" [schenken] (*Wigand*, p. 190). Let him look up the chapter on "contract" in any textbook of law and find out whether a "gift" he is "forced to present" is still a gift. In this way, Stirner "presents" us with our criticism of his book, for he "is forced to leave, i.e., to present", it to us.

— Competition —

The fact that of two competitors whose "things" are equal one ruins the other, does not exist for Sancho. That workers compete among themselves, although they possess no "things" (in Stirner's sense) is also a fact that does not exist for him. By doing away with the competition of workers among themselves, he is fulfilling one of the most pious wishes of our "true socialists", whose deepest thanks he is sure to receive. So it is "only things" and not "persons" that compete. Only weapons fight, not the people who use them, and who have learned to wield them. The people are only there to be shot dead. This is how the competitive struggle is reflected in the minds of petty-bourgeois school-masters who, faced with modern stock exchange barons and *cotton-lords*, console themselves with the thought that they only lack the "things" in order to bring their "personal power" to bear against them. This narrow-minded idea appears still more comic if one looks a little more closely at the "things" instead of restricting oneself to the commonest and most popular, e.g., "money (which, however, is not so popular as it seems). These "things" include, among others: that the competitor lives in a country and town, where he enjoys the same advantages as the competitors whom he encounters; that relations between town and countryside have reached an advanced stage of development, that he is competing under favourable geographical, geological and hydrographical conditions; that as a silk manufacturer he carries on his business in Lyons, as a cotton manufacturer in Manchester, or, in an earlier period, as a shipper in Holland; that division of labour in his branch of industry — as in other branches totally independent of him — has become highly developed; that the means of communication ensure him the same cheap transport as his competitors; and that he finds in existence skilful workers and experienced overseers. All these "things", which are essential for competition and in general the ability to compete on the *world market* (which he does not know and cannot know because of his theory of the state and public bakeries, but which, unfortunately, determines competition and the ability to compete), are "things" that he can neither gain by personal power" nor "get presented" to him by "grace" of the "state" (cf. p. 348). The Prussian state, which attempted to "present" all this to the *Seehandlung*,[63] could give him the best instruction or, that subject. Sancho appears here as the royal Prussian philosopher of the *Seehandlung*, by giving a detailed commentary. on the illusion of the Prussian state about its omnipotence and the illusion of the *Seehandlung* about its competitive capacity. Incidentally, competition certainly began as a "competition of persons" possessing "personal means". The liberation of the feudal serfs, the first condition of competition, and the first accumulation of "things" were purely personal" acts. If, therefore, Sancho wishes to put the competition of persons In the place of competition of things, it means that he wishes to return to the beginning of competition, imagining in doing so that by his good will and his extraordinary egoistical consciousness, he can give a different direction to the development of competition.

This great man, for whom nothing is holy, and who is not interested in the "nature of things' and the "concept of the relation", has nevertheless in the end to declare the "nature" of the difference between personal and material to be holy, as also the concept of the relation," between these two qualities and so renounce the role of "creator" in respect of them. The difference — regarded by him as holy — which he notes in the passage quoted, can nevertheless be abolished without thereby committing, the most unmitigated profanation". Firstly, he, abolishes it himself by causing material means to be acquired through personal power and thus converts personal power into material power. He can then calmly address others with the moral postulate that they should adopt a personal attitude to him. In just the same way, the Mexicans could have demanded that the Spaniards should not shoot them with rifles but attack them with their fists or, according to Saint Sancho's proposal, "seize them by the throat" in order to adopt a "personal" attitude to them.

If one person, thanks to good food, careful education and physical exercise, has acquired well-developed bodily powers and skill, while another, owing to inadequate and unhealthy food and consequent poor digestion, and as the result of neglect in childhood and over-exertion, has never been able to acquire the "things" necessary for developing his muscles — not to mention acquiring mastery over them — then the "personal power" of the first in relation to the second is a purely material one. It was not "through personal power" that he gained the "means that were lacking"; on the contrary, he owes his "personal power" to the material means already existing. Incidentally, the transformation of personal means into material means and of material means into personal means is only an aspect of competition and quite inseparable from it. The demand that competition should be conducted not with material means but with personal means amounts to the moral postulate that competition and the relations on which it depends *should have* consequences other than those inevitably arising from them.

Here is yet another, and this time the final summing-up of the philosophy of competition:

“Competition suffers from the drawback that not everyone has the means for competition, because these means are taken not from personality, but from chance. The majority are without means and therefore” (Oh, Therefore!) “impecunious” (p. 349).

It has already been pointed out to him that in competition personality itself is a matter of chance, while chance is personality. The “means” for competition which are independent of personality are the conditions of production and intercourse of the persons themselves, which within the framework of competition appear as an independent force in relation to these persons, as means which are accidental for them. The liberation of people from these forces comes about, according to Sancho, by people getting out of their heads the *ideas* about these forces, or rather the philosophical and religious distortions of these ideas — whether by etymological synonymy (“*Vermögen*” and “*vermögen*”), moral postulates (e.g., let each one be an all-powerful ego), or by making monkey faces and by sentimentally comic bragging against “the holy”.

We have heard the complaint made before that in present-day bourgeois society the “ego”, especially because of the state, cannot realise its value, i.e., cannot bring its “abilities” [Vermögen] into play. Now we learn in addition that “peculiarity” does not give the “ego” the means for competition, that “its might” is no might at all and that it remains “impecunious”, although every object, “being its object, is also its *property*”. It is a complete denial of egoism in agreement with itself. But all these “drawbacks” of competition will disappear, once “the book” has become part of the general consciousness of people. Until then Sancho persists in his trade in thoughts, without however achieving a “good performance” or “doing things as well as possible”.

II. Rebellion

The criticism of society brings to an end the criticism of the old, holy world. By means of *rebellion* we make a leap into the new, egoistical world.

We have already seen in “Logic” what rebellion is in general; it is refusal to respect the holy. Here, however, rebellion acquires in addition a distinct practical character.

Revolution = holy rebellion.

Rebellion = egoistical or wordly revolution.

Revolution = transformation of existing conditions.

Rebellion = transformation of me.

Revolution = a political or social act.

Rebellion = my egoistical act.

Revolution = overthrow of the existing [state of affairs].

Rebellion = existence of overthrow.

Etc., etc. Page 422 et seq. The method hitherto used by people to overthrow the world in which they found themselves had, of course, also to be declared holy, and a peculiar" method of smashing the existing world had to be asserted against it.

Revolution "consists in a transformation of the existing conditions [Zustand — state of affairs] or status, of the state or society; hence it is a political or social act". "Although 'the inevitable consequence" of rebellion "is a transformation of existing conditions, it is not this transformation that is its starting-point, but people's dissatisfaction with themselves". "It is an uprising of individuals, a rising without regard for the arrangements that develop out of it. Revolution aimed at new arrangements; rebellion leads to a position where we no longer allow others to arrange things for us, but arrange things for ourselves. It is not a struggle against what exists, for if it prospers what exists will collapse of itself; it is only the setting free of me from what exists. If I abandon what exists, then it is dead and putrefies. But since my aim is not to overthrow something that exists, but for me to rise above it, my aim and action are not political or social, but egoistical for they are directed solely towards me and my peculiarity" (pp. 421, 422).

Les beaux esprits se rencontrent. [noble minds think alike] That which was proclaimed by the voice crying in the wilderness [Mark 1:3] is now come about. The impious John the Baptist "Stirner" has found his holy Messiah in the shape of "*Dr. Kuhlmann from Holstein*". Listen:

"You should not tear down or destroy what stands in your way, but avoid it and abandon it. And when you have avoided and abandoned it, it will disappear of itself, for it will no longer find sustenance" (Das Reich des Geistes, etc., Genf, 1845. p. 116).

The difference between revolution and Stirner's rebellion is not, as Stirner thinks. that the one .s a political and social act whereas the other is an egoistical act. but that the former is an act whereas the is no act at all. The whole senselessness of the antithesis that Stirner puts forward is evident at once from the fact that he speaks of the Revolution" as a juridical person, which has to fight against "*what exists*", another Juridical person. If Saint Sancho had studied the various actual revolutions and revolutionary attempts perhaps he might even have found in them the forms of which he had a vague inkling when he created his ideological "rebellion"; he might have found them, for example, among the Corsicans, Irish, Russian serfs, and in general among uncivilised peoples. If, moreover, he had concerned himself with the actual individuals “existing” in every revolution, and with their relations, instead of being satisfied with the pure ego and “*what exists*”, i.e., substance (a phrase the overthrow of which requires no revolution,. but merely a knight-errant like Saint Bruno), then perhaps he would have come to understand that every revolution, and its results, was determined by these relations, by needs, and that the “political or social act” was in no way in contradiction to the “egoistical act”. The depth of Saint Sancho’s insight into “revolution” is shown in his statement:

“Although the consequence of rebellion is a transformation of existing conditions [...] this transformation is not its starting-point.”

This implies, by way of antithesis, that the starting-point of the revolution is “a transformation of existing conditions”, i.e., that revolution originates in revolution. “The starting-point” of rebellion, on the other hand, is “people’s dissatisfaction with themselves”. This “dissatisfaction with oneself” fits admirably with the earlier phrases about peculiarity and the “egoist in agreement with himself”, who is always able to go “his own way”, who is always delighted with himself and who at every instant is what he can be. Dissatisfaction with oneself is either dissatisfaction with oneself within the framework of a definite condition which determines the whole personality, e.g., dissatisfaction with oneself as a worker, or it is moral dissatisfaction. In the first case, therefore, it is simultaneously and mainly dissatisfaction with the existing relations; in the second case — an ideological expression of these relations themselves, which does not at all go beyond them, but belongs wholly to them. The first case, as Sancho believes, leads to revolution; for rebellion there remains, therefore, only the second case — *moral* dissatisfaction with oneself. “What exists” is, as we know, “the holy”; hence, “dissatisfaction with oneself” reduces itself to moral dissatisfaction with oneself as a holy one, i.e., one who believes in the holy, in what exists. It could only occur to a discontented school-master to base his arguments about revolution and rebellion on satisfaction and dissatisfaction, moods that belong wholly to the petty-bourgeois circle from which, as we continually find, Saint Sancho derives his inspiration.

We already know what meaning “going beyond the framework of what exists” has. It is the old fancy that the state collapses of itself as soon as all its members leave it and that money loses its validity if all the workers refuse to accept it. Even in a hypothetical form, this proposition reveals all the fantasy and impotence of pious desire. It is the old illusion that changing existing relations depends only on the good will of people, and that existing relations are ideas. The alteration of consciousness divorced from actual relations — a pursuit followed by philosophers as a profession, i.e., as a *business*, is itself a product of existing relations and inseparable from them. This imaginary rising above the world is the ideological expression of the impotence of philosophers in face of the world. Practical life every day gives the lie to their ideological bragging.

In any event, Sancho did not "rebel" against his own state of confusion when he wrote those lines. For him there is the "transformation of existing conditions" on one side, and "people" on the other side, and the two sides are entirely separate from each other. Sancho does not give the slightest thought to the fact that the "conditions" have always been the conditions of these people and it would never brave been possible to transform them unless the people transformed themselves and, if it has to be expressed in this way, unless they became "dissatisfied with themselves" in the old conditions. He thinks he is dealing a mortal blow at revolution when he asserts that it aims at new arrangements, whereas rebellion leads to position where we no longer allow others to arrange things for us, but arrange things for ourselves. But the very fact that "we" arrange things for "ourselves", that it is "we" who rebel, denotes that the individual. despite all Sancho's repugnance", has to "allow" that "we" "arrange things" for him, and that therefore the only difference between revolution and rebellion is that in the former this is known, whereas in the latter people harbour illusions about it. Next Sancho leaves it open whether the rebellion "*prospers*" or not. One cannot understand why it should *not* "prosper", and even less why it should prosper, since each rebel goes his own way. Worldly conditions would have to intervene to show the rebels the necessity of a *joint* act, one which would be "political or social", irrespective of whether it arises from egoistical motives or not. A further "trashy distinction", based again on confusion, is that drawn by Sancho between the "overthrow" of what exists and "rising" above it, as though in overthrowing what exists he does not rise above it, and in rising above it, he does not overthrow it, if only insofar as it exists in him himself. Incidentally, neither "overthrow" by itself nor "rising" by itself tells us anything; that "rising" also take place in revolution Sancho could have seen from the fact that "*Levons-nous!*"[64] was a well-known slogan in the French Revolution.

"Revolution bids" (!) "us to create institutions, rebellion urges us to rise or rise up. [Einrichtung — arrangement, institution; sich aufrichten and emporrichten — to stand up, to raise oneself, to rise] Revolutionary minds were occupied with the choice of a constitution, and the entire political period teems with constitutional struggles and constitutional questions, just as socially-gifted persons revealed extraordinary inventiveness as regards social institutions (phalansteries and such-like). To be without a constitution is the endeavour of the rebel" (p. 422).

That the French Revolution brought institutions in its train is a fact; that *Empörung* is derived from the word *empor* [Empörung — rising, rebellion; empor — up, upwards] is also a fact . that during the revolution and after it people fought for constitutions is another fact, and equally so that various social systems were outlined; and it is no less a fact that Proudhon spoke about anarchy. From these five facts Sancho has concocted the above-quoted passage.

From the fact that the French Revolution led to “Institutions”, Sancho concludes that this is a “bidding” of revolution in general. From the fact that the political revolution was a political one in which the social transformation had also an official expression in the form of constitutional struggles, Sancho — faithfully following his history-broker [i.e. Bruno Bauer] — deduces that in it people fought over the best constitution n. To this discovery he links, by means of the words “just as”, a mention of social systems. In the epoch of the bourgeoisie, people occupied themselves with constitutional questions, “just as” in recent times various social systems have been devised. This is the train of thought in the above-quoted passage.

It follows from what was said above against Feuerbach that previous revolutions within the framework of division of labour were bound to lead to new political institutions; it likewise follows that the communist revolution, which removes the division of labour, ultimately abolishes political institutions ; and, finally, it follows also that the communist revolution will be guided not by the “social institutions of inventive socially-gifted persons”, but by the productive forces.

But “to be without a constitution is the endeavour of the rebel"! He who is “born free”, who is from the outset rid of everything, endeavours at the end of time to get rid of the constitution.

It should be mentioned also that all sorts of earlier illusions of our bonhomme contributed to Sancho’s concept of “rebellion”. They include, among others, his belief that the individuals who make a revolution are linked by some ideal bond and that their “raising the standard of revolt” is limited to inscribing on it a new concept. fixed idea, spectre, or apparition — the holy. Sancho makes them get this ideal bond out of their heads, whereby in his imagination they become a disorderly mob which can now only “rebel”. In addition, he has heard that competition is a war of all against all, [Hobbes, De Cive] and this proposition, mixed with his desanctified revolution, constitutes the main factor of his “rebellion”.

“When, for the sake of clarity, I try to think of a comparison, there comes to my mind, against my expectation, the foundation of Christianity” (p. 423). “Christ”, we learn here, “was not a revolutionary but a rebel who rose. Therefore, he was concerned about one thing alone: ‘be ye wise as serpents’”. (ibid.).

In order to suit the “expectation” and the “alone” of Sancho the second half of the biblical text quoted (Matthew 10: 16) “and harmless as doves” ought not to exist. Christ has to figure here for the second time as a historical person in order to play the same role as the Mongols and Negroes played above. Whether Christ is meant to clarify the rebellion or the rebellion to clarify Christ is not known. The Christian-

German gullibility of our saint is concentrated in the statement that Christ "drained the sources of life of the entire heathen world, and without *them*" (this ought to read: without him) "the existing state was anyway bound to wither" (p. 424). A withered flower of pulpit eloquence! See above on the "ancients". For the rest, *credo ut intelligam*, [I believe in order to understand. — Anselm of Canterbury] or, in order to find a "comparison for the sake of clarity".

Countless examples have already shown us that everywhere nothing but *sacred* history comes into our saint's mind and, indeed, in precisely those passages where the reader "has not expected" it. "Against expectation" it occurs to him again even in the "Commentary", where Sancho on page 154 makes the "Judaic reviewers" in ancient Jerusalem exclaim in opposition to the Christian definition "God is love": "Thus You see that it is heathen God that is proclaimed by the Christians; for if God is love, then he is the God Amor, the God of love! " — "Against expectation", however, the New Testament was written in Greek, and the "Christian definition" reads: o qeos agaph estin [God is love] (1 John 4:16), whereas "the God Amor, the God of love" is called "Erws. Sancho has, therefore, still to explain how it is that the "Judaic reviewers" were able to achieve the transformation of agaph into erws. In this passage of the "Commentary", Christ — again "for the sake of clarity" — is compared with Sancho, and at any rate it must be admitted that they have a striking resemblance to each other, both are "corpulent beings" and the joyful heir at least believes in the existence, or the uniqueness, of both of them. Sancho is the modern Christ, at this "fixed idea" of his the whole historical construction is "aimed".

The philosophy of rebellion, which has just been presented to us in the form of bad antitheses and withered flowers of eloquence, is in the final analysis only a boastful apology for the parvenu system (parvenu, Emporkömmling, Emporgekommener, Empörer [pun on Stirner's synonymy: Emporkömmling — upstart, Emporgehommener — one who has raised himself up, and Empörer — rebel]). Every rebel in his "egoistical act" is faced by a particular existing reality, over which he endeavours to rise, without regard to the general conditions. He strives to get rid of the existing world only insofar as it is a fetter, for the rest, he endeavours, on the contrary, to appropriate it. The weaver who "rises" to become a factory-owner thereby gets rid of his loom and abandons it; for the rest, the world goes on as before and our "prosperous" rebel offers to others only the hypocritical moral demand that they should become parvenus like himself. Thus, all Stirner's belligerent rodomontades end in moral deductions from Gellert's fables and speculative interpretations of middle-class wretchedness.

So far we have seen that rebellion is anything you like, except action. On page 342 we learn that

"the procedure of seizure is not contemptible, but expresses the pure action of the egoist in agreement with himself".

This should surely read: of egoists in agreement *with one another,* since otherwise seizure amounts to the uncivilised "procedure" of thieves or to the civilised "procedure" of the bourgeois, and in the first case does not prosper, while in the second case it is not rebellion". It is to be noted that corresponding to the egoist in agreement with himself, who does nothing, we have here the "*pure*" act, certainly the only act which could be expected from such an inactive individual. We learn by the way what created the plebs, and we can be sure in advance that it was created by a "dogma", and faith in that dogma, in the holy, a faith which here for a change appears as consciousness of sin:

"Seizure is a sin a crime — this is the dogma that alone creates a plebs ... the old consciousness of sin alone is to blame" (p. 342).

The belief that consciousness is to blame for everything is his dogma, which makes him a rebel and the plebs a sinner. In contrast to this consciousness of sin, the egoist incites himself, respectively the plebs, to seizure as follows:

"I tell myself: where my power extends, that is my property, and I claim as my property everything that I feel strong enough to reach," etc. (p. 340).

Thus, Saint Sancho tells himself that he wants to tell himself something, calls on himself to have what he has, and formulates his real relation as a relation of power — a paraphrase which in general is the secret of all his rodomontades. (See "Logic") Then he — who at each instant is what he can be, and therefore has what he can have — distinguishes his realised, actual property, which he has in his capital account, from his possible property, his unrealised "feeling of strength", which he enters in his profit and loss account. This is a contribution to the science of book-keeping of property in the extraordinary sense. The meaning of his solemn "telling" was revealed by Sancho in a passage already quoted:

"I tell myself ... then that is, properly speaking, empty talk."

Sancho continues:

"Egoism" says "to the propertyless plebs" in order to "exterminate" it: "Seize and take what you need!" (p. 341).

How "empty" this "talk" is can be seen at once from the following example:

"I as little regard the wealth of the banker as something alien, as Napoleon did the lands of the kings. We" ("I" is suddenly transformed into "we") "are not at all afraid to conquer this wealth, and we also seek the means to do so. Thus, we divest it of its alien character which we were afraid of" (p. 369).

How little Sancho has "divested" the wealth of the banker of its "alien character" he proves at once by his well-meaning advice to the plebs to "conquer" it by seizure. "Let him seize and see what is left in his hands! " Not the wealth of the banker but useless paper, the "corpse" of that wealth which is no more wealth than "a dead dog is a dog". The wealth of the banker is wealth only in the framework of the existing relations of production and intercourse and can be "conquered" only in the conditions of these relations and with the means which are valid for them. And if Sancho were to turn to some other wealth, he would find that the prospect was no better. Thus, the "pure act of the egoist in agreement with himself" amounts in the final analysis to an extremely impure misunderstanding. "That is where one can get with the spectre" of the holy.

Having told himself what he wanted to tell himself, Sancho makes the rebellious plebs say what he has prompted it to say. The fact is that in case of a rebellion he has drawn up a proclamation together with instructions as to its use, which should be posted up in all village ale-houses and distributed throughout the countryside. The proclamation claims a place in *Der hinkende Bottle* [65] and in the Duchy of Nassau's country almanac. For the time being Sancho's *tendances incendiaires* are limited to the countryside, to propaganda among agricultural labourers and dairy maids, not touching the towns, which is a further proof of the extent to which he has "divested" large-scale industry of its "alien character". Nevertheless we should like here to give as detailed an account as possible of this valuable document, which ought not to be lost, in order "to contribute to the spread of a well-deserved fame insofar as it lies in our power" (*Wigand*, p. 191).

The proclamation is printed on page 358 et seq. [of "the book"] and begins as follows:

"But what is it due to that your property is safe, you privileged ones?... It is due to the fact that we refrain from attacking, consequential, it is due to our protection.... It is due to the fact that you use force against us."

First it is due to the fact that we refrain from attacking, i.e., to the fact that we use force *against ourselves,* and then to the fact that you use force against *us*. *Cela va à merveille!* Let us continue.

"If you desire our respect, then buy it at a price acceptable to us.... We only want good value."

First the "rebels" want to sell their respect at an "acceptable price" and then they make "good value" the criterion of the price. First an arbitrary price, then a price determined independently of arbitrariness by commercial laws, by the costs of production and the relation between supply and demand.

"We agree to leave you your property provided you properly compensate this leaving.... You will shout about force if we help ourselves.... without force we shall not get them" (i.e., the oysters that the privileged enjoy)....... We intend taking nothing from you, nothing at all."

First we "leave" it to you, then we take it away from you and have to use "force", and finally we prefer taking nothing from you after all. We leave it to you in the event of your giving it up yourself; in a moment of enlightenment, the only one we have, we see that this "leaving" amounts to "helping oneself" and use of "force", but in the end we cannot be reproached with "taking" anything from you. And there the matter must rest.

"We toil for twelve hours in the sweat of our brows and you offer us a few pence for it. In that case you should take an equal amount for your work too.... No equality at all!

The "rebellious" agricultural labourers reveal themselves as true Stirnerian "creations".

"You do not like that? You imagine that our work is more than adequately paid with those wages, but that yours, on the other hand, deserves a wage of several thousand. But if you did not put such a high value on Your work and allowed us to realise a better value for ours, we would, if need be, achieve something more important than you do for many thousand taler, and if You received only such wages as ours, you would soon become more diligent in order to earn more. If you were to do something that appears to us to be ten and a hundred times more valuable than our own work, ah" (ah, — you good and faithful servant!) "then you should get a hundred times more for it; we, for our part, are also thinking of making you things for which you will pay us more than the usual daily wage."

First the rebels complain that they are paid too little for their work. At the end, however, they promise that only if they receive a higher daily wage, they will perform work for which it will be worth paying more than the usual daily wage". Further, they believe they would achieve extraordinary things if only they were to receive better wages, although at the same time they expect extraordinary achievements from the capitalist only if his " wage" is reduced to the level of theirs. Finally, after having performed the economic feat of transforming profit — this necessary form of capital, without which they would perish together with the capitalist — into wages, they perform the miracle of paying "a hundred times more" than they receive for "their own work", i.e., a hundred times more than they earn. "This is the meaning" of the above phrase, if Stirner "means what he says". But if this is only a stylistic error on his part, if the rebels intend jointly to offer the capitalist a hundred times more than *each of them* earns, then Stirner is only making them offer the capitalist what each capitalist already has nowadays. For it is clear that the work of the capitalist, in combination with his capital, is worth ten or a hundred times more than that of a single person who is merely a worker. Hence in this case, as always, Sancho leaves everything as it was before.

"We shall get on with one another if only we agree that no one any longer needs to present anything to someone else. Then we shall presumably go as far as to pay a decent price even to cripples, the sick and the aged, to prevent them from dying of hunger and want, for if we wish them to live it is fitting that we should pay for the fulfilment of our desire. I say pay for, hence I do not mean any miserable alms."

This sentimental episode about cripples, etc., is intended to prove that Sancho's rebellious agricultural labourers have already "risen" to those heights of middle-class consciousness where they do not wish to present anything or be presented with anything, and where the,,, consider that the dignity and interests of the two parties in a relation .ire assured as soon as this relation is turned into a purchase. This thunderous proclamation of the people who, in Sancho's imagination, are in rebellion, is followed by directions for its use in the form of a dialogue between a landowner and his labourers, the master this time behaving like Szeliga and the labourers like Stirner. In these directions the English strikes and the French workers' coalitions are interpreted *a priori* in the Berlin manner.

Spokesman of the labourers: "What have you got?"

Landowner: "I have an estate of 1,000 morgen,"

"And I am your labourer and henceforth I will only cultivate your land for a wage of a taler a day.

Landowner: "In that case I shall hire someone else."

Spokesman: "You won't find anyone, for we labourers will not work in future on any other conditions, and if you find anyone who agrees to take less, let him beware of us. Even a servant-girl now demands as much, and you will no longer find anyone for a lower wage."

Landowner: "Oh! Then I shall be ruined!"

Labourers (in chorus): "Don't be in such a hurry! You are sure to get as much as we get. And if not, we'll deduct sufficient for You to live like us, — We are not talking of equality!"

Landowner: "But I am accustomed to better living!"

Labourers: "We have nothing against that, but that's not our concern; if you can save more, all right. Do we have to hire ourselves out at a reduced price so that you can live well?"

Landowner: "But you uneducated people do not need so much!"

Labourers: "Well, we shall take a little more so as to be able to get the education that we may, perhaps, need."

Landowner: "But if you ruin the rich, who will support the arts and sciences?"

Labourers: "Well, our numbers must see to that. We'll all contribute, it will make a good round sum. Anyway, you wealthy people now buy only the trashiest books and pictures of tearful madonnas or a pair of nimble dancer's legs."

Landowner: "Oh, miserable equality!"

Labourers: "No, dear worthy master, we are not talking of equality! We only want to be appraised according to our worth, and if you are worth more, then after all you will also be appraised more highly. We only want good value and intend to show ourselves worth the price you will pay."

At the end of this dramatic masterpiece Sancho admits that, of course, "unanimity of the labourers" will be "required". How this will come about we are not told. What we do learn is that the agricultural labourers have no intention of changing in any way the existing relations of production and intercourse, but merely want to _force the landowner to yield them the amount by which his expenditure exceeds theirs. It is a matter of indifference to our well-meaning bonhomme that this excess of expenditure, if distributed over the mass of the proletarians, would give each of them a mere trifle and not improve his position in the slightest. The stage of development of agriculture to which these heroic labourers belong becomes evident immediately after the conclusion of the drama, when they are transformed into "domestic servants". They are living, therefore, under patriarchal conditions in which division of labour is still very little developed, and in which, incidentally, the whole conspiracy "will reach its final goal" by the landowner taking the spokesman into a barn and giving him a thrashing, whereas in more civilised countries the capitalist ends the matter by closing his enterprise for a time and letting his workers go and "play". Sancho's highly practical way of constructing his work of art, his strict adherence to the limits of probability, is evident not only from his peculiar idea of arranging a turn-out of agricultural labourers, but especially from his coalition of "servant-girls". And how complacent to imagine that the price of corn on the world market will depend on the wage demands of these agricultural labourers from Further Pomerania and not on the relation between supply and demand! A real sensation is caused by the surprising discourse of the labourers about literature, the latest art exhibition and the fashionable dancer of the day, surprising even after the unexpected question of the landowner about art and science. They become quite friendly as soon as they touch on this literary subject and for a moment the harassed landowner even forgets his threatened ruin in order to demonstrate his *dévoûment* to art and science. Finally the rebels give him an assurance of their upright character and make the reassuring statement that they are guided neither by vexatious interests nor subversive tendencies, but by the highest moral motives. All they ask is price according to worth and they promise on their honour and conscience to be worthy of the higher price. All this has the sole aim of ensuring for each his own, his honest and fair earnings, "honestly earned pleasure". That this price depends on the state of the labour-market, and not on the moral rebellion of a few literary-minded agricultural labourers, is, of course, a fact which our worthy folk could not be expected to know.

These rebels from Further Pomerania are so modest that despite their "unanimity", which gives them the power to do something very different, they prefer to remain servants with the "wage of a taler a day" as their highest desire. It is quite consistent, therefore, that they do not cross-examine the landowner, who is in their power, but he cross-examines them.

The "firm spirit" and "strong self-consciousness of the domestic servant" find expression also in the "firm", "strong" language in which he and his comrades speak. "Perhaps — well — our numbers *must* see to that — a good round sum — dear worthy master — after all." Previously we read in the proclamation: "If need be — ah — we *are thinking* of making — perhaps, maybe, etc." One would think that the agricultural labourers had also mounted the wonderful steed Clavileño.

Our Sancho's whole noisy "rebellion", therefore.. reduces itself in the final analysis to a turn-out, but a turn-out in the extraordinary sense, viz., a turn-out on Berlin lines. Whereas in civilised countries the real turn-out plays a smaller and smaller role in the labour movement, because the more widespread association of workers leads to other forms of action, Sancho tries to depict the petty bourgeois caricature of a turn-out as the ultimate and highest form of the world-historic struggle.

The waves of rebellion now cast us on the shore of the promised land, flowing with milk and honey, where every true Israelite sits beneath his fig-tree and where the millennium of "agreement" has dawned.

III. Union

In the section on rebellion we first of all collected examples of Sancho's bragging, and then traced the practical course of the "pure act of the egoist in agreement with himself". With regard to "union", we shall do the opposite: we shall first of all examine the actual institutions and then compare them with the illusions of our saint about them.

1. Landed Property

"If we no longer wish to leave the land to the landed proprietors, but want to appropriate it for ourselves, then we unite to this end and form a union, société" (society), "which makes itself the owner, if we are successful, the landed proprietors cease to be such." The "land" will then be the "property of the conquerors.... And the attitude to the land of these individuals collectively will be no less arbitrary than that of an isolated individual or so-called propriétaire. Hence, in this case too, property continues to exist, and indeed even as 'exclusive' property, since mankind, that great society, excludes the individual from its property, leasing to him, perhaps, only a part of it, as a reward.... So it remains and so it will come to be. That in which all want to have a share will be taken away from the individual who wants to have it for himself alone and turned into common property. Since it is common property each has his share in it and this share is his property. Thus in our old conditions, a house belonging to five heirs is likewise their common property; one-fifth part of the income, however, is the property of each of them" (pp. 329, 330).

After our brave rebels have formed a union, a society, and in this form have won a portion of land for themselves, this "*société*", *this* juridical person, "makes *itself*" the "*proprietor*". To avoid any misunderstanding, he adds at once that "this society *excludes* the individual from the property, leasing to him, perhaps, only a part of it, as a reward". In this way Saint Sancho appropriates for himself and his "union" his notion of communism. The reader will recall that Sancho in his ignorance reproached the communists for wanting to make society the supreme owner that gives each individual his "property" in feudal tenure. Further, Sancho offers his recruits the prospect of a "share in the common property". On a later occasion, this same Sancho says, again against the communists:

"Whether wealth belongs to the whole community, which allows me a portion of it, or to separate owners, for me the compulsion is the same, since in both cases I am powerless to decide about it"

(for this reason, too, his "collective" "takes away" from him what it does not want him to have in his exclusive possession, and so makes him feel the power of the collective will).

Thirdly, we here again encounter the "exclusiveness" with which he has often reproached bourgeois property, so that "even the miserable spot on which he stands does not belong to him". On the contrary, he has only the right and power to squat on it as a miserable and oppressed corvée peasant.

Fourthly, Sancho here appropriates the feudal system which, to his great annoyance, he has discovered in all hitherto existing or proposed forms of society. The "society," of conquerors behaves much as did the "unions" of semi-barbarian Germans who conquered the Roman provinces and introduced there a crude feudal system which was still strongly alloyed with the old tribal mode of life. It gives every individual a piece of land "as a reward". At the stage where Sancho and the sixth-century Germans are, the feudal system still coincides in many respects with the system of "reward".

It goes without saying, incidentally, that the tribal property which Sancho here restores afresh to honour would be bound before long to be dissolved again in the conditions now existing. Sancho feels this himself, for he exclaims: "So it *remains* and" (a beautiful "and"!) "so it *will come to be*", and finally, he proves — by his great example of the house belonging to five heirs — that he has not the slightest intention of going outside the framework of our old relations. His whole plan for the organisation of landed property has only the aim of leading us by 'historical detour back to petty-bourgeois hereditary tenure and the family, property of German imperial towns.

Of our old relations, i.e., those now existing, Sancho has appropriated only the legal nonsense that individuals, or *propriétaires*, behave "arbitrarily" in relation to landed property. In the union", this imagined "arbitrariness" is to be continued by society". To the "union" it is so much, a matter of indifference what happens to the land that "perhaps" "society" leases plots of land to individuals, or perhaps not. All that is quite immaterial.

Sancho, of course, cannot know that a definite structure of agriculture is linked lo a definite form of activity and determined by a definite stage of the division of labour. But anyone else can see how little the small corvée peasants, as proposed here by, Sancho, are in a position where "each of them can become an omnipotent ego", and how little their ownership of a miserable plot of land resembles the greatly praised "ownership of everything". In the real world, the intercourse of individuals depends on their mode of production, and therefore Sancho's "perhaps" completely overthrows — perhaps — his whole union. But "perhaps", or rather undoubtedly, there emerges here Sancho's real view concerning intercourse in the union, namely, the view that the basis of egoistical intercourse is the holy.

Sancho brings to light here the first "institution" of his future union. The rebels who strove to be "without a constitution", "arrange things for themselves", by "choosing" for themselves a "constitution" of landed property. We see that Sancho was right in not placing any brilliant hopes in new "Institutions". At the same time, however, we see that he ranks highly among the "socially-gifted persons" and is "extraordinarily inventive in regard to social institutions".

2. Organisation of Labour

"The organisation of labour concerns only such work as can be done for us be others, such as cattle-slaughtering, ploughing, etc.; other work remains egoistical because, for example, no one can compose your music for you, complete the sketches for your paintings, etc. No one can do Raphael's works for him. These are works of a unique individual which only this unique person is capable of producing, whereas the former work deserves to be called human" (on page 356 this is made identical with "generally useful"), "since peculiarity is of little consequence here and almost every person can be trained to do it" (p.

"It is always expedient for us to come to an agreement about human labour, in order that it should not claim all our time and effort, as is the case under competition,.... For whom, however, should time be gained? For what purpose does a human being need more time than is required to restore his exhausted labour-power? To this communism gives no reply. For what purpose? In order to enjoy himself as the unique, having done his share as a human being" (pp. 356, 357).

"Through work I can fulfil the official duties of a president, minister, etc.; these posts require only a general education, namely, the education that is generally accessible.... Although, however, anyone could occupy these posts, it is only the unique power of the individual, peculiar to him alone, that gives them, as it were, life and significance. For performing his duties not as an ordinary man would do, but by exerting the power of his uniqueness, he does not get paid, if lie is paid only as an official or minister. If he has acted to your satisfaction, and you wish for your benefit to retain this power of the unique person, which is worthy of gratitude, then you ought to pay him not simply as a man who performs a merely human task. but as one who accomplishes something unique" (pp. 362, 363),

"If you are in a position to afford joy to thousands of people, then thousands will remunerate you for it; for it is in your power not to do it and therefore they have to pay you for the fact that you do it" (p. 351).

"One cannot establish any general rate of payment forms, uniqueness, as can be done for work I perform as a man. Only for the latter can a tariff be fixed. Therefore you may fix a general tariff for human work, but do not deprive your uniqueness, of what is due to it" (p. 363).

As an example of the organisation of labour in the union, the public bakeries already mentioned are cited on page 365. Under the conditions of vandal parcellation presupposed above, these public institutions must be a real miracle.

First of all human labour must be organised and thereby shortened so that Brother Straubinger,[66] having finished his work early, can "enjoy himself as the unique" (p. 357), but on page 363 the "enjoyment" of the unique one 's reduced to his extra earnings.

On page 363 it is stated that the vital activity of the unique person does not have to take place subsequently to human labour; the latter can be performed as unique labour, and in that case it requires an additional wage. Otherwise the unique one, who is interested not in his uniqueness but in a higher wage, could shelve his uniqueness and to spite society be satisfied with acting as an ordinary person, at the same time playing a trick on himself.

According to page 356, human labour coincides with generally useful labour, but according to pages 351 and 363 unique labour shows its worth by being paid for additionally as generally useful or, at least, useful to many people.

Thus, the organisation of labour in the union consists in the separation of human labour from unique labour, in the establishment of a tariff for the former and in haggling for an additional wage for the latter. This addition is again twofold, one part being for the unique performance of *human* labour and the other for the unique performance of *unique* labour. The resulting bookkeeping is the more complicated because what was unique labour yesterday (e.g., spinning cotton thread No. 200) becomes human labour today, and because the unique performance of human labour requires a continual *moucharderie* [spying] upon oneself in one's own interest and universal *moucharderie* in the public interest. Hence this whole great organisational plan amounts to a wholly petty-bourgeois appropriation of the law of supply and demand, which exists at present and has been expounded by ail economists. The law which determines the price of those types of labour that Sancho declares unique (e.g., that of a dancer, a prominent physician or lawyer), he could have found already explained by Adam Smith, and a tariff fixed for it by the American Cooper. Modern economists explain on the basis of this law the high payment for what they call *travail improductif* and the low wages of the agricultural day-labourer, and in general all inequalities in wages. Thus, with God's help, we have again arrived at competition, but a competition which has so much come down in the world that Sancho can propose a fixed rate, the establishment of wages by law, as was the case of old in the fourteenth and fifteenth centuries.

It deserves mention also that the idea which Sancho puts forward here is also to be found as something completely new in the Herr Messiah — Dr. Georg Kuhlmann of Holstein.

What Sancho here calls human labour is, apart from his bureaucratic fantasies, the same thing as is usually meant by machine labour, labour which, as industry develops, devolves more and more on machines. True, because of ‘the above-described organisation of landownership, machines are an impossibility in the "union" and therefore the corvée peasants in agreement with themselves prefer to reach an agreement with one another about this work. As regards "presidents" and "ministers", Sancho — this poor localised being, as Owen puts it — forms his opinion only by his immediate environment.

Here, as always, Sancho is again unlucky with his practical examples. He thinks that "no one can compose your music for you, complete the sketches for your paintings. No one can do Raphael's works for him". Sancho could surely have known, however, that it was not Mozart himself, but someone else who composed the greater part of Mozart's *Requiem* and finished it, [67] and that Raphael himself "completed" only an insignificant part of his own frescoes.

He imagines that the so-called organisers of labour[68] wanted to organise the entire activity of each individual, and yet it is precisely they who distinguish between directly productive labour, which has to be organised, and labour which is not directly productive. In regard to the latter, however, it was not their view, as Sancho imagines, that each should do the work of Raphael, but that anyone in ‘ whom there is a potential Raphael should be able to develop without hindrance. Sancho imagines that Raphael produced his pictures independently of the division of labour that existed in Rome at the time. ff he were to compare Raphael with Leonardo da Vinci and Titian, he would see how greatly Raphael's works of art depended on the flourishing of Rome at that time, which occurred under Florentine influence, while the works of Leonardo depended on the state of things in Florence, and the works of Titian, at a later period, depended on the totally different development of Venice. Raphael as much as any other artist was determined by the technical advances in art made before him, by the organisation of society and the division of labour in his locality, and, finally, by the division of labour in all the countries with which his locality had intercourse. Whether an individual like Raphael succeeds in developing his talent depends wholly on demand, which in turn depends on the division of labour and the conditions of human culture resulting from it.

In proclaiming the uniqueness of work in science and art, Stirner adopts a position far inferior to that of the bourgeoisie. At the present time it has already been found necessary to organise this "unique" activity. Horace Vernet would not have had time to paint even a tenth of his pictures if he regarded them as works which "only this unique person is capable of producing". In Paris, the great demand for vaudevilles and novels brought about the organisation of work for their production; this organisation at any rate yields something better than its "unique" competitors in Germany. In astronomy, people like Arago, Herschel, Encke and Bessel considered it necessary to organise joint observations and only after that obtained some moderately good results. In historical science, it is absolutely impossible for the "unique" to achieve anything at all, and :in this field, too, the French long ago surpassed all other nations thanks to organisation of labour. Incidentally, it is self-evident that all these organisations based on modern division of labour still lead to extremely limited results, and they represent a step forward only compared with the previous narrow isolation.

Moreover, it must be specially emphasised that Sancho confuses the organisation of labour with communism and is even surprised that "communism" gives him no reply to his doubts about this organisation. just like a Gascon village lad is surprised that Arago cannot tell him on which star God Almighty has built his throne.

The exclusive concentration of artistic talent in particular individuals, and its suppression in the broad mass which is bound up with this, is a consequence of division of labour. Even if in certain social conditions, everyone were an excellent painter, that would by no means exclude the possibility of each of them being also an original painter, so that here too the difference between "human" and "unique" labour amounts to sheer nonsense. In any case, with a communist organisation of society. there disappears the subordination of the artist to local and national narrowness, which arises entirely from division of labour, and also the subordination of the individual to some definite art, making him exclusively a painter, sculptor, etc.; the very name amply expresses the narrowness of his professional development and his dependence on division of labour. In a communist society there are no painters but only people who engage in painting among other activities.

Sancho's organisation of labour shows clearly how much all these philosophical knights of "substance" content themselves with mere phrases. The subordination of "substance" to the "subject" about which they all talk so grandiloquently, the reduction of "substance" which governs the "subject" to a mere "accident" of this subject, is revealed to be mere "empty talk". Hence they wisely refrain from examining division of labour, material production and material intercourse, which in fact make individuals subordinate to definite relations and modes of activity. For them it is in general only a matter of finding new phrases for 'Interpreting the existing world-phrases which are the more certain to consist only of comical boasting, the more these people imagine they have risen above the world and the more they put themselves in opposition to it. Sancho is a lamentable example of this.

3. Money

“Money is a commodity and indeed an essential means or faculty, for it protects wealth against ossification, keeps it fluid and affects its circulation. If you know of a better means of exchange, all right., but it too will be a variety of money” (p. 364).

On page 353 money is defined as “marketable property or property in circulations.

Thus the “union” retains money, this purely social property which has been stripped of all individuality. The extent to which Sancho is in the grip of the bourgeois outlook is shown by his question about a better means of exchange. Consequently, he first of aft assumes that a means of exchange is necessary, and moreover he knows of no other means of exchange except money. The fact that ships and railways, which serve to transport commodities, are also means of exchange does not concern him. Hence in order to speak not merely of means of exchange, but particularly of money, he has to include the other attributes of money; that it is a means of exchange that is universally marketable and in circulation, that it keeps all property fluid, etc. These bring in also economic aspects which Sancho does not know but which actually constitute money; and with them the whole present situation, class economy, domination of the bourgeoisie. etc.

First of all, however, we learn something about the — extremely odd — course of monetary crises in the union.

The question arises:

“Where is money to be obtained?... People pay not with money, of which there may be a shortage, but with their ability [Vermögen], thanks to which alone we are wealthy [vermögend].... it is not money that harms you, but your inability [Unvermögen] to obtain it.”

Now comes the moral exhortation:

“Let your ability [Vermögen] have its effect, brace yourself, and you will not lack money [Geld], your money, money of your coining.... Know then that you have as much money as you have power; for the extent to which You can assert yourself [Dir Geltung verschaffst] determines how much you are worth [giltst]"(pp. 353, 364) [Geld — money; sich Geltung verschaffen — to assert oneself; gelten — to be worth]

The power of money, the fact that the universal means of exchange becomes independent in relation both to society and to individuals, reveals most clearly that the relations of production and intercourse as a whole assume an independent existence. Consequently, Sancho as usual knows nothing about the connection of money relations with production in general and intercourse. As a good citizen, he unhesitatingly keeps money in force; indeed it could not be otherwise with his 'view of division of labour and the organisation of landed ownership. The material power of money, which is strikingly revealed in monetary crises and which, in the form of a permanent scarcity of money, oppresses the petty bourgeois who ;s "inclined to make purchases", is likewise a highly unpleasant fact for the egoist in agreement with himself. He gets rid of the difficulty by reversing the ordinary idea of the petty bourgeois, thus making it appear that the attitude of individuals to the power of money is something that depends solely on their personal willing or running. This fortunate turn of thought then gives him the chance of reading a moral lecture, buttressed by synonymy, etymology and vowel mutation, to the astounded petty bourgeois already disheartened by lack of money, thus debarring in advance all inconvenient questions about the causes of the pecuniary embarrassment.

The monetary crisis consists primarily in the fact that all "wealth" [*Vermögen*] suddenly becomes depreciated in relation to the means of exchange and loses its "power" [*Vermögen*] over money. A crisis is in existence precisely when one *can* no longer pay with one's "wealth" [*Vermögen*], but *must* pay with money. And this again does not happen because of a shortage of money, as is imagined by the petty bourgeois who judges the crisis by his personal difficulties, but because the specific difference becomes fixed between money as the *universal* commodity, the "marketable property and property in circulation", and all the other, *particular* commodities, which suddenly cease to be marketable property. It cannot be expected that, to please Sancho, we shall analyse here the causes of this phenomenon. Sancho first of all consoles the moneyless and hopeless small shopkeepers by saying that it is not money that causes the scarcity of money and the . whole crisis, but their inability to obtain it. It is not arsenic that is to blame for someone dying who takes it, it is the inability of his organism to digest it.

After first defining money as an essential and indeed *specific* form of wealth [*Vermögen*], as the universal means of exchange, money in the ordinary sense, Sancho suddenly turns the thing round when he sees the difficulties this would lead to and declares all ability, [*Vermögen*] to be money, in order to create the appearance of personal power. The difficulty during a crisis is precisely that "all wealth" [*Vermögen*] has ceased to be "money". Incidentally, this amounts to the practice of the bourgeois who accepts "all wealth" as means of payment so long as it is money, and who only begins to raise difficulties when it becomes difficult to turn this "wealth" into money in which case he also ceases to regard it as "wealth". Further, the difficulty in time of crisis is precisely that you, petty bourgeois, whom Sancho addresses here, can no longer put into circulation the money of your coining, your bills of exchange; but you are expected to pay with money, not coined by you and which shows no evidence that it has passed through your hands.

Finally, Stirner distorts the bourgeois motto "You are worth as much as the money you possess" into "You have as much money as you are worth", which alters nothing, but only introduces an appearance of personal power and thus expresses the trivial bourgeois illusion that everyone is himself to blame if he has ne, money. Thus Sancho disposes of the classic bourgeois saying: *L'argent n'a pas de maitre* [money has no master], and can now mount the pulpit and exclaim: "Let your ability have its effect, brace yourself, and you will not lack money." *Je ne connais pas de lieu à la bourse où se fasse le transfers des bonnes intentions* [I do not know a place at the stock exchange where people trade in good intentions]. He had but to add: Obtain credit; *knowledge is power* ; it is harder to earn the first taler than the last million; be moderate and save your money and, most important of all, do not multiply overmuch, etc. — to reveal not one ass's ear, but both at once. In general, the man for whom everyone is what he can be and does what he can do, ends all chapters with moral exhortations.

The monetary system in Stirner's union is, therefore, the existing monetary system expressed in the euphemistic and gushingly sentimental manner of the German petty bourgeois.

After Sancho has paraded in this way with the ears of his ass, Don Quixote-Szeliga draws himself up to his full height and delivers a solemn speech about the modern knight-errant, in the course of which money is transformed into Dulcinea del Toboso and the manufacturers and *commerçants en masse* into knights, namely, into *chevaliers d'industrie.* The speech has also the subsidiary aim of proving that because money is an "essential means", it is also essentially a daughter".* And he stretched out his right hand and said:

"On money depends fortune and misfortune. In the bourgeois period it is a force because like a maiden" (a dairymaid; per appositionem Dulcinea) "it is only wooed but is not indissolubly joined in marriage to anyone. All the romance and chivalry of wooing a dear object is revived in competition. Money, an object of ardent desire, is abducted by the bold chevaliers d'industrie" (p. 364).

Sancho has now arrived at a profound explanation why money in the bourgeois epoch is a power, namely, because in the first place fortune and misfortune depends on it and, secondly, because it is a *maiden.* He has further learned why he can lose his money, namely, because a maiden is not indissolubly joined in marriage to anyone. Now the poor wretch knows where he stands. Szeliga, who has thus made the burgher into a knight, now in the following way makes the communist into a burgher and indeed into a burgher husband.

"He on whom fortune smiles leads the bride home. The ragamuffin is fortunate, he takes her into his household, society, and destroys the maiden. In his home she is no longer a bride, but a wife, and her maiden name disappears with her

maidenhood. As a housewife, the money-maiden is called labour, for labour is the name of the husband. She is the property of the husband.

"To complete the picture, the child of labour and money is again a girl" ("essentially a daughter"), "an unmarried girl" (has Szeliga ever known of a girl coming "Married" out of the maternal womb?) "and therefore money" (according to the above proof that all money is an "unmarried girl", it is self-evident that "all unmarried girls" are "money") — "therefore money, but having its definite descent from labour, its father" (toute recherche de la paternité est interdite [any investigation regarding paternity is forbidden — the formula used in article 340 of the Code Napoléon]). "The shape of the face, the image, bears a different stamp" (pp. 364, 365).

This story of marriage, burial and baptism is surely of itself sufficient proof that it is "essentially a daughter" of Szeliga, and indeed a daughter of "definite descent". Its ultimate basis, however, lies in the ignorance of his former stableman, Sancho. This is clearly seen at the end, when the orator is again anxiously concerned about the "coining" of money. thereby betraying that he still considers that coins are the most important medium of circulation. If he had taken the trouble to examine a little more closely the economic relations of ,none Y, instead of weaving a beautiful. leafy bridal wreath for it, he would have known that — without mentioning state securities, shares, etc. — the major part of the medium of circulation consists of bills of exchange, whereas paper money forms a comparatively small part, and coin a still smaller part. In England, for example. fifteen times as much money circulates in the form of bills of exchange and bank-notes as in the form of coin. And even as regards coin, it is determined exclusively by the costs of production, i.e., labour. Hence Stirner's elaborate process of procreation was superfluous here.

Szeliga's solemn reflections about a means of exchange based on labour but, nevertheless', different from the money of today, which he claims to have discovered among certain communists, only prove once again the simplicity with which our noble couple believe everything they read without even examining it.

When the two heroes ride homewards after this "knightly and romantic" campaign of "wooing", they are bringing back no "fortune", still less the "bride", and least of all "money", but at best one "ragamuffin" is bringing home the other.

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4. State

We have seen that Sancho retains in his "union" the existing form of landownership, division of labour and money, in the way in which a petty bourgeois conceives these relations in his imagination. It is clear at a glance that with such premises Sancho cannot do without the state.

First of all his newly acquired property will have to assume the form of guaranteed, legal property. We have already heard his words:

"That in which all want to have a share will be taken away from the individual who wants to have it for himself alone" (p. 330).

Here, therefore, the will of the whole community is enforced against the will of the separate individual. Since each of the egoists in agreement with themselves may turn out to be not in agreement with the other egoists and thus become involved in this contradiction, the collective will must also find some means of expression in relation to the separate individuals —

"and this will is called the will of the state" (p. 257).

Its decisions are then *legal* decisions. The enforcement of this collective will in its turn requires repressive measures and public power.

"In this matter also" (in the matter of property) "the unions will multiply the means of the individual and safeguard his disputed property" (they guarantee, therefore, guaranteed property, i.e., legal property, i.e., property that Sancho possesses not "unconditionally", but "holds on feudal tenure" from the "union") (p. 342).

Obviously, the whole of civil law is re-established along with the relations of property, and Sancho himself, for example, sets forth the theory of contract fully in the spirit of the lawyers, as follows:

"It is of no importance, too, that I deprive myself of one or other freedom, for example, through any contract" (p. 409).

And in order to "safeguard" "disputed" contracts, it will also "be of no importance" if he has again to submit himself to a court and to all the actual consequences of a civil court case.

Thus, "little by little out of the twilight and the night" we come closer again to the existing relations, but only as these relations exist in the dwarfish imagination of the German petty bourgeois.

Sancho admits:

"In relation to freedom there is no essential difference between state and union. The latter cannot arise and exist without restricting freedom in various ways just as the state is incompatible with boundless freedom. Restriction of freedom is

always unavoidable, for it is impossible to get rid of everything; one cannot fly like a bird just because one would like to fly, etc.... In the union there will still be a fair amount of compulsion and lack of freedom, for its aim is not freedom which, on the contrary, it sacrifices for the sake of peculiarity, but only for the sake of peculiarity" (pp. 410, 411).

Leaving aside for the time being the strange distinction between freedom and peculiarity, it should be noted that Sancho, without intending to do so, has already sacrificed his "peculiarity" in his union owing to its *economic* institutions. As a true "believer in the state", he sees a restriction only where political institutions begin. He lets the old society continue in existence and with it also the subordination of individuals to division of labour; in which case he cannot escape the fate of having a special "peculiarity" prescribed for him by the division of labour and the occupation and position in life that falls to his lot as a result of it. If, for example, it fell to his lot to work as an apprentice fitter in Willenhall, [69] then the "peculiarly" imposed on him would consist in a twisted hip-bone resulting in a "game leg"; if the "title spectre [Marie Dähnhardt, Stirner's wife] of his book" [70] has to exist as a female throstle spinner, then her "peculiarity" would consist in stiff knees. Even if our Sancho continues his old vocation of a corvée peasant, already assigned to him by Cervantes, and which he now declares to be his own vocation, which he calls upon himself to fulfil, then, owing to division of labour and the separation of town and countryside, he will have the "peculiarity" of being a purely local animal cut off from all world intercourse and, consequently, from all culture.

Thus, in the union, owing to its social organisation, Sancho *malgré lui* loses his peculiarity if, by way of exception, we take peculiarity in the sense of individuality. That owing to its political organisation, he then surrenders his freedom as well is quite consistent and only shows still more clearly how much he strives to retain the present state of affairs in his union.

Thus, the essential distinction between freedom and peculiarity constitutes the difference between the present state of affairs and the "union". We have already seen how essential this distinction is. The majority of the members of the union, too, will possibly not be particularly embarrassed by this distinction and will hasten to decree their "riddance" from it, and if Sancho is not satisfied with that, they will show him on the basis of his own "book" that, firstly, there are no essences, but that essences and essential differences are "the holy"; secondly, that the union does not have to trouble about the "nature of the matter" and the "concept of the relation"; and, thirdly, that they in no way encroach on his peculiarity but only on his freedom to express it. They will perhaps prove to him, if it is his "endeavour to be without a constitution", that they restrict only his freedom by putting him in prison, striking blows at him, or tearing off his leg, and that he remains partout *et* toujours "peculiar", so long as he is still able to show the signs of life of a polyp, an oyster or even a galvanised dead frog. They will "set a definite price" on his work, as we have already heard, and "will not allow a truly *free*" (!) "realisation of his property", for thereby they restrict only his freedom, not h . is peculiarity. These are things for which Sancho, on page 338, reproaches the state. "What then should" our corvée peasant Sancho "do? He should be firm and pay no attention" to the union (ibid.). Finally whenever he begins to grumble about the restrictions imposed on him, the majority will suggest that so long as he has the peculiarity of declaring that freedoms are peculiarities, they can take the liberty of regarding his peculiarities as freedoms.

Just as the difference mentioned above between human and unique labour was only a miserable appropriation of the law of supply and demand, so now the difference between freedom and peculiarity is a miserable appropriation of the relation between the state and civil society or, as Monsieur Guizot says, between *liberté individuelle* and *pouvoir public*. This is so much the case that in what follows he can copy Rousseau' almost word for word.

"The agreement [...] according to which everyone must sacrifice a part of his freedom" occurs "not at all the sake of something universal or even for the sake of another person", on the contrary, "I only concluded it out of self-interest. As far as sacrificing is concerned, after all I merely sacrifice what is not in power, i. e. I sacrifice nothing at all" (p. 418).

Our corvée peasant in agreement with himself shares this quality with all other corvée peasants and, in general, with every individual, who has ever lived on the earth. Compare also Godwin, *Politica; Justice.*

Incidentally, Sancho appears to possess the peculiarity, of imagining that according to Rousseau individuals concluded the contract for the sake of the universal, which never entered Rousseau's head.

One consolation, however, remains for him.

"The state is holy ... the union, however, is ... not holy." And herein lies the "great difference between the state and the union" p. 411).

The whole difference, therefore, amounts to this, that the union is the actual modern state, and the "state" is Stirner's illusion about the Prussian state, which he confuses with the state in general.

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5. Rebellion

Sancho quite rightly has so little faith in his subtle distinctions between state and union, holy and not holy, human and unique, peculiarity and freedom, etc., that in the end he takes refuge in the *ultima ratio* of the egoist in agreement with himself —

in rebellion. This time, however, he rebels not against himself, as he earlier asserted, but against the union. just as earlier Sancho sought to achieve clarity on all points in the union, so he does here, too, as regards rebellion.

"If the community treats me unjustly, I rebel against it and defend my property" (p. 343)

If the rebellion does not "prosper", the union will "expel (imprison, exile, etc.) him" (pp. 256, 257).

Sancho here tries to appropriate the *droits de 1'homme* of 1793, which included the right of insurrection [71] -a human right that, of course, bears bitter fruits for him who tries to make use of it at his " own" discretion.

Thus Sancho's whole union amounts to the following. Whereas in his previous criticism he regarded existing relations only from the aspect of illusion, when speaking of the union he tries to get to know the actual content of these relations and to oppose this content to the former illusions. In this attempt, our ignorant school-master was of i course bound to fall ignominiously. By way of exception, he did once endeavour to appropriate the "nature of the matter" and the "concept of the relation", but he failed to "divest" any matter or any relation of its "alien character".

Now that we have become acquainted with the union in its real form, it only remains for us to examine Sancho's enthusiastic ideas about it, i.e., the religion and philosophy of the union.

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6. Religion and Philosophy of the Union

Here we again start from the point at which, above, we began the description of the union. Sancho employs two categories: property and wealth; the illusions about property correspond mainly to the positive data given on landed property, the illusions about wealth to the data on the organisation of labour and the monetary system in the union.

A. Property

Page 331: "The world belongs to me."

Interpretation of his hereditary tenure of a plot of land.

Page 343: "I am the owner of everything that I need",

a euphemistic way of saying that his needs are his possession and that what he needs as a corvée peasant is determined by his circumstances. In the. same way the economists maintain that the worker is the owner of everything that he needs as a worker. See the discourse on the minimum wage in Ricardo. [David Ricardo, On the Principles of Political Economy and Taxation]

Page 343: "Now, however, everything belongs to me."

A musical flourish in honour of his rate of wages, his plot of land, his permanent lack of money, and his expulsion from everything that the "society" does not want him to have in exclusive possession. The same idea occurs on page 327, expressed thus:

"His" (i.e., of another person) "possessions are mine and I dispose of them as the owner to the extent of my power."

This pompous *allegro marciale* passes in the following way into a gentle cadence, in which it gradually collapses on its backside — Sancho's usual fate:

Page 331: "The world belongs to me. Do You" (communists) "say anything different with your opposite thesis: the world belongs to all? All are I, and once more I, etc." (for example, "Robespierre, for example. Saint-Just, and so on").

Page 415: "I am I and you are I, but ... this I, in which we are all equal, is only my thought [...] a generality" (the holy).

The practical variation on this theme occurs on page 330, where the "individuals collectively" (i.e., all) are counterposed as a regulating force to the "Isolated individual" (i.e., the I as distinct from all). These dissonances are at last resolved in the soothing final chord, to the effect that what I do not possess is at any rate the property of another "ego". Thus, "ownership of everything" is only an interpretation of the statement that each person possesses exclusive property.

Page 336: "But property is only my property if I have unconditional possession of it. As the unconditional ego, I have property, I carry on free trade."

We already know that only freedom, and not peculiarity, is affected if freedom of trade and unconditionality are not respected in the union. "Unconditional property" is a fitting supplement to the secure", guaranteed property in the union.

Page 342: "In the opinion of the communists, the community should be the owner. On the contrary, I am the owner and only come to an agreement with others about my property."

On page 329 we saw how "the *société* makes itself the *owner*" and on page 330 how it "excludes *individuals* from its property". In general, we saw that the tribal system of feudal tenure, the crudest beginnings of the system of feudal tenure, was introduced. According to page 416, the "feudal system = absence of property"; hence, according to the same page, "property is recognised in the union, and only in the union", and moreover for a conclusive reason: "because no one any longer holds his possession in feudal tenure from any being [*Wesen*]" (ibid.). That is to say, under the hitherto existing' feudal system, the feudal lord was this "being", in the union it is the *société*. From this one may at least conclude that Sancho possesses an "exclusive" but by no means "secure" property in the "essence" [*Wesen*] [Wesen can mean "being" or "essence"], of past history. In connection with page 330, according to which each individual' is excluded from that which society does not consider it right for him to hold in his sole possession, and in connection with the state and legal system of the union, it is stated:

Page 369: "The rightful and legitimate property of another will only be that which you consider it right to recognise as his property. If you no longer consider it right, it loses its rightfulness for you and You will deride any claim to absolute right in it."

He thus proves the astounding fact that what is right in the union does not have to be right for him — an Indisputable right of man. If there exists in the union the institution of the old French parliaments, which Sancho loves so much, then he can even have his dislike recorded and deposit the document in the office of the law courts, consoling himself with the thought that lone cannot get rid of everything". These various statements appear to contradict themselves, one another and the actual state of things in the union. But the key o this riddle is to be found 'n the juridical fiction, already mentioned, that when Sancho is excluded from the property of others, he is merely coming to an agreement with these others. This fiction is expounded in more detail in the following statements:

Page 369: "This" (i.e., respect for the property of others) "comes to an end when I can leave the tree in question to another, just as I leave my stick, etc., to another, but do not from the outset regard it as something alien, i. e., holy. Rather ... it remains my property, no matter for what period I cede it to another; it is mine and remains mine. see nothing alien in the wealth belonging to the banker."

Page 328: "I do not retreat timidly before thy and your property, but always regard it as my property, which I do not need to respect at all. just do the same with what you call my property. With this point of view we shall most easily reach agreement with one another."

If, according to the rules of the union, Sancho is "given a drubbing" as soon as he tries to seize another's property, he will, of course, maintain that pilfering is a "peculiarity" of his; nevertheless, the union will decide that Sancho has merely taken a "liberty". And if Sancho takes the "liberty" of attempting to seize another's possessions, the union has the "peculiarity" of sentencing him to a flogging for it.

The essence of the matter is this. Bourgeois and, particularly, petty-bourgeois and small-peasant property is, as we have seen, retained in the union. Merely the *interpretation*, the "*point of view*", is different, for which reason Sancho always lays stress on the way of "regarding". "Agreement" is reached when this new philosophy of regarding enjoys the regard of the whole union. This philosophy consists of the following. Firstly, every relation, whether caused by, economic conditions or direct compulsion, is regarded as a relation of "agreement". Secondly, it is imagined that all property belonging to others is relinquished to them by us and remains with them only until we have the power to take it from them; and if we never get the power, *tant mieux*. Thirdly, Sancho and his union in theory guarantee each other absence of respect, whereas in practice the. union "reaches agreement" with Sancho with the aid of a stick. Finally, this "agreement" is a mere phrase, since everyone knows that the others enter into it only with the secret reservation that they will reject it on the first convenient occasion, I see in your property something that is not yours but mine; since every ego does likewise, they see in it the universal, by which we arrive at the modern-German philosophical interpretation of ordinary, special and exclusive private property.

The union's philosophy of property includes, *inter alia*, the following fancies derived from Sancho's system:

On page 342, that property can be acquired in the union through, absence of respect; on page 351, that "we are all in the midst of "abundance", and "have only to help myself to as much as I can" whereas in actual fact the whole union belongs to Pharaoh's seven lean kine[72] and finally, that Sancho "cherishes thoughts" which arc written in his book; and which are sung on page 374 in the incomparable ode addressed to himself imitating Heine's three odes to Schlegel: "*You, who* cherishes such thoughts as are written in your. book ... you cherish nonsense" Such is the hymn which for the time being Sancho addresses to himself, and about which the union will later "reach agreement" with him.

Finally, it is obvious even without reaching "agreement" that property in the extraordinary sense, about which we already spoke in the "Phenomenology", is accepted in the union in lieu of payment, as "marketable" property and "property in circulation". Concerning simple facts, e.g., that I feel sympathy, that I talk to others, that my leg is amputated (or torn off), the union will reach agreement that "the feeling experienced by sentient beings is also mine, my property" (p. 387); that other people's ears and tongues are Likewise my property, and that mechanical relations too are my property.

Thus, appropriation in the union will consist chiefly in all relations being transformed into property relations by means of a facile paraphrase. This new mode of expressing "evils" that are already now rife is an "essential means or faculty" in the union and will successfully make up for the deficit in the means of existence that is inevitable in view of Sancho's "social gifts".

B. Wealth

Page 216: "Let each of you become an omnipotent ego!"

Page 353: "Think about increasing your wealth!"

Page 420: "Keep up the value of your gifts;

"Keep up their price,

"Do not allow yourself to be compelled to sell below the price,

"Do not allow yourself to be persuaded that your commodity is not worth the price,

"Do not make yourself ridiculous by a ridiculously low price,

"Follow the example of the courageous man, etc.!

Page 420: "Increase the value of your property!"

"Increase your value"

These moral sayings, which Sancho learned from an Andalusian Jewish huckster who drew up rules of life and trade for his son, and which Sancho now pulls out of his knapsack, form the main wealth of the union. The basis of all these statements is the great proposition on page 351:

"Everything that you are able to do [vermagst — inflected form of vermögen] is your wealth [Vermögen]."

This proposition is either meaningless, i. e., mere tautology, or is nonsense. It is tautology if it means: what you are able to do, you are able to do. It is nonsense if *Vermögen* No. 2 is meant to denote wealth "in the ordinary sense", commercial wealth, and if the proposition is based, therefore, on the etymological similarity. The collision consists precisely in the fact that what is expected of my ability [*Vermögen*] is different from what it is capable of doing, c. g., it is demanded of my ability to write verses that it should make money out of these verses. My ability is expected to produce something quite different from the specific product of this special ability, viz., a product depending on extraneous conditions which are not subject to my ability. This difficulty is supposed to be resolved in the union by means of etymological synonymy. We see that our egoistical school-master hopes to occupy an important post in the union. Incidentally, this difficulty is only an apparent one. The usual pithy moral saying of the bourgeois: "*Anything is good to make money of*", is here expounded at length in Sancho's solemn manner.

C. Morality, Intercourse, Theory of Exploitation

Page 352: "You behave egoistically when you regard one another neither as owners nor as ragamuffins or workers, but as part of your wealth, as useful creatures. Then you will not give anything either to the owner, the proprietor, for his property, or to the one who works, but only to him whom you can make use of. Do we need a king? the North Americans ask themselves, and they reply: 'He and his work are not worth a farthing to us',"

On the other hand, on page 229, he reproaches the "bourgeois period" for the following:

"Instead of taking me as I am. attention is paid only to my property, my qualities, and a marriage alliances is concluded with me only for the sake of what I possess. The marriage is concluded, so to speak, with what I have and not with what I am."

That is to say, attention is paid solely to what I am for others, to my usefulness, I am dealt with as a useful creature. Sancho spits into the "bourgeois period's" soup, so that in the union he alone can devour it. If the individuals of modern society regard one another as owners, as workers and, if Sancho wishes, as ragamuffins, this only means that they treat one another as useful creatures, a fact which can only be doubted by such a useless individual as Sancho. The capitalist, who "regards" the worker "as a worker", shows consideration for him only because he needs workers; the worker treats the capitalist in the same way, and the Americans too, in Sancho's opinion (we would like him to point out the source from which he took this historic fact), have no use for a king, *because* he is useless to them *as a worker*. Sancho has chosen his example with his usual clumsiness, for it is supposed to prove exactly the opposite of what it actually proves.

Page 395: "For me, you are nothing but food, just as I am eaten up and consumed by you. We stand in only one relation to one another: that of usefulness, utility, use."

Page 416: "No one is to me a person to be held in respect, not even my fellow-man; but, like other beings" (!), "he is solely an object, for which I may or may

not have sympathy, an interesting or uninteresting object, a useful or useless creature.”

The relation of “usefulness”, which is supposed to be the *sole* relation of the individuals to one another in the union, is at once paraphrased as “*eating*” one another. The “perfect Christians” of the union, of course, also celebrate holy communion, only not by eating together but by eating one another.

The extent to which this theory of mutual exploitation, which Bentham expounded *ad nauseam*, could already at the beginning of the present century be regarded as a phase of the previous one is shown by Hegel in his *Phänomenologie*. See there the chapter “The Struggle of Enlightenment with Superstition”, where the theory of usefulness is depicted as the final result of enlightenment. The apparent absurdity of merging all the manifold relationships of people in the *one* relation of usefulness, this apparently metaphysical abstraction arises from the fact that in modern bourgeois society all relations are subordinated in practice to the one abstract monetary-commercial relation. This theory came to the fore with Hobbes and Locke, at the same time as the first and second English revolutions, those first battles by which the bourgeoisie won political power. it is to be found even earlier, of course, among writers on political economy, as a tacit presupposition. Political economy is the real science of this theory of utility; it acquires its true content among the Physiocrats, since they were the first to treat political economy systematically. In Helvétius and Holbach one can already find an idealisation of this doctrine, which fully corresponds to the attitude of opposition adopted by the French bourgeoisie before the revolution. Holbach depicts the entire activity of individuals in their mutual intercourse, e. g., speech, love, etc., as a relation of utility and utilisation. Hence the actual relations that are presupposed here are speech, love, definite manifestations of definite qualities of individuals. Now these relations are supposed not to have the meaning *peculiar* to them but to be the expression and manifestation of some third relation attributed to them, the *relation of utility or utilisation*. This *paraphrasing* ceases to be meaningless and arbitrary only when these relations have validity for the individual not on their own account, not as spontaneous activity, but rather as disguises, though by no means disguises of the category of Utilisation, but of an actual third aim and relation which is called the relation of utility.

The verbal masquerade only has meaning when it is the unconscious or deliberate expression of an actual masquerade. In this case, the utility relation has a quite definite meaning, namely, that I derive benefit for myself by doing harm to someone else (*exploitation de 1'homme par l'homme*, [exploitation of man by man.” See Doctrine de Saint-Simon. Exposition. Première année]); in this case moreover the use that I derive from some relation is entirely extraneous to this relation, as we saw above in connection with ability [*Vermögen*] that from each ability a product alien to it was demanded, a relation determined by social relations — and this is precisely the relation of utility. All this is actually the case with the bourgeois. For him only one relation is valid on its own account — the relation of exploitation; all other relations have validity for him only insofar as he can include them under this one relation; and even where he encounters relations which cannot be directly subordinated to the relation of exploitation, he subordinates them to it at least in his imagination. The material expression of this use is money which represents the value of all things, people and social relations. Incidentally, one sees at a glance that the category of "utilisation" is first abstracted from the actual relations of intercourse which I have with other people (but by no means from reflection and mere will) and then these relations. are made out to be the reality of the category that has been abstracted from them themselves, a wholly metaphysical method of procedure. In exactly the same way and with the same justification, Hegel depicts all relations as relations of the objective spirit. Hence Holbach's theory is the historically justified philosophical illusion about the bourgeoisie just then developing in France, whose thirst for exploitation could still be regarded as a thirst for the full development of individuals in conditions of intercourse freed from the old feudal fetters. Liberation from the standpoint of the bourgeoisie, i. e., competition, was, of course, for the eighteenth century the only possible way of offering the individuals a new career for freer development. The theoretical proclamation of the consciousness corresponding to this bourgeois practice, of the consciousness of mutual exploitation as the universal mutual relation of all individuals, was also a bold and open step forward. It was a kind of enlightenment which interpreted the political, patriarchal, religious and sentimental embellishment of exploitation under feudalism in a secular way; the embellishment corresponded to the form of exploitation existing at that time and it had been systematised especially by the theoretical writers of the absolute monarchy.

Even if Sancho had done the same thing in his "book" as Helvétius and Holbach did in the last century, the anachronism would still have made it ridiculous. But we have seen that in the place of active bourgeois egoism he put a bragging egoism in agreement with itself.

His sole service — rendered against his will and without realising it — was that he expressed the aspirations of the German petty bourgeois of today whose aim it is to become bourgeois. It was quite fitting that the petty, shy and timid behaviour of these petty bourgeois should have as its counterpart the noisy, blustering and impertinent public boasting of "the unique" among their philosophical representatives. It is quite in accordance with the situation of these petty bourgeois that they do not want to know about their theoretical loud-mouthed champion, and that he knows nothing about them; that they are at variance with one another, and he is forced to preach egoism in agreement with itself. Now, perhaps, Sancho will realise the sort of umbilical cord that connects *his* "union" with the Customs Union.[73]

The advances made by the theory of utility and exploitation, its various phases are closely connected with the various periods of development of the bourgeoisie. In the case of Helvétius and Holbach, the actual content of the theory never went much beyond paraphrasing the mode of expression of writers belonging to the period of the absolute monarchy. It was a different method of expression which reflected the desire to reduce all relations to the relation of exploitation and to explain the intercourse of people from their material needs and the ways of satisfying them, rather than the actual realisation of this desire. The problem was set. Hobbes and Locke had before their eyes not only the earlier development of the Dutch bourgeoisie (both of them had lived for some time in Holland) but also the first political actions by which the English bourgeoisie emerged from local and provincial limitations, as well as a comparatively highly developed stage of manufacture, overseas trade and colonisation. This particularly applies to Locke, who wrote during the first period of the English economy, at the time of the rise of joint-stock companies, the Bank of England and time of England's mastery of the seas. In their case, and particularly in that of Locke, the theory of exploitation was still directly connected with the economic content.

Helvétius and Holbach had before them, besides English theory and the preceding development of the Dutch and English bourgeoisie, also the French bourgeoisie which was still struggling for its free development. The commercial spirit, universal in the eighteenth century, had especially in France taken possession of all classes in the form of speculation. The financial difficulties of the government and the resulting disputes over taxation occupied the attention of all France even at. that time. In addition, Paris in the eighteenth century was the only world city, the only city where there was personal intercourse among individuals of all nations. These premises, combined with the more universal character typical of the French in general, gave the theory of Helvétius and Holbach its peculiar universal colouring, but at ,he same time deprived it of the positive economic content that was still to be found among the English. The theory which for the English was still simply the registration of facts becomes for the French a philosophical system. This generality devoid of positive content, such as we find it in Helvétius and Holbach, is essentially different from the substantial comprehensive view which is first found in Bentham and Mill. The former corresponds to the struggling, still undeveloped bourgeoisie, the latter to the ruling, developed bourgeoisie.

The content of the theory of exploitation that was neglected by Helvétius and Holbach was developed and systematised by the Physiocrats — who worked at the same time as Holbach — but because their basis was the undeveloped economic relations of France where feudalism, under which landownership plays the chief role, was still unshaken, they remained in thrall to the feudal outlook insofar as they declared landownership and land cultivation to be that [productive force] which determines the whole structure of society.

The theory of exploitation owes its further development in England to Godwin, and especially to Bentham. As the bourgeoisie succeeded in asserting itself more and more both in England and in France, the economic content, which the French had neglected, was gradually re-introduced by Bentham. Godwin's *Political Justice* was written during the terror, and Bentham's chief works during and after the French Revolution and the development of large-scale industry in England. The complete union of the theory of utility with political economy is to be found, finally, in Mill.

At an earlier period political economy had been the subject of inquiry either by financiers, bankers and merchants, i.e., in general by persons directly concerned with economic relations, or by persons with an all-round education like Hobbes, Locke and Hume, for whom it was of importance as a branch of encyclopaedic knowledge. Thanks to the Physiocrats, political economy for the first time was raised to the rank of a special science and has been treated as such ever since. As a special branch of science it absorbed the other relations — political, juridical, etc. — to such an extent that it reduced them to economic relations. But it regarded this subordination of all relations to itself as only one aspect of these relations, and thereby allowed them for the rest an independent significance outside political economy. The complete subordination of all existing relations to the relation of utility, and its unconditional elevation to the sole content of all other relations, occurs for the first time in Bentham's works, where, after the French Revolution and the development of large-scale industry, the bourgeoisie is no longer presented as a special class, but as the class whose conditions of existence are those of the whole society.

When the sentimental and moral paraphrases, which for the French were the entire content of the utility theory, had been exhausted, all that remained for its further development was the question how individuals and relations were to be used, to be exploited. Political economy had meanwhile already provided the answer to this question; the only possible advance consisted in the inclusion of the economic content. Bentham achieved this advance. Political economy, however, had already given expression to the fact that the chief relations of exploitation are determined by production in general, independently of the will of individuals, who find them already in existence. Hence, no other field of speculative thought remained for the utility theory than the attitude of individuals to these important relations, the private exploitation of an already existing world by individuals. On this subject Bentham and his school indulged in lengthy moral reflections. The whole criticism of the existing world by the utility theory was consequently restricted within a narrow range. Remaining within the confines of bourgeois conditions, it could criticise. only those relations which had been handed down from a past epoch and were an obstacle to the development of the bourgeoisie. Hence, although the utility theory does expound the connection of all existing relations with economic relations, it does so only in a restricted way.

From the outset the utility theory had the aspect of a theory of general utility, yet this aspect only became fraught with meaning when economic relations, especially division of labour and exchange, were included. With division of labour, the private activity of the individual becomes generally useful; Bentham's general utility becomes reduced to the same general utility which is asserted in competition as a whole. By taking into account the economic relations of rent, profit and wages, the definite relations of exploitation of the various classes were introduced, since the manner of exploitation depends on the social position of the exploiter. Up to this point the theory of utility was able to base itself on definite social facts; its further account of the manner of exploitation amounts to a mere recital of catechism phrases.

The economic content gradually turned the utility theory into a mere apologia for the existing state of affairs, an attempt to prove that under existing conditions the mutual relations of people today are the most advantageous and generally useful. It has this character among all modern economists.

But whereas the utility theory had thus at least the advantage of indicating the connection of all existing relations with the economic foundations of society, in Sancho the theory has lost all positive content; it is divorced from all actual relations and is restricted to the mere illusion cherished by the isolated bourgeois about his "cleverness", by means of which he reckons to exploit the world. Incidentally, it is only in a few passages that Sancho deals with the theory of utility even in this diluted form; almost the entire "book" is taken up, as we have seen, with egoism in agreement with itself, i.e., with an illusion about this illusion of the petty bourgeois. Even these few passages are finally reduced by Sancho to mere vapour, as we shall see.

D. Religion

"In this community" (namely with other people) "I perceive nothing at all but a multiplication of my power, and I retain it only for so long as it is my multiplied power" (p. 416).

"I no longer abase myself before any power, and recognise that all powers are only my power, which I have immediately to subdue if they threaten to become

a power against me or over me; each of them *is permitted* to be only one of *my means* for achieving my purpose.”

I *“perceive*”, I *“recognise*”, I “*have to* subdue”, power “ *is permitted* to be only one of my means”. We have already been shown in connection with the “union” what these moral demands mean and how far they correspond to reality. This illusion about his power is closely connected with the other illusion: that in the union “substance” is abolished (see “Humane Liberalism”), and that the relations of the union members never assume a rigid form in respect to separate individuals.

“The union, the association, this eternally fluid association of everything that exists.... Of course, society can arise also from union, but only as a fixed idea arises out of a thought.... If a union has crystallised into a society, it has ceased to be an association, for association is the unceasing process of associating with one another; it has reached the state of being associated, it has become society, the corpse of the union or association.... Neither a natural nor a spiritual bond holds the union together” (pp. 294, 408, 416).

As regards the “natural bond”, it exists, despite Sancho’s “ill will”, in the form of corvée peasant economy and organisation of labour, etc., in the union; likewise the “spiritual bond” in Sancho’s philosophy. For the rest we need only refer to what we have already said several times, and repeated in connection with the union, about division of labour causing the relations to confront individuals as something existing independently of them.

“In short, society is holy, the union is your own; society uses you, you use the union”, etc. [p. 418].

E. Supplement to the Union Whereas hitherto we were shown no other possibility of reaching the “union” than through rebellion, now we learn from the “Commentary” that the “union of egoists” already exists in “hundreds of thousands” of cases as one of the aspects of existing bourgeois society and that it is accessible to us even without any rebellion and any “Stirner”. Then Sancho shows us

“such unions in actual life. Faust is within such unions when he exclaims: Here I am a human being” (!), “here I dare to be one [Goethe, Faust, I. Teil, “Osterspaziergang"] here Goethe states it even in black and white” (“but the holy person is called Humanus, see Goethe”, [Humanus — a character in Goethe’s unfinished poem “Die Geheimnisse"] cf. “the book”)....... If Hess were to look attentively at real life, he would see hundreds of thousands of such egoistical unions — some of short duration, some enduring.”

Sancho then makes some “children” meet for a game in front of Hess’ window, and makes “a few friends” take Hess to a tavern and lets him associate with his “beloved”.

“Of course, Hess does not notice how full of significance these trivial examples are and how infinitely different they are from the holy societies and indeed from the fraternal, human society of holy socialists” (Sancho contra Hess, Wigand, pp. 193, 194).

In just the same way, on page 305 of “the book”, “association for interests” is graciously accepted as a voluntary material aims and union of egoists.

Thus the union here is reduced, on the one hand, to bourgeois associations and joint-stock companies and, on the other hand, to bourgeois clubs, picnics, etc. That the former belong wholly to the pre*sent epoch* is well known, and that this equally applies to the latter is a so well known. Let Sancho look at the “unions” of an earlier epoch, e.g., of feudal times, or those of other nations, e.g., of the Italians, English, etc., right down to the “unions” of children, in order to realise what the difference is. By this new interpretation of the union he confirms only his obdurate conservatism. Sancho, who incorporated the whole of bourgeois society, insofar as he liked it, into his allegedly new institution, here by way of supplement only assures us that in his union people will also enjoy themselves and indeed in quite the traditional way. Our bonhomme, of course, does not consider the question: what relations existing independently of him enable — or do not enable — him to “accompany a few friends to a tavern”.

The idea of resolving the whole of society into voluntary groups — which is here, on the basis of hearsay accounts current in Berlin, turned into a Stirnerian idea — belongs to Fourier. [Charles Fourier, Théorie de l'unité universelle] But with Fourier this view presupposes a complete transformation of society and is based on a criticism of the existing “unions”, so much admired by Sancho, and of their infinite tedium. Fourier describes these present-day attempts at amusement in their connection with the existing relations of production and intercourse, and wages a polemic against them; Sancho, far from criticising them, wants on the contrary to transplant them in their entirety into his new “mutual agreement” institution for promoting happiness; he thereby only proves once again how strongly he is held in thrall to existing bourgeois society.

Finally, Sancho delivers the following *oratio pro domo,* i.e., in defence of the “union”.

“Is a union in which the majority allow themselves to be cheated in regard to their most natural and obvious interests, a union of egoists? Have egoists united where one is the slave or serf of another?... Societies in which the needs of some are satisfied at the expense of others, in which, for example, some can satisfy the

need for rest by others having to work to the point of exhaustion ... Hess ... identifies ... these 'egoistical unions' of his with Stirner's union of egoists" ([Wigand,] pp. 192, 193).

Sancho, therefore, expresses the pious wish that in his union, based on mutual exploitation, all the members will be equally powerful, cunning, etc., etc., so that each can exploit the others to exactly the same extent as they exploit him, and so that no one will be "cheated" in regard to his "most natural and obvious interests" or be able to "satisfy his needs at the expense of others". We note here that Sancho recognises "natural and obvious interests" and "needs" of all — consequently, *equal* interests and needs. Further, we recall at once page 456 of the book, according to which "overreaching" is a "moral idea inculcated by the guild spirit", and for a man who has had a "wise education", it remains a "fixed idea from which no freedom of thought can give protection". Sancho "gets his thoughts from above and adheres to them" (ibid.). This equal power of all consists, according to his demand, in that everyone should become "*omnipotent*", i.e., all should become *impotent* in relation to one another, a perfectly consistent postulate that coincides with the sentimental desire of the petty bourgeois for a world of hucksters, in which everyone gets his advantage. Or, on the other hand, our saint quite suddenly presupposes a society in which each can satisfy his needs unhampered, without doing so "at the expense of others", and in that case the theory of exploitation again becomes a meaningless paraphrase for the actual relations of individuals to one another.

After Sancho in his "union" has "devoured" and consumed the others, thereby transforming intercourse with the world into intercourse with himself, he passes from this indirect self-enjoyment to direct self-enjoyment, by consuming himself.

C. My Self-Enjoyment

The *philosophy* which preaches enjoyment is as old in Europe as the Cyrenaic school. [74] just as in antiquity it was the Greeks who were the protagonists of this philosophy, so in modern times it is the French, and indeed for the same reason, because their temperament and their society made them most capable of enjoyment. The philosophy of enjoyment was never anything but the clever language of certain social circles who had the privilege of enjoyment. Apart from the fact that the manner and content of their enjoyment was always determined by the whole structure of the rest of society and suffered from all its contradictions, this philosophy became a mere phrase as soon as it began to lay claim to a universal character and proclaimed itself the outlook on life of society as a whole. It sank then to the level of edifying moralising, to a sophistical palliation of existing society, or it was transformed into its opposite, by declaring compulsory asceticism to be enjoyment.

In modern times the philosophy of enjoyment arose with the decline of feudalism and with the transformation of the feudal landed nobility into the pleasure-loving and extravagant nobles of the court under the absolute monarchy. Among these nobles this philosophy still has largely the form of a direct, naive outlook on life which finds expression in memoirs, poems, novels, etc. It only becomes a real philosophy in the hands of a few writers of the revolutionary bourgeoisie, who, on the one hand, participated in the culture and mode of life of the court nobility and, on the other hand, shared the more general outlook of the bourgeoisie, based on the more general conditions of existence of this class. This philosophy was, therefore, accepted by both classes, although from totally different points of view. Whereas among the nobility this language was restricted exclusively to its estate and to the conditions of life of this estate, it was given a generalised character by the bourgeoisie and addressed to every individual without distinction. The conditions of life of these individuals were thus disregarded and the theory of enjoyment thereby transformed into an insipid and hypocritical moral doctrine. When, in the course of further development, the nobility was overthrown and the bourgeoisie brought into conflict with its opposite, the proletariat, the nobility became devoutly religious, and the bourgeoisie solemnly moral and strict in its theories, or else succumbed to the above-mentioned hypocrisy, although the nobility in practice by no means renounced enjoyment, while among the bourgeoisie enjoyment even assumed an official, economic form — that of *luxury*.

[The following passage is crossed out in the manuscript:] In the Middle Ages the pleasures were strictly classified; each estate had its own distinct forms of pleasure and its distinct manner of enjoyment. The nobility was the estate privileged to devote itself exclusively to pleasure, while the separation of work and enjoyment already existed for the bourgeoisie and pleasure was subordinated to work. The serfs, the class destined exclusively to labour, had only extremely few and restricted. pleasures, which came their way mostly by chance, depended on the whim of their masters and other contingencies, and are hardly worth considering.

Under the rule of the bourgeoisie the nature of the pleasures depended on the classes of society. The pleasures of the bourgeoisie are determined by the material brought forth by this class at various stages of its development and they have acquired the tedious character which they still retain from the individuals and from the continuous subordination of pleasure to money-making. The present crude form of proletarian pleasure is due, on the one hand, to the long working hours, which led to the utmost intensification of the need for

enjoyment, and, on the other hand, to the restriction -both qualitative and quantitative – of the means of pleasure accessible to the proletarian.

In general, the pleasures of all hitherto existing estates and classes had to be either childish, exhausting or crude, because they were always completely divorced from the vital activity, the real content of the life of the individuals. and more or less reduced to imparting an illusory content to a meaningless activity. The hitherto existing forms of enjoyment could, of course, only be criticised when the contradiction between the bourgeoisie and the proletariat had developed to such an extent that the existing mode of production and intercourse could be criticised as well.

It was only possible to discover the connection between the kinds of enjoyment open to individuals at any particular time and the class relations in which they live, and the conditions of production and intercourse which give rise to these relations, the narrowness of the hitherto existing forms of enjoyment, which were outside the actual content of the life of people and in contradiction to it, the connection between every philosophy of enjoyment and the enjoyment actually present and the hypocrisy of such a philosophy which treated all individuals without distinction — it was, of course, only possible to discover all this when it became possible to criticise the conditions of production and intercourse in the hitherto existing world, i.e., when the contradiction between t — he bourgeoisie and the proletariat had given rise to communist and socialist views. That shattered the basis of all morality, whether the morality of asceticism or of enjoyment.

Our insipid, moralising Sancho believes, of course, as his whole book shows, that it is merely a matter of a different morality, of what appears to him a new outlook on life, of "getting out of one's head" a few "fixed ideas", to make everyone happy and able to enjoy life. Hence the chapter on self-enjoyment could at most reproduce under a new label the same phrases and maxims which he had already so frequently had the "self-enjoyment" of preaching to us. This chapter has only one original feature, namely that he *deifies* and turns into philosophical German all enjoyment, by giving it the name "self-enjoyment". While the French philosophy of enjoyment of the eighteenth century at least gave a witty description of the gay and audacious mode of life that then existed, Sancho's whole frivolity is limited to such expressions as "consuming" and "squandering", to images such as the "light" (it should read a candle) and to natural-scientific recollections which amount either to belletristic nonsense such as that the plant "imbibes the air of the ether" and that "song-birds swallow beetles", or else to wrong statements, for example, that a candle burns itself. On the other hand, here we again enjoy all the solemn seriousness of the statements against "the holy", which, we are told, in the guise of "vocation — designation — task" and "ideal" has hitherto spoiled people's self-enjoyment.

For the rest, without dwelling on the more or less dirty forms in which the "self" in "self-enjoyment" can be more than a mere phrase, we must once more as briefly as possible outline for the reader Sancho's machinations against the holy, with the insignificant modulations occurring in this chapter.

— Revolutionary Tasks —

To recapitulate briefly, "vocation, designation, task, ideal" are either

1) the idea of the revolutionary tasks laid down for an oppressed class by the material conditions; or

2) mere idealistic paraphrases, or also the apt conscious expression of the individuals' modes of activity which owing to division of labour have assumed independent existence as various professions; or

3) the conscious expression of the necessity which at every moment confronts individuals, classes and nations to assert their position through some quite definite activity; or

4) the conditions of existence of the ruling class (as determined by the preceding development of production), ideally expressed in law, morality, etc., to which [conditions] the ideologists of that class more or less consciously give a sort of theoretical independence; they can be conceived by separate individuals of that class as vocation, etc., and are held up as a standard of life to the individuals of the oppressed class, partly as an embellishment or recognition of domination, partly as a moral means for this domination. It is to be noted here, as in general with ideologists, that they inevitably put the thing upside-down and regard their ideology both as the creative force and as the aim of all social relations, whereas it is only an expression and symptom of these relations.

As for our Sancho, we know that he has the most ineradicable faith in the illusions of these ideologists. Because people, depending on their various conditions of life, construct various notions about themselves, that is about man, Sancho imagines that the various ideas created the various conditions of life and thus the wholesale manufacturers of these ideas, i.e., the ideologists, have dominated the world. Cf. page 433.

"Thinkers rule in the world", "thought rules the world"; priests or school-masters" "stuff their heads with all sorts of trash", "they imagine a human ideal" which other people have to take as a guide (p. 442).

Sancho even knows exactly the conclusion by virtue of which people were subjected to the fancies of the school-masters and owing to their stupidity subjected themselves to these fancies:

“Because it is conceivable for me” (the school-master), “it is possible for people; because it is possible for people, it means that they ought to be such, it was their vocation; and, finally, it is only according to this vocation, only as persons having a vocation, that one must judge human beings. And the further conclusion? It is not the individual who is man, but it is a thought, an ideal, that is man (p. 441). — species — mankind”

All collisions in which, owing to their actual conditions of life, human beings become involved with themselves or with others appear to our school-master Sancho as collisions between people and their ideas about the life of “Man”, ideas which they either have put themselves into their heads or have allowed school-masters to put into their heads. If they managed to get these ideas out of their heads “how happily” “these unfortunate beings could live”, what “capers” they could cut, whereas now they have to “dance to the pipe of the school-masters and bear-leaders"! (p. 435). (The lowest of these “bear-leaders” is Sancho, for it is only himself whom he leads by the nose.) If, for example, people almost always and almost everywhere — in China as well as in France — did not get it into their heads that they suffer from over-population, what an overflowing abundance of the means of existence would these “unfortunate beings” suddenly have at their disposal.

Under the pretext of writing a treatise on possibility and reality, Sancho here once more attempts to put forward his old story of the rule of the holy in the world. For him everything a school-master gets into his head about me is possible, and then Sancho can easily prove that this possibility has no reality except in his head. His solemn assertion that “behind the word possible lay concealed the most momentous misunderstanding of thousands of years” (p. 441) is sufficient proof that it is impossible for him to conceal behind word s the consequences of his abundant misunderstanding of thousands of years.

This treatise on the “coincidence of possibility and reality” (p. 439), on what people have the ability to be and what they are, a treatise that harmonises so well with his earlier insistent exhortations that one should bring all one’s abilities into play, etc., leads him, however, to a few more digressions on the materialist *theory of circumstances,* which we shall presently deal with in more detail. But first, one more example of his ideological distortion. On page 428 he makes the question “how can one acquire life” identical with the question how is one to “create in oneself the true ego” (or “life”). According to the same page, “worrying about life” ceases with his new moral philosophy and the “squandering” of life begins. Our Solomon expresses still more “eloquently” the miraculous power of his allegedly new moral philosophy in the following saying:

“Regard yourself as more powerful than others say You are, then you will have more power: value yourself more and you will have more” (p. 483).

See above, in the section on the "union", Sancho's method of acquiring property. Now for his *theory of circumstances.*

"Man has no vocation. but he has powers which manifest themselves where they exist, because their being consists solely in their manifestation, and they cannot remain inactive any more than life itself.... Everyone at each instant uses as much power as he has" ("increase your value, follow the example of the courageous man, let each of you become an omnipotent ego", etc. — Sancho said above). ... One's powers can indeed be intensified and multiplied, particularly by hostile resistance or friendly support; but where their application is missing one can be sure that they are absent. It is possible to strike fire from a stone, but without striking it, nothing comes out; similarly man needs an impulse. Since powers always prove to be operative of themselves, the injunction to use them would be superfluous and senseless.... Power is merely a simpler word for manifestation of power" (pp. 436, 437).

"Egoism in agreement with itself", which just as it pleases brings or does not bring its powers or abilities into play and which applies the *jus utendi et abutendi* to them, here suddenly and unexpectedly comes to grief. Once they are present, the forces here all of a sudden act autonomously, without caring about Sancho's "pleasure", they act like chemical or mechanical forces, independently of the individual who possesses them. We learn further that a force is not present if its manifestation is missing; the correction being made that power requires an impulse for its manifestation. We do not learn, however, how Sancho will decide whether it is the impulse or the power that is lacking when the manifestation of power is deficient. On the other hand, our unique investigator of nature teaches us that "it is possible to strike fire from a stone", and, as is always the case with Sancho, he could not have chosen a more unfortunate example. Sancho, like a simple village school-master, believes that the fire he strikes in this way comes from the stone, where it was previously latent. But any fourth-form schoolboy could tell him that in this method of obtaining fire, a method long forgotten in all civilised countries, by the friction of steel and stone, particles which become red-hot owing to this friction are separated from the steel, and not from the stone; that, consequently, the "fire", which for Sancho is not a definite relation, at a definite temperature, of certain bodies to certain other bodies, in particular oxygen, but is an independent thing, an "element", a fixed idea, "the holy" — that this fire does not come either from the stone or from the steel. Sancho might just as well have said: one can make bleached linen from chlorine, but if the "impulse", viz., the *unbleached* linen, is lacking, then "nothing comes out". We shall take this opportunity, for Sancho's "self-enjoyment", of noting an earlier fact of "unique" natural science. In the ode on crime it is stated:

"Is there not a distant peal of thunder

And do you not see how the sky

Filled with foreboding is silent and overcast?" (p. 319 of "the book"),

It thunders and the sky is silent. Hence Sancho knows of some other place than the sky from which thunder comes. Further, Sancho notices the silence of the sky by means of his organ of *sight*— a feat which no one will be able to imitate. Or perhaps Sancho hears thunder and *sees* silence, so that the two phenomena can take place simultaneously. We saw how Sancho in dealing with "apparitions" made mountains represent the "spirit of loftiness" . Here the silent sky represents for him the spirit of foreboding.

Incidentally, it is not clear why Sancho here rails against the "injunction to us c one's powers". This injunction, after all, could possibly be the missing "impulse", which, it is true, fails to have effect in the case of a stone, but the efficacy of which Sancho could observe during the exercises of any battalion. That the "injunction" is an "impulse" even for his feeble powers follows also from the fact that for him it turns out to be a "stumbling block". [*anstoss* — impulse, shock, scandal, offence; *Stein des Anstosses* — stumbling block]

Consciousness is also a power which, according to the doctrine which has just been enunciated, "always proves to be operative of itself". In accordance with this, therefore, Sancho ought not to have set out to change consciousness, but at most the "impulse" which affects consciousness; consequently Sancho would have written his whole book in vain. But in this case, of course, he regards his moral preaching and "injunctions" as a sufficient "impulse".

"What an individual can become he will become. A born poet may be prevented, owing to unfavourable circumstances, from being abreast of the times and creating great works of art, for which much study is indispensable; but he will compose poetry whether he is an agricultural labourer or has the good fortune to live at the Weimar Court. A born musician will occupy himself with music, no matter whether on all instruments" (he found this fantasy about "all instruments" in Proudhon. See "Communism") "or only on a shepherd's reed" (Virgil's Eclogues, of course, again come into the mind of our school-master). "A born philosophical intellect can prove its worth either as a university philosopher or a village philosopher. Finally, a born dunce always remains a blockhead. Indeed, innate limited intellects undoubtedly form the most numerous class of mankind. And why should not the same differences occur in the human species as are unmistakably seen in every species of animate" (p. 434).

Sancho has again chosen his example with his usual lack of skill. If all his nonsense about born poets, musicians and philosophers is accepted, then this example only proves, on the one hand, that a born poet, etc., remains what he is from birth — namely a poet, etc.; and, on the other hand, that the born poet, etc., in so far as he becomes, develops, may, ,owing to unfavourable circumstances", not become what *he could become.* His example, therefore, on the one hand, proves nothing at all, and, on the other hand, proves the opposite of what it was intended to prove; and taking both aspects together it proves that either from birth or owing to circumstances, Sancho belongs to "*the most numerous class of mankind*". However, he shares the consolation of being a unique "blockhead" with this class and with his own blockheadedness.

Here Sancho experiences the adventure with the magic potion which Don Quixote brewed from rosemary, wine, olive oil and salt. As Cervantes relates in the seventeenth chapter, after Sancho had drunk this mixture he spent two hours in sweats and convulsions pouring it out from both channels of his body. The materialist potion which our valiant armour-bearer imbibed' for his self-enjoyment purges him of all his egoism in the extraordinary sense. We saw above that Sancho suddenly lost all his solemnity when confronted with the "impulse", and renounced his "ability", like of yore the Egyptian magicians when confronted with the lice of Moses. Now we observe two new attacks of faint-heartedness, in which he also gives way "to unfavourable *circumstances*" and finally even admits that his original physical organisation is something that becomes crippled without co-operation from him. What is left now to our bankrupt egoist? He has no power over his original physical organisation; nor can he control the "circumstances" and the "impulse" under the influence of which this organisation develops; "what he is at every instant" is not "his own creation", but something created by the interaction between his innate potentialities and the circumstances acting on them — all this Sancho concedes. Unfortunate "creator"! Most unfortunate "creation"!

But the greatest calamity comes at the end. Sancho, not satisfied that already long ago he received the full count of the *tres mil azotes y trecientos en ambas sus valientes posaderas* [three thousand acid three burial lashes upon his ample buttocks] finally delivers himself another and mighty blow by proclaiming himself a *believer in species.* And what a believer in species! Firstly, he attributes division of labour to species by making it responsible for the fact that some people are poets, others musicians, and still others school-masters. Secondly, he ascribes to species the existing physical and intellectual defects of "the most numerous class of mankind" and makes it responsible for the fact that under the rule of the bourgeoisie the majority of individuals are like himself. According to his views on innate limited intellects, one would have to explain the present spread of scrofula from the fact that "the species" finds a special satisfaction in making innate scrofulous constitutions form "the most numerous class of mankind". Even the most ordinary materialists and medical men had got beyond such naive views long before the egoist in agreement with himself was "called" upon by "the species", "unfavourable circumstances" and the "impulse" to make his *début* before the German public. just as previously Sancho explained all crippling of individuals, and hence of their relations, by means of the fixed ideas of school-masters, without worrying about the origin of these ideas, so now he explains this crippling as merely due to the natural process of generation. He has not the slightest idea that the ability of children to develop depends on the development of their parents and that all this crippling under existing social relations has arisen historically, and in the same way can be abolished again in the course of historical development. Even naturally evolved differences within the species, such as racial differences, etc., which Sancho does not mention at all, can and must be abolished in the course of historical development. Sancho — who in this connection casts a stealthy glance at zoology and so makes the discovery that "innate limited intellects" form the most numerous class not only among sheep and oxen, but also among polyps and infusoria, which have no heads at all — has perhaps heard that it is possible to improve races of animals and by cross-breeding to create entirely new, more perfect varieties both for human enjoyment and for their own self-enjoyment.. "Why should not" Sancho be able to draw a conclusion from this in relation to people as well?

We shall take this opportunity to "introduce episodically" Sancho's "transformations" in relation to species. We shall see that his attitude to species is exactly the same as to the holy: the more he blusters against it, the more he believes in it.

No. I. We have already seen that species engenders division of labour and the crippling that takes place under existing social circumstances and *indeed in such a way* that the species together with its products is regarded as something immutable under all circumstances, as outside the control of people.

No. II. "Species is already realised owing to inherent constitution; on the other hand, what you make of this constitution" (according to what was said above, this ought to be: what "circumstances" make of it) "is the realisation of you. Your hand is fully realised in the sense of species, otherwise it would not be a hand but, let us sav, a paw.... You make of it what and how you wish it to be and what you can make of it" (Wigand, pp. 184, 185).

Here Sancho repeats in a different form what was already said in No. I.

We have seen, therefore, from what has been said so far that species, independently of control by individuals and the stage of their historical development, brings into the world all physical and spiritual potentialities, the immediate existence of individuals and, in embryo, division of labour.

No. III. Species remains as "impulse", which is only a general term for the "circumstances" that determine the development of the original individual, again engendered by species. For Sancho species is here precisely the same mysterious force which other bourgeois call the nature of things and which they make responsible for all relationships that are independent of them as bourgeois, and whose interconnection, therefore, they do not understand.

No. IV. Species taken as "what is possible for man" and "required by man" forms the basis of the organisation of labour in "Stirner's union", where likewise what is possible for all and required by all is regarded as a product of species.

No. V. We have already heard about the role that agreement plays in the union.

Page 462: "If it is a matter of coming to an agreement or communicating with one another, then, of course, I can only make use of the human means that are at my disposal because I am at the same time a man" (i.e., a specimen of the species).

Here, therefore, *language* is regarded as a product of the species. That Sancho speaks German and not French, however, is something he in no way owes to the species, but to circumstances. Incidentally, in every modern developed language, partly as a result of the historical development of the language from pre-existing material, as in the Romance and Germanic languages, partly owing to the crossing and mixing of nations, as in the English language, and partly as a result of the concentration of the dialects within a single nation brought about by economic and political concentration, the spontaneously evolved speech has been turned into a national language. As a matter of course, the individuals at some time will take completely under their control this product of the species as well. In the union, language as such will be spoken, holy language, the language of the holy — Hebrew, and indeed the Aramaic dialect spoken by that "corporeal essence", Christ. This "occurred" to us here "against the expectation" of Sancho, and "indeed exclusively because it seems to us that it could help to clarify the remainder".

No. VI. On pages 277, 278, we learn that "the species reveals itself in nations, towns, estates, diverse corporations" and, finally, "in the family"; hence it is perfectly logical that up to now it has "made history". Thus, here all preceding history, up to the unfortunate history of the unique, becomes a product of the "species" and, indeed, for the sufficient reason that this history has sometimes been summed up under the title of the history of *mankind*, i. e., of the species.

No. VII. In what has been said so far Sancho has attributed to the *species* more than any mortal had ever done before him, and he now sums it up in the following proposition:

“Species is nothing ... species is only a conception” (spirit, spectre, etc.) (p. 239).

Ultimately, then, this “*nothing*” of Sancho’s, which is identical with a “*conception*”, means nothing, for Sancho himself is ‘,the creative nothing”, and the species, as we have seen, creates a great deal, and in doing so it can therefore very well be “nothing”. Moreover Sancho tells us on page 456:

“Being justifies nothing at all; something imagined exists just as well as something not imagined.”

Starting with page 448, Sancho spins out a yarn lasting thirty pages in order to strike “fire” out of thought and criticism of the egoist in agreement with himself. We have already experienced too many expressions of his thought and criticism to give the reader further “offence ,a with Sancho’s beggar’s broth. One spoonful of it will suffice.

“Do you believe that thoughts fly about freely for the taking, so that anyone can capture some of them and then put them forward against me as his inviolable property? Everything that flies about, all of it is — mine” (p. 457).

Here Sancho poaches snipe existing only in the mind. We have seen how many of the thoughts flying about he has captured for himself. He fancied that he could catch them as soon as he put the salt of the holy on their tails. This colossal contradiction between his actual property in regard to thoughts and his illusions on that score may serve as a classic and striking example of his entire property in the extraordinary sense. It is precisely this contrast that constitutes his self-enjoyment.

6. Solomon’s Song of Songs or The Unique

Cease man of Troy, and cease thou sage of Greece,

To boast of Navigations great ye made;

Let the high Fame of Alexander cease,

And Trajan’s Banners in the East display'd:

Cease All, whose Actions ancient Bards exprest:

A brighter Valour arises in the West.

And you (my Spree Nymphs)...

[Marx and Engels substituted “Spree” — the river on which Berlin stands — for Tagus]

Give me a mighty Fury, Nor rude Reeds

Or rustic Bag-Pipes sound, But such as War's

Lowd Instrument (the noble Trumpet) breeds,

Which fires the Breast, and stirs the blood to jars.

[This and the following quotations are from Luis de Camões, Lusiada]

give me, o nymphs of the Spree, a song worthy of the heroes who fight on your banks against Substance and Man, a song that will spread over the whole world and will be sung in all lands — for it is a matter here of the man whose deeds are

Beyond what strength of human nature here,

greater than mere "human" power can perform, the man who

... acquir'd

A modern Scepter which to Heaven aspired

who has founded a new kingdom among a far-off people, viz., the "union" — it is a matter here of being a

... fair and tender Blossom of that Tree

Belov'd by Him, who dy'd on one for Man

of the tender and young blossoming shoot of a tree especially loved by Christ, a tree which is nothing less than

. ... certain Hope t'extend the Pale,

One day, of narrow Christianitie.

the surest hope of growth for faint-hearted Christianity — in a word, it is a matter of something "unprecedented", the "unique".

Everything that is to be found in this unprecedented song of songs about the unique was in existence earlier in the "book". We mention this chapter only for the sake of good order; so that we should be able to do it properly we have left the examination of some points until now and we shall briefly recapitulate others.

Conclusion to "The Unique"

Sancho's "ego" has gone through the full gamut of soul migration. We already met it as the egoist in agreement with himself, as corvée peasant, as trader in thoughts, as unfortunate competitor, as owner, as a slave who has had one of his legs torn out, as Sancho tossed into the air by the interaction between birth and circumstances, and in a hundred other shapes. Here it bids us farewell as an "inhuman being", under the same banner as that under which it made its entry into the New Testament.

"Only the inhuman being is the real man" (p. 232).

This is one of the thousand and one equations in which Sancho expounds his legend of the holy.

The concept "man" is not the real man.

The concept "man" = Man.

Man = not the real man.

The real man = the non-man,

= the inhuman being.

"Only the inhuman being is the real man. "

Sancho tries to explain to himself the harmlessness of this proposition by means of the following transformations:

"It is not so difficult to express in a few plain words what an inhuman being is; it is a man [I who does not correspond to the concept of what is human. Logic calls this a nonsensical judgment. Would one have the right to pronounce this judgment that someone can be a man without being a man, if one did not admit the validity of the hypothesis that the concept of man can be separated from his existence, that the essence can be separated from the appearance? People say: so and so seems to be a man, but he is not a man. People have pronounced this nonsensical judgment throughout many centuries: moreover, during this long period of time there have only been inhuman beings. What individual did ever correspond to his concept?" (p. 232).

This passage is again based on our school-master's fantasy about the school-master who has created for himself an ideal of "Man" and "put it into the heads" of other people, a fantasy which forms the basic theme of "the book".

Sancho calls it a hypothesis that the concept and existence, the essence and appearance of "man" can be separated, as though the possibility of this separation is not already expressed in the very words he uses. When he says *concept*, he is speaking of something different from *existence*; when he says *essence,* he is speaking of something different from *appearance*. it is not these *statements* that he brings into contradiction, but they themselves are the expressions of a contradiction. Hence the only question that could have been raised is whether it is permissible for him to range something under these points of view; and in order to deal with this Sancho would have had to consider the actual relations of people who have been given other names in these metaphysical relations. For the rest, Sancho's own arguments about the egoist in agreement with himself and about rebellion show how these points of view can be made to diverge, while his arguments about peculiarity, possibility and reality — in connection with "self-enjoyment" — show how they can be made simultaneously to coincide and to diverge.

The nonsensical judgment of the philosophers that the real man is not man is in the sphere of abstraction merely the most universal, all-embracing expression of the actually existing universal contradiction between the conditions and needs of people. The nonsensical form of the abstract proposition fully corresponds to the nonsensical character, carried to extreme lengths, of the relations of bourgeois society, just as Sancho's nonsensical judgment about his environment — they are egoists and at the same time they are not egoists — corresponds to the actual contradiction between the existence of the German petty bourgeois and the tasks which existing relations have imposed on them and which they themselves entertain in the form of pious wishes and desires. Incidentally, philosophers have declared people to be inhuman, not because they did not correspond to the concept of man, but because their concept of man did not correspond to the true concept of man, or because they had no true understanding of man. *Tout comme chez nous*, [modified phrase from Nolant de Fatouville's comedy Harlequin, empereur dans la lune — "tout comme ici" (just as here) is the stock response made by the people listening to Harlequin's inventions about life on the moon] in "the book", where Sancho also declares that people are non-egoists for the sole reason that they have no true understanding of egoism.

In view of its extreme triviality and indisputable certainty, there should have been no need to mention the perfectly inoffensive proposition that the *idea* of man is not the *real* man, that the idea of a thing is not the thing itself — a proposition which is also applicable to a stone and to the idea of a stone, in accordance with which Sancho should have said that the real stone is non-stone. But Sancho's well-known fantasy that only because of the domination of ideas and concepts mankind has up to now been subjected to all sorts of misfortunes, makes it possible for him to link his old conclusions again with this proposition. Sancho's old opinion that one has only to get a few ideas out of one's *head* in order to abolish from the *world* the conditions which have given rise to these ideas, is reproduced here in the form that one has only to get out of one's *head* the idea of man in order to put an end to the actually existing conditions which are today called *inhuman* — whether this predicate "inhuman" expresses the opinion of the individual in contradiction with his conditions or the opinion of the normal, ruling society about the abnormal, subjected class. In just the same way, a whale taken from the ocean and put in the Kupfergraben,[75] if it possessed consciousness, would declare this situation created by "unfavourable circumstances" to be unwhale-like, although Sancho could prove that it is whale-like, if only because it is its, the whale's, own situation — that is precisely how people argue in certain circumstances.

— The Idea and the Realisation of Freedom —

On page 185, Sancho raises the important question:

"But how to curb the inhuman being who dwells in each individuals How can one manage not to set free the inhuman being along with the human being'? All liberalism has a mortal enemy, an invincible opponent, as God has the devil; at the side of the human being there is always the inhuman being, the egoist, the individual. State, society, mankind cannot master this devil."

"And when the thousand years are expired, Satan shall be loosed out of his prison,

"And shall go out to deceive the nations which are in the four quarters of the earth, Gog and Magog, to gather them together to battle....

"And they went up on the breadth of the earth, and compassed the camp of the saints about, and the beloved city" (Revelation of St. John 20:7-9).

In the form in which Sancho understands it, the question again becomes sheer nonsense. He imagines that people up to now have always formed a concept of man, and then won freedom for themselves to the extent that was necessary to realise this concept; that the measure of freedom that they achieved was determined each time by their idea of the ideal of man at the time; it was thus unavoidable that in each individual there remained a residue which did not correspond to this ideal and, hence, since it was "inhuman", was either not set free or only freed *malgré eux*.

In reality, of course, what happened was that people won freedom for themselves each time to the extent that was dictated and permitted not by their ideal of man, but by the existing productive forces. All emancipation carried through hitherto has been based, however, on restricted productive forces. The production which these productive forces could provide was insufficient for the whole of society and made development possible only if some persons satisfied their needs at the expense of others, and therefore some — the minority — obtained the monopoly of development, while others — the majority — owing to the constant struggle to satisfy their most essential needs, were for the time being (i.e., until the creation of new revolutionary productive forces) excluded from any development. Thus, society has hitherto always developed within the framework of a contradiction — in antiquity the contradiction between free men and slaves, in the Middle Ages that between nobility and serfs, in modern times that between the bourgeoisie and the proletariat. This explains, on the one hand, the abnormal, "inhuman" way in which the oppressed class satisfies its needs, and, on the other hand, the narrow limits within which intercourse, and with it the whole ruling class, develops. Hence this restricted character of development consists not only in the exclusion of one class from development, but also in the narrow-mindedness of the excluding class, and the "inhuman" is to be found also within the ruling class. This so-called "inhuman" is just as much a product of present-day relations as the "human" is; it is their negative aspect, the rebellion — which is not based on any new revolutionary productive force — against the prevailing relations brought about by the existing productive forces, and against the way of satisfying needs that corresponds to these relations. The positive expression "human" corresponds to the definite relations *predominant* at a certain stage of production and to the way of satisfying needs determined by them, just as the negative expression "inhuman" corresponds to the attempt to negate these predominant relations and the way of satisfying needs prevailing under them without changing the existing mode of production, an attempt that this stage of production daily engenders afresh.

For our saint, such world-historical struggles are reduced to a mere collision between Saint Bruno and "the mass". Cf. the whole criticism of humane liberalism, especially page 192 et seq.

Thus, our simple-minded Sancho with his naive little statement about the inhuman being and with his talk of getting-man-out-of-one's-head, thanks to which the inhuman being also disappears and there is no longer any measure for individuals, finally arrives at the following result. He regards the physical, intellectual and social crippling and enslavement which as a result of the existing relations afflict an individual, as the individuality and peculiarity of that individual; like an ordinary conservative he calmly recognises these relations once he has freed his mind of all worry by getting out of his head the philosophers' idea of these relations. just as here he declares fortuitous features imposed on the individual to be the latter's individuality, so earlier (cf. "Logic"), in connection with the ego, he abstracted not only from any fortuity, but also in general from any individuality.

About the “inhuman” great result obtained by him Sancho sings in the following *Kyrie eleison*, [Lord have mercy] which he puts into the mouth of “*the inhuman being*":

“I was despicable because I sought my better self outside me;

"I was the inhuman, because I dreamed of the human;

"I was like the pious ones who hunger for their true ego and always remain poor sinners;

"I thought of myself only in comparison with someone else;

"I was not all in all, I was not — unique.

"Now, however, I cease to appear to myself as the inhuman;

"I cease to measure myself by man and to let others measure me;

"I cease to recognise anything above myself —

"I was inhuman, but I am no longer inhuman, I am the unique!” Hallelujah!

We shall not dwell further here on how “the inhuman” — which, it may be said in passing, put itself in the right frame of mind by “*turning its back*” “*on itself* and the critic”, Saint Bruno — how “the inhuman” here “*appears*”, or does not “appear” to *itself*. We shall only point out that the “unique” (it or he) is characterised here by his getting the holy out of his, head for the nine-hundredth time, whereby, as we in our turn are compelled to repeat for the nine-hundredth time, everything remains as before, not to mention the fact that it is no more than a pious wish.

We have here, for the first time, the unique person, Sancho, who with the litany mentioned above has received the accolade of knighthood, now appropriates his new, noble name. Sancho arrives at his uniqueness by getting “Man” out of his head. He thereby ceases “to think of himself only in comparison with someone else” and “to recognise something above him”. He becomes incomparable. This is again the same old fantasy of Sancho’s that it is not the needs of individuals, but concepts, ideas, “the holy” — here in the shape of “Man” — that are the sole *tertium comparationis* and the sole bond between individuals. He gets an *idea* out of his head and thereby becomes unique.

To become “unique” in his sense of the word he must above all prove to us his *freedom from premises.*

Page 470: “Your thought has as its premise not thought, but you. But thus you nevertheless have yourself as a premise? Yes, but not to me, but to my thought. I am before my thought. It follows hence that no thought precedes my thinking, or that my thinking is without any premise. For the premise which I am for my

thinking is not one created by thinking, not one that is thought, but ... is the owner of thinking, and proves only that thinking is nothing but — property."

"We are prepared to allow" that Sancho does not think before he thinks, and that he and everyone else is in this respect a thinker without premises. Similarly we concede that he does not have any thought as the premise of his existence, i.e., that he was not created by thoughts. If for a moment Sancho abstracts from all his thoughts — which with his meagre assortment cannot be very difficult — there remains his real ego, but his real ego within the framework of the actual relations of the world that exist for it. In this way he has divested himself for a moment of all dogmatic premises, but now for the first time the *real* premises begin to come to light for him. And these real premises are also the premises of his *dogmatic* premises which, whether he likes it or not, will reappear to him together with the real ones so long as he does not obtain different real premises, and with them also different dogmatic premises, or so long as he does not recognise in a materialistic way that the real premises are the premises of his thinking, and a„ a result his dogmatic ones will disappear altogether. just as his development up to now and his Berlin environment have at present led to the dogmatic premise of egoism in agreement with itself, so, despite all imaginary freedom from premises, this premise will remain with him as long as he fails to overcome its real premises.

As a true school-master, Sancho still continues to strive for the famous Hegelian "premiseless thinking", i.e., thinking without dogmatic premises, which in Hegel too is only a pious wish. Sancho believed he could achieve this by a skilful leap and even surpass it by going in pursuit of the premiseless ego. But both the one and the other eluded his grasp.

Then Sancho tries his luck in another fashion:

Pages 214, 215: "Make full use" of the demand for freedom! "Who shall become free? You, I, we. Free from what? From everything that is not you, not I, not we, I, therefore, am the core.... What remains if I become free from everything that is not I? Only I and nothing but I."

So that was the poodle's core!

A travelling scholar? The incident makes me laugh.

[Goethe, Faust, I. Teil, 1. "Studierzimmerszene"]

"Everything that is not you, not I, not we" is, of course, here again a dogmatic idea, like state, nationality, division of labour, etc. Once these ideas have been subjected to criticism — and, in Sancho's opinion, this has already been done by "criticism", namely critical criticism — he again imagines that he is also free from the actual state, actual nationality and division of labour. Consequently the ego, which is here the "core", which "has become free from everything that is not I" — is still the above-mentioned premiseless ego with everything that it has not got rid of.

If, however, Sancho were once to tackle the subject of "becoming tree" with the desire of freeing himself not merely from categories, but from actual fetters, then such liberation would presuppose a change common to him and to a large mass of other people, and would produce a change in the state of the world which again would be common to him and others. Although his "ego" "remains" after liberation, it is hereafter a totally changed ego sharing with others a changed state of the world which is precisely the premise, common to him and others, of his and their freedom, and it follows that the uniqueness, incomparability and independence of his "ego" again come to nothing.

Sancho tries again in a third fashion:

Page 237: "Their disgrace is not that they" (Jew and Christian) "*exclude* each other but that this only *half* occurs. If they could be perfect egoists they would totally exclude each other."

Page 273: "If one desires only to resolve the contradiction one grasps its meaning in too formal and feeble a way. The contradiction deserves rather to be sharpened."

Page 274: "Only when you recognise your contradiction fully and when everyone asserts himself from head to foot as unique will you no longer simply conceal your contradiction.... The final and most decisive contradiction — that between one unique person and another — goes basically beyond the bounds of what is called contradiction.... As a unique person you have nothing more in common with the other and, for that reason, nothing that makes you separate from him or hostile to him.... Contradiction disappears in perfect ... separateness or uniqueness."

Page 183: "I do not want to have or to be something special in relation to others; nor do I measure myself by others.... I want to be everything I can be, and to have everything I can have. What do I care whether others are or have something similar to me? They can neither be nor have something equal, the same. I do nothing detrimental to them any more than it is to the detriment of the cliff that I have the advantage of movement. If they could have it, they would have it. Doing nothing to the detriment of other people, that is the meaning of the demand to have no privileges.... One should not regard oneself as 'something special', e.g., Jew or Christian. Well, I regard myself not as

something special but as unique. True, I have a resemblance to others; but this holds only for comparison or reflection; in fact, however, I am incomparable, unique. My flesh is not their flesh, my spirit is not their spirit. If you bring them under the general concept 'flesh', 'spirit', then those are your thoughts, which have nothing to do with ray flesh, my spirit."

Page 234: "Human society perishes because of the egoists, for they no longer treat one another as human beings, but act egoistically as an ego against a you that is totally distinct from and hostile to me."

Page 180: "As though one individual will not always seek out another, and as though one person does not have to adapt himself to another, when he needs him. But the difference is that in this case the individual actually unites with another individual, whereas previously he was linked to him by a bond."

Page 178: "Only when you are unique can you in your intercourse with one another be what you actually are."

As regards Sancho's illusion about the intercourse of the unique ones "as what they actually are", about "the uniting of the individual with the individual", in short, about the "union", that has been completely dealt with. We shall merely point out: whereas in the union each regarded and treated the other merely as *his* object, his property (cf. page 167 and the theory of property and exploitation), in the "Commentary" (*Wigand*, p. 157), on the contrary, the governor of the island of Barataria realises and recognises that the other also belongs to himself, is his own, is unique, and in that capacity also becomes Sancho's *object,* although no longer Sancho's property. In his despair, lie saves himself only by the unexpected idea that "because of this" he "forgets himself in sweet self-oblivion", a delight which he "affords himself a thousand times every hour" and which is still further sweetened by the sweet consciousness that nevertheless he has not "completely disappeared". The result, therefore, is the old wisdom that each exists for himself and for others.

Let us now reduce Sancho's pompous statements to their actual modest content.

The bombastic phrases about "contradiction" which has to be sharpened and taken to extremes, and about the "something special", which Sancho does not want to have as his advantage, amount to one and the same thing. Sancho wants, or rather *believes* he wants, that intercourse between individuals should be purely personal, that their intercourse should not be mediated through some third thing (cf. competition). This third thing here is the "something special", or the special, not absolute, contradiction, i.e., the position of individuals in relation to one another determined by present-day social relations. Sancho does not want, for example, two individuals to be in "contradiction" to one another as bourgeois and proletarian; he protests against the "special" which forms the "advantage" of the bourgeois over the proletarian; he would like to have them enter into a purely personal relation, to associate with one another merely as individuals. He does not take into consideration that in the framework of division of labour personal relations necessarily and inevitably develop into class relations and become fixed as such and that, therefore, all his talk amounts simply to a pious wish, which he expects to realise by exhorting the individuals of these classes to get out of their heads the idea of their "contradiction" and their "special" "privilege". In the passages from Sancho quoted above, everything turns only on people's *opinion of themselves,* and *his* opinion of them, what they want and what *he* wants. "Contradiction" and the "special" are abolished by a change of "*opinion*" and "*wanting*".

— On Individuality —

Even that which constitutes the advantage of an individual as such over other individuals, is in our day at the same time a product of society and in its realisation is bound to assert itself as privilege, as we have already shown Sancho in connection with competition. Further, the individual as such, regarded by himself, is subordinated to division of labour, which makes him one-sided, cripples and determines him.

What, at best, does Sancho's sharpening of contradiction and abolition of the special amount to? To this, that the mutual relations of individuals should be their *behaviour* to one another, while their mutual differences should be their *self-distinctions* (as one empirical self distinguishes *itself* from another). Both of these are either, as with Sancho, an ideological paraphrase of *what exists,* for the relations of individuals under all circumstances *can* only be their mutual behaviour, while their differences can only be their self-distinctions. Or they are the pious wish that they *should* behave in *such a way* and differ from one another *in such a way*, that their behaviour does not acquire independent existence as a social relationship independent of them, and that their differences from one another should not assume the material character (independent of the person) which they have assumed and daily continue to assume.

Individuals have always and in all circumstances "proceeded *from themselves*", but since they were not *unique* in the sense of not needing any connections with one another, and since their *needs*, consequently their nature, and the method of satisfying their needs, connected them with one another (relations between the sexes, exchange, division of labour), they *had to* enter into relations with one another.

Moreover, since they entered into intercourse with one another not as pure egos, but as individuals at a definite stage of development of their productive forces and requirements, and since this intercourse, in its turn, determined production and needs, it was, therefore, precisely the personal, individual behaviour of individuals, their behaviour to one another as individuals, that created the existing relations and daily reproduces them anew. They entered into intercourse with one another as what they were, they proceeded "from themselves", as they were, irrespective of their "outlook on life". This "outlook on life" — even the warped one of the philosophers — could, of course, only be determined by their actual life. Hence it certainly follows that the development of an individual is determined by the development of all the others with whom he is directly or indirectly associated, and that the different generations of individuals entering into relation with one another are connected with one another, that the physical existence of the later generations is determined by that of their predecessors, and that these later generations inherit the productive forces and forms of intercourse accumulated by their predecessors, their own mutual relations being determined thereby. In short, it is clear that development takes place and that the history of a single individual cannot possibly be separated from the history of preceding or contemporary individuals, but is determined by this history.

The transformation of the individual relationship into its opposite, a purely material relationship, the distinction of individuality and fortuity by the individuals themselves, is a historical process, as we have already shown,' and at different stages of development it assumes different, ever sharper and more universal forms. In the present epoch, the domination of material relations over individuals, and the suppression of individuality by fortuitous circumstances, has assumed its sharpest and most universal form, thereby setting existing individuals a very definite task. It has set them the task of replacing the domination of circumstances and of chance over individuals by the domination of individuals over chance and circumstances. It has not, as Sancho imagines, put forward the demand that "I should develop myself", which up to now every individual has done without Sancho's good advice; it has on the contrary called for liberation from a quite definite mode of development. This task, dictated by present-day relations, coincides with the task of organising society in a communist way.

We have already shown above that the abolition of a state of affairs in which relations become independent of individuals, in which individuality is subservient to chance and the personal relations of individuals are subordinated to general class relations, etc. — that the abolition of this state of affairs is determined in the final analysis by the abolition of division of labour. We have also shown that the abolition of division of labour is determined by the development of intercourse and productive forces to such a degree of universality that private property and division of labour become fetters on them. We have further shown that private property can be abolished only on condition of an all-round development of individuals, precisely because the existing form of intercourse and the existing productive forces are all-embracing and only individuals that are developing in an all-round fashion can appropriate them, i.e., can turn them into free manifestations of their lives. We have shown that at the present time individuals *must* abolish private property, because the productive forces and forms of intercourse have developed so far that, under the domination of private property, they have become destructive forces, and because the contradiction between the classes has reached its extreme limit. Finally, we have shown that the abolition of private property and of the division of labour is itself the association of individuals on the basis created by modern productive forces and world intercourse.

Within communist society, the only society in which the genuine and free development of individuals ceases to be a mere phrase, this development is determined precisely by the connection of individuals, a connection which consists partly in the economic prerequisites and partly in the necessary solidarity of the free development of all, and, finally, in the universal character of the activity of individuals on the basis of the existing productive forces. We are, therefore, here concerned with individuals at a definite historical stage of development and by no means merely with individuals chosen at random, even disregarding the indispensable communist revolution, which itself is a general condition for their free development. The individuals' consciousness of their mutual relations will, of course, likewise be completely changed, and, therefore, will no more be the "principle of love" or *dévoûment* than it will be egoism.

Thus, "uniqueness" — taken in the sense of genuine development and individual behaviour, as outlined above — presupposes not only things quite different from good will and right consciousness, but even the direct opposite of Sancho's fantasies. With him "uniqueness" is nothing more than an embellishment of existing conditions, a little drop of comforting balm for the poor, impotent soul that has become wretched through wretchedness.

As regards Sancho's "*incomparability*", the situation is the same as with his "uniqueness". He himself will recall, if he is not completely "lost" in "sweet self-oblivion", that the organisation of labour in "*Stirner's* union of egoists" was based not only on the comparability of needs, but also on their *equality*. And he assumed not only equal needs, but also equal activity, so that one individual could take the place of another in "human work". And the extra remuneration of the "unique" person, crowning his efforts — what other basis had it than the fact that his performance was compared with that of others and in view of its superiority was better paid? And how can Sancho talk at all about incomparability when he allows *money* — the means of comparison that acquires independent existence in practice — to continue in being, subordinates himself to it and allows himself to be measured by this universal scale in order to be compared with others? It is quite evident that he himself gives the lie to his doctrine rid of incomparability. Nothing is easier than to call equality and inequality, similarity and dissimilarity, determinations of reflection. Incomparability too is a determination of reflection which has the activity of comparison as its premise. To show that comparison is not at all a purely arbitrary determination of reflection, it is enough to give just one example, money, the permanent *tertium comparationis* of all people and things.

Incidentally, incomparability can have different meanings. The only meaning in question here, namely "uniqueness" in the sense of originality, presupposes that the activity of the incomparable individual in a definite sphere differs from the activity of his *equals*. Persiani is an incomparable singer precisely because she is a singer and is compared with other singers, and indeed by people who are able to recognise her incomparability through comparison based on normal hearing and musical training. Persiani's singing and the croaking of a frog are incomparable, although even here there could be a comparison, but it would be a comparison between a human being and a frog, and not between Persiani and a particular unique frog. Only in the first case is it possible to speak of a comparison between individuals, in the second it is a matter only of their properties as species or genus. A third type of incomparability — the incomparability of Persiani's singing with the tail of a comet — we leave to Sancho for his "self-enjoyment", since at any rate he finds pleasure in "nonsensical judgments", although even this absurd comparison has a real basis in the absurdity of present-day relations. Money is the common measure for all, even the most heterogeneous things.

Incidentally, Sancho's incomparability amounts to the same empty phrase as his uniqueness. Individuals are no longer to be measured by some *tertium comparationis* independent of them, but comparison *should* be transformed into their self-distinction, i.e., into the free development of their individuality, which, moreover, is brought about by their getting "fixed ideas" out of their heads.

Incidentally, Sancho is acquainted only with the type of comparison made by scribblers and ranters, which leads to the magnificent conclusion that Sancho is not Bruno and Bruno is not Sancho. On the other hand, he is, of course, unacquainted with the sciences which have made considerable advances just by comparing and establishing differences in the spheres of comparison and in which comparison acquires a character of universal importance — i.e., in comparative anatomy, botany, philology, etc.

Great nations — the French, North Americans, English — are constantly comparing themselves with one another both in practice and theory, in competition and in science. Petty shopkeepers and philistines, like the Germans, who are afraid of comparison and competition, hide behind the shield of incomparability supplied them by their manufacturer of philosophical labels. Not only in their interests, but also in his own, has Sancho refused to tolerate any comparison.

On page 415 Sancho says:

"There exists no one equal to me,"

and on page 408 association with "my equals" is depicted as the dissolution of society in intercourse:

"The child prefers intercourse with his equals to society."

However, Sancho sometimes uses "equal to me" and "equal" in general in the sense of "*the same*", e.g., the passage on page 183 quoted above:

"They can neither be nor have something equal, the same."

Here he arrives at his final "new turn of expression", which he uses especially in the "Commentary".

The uniqueness, the originality, the "peculiar" development of individuals which, according to Sancho, does not for example occur in all "human works", although no one will deny that one stove-setter does not set a stove in the "*same*" way as another; the unique" development of individuals which, in the opinion of this same Sancho, does not occur in religious, political, etc., spheres (see "Phenomenology"), although no one will deny that of all those who believe in Islam not one believes in it in the "*same*" way as another and to this extent each of them is "unique", just as among citizens not one has the "same" attitude to the state as another if only because it is a matter of his attitude, and not that of *some-other*— all this much praised "uniqueness" which [according to Sancho] was so distinct from "*sameness*", *identity of the person*, that in all individuals who have so far existed he could hardly see anything but "specimens" of a species, is thus reduced here to the identity of a person with himself, as established by the police, to the fact that one individual is not some other individual. Thus Sancho, who was going to take the world by storm, dwindles to a clerk in a passport office.

On page 184 of the "Commentary" he relates with much unction and great self-enjoyment that he does not become replete when the Japanese Emperor eats, because his stomach and that of the Japanese Emperor are "unique", "incomparable stomachs", i.e., not the *same* stomachs. If Sancho believes that in this way he has abolished the social relations hitherto existing or even only the laws of nature, then his naiveté is excessively great and it springs merely from the fact that philosophers have not depicted social relations as the mutual relations of particular individuals identical with themselves, and the laws of nature as the mutual connections of these particular bodies.

The classic expression which Leibniz gave to this old proposition (to be found on the first page of any physics textbook as the theory of the impenetrability of bodies) is well known:

"However, every monad necessarily differs from every other; for in nature there are never two things that exactly coincide with each other." (Principia Philosophiae seu Theses, etc.)

Sancho's uniqueness is here reduced to a quality which he shares with every louse and every grain of sand.

The greatest disclaimer with which his philosophy could end is that it regards the realisation that Sancho is not Bruno, which is obvious to every country bumpkin and police sergeant, to be one of the greatest discoveries, and that it considers the fact of this difference to be a real miracle.

Thus the "critical hurrah" of our "virtuoso of thought" has become an uncritical miserere.

After all these adventures our "unique" squire again sails into the harbour of his native serf's cottage. "The title spectre of his book" rushes out to meet him "joyfully". Her first enquiry is: how is the ass?

Better than his master, replies Sancho.

Thanks be to God for so much goodness. But tell me now, my friend, what profit have you got out of your squiredom? What new dress have you brought me?

I have brought nothing like that, replies Sancho, but I have brought "the creative nothing, the nothing from which I myself as creator create everything". This means you will yet see me in the capacity of church father and archbishop of an island and, indeed, one of the best it is possible to find.

God grant it, my treasure, and may it be soon, for we sorely need it. But as regards the island you mention, I don't know what you mean.

Honey is not for the ass's mouth, replies Sancho. You will see it for ourself in due course, wife. But even now I can tell you that nothing is more pleasant in the world than the honour of seeking adventures as an egoist in agreement with himself and as the squire of the rueful countenance. True, most of these adventures do not "reach the final goal" so that "*human* requirement is satisfied" (*tan como el hombre* quería [as the human being desires]), for ninety-nine adventures out of a hundred go awry and follow a tangled course. I know this from experience, for in some of them I was cheated and from others I went home soundly pounded and thrashed. But in spite of all that, it is a fine thing, for at any rate the "unique" requirement is always satisfied when one wanders through the whole of history, quoting all the books in the Berlin reading-room, getting an etymological night's lodging in all languages, falsifying political facts in all countries, boastfully throwing down gages to all dragons and ostriches, elfs, field hobgoblings and "spectres", exchanging blows with all church fathers and philosophers and yet, finally, paying for it only with your own body (cf. Cervantes, I, Chapter 52).

Part II. Apologetical Commentary

Although formerly, when in a state of humiliation (Cervantes, Chapters 26 and 29), Sancho had all kinds of "doubts" about accepting an ecclesiastical benefice, nevertheless, after pondering over the changed circumstances and his earlier preparation as beadle to a religious brotherhood (Cervantes, Chapter 21), he finally decided to "get" this doubt "out of his head". He became archbishop of the island of Barataria and a cardinal and as such sits with solemn mien and arch-ecclesiastical dignity among the foremost of our Council. Now, after the long episode of "the book", we return to this Council.

True, we find that "brother Sancho" in his new station in life has changed considerably. He now represents the *ecclesia triumphans* — in contrast to the *ecclesia militans* [Church militant] in which he was before. Instead of the belligerent fanfares of "the book" there is a solemn seriousness; "Stirner" has taken the place of the "ego". This shows how true the French saying is: *qu'il n'y a qu'un pas du sublime au ridicule*. [There is only one step from the sublime to the ridiculous, an expression used by Napoleon on many occasions] Since he became a father of the church and began to write pastoral epistles, Sancho calls himself nothing but "Stirner". He learned this "unique" way of self-enjoyment from Feuerbach, but unfortunately it befits him no better than playing the lute does his ass. When he speaks of himself in the third person, everyone sees that Sancho the "creator", after the manner of Prussian non-commissioned officers, addresses his "creation" Stirner in the third person, and should on no account be confused with Caesar. [The reference is to Julius Caesar's Commentarii de bello Callico written in the third person about himself]

The impression is all the more comical because Sancho commits this inconsistency only in order to compete with Feuerbach. Sancho's "self-enjoyment" of his performance as a great man becomes here *malgré lui* an enjoyment for others.

The "*special*" thing that Sancho does in his "Commentary", insofar as we have not "used it up" already in the episode, consists in his regaling us with a new series of variations on the familiar themes already played with such long-winded monotony in "the book". Here Sancho's music, which like that of the Indian priests of Vishnu knows only one note, is played a few registers higher. But its narcotic effect remains, of course, the same. Thus, for example, the antithesis of "egoistical" and "holy" is again thoroughly kneaded, this time under the signboards of "interesting" and "uninteresting", and then of "interesting" and "absolutely interesting", an innovation which, incidentally, could only be of interest to lovers of unleavened bread, in common parlance matzos. One should not, of course, blame an "educated" Berlin petty bourgeois for the belletristic distortion of the interested into the interesting.

All the illusions which, according to Sancho's pet crotchet, were created by "schoolmasters" appear here "as difficulties — *doubts*", which "only spirit created" and which "the poor souls who allowed themselves to be talked into these doubts" "should ... overcome" by "*light-heartedness*" (the famous getting out of one's head) (p. 162). Then comes a "treatise" in which he considers whether "doubts" should be got out of one's head by "thinking" or by "thoughtlessness", and a critical-moral adagio in which he laments in minor chords:

"Thought must on no account be suppressed by rejoicing" (p. 166).

For the tranquillity of Europe, and especially of the oppressed *old merry and young sorry England* as soon as Sancho has become somewhat accustomed to his episcopal *chaise percée*, [night commode] he issues from this eminence the following gracious pastoral epistle:

"Civil society is not at all dear to Stirner, and he has no intention of extending it so that it swallows up the state and the family" (p. 189).

Let Mr. Cobden and Monsieur Dunoyer bear this in mind.

In his capacity of archbishop, Sancho immediately takes control of the spiritual police, and on page 193 he gives Hess a reprimand for confusing matters, which "are contrary to police regulations" and the more unpardonable the greater the efforts that our church father continually makes to establish identity. To prove to this same Hess that "Stirner" also possesses the "heroic courage of lying", that orthodox quality of the egoist in agreement with himself, he sings on page 188: "But Stirner does not say *at all* — contrary to what Hess makes him say — that the whole mistake of previous egoists was merely that they were not *conscious* of their egoism." Cf. "Phenomenology" and the entire "book". The other quality of the egoist in agreement with himself — credulity — he displays on page 182, where he "*does not dispute*" Feuerbach's opinion that "*the individual* is a communist". A further exercise of his police powers consists in censuring (on page 154) all his reviewers for not having dealt "in more detail with egoism as Stirner *conceives* it". Indeed, they all made the mistake of thinking that it was a question of actual egoism, whereas it was merely a question of "Stirner's" conception of it.

The "Apologetical Commentary" also proves Sancho's aptitude for acting as a church father by beginning with a piece of hypocrisy:

"A brief reply may be of benefit, if not perhaps to the reviewers named, then at least to some other reader of the book" (p. 147).

Here Sancho plays the devotee and asserts that he is prepared to sacrifice his valuable time for the "benefit" of the public, although he constantly assures us that he always has in view only his own benefit, and although he is only trying here to save his own clerical skin.

Thereby we have finished with the "special" of the "Commentary". The "*unique*" feature, which, however, occurs already in "the book", on page 49 1, has been kept by us in reserve not so much for the "benefit" of "some other reader" as for "Stirner's" own benefit. One hand washes the other, from which it indisputably follows that "the individual is a communist".

— Thought and Language —

One of the most difficult tasks confronting philosophers is to descend from the world of thought to the actual world. *Language* is the immediate actuality of thought. Just as philosophers have given thought an independent existence, so they were bound to make language into an independent realm. This is the secret of philosophical language, in which thoughts in the form of words have their own content. The problem of descending from the world of thoughts to the actual world is turned into the problem of descending from language to life.

We have shown that thoughts and ideas acquire an independent existence in consequence of the personal circumstances and relations of individuals acquiring independent existence. We have shown that exclusive, systematic occupation with these thoughts on the part of ideologists and philosophers, and hence the systematisation of these thoughts, is a consequence of division of labour, and that, in particular, German philosophy is a consequence of German petty-bourgeois conditions. The philosophers have only to dissolve their language into the ordinary language, from which it is abstracted, in order to recognise it, as the distorted language of the actual world, and to realise that neither thoughts nor language in themselves form a realm of their own, that they are only *manifestations* of actual life.

Sancho, who follows the philosophers through thick and thin, must inevitably seek the *philosophers stone,* the squaring of the circle and elixir of life, or a "*word*" which as such would possess the miraculous power of leading from the realm of language and thought to actual life. Sancho has been so infected by his long years of association with Don Quixote that he fails to notice that this "task" of his, this "vocation", is nothing but the result of his faith in weighty philosophical books of knight-errantry.

Sancho begins by showing us once again the domination of the holy and of ideas in the world, this time in the new form of the domination of language or phrase. Language, of course, becomes a phrase as soon as it is given an independent existence.

On page 151, Sancho calls the modern world "a world of phrases, a world where in the beginning was the word". He describes in more detail the motives for his chase after the magic word:

"Philosophical speculation strove to find a predicate which would be so universal as to include everyone in itself.... in order that the predicate should include everyone in it, each should appear in it as subject, i.e., not merely as what he is, but as who he is" (p. 152).

Since speculation "sought" such predicates, which Sancho had previously called vocation, designation, task, species, etc., therefore actual people up to now "*sought*" themselves "in the word, the logos, the predicate" (p. 153). Up to now one has used the name when one wanted to distinguish in language one individual from another, merely as an identical person. But Sancho is not satisfied with ordinary names; because philosophical speculation has set him the task of finding a predicate so universal that it would include in itself everyone as subject, he seeks the philosophical, abstract name, the "Name" that is above all names, the name of names, name as a category which, for example, would distinguish Sancho from Bruno, and both of them from Feuerbach, as precisely as their own proper names, and which would nevertheless be applicable to all three and also to all other people and corporeal beings — an innovation which would introduce the greatest confusion into all bills of exchange, marriage contracts, etc., and at one blow put an end to all notaries and registry offices. This miraculous name, this magic word, which in language spells the death of language, this asses' bridge leading to life and the highest rung of the Chinese celestial ladder is — *the unique*. The miraculous properties of this word are sung in the following stanzas:

"The unique one should be only the last, dying statement of you and me, should be only that statement which is transformed into opinion:

"a statement that is no longer a statement, "a muted, mute statement" (p. 153).

"With him" (the unique one) "what is not expressed is the chief thing" (p. 149). He "is without determination" (ibid.).

"He points to the content, lying outside or beyond the concept" (ibid.).

This is "a concept without determination and cannot be made more definite by any other concept" (p. 150).

This is the philosophical "christening" of worldly names (p. 150).

"The unique is a word devoid of thought.

"It has no thought content."

"It expresses a person" "that cannot exist a second time, and consequently cannot be expressed either;

"For if he could be expressed actually and completely, then he would exist a second time, he would exist in the expression" (p. 151).

Having thus sung the properties of this word, he celebrates in the following antistrophic stanzas the results obtained by the discovery of its miraculous power:

"With the unique one the realm of absolute thoughts is completed" (p. 150).

"He is the keystone of our world of phrases" (p. 151).

"He is logic that comes to an end as a phrase" (p. 153).

"In the unique one, science can merge in life,

"By transforming its this into such-and-such a one,

"Who no longer seeks himself in the word, the logos, the predicate" (p. 153).

True, as regards his reviewers Sancho has had the unpleasant experience of learning that the unique, too, can be "fixed as a concept", and "that is what the opponents do" (p. 149), who are so opposed to Sancho that they do not feel at all the expected magical effect of the magical word, but instead sing, as in the opera: *Ce nest pas ça, ce nest pas ça!* With great exasperation and solemn seriousness Sancho turns particularly against his Don Quixote-Szeliga, for in him the misunderstanding presupposes an open "rebellion" and a complete misapprehension of his position as a "creature".

"If Szeliga had understood that the unique, being a completely empty phrase or category, thereby is no longer a category, he might, perhaps, have recognised it as the name of that for which he still has no name" (p. 179).

Here, therefore, Sancho expressly recognises that he and his Don Quixote are striving towards one and the same goal, with the only difference that Sancho imagines that he has discovered the true morning star, whereas Don Quixote, still in darkness

Swims in the wild liver-sea

of the unfathomable world.

[Meister Kuonrat von Wurzeburc, Diu guldin Smitte, Verse 143]

Feuerbach said in his *Philosophie der Zukunft*, p. 49:

"Being, based on sheer inexpressibles, is therefore itself something inexpressible. Yes, the inexpressible. Where words end, only there does life begin, only there can the secret of being be deduced."

Sancho has found the transition from the expressible to the inexpressible, he has found the word which is simultaneously more and less than a word.

— Language and Life —

We have seen that the whole problem of the transition from thought to reality, hence from language to life, exists only in philosophical illusion, i.e., it is justified only for philosophical consciousness, which cannot possibly be clear about the nature and origin of its apparent separation from life. This great problem, insofar as it at all entered the minds of our ideologists, was bound, of course, to result finally in one of these knights-errant setting out in search of a word which, as a word, formed the transition in question, which, as a word, ceases to be simply a word, and which, as a *word*, in a mysterious superlinguistic manner, points from within language to the actual object it denotes; which, in short, plays among words the same role as the Redeeming God-Man plays among people in Christian fantasy. The emptiest, shallowest brain among the philosophers had to "end" philosophy by proclaiming his lack of thought to be the end of philosophy and thus the triumphant entry into "corporeal" life. His philosophising mental vacuity was already in itself the end of philosophy just as his unspeakable language was the end of all language. Sancho's triumph was also due to the fact that of all philosophers he was least of all acquainted with actual relations, hence philosophical categories with him lost the last vestige of connection with reality, and with that the last vestige of *meaning*.

So now go forth, pious and faithful servant Sancho, go or, rather, ride forth on your ass, to your unique's self-enjoyment, "use up" your "*unique*" to the last letter, the unique whose miraculous title, power and courage have already been sung by Calderón in the following words:

The unique —

The valiant fighter,

the generous leader,

the gallant knight,

the illustrious Paladin,

the always faithful Christian,

the fortunate Admiral of Africa,

the sovereign King of Alexandria,

the judge of Barbary,

the Cid of Egypt,

Marabout, and Grand Seignior

of Jerusalem.

[Calderón, La puenta de Vantible, Act 1. The words "The always faithful Christian" have been inserted by Marx and Engels]

"In conclusion, it would not be unsuitable to remind" Sancho, the Grand Seignior of Jerusalem, of Cervantes' "criticism" of Sancho in *Don Quixote*, Chapter 20, page 171, Brussels edition, 1617. (Cf. the "Commentary", p. 194.)

Footnotes

1. Max Stimer's book *Der Einzige und sein Eigenthum*, Leipzig, Wigand, 1845, was published in October-November 1844. Engels was one of the first readers of this book, for Wigand sent him the advance proofs. This is mentioned in the letter Engels wrote to Marx on November 19, 1844
2. ↑ Part One of Stirner's book, "*Der Mensch*" ("Man"), has the following structure: I. Ein Menschenleben (A Man's Life); II. Menschen der alten und neuen Zeit (People of Ancient and Modern Times): 1. Die Alten (The Ancients); 2. Die Neuen (The Moderns) — § 1. Der Geist (The Spirit), § 2. Die Besessenen (The Possessed), § 3. Die Hierarchie (Hierarchy); 3. Die Frcien (The Free Ones) — § 1. Der politische Liberalismus (Political Liberalism), §2. Der sociale Liberalismus (Social Liberalism), § 3. Der humane Liberalismus (Humane Liberalism)
3. ↑ *The campaigns of Sesostris* — according to the Greek historians Herodotus and Diodorus, campaigns by a legendary Egyptian pharaoh to conquer countries in Asia and Europe. *napoleon's expedition to Egypt* — a reference to the landing of the French army, commanded by General Bonaparte, in Egypt in the summer of 1798 and to the subsequent campaigns of this army to subdue Egypt and Syria. Napoleon's expedition to Egypt ended in failure in 1801
4. ↑ *The seven wise men* — a term usually applied to seven eminent Greek philosophers and statesmen who lived in the 6th century B.C.: Bias, Chilon, Cleobulus, Periander, Pittacus, Solon and Thales. *Neo-academists* — philosophers belonging to the Athenian school of neo-Platonism
5. ↑ *Brahm* (or Brahma, Brahman) — the basic category of ancient Hindu idealist philosophy denoting the essence of the universe, impersonal, immaterial, uncreated, illimitable, timeless. *Om* — ritualistic word invoking Brahma
6. ↑ From 987, when Hugh Capet claimed the throne of France, until the French Revolution, the kings of France were in fact members of the Capet dynasty, for both the Valois, who ruled from 1328, and the Bourbons, who followed them in 1589, were branches of the Capet family. Louis XVI, a member of the Bourbon dynasty, was executed in January 1793 by order of the National Convention
7. ↑ Until the revolution of 1848 smoking was prohibited in the streets of Berlin and in the Tiergarten (a park in the city) under penalty of a fine or corporal punishment
8. ↑ The attempt which Enfantin made in 1832 to establish a labour commune in Ménilmontant, then a suburb of Paris, led to legal proceedings against the Saint-Simonists, who were accused of immorality and the spread of dangerous

ideas. On August 28, 1832, Enfantin was sentenced to one year's imprisonment but was released before serving the full term. Afterwards, Enfantin and several of his followers went to Egypt, where he worked as an engineer

9. ↑ *Wasserpolacken* (literally water Poles) — nickname given to the Silesian Poles in Germany
10. ↑ A reference to the bombardment of Chinese maritime towns and ports on the Yangtse and other rivers by the British naval and land forces during the First Opium War, Britain's war of conquest against China waged from 1839 to 1842. With this war began the transformation of China into a semi-colony
11. ↑ *Deux amis de la liberté*" ("Two friends of freedom") — pseudonym used by Fr. Marie Kerverseau and G. Clavelin, authors of the *Histoire de la Révolution de 1789*, a work in twenty volumes published in Paris at the end of the 18th and the beginning of the 19th century
12. ↑ *Habits bleus*" ("blue coats") — a name given to the soldiers of the French Republic at the end of the 18th century because of the colour of their uniform. In a wider sense it was applied to the Republicans as distinct from the royalists, who were called *Blancs*("Whites")
13. ↑ Cf. Romans 9:16: "So then it is not of him that willeth, nor of him that runneth, but of God that sheweth mercy."
14. ↑ *Kupfergraben* — the name of a canal in Berlin. Hegel lived on the Kupfergraben embankment
15. ↑ *Hanseatic League* (Hanse) — a league of German and other North-European merchant cities, situated on the Baltic and the North Sea and the rivers flowing into them. At one time it also included several Dutch cities. The heyday of the Hanseatic League was the second half of the 14th century. It began to decline and to disintegrate towards the end of the 15th century but continued to exist formally until 1669
16. ↑ The Continental System, or the Continental Blockade, proclaimed by Napoleon I in 1806, after Prussia's defeat, prohibited trade between the countries of the European Continent and Great Britain. This made the import into Europe of a number of products, including sugar and coffee, very difficult. Napoleon's defeat in Russia in 1812 put an end to the Continental System.
17. ↑ *Tugendbund* (League of Virtue) — secret political society which was founded in Prussia in 1808. Its principal aims were to foster patriotic feelings among the population and to organise the struggle for the liberation of Germany from the Napoleonic occupation and for the establishment of a constitutional system in the country. At Napoleon's request the Tugendbund was formally dissolved in 1809 by the King of Prussia but it actually continued to exist until the end of the Napoleonic wars

18. ↑ *Cercle social* — an organisation established by democratic intellectuals in Paris in the first years of the French Revolution. Its chief spokesman, Claude Fauchet, demanded an equalitarian division of the land, restrictions on large fortunes and employment for all able-bodied citizens. The criticism to which Fauchet and his supporters subjected the formal equality proclaimed in the documents of the French Revolution prepared the ground for bolder action in defence of the destitute by Jacques Roux, Théphile Leclerc and other members of the radical-plebeian "*Enragés*
19. ↑ The end of this sentence from the words "the bourgeois ... express ... the rule of the proprietors ..." and the following five paragraphs up to and including the words "customs duties which hampered commerce at every rum, and they" are part of the manuscript discovered in the early 1960s and first published (in German) in the *International Review of Social History*, Vol. VII, 1962, Part 1. The text is written on two pages, the beginning of the first one is damaged
20. ↑ The motion of the Bishop of Autun (Talleyrand) — one of the representatives of the clergy who supported the decision of the deputies of the Third Estate to transform the States-General (a consultative organ based on social estates) into a National Assembly(later, the Constituent Assembly) — was designed to extend the powers of the Assembly. It proposed that the deliberations of the Assembly should no longer be restricted to matters mentioned in the Cahiers de doléances — lists of grievances and instructions given by the constituents of each estate to their deputies in connection with the convocation of the States-General (*États généraux*) — and that the deputies should have the right to decide each question according to their own judgment. *Bailliages* — bailiwicks in pre-revolutionary France, also electoral districts during the elections to the States-General; *divisions des ordres* — each *bailliage* was divided into three social estates: the nobility, the clergy and the Third Estate. The figure 431 is apparently a slip of the pen, for there were 531 *divisions des ordres*
21. ↑ *Jeu de paume* — a tennis-court in Versailles. On June 20, 1789, the deputies of the Third Estate, who on June 17 proclaimed themselves a National Assembly, met in this building (because their official meeting-place had been closed by order of the King) and took a solemn oath not to separate until they had given France a constitution. *Lit de justice* — sessions of the French parliaments (the supreme judicial bodies in pre-revolutionary France) in the presence of the King. Orders by the King issued at these sessions had the force of law. The reference here is to the meeting of the States-General on June 23, 1789. At this meeting the King declared the decisions adopted by the Third Estate on June 17 null and void and demanded the immediate dispersal

of the Assembly, but the deputies of the Third Estate refused to obey and continued their deliberations

22. ↑ *Jacquerie* — French peasant revolt which took place in May and June 1358 and was supported by the poor in a number of cities. *A peasant rebellion under the leadership of Wat Tyler*flared up in England in the summer of 1381. It had the support of ‘ the lower strata of the London population, who opened the gates of the capital to the insurgents. Some demands of the latter, for example, the abolition of the Statute of Labourers, were also in the interest of the plebeian townsmen. *Evil May Day* — name given to the uprising of the poorer citizens of London on May 1, 1517. It was directed against the increasing power of foreign merchants and usurers. *A peasant uprising under the leadership of Robert Kett* (a local squire and owner of a tannery) took place between June and August 1549 in East Anglia. Among the insurgents were many unemployed weavers, ruined artisans and other destitute people. With the help of the town poor the insurgents seized Norwich
23. ↑ This refers to events connected with the Chartist movement in England. When Parliament rejected their first Petition in July 1839, the Chartists attempted to call a general strike (a “sacred month”). At the beginning of November 1839 a rising of miners took place in South Wales, which was crushed by police and government troops. In July 1840, the National Charter Association was founded which united a considerable number of the country’s local Chartist organisations. In August 1842, after the second Petition had been rejected by Parliament, spontaneous action of the workers took place in many industrial regions of the country. In Lancashire and in a considerable part of Cheshire and Yorkshire the strikes were very widespread, and in a number of places they grew into spontaneous uprisings
24. ↑ *Free-thinkers* (*Freijeister* — by spelling the word according to the Berlin dialect pronunciation the authors have given the name an ironical note) — an allusion to “The Free”, a group of Berlin Young Hegelians which came into being in the first half of 1842. Among its principal members were Bruno Bauer, Edgar Bauer, Eduard Meyen, Ludwig Buhl and Max Stirner. The existing system was criticised by “The Free” in an abstract way, their statements were devoid of real revolutionary content, their ultra-radical form often compromised the democratic movement. Many of “The Free” renounced radicalism in the following years. For the criticism of “The Free” in Marx’s early writings see MECW, Vol. 1, pp. 287, 390, 393-95
25. ↑ Congregatio de propaganda fide (Congregation for Propagating the Faith) — an organisation founded by the Pope in 1622 in order to propagate Catholicism in all countries and to fight heretics
26. ↑ This refers to the movement for a democratic electoral reform whose members — republican democrats and petty-bourgeois socialists — gathered

round *La Réforme*, an opposition newspaper published in Paris from 1843. The supporters of *La Réforme* were also known as the socialistic democratic party

27. ↑ Capitularies — legislative or administrative ordinances of the Frankish kings. Many of these enactments legalised serfdom and were designed to ensure stricter fulfilment by the peasants of the numerous obligations imposed on them (Charlemagne's well-known capitulary referred to in the text is presumably the *Capitulare de villis* — Capitulary on Royal Estates — issued about A.D. 800). Some of these acts threatened peasants who were disobedient, took part in revolts and so on with severe punishment (for example, Charlemagne's Capitulary on Saxony of 782 directed against the fight of the free Saxon peasants against the Frankish conquerors)
28. ↑ An allusion to disturbances which took place in Catalonia at the beginning of July 1845 and were caused by the attempt of the government to introduce a law under which one man out of five was to serve in the army. The disturbances were brutally suppressed
29. ↑ *Barataria* — the island of which Sancho Panza was made governor in Cervantes' Don Quixote
30. ↑ *Dioscuri* — Castor and Pollux (or in Greek Polydeuces), heroes of classical mythology, the twin sons of Zeus, by whom they were turned into the constellation Gemini (the Twins); as such they were considered to be the patrons of seamen
31. ↑ *Rumford broth* — thin soup for the poor prepared from bones and cheap substitutes; the recipe for it was made up at the end of the 18th century by Count Rumford (alias Benjamin Thompson)
32. ↑ *Banquerouse cochonne*(swinish bankruptcy) — the 32nd of the 36 types of bankruptcy described by Fourier in his work *Des trois unités externes* published in the journal *La Phalange*, 1845, Vol. 1. Excerpts from this work are given by Engels in his article "A Fragment of Fourier's on Trade" (for the passage about "swinish bankruptcy" see MECW, Vol. 4, p. 638)
33. ↑ Part Two of Stirner's book *Der Einzige und sein Eigenthum* — "Ich" ("Ego") — is subdivided as follows: I. Die Eigenheit (Peculiarity); II. Der Eigner (The Owner): 1. Meine Macht (My Power), 2. Mein Verkehr (My Intercourse), 3. Mein Selbstgenuss (My Self-Enjoyment); III. Der Einzige (The Unique).
34. ↑ *Orphanage-Francke* — the nickname stems from the fact that August Hermann Francke founded an orphanage and several other philanthropic institutions for children in Halle at the end of the 17th century
35. ↑ The maxim "Know Thyself" was written over the entrance of Apollo's temple at Delphi
36. ↑ According to Bentham's utilitarian ethics, actions were to be considered good if they produced a greater amount of pleasure than suffering. The compilation of long tedious lists cataloguing pleasure and suffering, and their

subsequent balancing in order to determine the morality of an action, is here called by Marx and Engels “Bentham’s book-keeping

37. ↑ In the middle of the 19th century Moabit was a north-western suburb of Berlin; Köpenick — a south-eastern suburb of Berlin, and the Hamburger Tor (Hamburg Gate) — a gate at the northern boundary of Berlin
38. ↑ *Nante the loafer (Eckensteher Nante)* — a character in Karl von Holtei’s play *Ein Trauerspiel in Berlin*. On the basis of this prototype Fritz Beckmann, a well-known German comedian, produced a popular farce *Der Eckensteher Nante im Verhör*. The name Nante became a byword for a garrulous, philosophising wag, who seizes every opportunity to crack stale jokes in the Berlin dialect
39. ↑ Emperor Sigismund handed over Jan Huss to the Council of Constance (1414-15) despite the safe conduct he had granted him. Francis I, who was defeated at Pavia (1525) and taken prisoner by Charles V, was released only after renouncing his claims to Milan and Burgundy (Madrid Treaty of 1526). But after his release he repudiated the treaty
40. ↑ *Blocksberg* — popular name of several German mountains and in particular of the Brocken, the highest peak of the Harz Mountains. According to German folklore, the witches meet to celebrate their Sabbath on the Blocksberg
41. ↑ According to legend, the early Christian Saint Ursula and “her eleven thousand virgins” were martyred in Cologne. The alleged number of virgins is probably due to the name of Ursula’s companion, Undecimilla, which in Latin means “eleven thousand
42. ↑ *Caius* — a name adopted by many textbooks and other works on formal logic to denote a human being, especially in syllogisms
43. ↑ Apparently a reference to Gottlieb Konrad Pfeffel’s book *Biographie eines Pudels*
44. ↑ *Spanso bocko* — one of the most cruel forms of corporal punishment, which was used by the colonialists in Surinam (in the north-eastern part of South America)
45. ↑ The uprising of Negro slaves which took place in Haiti in 1791 marked the beginning of a revolutionary movement against the colonial regime. Toussaint Louverture, the leader of the insurgents, played an outstanding part in the war of liberation which the Negroes waged against the French, English and Spanish colonialists. In the course of the struggle, which ended with the proclamation of Haiti’s independence in January 1804, slavery was abolished and subsequently the estates of the planters were divided among the former slaves
46. ↑ *The Historical School of Law* — a trend in German historiography and jurisprudence in the late 18th century. The representatives of this school,

Gustav Hugo, Friedrich Karl Savigny and others, sought to justify the privileges of the nobility and feudal institutions by referring to the inviolability of historical traditions. *Romanticists* — adherents of reactionary romanticism in the social sciences who tried to vindicate the Middle Ages and the feudal system and to oppose them to the ideas of bourgeois Enlightenment, democracy and liberalism. Among the prominent ideologists of romanticism were Louis Gabriel Bonald, Joseph de Maistre, Karl Ludwig Haller and Adam Müller. For a criticism of these two trends see Marx's works: "The Philosophical Manifesto of the Historical School of Law" and "Contribution to the Critique of Hegel's Philosophy of Law. Introduction" (MECW, Vols. 1 and 3)

47. ↑ *The "Ten Tables"* — the original version of the "Twelve Tables" (*lex duoderim tabularum*), the oldest legislative document of the Roman slave-owners' state. These laws were enacted as a result of the struggle which the plebeians waged against the patricians during the republican period in the middle of the 5th century B.C.; they became the point of departure for the further development of Roman civil law
48. ↑ For the *Corn Laws* The Anti-Corn Law League was founded in 1838 by the Manchester manufacturers Cobden and Bright. The English Corn Laws, first adopted in the 15th century, imposed high tariffs on imported cereals in order to maintain high prices for them in the home market. In the first third of the 19th century, in 1815, 1822 and later, several laws were passed changing the conditions for corn imports, and in 1828 a sliding scale was introduced which raised import tariffs on corn when prices in the home market declined and, on the other hand, lowered tariffs when prices rose in Britain. The League widely exploited the popular discontent over the raising of corn prices. In its efforts to obtain the repeal of the Corn Laws and the establishment of complete freedom of trade, it aimed at weakening the economic and political positions of the landed aristocracy and lowering the cost of living thus making possible a lowering of the workers' wages. The struggle between the industrial bourgeoisie and the landed aristocracy over the Corn Laws ended with the repeal of these laws in 1846.
49. ↑ This refers to the Law of 1844 which made it very difficult to obtain a divorce. The Bill was drafted in 1842 on the instructions of Frederick William IV by Savigny, one of the founders of the Historical School of Law (see Note 46), who was Prussian Minister for the Revision of Laws from 1842 to 1848
50. ↑ *Leges barbarorum* (laws of the barbarians) — codes of law which originated between the 5th and the 9th centuries and were, in the main, a written record of the customary or prescriptive law of the various Germanic tribes. *Consuetudines feudorum* (feudal customs) — a compilation of medieval feudal laws which was made in Bologna in the last third of the 12th

century. *Jus talionis*(right of retaliation) — the right of retaliation by inflicting a punishment of the same kind ("an eye for an eye, a tooth for a tooth"). The old German *Gewere* — the legitimate rule of a free man over a piece of land where he exercised sovereign authority and was responsible for the protection of every person and thing. *Compensatio* — the balancing of claim and counter-claim against each other. *Satisfactio* — reparation, or atonement, for an offence; it can also mean satisfying a creditor not by repaying the debt incurred but by some other service

51. ↑ *The Holy Hermandad* (Holy Brotherhood) — league of Spanish towns set up at the end of the 15th century with the approbation of the king, who sought to make use of the bourgeoisie in the struggle between absolutism and the powerful feudal lords. From the middle of the 16th century the armed detachments of the Hermandad performed police duties. The term "Holy Hermandad" was later used ironically for the police
52. ↑ *Spandau* — at that time a Prussian fortress west of Berlin with a jail for political prisoners
53. ↑ *Landwehrgraben* — a canal in Berlin which extended up to Charlottenburg, then a Berlin suburb. It is possible that Marx and Engels are alluding to Egbert Bauer's publishing house in Charlottenburg, where Szeliga's works were published
54. ↑ The following section is a critical analysis of the second section, "Mein Verkehr" ("My Intercourse"), Chapter Two, Part Two of Stirner's book *Der Einzige und sein Eigenthum*. From the introductory remarks of Marx and Engels to this part of their work (see this volume, p. 240) it follows that they intended to use the heading "My Intercourse" and to mark it with the letter "B", for the preceding section is called "A. Meine Macht" ("A. My Power"), and the following one "C. Mein Selbstgenuss" ("C. My Self-Enjoyment"). The section "B. My Intercourse" probably consisted of three subsections: "1. Society", "If. Rebellion" and "III. Union." The first three subdivisions and the beginning of the fourth subdivision of the section "1. Society" are missing. When Paul Weller was preparing *The German Ideology* for publication as Band 5, Erste Abteilung of *Marx/Engels Gesamtausgabe*(MEGA), he suggested that the subsection "I. Society" may have consisted of five parts. The heading of the first is unknown, but it might have been "1. Die verstirnerte Gesellschaft" ("1. Stirnerised Society"), or "1. Die Gesellschaft im allgemeinen"' ("1. Society in General"), or "1. Die menschliche Gesellschaft" ("1. Human Society"). That of the second was probably "2. Die Gesellschaft als Gefängnisgesellschaft" ("2. Society as Prison Society"); of the third, "3. Die Gesellschaft als Familie" ("3. Society as a Family"); of the fourth, "4. Die Gesellschaft als Staat" ("Society as State"), of which only the last portion has been found. The fifth part has been preserved in its entirety and is called "5.

Die Gesellschaft als bürgerliche Gesellschaft" ("5. Society as Bourgeois Society").

55. ↑ *The September Laws* — reactionary laws promulgated by the French Government in September 1835. They restricted the rights of juries and introduced severe measures against the press. The clauses directed against the latter provided for higher amounts to be deposited as security by periodical publications, and made the people responsible for publications directed against private property and the existing political regime liable to imprisonment and heavy fines
56. ↑ The reference is apparently to the *Commissions of the Estates*in the Landtags (provincial diets), which were instituted in Prussia in June 1842. Elected by the Landtags from their deputies according to the estates principle, they formed a single advisory body known as the "United Commissions". With the help of this body, which was a mockery of representative institution, Frederick William IV hoped to enforce new taxes and obtain a loan
57. ↑ When the Corn Laws were repealed in 1846, a small, temporary tariff on the import of corn was retained until 1849. *Magna Charta Libertatum* — the charter which the insurgent barons, who were supported by knights and townsmen, forced King John of England to sign at Runnymede on June 15, 1215. Magna Charta limited the powers of the king, mainly in the interests of the feudal lords, and also contained some concessions to the knights and the towns
58. ↑ Under the leadership of Themistocles the Greeks defeated the Persians in the naval battle of Salamis in 480 B.C. After the Greek War of Independence (1821-29) against Turkish rule, Britain, Russia and France compelled the new Greek state to adopt a monarchical form of government, and placed the 17-year-old prince Otto of Bavaria on the Greek throne
59. ↑ Marx and Engels are alluding to Voltaire's description of Habakkuk. There is a direct reference to it in their article "Konflikte zwischen Polizei und Volk. — Über die Ereignisse auf der Krim" published on July 9, 1855. The expression "*capable de tout*" (capable of anything) is used here ironically, i.e., "capable of nothing
60. ↑ An allusion to the fact that in the summer of 1845 Stirner attempted to earn his living by selling milk since he could not exist on the proceeds from his literary work. But the undertaking proved a complete failure, and the curdled milk had to be poured down the drain
61. ↑ *The Pandects* are part of a compendium of Roman civil law (Corpus juris civilis) made by order of the Byzantine Emperor Justinian I in the 6th century. They contained extracts from the works of prominent Roman jurists
62. ↑ A reference to the British and Dutch East India Companies which were founded at the beginning of the 17th century. They had the monopoly, of

trade with the East Indies and played a decisive part in the establishment of the British and Dutch colonial empires

63. ↑ *The Preussische Seehandlungsgesellschaft* (Prussian Maritime Trading Company) was founded as a commercial and banking company in 1772 and granted a number of important privileges by the state. It advanced big loans to the government and in fact became its banker and broker
64. ↑ *Levons-nous!* (Let us rise up!) — part of the motto of the *Révolutions de Paris*, a revolutionary-democratic weekly which was published in Paris from July 1789 to February 1794 (until September 1790 its editor was Elisée Lousatalot). The entire motto was: "*Les grands ne nous paraissent grands que parce que nous sommes à genoux: levons-nous!*" ("The great only seem great to us because we are on our knees: Let us rise up!")
65. ↑ *Der hinkende Botte,* also called *Der hinkende Bote* (The Lame Messenger) — a name given to a sort of popular almanac which contained rather stale news relating to events of the preceding year
66. ↑ *Straubinger* — a name for Gerinan travelling journeymen. In their works and letters Marx and Engels frequently applied it ironically to artisans who remained under the influence of backward guild notions and believed that society could abandon large-scale capitalist industry and return to the petty handicraft stage of production
67. ↑ Mozart's *Requiem* was completed, on the basis of his manuscript notes, by Franz Xaver Süssmayer
68. ↑ *Organisers of labour* — an allusion to the utopian socialists (in particular Fourier and his followers) who put forward a plan for the peaceful transformation of society by means of associations, that is, by "organisation of labour", which they opposed to the anarchy of production under capitalism. Some of these ideas were used by the French petty-bourgeois socialist Louis Blanc in his book *Organisation du travail* (Paris, 1839) in which he proposed that the bourgeois state should transform contemporary society into a socialist society
69. ↑ *Willenhall*, a town in Staffordshire, England, with a considerable iron industry
70. ↑ An allusion to the fact that Max Stirner dedicated his book to his wife Marie Dähnhardt. The phrase "the title spectre of his book" was derived from Stirner's phrase "the title spectre of her book". In his book Der Einzige und sein Eigenthum he used it in relation to Bettina von Arnim's work, *Dies Buch gehört dem König*
71. ↑ This refers to one of the main principles of the "Declaration of the Rights of Man and the Citizen" (*Déclaration des droits de 1'homme et du citoyen*), a preamble to the Constitution adopted by the French Convention in 1793 during the revolutionary dictatorship of the Jacobins. The last article, the 35th,

of the Declaration reads: “When the government violates the rights of the people, insurrection is the imprescriptible right and the irremissible duty of the people as a whole and of each of its sections

72. ↑ According to the Bible (Genesis 41:18-20), the Egyptian pharaoh dreamed that seven fat cows were eaten by seven lean cows but the latter remained just as lean as before. According to the interpretation given to the pharaoh by Joseph, the dream meant that Egypt would have rich harvests for seven years to be followed by seven years of drought and famine.
73. ↑ *The Customs Union* (*Zollverein*) of German states (initially they numbered 18), which established a common customs frontier, was set up in 1834 and headed by Prussia. By the 1840s the Union embraced most of the German states, with the exception of Austria, the Hanseatic cities (Bremen, Hamburg, Lübeck) and a few small states. Brought into being by the necessity to create an all-German market, the Customs Union became a factor conducive to the political unification of Germany.
74. ↑ *The Cyrenaic school* — a school of ancient Greek philosophy founded at the beginning of the 4th century B.C. by Aristippus of Cyrene, a pupil of Socrates. The Cyrenaics were agnostics, adopted a critical attitude to religion and regarded pleasure *(hedone)* as the aim of life
75. ↑ Kupfergraben — the name of a canal in Berlin. Hegel lived on the Kupfergraben embankment.

Close of the Leipzig Council

After driving all their opponents from the Council, Saint Bruno and Saint Sancho, also called Max, conclude an eternal alliance and sing the following touching duet, amicably nodding their heads to one another like two mandarins.

Saint Sancho.

"The critic is the true spokesman of the mass.... He is its sovereign and general in the war of liberation against egoism." (The book, p. 187.)

Saint Bruno.

"Max Stirner is the leader and commander-in-chief of the Crusaders" (against criticism). "At the same time he is the most vigorous and courageous of all fighters." (Wigand, [Bruno Bauer, "Charakteristik Ludwig Feuerbachs"] p. 124.)

Saint Sancho.

"We pass on now to placing political and social liberalism before the tribunal of humane or critical liberalism" (i.e., critical criticism). (The book, p. 163.)

Saint Bruno.

"Confronted by the unique and his property, the political liberal, who desires to break down self-will, and the social liberal, who desires to destroy property, both collapse. They collapse under the critical" (i.e., stolen from criticism) "knife of the unique." (Wigand, p. 124.)

Saint Sancho.

"No thought is safe from criticism, because criticism is the thinking mind itself ... Criticism, or rather he" (i.e., Saint Bruno). (The book, pp. 195, 199.)

Saint Bruno (interrupts him, making a boss).

"The critical liberal alone ... does not fall [before] criticism because he himself is [the critic]." [Wigand, p. 124.]

Saint Sancho.

"Criticism, and criticism alone, is abreast of the times.... Among social theories, criticism is indisputably the most perfect.... In it the Christian principle of love, the true social principle, reaches its purest expression, and the last possible experiment is made to release people from exclusiveness [and] repulsion; it is a struggle against egoism in its simplest and therefore its most rigid form." (The book, p. 177.)

Saint Bruno.

“This ego is ... the completion and culminating point of a past historical epoch. The unique is the last refuge in the old world, the last hiding-place from which the old world can deliver its attacks” on critical criticism....... This ego is the most extreme, the most powerful and most mighty egoism of the old world” (i.e., of Christianity).... “This ego is substance in its most rigid rigidity.” (Wigand, p. 124.)

After this cordial dialogue, the two great church fathers dissolve the Council. Then they silently shake hands. The unique “forgets himself in sweet self-oblivion” without, however, getting “completely lost”, and the critic “smiles” three times and then “Irresistibly, confident of victory and victorious, pursues his path”.

Part IV: True Socialism

The relation between German socialism and the proletarian movement in France and England is the same as that which we found in the first volume (cf. "Saint Max", "Political Liberalism") between German liberalism, as it has hitherto existed, and the movement of the French and English bourgeoisie Alongside the German communists, a number of writers have appeared who have absorbed a few French and English communist ideas and amalgamated them with their own German philosophical premises. These "socialists" or "true socialists", as they call themselves, regard foreign communist literature not as the expression and the product of a real movement but as purely theoretical writings which have been evolved — in the same way as they imagine the German philosophical systems to have been evolved — by a process of "pure thought". It never occurs to them that, even when these writings do preach a system, they spring from the practical needs, the conditions of life in their entirety of a particular class in a particular country. They innocently take on trust the illusion, cherished by some of these literary party representatives, that it is a question of the "most reasonable" social order and not the needs of a particular class and a particular time. The German ideology, in the grip of which these "true socialists" remain, prevents them from examining the real state of affairs. Their activity in face of the "unscientific" French and English consists primarily in holding up the superficiality and the "crude" empiricism of these foreigners to the scorn of the German public, in eulogising "German science" and declaring that its mission is to reveal for the first time the truth of communism and socialism, the absolute, *true* socialism. They immediately set to work discharging this mission as representatives of "German science", although they are in most cases hardly more familiar with "German science" than they are with the original writings of the French and English, which they know only from the compilations of Stein, Oelckers [Lorenz von Stein, Der Socialismus und Communismus des heutigen Franhreichs. Theodor Oelckers, Die Bewegung des Socialismus und Communismus] , etc. And what is the "*truth*" which they impart to socialism and communism? Since they find the ideas contained in socialist and communist literature quite unintelligible — partly by reason of their ignorance even of the literary background, partly on account of their above-mentioned misunderstanding of this literature — they attempt to clarify them by invoking the German ideology and notably that of Hegel and Feuerbach. They detach the communist systems, critical and polemical writings from the real movement, of which they are but the expression, and force them into an arbitrary connection with German philosophy. They detach the consciousness of certain historically conditioned spheres of life from these spheres and evaluate it in terms of true, absolute, i.e., German philosophical consciousness. With perfect consistency they transform the relations of these particular individuals into relations of "Man"; they interpret the thoughts of these particular individuals concerning their own relations as thoughts about "Man". In so doing, they have abandoned the real historical basis and returned to that of ideology, and since they are ignorant of the real connection, they can without difficulty construct some fantastic relationship with the help of the "absolute" or some other ideological method. This translation of French ideas into the language of the German ideologists and this arbitrarily constructed relationship between communism and German ideology, then, constitute so-called "true socialism", which is loudly proclaimed, in the terms used by the Tories for the English constitution, to be "the pride of the nation and the envy of all neighbouring nations".

Thus "true socialism" is nothing but the transfiguration of proletarian communism, and of the parties and sects that are more or less akin to it, in France and England within the heaven of the German mind and, as we shall also see, of the German sentiment. True socialism, which claims to be based on "science", is primarily another esoteric science; its theoretical literature is intended only for those who are initiated into the mysteries of the "thinking mind". But it has an exoteric literature as well; the very fact that it is concerned with social, exoteric relations means that it must carry on some form of propaganda. In this exoteric literature it no longer appeals to the German "thinking mind" but to the German "sentiment". This is all the easier since true socialism, which is no longer concerned with real human beings but with "Man", has lost all revolutionary enthusiasm and proclaims instead the universal love of mankind. It turns as a result not to the Proletarians but to the two most numerous classes of men in Germany, to the petty bourgeoisie with its philanthropic illusions and to the ideologists of this very same petty bourgeoisie: the philosophers and their disciples; it turns, in general, to that "common", or uncommon, consciousness which at present rules in Germany.

The conditions actually existing in Germany were bound to lead to the formation of this hybrid sect and the attempt to reconcile communism with the ideas prevailing at the time. It was just as inevitable that a number of German communists, proceeding from a philosophical standpoint, should have arrived, and still arrive, at communism by way of this transition while others, unable to extricate themselves from this ideology, should go on preaching true socialism to the bitter end. We have, therefore, no means of knowing whether the "true socialists" whose works were written some time ago and are criticised here still maintain their position or whether they have advanced beyond it. We are not at all concerned with the individuals; we are merely considering the printed documents as the expression o a tendency which was bound to occur in a country so stagnant as Germany.

But in addition true socialism has in fact enabled a host of Young-German literary men, [1] quacks and other literati to exploit the social movement. Even the social movement was at first a merely literary one because of the lack of *real*, passionate, practical party struggles in Germany. True socialism is a perfect example of a social literary movement that has come into being without any real party interests and now, after the formation of the communist party, it intends to persist in spite of it. It is obvious that since the appearance of a real communist party in Germany, the public of the true socialists will be more and more limited to the petty bourgeoisie and the sterile and broken-down literati who represent it.

I. Die Rheinischen Jahrbücher, Or The Philosophy of True Socialism

A. "Communismus, Socialismus, Humanismus"

Rheinische Jahrbücher, 1. BD., P. 167 et seq.

We begin with this essay [by Hermann Semmig] because it displays quite consciously and with great self-confidence the national German character of true socialism.

Page 168: "It seems that the French do not understand their own men of genius. At this point German science comes to their aid and in the shape of socialism presents the most reasonable social order, if one can speak of a superlative degree of reasonableness."

"German science" here, therefore, presents a social order, in fact "the most reasonable social order", "in *the shape of* socialism". Socialism is reduced to a branch of that omnipotent, omniscient, all-embracing German science which is even able to set up a society. It is true that socialism is French in origin, but the French socialists were "*essentially*" *Germans*, for which reason the real Frenchmen "did not understand" them. Thus the writer can say:

"Communism is French, socialism is German; the French are lucky to possess so apt a social instinct, which will serve them one day as a substitute for scientific investigation. This result has been determined by the course of development of the two nations; the French arrived at communism by way of politics" (now it is clear, of course, how the French people came to communism); "the Germans arrived at socialism" (namely "true socialism") "by way of metaphysics, which eventually changed into anthropology. Ultimately both are resolved in humanism."

After having transformed communism and socialism into two abstract theories, two principles, there is, of course, nothing easier than to excogitate at will any Hegelian unity of these, two opposites and to give it any vague name one chooses. One has thereby not only submitted "the course of development of the two nations" to a piercing scrutiny but has also brilliantly demonstrated the superiority of the speculative individual over both Frenchmen and Germans.

Incidentally, the sentence is copied more or less literally from *Püttmann's Bürgerbuch*, p. 43 and elsewhere [This refers to the article "Ueber die Noth in unserer Gesellschaft und deren Abhülfe" by Moses Hess published in Deutsches Bürgerbuch für 1845]; the writer's "scientific investigation" of socialism is likewise limited to a reinterpretative reproduction of ideas contained in this book, in the *Einundzwanzig Bogen* and in other writings dating from the early days of German communism.

We will only give a few examples of the objections raised to communism in this essay:

Page 168: "Communism does not combine the atoms into an organic whole."

The demand that the "atoms" should be combined into an organic whole" is no more realistic than the demand for the squaring of the circle.

"Communism. as it is actually advocated in France, its main centre, takes the form of crude opposition to the egoistical dissipation of the shopkeeper's state; it never transcends this political opposition; it never attains to unconditional, unqualified freedom" (ibid.).

Voilà the German ideological postulate of " unconditional, unqualified freedom", which is only the practical formula for "unconditional, unqualified thought". French communism is admittedly "crude" because it is the theoretical expression of a *real* opposition; however, according to the writer, French communism ought to have transcended this opposition by imagining it to be already overcome. Compare also *Bürgerbuch*, p. 43, etc.

"Tyranny can perfectly well persist within communism, since the latter refuses to permit the continuance of the species" (p. 168).

Hapless species! "Species" and "tyranny" have hitherto existed *simultaneously*; but it is precisely because communism *abolishes* the "species" that it can allow "tyranny" to *persist.* And how, according to our true socialist, does communism set about abolishing the "species"? It "has the masses in view" (ibid.).

"In communism man is not conscious of his essence ... his dependence is reduced by communism to the lowest, most brutal relationship, to dependence on crude matter — the separation of labour and enjoyment. Man does not attain to free moral activity."

To appreciate the "scientific investigation" which has led our true socialist to this proposition, it is necessary to consider the following passage:

"French socialists and communists ... have by no means theoretically understood the essence of socialism ... even the radical" (French) "communists have still by no means transcended the antithesis of labour and enjoyment ... have not yet risen to the idea of free activity.... The only difference between communism and the world of the shopkeeper is that in communism the complete alienation of real human property is to be made independent of all fortuity, i.e., is to be idealised" (Bürgerbuch, p. 43).

That is to say, our true socialist is here reproaching the French for having a correct consciousness of their actual social conditions, whereas they ought to bring to light "Man's" consciousness of "*his* essence". All objections raised by these true socialists against the French amount to this, that they do not consider Feuerbach's philosophy to be the quintessence of their movement as a whole. The writer proceeds from the already existing proposition of the separation of labour and enjoyment. Instead of starting with this proposition, he ideologically turns the whole thing upside-down, begins with the missing consciousness of man, deduces from it "dependence on crude matter" and assumes this to be *realised* in the "separation of labour and enjoyment". Incidentally we shall see later on where our true socialist gets to with his independence "from crude matter". In fact, all these gentlemen display a remarkable delicacy of feeling. Everything shocks them, especially matter; they complain everywhere of crudity. Earlier we have already had a "*crude* antithesis", now we have "the *most brutal* relationship" of "dependence on *crude* matter".

With gaping jaws the German cries:

Too crude love must not be

Or you'll get an infirmity.

[Modified quotation from Heine's poem "Sie sassen und tranken am Teetisch..." in Lyrisches Intermezzo. The first line of Heine's poem reads: With gaping jaws the canon cries]

German philosophy in its socialist disguise appears, of course, to investigate "crude reality", but it always keeps at a respectable distance and, in hysterical irritation, cries: *noli me tangere*!' [touch me not! — John 20:17]

After these scientific objections to French communism, we come to several historical arguments, which brilliantly demonstrate the "free moral activity" and the "scientific investigation" of our true socialist and his independence of crude matter.

On page 170 he arrives at the "result" that the only communism which "exists" is "*crude* French communism" (crude once again). The construction of this truth a priori is carried out with great "social instinct" and shows that "man has become conscious of his essence". Listen to this:

"There is no other communism, for what Weitling has produced is only an elaboration of Fourierist and communist ideas with which he became acquainted in Paris and Geneva."

"There is no" English communism, "for what Weitling", etc. Thomas More, the Levellers,[2] Owen, Thompson, Watts, Holyoake, Harney, Morgan, Southwell, Goodwyn Barmby, Greaves, Edmonds, Hobson, Spence will be amazed, or turn in their graves, when they hear that they are no communists "for" Weitling went to Paris and Geneva. Moreover, Weitling's communism does seem to be different in kind from the "crude French" variety, in vulgar parlance, from Babouvism, since it contains some of "Fourier's ideas" as well.

"The communists were particularly good at drawing up systems or even complete social orders (Cabet's Icarie, La Félicité, Weitling). All systems are, however, dogmatic and dictatorial" (p. 170).

By this verdict on systems in general true socialism has, of course, saved itself the trouble of acquainting itself at first hand with the communist systems. With one blow it has overthrown not only *Icarie* but also every philosophical system from Aristotle to Hegel, the *Système de la nature* [Paul Henri Holbach], the botanical systems of Linné and Jussieu and even the solar system. Incidentally, as to the systems themselves they nearly all appeared in the early days of the communist movement and had at that time propaganda value as popular novels, which corresponded perfectly to the still undeveloped consciousness of the proletarians, who were then just beginning to play an active part. Cabet himself calls his *Icarie* a "roman philosophique" and he should on no account be judged by his system but rather by his polemical writings, in fact his whole activity as a party leader. In some of these novels, e.g., Fourier's system, there is a vein of true poetry; others, like the systems of Owen and Cabet, show not a shred of imagination and are written in a business-like calculating way or else with an eye to the views of the class to be influenced, in sly lawyer fashion. As the party develops, these systems lose all importance and are at best retained purely nominally as catchwords. Who in France believes in Icarie, who in England believes in the plans of Owen, which he preached in various modifications with an eye to propaganda among particular classes or with respect to the altered circumstances of the moment? Fourier's orthodox disciples of the *Démocratie pacifique* show most clearly how little the real content of these systems lies in their systematic form; they are, for all their orthodoxy, doctrinaire bourgeois, the very antipodes of Fourier. All epoch-making systems have as their real content the needs of the time in which they arose. Each one of them is based on the whole of the antecedent development of a nation, on the historical growth of its class relations with their political, moral, philosophical and other consequences. The assertion that all systems are dogmatic and dictatorial gets us nowhere with regard to this basis and this content of the communist systems. Unlike the English and the French, the Germans did not encounter fully developed class relations. The German communists could, therefore, only base their system on the relations of the class from which they sprang. It is, therefore, perfectly natural that the only existing German communist system should be a reproduction of French ideas in terms of a mental outlook which was limited by the petty circumstances of the artisan.

"The *madness* of Cabet, who insists that everybody should subscribe to *his Populaire*", p. 168, is proof of the tyranny that persists within communism. If our friend first distorts the claims which a party leader makes on his party, impelled by particular circumstances and the danger of failing to concentrate limited financial means, and then evaluates them in terms of the "essence of man", he is indeed bound to conclude that this party leader and all other party members are "mad" whereas purely disinterested figures, like himself and the "essence of man", are of sound intellect. But let him find out the true state of affairs from Cabet's *Ma ligne droite.*

The whole antithesis of our author, and of German true socialists and ideologists in general, to the real movements of other nations is finally epitomised in one classic sentence. The Germans judge everything *sub specie aeterni* [from the standpoint of eternity — cf. Spinoza, Ethics] (in terms of the essence of Man), foreigners view everything practically, in terms of actually existing men and circumstances. The thoughts and actions of the foreigner are concerned with *temporariness*, the thoughts and actions of the German with *eternity.* Our true socialist confesses this as follows:

"The very name of communism, the contrary of competition, reveals its one-sidedness., but is this bias, which may very well have value now as a party name, to last for ever?"

After having thus thoroughly disposed of communism, the writer proceeds to its contrary, *socialism.*

"Socialism establishes that anarchic system which is an essential characteristic of the human race and the universe" (p. 170) and for that very reason has hitherto never existed for "the human race".

Free competition is too "crude" to be regarded by our true socialist as an "anarchic system".

"Relying entirely on the moral core of mankind, socialism" decrees that "the union of the sexes is and should be merely the highest intensification of love; for only what is natural is true and what is true is moral" (p. 171).

The reason why "the union, etc., etc. is and should be," can be applied to everything. For example, "socialism, relying entirely on the *moral core*" of the apes, might just as well decree that the masturbation which occurs naturally among them "is, and should be, merely the highest intensification of" self- "love; *for* only what is natural is true and what is true is moral". It would be hard to say by what standard socialism judges what is natural".

"Activity and enjoyment coincide in the peculiar nature of man; they are determined by this and not by the products external to us."

"But since these products are indispensable for activity, that is to say, for true life, and since by reason of the common activity of mankind as a whole they have, so to speak, detached themselves from mankind, they are or should be the common substratum of further development for all (community of goods)."

"Our present-day society has indeed relapsed into savagery to such an extent that some individuals fall upon the products of another's labour with beastly voracity and at the same time they indolently allow their own essence to decay (rentiers); as a necessary consequence, others are driven to mechanical labour; their property (their own human essence) has been stunted, not by idleness, but by exhausting exertion (proletarians).... The two extremes of our society, rentiers and proletarians, are, however, at the same stage of development. Both are dependent upon things external to them" or are "Negroes", as Saint Max would say (pp. 169, 170).

The "results" reached above by our "Mongol" concerning "our Negroism" are the most perfect achievements which true socialism has, "so to speak, detached from itself, as a product indispensable for true life"; our Mongol, by reason of "the peculiar nature of man", believes that "mankind as a whole" is bound to "fall upon" them with "beastly voracity".

The four concepts — “rentiers”, “proletarians”, “mechanical” and community of goods” — are for our Mongol at any rate “products external to him”; as far as they are concerned, his “activity” and his “enjoyment” consist in representing them simply as anticipated terms for the results of his own “mechanical labour”.

Society, we learn, has relapsed into savagery and consequently the individuals who form this very society suffer from all kinds of infirmities. Society is abstracted from these individuals, it is made independent, it relapses into savagery on its own, and the individuals suffer only as a *result* of this relapse. The expressions — beast of prey, idler and possessor of “one’s own decaying essence” — are the first result of this relapse; whereupon we learn to our horror that these expressions define the “rentier”. The only comment necessary is that this “allowing one’s own essence to decay” is nothing but a philosophically mystified manner of speaking used in an endeavour to comprehend “idleness”, the actual character of which seems to be very little known.

The two expressions, “stunted growth of their own human essence as a result of exhausting exertion” and “being driven to mechanical labour”, are the second “necessary consequence” of the first result of the relapse into savagery. These two expressions are a “necessary consequence of the fact that the rentiers allow their own essence to decay”, and are known in vulgar parlance, we learn, once more to our horror, as “proletarians”.

The sentence, therefore, contains the following sequence of cause and effect: It is a fact that proletarians exist and that they work mechanically. Why are proletarians driven to “mechanical labour"? Because the rentiers “allow their own essence to decay”. Why is it that the rentiers allow their own essence to decay? Because “our present-day society has relapsed into savagery to such an extent”. Why has it relapsed into savagery? Ask thy Maker.

It is characteristic of our true socialist that he sees “the extremes of our society” in the opposition of rentiers and proletarians. This opposition has pretty well been present at all fairly advanced stages of society and has been belaboured by all moralists since time immemorial; it was resurrected right at the beginning of the proletarian movement, at a time when the proletariat still had interests in common with the industrial and petty bourgeoisie. Compare, for example, the writings of Cobbett and P. L. Courier or Saint-Simon, who originally numbered the industrial capitalists among the *travailleurs* as opposed to the *oisiffs* [idlers], the rentiers. Stating this trivial antithesis, which moreover it expresses, not in ordinary language, but in the sacred language of philosophy, presenting this childish discovery, in abstract, sanctified and quite inappropriate terms — this is what here, as in all other cases, the thoroughness of that German science which has been perfected by true socialism amounts to. The conclusion puts the finishing touch to this kind of thoroughness. Our true socialist here merges the totally dissimilar stages of development of the proletarians and the rentiers into “one stage of development”, because he ignores their real stages of development and subsumes them under the philosophic phrase:

"dependence upon things external to them". True socialism has here discovered the stage of development at which the dissimilarity of all the stages of development in the three realms of nature, in geology and history, vanishes into thin air.

Although he detests "dependence upon things external to him", our true socialist nevertheless admits that he is dependent upon them, "since products", i.e., these very things, "are indispensable for activity" and for "true life". He makes this shamefaced admission so that he can clear the road for a philosophical construction of the community of goods — a construction that lapses into pure nonsense so that we need merely draw the reader's attention to it.

We now come to the first of the passages quoted above. Here again, "independence from things" is claimed in respect of activity and enjoyment. Activity and enjoyment "are determined" by "the peculiar nature of man". Instead of tracing this peculiar nature ' in the activity and enjoyment of the men who surround him — in which case he would very soon have found how far the products external to us have a voice in the matter, too — he makes activity and enjoyment "coincide in the peculiar nature of man". Instead of visualising the peculiar nature of men in their activity and their manner of enjoyment, which is conditioned by their activity, he explains both by invoking "the peculiar nature of man", which cuts short any further discussion. He abandons the real behaviour of the individual and again takes refuge in his indescribable, inaccessible, peculiar nature. We see here, moreover, what the *true socialists* understand by "free activity". Our author imprudently reveals to us that free activity is activity which "is not determined by things external to us", i.e., *actus purus*, pure, absolute activity, which is nothing but activity and is in the last instance tantamount to the illusion of "pure thought". It naturally sullies the purity of this activity if it has a material basis and a material result; the true socialist deals only reluctantly with impure activity of this kind; he despises its product, which he terms "a mere refuse of man", and not "a result" (p. 169). The subject from whom this pure activity proceeds cannot, therefore, be a real sentient human being; it can only be the thinking mind. This "free activity", thus translated into German, is nothing but the foregoing "unconditional, unqualified freedom" expressed in a different way. Incidentally, that this talk of "free activity", which merely serves the true socialists to conceal their ignorance of real production, amounts in the final analysis to "pure thought" is also shown by the fact that the writer gives us as his last word the postulate of true cognition.

"This separation of the two principal parties of this age" (namely, French crude communism and German socialism) "is a result of the developments of the last two years, which started more particularly, with Hess' Philosophie der That, in Herwegh's Einundzwanzig Bogen. Consequently it was high time to throw a little more light on the shibboleths of the social parties" (p. 173).

Here we have, on the one hand, the actually existing communist party in France with its literature and, on the other, a few German pseudo-scholars who are trying to comprehend the ideas of this literature philosophically. The latter are treated just as much as the former as a "*principal party* of this *age*", as a party, that is to say, of infinite importance not only to its immediate antithesis, the French communists, but also to the English Chartists and communists, the American national reformers[3] and indeed to every other party "of this age". It is unfortunate that none of these know of the existence of this "principal party". But it has for a considerable time been the fashion among German ideologists for each literary faction, particularly the one that thinks itself "most advanced", to proclaim itself not merely "one of the principal parties", but actually "the principal party of this age". We have among others, "the principal party" of critical criticism, the "principal party" of egoism in agreement with itself and now the "principal party" of the true socialists. In this fashion Germany can boast a whole horde of "principal parties", whose existence is known only in Germany and even there only among the small set of scholars, pseudo-scholars and literati. They all imagine that they are weaving the web of world history when, as a matter of fact, they are merely spinning the long yarn of their own imaginings.

This "principal party" of the true socialists is "a result of the developments of the last two years, which started more particularly with Hess' *Philosophie*". It is "a result", that is to say, of the developments "of the last two years" when our author first got entangled in socialism and found it was "high time" to *enlighten* himself "a little more", by means of a few "shibboleths", on what he considers to be "social parties".

Having thus dismissed communism and socialism, our author introduces us to the higher unity of the two, to *humanism.* Now we are entering the domain of "Man" and the entire true history of our true socialist will be enacted in Germany alone.

"All quibbles about names are resolved in humanism; wherefore communists, wherefore socialists', We are human beings" (p. 172) — tous frères, tous amis.

Swim not, brothers, against the stream,

That's only a useless thing!

Let us climb up on to Templow hill

And cry: God save the King!

[From Heine's poem "Verkehrte Welt" in his verse cycle Zeitgedichte]

Wherefore human beings, wherefore beasts, wherefore plants, wherefore stones? We are bodies!

There follows an historical discourse which is based upon German science and which "will one day help to replace the social instinct" of the French. Antiquity — naïveté, the Middle Ages — Romanticism, the Modern Age — Humanism. By means of these three trivialities, the writer has, of course, constructed his humanism historically and showed it to be the truth of the old *Humaniora*.[4] Compare "Saint Max" in the first volume for constructions of this kind; he manufactures such wares in a much more artistic and less amateurish way.

On page 172 we are informed that

"the final result of scholasticism is that cleavage of life which was abolished by Hess".

Here then, the cause of the "cleavage of life" is shown to be theory. It is difficult to see why these true socialists mention society at all if they believe with the philosophers that all real cleavages are caused by *conceptual cleavages*. On the basis of this philosophical belief in the power of concepts to make or destroy the world, they can likewise imagine that some individual "abolished the cleavage of life" by "abolishing" concepts in some way or other. Like all German ideologists, the true socialists continually mix up literary history and real history as equipotential. This habit is, of course, very understandable among the Germans, who conceal the abject part they have played and continue to play in real history by equating the illusions, in which they are so rich, with reality. And now to the "last two years", during which German science has so thoroughly disposed of all problems that nothing remains to the other nations but to carry out its decrees.

"Feuerbach only partially completed, or rather only began, the task of anthropology, the regaining by man of his estranged essence" (the essence of man or the essence of Feuerbach?); "he destroyed the religious illusion, the theoretical abstraction, the God-Man, whereas Hess annihilates the political illusion, the abstraction of his ability [Vermögen], of his activity" (does this refer to Hess or to man?), "that is, he annihilates wealth. It was the work of Hess which freed man from the last of the forces external to him, and made him capable of moral activity — for all the unselfishness of earlier times" (before Hess) "was only an illusory unselfishness — and raised him once more to his former dignity; for was man ever previously" (before Hess) "esteemed for what he actually was? Was he not judged by what he possessed? He was esteemed for his money" (p. 171).

It is characteristic of all these high-sounding phrases about liberation, etc., that it is always "man" who is liberated. Although it would appear from the pronouncements made above that "wealth", "money", and so on, have ceased to exist, we nevertheless learn in the following sentence:

"Now that these illusions" (money, viewed sub specie aeterni, is, indeed, an illusion, 1'or n'est qu'une chimère [Gold is but a chimera. From Giacomo Meyerbeer's opera Robert le Diable]) "have been destroyed, we can think about a new, human order of society" (ibid.).

But this is quite superfluous since

"the recognition of the essence of man has as a necessary and natural result a life which "is truly human" (p. 172).

To arrive at communism or socialism by way of metaphysics or politics, etc., etc. — these phrases beloved of true socialists merely indicate that such and such a writer has adopted communist ideas (which have reached him from without and have arisen in circumstances quite different from his) translating them into the mode of expression corresponding to his former standpoint, and formulating them in accordance with this standpoint. Which of these points of view is predominant in a nation, whether its communist outlook has a political or metaphysical or any other tinge depends, of course, upon the whole development of the nation. The fact that the attitude of most French communists has a political complexion — this is, on the other hand, countered by the fact that very many French socialists have abstracted completely from politics — causes our author to infer that the French "have arrived at communism by way of politics", by way of their political development. This proposition, which has a very wide circulation In Germany, does not imply that the writer has any knowledge either of politics, particularly of French political developments, or of communism; it only shows that he considers politics to be an independent sphere of activity, which develops in its own independent way, a belief he shares with all ideologists.

Another catchword of the true socialists is "true property", "true, personal property", "real", "social", "living", "natural", etc., etc., property, whereas it is very typical that they refer to private property as *"so-called* property". The Saint-Simonists were the first to adopt this manner of speaking, as we have already pointed out in the first volume; but they never lent it this German metaphysical-mysterious form; it was with them at the beginning of the socialist movement to some extent justified as a counter to the stupid clamour of the bourgeoisie. The end to which most of the Saint-Simonists came shows at any rate the ease with which this "true property" is again resolved into "ordinary private property".

If one takes the antithesis of communism to the world of private property in its crudest form, i.e., in the most abstract form in which the real conditions of that antithesis are ignored, then one is faced with the antithesis of property and lack of property. The abolition of this antithesis can be viewed as the abolition of either the one side or the other; either property is abolished, in which case universal lack of property or destitution results, or else the lack of property is abolished, which means the establishment of true property. In reality, the actual property-owners stand on one side and the propertyless communist proletarians on the other. This opposition becomes keener day by day and is rapidly driving to a crisis. If, then, the theoretical representatives of the proletariat wish their literary activity to have any practical effect, they must first and foremost insist that all phrases are dropped which tend to dim the realisation of the sharpness of this opposition, all phrases which tend to conceal this opposition and may even give the bourgeois a chance to approach the communists for safety's sake on the strength of their philanthropic enthusiasms. All these bad qualities are, however, to he found in the catchwords of the true socialists and particularly in "true property". Of course, we realise that the communist movement cannot be impaired by a few German phrase-mongers. But in a country like Germany — where philosophic phrases have for centuries exerted a certain power, and where, moreover, communist consciousness is anyhow less keen and determined because class contradictions do not exist in as acute a form as in other nations — it is, nevertheless, necessary to resist all phrases which obscure and dilute still further the realisation that communism is totally opposed to the existing world order.

This theory of true property conceives real private property, as it has hitherto existed, merely as a semblance, whereas it views the concept abstracted from this real property as the truth and reality of the semblance; it is therefore ideological all through. All it does is to give clearer and more precise expression to the ideas of the petty bourgeois; for their benevolent endeavours and pious wishes aim likewise at the abolition of the lack of property.

In this essay we have had yet further evidence of the narrowly national outlook which underlies the alleged universalism and cosmopolitanism of the Germans.

The land belongs to the Russians and French,
The English own the sea.
But we in the airy realm of dreams
Hold sovereign mastery.

Our unity is perfect here,
Our power beyond dispute;
The other folk in solid earth
Have meanwhile taken root.
[Heinrich Heine, Deutschland, ein Wintermärchen]

With infinite self-confidence the Germans confront the other peoples with this airy realm of dreams, the realm of the "essence of man", claiming that it is the consummation and the goal of all world history; in every sphere they regard their dreamy fantasies as a final verdict on the actions of other nations; and because everywhere their lot is merely to look on and be left high and dry they believe themselves called upon to sit in judgment on the whole world while history attains its ultimate purpose in Germany. We have already observed several times that the complement of this inflated and extravagant national pride is practical activity of the pettiest kind, worthy of shopkeepers and artisans. National narrow-mindedness is everywhere repellent. In Germany it is positively odious, since, together with the illusion that the Germans are superior to nationality and to all real interests, it is held in the face of those nations which openly confess their national limitations and their dependence upon real interests. It is, incidentally, true of every nation that obstinate nationalism is now to be found only among the bourgeoisie and their writers.

B. “Socialistische Bausteine"

["Cornerstones of Socialism” — title of an article by Rudolph Matthäi]

Rheinische Jahrbücher, p. 155 et seq.

In this essay the reader is first of all prepared for the more difficult truths of true socialism by a belletristic and poetic prologue. The prologue opens by proclaiming “happiness” to be the “ultimate goal of all endeavour, all movements, of all the arduous and untiring exertions of past millenniums”. In a few brief strokes, so to speak, a history of the struggle for happiness is sketched for us:

“When the foundations of the old world crumbled, the human heart with all its yearning took refuge in the other world, to which it transferred its happiness” (p. 156).

Hence all the bad luck of the terrestrial world. In recent times man has bidden farewell to the other world and our true socialist now asks:

“Can man greet the earth once more as the land of his happiness? Does he once more recognise earth as his original home? Why then should he still keep life and happiness apart? Why does he not break down the last barrier which cleaves earthly life into two hostile halves’,” (ibid.).

“Land of my most blissful feelings!” etc. He now invites “Man” to take a walk, an invitation which “Man” readily accepts. “Man” enters the realm of “free nature” and utters, among other things, the following tender effusions of a true socialist’s heart [from title of Wilhelm Wackenroder’s book Herzensergiessungen eines kunstliebenden Klosterbruders]:

“.!. gay flowers ... tall and stately oaks ... their satisfaction, their happiness lie in their life, their growth and their blossoming ... an infinite multitude of tiny creatures in the meadows ... forest birds ... a mettlesome troop of young horses ... I see” (says “man”) “that these creatures neither know nor desire any other happiness than that which lies for them in the expression and the enjoyment of their lives. When night falls, my eyes behold a countless host of worlds which revolve about each other in infinite space according to eternal laws. I see in their revolutions a unity of life, movement and happiness” (p. 157).

“Man” could also observe a great many other things in nature, e.g., the bitterest competition among plants and animals; he could see, for example, in the plant world, in his “forest of tall and stately oaks”, how these tall and stately capitalists consume the nutriment of the tiny shrubs, which might well complain*: terra, aqua, aere et igni interdicti sumus* [we are banned from earth, water air and fire] ; he could observe the parasitic plants, the ideologists of the vegetable world, he could further observe that there is open warfare between the “forest birds” and the “Infinite multitude of tiny creatures”, between the grass of his “meadows” and the “mettlesome troop of young horses”. He could see in his “countless host of worlds” a whole heavenly feudal monarchy complete with tenants and satellites, a few of which, e.g., the moon, lead a very poor *life aere et aqua interdicti;* a feudal system in which even the homeless vagabonds, the comets, have been apportioned their station in life and in which, for example, the shattered asteroids bear witness to occasional unpleasant scenes, while the meteors, those fallen angels, creep shamefaced through the "Infinite space", until they find somewhere or other a modest lodging. In the further distance, he would come upon the reactionary fixed stars.

"All these beings find their happiness, the satisfaction and the enjoyment of their life in the exercise and manifestation of the vital energies with which nature has endowed them."

That is, "man" considers that in the interaction of natural bodies and the manifestation of their forces these natural bodies find their happiness, etc. "Man" is now reproached by our true socialist with his discord:

"Did not man too spring from the primeval world, is he not a child of nature, like all other creatures? Is he not formed of the same materials, is he not endowed with the same general energies and properties that animate all thin ? Why does he still seek his earthly happiness in an earthly beyond?" (p. 158).

"*The same* general energies and properties" which man has in common with "*all* things", are cohesion, impenetrability, volume, gravity, etc., which can be found set out in detail on the first page of any textbook of physics. It is difficult to see how one can construe this as a reason why man should not "seek his happiness in an earthly beyond". However, he admonishes man as follows:

"Consider the lilies of the field."

Yes, consider the lilies of the field, how they are eaten by goats, transplanted by "man" into his buttonhole, how they are crushed beneath the immodest embraces of the dairymaid and the donkey-driver!

"Consider the lilies of the field, they toil not, neither do they spin: and thy Heavenly Father feedeth them." [cf. Matthew 6: 28, 26]

Go thou and do likewise! After learning in this fashion of the unity of "man" with "all things", we now learn how he *differs* from "all things".

"But man knows himself, he is conscious of himself. Whereas in other beings, the instincts and forces of nature manifest themselves in isolation and unconsciously, they are united in man and become conscious ... his nature is the mirror of all nature, which recognises itself in him. Well then! If nature recognises itself in me, then I recognise myself in nature. I see in its life my own life [...]. We are thus giving living expression to that with which nature has imbued us" (p. 158).

This whole prologue is a model of ingenuous philosophic mystification. The true socialist proceeds from the thought that the dichotomy of life and happiness must cease. To prove this thesis he summons the aid of nature presupposing that this dichotomy does not exist in nature and from this he deduces that since man, too, is a natural body and has the properties which such bodies generally possess, this dichotomy ought not to exist for him either. Hobbes had much better reasons for invoking nature as a proof of his *bellum omnium contra omnes* [Hobbes, De Cive] and Hegel, on whose construction our true socialist depends, for perceiving in nature the cleavage, the slovenly period of the Absolute Idea, and even calling the animal the concrete anguish of God. After shrouding nature in mystery, our true socialist shrouds human consciousness in mystery too, by making it the "mirror" of this mystified nature. Of course, when the manifestation of consciousness ascribes to *nature* the mental expression of a pious wish about human affairs, it is self-evident that consciousness will only be the mirror in which nature contemplates itself. That "man" has to abolish in his own sphere the cleavage, which is assumed to be non-existent in nature, is now proved by reference to man in his quality as a mere passive mirror in which nature becomes aware of itself; just as it was earlier proved by reference to man as a mere natural body. But let us inspect the last proposition more closely; all the nonsense of these arguments is concentrated in it.

The first fact asserted is that man possesses self-consciousness. The instincts and energies of individual natural beings are transformed into the instincts and forces of "Nature", which then, as a matter of course, "are manifested" in *isolation in* these individual beings. This mystification was needed in order later to effect a unification of these instincts and forces of "Nature" in the human self-consciousness. Thereby the self-consciousness of man is, of course, transformed into the self-consciousness of nature within him. This mystification is apparently resolved in the following way: in order to pay nature back for finding its self-consciousness in man, man seeks his, in turn, in nature — a procedure which enables him, of course, to find nothing in nature except what he has imputed to it by means of the mystification described above.

He has now arrived safely at the point from which he originally started, and this way of turning round on one's heel is now called in Germany — *development.*

After this prologue comes the real exposition of true socialism.

First Cornerstone

Page 160: "Saint-Simon said to his disciples on his death-bed: 'My whole life can be expressed in one thought: all men must be assured the freest development of their natural capacities.' Saint-Simon was a herald of socialism."

This statement is now treated according to the true socialist method described above and combined with that mystification of nature which we saw in the prologue.

"Nature as the basis of all life is a unity which proceeds from itself and returns to itself, which embraces the immense multifariousness of its phenomena and apart from which nothing exists" (p. 158).

We have seen how one contrives to transform the different natural bodies and their mutual relationships into multifarious "phenomena" of the secret essence of this mysterious "unity". The only new element in this sentence is that nature is first called "the *basis* of all life", and immediately afterwards we are informed that "apart from it nothing exists"; according to this it embraces "life" as well and cannot merely be its *basis*. After these portentous words, there follows the pivotal point of the whole essay:

"Every one of these phenomena, every individual life, exists and develops only through its antithesis, its struggle with the external world, and it is based upon its interaction with the totality of life, with which it is in turn by its nature linked in a whole, the organic unity of the universe" (pp. 158, 159).

This pivotal sentence is further elucidated as follows:

"The individual life finds, on the one hand, its foundation, its source and its subsistence in the totality of life; on the other hand, the totality of life in continual struggle with the individual life strives to consume and to absorb it" (p, 159).

Since this statement applies to every individual life, "therefore", it can be, and is, applied to men as well:

"Man can therefore only develop in and through the totality of life" (No. 1, ibid.).

Conscious individual life is now contrasted with unconscious individual life; human society with natural life in general; and then the sentence which we quoted last is repeated in the following form:

"By reason of my nature, it is only in and through community with other men that I can develop, achieve self-conscious enjoyment of my life and attain happiness" (No. II, ibid.).

This development of the individual in society is now discussed in the same way as "individual life" in general was treated above:

"In society, too, the opposition of individual life and life in general becomes the condition of conscious human development. It is through perpetual struggle, through perpetual reaction against society, which confronts me as a restricting

force, that I achieve self-determination and freedom, without which there is no happiness. My life is a continuous process of liberation, a continuous battle with and victory over the conscious and unconscious external world, in order to subdue it and use it to enjoy my life. The instinct of self-preservation, the striving for my own happiness, freedom and satisfaction, these are consequently natural, i.e., reasonable, expressions of life" (ibid.).

Further:

"I demand, therefore, from society that it should afford me the possibility of winning from it my satisfaction, my happiness, that it should provide a battlefield for his bellicose spirit. just as the individual plant demands soil, warmth and sun, air and rail) for its growth, so that it may bear leaves, blossoms and fruit, man too desires to find it] society the conditions for the all-round development and satisfaction of all his needs, inclinations and capacities. It must offer him the possibility of winning his happiness. How he will use that chance, what he will make of himself, of his life, depends upon him, upon his individuality. I alone can determine my happiness" (pp. 159, 160).

There follows, as the conclusion of the whole argument, the statement by Saint-Simon which is quoted at the beginning of this section. The Frenchman's idea has thus been vindicated by German science. What does this vindication consist in?

The true socialist has already earlier imputed various Ideas to nature which he would like to see realised in human society. While formerly it was the individual human being, whom he made the mirror of nature, it is now society as a whole. A further conclusion can now be drawn about human society from the ideas imputed to nature. Since the author does not discuss the historical development of society, contenting himself with this meagre analogy, it remains incomprehensible why society should not always have been a true image of nature. The phrases about society, which confronts the individual in the shape of a restricting force, etc., are therefore relevant to every form of society. it is quite natural that a few inconsistencies should have crept into this interpretation of society. Thus he must now admit that a *struggle* is waged in nature, ill contrast to the harmony described in the prologue. Society, the totality of life", is conceived by our author riot as the interaction of the constituent Individual lives", but as a distinct existence, and this moreover separately interacts with these "individual lives". If there is any reference to real affairs in all this it is the illusion of the independence of the state in relation to private life and the belief in this apparent independence as something absolute. But as a matter of fact, neither here nor anywhere in the whole essay is it a question of nature and society at all; it is merely a question of the two categories, individuality and universality, which are given various names and which are said to form a contradiction, the reconciliation of which would be highly desirable.

From the vindication of "individual life" as opposed to the "totality of life" it follows that the satisfaction of needs, the development of capacities, self-love, etc., are "natural, reasonable expressions of life". From the conception of society as an image of nature, it follows that in all forms of society existing up to now, the present included, these expressions of life have attained full maturity and are recognised as justified.

But we suddenly learn on page 159 that "in our present-day society" these reasonable, natural expressions of life are nevertheless "so often repressed" and "usually only for that reason do they degenerate into an unnaturalness, malformation, egoism, vice, etc."

And so, since society does not, after all, correspond to its prototype. nature, the true socialist "demands" that it should conform to nature and justifies his claim by adducing the plant as an example — a most unfortunate example. In the first place, the plant does not "demand" of nature all the conditions of existence enumerated above; unless it finds them already present it never becomes a plant at all; it remains a grain of seed. Moreover, the state of the "leaves, blossoms and fruit" depends to a great extent on the "soil", the "warmth" and so on, the climatic and geological conditions of its growth. Far from "demanding" anything, the plant is seen to depend utterly upon the actual conditions of existence; nevertheless, it is upon this alleged demand that our true socialist bases his own claim for a form of society which shall conform to his individual "peculiarity". The demand for a true socialist society is based on the imaginary demand of a coconut palm that the "totality of life" should furnish it with "soil, warmth, sun, air and rain" at the North Pole.

This claim of the individual on society is not deduced from the real development of society but from the alleged relationship of the metaphysical characters — individuality, and universality. You have only to interpret single individuals as representatives, embodiments of individuality, and society as the embodiment of universality, and the whole trick is done. And at the same time Saint-Simon's .statement about the free development of the capacities has been correctly expressed and placed upon its true foundation. This correct expression consists in the absurd statement that the individuals forming society want to preserve their "peculiarity", want to remain as they are, while they demand of society a transformation which can only proceed from a transformation of *themselves.*

Second Cornerstone

“You've forgotten the rest of the charming refrain?
Well, just give it up and start over again!

“Infinite in their variety, all individual...
Beings as unity taken together are ‘World Organism” (p. 160).

And so we find ourselves thrown back again to the beginning of the essay and have to go through the whole comedy of individual life and totality of life for the second time. Once more we are initiated into the deep mystery of the interaction of these two lives, *restauré a neuf* by the introduction of the new term “*polar relationship’* and the transformation of the individual life into a mere *symbol*, an “*image*” of the totality of life. Like a kaleidoscopic picture this essay is composed of reflections of itself, a method of argument common to all true socialists. Their approach to their arguments is similar to that of the cherry-seller who was selling her wares below cost price, working on the correct economic principle that it is the *quantity* sold that matters. As regards true socialism, this is the more essential because its cherries were rotten before they were ripe.

A few examples of this self-reflection follow:

Cornerstone No. I, pp. 158, 159.	**Cornerstone No. II, pp. 160, 161.**
“*Every individual life exists and develops only through its antithesis* ... is based upon its *interaction* with the *totality of life,*	“*Every individual life exists and develops in and through the totality of life;* the totality of life only exists and develops in and through the individual life.” (Interaction.)
“With which it is in turn, by its nature, linked in a *whole.*	“The individual life develops ... as a *part* of life in general.
“Organic unity of the universe.	“The world organism is combined unity.
“The individual life finds, on the one hand, its *foundation*, its source and its *subsistence* in the totality of life,	“Which” (the totality of life) “becomes the *soil* and *substance* of its” (the individual life’s) “development ... that each is *founded* upon the other....
“On the other hand, the totality of life in continual *struggle* with the individual life strives to consume it.	“That they *struggle* against one another and oppose one another.
“*Therefore* (p. 159):	“*It follows* (p. 161):
“Human society is to *conscious* ... life what unconscious universal life in general is to the unconscious individual life.	“That *conscious individual life* is also conditioned by the conscious totality of life and” ... (vice versa).

"*I* can only *develop in and through community* with other men.... In society, coo, the opposition of *individual life* and life in general becomes", etc....	"*The individual human being develops only in and through society,* society", vice versa, etc....
"Nature ... is a *unity*... which *embraces* the immense *multifariousness* of its phenomena."	"Society is a *unity* which embraces and *comprises* the *multifariousness* of individual human development."

But our author is not satisfied with this kaleidoscopic display. He goes on to repeat his artless remarks about individuality and universality in yet another form. He first puts forward these few and abstractions as absolute principles and then concludes that the same relationship must recur in the real world. Even this gives him the chance of saying everything twice under the guise of making deductions, in abstract form and, when he is drawing his conclusion, in seemingly concrete form. Then, however, he sets about varying the concrete *names* which he has given to his two categories. Universality appears variously as nature, unconscious totality of life, conscious ditto, life in general, world organism, all-embracing unity, human society, community, organic unity of the universe, universal happiness, common weal, etc., and individuality appears under the corresponding names of unconscious and conscious individual life, individual happiness, one's own welfare, etc. In connection with each of these names we are obliged to listen to the selfsame phrases which have already been applied often enough to individuality and universality. The second cornerstone contains, therefore, nothing which was not already contained in the first. But since the words *égalité, solidarité, unité des intérêts* are used by the French socialists, our author attempts to fashion them into "cornerstones" of true socialism by turning them into German.

"As a conscious member of society I recognise every other member as a being different from myself, confronting me and at the same time supported by and derived from the primary common basis of existence and equal to me. I recognise every one of my fellow-men as opposed to me by reason of his particular nature, yet equal to me by reason of his general nature. The recognition of human equality, of the right of every man to existence, depends therefore upon the consciousness that human nature is common to all; in the same way, love, friendship, justice and all the social virtues are based upon the feeling of natural human affinity and unity. If up to now these have been termed obligations and have been imposed upon men, then in a society founded upon the consciousness of man's inward nature, i.e., upon reason and not upon external compulsion, they will become free, natural expressions of life. In society which conforms to nature, i.e., to reason, the conditions of existence must accordingly be equal for all its members, i.e., must be general" (pp. 161, 162).

The author displays a marked ability for first putting forward a proposition in assertive fashion and then legitimising it as a consequence of itself by inserting an *accordingly*, a *consequently*, etc. He is equally skilful at incidentally smuggling into his peculiar deductions traditional socialistic statements by the use of "if they have", "if it is" — "then they must", "then it will become", etc.

In the first cornerstone, we saw, on the one hand, the individual and, on the other, universality which confronted him as society. This antithesis now reappears in another form, the individual now being divided within himself into a particular and a *general* nature. From the general nature of the individual, conclusions are drawn about "human equality" and community. Those conditions of life which are common to men thus appear here as a product of "the essence of man", of *nature*, whereas they, just as much as the consciousness of equality, are historical products. Not content with this, the author substantiates this equality by stating that it rests entirely "on the primary common basis of existence". We learned in the prologue, p. 158, that man "is formed of the same materials and is endowed with the same general energies and properties that animate all things". We learned in the first cornerstone that nature is "the basis of all life", and so, the "primary common basis of existence". Our author has, therefore, far outstripped the French since, being "a conscious member of society", he has not only demonstrated the equality of men with one another; he has also demonstrated their equality with every flea, every wisp of straw, every stone.

We should be only too pleased to believe that "all the social virtues" of our true socialist are based "upon the feeling of natural human affinity and unity", even though feudal bondage, slavery and all the social inequalities of every age have also been based upon this "natural affinity". Incidentally, "natural human affinity" is an historical product which is daily changed at the hands of men; it has always been perfectly natural, however inhuman and contrary to nature it may seem, not only in the judgment of "Man", but also of a later revolutionary generation.

We learn further, quite by chance, that present-day society is based upon "external compulsion". By "external compulsion" the true socialists do not understand the restrictive material conditions of life of given individuals. They see it only as the compulsion exercised by the *state,* in the form of bayonets, police and cannons, which far from being the foundation of society, are only a consequence of its structure. This question has already been discussed in *Die heilige Familie* and also in the first volume of this work.

The socialist opposes to present-day society, which is "based upon external compulsion", the ideal of true society, which is based upon the "consciousness of man's *inward* nature, i.e., upon reason". It is based, that is, upon the consciousness of consciousness, upon the thought of thought. The true socialist does not differ from the philosophers even in his choice of terms. He forgets that the "inward nature" of men, as well as their "consciousness" of it, "i.e.", their "reason", has at all times been an historical product and that even when, as he believes, the society of men was based "upon external compulsion", their "inward nature" corresponded to this "external compulsion".

There follow, on page 163, individuality and universality with their usual retinue, in the form of individual and public welfare. You may find similar explanations of their mutual relationship in any handbook of political economy under the heading of competition and also, though better expressed, in Hegel.

For example, *Rheinische Jahrbücher,* p. 163:

"By furthering the public welfare, I further my own welfare, and by furthering my own welfare, I further the public welfare."

Cf. Hegel's *Rechtsphilosophie,* p. 248 (1833):

"In furthering my ends, I further the universal, and this in turn furthers my ends."

Compare also *Rechtsphilosophie,* p. 323 et seq., about the relation of the citizen to the state.

"Therefore, as a final consequence, we have the conscious unity of the individual life with the totality of life, harmony" (Rheinische Jahrbücher, p. 163).

"As a final consequence", that is to say, of

"this polar relationship between the individual and the general life, which consists in the fact that sometimes the two clash and oppose one another, while at other times, the one is the condition and the basis of the other".

The "final consequence" of this is at most the harmony of disharmony with harmony; and all that follows from the constant repetition of these familiar phrases is the author's belief that his fruitless wrestling with the categories of individuality and universality is the appropriate form in which social questions should be solved. The author concludes with the following flourish:

"Organic society has as its basis universal equality and develops, through the opposition of the individuals to the universal, towards unrestricted concord, towards the unit of individual with universal happiness, towards social" (!) "harmony of society," (!!), "which is the reflection of universal harmony" (p. 164).

It is modest, indeed to call this sentence a "cornerstone". It is the primal rock upon which the whole of true socialism is founded.

Third Cornerstone

"Man's struggle with nature is based upon the polar opposition of my particular life to, and its interaction with, the world of nature in general. When this struggle appears as conscious activity, it is termed labour" (p. 164).

Is not, on the contrary, the idea of "polar opposition" based upon the observation of a struggle between men and nature? First of all, an abstraction is made from a fact; then it is declared that the fact is based upon the abstraction. A very cheap method to produce the semblance of being profound and speculative in the German manner.

For example:

Fact: The cat eats the mouse.

Reflection: Cat — nature, mouse — nature, consumption of mouse by cat = consumption of nature by nature = self-consumption of nature.

Philosophic presentation of the fact: Devouring of the mouse by the cat is based upon the self-consumption of nature.

Having thus obscured man's struggle with nature, the writer goes on to obscure man's conscious activity in relation to nature, by describing it as the *manifestation* of this mere abstraction from the real struggle. The profane word *labour* is finally smuggled in as the result of this process of mystification. It is a word which our true socialist has had on the tip of his tongue from the start, but which he dared not utter until he had legitimised it in the appropriate way. Labour is constructed from the mere abstract idea of Man and nature; it is thereby defined in a way which is equally appropriate and inappropriate to all stages in the development of labour.

"Therefore, labour is any conscious activity on the part of man whereby he tries to acquire dominion over nature in an intellectual and material sense, so that he may utilise it for the conscious enjoyment of his life and for his intellectual or bodily satisfaction" (ibid.).

We shall only draw attention to the brilliant deduction:

"When this struggle appears as conscious activity, it is termed labour — therefore labour is any conscious activity on the part of man", etc.

We owe this profound insight to the "polar opposition". The reader will recall Saint-Simon's statement concerning *libre développement de toutes les facultis* [free development of all capacities] mentioned above, and also remember that Fourier wished to see the present *travail répugnant* replaced by *travail attrayant.* [repellent labour" replaced by "attractive labour" — Charles Fourier, Nouveau monde industriel] We owe to the "polar opposition" the following philosophic vindication and explanation of these propositions:

"But since" (the "but" is meant to indicate that there is no connection here) "for life every manifestation, exercise and expression of its forces and faculties should be a source of enjoyment and satisfaction, it follows that labour should itself be a manifestation and development of human capacities and should be a source of enjoyment, satisfaction and happiness. Consequently, labour must itself become a free expression of life and so a source of enjoyment" (ibid.).

Here we are shown what we were promised in the preface to the *Rheinische Jahrbücher,* namely, "how far German social science differs in its development up to the present from French and English social science" and what it means "to present the doctrine of communism in a scientific form".

It would be a lengthy and boring procedure to expose every logical lapse which occurs in the course of these few lines. But let us first consider the offences against *formal logic.*

To prove that labour, an expression of life, should be a source of enjoyment, it is assumed that life should afford enjoyment in all its expressions. From this the conclusion is drawn that life should be a source of enjoyment also in its expression as labour. Not satisfied with this periphrastic transformation of a postulate into a conclusion, the author draws a false conclusion. From the fact that "for life every manifestation should be a source of enjoyment", he deduces that labour, which is one of these manifestations of life, "should itself be a manifestation and development of human capacities", that is to say, of life once again. Hence it ought to be what it already is. How could labour ever be *anything but* a "manifestation of human capacities"? But he does not stop there. *Because* labour *should* be so, it "*must consequently*" be so, or still better: because labour "should be a manifestation and development of human capacities", *it must* consequently become something completely different, namely, "a free expression of life", which did not enter into the question at all before this. And whereas earlier the postulate of labour as enjoyment was directly deduced from the postulate of the enjoyment of life, the former postulate is now put forward as a consequence of the new postulate of "free expression of life in labour".

As far as the *content* of the proposition is concerned, one cannot quite see why labour has not always been what it ought to be, why it must now become what it ought to be, or why it should become something which up to now it was not bound to be. But, of course, up to now the essence of man and the polar opposition of man and nature were not property, explained.

A "scientific vindication" of the communist view about the common ownership of the products of labour follows:

"But" (the recurrent "but" has the same meaning as the previous one) "the product of labour must serve at one and the same time the happiness of the individual, of the labouring individual, and the general happiness. This is

effected by reason of the fact that all social activities are complementary and reciprocal" (ibid.).

This statement is merely a copy of what any political economy has to say in praise of competition and the division of labour; except that the argument has been weakened by the introduction of the word "happiness". Finally, we are given a philosophic vindication of the French organisation of labour:

"Labour as a free activity, which is enjoyable, affords satisfaction and at the same time serves the common weal, is the basis of the organisation of labour" (p. 165).

But since labour *should* and *must* become a free activity "which is enjoyable", etc., and therefore this state of affairs has not yet been *reached,* one would have expected *on the contrary* the organisation of labour to be the basis of "labour as an enjoyable activity". But the *concept* of labour as such an activity is quite sufficient [for the writer].

At the end of the essay the author believes to have reached results".

These "cornerstones" and "results", together with those other granite boulders which are to be found in the *Einundzwanzig Bogen*, the *Bürgerbuch* and the *Neue Anekdota*[5] form the rock upon which true socialism, alias *German social philosophy,* will build its church. [cf. Matthew 16:18]

We shall have occasion to listen to a few of the hymns, a few of the fragments of the *cantique allégorique hébraïque et mystique* [Evariste Parny, La guerre des dieux. Chant premier] Which are chanted in this church.

This chapter was published by Marx separately as a review in the monthly publication Das Westphälische Dampfboot in August and September 1847. Before that, in April 1847, Marx had published a "Declaration against Karl Grün". He stated in it that he intended to publish a review of Grün's book Die soziale Bewegung in Frankreich und Belgien (see MECW, Vol. 6) in the Westphälische Dampfboot. But the first instalment of this article was published only in August 1847. The editors explained in a note that the article could not be published earlier because "for over two months the manuscript was sent from one German town to another without reaching us". The work was published in the Westphälische Dampfboot as Marx's article (the name of the author was mentioned in the editorial note). Consequently one can assume that in contrast to Vol. 1, which was written jointly by Marx and Engels, some chapters of Vol. II of The German Ideology are probably the individual work of one or other of them. But since the manuscript of this chapter of Vol. If is in Engels' handwriting, it is likely that Engels helped to write it. The copy sent to the Westphälische Dampfboot was probably made from this manuscript. The manuscript and the published text are practically identical. Comparatively few changes were made in the text itself and it is possible that some of these were by the editors of the journal. In this volume, variants affecting the meaning are given in footnotes. Where the manuscript is damaged the missing passages have

been taken from the printed text. Such passages have not been specially marked (either by square brackets or footnotes) in this chapter.

IV. Karl Grün: "The Social Movement in France and Belgium" (Darmstadt 1845) Or The Histriography of True Socialism

“In sooth, if it were not a matter of discussing the whole horde of them ... we should probably throw down our pen.... And now, with that same arrogance, it” (Mundt’s Geschichte der Gesellschaft) “appears before a wide circle of readers, before that public which seizes voraciously upon everything displaying the word social because a sure instinct tells it what secrets of future times are hidden in this little word. Hence a double responsibility rests on the writer and he deserves double reproof, if he sets to work inexpertly!”

“We shall not reproach Herr Mundt with not knowing anything of the actual achievements of French and English social literature apart from what Herr L. Stein has revealed to him. When it appeared, Stein’s book was worthy of note.... But to coin phrases nowadays ... about Saint-Simon, to call Bazard and Enfantin the two branches of Saint-Simonism, to follow this up with Fourier and to repeat idle chit-chat about Proudhon, etc.!... And yet we would willingly overlook this if he had only portrayed the genesis of social ideas in a new and original way.”

With this haughty and Rhadamanthine pronouncement Herr Grün begins a review (in the *Neue Anekdota,* pp. 122, 123) of Mundt’s *Geschichte der Gesellschaft.*

The reader will be amazed at the artistic talent shown by Herr Grün, who actually gives, in this guise, a criticism of his own book, which at that time was not yet born.

We observe in Herr Grün a fusion of true socialism with Young-German literary pretensions[1] — a highly diverting spectacle. The book mentioned above is in the form of letters to a lady, from which the reader may surmise that here the profound divinities of true socialism are garlanded with the roses and myrtles of “young literature”. Let us hasten to pluck a few roses:

“The Carmagnole was running through my head ... in any case it is terrible that the Carmagnole should be permitted to take breakfast in the head of a German writer, even if not to take up permanent quarters there” (p. 3).

“If I had old Hegel here, I should collar him: What! So nature is the otherness of mind? What! You dullard!” (p. 11).

"Brussels is to some extent a reproduction of the French Convention; it has its parties of the Mountain and the Valley” (p. 24).

"The Laneburg Heath of politics” (p. 80).

"Gay, poetic, inconsistent, fantastic chrysalis” (p. 82).

"Restoration liberalism, the groundless cactus, which as a parasite coiled round the seats in the Chamber of Deputies" (pp. 87, 88).

That the cactus is neither "groundless", nor a "parasite", and that gay", "poetic" or "inconsistent" "chrysalises" or pupae do not exist, does not detract from these lovely images.

"Amid this sea" (of newspapers and journalists in the Cabinet Montpensier [6]) "I myself, however, feel like a second Noah, despatching his doves to see if he can possibly build a dwelling or plant a vineyard anywhere or come to a reasonable agreement with the infuriated Gods" (p. 259).

No doubt this refers to Herr Grün's activity as a newspaper correspondent.

"Camille Desmoulins was a human being. The Constituent Assembly was composed of philistines. Robespierre was a virtuous magnetiser. Modern history, in a word, is a life-and-death struggle against the shopkeepers and the magnetisers!!!" "Happiness is a plus, but a plus to the nth power" (p. 203).

Hence, happiness = +n , a formula which can only be found in the aesthetic mathematics of Herr Grün.

"Organisation of labour, what is it? And the peoples replied to the Sphinx with the voices of a thousand newspapers.... France sings the strophe, Germany the antistrophe, old mystic Germany" (p. 259).

"North America is even more distasteful to me than the Old World because its shopkeeping egoism has on its cheeks the bloom of impertinent health ... because everything there is so superficial, so rootless, I might almost say so provincial.... You call America the New World; it is the oldest of all Old Worlds; our worn-out clothes set the fashion there" (pp. 101, 324).

So far we were only aware that unworn stockings of German manufacture were worn there; although they are of too poor a quality to set the "fashion".

"The logically stable security-mongering of these institutions" (p. 461).

Unless these flowers your heart delight

To be a "man" you have no right!'

[from Mozart's opera The Magic Flute]

We have deceived the reader. Herr Grün's literary graces are not an embellishment of the science of true socialism, the science is merely the padding between these outbursts of literary gossip, and forms, so to speak, its "social background".

We have deceived the reader. Herr Grün's literary graces are not an embellishment of the science of true socialism, the science is merely the padding between these outbursts of literary gossip, and forms, so to speak, its "social background".

In an essay by Herr Grün, “Feuerbach und die Socialisten”, the following remark occurs *(Deutsches Bürgerbuch,* p. 74):

“When one speaks of Feuerbach one speaks of the entire work of philosophy from Bacon of Verulam up to the present; one defines at the same time the ultimate purpose and meaning of philosophy, one sees man as the final result of world history. To do so is a more reliable, because a more profound, method of approach than to bring up wages, competition, the faultiness of constitutions and systems of government.... We have gained man, man who has divested himself of religion, of moribund thoughts, of all that is foreign to him, with all their counterparts in the practical world; we have gained pure, genuine man.”

This one proposition is enough to show what kind of “reliability” and profundity” one can expect from Herr Grün. He does not discuss small questions. Equipped with an unquestioning faith in the conclusions of German philosophy, as formulated by Feuerbach, viz., that “man”, “pure, genuine man”, is the ultimate purpose of world history, that religion is externalised [*entäusserte*] human essence, that human essence is human essence and the measure of all things — equipped with all the other truths of German socialism (see above) — i.e., that money, wage-labour, etc., are also externalisations [*Entäusserungen*] of human essence, that German socialism is the realisation of German philosophy and the theoretical truth of foreign socialism and communism, etc. — Herr Grün travels to Brussels and Paris with all the complacency of a true socialist. The powerful trumpetings of Herr Grün in praise of true socialism and of German science exceed anything his fellow-believers have achieved in this respect. As far as these eulogies refer to true socialism, they are obviously quite sincere. Herr Grün’s modesty does not permit him to utter a single sentence that has not already been pronounced by some other true socialist in the *Einundzwanzig Bogen*, the *Bürgerbuch* and the *Neue Anekdota.* Indeed, he devotes his whole book to filling in an outline of the French social movement sketched in the *Einundzwanzig Bogen* (pp. 74-88) by Hess, and thereby answering a need expressed in the same work on page 88 [See Moses Hess, “Socialismus und Communismus"]. As regards the eulogies to German philosophy, the latter must value them all the more, seeing how little he knows about it. The national pride of the true socialists, their pride in Germany as the land of “man”, of “human essence”, as opposed to the other profane nationalities, reaches its climax in him. We give below a few samples of it:

“But I should like to know whether they won’t all have to learn from us, these French and English, Belgians and North Americans” (p. 28).

He now enlarges upon this.

“The North Americans appear to me thoroughly prosaic and, despite their legal freedom, it is from us that they will probably have to learn their socialism” (p. 101).

Particularly because they have had, since 1829, their own socialist and democratic school [7], against which their economist Cooper was fighting as long ago as 1830.

"The Belgian democrats! Do you really think that they are half so far advanced as we Germans are? Why, I have just had a tussle with one of them who considered the realisation of free humanity to be a chimera!" (p. 28).

The nationality of "man", of "human essence", of "humanity" shows off here as vastly superior to Belgian nationality.

"Frenchmen! Leave Hegel in peace until you understand him." (We believe that Lerminier's criticism of the philosophy of law [Eugène Lerminier, Philosophie du droit], however weak it may be, shows more insight into Hegel than anything which Herr Grün has written either under his own name or that of "Ernst von der Haide".) "Try drinking no coffee, no wine for a year; don't give way to passionate excitement; let Guizot rule and let Algeria come under the sway of Morocco" (how is Algeria ever to come under the sway of Morocco, even if the French were to relinquish it?); "sit in a garret and study the Logik and the Phänomenologie. And when you come down after a year, lean in frame and red of eye, and go into the street and stumble over some dandy or town crier, don't be abashed. For in the meantime you will have become great and mighty men, Your mind will be like an oak that is nourished by miraculous" (!) "sap; whatever you see will yield up to you its most secret weaknesses; though You are created spirits, you will nevertheless penetrate to the heart of nature; your glance will be fatal, your word will move mountains, your dialectic will be keener than the keenest guillotine. You will present yourself at the Hôtel de Ville — and the bourgeoisie is a thing of the past. You will step up to the Palais Bourbon — and it collapses. The whole Chamber of Deputies will disappear into the void. Guizot will vanish, Louis Philippe will fade into an historical ghost and out of all these forces which You have annihilated there will rise victorious the absolute idea of free society. Seriously, you can only subdue Hegel by first of all becoming Hegel yourselves. As I have already remarked — Moor's beloved can only die at the hands of Moor" [Friedrich Schiller, Die Räuber, Act X", Scene 2] (pp. 115, 116).

The belletristic aroma of these true socialist statements will be noticed by, everyone. Herr Grün, like all true socialists, does not forget to bring up again the old chatter about the superficiality of the French:

"For I am fated to find the French mind inadequate and superficial, every time that I come into (:lose contact with it" (p. 371).

Herr Grün does not conceal from us the fact that his book is intended to glorify German socialism as the criticism of French socialism:

"The riff-raff of current German literature call our socialist endeavours an imitation of French perversities. No one has so far considered it worth while to replace to this. The riff-raff must surely feel ashamed, if they have any sense of shame at all, when they read this book. It probably never entered their head that German socialism is a criticism of French socialism, that far from considering the French to be the inventors of a new Contrat social, it demands that French socialism should make good its deficiencies by a study of German

science. At this moment, an edition of a translation of Feuerbach's Wesen des Christenthums is being prepared here in Paris. May their German schooling do the French much good! Whatever may arise from the economic position of the country or the constellation of politics in this country, only the humanistic outlook will ensure a human existence for the future. The Germans, unpolitical and despised as they are, this nation which is no nation, will have laid the cornerstone of the building of the future" (p. 353).

Of course, there is no need for a true socialist, absorbed in his intimacy with "human essence", to know anything about what "may arise from the economic position and the political constellation" of a country. Herr Grün, as an apostle of true socialism, does not merely, like his fellow-apostles, boast of the omniscience of the Germans as compared with the ignorance of the other nations. Utilising his previous experience as a man of letters, he forces himself, in the worst globe-trotter manner, upon the representatives of the various socialist, democratic and communist parties and when he has sniffed them from all angles, he presents himself to them as the apostle of true socialism. All that remains for him to do is to teach them, to communicate to them the profoundest discoveries concerning free humanity. The superiority of true socialism over the French parties now assumes the form of the personal superiority of Herr Grün over the representatives of these parties. Finally, this gives him a chance not only of utilising the French party leaders as a pedestal for Herr Grün, but also of talking all sorts of gossip, thereby compensating the German provincial for the exertion which the more pregnant statements of true socialism have caused him.

"Kats pulled a face expressive of plebeian cheerfulness when I assured him of my complete satisfaction with his speech" (p. 50).

Herr Grün lost no time in instructing Kats about French terrorism and "had the good fortune to win the approval of my new friend" (p. 51). His effect on *Proudhon* was important too, but lit a different way.

"I had the infinite pleasure of acting, so to speak, as the tutor of the man whose acumen has not perhaps been surpassed since Lessing and Kant" (p. 404).

Louis Blanc is merely "his swarthy young friend" (p. 314).

"He asked very eagerly but also very, ignorantly about conditions with us. We Germans know" (?) "French conditions almost as well as the French themselves; at least we study" (?) "them" (p. 315).

And we learn of "Papa *Cabet*" that he "has limitations" (p. 382). Herr Grün raised a number of questions, and Cabet

"confessed that he had not exactly been able to fathom them. I" (Grün) "had noticed this long ago; and that, of course, meant an end of everything, especially as it occurred to me that Cabet's mission had long ago been fulfilled" (p. 381).

We shall see later how Herr Grün contrives to give Cabet a new mission".

Let us first deal with the outline and the few well-worn general ideas which form the skeleton of Grün's book. Both are copied from Hess, whom Herr Grün paraphrases indeed in the most lordly fashion. Matters which are quite vague and mystical even in Hess, but which were originally — in the *Einundzwanzig Bogen* — worthy of recognition, and have only become tiresome and reactionary as a result of their perpetual reappearance in the *Bürgerbuch*, the *Neue Anekdota* and the *Rheinische Jahrbücher,* at a time when they were already out of date, become complete nonsense in Herr Grün's hands.

Hess synthesises the development of French socialism and the development of German philosophy — Saint-Simon and Schelling, Fourier and Hegel, Proudhon and Feuerbach. Compare, for example, Einundzwanzig Bogen, pp. 78, 79, 326, 327; *Neue Anekdota,* pp. 194, 195, 196, 202 ff.' (Parallels between Feuerbach and Proudhon, e.g., Hess: "Feuerbach is the German Proudhon", etc., *Neue Anekdota,* p. 202. Grün: "Proudhon is the French Feuerbach", p. 404.)

This schematism in the form given it by Hess is all that holds Grün's book together. But, of course, Herr Grün does not fail to add a few literary flourishes to Hess' propositions. Even obvious blunders on the part of Hess, e.g., that theoretical constructions form the '.'social background" and the "theoretical basis" of practical movements (e.g., *Neue Anekdota,* p. 192) are copied faithfully by Herr Grün. (E.g., Grün, p. 264: "The social background of the political question in the eighteenth century ... was the simultaneous product of the two philosophic tendencies" — that of the sensationists and that of the deists.) He copies, too, the opinion that it is only necessary to put Feuerbach into practice, to apply him to social life, in order to produce the complete critique of existing society. If one adds the other critical remarks which Hess directed against French communism and socialism, for example: "Fourier, Proudhon, etc., did not get beyond the. category of wage-labour" (*Bürgerbuch*, p. 46 and elsewhere'); "Fourier would like to present new associations of egoism to the world" *(Neue Anekdota*, p. 196); "Even the radical French communists have not yet risen above the opposition of labour and enjoyment. They have not yet grasped the *unity of production and consumption*, etc." (*Bürgerbuch*, p. 43); "Anarchy is the negation of the concept of political rule" (*Einundzwanzig Bogen*, p. 77), etc., if one adds these, one has pocketed the whole of Herr Grün's critique of the French. As a matter of fact he had it in his pocket before he went to Paris. In settling accounts with the French socialists and communists Herr Grün also obtains great assistance from the various traditional phrases current in Germany about religion, politics, nationality, human and inhuman, etc., which have been taken over by the true socialists from the philosophers. All he has to do is to hunt everywhere for the words "*Man*" and "human" and condemn when he cannot find them. For example: "You are political. Then you are narrow-minded" (p. 283). In the same way, Herr Grün 'IS enabled to exclaim: You are national, religious, addicted to political economy, you have a God — then you are not human, you are narrow-minded. This is a process which he follows throughout his book, thereby, of course, providing a thorough criticism of politics, nationality, religion, etc., and at the same time an adequate elucidation of the characteristics of the authors criticised and their connection with social development.

One can see from this that Grün's fabrication is on a much lower level than the work by *Stein*, who at least tried to explain the connection between socialist literature and the real development of French society. It need hardly be mentioned that in the book under discussion, as in the *Neue Anekdota,* Herr Grün adopts a very grand and condescending manner towards his predecessor.

But has Herr Grün even succeeded in copying correctly what he has taken over from Hess and others? Has he even incorporated the necessary material in the outline which he has taken over lock, stock and barrel in the most uncritical fashion? Has he given a correct and complete exposition of the individual socialist authors according to the sources? Surely this is the least one could ask of the man from whom the North Americans, the French, the English and the Belgians have to learn, the man who was the tutor of Proudhon and who perpetually brandishes his German thoroughness before the eyes of the superficial Frenchmen.

Saint Simonism

Herr Grün has no first-hand knowledge *of a single* Saint-Simonian *book*. His main sources are: primarily, the much despised *Lorenz Stein*; furthermore, Stein's chief source, *L. Reybaud* [Louis Reybaud, Études sur les réformateurs ou socialistes moderne] (in return for which he proposes to make an example of Herr Reybaud and calls him a philistine, p. 260; on the same page he pretends that he only came across Reybaud's book by chance long after he had settled with the Saint-Simonists); and occasionally *Louis Blanc* [Histoire de dix ans], We shall give direct proofs.

First let us see what Herr Grün writes about Saint-Simon's life.

The main sources for Saint-Simon's life are the fragments of his autobiography in *the Oeuvres de Saint-Simon*, published by Olinde Rodrigues, and the *Organisateur* of May 19th, 1830. We have, therefore, all the documents here before us: 1) The original sources; 2) Reybaud, who summarised them; 3) Stein, who utilised Reybaud; 4) Herr Grün's belletristic edition.

Herr Grün:

"Saint-Simon took part in the American struggle for independence without having any particular interest in the war itself; it occurred to him that there was a possibility of linking the two great oceans" (p. 84).

Stein, page 143:

"First he entered military service ... and went to America with Bouillé.... In this war, the significance of which he, of course, realised.... The war, as such, he said. did not interest me, only the purpose of this war, etc...... "After he had vainly tried to interest the Viceroy of Mexico in a plan to build a great canal linking the two oceans."

Reybaud, page 77:

"A fighter for American independence, he served under Washington.... The war in itself did not interest me, he said, but I was keenly interested in the object of the war and this interest induced me to endure its hardships without demur."

Herr Grün only copies the fact that Saint-Simon had "no particular interest in the war itself"; he omits the whole point-his interest in the object of the war.

Herr Grün further omits to state that Saint-Simon wanted to win the Viceroy's support for his plan and thus turns the plan into a mere "idea". He likewise omits to mention that Saint-Simon did this only "*à la paix*", the reason being that Stein indicates this merely by giving the date.

Herr Grün proceeds without a break:

"Later" (when?) "he drafted a plan for a Franco-Dutch expedition to the British Indies" (Ibid.).

Stein:

"He travelled to Holland in 1785, to draft a plan for a joint Franco-Dutch expedition against the British colonies in India" (p. 143).

Stein is incorrect here and Grün copies him faithfully. According to Saint-Simon, the Duc de la Vauguyon had induced the States-General [8] to undertake a joint expedition with France to the British colonies in India. Concerning himself, he merely says that he *worked*" (*poursuivi*) "for the execution of this plan for a year". *Herr Grün*:

"When in Spain, he wished to dig a canal from Madrid to the sea" (ibid.).

Saint-Simon wished to *dig a canal*? What nonsense! Previously, it *occurred to him* to do something, now he *wishes* to do something. Grün gets his facts wrong this time not because he copies Stein too faithfully as he did before, but because he copies him too superficially. *Stein*, page 144:

"Having returned to France in 1786, he visited Spain the very next year to present to the Government a plan for the completion of a canal from Madrid to the sea."

Herr Grün could derive the foregoing sentence skimming through Stein, for with Stein it seems at least as if the plan of construction and the idea of the whole project originated with Saint-Simon. As a matter of fact, Saint-Simon merely drew up a plan to overcome the financial difficulties besetting the building of the canal, the construction of which had been started long ago. *Reybaud:*

"Six years later, he put before the Spanish Government a plan for the construction of a canal with the object of establishing a navigable route from Madrid to the sea."

The same mistake as that made by Stein. *Saint-Simon*, page XVII:

"The Spanish Government had undertaken the construction of a canal which was to link Madrid with the sea; the scheme came to a standstill since the Government lacked labour and funds; I joined forces with M. le Comte de Cabarrus, now Finance Minister, and we presented the following plan to the Government." etc.

Herr Grün:

"In France he speculates on national domains."

Stein first of all sketches Saint-Simon's attitude during the revolution and then passes to his speculation in national domains, p. 144 et seq. But where Herr Grün has got the nonsensical expression: "to speculate *on* national domains", instead of *in* national domains, we can likewise explain by offering the reader the original: *Reybaud*, page 78:

"Having returned to Paris, he turned his attention to speculation and dealt in national domains" [sur les domaines nationaux literally translated means "on national domains"].

Herr Grün makes the foregoing statement without giving any explanation. He does not indicate why Saint-Simon should have speculated in national domains and why this fact, trivial in itself, should be of importance in his life. For Herr Grün finds it unnecessary to copy from Stein and Reybaud the fact that Saint-Simon wished to found a scientific school and a great industrial undertaking by way of experiment, and that he intended to raise the necessary capital by these speculations. These are the reasons which Saint-Simon himself gives for his speculations. (*Oeuvres*, p. xix.) *Herr Grün*:

"He marries so that he may be able to act as the host of science, to investigate the lives of men and exploit them psychologically" (ibid.).

Herr Grün here suddenly skips one of the most important periods of Saint-Simon's life — the period during which he studied natural science and travelled for that purpose. What is the meaning of marrying *to be the host of science?* What is the meaning of marrying in order to exploit *men* (whom one does not marry) psychologically, etc.? The whole point is this: Saint-Simon married so that he could hold a salon and study there among others the men of learning. Stein puts it in this way, page 149:

"He marries in 1801.... I made use of my married life to study the men of learning" (cf. Saint-Simon, p. 23).

Since we have now collated it with the original, we are in a position to understand and explain Herr Grün's nonsense.

The "psychological exploitation of *men*" amounts in Stein and in Saint-Simon himself merely to the observation of *men of learning* in their social life. It was in conformity with his socialist outlook that Saint-Simon should wish to acquaint himself with the influence of science upon the personality of men of learning and upon their behaviour in ordinary life. For Herr Grün this wish turns into a senseless, vague romantic whim.

Herr Grün:

"He becomes poor" (how, in what way?), "he works as a clerk in a pawnshop at a salary of a thousand francs a year — he, a count, a scion of Charlemagne; then" (when and why?) "he lives on the bounty of a former servant of his; later" (when and why?) "he tries to shoot himself, is rescued and begins a new life of study and propaganda. Only now does he write his two chief works."

"He becomes" — "then" — "later" — now" — such phrases in the work of Herr Grün are to serve as substitutes for the chronological order and the connecting links between the various phases of Saint-Simon's life. Stein, pages 156, 157:

"Moreover, there appeared a new and a fearful enemy — actual poverty, which became more and more oppressive.... After a distressing wait of six months... he obtained a position — " (Herr Grün gets even the dash from Stein, but he is cunning enough to insert it after the pawnshop) "as clerk in the pawnshop" (not, as Herr Grün artfully writes, "in a pawnshop", since it is well known that in Paris there is only one such establishment, and that a public one) "at a salary of a

thousand francs a year. How his fortune fluctuated in those days! The grandson of Louis XIV's famous courtier, the heir to a ducal coronet and to an immense fortune, by birth a peer of France and a Grandee of Spain, a clerk in a pawnshop!"

Now we see the source of Herr Grün's mistake regarding the pawnshop; here, in Stein, the expression is appropriate. To accentuate his difference from Stein, Grün only calls Saint-Simon a count" and a "scion of Charlemagne". He has the last fact from Stein (p. 142) and Reybaud (p. 77), but they are wise enough to say that it was Saint-Simon himself who used to trace his descent from Charlemagne. Whereas Stein offers positive facts which make Saint-Simon's poverty seem surprising *under the Restoration,* Herr Grün only expresses his astonishment that a count and an alleged scion of Charlemagne can possibly find himself in reduced circumstances. *Stein:*

"He lived two more years" (after his attempted suicide) "and perhaps achieved more during them than during any two decades earlier in his life. The Catéchisme des industriels was completed" (Herr Grün transforms this completion of a work which had long been in preparation into: "Only now did he write", etc.) "and the Nouveau christianisme, etc." (pp. 164, 165).

On page 169 Stein calls these two books "*the two chief works of his life*".

Herr Grün has, therefore, not merely *copied the errors of Stein* but has also *produced new errors* on the basis of obscure passages of Stein. To conceal his plagiarism, he selects only the outstanding facts; but he robs them of their factual character by tearing them out of their chronological context and omitting not only the motives governing them, but even the most vital connecting links. What we have given above is, literally, *all* that Herr Grün has to relate about the life of Saint-Simon. In his version, the dynamic, active life of Saint-Simon becomes a mere succession of ideas and events which are of less interest than the life of any peasant or speculator who lived through those stormy times in one of the French provinces. After dashing off this piece of biographical hack-work, he exclaims: "this whole, *truly civilised* life!" He does not even shrink from saying (p. 85): "Saint-Simon's life is the mirror of Saint-Simonism itself " — as if Grün's "life" of Saint-Simon were the mirror of anything except Herr Grün's method of patching together a book.

We have spent some time discussing this biography because it is a classical example of the way in which Herr Grün deals *thoroughly* with the French socialists. Just as in this case, to conceal his borrowings, Herr Grün dashes off passages with an air of nonchalance, omits facts, falsifies and transposes, we shall watch him later developing all the symptoms of a plagiarist consumed by inward uneasiness: artificial confusion, to make comparison difficult; omission of sentences and words which he does not quite understand, being ignorant of the original, when quoting from his predecessors; free invention and embellishment in the form of phrases of indefinite meaning; treacherous attacks upon the very persons whom he is copying. Herr Grün is indeed so hasty and so precipitous in his plagiarism that he frequently refers to matters which he has never mentioned to his readers but which he, as a reader of Stein, carts round in his own head.

We shall now pass to Grün’s exposition of the doctrine of Saint-Simon.

1. Letters of an Inhabitant of Geneva to his Contemporaries [9]

Herr Grün did not gather clearly from Stein the connection between the plan for supporting the men of learning, outlined in the work quoted above, and the fantastic appendix to the brochure. He speaks of this work as if it treated mainly of a new organisation of society, and ends as follows:

"The spiritual power in the hands of the men of learning, the temporal power in the hands of the property-owners, the franchise for all" (p. 85, cf. Stein, p. 151,

Reybaud, p. 83).

The sentence: "The power of nominating the pet sons who are to act as leaders of humanity should be in the hands of everyone.", which Reybaud quotes from Saint-Simon (p. 47) and which Stein translates in the clumsiest fashion, is reduced by Herr Grün to "the franchise for all", which robs it of all meaning. Saint-Simon is referring to the election of the Newton Council, [10] Herr Grün is referring to elections in general.

Long after dismissing the *Lettres* in four or five sentences copied from Stein and Reybaud, and having already spoken of the *Nouveau christianisme*, Herr Grün suddenly returns to the *Lettres*.

"But it is certainly not to be achieved by abstract learning." (Still less by concrete ignorance, as we observe.) "For from the standpoint of abstract science, there was still a cleavage between the 'property-owners' and 'everyone'" (p. 87).

Herr Grün forgets that so far he has only mentioned the "franchise for all" and has not mentioned "everyone". But since he finds "*tout le monde*" in Stein and Reybaud, he puts "everyone" in inverted commas. He forgets, moreover, that he has not quoted the following passage from Stein's book, that is the passage which would justify the "*for*" in his own sentence:

"He" (Saint-Simon) "makes a distinction, apart from the sages or the men of learning, between the propriétaires and tout le monde. it is true that as yet there is no clearly marked boundary between these two groups ... but nevertheless, there lies in that indefinite idea of 'tout le monde' the germ of that class towards the understanding and uplifting of which his theory was later directed, i.e. the classe la plus nombreuse et la plus pauvre [the most numerous and poorest class], and in reality, too, this section of the people was at that time only potentially present" (p. 154).

Stein stresses the fact that Saint-Simon *already* makes a distinction between *propriétaires* and *tout le monde*, but *as yet* a very vague one. Herr Grün twists this so that it gives the impression that Saint-Simon *still* makes this distinction. This is naturally a great mistake on the part of Saint-Simon and is only to be explained by the fact that his standpoint in the *Lettres* is that of abstract science. But unfortunately, in the passage in question, Saint-Simon speaks by no means about differences in a future order of society, as Herr Grün thinks. He appeals for subscriptions to mankind as a whole, which, as he finds it, appears to him to be divided into three classes; not, as Stein believes, into *savants*, *propriétaires* and *tout le monde*; but 1) *savants* and *artistes* and all people of liberal ideas; 2) the opponents of innovation, i.e., the *propriétaires*, insofar as they do not join the first class; 3) the *surplus de l'humanité qui se rallie au mot: Égalité*. [rest of humanity which rallies around the slogan: Equality] These three classes form *tout le monde*. Cf. Saint-Simon, Lettres, pp. 21, 22. Since moreover Saint-Simon says later that he considers his distribution of power advantageous to all classes, we may take it that in the place where he speaks of this distribution, p. 47, tout *le* monde obviously corresponds to the *surplus* which rallies around the slogan "equality", without, however, excluding the other classes. Stein is roughly correct, although he pays no attention to the passage on pages 21 and 22. Herr Grün, who knows nothing of the original, clutches at Stein's slight error and succeeds in making sheer nonsense of his argument. We soon come across an even more striking example. We learn unexpectedly on page 94, where Herr Grün is no longer speaking of Saint-Simon but of his school:

"In one of his books, Saint-Simon utters the mysterious words: 'Women will be admitted, they may even be nominated.' From this almost barren seed, the whole gigantic uproar of the emancipation of women has sprung up."

Of course, if in some work or other Saint-Simon had spoken of admitting and nominating women to some unknown position, these would indeed be "mysterious words". But the mystery exists only in the mind of Herr Grün. "One of Saint-Simon's books" is none other than the *Lettres d'un habitant de Genève*. In this work, after stating that everyone is eligible to subscribe to the Newton Council or its departments, he continues: " Women will be allowed *to subscribe,* it will be possible *to nominate* them" — that is, to a position in this Council or its departments, of course. Stein, as was fitting, quotes this passage in the course of his discussion of the book itself and makes the following comment:

Here, etc., "are to be found the germs of his later opinions and even those of his school; and even the first idea of the emancipation of women" (p. 152).

In a note Stein points out quite rightly that for polemical reasons Olinde Rodrigues printed this passage in large type in his 1832 edition, since it was the only reference to the emancipation of women in Saint-Simon's work. To hide his plagiarism, Grün shifts the passage from the book to which it belongs to his discussion of the school, makes the above nonsense of it, changes Stein's "germ" into a "seed" and childishly imagines that this passage is the origin of the doctrine of the emancipation of women. Herr Grün ventures an opinion on the contradiction which, he believes, exists between the *Lettres* and the *Catéchisme des industriels*; it consists in the fact that in the *Catéchisme* the rights of the travailleurs are asserted. He was bound to discover this difference, of course, because he derived his knowledge of the *Lettres* from Stein and Reybaud, and his knowledge of the *Catéchisme* similarly. Had he read Saint-Simon himself, he would have found in the *Lettres* not this contradiction, but a "seed" of the point of view developed among others in the *Catéchisme*. For example:

“All men will work” (Lettres, p. 60). “If his brain......... is not fitted for labour, he will be compelled to work with his hands; for Newton will assuredly not permit on this planet ... workers who, intentionally, remain idle in the workshops” (p. 64).

2. Political Catechism of the Industrialists

As Stein usually quotes this work as the *Catéchisme des industriels,* Herr Grün knows of no other title. But since he only devotes ten lines to this work when he comes to speak of it *ex officio,* one might have at least expected him to give its *correct title*.

Having copied from Stein the fact that in this work Saint-Simon wants labour to govern, he continues:

"He now divides the world into idlers and industrialists" (p. 85).

Herr Grün is wrong here. He attributes to the *Catéchisme* a distinction which he finds set out in Stein much later, in connection with the school of Saint-Simon. Stein, page 206:

"Society consists at present only of idlers and workers" (Enfantin).

Instead of this alleged division, there is in the *Catéchisme* a division into three classes, the *classes féodale, intermédiaire et indulstrielle;* naturally, Herr Grün could not enlarge upon this without recourse to Stein, since he was not familiar with the *Catéchisme* itself. Herr Grün then repeats once more that the content of the *Catéchisme* is the rule of labour and concludes his account of the work as follows:

"Just as republicanism proclaims: Everything for the people, everything through the people, Saint-Simon proclaims: Everything for industry, everything through industry" (ibid,).

Stein, page 165:

"Since industry is the source of everything, everything must serve industry."

Stein rightly states (page 160, note) that Saint-Simon's work *L'industrie*, printed as early as 1817, bears the motto: *Tout par l'industrie, tout pour elle*. In his account of the *Catéchisme,* Herr Grün, therefore, not only commits the error mentioned above but also misquotes the motto of a much earlier work of which he has no knowledge whatever.

German thoroughness has in this way given an adequate criticism of the *Catéchisme politique des industriels*. We find however scattered throughout Grün's *omnium gatherum* isolated glosses which belong properly to this section. Chuckling over his own slyness, Herr Grün distributes the material which he finds in Stein's account of the work and elaborates it with commendable courage.

Herr Grün, page 87:

"Free competition was an impure and confused concept, a concept which contained in itself a new world of conflict and misery, the struggle between capital and labour and the misery of the worker who has no capital. Saint-Simon purified the concept of industry; he reduced it to the concept of the workers, he formulated the rights and grievances of the fourth estate, of the proletariat. He was forced to abolish the right of inheritance, since it had

become an injustice towards the worker, towards the industrialist. This is the significance of his Catéchisme des industriels."

Herr Grün found the following observation in Stein's book (p. 169) with regard to the *Catéchisme*:

"It is, therefore, the true significance of Saint-Simon that he foresaw the inevitability of this contradiction" (between bourgeoisie and *peuple*).

This is the source of Herr Grün's idea of the "*significance*" of the *Catéchisme*. Stein:

"He" (Saint-Simon in the Catéchisme) "begins with the concept of the industrial worker."

Herr Grün turns this into complete nonsense by asserting that Saint-Simon, who found free competition as an "*impure concept*", "purified the *concept of industry* and reduced it to the *concept of the workers*". Herr Grün shows everywhere that his concept of free competition and industry is a very "impure" and a very "confused" one indeed.

Not satisfied with this nonsense, Herr Grün risks a direct falsehood and states that Saint-Simon demanded the abolition of the right of inheritance.

On page 88 he tells us, still relying on his interpretation of Stein s version of the *Catéchisme:*

"Saint-Simon established the rights of the proletariat. He already formulated the new watchword: the industrialists, the workers, shall be raised to a position of supreme power. This was one-sided, but every struggle involves one-sidedness; he who is not one-sided cannot wage a struggle."

Despite his rhetorical maxim about one-sidedness, Herr Grün himself commits the one-sided error of understanding Stein to say that Saint-Simon wished to "raise" the real workers, the *proletarians*, to a position of supreme power". Cf. page 102, where he says of Michel Chevalier:

"M. Chevalier still refers with great sympathy to the industrialists.... But to the disciple, the industrialists are no longer, as they were for his master, the proletarians; he includes capitalists, entrepreneurs and workers in one concept, that is to say, he includes the idlers in a category which should only embrace the poorest and most numerous class."

Saint-Simon numbers among the industrialists not only the workers, but also the *fabricants*, the *négociants*, in short, *all industrial capitalists;* indeed, he addresses himself primarily to them. Herr Grün could have found this on the very first page of the *Catéchisme*. But this shows how, without ever having seen the work, he concocts from hearsay fine phrases about it. Discussing the *Catéchisme,* Stein says:

"After ... Saint-Simon comes to a history of industry in its relation to state authority ... he is the first to be conscious that in the science of industry there lies hidden a political factor.... It is undeniable that he succeeded in giving an

important stimulus. For France possesses a histoire de 1'économie politique only since Saint-Simon", etc. (pp. 165, 170).

Stein himself is extremely vague when he speaks of a "political factor" in "the science of industry". But he shows that he is on the right track by adding that the history of the state is intimately connected with the history of national economy. Let us see how Herr Grün later, in his discussion of the school of Saint-Simon, appropriates this fragment of Stein:

"Saint-Simon had attempted a history of industry in his Catéchisme des industriels stressing the political element in it. The master himself paved the way, therefore, for political economy" (p. 99).

Herr Grün "therefore" transforms the "political *factor*" of Stein into a "political *element*" and turns it into a meaningless phrase by omitting the details given by Stein. This "stone which the builders have rejected" [cf. 1 Peter 2: 7] has indeed become for Herr Grün the "cornerstone" of his *Briefe und Studien.* [Letters and Studies is the sub-title of Grün's book, Die soziale Bewegung in Frankreich und Belgien] But it has also become for him a stumbling-block. [Stein — stone, Eckstein — cornerstone, and Stein des Anstosses — stumbling-block] But that is not all. Whereas Stein says that Saint-Simon paved the way for a *history* of political economy by stressing the political factor in the science of industry, Herr Grün makes him the pioneer of *political economy itself.* Herr Grün argues something after this fashion: Economics existed already *before* Saint-Simon; but, as Stein relates, *Saint-Simon* stressed the political factor in industry, therefore he made economics political-political economics = political economy — hence Saint-Simon paved the way for political economy. In his conjectures Herr Grün undoubtedly displays a very genial spirit. Just as he makes Saint-Simon the pioneer of political economy, he makes him the pioneer of scientific socialism:

"It" (Saint-Simonism) "contains ... scientific socialism, for Saint-Simon spent his whole life searching for the new science"' (p. 82).

3. New Christianity

With his customary brilliance, Herr Grün continues to give us extracts of extracts by, Stein and Reybaud, to which he adds literary embellishments and which he dismembers in the most pitiless fashion. *One* example will suffice to show that he has never looked at the original of this work either.

"For Saint-Simon it was a question of establishing a unified view of life, such as is suitable to organic periods of history, which he expressly opposes to the critical periods. According to him, we have been living since Luther in a critical period; he thought to initiate a new organic period. Hence the New Christianity" (p. 88).

At *no time* and in *no place* did Saint-Simon oppose organic to critical periods of history. This is a downright falsehood on the part of Herr Grün. *Bazard* was the first to make this distinction. [see Doctrine de Saint-Simon. Exposition. Première anné] Herr Grün discovered from Stein and Reybaud that in *Nouveau christianisme* Saint-Simon commends the *criticism* of Luther, but finds his positive, dogmatic *doctrine* faulty. Herr Grün lumps that with what he remembers was said in the same sources about the *school* of Saint-Simon, and out of this he fabricates the above assertion. After some florid comments on Saint-Simon's life and works produced by Herr Grün in the manner described earlier and based exclusively on Stein and the latter's primer, Reybaud, Herr Grün concludes by exclaiming:

"And those moral philistines, Herr Reybaud and the whole band of German parrots, thought that they had to defend Saint-Simon, by pronouncing with their usual wisdom that such a man, such a life, must not he measured by ordinary standards! — Tell me, are your standards made of wood? Tell the truth! We shall be quite pleased if they are made of good solid oak. Hand them over! We shall gratefully accept them as a precious gift. We shall not burn them, God forbid! We shall use them to measure the backs of the philistines" (p. 89).

It is by affected bluster of this kind that Herr Grün attempts to prove his superiority over the men whom he has copied.

4. The School of Saint Simon

Since Herr Grün has read just as much of the school of Saint-Simon as he read of Saint-Simon himself, that is nothing whatsoever, he should at least have made a proper summary of Stein and Reybaud, he should have observed the chronological order, he should have given a connected account of the course of the events and he should have mentioned the essential points. He does the contrary. Led astray by his bad conscience, he mixes everything up as far as possible, omits the most essential matters and produces a confusion even greater than that which we saw in his exposition of Saint-Simon. We must be still more concise here, for it would take a volume as thick as Herr Grün's to record every plagiarism and every blunder.

We are given no information about the period from the death of Saint-Simon to the July [1830] Revolution — period which covers part of the most important theoretical development of Saint-Simonism. And accordingly the Saint-Simonian criticism of existing conditions, the most important aspect of Saint-Simonism, is entirely omitted by Herr Grün. It is indeed hardly possible to say anything about it without knowledge of the sources, and in particular of the newspapers.

Herr Grün opens his discourse on the Saint-Simonists with these words:

"To each according to his capacity, to each capacity according to its works: that is the practical dogma of the Saint-Simonists."

Like Reybaud (p. 96), Herr Grün presents this sentence as a transition from Saint-Simon to the Saint-Simonists and continues:

"It derives directly from the last words of Saint-Simon: all men must be assured the freest development of their faculties."

In this case Herr Grün wished to be different from Reybaud, who links the "practical dogma" with the *Nouveau christianisme*. Herr Grün believes this to be an invention of Reybaud's and unceremoniously substitutes the last words of Saint-Simon for the *Nouveau christianisme*. He did not realise that Reybaud was only giving a literal extract from the *Doctrine de Saint-Simon. Exposition. Première année*, p. 70. Herr Grün cannot understand why Reybaud, after giving several extracts concerning the religious hierarchy of Saint-Simonism, should suddenly introduce the "practical dogma". Herr Gran imagines that the hierarchy follows directly from this proposition. But in fact, the proposition can refer to a new hierarchy only when taken in conjunction with the religious ideas of the *Nouveau christianisme*, whereas apart from these ideas, it can demand at most a purely secular classification of society. He observes on page 91:

"To each according to his capacity means to make the Catholic hierarchy the law of the social order. To each capacity according to its works means moreover to turn the workshop into a sacristy and the whole of civil life into a priestly preserve."

For in the above-mentioned extract from the *Exposition* quoted by Reybaud Herr Grün finds the following:

"The truly universal Church shall appear ... the universal Church shall govern temporal as well as spiritual matters ... science shall be sacred, industry shall be sacred ... and all property shall be the property of the Church, every profession a religious function, a step in the social hierarchy. — To each according to his capacity, to each capacity, according to its works."

To produce his own quite incomprehensible statement, Herr Grün had only to invert this passage and change the preceding sentences into conclusions of the final sentence.

Grün's interpretation of Saint-Simonism assumes "so confused and tangled a form" that on page 90 he first derives a "spiritual proletariat" from the "practical dogma", then from the spiritual proletariat he produces a "hierarchy of minds". Finally, out of the hierarchy by of minds he produces the apex of the hierarchy. Had he read even only the *Exposition*, he would have seen that the religious approach of the *Nouveau christianisme*, together with the problem of how to determine *capacité*, necessitates the hierarchy and its apex.

Herr Grün concludes his discussion and criticism of the Exposition of 1828-29 with the single sentence: "*À chacun selon sa capacité, à chaque capacité selon ses oeuvres.*" Apart from this he hardly even mentions the *Producteur* and the *Organisateur*. He glances at Reybaud and finds in the section "Third Epoch of Saint-Simonism", p. 126 (Stein, p. 205):

. ..... and during the following days the Globe appeared with the subtitle: Journal of the Saint-Simonian Doctrine, which was summarised as follows on the first page:

Religion
Science *Industry*
Universal Association.

Herr Grün passes from the above to the year 1831, without a break, and improves upon Reybaud in the following terms (p. 91):

"The Saint-Simonists put forward the following outline of their system; the formulation was largely the work of Bazard:

Religion
Science *Industry*
Universal Association.

Herr Grün leaves out three sentences which are also to be found on the title-page of the *Globe* and which all relate to practical social reforms.[11] — They are given by both Stein and Reybaud. This enables him to change what is, so to speak, the mere window-dressing of a journal into an "outline" of the system. He conceals the fact that it appeared on the title-page of the *Globe* and so can criticise the whole of Saint-Simonism, as contained in the mutilated title of this newspaper, with the clever comment that religion has *pride of place*. He could moreover have discovered from Stein that this is by no means true of the *Globe*. The *Globe* contains the most detailed and valuable criticism of existing conditions and particularly of economic conditions — a fact however which Herr Grün could not know.

It is difficult to say from where Herr Grün has obtained the new but important piece of information that the "formulation of the outline", four words in length, "was *largely* the work of *Bazard*".

Herr Grün now jumps from January 1831 back to October 1830:

"Shortly after the July Revolution, during the Bazard period" (where does this period come from?), "the Saint-Simonists addressed a short but comprehensive statement of their beliefs to the Chamber of Deputies, after Messrs. Dupin and Mauguin had accused them from the tribune of preaching community of goods and wives."

The Address follows, with the comment by Herr Grün:

"How reasonable and measured it all is still! The Address presented to the Chamber was edited by Bazard" (pp. 92-94).

To begin with the concluding remark, Stein says, p. 205:

"Judging from its form and its attitude, we should not hesitate to ascribe it" (the document), "as does Reybaud, to Bazard more than to Enfantin.

And Reybaud says, p. 123:

"From the form and the very moderate demands of this document, one can clearly see that it owes more to the initiative of M. Bazard than to that of his colleague."

With characteristic ingenuity and audacity, Herr Grün turns Reybaud's conjecture that Bazard *rather* than Enfantin was behind the Address into the certainty that he edited it in its entirety. The passage introducing the Address is translated from Reybaud, p. 122:

"Messrs. Dupin and Mauguin drew attention from the tribune to a sect which was preaching community of goods and community of wives."

Herr Grün merely leaves out the date given by Reybaud and writes instead: "shortly after the July Revolution". Altogether, chronology does not suit Herr Grün's method of emancipating himself from those who have trodden the ground before him. In contradistinction to Stein he inserts in the text what Stein relegates to a note, he omits the introduction to the Address, he translates *fonds de production* (productive capital) as " *basic capital*" and *classement social des individus* (social classification of individuals) as "social order of individuals".

Some slipshod notes follow on the history of the school of Saint-Simon; they have been patched together from fragments of Stein, Reybaud and Louis Blanc with that artistic skill which we noticed in Grün's life of Saint-Simon. We leave it to the reader to look them up in the book for himself.

The reader now has before him all that Herr Grün has to say of the Bazard period of Saint-Simonism, i.e., the period from the death of Saint-Simon to the first schism.[12] Grün is now in a position to play an elegantly critical trump, and call Bazard a "poor dialectician". Then he continues:

"But so are the republicans. They only know how to die, Cato as much as Bazard; if they do not stab themselves to death, they die of a broken heart" (p. 95).

"A few months after this quarrel, his" (Bazard's) "heart was broken" (Stein, p. 210).

Such republicans as Levasseur, Carnot, Barère, Billaud-Varennes, Buonarroti, Teste, d'Argenson, etc., etc., show how correct Herr Grün's assertion is. We are now offered a few commonplaces about Enfantin. Attention need only be drawn to the following discovery made by Herr Grün:

"Does this historical phenomenon not make it finally clear that religion is nothing but sensualism, that materialism can boldly claim the same origin as the sacred dogma itself?" (p. 97).

Herr Grün looks complacently about him: "Has anyone else ever *thought of that?*" He would never have "*thought of that*" if the *Hallische Jahrbücher* had not already "thought of it" in connection with the Romantics.[Karl Rosenkranz's article "Ludwig Tieck und die romantische Schule"] One would have expected Herr Grün to have made some little intellectual progress since then.

We have seen that Herr Grün knows nothing of the whole economic criticism of the Saint-Simonists. Nevertheless, he manages to say something, with the help of Enfantin, about the economic consequences of Saint-Simon's theory, to which he has already made some airy references earlier. He finds in Reybaud (p. 129 et seq.) and in Stein (p. 206) extracts from Enfantin's *Political Economy* [Barthélemy — Prosper Enfantin, Economie politique et Politique] but in this case, too, he falsifies the original; for the abolition of taxes on the most essential necessaries of life, which is correctly shown by Reybaud and Stein (who base their statements on Enfantin) to be a consequence of the proposals concerning the right of inheritance, is turned by Grün into an irrelevant, independent measure *in addition to* these proposals. He gives further proof of his originality by falsifying the chronological order; he refers first to the priest Enfantin and Ménilmontant and then to the *economist* Enfantin, whereas his predecessors deal with Enfantin's political economy during the Bazard period when they are discussing the *Globe,* for which it was written. [13] Just as here he includes the Bazard period in the Ménilmontant period so later, when referring to economics and to M. Chevalier, he brings in the Ménilmontant period. The occasion for this is the *Livre nouveau*,[14] and as usual he turns Reybaud's conjecture that M. Chevalier was the author of this work into a categorical assertion.

Herr Grün has now described Saint-Simonism "in its totality" (p. 82). He has kept the promise he made "not to subject its literature to a critical scrutiny" (ibid.) and has therefore got mixed up, most uncritically, in quite a different "literature", that of Stein and Reybaud. He gives us by way of compensation a few particulars about M. Chevalier's economic lectures of 1841-42, [Michel Chevalier, Cours d'Economie politique fait an Collège de France] a time when the latter had long ceased to be a Saint-Simonist. For while writing about Saint-Simonism, Herr Grün had in front of him a review of these lectures in the *Revue des deux Mondes*. He has made use of it in the same way as he utilised Stein and Reybaud. Here is a sample of his critical acumen:

"In it he asserts that not enough is being produced. That is a statement worthy of the old economic school with its rusty prejudices.... As long as political economy does not understand that production is dependent upon consumption, this so-called science will not make any headway" (p. 102).

One can see that with these phrases about consumption and production which he has inherited from true socialism, Herr Grün is far superior to any economic work. Apart from the fact that any economist would tell him that supply also depends on demand, i.e., that production depends on consumption, there is actually in France a special economic school, that of Sismondi, which desires to make production dependent on consumption in a form different from that which obtains under free competition; it stands in sharp opposition to the economists attacked by Herr Grün. Not till later, however, do we see Herr Grün speculating successfully with the talent [cf. Matthew 25:15-30 and Luke 19:13-26] entrusted to him — the unity of production and consumption. To compensate the reader for the boredom he has suffered from these sketchy extracts from Stein and Reybaud, which are moreover falsified and adulterated with phrases, Herr Grün offers him the following Young-German firework display, glowing with humanism and socialism:

"Saint-Simonism in its entirety as a social system was nothing more than a cascade of thoughts, showered by a beneficent cloud upon the soil of France" (earlier, pp. 82, 83, it was described as "a mass of light, but still a chaos of light" (!), "not yet an orderly illumination" (!). "It was both an overwhelming and a most amusing display. The author died before the show was put on, one producer died during the performance, the remaining producers and all the actors discarded their costumes, slipped into their civilian clothes, went home and behaved as if nothing had happened. It was a spectacle, an interesting spectacle, if somewhat confused towards the finale; a few of the performers overacted — and that was all" (p. 104).

How right was Heine when he said about his imitators: "I have sown dragon's teeth and harvested fleas."

Fourierism

Apart from the translation of a few passages from the *Quatre mouvements* [Charles Fourier, Théorie des quatre mouvements et des destinies générales] on the subject of love, there is nothing here that cannot be found in a more complete form in Stein. Herr Grün dismisses morality in a sentence which a hundred other writers had uttered long before Fourier:

“Morality is, according to Fourier, nothing but the systematic endeavour to repress the human passions” (p. 147).

That is how Christian morality has always defined itself. Herr Grün makes no attempt to examine Fourier’s criticism of present-day agriculture and industry and, as far as trade is concerned, he merely translates a few general remarks from the Introduction to a section of. the *Quatre mouvements* (“*Origine de l'économie politique et de la controverse mercantile*”, pp. 332, 334 of the *Quatre mouvements*). Then come a few extracts from the *Quatre mouvements* and one from the *Traité de l'association,* on the French Revolution, together with the tables on civilisation, which are already known from Stein. The critical side of Fourier, his most important contribution, is thus dismissed in the most hasty and superficial fashion in twenty-eight pages of literal translation; and in these, with very few exceptions, only the most general and abstract matters are discussed, the trivial and the important being thrown together in the most haphazard way.

Herr Grün now gives us an exposition of Fourier’s system. Churoa [August Ludwig Churoa, Kritische Dorstellung der Socialtheorie Fourier’s] whose work is quoted by Stein, long ago gave us a better and more complete version. Although Herr Grün considers it “vitally necessary” to offer a profound interpretation of Fourier’s series [15], he can think of nothing better than to quote literally from Fourier himself and then, as we shall see later, to coin a few fine phrases about numbers. He does not attempt to show how Fourier came to deal with series, and how he and his disciples constructed them; he reveals nothing whatever about the inner construction of the series. It is only possible to criticise such constructions (and this applies also to the Hegelian method) by demonstrating how they are made and thereby proving oneself master of them.

Lastly, Herr Grün neglects almost entirely a matter which Stein at any rate emphasises in some measure, the opposition of *travail répugnant* and *travail attrayant.*

The most important aspect of the whole exposition is Herr Grün’s criticism of Fourier. The reader may recollect what was said above concerning the sources of Grün’s criticism. He will now see from the few examples which follow that Herr Grün first of all accepts the postulates of true socialism and then sets about exaggerating and distorting them. It need hardly be mentioned that Fourier’s distinction between capital, talent and labour offers a magnificent opportunity for a display of pretentious cleverness; one can talk at length about the impracticability and the injustice of the distinction, about the introduction of wage-labour, etc., without criticising this distinction by reference to the *real* relationship of labour and capital. Proudhon has already said all this infinitely better than Herr Grün, but he failed to touch upon the real issue.

Herr Grün bases his criticism of Fourier's *psychology* — as indeed all his criticism — on the "essence of man":

"For human essence is all in all" (p. 190). "Fourier, too, appeals to this human essence and in his own way reveals to us its inner core" (!) "in his tabulation of the twelve passions; like all honest and reasonable people, he, too, desires to make man's inner essence a reality, a practical reality. That which is within must also be without, and thus the distinction between the internal and the external must be altogether abolished. The history of mankind teems with socialists, if this is to be their distinguishing feature.... The important thing about everyone is what he understands by the essence of man" (p. 190).

Or rather the important thing for the true socialists is to foist upon everyone thoughts about human essence and to transform the different stages of socialism into different philosophies of human essence. This unhistorical abstraction induces Herr Grün to proclaim the abolition of all distinction between the internal and the external, which would even put a stop to the propagation of human essence. But in any case, why should the Germans brag so loudly of their knowledge of human essence, since their knowledge does not go beyond the three general attributes, intellect, emotion and will, which have been fairly universally recognised since the days of Aristotle and the Stoics. It is from the same standpoint that Herr Grün reproaches Fourier with having "cleft" man into twelve passions.

"I shall not discuss the completeness of this table, psychologically speaking; I consider it inadequate" — (whereupon the public can rest easy, "psychologically speaking"). — "Does this number give us any knowledge of what man really is? Not for a moment. Fourier might just as well have enumerated the five senses; the whole man is seen to be contained in these, if they be properly explained and their human content rightly interpreted" (as if this "human content" is not entirely dependent on the stage of development which production and human intercourse have reached). " Indeed, it is in one sense alone that man is contained, in feeling; his feeling is different from that of the animal," etc. (p. 205).

For the first time in his whole book, Herr Grün is obviously making an effort to say something about Fourier's psychology from the standpoint of Feuerbach. He is obvious too that this "whole man", contained" in a single attribute of a real individual and interpreted by the philosopher in terms of that attribute, is a complete chimera. Anyway, what sort of man is this, "man" who is not seen in his real historical activity and existence, but can be deduced from the lobe of his own ear [Hegel, Vorlesungen über die Naturphilosophie, Einleitung, § 246, Zusatz] or from some other feature which distinguishes him from the animals? Such a man "is contained" in himself, like his own pimple. Of course, the discovery that human feeling is human and not animal not only makes all psychological experiment superfluous but also constitutes a critique of all psychology.

Herr Grün finds it an easy matter to criticise Fourier's treatment of love; he measures Fourier's criticism of existing amorous relationships against the fantasies by which Fourier tried to get a mental image of free love. Herr Grün, the true German philistine, takes these fantasies seriously. Indeed, they are the only thing which he does take seriously. It is hard to see why, if he wanted to deal with this side of the system at all, Grün did not also enlarge upon Fourier's remarks concerning education; they are by far the best of their kind and contain some masterly observations. Herr Grün, typical Young-German man of letters that he is, betrays, when he treats of love, how little he has learned from Fourier's critique. In his opinion, it is of no consequence whether one proceeds from the abolition of marriage or from the abolition of private property; the one must necessarily follow upon the other. But to wish to *proceed* from any dissolution of marriage other than that which now exists in practice in bourgeois society, is to cherish a purely literary illusion. Fourier, as Grün might have discovered in his works, always proceeds from the transformation of production.

Herr Grün is surprised that Fourier, who always starts with inclination (it should read: attraction), should indulge in all kinds of "mathematical" experiments, for which reason he calls him the mathematical socialist", page 203. Even if he did not take into account Fourier's circumstances, he might well have examined a little more closely the nature of attraction. He would very soon have discovered that a natural relation of the kind cannot be accurately defined without the help of calculation. He regales us instead with a philippic against number, a philippic in which literary flourishes and Hegelian tradition are intermixed. It contains passages such as:

Fourier "calculates the molecular content of your most abnormal taste".

Indeed, a miracle; and further:

"That civilisation, which is being so bitterly attacked, is based upon an unfeeling multiplication table.... Number is nothing definite.... What is the number one?... The number one is restless, it becomes two, three, four"

like the German country parson who is "restless" until he has a wife and nine children....

"Number stifles all that is essential and all that is real; can we halve reason or speak of a third of the truth?"

He might also have asked, can we speak of a green-coloured logarithm?...

"Number loses all sense in organic development"...

a statement of fundamental importance for physiology and organic chemistry (pp. 203, 204).

"He who makes number the measure of all things becomes, nay, is an egoist."

By a piece of wilful exaggeration, he links to this sentence another, which he has taken over from Hess (see above):

"Fourier's whole plan of organisation is based exclusively upon egoism.... Fourier is the very worst expression of civilised egoism" (pp. 206, 208).

He supplies immediate proof of this by relating that, in Fourier's world order, the poorest member eats from forty dishes every day, that five meals are eaten daily, that people live to the age of 144 and so on. With a naive sense of humour Fourier opposes a Gargantuan view of man to the unassuming mediocrity of the men of the Restoration period; but Herr Grün only sees in this a chance of moralising in his philistine way upon the most innocent side of Fourier's fancy, which he abstracts from the rest. While reproaching Fourier for his interpretation of the French Revolution, Herr Grün gives us a glimpse of his own insight into the revolutionary age:

"If association had only been known of forty years earlier" (so he makes Fourier say), "the Revolution could have been avoided. But how" (asks Herr Grün) "did it come about that Turgot, the Minister, recognised the right to work and that, in spite of this, Louis XVI lost his head? After all, it would have been easier to discharge the national debt by means of the right to work than by means of hen's eggs" (p. 211).

Herr Grün overlooks the trifling fact that the right to work, which Turgot speaks of, is none other than free competition and that this very free competition needed the Revolution in order to establish itself. The substance of Herr Grün's criticism of Fourier is that Fourier failed to subject "civilisation" to a "fundamental criticism". And why did he fail? Here is the reason:

"The manifestations of civilisation have been criticised but not its basis; it has been abhorred and ridiculed as it exists, but its roots have not been examined. Neither politics nor religion have undergone a searching criticism and for that reason the essence of man has not yet been examined" (p. 209).

So Herr Grün declares that the real living conditions of men are *manifestations*, whereas religion and politics are the *basis and the root* of these manifestations. This threadbare statement shows that the true socialists put forward the ideological phrases of German philosophy as truths superior to the real expositions of the French socialists; it shows at the same time that they try to link the true object of their own investigations, human essence, to the results of French social criticism. If one assumes religion and politics to be the basis of material living conditions, then it is only natural that everything should amount in the last instance to an investigation of human essence, i.e., of man's consciousness of himself. — One can see, incidentally, how little Herr Grün minds what he copies; in a later passage and in the *Rheinische Jahrbücher* as well, he appropriates, in his own manner, what the *Deutsch-Französische Jahrbücher* had to say about the relation of *citoyen* and *bourgeois*, which directly contradicts the statement he makes above. We have reserved to the end the exposition of a statement concerning production and consumption which true socialism confided to Herr Grün. It is a striking example of how Herr Grün uses the postulates of true socialism as a standard by which to measure the achievements of the French and how, by tearing the former out of their complete vagueness, he reveals them to be utter nonsense.

"Production and consumption can be separated temporally and spatially, in theory and in external reality, but in essence they are one. Is not the commonest occupation, e.g., the baking of bread, a productive activity, which is in its turn consumption for a hundred others? Is it not, indeed, consumption on the part of the baker himself, who consumes corn, water, milk, eggs, etc.? Is not the consumption of shoes and clothes production on the part of cobblers and tailors?... Do I not produce when I cat bread? I produce on an enormous scale. I produce mills, kneading-troughs, ovens and consequently ploughs, harrows, flails, mill-wheels, the labour of wood-workers and masons" ("and consequently", carpenters, masons and peasants, "consequently", their parents, "consequently", their whole ancestry, "consequently", Adam). "Do I not consume when I produce? On a huge scale, too.... If I read a book, I consume first of all the product of whole years of work; if I keep it or destroy it, I consume the material and the activity of the paper-mill, the printing-press and the bookbinder. But do I produce nothing? I produce perhaps a new book and thereby new paper, new type, new printer's ink, new bookbinding tools; if I merely read it and a thousand others read it too, we produce by our consumption a new edition and all the materials necessary for its manufacture. The manufacturers of all these consume on their part a mass of raw material which must be produced and which can only be produced through the medium of consumption.... In a word, activity and enjoyment are one, only a perverse world has torn them asunder and has thrust between them the concept of value and price., by means of this concept it has torn man asunder and with man, society" (pp. 191, 192).

Production and consumption are, in reality, frequently opposed to one another. But in order to restore the unity of the two and resolve all contradictions, one need only *interpret* these contradictions correctly and *comprehend* the true *nature* of production and consumption. Thus this German ideological theory fits the existing world perfectly; the unity of production and consumption is proved by means of examples drawn from present-day society, it exists *in itself.* Herr Grün demonstrates first of all that there actually does exist a relationship between production and consumption. He argues that he cannot wear a coat or eat bread unless both are produced and that there exist in modern society people who produce coats, shoes and bread which other people consume. This idea is, in Herr Grün's opinion, a new one. He clothes it in his classical, literary-ideological language. For example:

"It is believed that the enjoyment of coffee, sugar, etc., is mere consumption; but is this enjoyment not, in fact, production in the colonies?"

He might just as well have asked: Does not this enjoyment imply that Negro slaves enjoy the lash and that floggings are produced in the colonies? One can see that the outcome of such exuberance as this is simply an apology for existing conditions. Herr Grün's second idea is that when he produces, he consumes, namely raw material, the costs of production in fact; this is the discovery that nothing can be created out of nothing, that he must have *material.* He would have found set out in any ' political economy, under the heading "productive consumption", the complicated relations which this involves if one does not restrict oneself, like Herr Grün, to the trivial fact that shoes cannot be made without leather. So far, Herr Grün has realised that it is necessary to produce in order to consume and that raw material is consumed in the productive process. His real difficulties begin when he wishes to prove that he produces when he consumes. Herr Grün now makes a completely ineffective attempt to enlighten himself in some small degree upon the most commonplace and general aspects of the connection between supply and demand. He does discover that his consumption, i.e., his demand, produces a fresh supply. But he forgets that his demand must be *effective,* that he must offer an equivalent for the product desired, if his demand is to cause fresh production. The economists too refer to the inseparability of consumption and production and to the absolute identity of supply and demand, especially when they wish to prove that overproduction never takes place; but they never perpetrate anything so clumsy, so trivial as Herr Grün. This is moreover the same sort of argument that the aristocracy, the clergy, the rentiers, etc., have always used to prove their own productivity. Herr Grün forgets, further, that the bread which is produced today by steam-mills, was produced earlier by wind-mills and water-mills and earlier still by hand-mills; he forgets that these different methods of production are quite independent of the actual eating of the bread and that we are faced, therefore, with an historical development of the productive process. Of course, producing as he does on "an enormous scale", Herr Grün never thinks of this. He has no inkling of the fact that these different stages of production involve different relations of production to consumption, different contradictions of the two; it does not occur to him that to understand these contradictions one must examine the particular mode of production, together with the whole set of social conditions based upon it; and that only by actually changing the mode of production and the entire social system based upon it can these contradictions be solved. While the other examples given by Herr Grün prove that he surpasses even the most undistinguished economists in banality, his example of the book shows that these economists are far more "humane" than he is. They do not demand that as soon as he has consumed a book he should produce another! They are content that he should produce his own education by his consumption and so exert a favourable influence upon production in general. Herr Grün's productive consumption is transformed into a real miracle, since he omits the connecting link, the cash payment; he makes it superfluous by simply ignoring it, but in fact it alone makes his demand *effective.* He reads, and by the mere fact of his *reading*, he enables the type-founders, the paper manufacturers and the printers to produce new type, new paper and new books. The mere fact of his consumption compensates them all for their costs of production. Incidentally, in the foregoing examination we have amply demonstrated the virtuosity with which Herr Grün produces new books from old by merely reading the latter, and with which he incurs the gratitude of the commercial world by his activities as a producer of new paper, new type, new printer's ink and new bookbinding tools. Grün ends the first letter in his book with the words:

"I am on the point of plunging into industry."

Herr Grün never once belies this motto of his in the whole of his book.

What did all his activity amount to? In order to prove the true socialist proposition of the unity of production and consumption, Herr Grün has recourse to the most commonplace economic statements concerning supply and demand; moreover, he adapts these to his purpose simply by omitting the necessary connecting links, thereby transforming them into pure fantasies. The essence of all this is, therefore, an ill-informed and fantastic transfiguration of existing conditions.

In his socialistic conclusion, he lisps, characteristically, the phrases he has learned from his German predecessors. Production and consumption are separated because a perverse world has torn them asunder. How did this perverse world set about it? It thrust a *concept* between the two. By so doing, it tore man *asunder*. Not content with this, it thereby tears society, i.e., itself, asunder, too. This tragedy took place in 1845.

The true socialists originally understood the unity of consumption and production to mean that activity shall itself involve enjoyment (for them, of course, a purely fanciful notion). According to Herr Grün's further definition of that unity, "consumption and production, economically speaking, must *coincide*" (p. 196); there must be no surplus of products over and above the immediate needs of consumption, which means, of course, the end of any movement whatsoever. With an air of importance, he therefore reproaches Fourier with wishing to *disturb* this unity by *over-production*. Herr Grün forgets that over-production causes crises only through its influence on the exchange value of products and that not only with Fourier but also in Herr Grün's perfect world exchange value has disappeared. All that one can say of this philistine rubbish is that it is worthy of true socialism.

With the utmost complacency, Herr Grün repeats again and again his commentary on the true socialist theory of production and consumption. For example, he tells us in the course of a discussion of Proudhon:

"Preach the social freedom of the consumers and you will have true equality of production" (p. 433).

Preaching this is an easy matter! All that has hitherto been wrong has been that

"consumers have been uneducated, uncultured, they do not all consume in a human way" (p. 432). "The view that consumption is the measure of production, instead of the contrary, is the death of every hitherto existing economic theory" (ibid.). "The real solidarity of mankind, indeed, bears out the truth of the proposition that the consumption of each presupposes the consumption of all" (ibid.).

Within the competitive system, the consumption of each presupposes more or less continuously the consumption of all, just as the production of each presupposes the production of all. It is merely a question of *how,* in what way, this is so. Herr Grün's only answer to this is the moral postulate of *human* consumption, the recognition of the "essential nature of consumption" (p. 432). Since he knows nothing of the real relations of production and consumption, he has to take refuge in human essence, the last hiding-place of the true socialists. For the same reason, he insists on proceeding from consumption instead of from production. If you proceed from production, you necessarily concern yourself with the real conditions of production and with the productive activity of men. But if you proceed from consumption, you can set your mind at rest by merely declaring that consumption is not at present "human", and by postulating "human consumption", education for true consumption and so on. You can be content with such phrases, without bothering at all about the real living conditions and the activity of men.

It should be mentioned in conclusion that precisely those economists who took consumption as their starting-point happened to be reactionary and ignored the revolutionary element in competition and large-scale industry.

The “Limitations of Papa Cabet” and Herr Grün

Herr Grün concludes his digression on the school of Fourier and on Herr Reybaud with the following words:

“I wish to make the organisers of labour conscious of their essence, I wish to show them historically where they have sprung front ... these hybrids ... who cannot claim as their own even the least of their thoughts. And later, perhaps, I shall find space to make an example of Herr Reybaud, not only of Herr Reybaud, but also of Herr Jay. The former is, in reality, not so bad, he is merely stupid; but the latter is more than stupid, he is learned. "And so”... (p. 260).

The gladiatorial posture into which Herr Grün throws himself, his threats against Reybaud, his contempt for learning, his resounding promises, these are all sure signs that something portentous is stirring within him. Fully “conscious of his essence” as we are, we infer from these symptoms that Herr Grün is on the point of carrying out a most tremendous plagiaristic coup. To anyone who has had experience of his tactics, his bragging loses all ingenuousness and turns out to be always a matter of sly calculation.

“And so":

A chapter follows headed:

“The Organisation of Labour!"

Where did this thought originated — In France. — But how?”

it is also labelled:

“Review of the Eighteenth Century.”

“Where did this” chapter of Herr Grün’s “originate? — In France. — But how?” The reader will find out without delay.

it should not be forgotten that Herr Grün wants to make the French organisers of labour [16] conscious of their essence by an historical exposition in the profound German style.

And so.

When Herr Grün realised that Cabet “had his limitations” and that his “mission had been completed long ago” (which he had known for a long time), it did not, “of course, mean an end of everything”. On the contrary, by arbitrarily selecting a few quotations from Cabet and stringing them together he laid upon Cabet the new mission: to provide the French “background” to Herr Grün’s German history of socialist development in the eighteenth century.

How does he set about his task? He reads “*productively*”.

The twelfth and thirteenth chapters of Cabet's *Voyage en Icarie* contain a motley collection of the opinions of ancient and modern authorities in favour of communism. He does not claim that he is tracing an historical movement. The French bourgeois view communism as a suspicious character. Good, says Cabet, in that case, men of the utmost respectability from every age will testify to the good character of my client; and Cabet proceeds exactly like a lawyer. Even the most adverse evidence becomes in his hands favourable to his client. One cannot demand historical accuracy in a legal defence. If a famous man happens to let fall a word against money, or inequality, or wealth, or social evils, Cabet seizes upon it, begs him to repeat it, puts it forward as the man's declaration of faith, has it printed, applauds it and cries with ironic good humour to his irritated bourgeois: "Hear what he has to say! Was he not a communist?"' No one escapes him. Montesquieu, Sieyès, Lamartine, even Guizot — communists all *malgré eux*. *Voilà* the communist all complete!

Herr Grün, in a productive mood, reads the quotations collected by Cabet, representing the eighteenth century; he never doubts for a moment the essential rightness of it all; he improvises for the benefit of the reader a mystical connection between the writers whose names happen to be mentioned by Cabet on one page, pours over the whole his Young-German literary slops and then gives it the title which we saw above.

And so.

Herr Grün:	*Cabet:*
Herr Grün introduces his review with the following words:	Cabet introduces his quotations with the following words:
"The social idea did not fall from heaven, it is organic, i.e., it arose by a process of gradual development. I cannot write here its complete history, I cannot commence with the Indians and the Chinese and proceed to Persia, Egypt and Judaea. I cannot question the Greeks and Romans about their social consciousness, I cannot take the evidence of Christianity, Neo-Platonism and patristic philosophy,[17] I cannot listen to what the Middle Ages and the Arabs have to say, nor can I examine the Reformation and philosophy during the period of its awakening and so on up to the eighteenth century" (p. 261).	***"You claim, foes of common ownership, that there is but a scanty weight of opinion in its favour. Well then, before your very eyes, I am going to take the evidence of history and of every philosopher. Listen! I shall not linger to tell you of those peoples of the past who practised community of goods! Nor shall I linger over the Hebrews ... nor the Egyptian priesthood, nor Minos ... Lycurgus and Pythagoras.... I shall make no mention of Confucius, nor of Zoroaster, who proclaimed, the one in China, the other in Persia ... this principle."***

After the passages given above, Cabet investigates Greek and Roman history, takes the evidence of Christianity, of Neo-Platonism, of the Fathers of the Church, of the Middle Ages, of the Reformation and of philosophy during the period of its awakening. Cf. Cabet, pp. 471-82. Herr Grün leaves others "more patient than himself" to copy these eleven pages, "provided the dust of erudition has left them the necessary humanism to do so" (that is, to copy them). (Grün, p. 261.) Only the social consciousness of the Arabs belongs to Herr Grün. We await longingly the disclosures about it which he has to offer the world. "I must restrict myself to the eighteenth century." Let us follow Herr Grün into the eighteenth century, remarking only that Grün underlines almost the very *same words* as Cabet.

Herr Grün:	*Cabet:*
"Locke, the founder of sensationism, observes: He whose possessions exceed his needs, oversteps the bounds of reason and of original justice and steals that which belongs to others. *Every surplus is usurpation*, and the sight of the needy must awaken remorse in the soul of the wealthy. Corrupt men, you who roll in luxury and pleasures, tremble lest one day the wretch who lacks the necessities of life *shall truly come to know the rights of man*. Fraud, faithlessness and avarice have produced that inequality of possessions *which is the great misfortune of the human race* by piling up all sorts of sufferings, on the one hand, beside riches, on the other, beside destitution. *The philosopher must, therefore, regard the use of money as one of the most*	"But here we have Locke, who exclaims in his admirable *Civil Government*: 'He who possesses in excess of his needs, oversteps the bounds of reason and of original justice and *appropriates the property of others*. All *excess* is *usurpation*, and the sight of the needy ought to awaken remorse in the soul of the wealthy. Perverse men, you who roll in riches and pleasures, tremble lest one day the wretch. who lacks the necessities of life truly apprehend the *rights of man*.' Heat. him exclaim again: 'Fraud, bad faith, avarice have produced that *inequality of means*, which, by piling on the one hand wealth and vice and on the other poverty and suffering, constitutes *the great misfortune of the human race*.... The philosopher must, therefore, regard the use of *money* as one of the most fatal inventions of human industry." (p. 485).

pernicious inventions of human industry" (p. 266).

Herr Grün concludes from these quotations of Cabet's that Locke is "an opponent of the monetary system" (p. 264), "a most outspoken opponent of money and of all property which exceeds the limits of need" (p. 266). Locke was, unfortunately, one of the first scientific champions of the monetary system, a most uncompromising advocate of the flogging of vagabonds and paupers, one of the doyens of modern political economy.

Herr Grün:	*Cabet:*
"Already Bossuet, the Bishop of Meaux, says in his *Politics Derived from Holy Scripture*: 'Without governments' ('without politics' — an absurd interpolation on the part of Herr Grün) 'the earth with all its goods would be the common property of men, just as much as air and light; no man, according to the original law of nature, has a particular right to anything. *All things belong to all men; it is from civil government that property results.*' A priest in the seventeenth century has the honesty to say such things as these; to express such views as these! And the German *Puffendorf*, whom one" (i.e., Herr Grün) "knows only through one of Schiller's epigrams,' was of the following opinion: '*The present inequality of means is an injustice* which involves all other inequalities by reason of the insolence of the rich and the *cowardice* of the poor'" (p. 270). Herr Grün adds: "We shall	"Listen to Baron von *Puffendorf*, a professor of natural law in Germany and a Councillor of State in Stockholm arid Berlin, a man who in his law of nature and nations refutes the doctrine of Hobbes and Grotius concerning absolute monarchy, who proclaims natural equality, fraternity, and primitive community of goods, and who recognises property to be a human institution, the result of a distribution of goods, by common consent, to the end that all, and particularly the workers, may be assured of permanent possession, undivided or divided, and that, in consequence, the existing inequality of possessions is an *injustice* which only involves the other inequalities in consequence of *the insolence of the rich and the cowardice of the poor.* "And does not *Bossuet,* the Bishop of Meaux, the preceptor of the French Dauphin, the famous Bossuet, recognise also

not digress; let us remain in France.”	in his *Politique tirée de l'Ecriture sainte* — written for the Dauphin — that, were it not for governments, the earth and all goods would be as *common* to men as air and light; according to the primary law of nature, no one has a particular right to *anything* — *, all things belong to all men* and it is from civil government that property springs.” (p. 486).

The substance of Herr Grün’s “digression” from France is that Cabet quotes a German. Grün even spells the German name in the incorrect French fashion. Apart from his occasional mistranslations and omissions, he surprises us by his improvements. Cabet speaks first of Puffendorf and then of Bossuet; Herr Grün speaks first of Bossuet and then of Puffendorf. Cabet speaks of Bossuet as a famous man; Herr Grün calls him a “priest”. Cabet quotes Puffendorf with all his titles; Herr Grün makes the frank admission that one knows him only from one of Schiller’s epigrams. Now he knows him also from one of Cabet’s quotations, and it is apparent that the Frenchman, with all his limitations, has made a closer study than Herr Gran not only of his own countrymen, but of the Germans as well.

Cabet says: “I must make haste to deal with the great philosophers of the eighteenth century; I shall begin with Montesquieu” (p. 487). In order to reach Montesquieu, Herr Grün begins with a sketch of the “legislative genius of the eighteenth century” (p. 282). Compare their various quotations from Montesquieu, Mably, Rousseau, Turgot. It suffices here to compare Cabet and Herr Grün on Rousseau and Turgot. Cabet proceeds from Montesquieu to Rousseau. Herr Grün constructs this transition: “Rousseau was the radical and Montesquieu the constitutional politician.”

Herr Grün quotes from *Rousseau:*	*Cabet:*
“The greatest evil has already been done when one has to defend the poor and restrain the rich, etc.”. ...... (ends with the words) “hence it follows that the social state is only advantageous to men if they all of them have something and none has too much.”	“Listen now to *Rousseau,* the author of the immortal *Social Contract* — listen: ‘Men are equal by right. Nature has made all goods common... it distribution takes place the share of each becomes his property. In all cases the sole proprietor of all goods is society.’ Listen again: ... ‘hence it

According to Herr Grün, Rousseau becomes “confused and quite vague when he has to answer the question: what transformation does the previous form of property undergo when primitive man enters into society? What does he answer? He answers: Nature has made all goods common” ... (ends with the words) “if a distribution takes place the share of each becomes his property” (pp. 284, 285).	follows that the social state is only advantageous to men inasmuch as they all have something and none has too much’. “Listen, listen again to Rousseau in his *Political Economy* [*Économie ou OEconomie (Morale et Politique)*]: ‘The greatest evil has already been done when one has to defend the poor and restrain the rich.” etc., etc. (pp. 489, 490).

Herr Grün makes two brilliant innovations:, firstly, he merges the quotations from the *Contrat social* and the *Économie politique* and, secondly, he begins where Cabet ends. Cabet names the titles of the writings of Rousseau from which he quotes, Herr Grün suppresses them. The explanation of these tactics is, perhaps, that Cabet is speaking of Rousseau’s *Économie politique*, which Herr Grün does not know, even from an epigram of Schiller. Although Herr Grün is conversant with all the secrets of the *Encyclopedia* (cf. p. 263), it was a secret for him that Rousseau’s *Économie politique* is none other than the article in the *Encyclopédie* on political economy.

Let us pass on to *Turgot*. Herr Grün is not content here with merely copying the quotations; he actually transcribes the sketch that Cabet gives of Turgot.

Herr Grün:	*Cabet:*
“One of the noblest and most futile attempts to establish a new order on the foundations of the old, everywhere on the point of collapse, was made by Turgot. It was in vain. The aristocracy brought about an artificial famine, instigated revolts, intrigued and spread calumnies against him until the debonair Louis dismissed his Minister. — The aristocracy would not listen, therefore, it	“Yet while the King declared that he and his Minister (Turgot) were the only friends the people had at court, while the people heaped blessings upon him, while the philosophers overwhelmed him with admiration, while Voltaire wished to kiss before he died the hand which had signed so many improvements for the people, the aristocracy conspired against him, even organised a vast famine, and stirred up

had to suffer. Human development always avenges fearfully those good angels who utter the last urgent warning before a catastrophe. The French people blessed Turgot, Voltaire wished to kiss his hand before he died, the King had called him his friend.... Turgot, the Baron, the Minister, one of the last feudal lords, pondered the idea that a domestic press ought to be invented so as to make freedom of the press completely secure" (pp. 289, 290).	insurrections in order to destroy him; by its intrigues and calumnies it succeeded in turning the Paris salons against the reformer and in destroying Louis XVI himself by forcing him to dismiss the virtuous Minister who would have saved him." "Let us return to Turgot, a Baron, a Minister of Louis XVI during the first year of his reign, one who desired to reform abuses, who carried through a mass of reforms, who wished to establish a new language; a man who actually tried to invent a domestic press in order to ensure the freedom of the press." (p. 495).

Cabet calls Turgot a Baron and a Minister, Herr Grün copies this much from him, but by way of improving on Cabet, he changes the youngest son of the prévôt of the Paris merchants into "one of the *oldest* of the feudal lords". Cabet is wrong in attributing the famine and the uprising of 1775[18] to the machinations of the aristocracy. Up to the present, no one has discovered who was behind the outcry about the famine and the movement connected with it. But in any case the parliaments and popular prejudice had far more to do with it than the aristocracy. It is quite in order for Herr Grün to copy this error of "poor limited Papa" Cabet. He believes in him as in a gospel. On Cabet's authority Herr Grün numbers Turgot among the communists, Turgot, one of the leaders of the physiocratic school, the most resolute champion of free competition, the defender of usury, the mentor of Adam Smith. Turgot was a great man, since his actions were in accordance with the time in which he lived and not with the illusions of Herr Grün, the origin of which we have shown already.

Let us now pass to the men of the French Revolution. Cabet greatly embarrasses his bourgeois opponent by numbering Sieyès among the forerunners of communism, by reason of the fact that he recognised equality of rights, and considered that only the state sanctions property (Cabet, pp. 499-502). Herr Grün, who "is fated to find the French mind inadequate and superficial every time that he comes into close contact with it", cheerfully copies this, and imagines that an old party leader like Cabet is destined to preserve the "humanism" of Herr Grün from "the dust of erudition". Cabet continues: "*Ecoutez le fameux Mirabeau!*" (p. 504). Herr Grün says:

“Listen to Mirabeau!” (p. 292) and quotes some of the passages stressed by Cabet, in which Mirabeau advocates the equal division of bequeathed property among brothers and sisters. Herr Grün exclaims: “Communism for the family!” (p. 292). On this principle, Herr Grün could go through the whole range of bourgeois institutions, finding in all of them traces’ of communism, so that taken as a whole they could be said to represent perfect communism. He could christen the *Code Napoléon* a *Code de la communauté*! And he could discover communist colonies in the brothels, barracks and prisons.Let us conclude these tiresome quotations with *Condorcet.* A comparison of the two books will show the reader very clearly that Herr Grün now omits passages, now merges them, now quotes titles, now suppresses them, leaves out the chronological dates but meticulously follows Cabet’s order, even when Cabet does not proceed strictly in accordance with chronology, and he achieves in the end nothing more than an abridgement of Cabet, poorly and timidly disguised.

Herr Grün:	*Cabet:*
“*Condorcet* is a radical Girondist. He recognises the injustice of the distribution of property, he absolves the poor from blame ... if the people are somewhat dishonest on principle, the cause lies in the institutions themselves.	“Listen to *Condorcet*, who maintained in his reply to the Berlin Academy” ... “'It is therefore entirely because the institutions are evil that the people are so frequently a little dishonest on principle.'
“In his journal, *Social Education* he even tolerates large-scale capitalists	“Listen to what he has to say in his journal *L'instruction sociale* ... he even tolerates large-scale capitalists.” etc
"Condorcet moved that the Legislative Assembly should divide the 100 millions owned by the three princes who emigrated into 100,000 parts he organises education and the *establishment* of public assistance” (cf. the original text).	"Listen to one of the Girondist leaders, the philosopher Condorcet, from the tribune of the Legislative Assembly, on the 6th July, 1792: ‘Decree that the possessions of the three French princes (Louis XVIII, Charles X and the Prince of Condé) be immediately put up for sale ... they amount to almost 100 millions, and you will replace three princes by 100 thousand citizens ... organise education

	and institutions for public assistance.'
“In his report on public education to the Legislative Assembly, Condorcet says: ‘The object of education and the duty of the political authorities ... is to offer every member of the human race the means of satisfying his needs, etc."” (Herr Grim changes the report of the Committee on Condorcet’s plan into a report by Condorcet himself.) (Grün, pp. 293, 294.)	“But listen to the Committee of Public Education, presenting to the Legislative Assembly on the 20th April, 1792 its report on the plan of education drawn up by Condorcet: ‘Public education should offer to every individual the means of providing for his needs ... such ought to be the first aim of national education and from this point of view it is a duty which justice demands of the political authorities."”, etc. (pp. 502, 503, 505, 509).

By this shameless copying from Cabet, Herr Grün, using the historical method, endeavours to make the French organisers of labour conscious of their essence; he proceeds moreover according to the principle: *Divide et impera*. He unhesitatingly interpolates among his quotations his definitive verdict on persons whose acquaintance he made a moment ago by reading a passage about them; then he inserts a few phrases about the French Revolution and divides the whole into two halves by the use of a few quotations from Morelly. Just at the right moment for Herr Grün Morelly was *en vogue* in Paris, through the efforts of Villegardelle; and the most important passages from Morelly’s work had been translated in the Paris *Vorwärts!* long before Herr Grün came upon the scene. We shall adduce only one or two glaring examples of Herr Grün’s slipshod method of translation.

Morelly:

“Self-interest perverts the heart and embitters our dearest ties, transforming them into heavy chains, which in our society married couples detest and at the same time detest themselves.

Herr Grün:

“Self-interest renders the heart unnatural and embitters the dearest ties, transforming them into heavy chains, which our married people detest and they detest themselves into the bargain” (p. 274).

Utter nonsense. Morrelly:

“Our soul contracts such a terrific thirst that it chokes in quenching it “'

Herr Grün:

"Our soul ... contracts ... so furious a thirst that it suffocates itself in order to quench it" (ibid.).

Again utter nonsense. *Morelly*:

"Those who claim to control our morals and dictate our laws."

Herr Grün:

"Those who *pretend* to control our morals and dictate our laws", etc. (p. 275).

All three mistakes occur in a single passage of Morelly which takes up fourteen lines in Herr Grün's book. In his exposition of Morelly there are also numerous plagiarisms from Villegardelle. Herr Grün is able to sum up all his knowledge of the eighteenth century and of the Revolution in the following lines:

"Sensualism, deism and theism together stormed the old world. The old world crumbled. When a new world came to be built, deism was victorious in the Constituent Assembly, theism in the Convention, while pure sensualism was beheaded or silenced" (p. 263).

Here we have the philosophic habit of dismissing history with a few categories proper to ecclesiastical history; Herr Grün reduces it to its basest form, to a mere literary phrase, which serves only to adorn his plagiarisms. *Avis aux philosophes!'* [a warning to the philosophers!]

We skip Herr Grün's remarks about communism. His historical notes are copied from Cabet's brochures, and the *Voyage en Icarie* is viewed from the standpoint adopted by true socialism (cf. *Bürgerbuch* and *Rheinische Jahrbücher* [Karl Grün, "Feuerbach und die Socialisten" and "Politik und Sozialismus"]). Herr Grün shows his knowledge of French, and at the same time of English, conditions by calling Cabet the "communist O'Connell of France" (p. 382), and then says:

"He would be ready to have me hanged if he had the power and knew what I think and write about him. These agitators are dangerous for men such as us, because their *intelligence is limited*" (p. 382).

Proudhon

Herr Stein revealed his intellectual poverty in no uncertain way by treating Proudhon en bagatelle" (cf. Einundzwanzig Bogen, p. 84 [Moses Hess, "Socialismus und Communismus"]). "One needs something more than Hegel's old twaddle to follow this logic incarnate" (p. 411).

A few examples may show that Herr Grün remains true to his nature in this section too. He translates (on pages 437-44) several excerpts from the economic arguments adduced by Proudhon to prove that property is intolerable and finally exclaims:

"To this critique of property, which is the complete liquidation of property, we need add nothing. We have no desire to write a new critique, abolishing in its turn equality of production and the isolation of equal workers. I have already in an earlier passage indicated what is necessary. The rest" (that is, what Herr Grün has not indicated) "we shall see when society is rebuilt, when true property relations are established" (p. 444).

In this way Herr Grün tries to avoid a close investigation of Proudhon's economic arguments and, at the same time, to rise superior to them. Proudhon's whole set of proofs is wrong; however, Herr Grün will realise that, as soon as someone else has proved it.

The comments on Proudhon made in *Die heilige Familie* — in particular those stressing that Proudhon criticises political economy from the standpoint of political economy, and law from the legal standpoint — are copied by Herr Grün. But he has understood so little of the problem that he omits the essential point, [namely] that Proudhon vindicates the *illusions* cherished by jurists and economists [as against] their practice; with regard to the foregoing statement he produces a set of nonsensical [phrases].

The most important thing in Proudhon's book *De la création de l'ordre dans l'humanité* is his *dialectique sérielle,* the attempt to establish a method of thought in which the *process* of thinking is substituted for independent thoughts. Proudhon is looking, from the French standpoint, for a dialectic method such as Hegel has indeed given us. A relationship with Hegel therefore exists here really and does not need to be constructed by means of some imaginative analogy. It would have been an easy matter to offer a criticism of Proudhon's dialectics if the criticism of Hegel's had been mastered. But this was hardly to be expected of the true socialists, since the philosopher Feuerbach himself, to whom they lay claim, did not manage to produce one. Herr Grün makes a highly diverting attempt to shirk his task. At the very moment when he should have brought his heavy German artillery into play, he decamps with an indecent gesture. First of all he fills several pages with translations, and then explains to Proudhon, with boisterous literary *capiatio benevolentiae*, [attempt to win good will] that his *dialectique sérielle* is merely an excuse for *showing off his learning.* He does indeed try to console Proudhon by addressing him as follows:

“Ah, my dear friend, make no mistake about being a man of learning” (or “tutor”). “We have had to forget everything that our school-masters and our university hacks” (with the exception of Stein, Reybaud and Cabet) “have tried to impart to us with such infinite labour and to our mutual disgust” (p. [457]).

As a proof that now Herr Grün no longer absorbs knowledge with such infinite labour”, although perhaps with just as much “disgust”, we may note that he begins his socialist studies and letters in Paris on November 6th [and] by the following January 20th has “inevitably” [not] only concluded his *studies* but has also finished the [exposition of] his

“really complete impression of the entire process”.

V. “Doctor Georg Kuhlmann Of Holstein” Or The Prophecies of True Socialism

The New World*, or *The Kingdom of the Spirit upon Earth. Annunciation [19]

“A man was needed” (so runs the preface) “who would give utterance to all our sorrows, all our longings and all our hopes, to everything, in a word, which moves our age most deeply. And in the midst of this stress and turmoil of doubt and of longing he had to emerge from the solitude of the spirit bearing the solution of the riddle, the living symbols of which encompass us all. This man, whom our age was awaiting, has appeared. He is Dr. Georg Kuhlmann of Holstein.”

August Becker, the writer of these lines, thus allowed himself to be persuaded, by a person of a very simple mind and very ambiguous character, that not a single riddle has yet been solved, not a single vital energy aroused — that the communist movement, which has already gripped all civilised countries, is an empty nut whose kernel cannot be discovered; that it is a universal egg, laid by some great universal hen without the aid of a cock — whereas the true kernel and the true cock of the walk is Dr. Georg Kuhlmann of Holstein!...

This great universal cock turns out, however, to be a perfectly ordinary capon who has fed for a while on the German artisans in Switzerland and who cannot escape his due fate.

Far be it from us to consider Dr. Kuhlmann of Holstein to be a commonplace charlatan and a cunning fraud, who does not himself believe in the efficacy of his elixir of life and who merely applies his science of longevity to the preservation of life in his own body — no, we are well aware that the inspired doctor is a *spiritualistic* charlatan, a *pious* fraud, a *mystical* old fox, but one who, like all his kind, is none too scrupulous in his choice of means, since his own person is intimately connected with his sacred mission. Indeed, sacred missions are always intimately bound up with the holy beings who pursue them; for such missions are of a *purely* idealistic nature and exist *only* in the *mind.* All idealists, philosophic and religious, ancient and modern, believe in inspirations, in revelations, saviours, miracle-workers; whether their belief takes a crude, religious, or a refined, philosophic, form depends only upon their cultural level, just as the degree of energy which they possess, their character, their social position, etc., determine whether their attitude to a belief in miracles is a passive or an active one, i.e., whether they are shepherds performing miracles or whether they are sheep; they further determine whether the aims they pursue are theoretical or practical.

Kuhlmann is a very energetic person and a man of some philosophic education; his attitude to miracles is by no means a passive one and the aims which he pursues are very practical.

All that August Becker has in common with him is the national infirmity of mind. The good fellow

"pities those who cannot bring themselves to see that the will and the ideas of an age can only he expressed by individuals".

For the idealist, every movement designed to transform the world exists only in the head of some chosen being, and the fate of the world depends on whether this head, which is endowed with all wisdom as its own private property, is or is not mortally wounded by some realistic stone before it has had time to make its revelation.

"Or is this not the case?" adds August Becker defiantly. "Assemble all the philosophers and the theologians of the age, let them take counsel and register their votes, and then see what comes of it all!"

The whole of historical development consists, according to the ideologist, in the theoretical abstractions of that development which have taken shape in the "heads" of all "the philosophers and theologians of the age", and since it is impossible to "assemble" all these "heads" and induce them to "take counsel and register their votes", there must of necessity be one sacred head, the apex of all these philosophical and theological heads, and this *top head* is the speculative *unity* of all these *block-heads* — the saviour. This "cranium" system is as old as the Egyptian pyramids, with which it has many similarities, and as new as the Prussian monarchy, in the capital of which it has recently been resurrected in a rejuvenated form. The idealistic Dalai Lamas have this much in common with their real counterpart: they would like to persuade themselves that the world from which they derive their subsistence could not continue without their holy excrement. As soon as this idealistic folly is *put into practice,* its *malevolent* nature is apparent: its clerical lust for power, its religious fanaticism, its charlatanry, its pietistic hypocrisy, its unctuous deceit. Miracles are the *asses' bridge* leading from the kingdom of the idea to *practice*. Dr. Georg Kuhlmann of Holstein is just such an asses' bridge — he is inspired — his magic words cannot fail to move the most stable of mountains. How consoling for those patient creatures who cannot summon up enough energy to blast these *mountains* with *natural powder*! What a source of confidence to the blind and timorous who cannot see the material coherence which underlies the diverse scattered manifestations of the revolutionary movement!

"There has been lacking, up to now, a rallying point," says August Becker.

Saint George overcomes all concrete obstacles with the greatest of ease by transforming — all concrete things into ideas; he then pronounces himself the speculative unity of the latter, and this enables him to "rule and regulate them":

"The society of ideas is the world. And their unity regulates and rules the world" (p. 138).

Our prophet wields all the power he can possibly desire in this "*society of ideas*".

"Led by our own idea, we will wander, hither and thither, and contemplate everything in the minutest detail, as far as our time requires" (p. 138).

What a speculative unity of nonsense!

But paper is long-suffering, and the German public, to whom the prophet issued his oracular pronouncements, knew so little of the philosophic development in its own country that it did not even notice how, in his speculative oracular pronouncements, the great prophet merely reiterated the most decrepit philosophic phrases and adapted them to his practical aims.

Just as medical miracle-workers and miraculous cures are made possible by ignorance of the laws of the *natural* world, so social miracle-workers and miraculous social cures depend upon ignorance of the laws of the *social* world — and the witch-doctor of Holstein is none other than the *socialistic miracle-working shepherd* of Niederempt.

The first revelation which this miracle-working shepherd makes to his flock is as follows:

"I see before me an assembly of the elect, who have gone before me to work by word and deed for the salvation of our time, and who are now come to hear what I have to say concerning the weal and woe of mankind."

"Many have already spoken and written in the name of mankind, but none has yet given utterance to the real nature of man's suffering, his hopes and his expectations, nor told him how he may obtain his desires. That is precisely what I shall do."

And his flock believes him. There is not a single original thought in the whole work of this "Holy Spirit"; he reduces out-of-date socialistic theories to abstractions of the most sterile and general kind. There is nothing original even in the form, the style. Others have imitated more happily the sanctified style of the Bible. Kuhlmann has taken Lamennais' manner of writing as his model, but he merely achieves a caricature of Lamennais. We shall give our readers a sample of the beauties of his style:

"Tell me, firstly,, how feel ye when ye think of your eternal lot?

"Many indeed mock and say: 'What have I to do with eternity?'

"Others rub their eyes and ask: 'Eternity — what may this be?...'

"How feel ye, when ye think of the hour when the grave shall swallow you up?"

"And I hear many voices." One among them speaks in this wise:

"Of recent years it bath been taught that the spirit is eternal, that in death it is only dissolved once more in God, from whom it proccedeth. But they who preach such things cannot tell me what then remaineth of me. Oh, that I had never seen the light of day. And assuming that I do not die — oh, my parents, my sisters, my brothers, my children, and all whom I love, shall I ever see You again! Oh, had I but never seen you!" etc.

"How feel ye, further, if ye think of infinity?" ...

We feel very poorly, Herr Kuhlmann — not at the thought of *death,* but at your *fantastic idea* of death, at your *style*, at the *shabby* means you employ to work upon the *feelings* of others.

"How dost feel," dear reader, when you hear a *priest* who paints hell very hot to terrify his sheep and make their minds very flabby, a priest whose eloquence only aims at stimulating the *tear glands* of his hearers and who speculates only on the *cowardice* of his congregation?

As far as the meagre *content* of the "Annunciation" is concerned, the first section, or the introduction to the *Neue Welt,* can be reduced to the simple thought that Herr *Kuhlmann* has come from Holstein to found the "Kingdom of the Spirit", the "*Kingdom of Heaven*" upon earth; that he was the first to know the real hell and the real heaven — the former being society as it has hitherto existed and the latter being future society, the "Kingdom of the Spirit" — and that he himself is the longed-for holy "spirit......

None of these great thoughts of Saint George are exactly original and there was really no need for him to have bothered to come all the way from Holstein to Switzerland, nor to have descended from the „solitude of the spirit" to the level of the artisans, nor to have "revealed" himself, merely in order to present this "vision" to the "world".

However, the idea that Dr. *Kuhlmann of Holstein's* the "longed-for "holy spirit" is his own exclusive property — and is likely to remain so.

According to Saint George's own "revelation", his Holy Scripture will progress in the following way:

"It will reveal" (he says) "the Kingdom of the Spirit in its earthly guise, that ye may behold its glory and see that there is no other salvation but in the Kingdom of the Spirit. On the other hand, it will expose your vale of tears that ye may behold your wretchedness and know the cause of all your sufferings. Then I shall show the way which leads from this sorrowful present to a joyful future. To this end, follow me in the spirit to a height, whence we may have a free prospect over the broad landscape."

And so the prophet permits us first of all a glimpse of his "*beautiful* landscape", his *Kingdom of Heaven.* We see nothing but a misunderstanding of Saint-Simonism, wretchedly staged, with costumes that are a travesty of Lamennais, embellished with fragments from Herr Stein. We shall now quote the most important revelations from the *Kingdom of Heaven,* which demonstrate the prophetic method. For example, page 37:

"The choice is free and depends on each person's inclinations. Inclinations depend on one's natural faculties." "If in society," Saint George prophesies, "everyone follows his inclination, all the developed and if this is so, that which all faculties of society without exception will be need will

continually be produced, in the realm of the spirit as in the realm of matter. For society always possesses as many faculties and energies as it has needs........ Les attractions sont proportionelles aux Destinies" (cf. also Proudhon).

Herr Kuhlmann differs here from the socialists and the communists only by reason of a *misunderstanding*, the cause of which must be sought in his pursuit of *practical aims* and undoubtedly also in his narrow-mindedness. He confuses the *diversity* of faculties and capacities with the *inequality* of *possessions* and of *enjoyment* conditioned by possession, and *inveighs* therefore against *communism.*

"No one shall have there" (that is, under communism) "any advantage over another", declaims the prophet, "no one shall have more possessions and live better than another.... And if you cherish doubts about it and fail to join in their vociferation, they will abuse you, condemn you, and persecute you and hang you on a gallows" (p. 100).

Kuhlmann sometimes prophesies quite correctly, one must admit.

"In their ranks then are to be found all those who cry: Away with the Bible! Away, above all, with the Christian religion, for it is the religion of humility and servility! Away with all belief whatsoever! We know nothing of God or immortality! They are but figments of the imagination, exploited and continually concocted by deceivers and liars for their advantage" (it should read: which are exploited by the priests for their advantage). "In sooth, he who still believes in such things is the greatest of fools!"

Kuhlmann attacks with particular vehemence those who are on principle opposed to the doctrine of *faith, humility* and *inequality*, i.e., the doctrine of "*difference of rank and birth*". His socialism is based on the abject doctrine of predestined slavery — which, as formulated by Kuhlmann, reminds one strongly of *Friedrich Rohmer* — on the theocratic hierarchy and, in the last instance, on his *own sacred person!*

"Every branch of labour," we find on page 42, "is directed by the most skilled worker, who himself takes part in it, and in the realm of enjoyment every branch is guided by the merriest member, who himself participates in the enjoyment. But, as society is undivided and possesses only one mind, the whole system will he regulated and governed by one man — and he shall be the wisest, the most virtuous and the most blissful."

On page 34 we learn:

"If man strives after virtue in the spirit, then he stirs and moves his limbs and develops and moulds and forms everything in and outside himself according to his pleasure. And if he experiences well-being in the spirit, then he must also experience it in everything that lives in him. Therefore, man eats and drinks and takes delight therein: therefore, he sings, plays and dances, he kisses, weeps and laughs."

The knowledge of the influence which the *vision of God* exerts on the *appetite,* and which *spiritual blissfulness* exerts upon the *sex impulse* is, indeed, not the private property of Kuhlmannism; but it does shed light on *many an obscure passage* in the prophet. For example, page 36:

"Both" (possession and enjoyment) "correspond to his labour" (that is, to man's labour). "Labour is the measure of his needs." (In this way, Kuhlmann distorts the proposition that a communist society has, on the whole, always as many faculties and energies as needs.) "For labour is the expression of the ideas and the instincts. And needs are based on them. But, since the faculties and needs of men are always different, and so apportioned that the former can only be developed and the latter satisfied, if each continually labours for all and the product of the labour of all is exchanged and apportioned in accordance with the deserts" (?) "of each — for this reason each receives only the value of his labour."

The whole of this tautological rigmarole would be — like the following sentences and many others which we spare the reader — utterly *incomprehensible*, despite the "sublime *simplicity* and *clarity*" of the "revelation" so praised by A. Becker, if we had not a *key* in the shape of the *practical aims* which the prophet is pursuing. This makes everything at once comprehensible.

"Value," continues Herr Kuhlmann like an oracle, "determines itself according to the need of all." (?) "In value the work of each is always contained and for it" (?) "he can procure for himself whatever his heart desires." "See, my friends," runs page 39, "the society of true men always regards life as a school ... in which man must educate himself. And thereby it wants to attain bliss. But such" (?) "must become evident and visible" (?). "otherwise it" (?) "is impossible."

What Herr Georg Kuhlmann of Holstein has in view when he says that "such" (life? or bliss?) must "become evident" and "visible", because "it" would otherwise be "impossible" — that "labour" is "contained in value" and that one can procure for it (for what?) one's heart's desire — and finally, that "value" determines itself according to "need" — all this cannot be understood unless one once again takes into account the *crux* of the whole revelation, the *practical point* of it all.

Let us therefore try to offer a practical explanation.

We learn from August Becker that Saint George Kuhlmann of Holstein had no success in his own country. He arrives in Switzerland and finds there an entirely "new world", the communist societies of the German artisans. That is more to his taste — and he attaches himself without delay to communism and the communists. He always, as August Becker tells us, "worked unremittingly to develop his doctrine *further* and *to make it adequate* to the greatness of the times", i.e., he became a communist among the communists *ad majorem Dei gloriam*.

— On Inequality —

So far everything had gone well.

But one of the most vital principles of communism, a principle which distinguishes it from all reactionary socialism, is its empirical view, based on a knowledge of man's nature, that differences of brain and of intellectual ability do not imply any differences whatsoever in the nature of the *stomach* and of physical *needs*; therefore the false tenet, based upon existing circumstances, "to each according to his abilities", must be changed, insofar as it relates to enjoyment in its narrower sense, into the tenet, "*to each according to his need*"; in other words, a *different form* of activity, of labour, does not justify *inequality*, confers no *privileges* in respect of possession and enjoyment.

The prophet could not admit this; for the privileges, the advantages of his station, the feeling of being a chosen one, these are the very stimulus of the prophet.

"But such must become evident and visible, otherwise it is impossible."

Without practical advantages, without some *tangible stimulus*, the prophet would not be a prophet at all, he would not be a *practical*, but only a *theoretical,* man of God, a *philosopher*. The prophet must, therefore, make the communists understand that different forms of *activity* or *labour* give the right to different degrees of *value* and of *bliss* (or of enjoyment, merit, pleasure, it is all the same thing), and since each determines his own *bliss* and his *labour*, therefore, *he*, the prophet — this is the practical point of the revelation — can claim a *better life* than the *common artisan*. [The prophet has moreover *openly* stated this in a lecture which has not been printed.]

After this, all the prophet's obscure passages become clear: that the "possession" and "enjoyment" of each should correspond to his "labour"; that the "labour" of each man should be the measure of his "*needs*"; that, therefore, each should receive the "value" of his labour; that "value" will determine *itself* according to "need" ; that the work of each is "contained" in value and that he can procure for it what his "heart" desires; that, finally, the "bliss" of the chosen one must "become evident and visible", because it is otherwise "impossible". All this nonsense has now become intelligible.

We do not know the exact extent of the practical demands which Dr. Kuhlmann really makes upon the artisans. But we do know that his doctrine is a dogma fundamental to all spiritual and temporal craving for power, a mystic veil which is used to conceal all hypocritical pleasure-seeking; it serves to extenuate any infamy and is the source of many incongruous actions.

We must not omit to show the reader the way which, according to Herr Kuhlmann of Holstein, "leads from this sorrowful present to a joyful future". This way is lovely and delightful as spring in a flowery meadow or as a flowery meadow in spring.

"Softly and gently, with sun-warmed fingers, it puts forth buds, the buds become flowers, the lark and the nightingale warble, the grasshopper in the grass is roused. Let the new world come like the spring" (p. 114 et seq.).

The prophet paints the transition from present social isolation to communal life in truly idyllic colours. just as he has transformed real society into a "society of ideas", so that "led by his own idea he should be able to wander hither and thither, and contemplate everything in the minutest detail, as far as his time requires", so he transforms the real social movement which, in all civilised countries, already proclaims the approach of a terrible social upheaval into a process of *comfortable* and *peaceful conversion*, into a *still life* which will permit the owners and rulers of the world to slumber *peacefully*. For the idealist, the *theoretical abstractions* of real events, their ideal signs, are *reality*; *real events* are merely "sign that the old world is going to its doom".

"Wherefore do ye strive so anxiously for the things of the moment," scolds the prophet on page 118, "they are nothing more than signs that the old world is going to its doom; and wherefore do ye dissipate your strength in strivings which cannot fulfil your hopes and expectations?"

"Ye shall not tear down nor destroy that which ye find in your path, ye shall rather shun it and abandon it. And when ye have shunned it and abandoned it, then it shall cease to exist of itself, for it shall find no other nourishment."

"If ye seek truth and spread light abroad, then lying and darkness will vanish from your midst" (p. 116).

"But there will be many who will say: 'How shall we build a new life as long as the old order prevails and hinders us? Must it not first be destroyed?' 'By no means,' answers the wisest, the most virtuous and the most blissful man. 'By no means. If ye dwell with others in a house' that has become rotten and is too small and uncomfortable for you, and the others wish to remain in it, then ye shall not pull it down and dwell in the open, but ye shall first build a new house, and when it is ready ye shall enter it and abandon the old to its fate"' (p. 120).

The prophet now gives two pages of rules as to how one can *insinuate* oneself into the new world. Then he becomes aggressive:

"But it is not enough that ye should stand together and forsake the old world — ye shall also take up arms against it to make war upon it and to extend your kingdom and strengthen it. Not by the use of force, however, but rather by the use of free persuasion."

But if *nevertheless* it comes about that one has to take up a *real* sword and hazard one's *real* life "to conquer heaven by force", the prophet promises his sacred host a Russian immortality (the Russians believe that they will rise again in their respective localities if they are killed in battle by the enemy):

"And they who shall fall by the wayside shall be born anew and shall rise more beauteous than they were before. Therefore" (therefore) "take no thought for your life and fear not death" (p. 129).

Even in a conflict with real weapons, says the prophet reassuringly to his sacred host, you do not *really* risk your life; you merely pretend to risk it. The prophet's doctrine is in every sense *sedative*. After these samples of his Holy Scripture one cannot wonder at the applause it has met with among certain *easy-going slowcoaches*.

Footnotes

1. A reference to the writers of *Young Germany* (*Junges Deutschland*) — a literary group that emerged in Germany in the 1830s and was influenced by Heinrich Heine and Ludwig Börne. The Young Germany writers (Karl Gutzkow, Ludolf Wienbarg, Theodor Mundt and others) came out in defence of freedom of conscience and the press. Their writings reflected opposition sentiments of the petty bourgeoisie and intellectuals. The views of the Young Germans were politically vague and inconsistent; soon the majority of them turned into mere liberals
2. ↑ The *Levellers* were a democratic-republican trend in the English bourgeois revolution of the mid-17th century. The reference in the text is probably to the most radical section of the Levellers known as True Levellers, or Diggers. The Diggers represented the poorest strata that suffered both from feudal and capitalist exploitation in the town and the countryside. In contrast to the mass of the Levellers, who wanted to retain private property, the Diggers advocated common property and other ideas of equalitarian communism
3. ↑ *National reformers* — members of the National Reform Association founded in the U.S.A. in 1845. The Association, which consisted mainly of artisans and workers, and declared that every worker should have the right to a piece of land free of charge, started a campaign for a land reform against the slave-owning planters and land speculators. It also put forward a number of other democratic demands such as abolition of the standing army, abolition of slavery and introduction of the ten-hour working day
4. ↑ *Humaniora* (humanities) — the subjects the study of which was considered essential for the knowledge of ancient classical culture; the humanists of the Renaissance and their followers regarded these subjects as the basis of humanistic education
5. ↑ *Neue Anekdota* — collection of articles by Moses Hess, Karl Grün, Otto Lüning and other representatives of "true socialism" published in Darmstadt at the end of May 1845
6. ↑ *Cabinet Montpensier* — a reading room in the Palais-Royal, formerly a palace of the Princes of Orleans in Paris
7. ↑ Probably an allusion to the organisers of the first political parties of American workers and artisans founded at the end of the 1820s — the Republican Political Association of the Working Men of the City of

Philadelphia, the New York Working Men's Party (their leaders were Frances Wright, Robert Dale Owen, Thomas Skidmore) and other labour associations in various American towns. These organisations had a democratic programme, advocated land reform and other social measures and supported the demand for a ten-hour working day. Although they were short-lived (they existed only until 1834), had a local characters and were composed of factions holding rather heterogeneous views, these first workers' parties gave an impetus to the incipient labour movement in the United States and helped to disseminate utopian socialist ideas, for many of their members were supporters of this trend

8. ↑ The *States-General* — the supreme executive and legislative organ of the Netherlands or the Republic of the United Provinces, as the country was called from 1579 to 1795. 'this assembly consisted of representatives of the seven provinces. The trading bourgeoisie played a dominant part in it
9. ↑ *Lettres d'un Habitant de Cenève à ses Contemporains* was written by Saint-Simon in 1802 and published anonymously in Paris in 1803
10. ↑ *The Newton Council* — a plan to set up such a council was put forward by Saint-Simon in his book *Lettres d'un Habitant de Cenève à ses Contemporains*. Its purpose was to create conditions that would enable scientists and artists to develop their talents freely. Funds were to be raised by public subscription. Each subscriber was to nominate three mathematicians, three physicists, three chemists, three physiologists, three writers, three painters and three musicians. The sum collected by subscription was to be divided among the three mathematicians, physicists, etc., who had received the greatest number of votes and had thus become members of the Newton Council
11. ↑ The reference is to the following sentences: "The aim of all social institutions must be to improve the moral, intellectual and physical condition of the most numerous and poorest class. "All inherited privileges, without exception, are abolished. "To each according to his capacity, to each capacity according to its works
12. ↑ The first schism of the Saint-Simonian school occurred in November 183 1, caused by Enfantin's and Bazard's increasingly discordant views on religion, marriage and the family
13. ↑ *Ménilmontant* — then a suburb of Paris where Enfantin, who after Bazard's death became the acknowledged leader of the Saint-Simonian school, the "father superior" of the Saint-Simonists, tried to establish a labour commune in 1832. Enfantin's work *Économie politique et Politique* was printed in book form in Paris in 183 1, after having been published earlier as a series of articles in the newspaper *Le Globe*.
14. ↑ *Le Livre nouveau* (The New Book) — a manuscript containing an exposition of the Saint-Simonian doctrine. It was drawn up by the leaders of

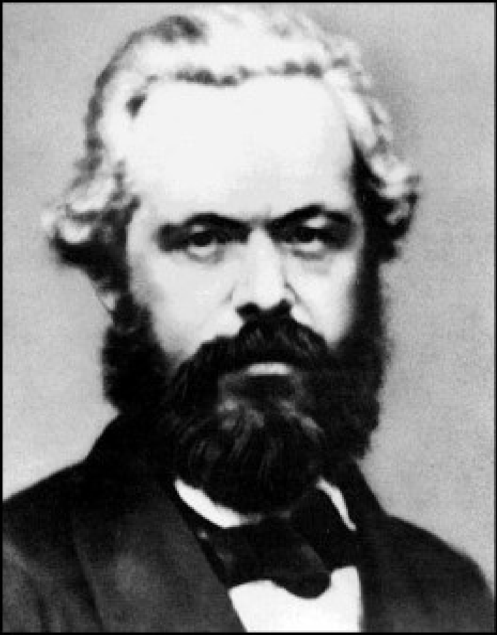
the Saint-Simonian school, which was headed by Enfantin, in the course of a series of meetings held in July 1832. Among the leaders present were Barrot, Fournel, Chevalier, Duverier and Lambert. The authors intended the book to become the "new Bible" of the Saint-Simonian doctrine. Extracts from the *Livre nouveau* and other information about it can be found in Reybaud's book *Études sur les réformateurs ou socialistes modernes.*

15. ↑ *Fourier's series* — a method of classification which Fourier used to analyse various natural and social phenomena. With the help of this method he tried, in particular, to work out a new social science based on the doctrine of attraction and repulsion of passions. which he regarded as the principal factor of social development (passions, in their turn, were classified by Fourier into groups or series). In this method Fourier combines unscientific and fantastic elements with rational observations
16. ↑ Organisers of labour — an allusion to the utopian socialists (in particular Fourier and his followers) who put forward a plan for the peaceful transformation of society by means of associations, that is, by "organisation of labour", which they opposed to the anarchy of production under capitalism.
    Some of these ideas were used by the French petty-bourgeois socialist Louis Blanc in his book Organisation du travail (Paris, 1839) in which he proposed that the bourgeois state should transform contemporary society into a socialist society.
17. ↑ *Patristic philosophy* — the teachings of the Fathers of the Church (3rd to 5th century)
18. ↑ The spontaneous popular risings which took place in many parts of France, and also in Paris, in 1775 were caused by crop failure and famine. The feudal aristocracy which was against Turgot's reforms used these uprisings to oust him from the post of Controller-General of Finance. In the spring of 1776, Turgot was dismissed and the reforms he had introduced (free trade in grain, abolition of some feudal privileges and of the guilds) were rescinded.
19. ↑ Unlike the other extant chapters of Volume II, which are in Engels' handwriting, the manuscript of Chapter V is in Joseph Weydemeyer's hand and "M. Hess" is written at the end. In December 1845, the journal *Gesellschaftsspiegel* No. 6 carried an article by Hess under the heading "Umtriebe der Kommunistischen Propheten" which discussed the same subject in a similar way as this chapter. It is probable that Chapter V was written by Hess, copied by Weydemeyer and edited by Marx and Engels. *Die Neue Welt oder das Reich des Geistes auf Erden*, the book examined in this chapter, was published anonymously in 1845. It consists of lectures by Georg Kuhlmann delivered in the Swiss communities of the League of the

Just. These communities were founded by Wilhelm Weitling. The League of the Just was a secret organisation of German workers and artisans, which had branches in Germany, France, Switzerland and England. The ideas of "true socialism" were at that time widespread among the members of the League, many of whom were artisans living abroad. A criticism of Kuhlmann's activities and his book can be found in the article "Zur Geschichte des Urchristentums" written

Grundrisse

Karl Marx



MARXISTS INTERNET ARCHIVE

Grundrisse

Foundations of the Critique of Political Economy (Rough Draft)

Karl Marx

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Bastiat and Carey
Editorial Notes

Note on the Text

Marx wrote this huge manuscript as part of his preparation for what would become *A Contribution to the Critique of Political Economy* (published in 1859) and *Capital* (published 1867).

Soviet Marxologists released several never-before-seen Marx/Engels works in the 1930s. Most were early works – like the *Economic and Philosophical Manuscripts* – but the *Grundrisse* stood alone as issuing forth from the most intense period of Marx’s decade-long, in-depth study of economics. It is an extremely rich and thought-provoking work, showing signs of humanism and the influence of Hegelian dialectic method. Do note, though, Marx did not intend it for publication as is, so it can be stylistically very rough in places.

The series of seven notebooks were rough-drafted by Marx, chiefly for purposes of self-clarification, during the winter of 1857-8. The manuscript became lost in circumstances still unknown and was first effectively published, in the German original, in 1953. A limited edition was published by Foreign Language Publishers in Moscow in two volumes, 1939 and 1941 respectively, under the editorship of the Marx-Engels-Lenin Institute, Moscow. The first volume contained the introduction and the seven notebooks translated here. The second added fragments from Marx’s 1851 notebooks of excerpts from Ricardo, the fragment ‘Bastiat and Carey’ (also included in this translation), and miscellaneous related material; also extensive annotations and sources. A photo-offset reprint of the two volumes bound in one, minus illustrations and facsimiles, was issued by Dietz Verlag, Berlin (E.), in 1953, and is the basis of the present translation. It is referred to hereafter as *Grundrisse*. Rosdolsky states that only three or four copies of the 1939-41 edition ever reached ‘the western world’.

Analytical Contents List

INTRODUCTION (Notebook M)
(1) Production in general
(2) General relation between production, distribution, exchange and consumption
(3) The method of political economy
(4) Means (forces) of production and relations of production, relations of production and relations of circulation
THE CHAPTER ON MONEY (Notebooks I and II, pp. 1–7)
Darimon's theory of crises
Gold export and crises
Convertibility and note circulation
Value and price
Transformation of the commodity into exchange value; money
Contradictions in the money relation
(1) Contradiction between commodity as product and commodity as exchange value
(2) Contradiction between purchase and sale
(3) Contradiction between exchange for the sake of exchange and exchange for the sake of commodities
(Aphorisms)
(4) Contradiction between money as particular commodity and money as general commodity
(The *Economist* and the *Morning Star* on money)
Attempts to overcome the contradictions by the issue of time-chits
Exchange value as mediation of private interests
Exchange value (money) as social bond
Social relations which create an undeveloped system of exchange
The product becomes a commodity; the commodity becomes exchange value; the exchange value of the commodity becomes money
Money as measure
Money as objectification of general labour time
(Incidental remark on gold and silver)
Distinction between particular labour time and general labour time
Distinction between planned distribution of labour time and measurement of exchange values by labour time
(Strabo on money among the Albanians)

The precious metals as subjects of the money relation
(a) Gold and silver in relation to the other metals
(b) Fluctuations in the value-relations between the different metals
(c) and (d) (headings only): Sources of gold and silver; money as coin
Circulation of money and opposite circulation of commodities
General concept of circulation
(a) Circulation circulates exchange values in the form of prices
(Distinction between real money and accounting money)
(b) Money as the medium of exchange
(What determines the quantity of money required for circulation)
(Comment on (a))
Commodity circulation requires appropriation through alienation
Circulation as an endlessly repeated process
The price as external to and independent of the commodity
Creation of general medium of exchange
Exchange as a special business
Double motion of circulation: C–M; M–C, and M–C; C–M
Three contradictory functions of money
(1) Money as general material of contracts, as measuring unit of exchange values
(2) Money as medium of exchange and realizer of prices
(Money, as representative of price, allows commodities to be exchanged at equivalent prices)
(An example of confusion between the contradictory functions of money)
(Money as particular commodity and money as general commodity)
(3) Money as money: as material representative of wealth (accumulation of money)
(Dissolution of ancient communities through money)
(Money, unlike coin, has a universal character)
(Money in its third function is the negation (negative unity) of its character as medium of circulation and measure)
(Money in its metallic being; accumulation of gold and silver)
(Headings on money, to be elaborated later)
THE CHAPTER ON CAPITAL (Notebooks II pp. 8–28, III-VII)
The Chapter on Money as Capital
Difficulty in grasping money in its fully developed character as money
Simple exchange: relations between the exchangers
(Critique of socialists and harmonizers: Bastiat, Proudhon)

SECTION ONE: THE PRODUCTION PROCESS OF CAPITAL

Nothing is expressed when capital is characterized merely as a sum of values
Landed property and capital
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Circulation presupposes another process; motion between presupposed extremes
Transition from circulation to capitalist production
Capital is accumulated labour (etc.)
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Circulation, and exchange value deriving from circulation, the presupposition of capital
Exchange value emerging from circulation, a presupposition of circulation, preserving and multiplying itself in it by means of labour
Product and capital. Value and capital. Proudhon
Capital and labour. Exchange value and use value for exchange value
Money and its use value (labour) in this relation capital. Self-multiplication of value is its only movement
Capital, as regards substance, objectified labour. Its antithesis living, productive labour
Productive labour and labour as performance of a service
Productive and unproductive labour. A. Smith etc.
The two different processes in the exchange of capital with labour
Capital and modern landed property
The market
Exchange between capital and labour. Piecework wages
Value of labour power
Share of the wage labourer in general wealth determined only quantitatively
Money is the worker’s equivalent; he thus confronts capital as an equal
But the aim of his exchange is satisfaction of his need. Money for him is only medium of circulation
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Valuelessness and devaluation of the worker a condition of capital
(Labour power as capital!)
Wages not productive
The exchange between capital and labour belongs within simple circulation, does not enrich the worker
Separation of labour and property the precondition of this exchange

Labour as object absolute poverty, labour as subject general possibility of wealth
Labour without particular specificity confronts capital
Labour process absorbed into capital
(Capital and capitalist)
Production process as content of capital
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The worker divests himself of labour as the wealth-producing power; capital appropriates it as such
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(Parentheses on: original accumulation of capital, historic presuppositions of capital, production in general)
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Value of labour. How it is determined
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Capital is productive as creator of surplus labour
But this is only a historical and transitory phenomenon
Theories of surplus value (Ricardo; the Physiocrats; Adam Smith; Ricardo again)
Surplus value and productive force. Relation when these increase
Result: in proportion as necessary labour is already diminished, the realization of capital becomes more difficult
Concerning increases in the value of capital
Labour does not reproduce the value of material and instrument, but rather preserves it by relating to them in the labour process as to their objective conditions
Absolute surplus labour time. Relative
It is not the quantity of living labour, but rather its quality as labour which preserves the labour time already contained in the material
The change of form and substance in the direct production process
It is inherent in the simple production process that the previous stage of production is preserved through the subsequent one
Preservation of the old use value by new labour

The quantity of objectified labour is preserved because contact with living labour preserves its quality as use value for new labour

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The capitalist obtains surplus labour free of charge together with the maintenance of the value of material and instrument

Through the appropriation of present labour, capital already possesses a claim to the appropriation of future labour

Confusion of profit and surplus value. Carey’s erroneous calculation

The capitalist, who does not pay the worker for the preservation of the old value, then demands remuneration for giving the worker permission to preserve the old capital

Surplus Value and Profit

Difference between consumption of the instrument and of wages. The former consumed in the production process, the latter outside it

Increase of surplus value and decrease in rate of profit

Multiplication of simultaneous working days

Machinery

Growth of the constant part of capital in relation to the variable part spent on wages = growth of the productivity of labour

Proportion in which capital has to increase in order to employ the same number of workers if productivity rises

Percentage of total capital can express very different relations

Capital (like property in general) rests on the productivity of labour

Increase of surplus labour time. Increase of simultaneous working days. (Population)

(Population can increase in proportion as necessary labour time becomes smaller)

Transition from the process of the production of capital into the process of circulation

SECTION TWO: THE CIRCULATION PROCESS OF CAPITAL

Devaluation of capital itself owing to increase of productive forces

(Competition)

Capital as unity and contradiction of the production process and the realization process

Capital as limit to production. Overproduction

Demand by the workers themselves

Barriers to capitalist production

Overproduction; Proudhon
Price of the commodity and labour time
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The determination of value and of prices
The general rate of profit
The capitalist merely sells at his own cost of production, then it is a transfer to another capitalist. The worker gains almost nothing thereby
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Chief result of the production and realization process
Original Accumulation of Capital
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(Parenthesis on inversion of the law of property, real alien relation of the worker to his product, division of labour, machinery)
Forms which precede capitalist production. (Concerning the process which precedes the formation of the capital relation or of original accumulation)
Exchange of labour for labour rests on the worker’s propertylessness
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Concentration of many workers; productive force of this concentration
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Transport to market (spatial condition of circulation) belongs in the production process
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Capital is circulating capital
Influence of circulation on the determination of value; circulation time = time of devaluation
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(Capital itself is the contradiction)
Circulation and creation of value
Capital not a source of value-creation
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Ricardo’s theory of value. Wages and profit
Quincey
Ricardo
Wakefield. Conditions of capitalist production in colonies
Surplus value and profit. Example (Malthus)
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Carey’s theory of the cheapening of capital for the worker
Carey’s theory of the decline of the rate of profit
Wakefield on the contradiction between Ricardo’s theories of wage labour and of value
Bailey on dormant capital and increase of production without previous increase of capital
Wade’s explanation of capital. Capital, collective force. Capital, civilization
Rossi. What is capital? Is raw material capital? Are wages necessary for it?

Malthus. Theory of value and of wages
Aim of capitalist production value (money), not commodity, use value etc. Chalmers
Difference in return. Interruption of the production process. Total duration of the production process. Unequal periods of production
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Adam Smith: work as sacrifice
Adam Smith: the origin of profit
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Circulation costs. Circulation time
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Fixed (tied down) capital and circulating capital
Constant and variable capital
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Surplus value. Production time. Circulation time. Turnover time
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Significance of the development of fixed capital (for the development of capital generally)
The chief role of capital is to create disposable time; contradictory form of this in capital
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Capital and value of natural agencies
Scope of fixed capital indicates the level of capitalist production
Is money fixed capital or circulating capital?
Turnover time of capital consisting of fixed capital and circulating capital. Reproduction time of fixed capital
The same commodity sometimes circulating capital, sometimes fixed capital
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The counter-value of circulating capital must be produced within the year. Not so for fixed capital. It engages the production of subsequent years
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Revenue of fixed capital and circulating capital
Free labour = latent pauperism. Eden
The smaller the value of fixed capital in relation to its product, the more useful
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Wakefield, Carey and Bastiat on the rate of profit
Capital and revenue (profit). Production and distribution. Sismondi
Transformation of surplus value into profit
Laws of this transformation
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Value of fixed capital and its productive power
Machinery and surplus labour. Recapitulation of the doctrine of surplus value

generally
Relation between the objective conditions of production. Change in the proportion of the component parts of capital

MISCELLANEOUS

Money and fixed capital: presupposes a certain amount of wealth. Relation of fixed capital and circulating capital. (*Economist*)
Slavery and wage labour; profit upon alienation (Steuart)
Steuart, Montanari and Gouge on money
The wool industry in England since Elizabeth; silk-manufacture; iron; cotton
Origin of free wage labour. Vagabondage. (Tuckett)
Blake on accumulation and rate of profit; dormant capital
Domestic agriculture at the beginning of the sixteenth century. (Tuckett)
Profit. Interest. Influence of machinery on the wage fund. (*Westminster Review*)
Money as measure of values and yardstick of prices. Critique of theories of the standard measure of money
Transformation of the medium of circulation into money. Formation of treasures. Means of payment. Prices of commodities and quantity of circulating money. Value of money
Capital, not labour, determines the value of money. (Torrens)
The minimum of wages
Cotton machinery and working men in 1826. (Hodgskin)
How the machine creates raw material. (*Economist*)
Machinery and surplus labour
Capital and profit. Relation of the worker to the conditions of labour in capitalist production. All parts of capital bring a profit
Tendency of the machine to prolong labour
Cotton factories in England. Example for machinery and surplus labour
Examples from Glasgow for the rate of profit
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Introduction

Late August – Mid-September 1857

1. Production, Consumption, Distribution, Exchange (Circulation)

(1) PRODUCTION

Independent Individuals. Eighteenth-century Ideas

The object before us, to begin with, *material production*.

Individuals producing in society – hence socially determined individual production – is, of course, the point of departure. The individual and isolated hunter and fisherman, with whom Smith and Ricardo begin, belongs among the unimaginative conceits of the eighteenth-century Robinsonades, [1] which in no way express merely a reaction against over-sophistication and a return to a misunderstood natural life, as cultural historians imagine. As little as Rousseau's *contrat social*, which brings naturally independent, autonomous subjects into relation and connection by contract, rests on such naturalism. This is the semblance, the merely aesthetic semblance, of the Robinsonades, great and small. It is, rather, the anticipation of 'civil society', in preparation since the sixteenth century and making giant strides towards maturity in the eighteenth. In this society of free competition, the individual appears detached from the natural bonds etc. which in earlier historical periods make him the accessory of a definite and limited human conglomerate. Smith and Ricardo still stand with both feet on the shoulders of the eighteenth-century prophets, in whose imaginations this eighteenth-century individual – the product on one side of the dissolution of the feudal forms of society, on the other side of the new forces of production developed since the sixteenth century – appears as an ideal, whose existence they project into the past. Not as a historic result but as history's point of departure. As the Natural Individual appropriate to their notion of human nature, not arising historically, but posited by nature. This illusion has been common to each new epoch to this day. Steuart [2] avoided this simple-mindedness because as an aristocrat and in antithesis to the eighteenth century, he had in some respects a more historical footing.

The more deeply we go back into history, the more does the individual, and hence also the producing individual, appear as dependent, as belonging to a greater whole: in a still quite natural way in the family and in the family expanded into the clan [*Stamm*]; then later in the various forms of communal society arising out of the antitheses and fusions of the clan. Only in the eighteenth century, in ‘civil society’, do the various forms of social connectedness confront the individual as a mere means towards his private purposes, as external necessity. But the epoch which produces this standpoint, that of the isolated individual, is also precisely that of the hitherto most developed social (from this standpoint, general) relations. The human being is in the most literal sense a ζῶον πολιτιχόν, [3] not merely a gregarious animal, but an animal which can individuate itself only in the midst of society. Production by an isolated individual outside society – a rare exception which may well occur when a civilized person in whom the social forces are already dynamically present is cast by accident into the wilderness – is as much of an absurdity as is the development of language without individuals living *together* and talking to each other. There is no point in dwelling on this any longer. The point could go entirely unmentioned if this twaddle, which had sense and reason for the eighteenth-century characters, had not been earnestly pulled back into the centre of the most modern economics by Bastiat, [4] Carey, [5] Proudhon etc. Of course it is a convenience for Proudhon et al. to be able to give a historico-philosophic account of the source of an economic relation, of whose historic origins he is ignorant, by inventing the myth that Adam or Prometheus stumbled on the idea ready-made, and then it was adopted, etc. Nothing is more dry and boring than the fantasies of a *locus communis*. [6]

Eternalization of historic relations of production. – Production and distribution in general. – Property

Whenever we speak of production, then, what is meant is always production at a definite stage of social development – production by social individuals. It might seem, therefore, that in order to talk about production at all we must either pursue the process of historic development through its different phases, or declare beforehand that we are dealing with a specific historic epoch such as e.g. modern bourgeois production, which is indeed our particular theme. However, all epochs of production have certain common traits, common characteristics. *Production in general* is an abstraction, but a rational abstraction in so far as it really brings out and fixes the common element and thus saves us repetition. Still, this *general* category, this common element sifted out by comparison, is itself segmented many times over and splits into different determinations. Some determinations belong to all epochs, others only to a few. [Some] determinations will be shared by the most modern epoch and the most ancient. No production will be thinkable without them; however even though the most developed languages have laws and characteristics in common with the least developed, nevertheless, just those things which determine their development, i.e. the elements which are not general and common, must be separated out from the determinations valid for production as such, so that in their unity – which arises already from the identity of the subject, humanity, and of the object, nature – their essential difference is not forgotten. The whole profundity of those modern economists who demonstrate the eternity and harmoniousness of the existing social relations lies in this forgetting. For example. No production possible without an instrument of production, even if this instrument is only the hand. No production without stored-up, past labour, even if it is only the facility gathered together and concentrated in the hand of the savage by repeated practice. Capital is, among other things, also an instrument of production, also objectified, past labour. Therefore capital is a general, eternal relation of nature; that is, if I leave out just the specific quality which alone makes ‘instrument of production’ and ‘stored-up labour’ into capital. The entire history of production relations thus appears to Carey, for example, as a malicious forgery perpetrated by governments.

If there is no production in general, then there is also no general production. Production is always a *particular* branch of production – e.g. agriculture, cattle-raising, manufactures etc. – or it is a *totality*. But political economy is not technology. The relation of the general characteristics of production at a given stage of social development to the particular forms of production to be developed elsewhere (later). Lastly, production also is not only a particular production. Rather, it is always a certain social body, a social subject, which is active in a greater or sparser totality of branches of production. Nor does the relationship between scientific presentation and the real movement belong here yet. Production in general. Particular branches of production. Totality of production.

It is the fashion to preface a work of economics with a general part – and precisely this part figures under the title ‘production’ (see for example J. St. Mill) [7] – treating of the *general preconditions* of all production. This general part consists or is alleged to consist of (1) the conditions without which production is not possible. I.e. in fact, to indicate nothing more than the essential moments of all production. But, as we will see, this reduces itself in fact to a few very simple characteristics, which are hammered out into flat tautologies; (2) the conditions which promote production to a greater or lesser degree, such as e.g. Adam Smith’s progressive and stagnant state of society. While this is of value in his work as an insight, to elevate it to scientific significance would require investigations into the periodization of *degrees of productivity* in the development of individual peoples – an investigation which lies outside the proper boundaries of the theme, but, in so far as it does belong there, must be brought in as part of the development of competition, accumulation etc. In the usual formulation, the answer amounts to the general statement that an industrial people reaches the peak of its production at the moment when it arrives at its historical peak generally. In fact. The industrial peak of a people when its main concern is not yet gain, but rather to gain. Thus the Yankees over the English. Or, also, that e.g. certain races, locations, climates, natural conditions such as harbours, soil fertility etc. are more advantageous to production than others. This too amounts to the tautology that wealth is more easily created where its elements are subjectively and objectively present to a greater degree.

But none of all this is the economists’ real concern in this general part. The aim is, rather, to present production – see e.g. Mill – as distinct from distribution etc., as encased in eternal natural laws independent of history, at which opportunity *bourgeois* relations are then quietly smuggled in as the inviolable natural laws on which society in the abstract is founded. This is the more or less conscious purpose of the whole proceeding. In distribution, by contrast, humanity has allegedly permitted itself to be considerably more arbitrary. Quite apart from this crude tearing-apart of production and distribution and of their real relationship, it must be apparent from the outset that, no matter how differently distribution may have been arranged in different stages of social development, it must be possible here also, just as with production, to single out common characteristics, and just as possible to confound or to extinguish all historic differences under *general human* laws. For example, the slave, the serf and the wage labourer all receive a quantity of food which makes it possible for them to exist as slaves, as serfs, as wage labourers. The conqueror who lives from tribute, or the official who lives from taxes, or the landed proprietor and his rent, or the monk and his alms, or the Levite and his tithe, all receive a quota of social production, which is determined by other laws than that of the slave's, etc. The two main points which all economists cite under this rubric are: (1) property; (2) its protection by courts, police, etc. To this a very short answer may be given:

to 1. All production is appropriation of nature on the part of an individual within and through a specific form of society. In this sense it is a tautology to say that property (appropriation) is a precondition of production. But it is altogether ridiculous to leap from that to a specific form of property, e.g. private property. (Which further and equally presupposes an antithetical form, *non-property*.) History rather shows common property (e.g. in India, among the Slavs, the early Celts, etc.) to be the more [8] original form, a form which long continues to play a significant role in the shape of communal property. The question whether wealth develops better in this or another form of property is still quite beside the point here. But that there can be no production and hence no society where some form of property does not exist is a tautology. An appropriation which does not make something into property is a *contradictio in subjecto*.

to 2. Protection of acquisitions etc. When these trivialities are reduced to their real content, they tell more than their preachers know. Namely that every form of production creates its own legal relations, form of government, etc. In bringing things which are organically related into an accidental relation, into a merely reflective connection, they display their crudity and lack of conceptual understanding. All the bourgeois economists are aware of is that production can be carried on better under the modern police than e.g. on the principle of might makes right. They forget only that this principle is also a legal relation, and that the right of the stronger prevails in their ‘constitutional republics’ as well, only in another form.

When the social conditions corresponding to a specific stage of production are only just arising, or when they are already dying out, there are, naturally, disturbances in production, although to different degrees and with different effects.

To summarize: There are characteristics which all stages of production have in common, and which are established as general ones by the mind; but the so-called *general preconditions* of all production are nothing more than these abstract moments with which no real historical stage of production can be grasped.

(2) THE GENERAL RELATION OF PRODUCTION TO DISTRIBUTION, EXCHANGE, CONSUMPTION

Before going further in the analysis of production, it is necessary to focus on the various categories which the economists line up next to it.

The obvious, trite notion: in production the members of society appropriate (create, shape) the products of nature in accord with human needs; distribution determines the proportion in which the individual shares in the product; exchange delivers the particular products into which the individual desires to convert the portion which distribution has assigned to him; and finally, in consumption, the products become objects of gratification, of individual appropriation. Production creates the objects which correspond to the given needs; distribution divides them up according to social laws; exchange further parcels out the already divided shares in accord with individual needs; and finally, in consumption, the product steps outside this social movement and becomes a direct object and servant of individual need, and satisfies it in being consumed. Thus production appears as the point of departure, consumption as the conclusion, distribution and exchange as the middle, which is however itself twofold, since distribution is determined by society and exchange by individuals. The person objectifies himself in production, the thing subjectifies itself in the person; [9] in distribution, society mediates between production and consumption in the form of general, dominant determinants; in exchange the two are mediated by the chance characteristics of the individual.

Distribution determines the relation in which products fall to individuals (the amount); exchange determines the production [10] in which the individual demands the portion allotted to him by distribution.

Thus production, distribution, exchange and consumption form a regular syllogism; production is the generality, distribution and exchange the particularity, and consumption the singularity in which the whole is joined together. This is admittedly a coherence, but a shallow one. Production is determined by general natural laws, distribution by social accident, and the latter may therefore promote production to a greater or lesser extent; exchange stands between the two as formal social movement; and the concluding act, consumption, which is conceived not only as a terminal point but also as an end-in-itself, actually belongs outside economics except in so far as it reacts in turn upon the point of departure and initiates the whole process anew.

The opponents of the political economists – whether inside or outside its realm – who accuse them of barbarically tearing apart things which belong together, stand either on the same ground as they, or beneath them. Nothing is more common than the reproach that the political economists view production too much as an end in itself, that distribution is just as important. This accusation is based precisely on the economic notion that the spheres of distribution and of production are independent, autonomous neighbours. Or that these moments were not grasped in their unity. As if this rupture had made its way not from reality into the textbooks, but rather from the textbooks into reality, and as if the task were the dialectic balancing of concepts, and not the grasping of real relations!

[*Consumption and Production*]

(a_1) Production is also immediately consumption. Twofold consumption, subjective and objective: the individual not only develops his abilities in production, but also expends them, uses them up in the act of production, just as natural procreation is a consumption of life forces. Secondly: consumption of the means of production, which become worn out through use, and are partly (e.g. in combustion) dissolved into their elements again. Likewise, consumption of the raw material, which loses its natural form and composition by being used up. The act of production is therefore in all its moments also an act of consumption. But the economists admit this. Production as directly identical with consumption, and consumption as directly coincident with production, is termed by them *productive consumption.* This identity of production and consumption amounts to Spinoza's thesis: *determinatio est negatio.* [11]

But this definition of productive consumption is advanced only for the purpose of separating consumption as identical with production from consumption proper, which is conceived rather as the destructive antithesis to production. Let us therefore examine consumption proper.

Consumption is also immediately production, just as in nature the consumption of the elements and chemical substances is the production of the plant. It is clear that in taking in food, for example, which is a form of consumption, the human being produces his own body. But this is also true of every kind of consumption which in one way or another produces human beings in some particular aspect. Consumptive production. But, says economics, this production which is identical with consumption is secondary, it is derived from the destruction of the prior product. In the former, the producer objectified himself, in the latter, the object he created personifies itself. Hence this consumptive production – even though it is an immediate unity of production and consumption – is essentially different from production proper. The immediate unity in which production coincides with consumption and consumption with production leaves their immediate duality intact.

Production, then, is also immediately consumption, consumption is also immediately production. Each is immediately its opposite. But at the same time a mediating movement takes place between the two. Production mediates consumption; it creates the latter's material; without it, consumption would lack an object. But consumption also mediates production, in that it alone creates for the products the subject for whom they are products. The product only obtains its last finish in consumption. A railway on which no trains run, hence which is not used up, not consumed, is a railway only δυνάμει, [13] and not in reality.

Without production, no consumption; but also, without consumption, no production; since production would then be purposeless. Consumption produces production in a double way, (1) because a product becomes a real product only by being consumed. For example, a garment becomes a real garment only in the act of being worn; a house where no one lives is in fact not a real house; thus the product, unlike a mere natural object, proves itself to be, *becomes,* a product only through consumption. Only by decomposing the product does consumption give the product the finishing touch; for the product is production not as [14] objectified activity, but rather only as object for the active subject; (2) because consumption creates the need for *new* production, that is it creates the ideal, internally impelling cause for production, which is its presupposition. Consumption creates the motive for production; it also creates the object which is active in production as its determinant aim. If it is clear that production offers consumption its external object, it is therefore equally clear that consumption *ideally posits* the object of production as an internal image, as a need, as drive and as purpose. It creates the objects of production in a still subjective form. No production without a need. But consumption reproduces the need.

Production, for its part, correspondingly (1) furnishes the material and the object for consumption. [15] Consumption without an object is not consumption; therefore, in this respect, production creates, produces consumption. (2) But the object is not the only thing which production creates for consumption. Production also gives consumption its specificity, its character, its finish. Just as consumption gave the product its finish as product, so does production give finish to consumption. *Firstly,* the object is not an object in general, but a specific object which must be consumed in a specific manner, to be mediated in its turn by production itself. Hunger is hunger, but the hunger gratified by cooked meat eaten with a knife and fork is a different hunger from that which bolts down raw meat with the aid of hand, nail and tooth. Production thus produces not only the object but also the manner of consumption, not only objectively but also subjectively. Production thus creates the consumer. (3) Production not only supplies a material for the need, but it also supplies a need for the material. As soon as consumption emerges from its initial state of natural crudity and immediacy – and, if it remained at that stage, this would be because production itself had been arrested there – it becomes itself mediated as a drive by the object. The need which consumption feels for the object is created by the perception of it. The object of art – like every other product – creates a public which is sensitive to art and enjoys beauty. Production thus not only creates an object for the subject, but also a subject for the object. Thus production produces consumption (1) by creating the material for it; (2) by determining the manner of consumption; and (3) by creating the products, initially posited by it as objects, in the form of a need felt by the consumer. It thus produces the object of consumption, the manner of consumption and the motive of consumption. Consumption likewise produces the producer's *inclination* by beckoning to him as an aim-determining need.

The identities between consumption and production thus appear threefold:

(1) *Immediate identity:* Production is consumption, consumption is production. Consumptive production. Productive consumption. The political economists call both productive consumption. But then make a further distinction. The first figures as reproduction, the second as productive consumption. All investigations into the first concern productive or unproductive labour; investigations into the second concern productive or non-productive consumption.

(2) [In the sense] that one appears as a means for the other, is mediated by the other: this is expressed as their mutual dependence; a movement which relates them to one another, makes them appear indispensable to one another, but still leaves them external to each other. Production creates the material, as external object, for consumption; consumption creates the need, as internal object, as aim, for production. Without production no consumption; without consumption no production. [This identity] figures in economics in many different forms.

(3) Not only is production immediately consumption and consumption immediately production, not only is production a means for consumption and consumption the aim of production, i.e. each supplies the other with its object (production supplying the external object of consumption, consumption the conceived object of production); but also, each of them, apart from being immediately the other, and apart from mediating the other, in addition to this creates the other in completing itself, and creates itself as the other. Consumption accomplishes the act of production only in completing the product

as product by dissolving it, by consuming its independently material form, by raising the inclination developed in the first act of production, through the need for repetition, to its finished form; it is thus not only the concluding act in which the product becomes product, but also that in which the producer becomes producer. On the other side, production produces consumption by creating the specific manner of consumption; and, further, by creating the stimulus of consumption, the ability to consume, as a need. This last identity, as determined under (3), [is] frequently cited in economics in the relation of demand and supply, of objects and needs, of socially created and natural needs.

Thereupon, nothing simpler for a Hegelian than to posit production and consumption as identical. And this has been done not only by socialist belletrists but by prosaic economists themselves, e.g. Say; [16] in the form that when one looks at an entire people, its production is its consumption. Or, indeed, at humanity in the abstract. Storch [17] demonstrated Say's error, namely that e.g. a people does not consume its entire product, but also creates means of production, etc., fixed capital, etc. To regard society as one single subject is, in addition, to look at it wrongly; speculatively. With a single subject, production and consumption appear as moments of a single act. The important thing to emphasize here is only that, whether production and consumption are viewed as the activity of one or of many individuals, they appear in any case as moments of one process, in which production is the real point of departure and hence also the predominant moment. Consumption as urgency, as need, is itself an intrinsic moment of productive activity. But the latter is the point of departure for realization and hence also its predominant moment; it is the act through which the whole process again runs its course. The individual produces an object and, by consuming it, returns to himself, but returns as a productive and self-reproducing individual. Consumption thus appears as a moment of production.

In society, however, the producer's relation to the product, once the latter is finished, is an external one, and its return to the subject depends on his relations to other individuals. He does not come into possession of it directly. Nor is its immediate appropriation his purpose when he produces in society. *Distribution* steps between the producers and the products, hence between production and consumption, to determine in accordance with social laws what the producer's share will be in the world of products.

Now, does distribution stand at the side of and outside production as an autonomous sphere?

Distribution and production

(b_1) When one examines the usual works of economics, it is immediately striking that everything in them is posited doubly. For example, ground rent, wages, interest and profit figure under distribution, while land, labour and capital figure under production as agents of production. In the case of capital, now, it is evident from the outset that it is posited doubly, (1) as agent of production, (2) as source of income, as a determinant of specific forms of distribution. Interest and profit thus also figure as such in production, in so far as they are forms in which capital increases, grows, hence moments of its own production. Interest and profit as forms of distribution presuppose capital as agent of production. They are modes of distribution whose presupposition is capital as agent of production. They are, likewise, modes of reproduction of capital.

The category of wages, similarly, is the same as that which is examined under a different heading as wage labour: the characteristic which labour here possesses as an agent of production appears as a characteristic of distribution. If labour were not specified as wage labour, then the manner in which it shares in the products would not appear as wages; as, for example, under slavery. Finally, to take at once the most developed form of distribution, ground rent, by means of which landed property shares in the product, presupposes large-scale landed property (actually, large-scale agriculture) as agent of production, and not merely land as such, just as wages do not merely presuppose labour as such. The relations and modes of distribution thus appear merely as the obverse of the agents of production. An individual who participates in production in the form of wage labour shares in the products, in the results of production, in the form of wages. The structure [*Gliederung*] of distribution is completely determined by the structure of production. Distribution is itself a product of production, not only in its object, in that only the results of production can be distributed, but also in its form, in that the specific kind of participation in production determines the specific forms of distribution, i.e. the pattern of participation in distribution. It is altogether an illusion to posit land in production, ground rent in distribution, etc.

Thus, economists such as Ricardo, who are the most frequently accused of focusing on production alone, have defined distribution as the exclusive object of economics, because they instinctively conceived the forms of distribution as the most specific expression into which the agents of production of a given society are cast.

To the single individual, of course, distribution appears as a social law which determines his position within the system of production within which he produces, and which therefore precedes production. The individual comes into the world possessing neither capital nor land. Social distribution assigns him at birth to wage labour. But this situation of being assigned is itself a consequence of the existence of capital and landed property as independent agents of production.

As regards whole societies, distribution seems to precede production and to determine it in yet another respect, almost as if it were a pre-economic fact. A conquering people divides the land among the conquerors, thus imposes a certain distribution and form of property in land, and thus determines production. Or it enslaves the conquered and so makes slave labour the foundation of production. Or a people rises in revolution and smashes the great landed estates into small parcels, and hence, by this new distribution, gives production a new character. Or a system of laws assigns property in land to certain families in perpetuity, or distributes labour [as] a hereditary privilege and thus confines it within certain castes. In all these cases, and they are all historical, it seems that distribution is not structured and determined by production, but rather the opposite, production by distribution.

In the shallowest conception, distribution appears as the distribution of products, and hence as further removed from and quasi-independent of production. But before distribution can be the distribution of products, it is: (1) the distribution of the instruments of production, and (2), which is a further specification of the same relation, the distribution of the members of the society among the different kinds of production. (Subsumption of the individuals under specific relations of production.) The distribution of products is evidently only a result of this distribution, which is comprised within the process of production itself and determines the structure of production. To examine production while disregarding this internal distribution within it is obviously an empty abstraction; while conversely, the distribution of products follows by itself from this distribution which forms an original moment of production. Ricardo, whose concern was to grasp the specific social structure of modern production, and who is the economist of production *par excellence,* declares for precisely that reason that *not* production but distribution is the proper study of modern economics. [18] This again shows the ineptitude of those economists who portray production as an eternal truth while banishing history to the realm of distribution.

The question of the relation between this production-determining distribution, and production, belongs evidently within production itself. If it is said that, since production must begin with a certain distribution of the instruments of production, it follows that distribution at least in this sense precedes and forms the presupposition of production, then the reply must be that production does indeed have its determinants and preconditions which form its moments. At the very beginning these may appear as spontaneous, natural. But by the process of production itself they are transformed from natural into historic determinants, and if they appear to one epoch as natural presuppositions of production, they were its historic product for another. Within production itself they are constantly being changed. The application of machinery, for example, changed the distribution of instruments of production as well as of products. Modern large-scale landed property is itself the product of modern commerce and of modern industry, as well as of the application of the latter to agriculture.

The questions raised above all reduce themselves in the last instance to the role played by general-historical relations in production, and their relation to the movement of history generally. The question evidently belongs within the treatment and investigation of production itself.

Still, in the trivial form in which they are raised above, they can be dealt with equally briefly. In all cases of conquest, three things are possible. The conquering people subjugates the conquered under its own mode of production (e.g. the English in Ireland in this century, and partly in India); or it leaves the old mode intact and contents itself with a tribute (e.g. Turks and Romans); or a reciprocal interaction takes place whereby something new, a synthesis, arises (the Germanic conquests, in part). In all cases, the mode of production, whether that of the conquering people, that of the conquered, or that emerging from the fusion of both, is decisive for the new distribution which arises. Although the latter appears as a presupposition of the new period of production, it is thus itself in turn a product of production, not only of historical production generally, but of the specific historic mode of production.

The Mongols, with their devastations in Russia, e.g., were acting in accordance with their production, cattle-raising, for which vast uninhabited spaces are a chief precondition. The Germanic barbarians, who lived in isolation on the land and for whom agriculture with bondsmen was the traditional production, could impose these conditions on the Roman provinces all the more easily as the concentration of landed property which had taken place there had already entirely overthrown the earlier agricultural relations.

It is a received opinion that in certain periods people lived from pillage alone. But, for pillage to be possible, there must be some thing to be pillaged, hence production. And the mode of pillage is itself in turn determined by the mode of production. A stock-jobbing nation, for example, cannot be pillaged in the same manner as a nation of cow-herds.

To steal a slave is to steal the instrument of production directly. But then the production of the country for which the slave is stolen must be structured to allow of slave labour, or (as in the southern part of America etc.) a mode of production corresponding to the slave must be created.

Laws may perpetuate an instrument of production, e.g. land, in certain families. These laws achieve economic significance only when large-scale landed property is in harmony with the society’s production, as e.g. in England. In France, small-scale agriculture survived despite the great landed estates, hence the latter were smashed by the revolution. But can laws perpetuate the small-scale allotment? Despite these laws, ownership is again becoming concentrated. The influence of laws in stabilizing relations of distribution, and hence their effect on production, requires to be determined in each specific instance.

(c$_1$) Exchange, Finally, and Circulation

Exchange and production

Circulation itself [is] merely a specific moment of exchange, or [it is] also exchange regarded in its totality.

In so far as *exchange* is merely a moment mediating between production with its production-determined distribution on one side and consumption on the other, but in so far as the latter itself appears as a moment of production, to that extent is exchange obviously also included as a moment within the latter.

It is clear, firstly, that the exchange of activities and abilities which takes place within production itself belongs directly to production and essentially constitutes it. The same holds, secondly, for the exchange of products, in so far as that exchange is the means of finishing the product and making it fit for direct consumption. To that extent, exchange is an act comprised within production itself. Thirdly, the so-called exchange between dealers and dealers is by its very organization entirely determined by production, as well as being itself a producing activity. Exchange appears as independent of and indifferent to production only in the final phase where the product is exchanged directly for consumption. But (1) there is no exchange without division of labour, whether the latter is spontaneous, natural, or already a product of historic development; (2) private exchange presupposes private production; (3) the intensity of exchange, as well as its extension and its manner, are determined by the development and structure of production. For example. Exchange between town and country; exchange in the country, in the town etc. Exchange in all its moments thus appears as either directly comprised in production or determined by it.

The conclusion we reach is not that production, distribution, exchange and consumption are identical, but that they all form the members of a totality, distinctions within a unity. Production predominates not only over itself, in the antithetical definition of production, but over the other moments as well. The process always returns to production to begin anew. That exchange and consumption cannot be predominant is self-evident. Likewise, distribution as distribution of products; while as distribution of the agents of production it is itself a moment of production. A definite production thus determines a definite consumption, distribution and exchange as well as *definite relations between these different moments*. Admittedly, however, *in its one-sided form,* production is itself determined by the other moments. For example if the market, i.e. the sphere of exchange, expands, then production grows in quantity and the divisions between its different branches become deeper. A change in distribution changes production, e.g. concentration of capital, different distribution of the population between town and country, etc. Finally, the needs of consumption determine production. Mutual interaction takes place between the different moments. This the case with every organic whole.

(3) THE METHOD OF POLITICAL ECONOMY

When we consider a given country politico-economically, we begin with its population, its distribution among classes, town, country, the coast, the different branches of production, export and import, annual production and consumption, commodity prices etc.

It seems to be correct to begin with the real and the concrete, with the real precondition, thus to begin, in economics, with e.g. the population, which is the foundation and the subject of the entire social act of production. However, on closer examination this proves false. The population is an abstraction if I leave out, for example, the classes of which it is composed. These classes in turn are an empty phrase if I am not familiar with the elements on which they rest. E.g. wage labour, capital, etc. These latter in turn presuppose exchange, division of labour, prices, etc. For example, capital is nothing without wage labour, without value, money, price etc. Thus, if I were to begin with the population, this would be a chaotic conception [*Vorstellung*] of the whole, and I would then, by means of further determination, move analytically towards ever more simple concepts [*Begriff*], from the imagined concrete towards ever thinner abstractions until I had arrived at the simplest determinations. From there the journey would have to be retraced until I had finally arrived at the population again, but this time not as the chaotic conception of a whole, but as a rich totality of many determinations and relations. The former is the path historically followed by economics at the time of its origins. The economists of the seventeenth century, e.g., always begin with the living whole, with population, nation, state, several states, etc.; but they always conclude by discovering through analysis a small number of determinant, abstract, general relations such as division of labour, money, value, etc. As soon as these individual moments had been more or less firmly established and abstracted, there began the economic systems, which ascended from the simple relations, such as labour, division of labour, need, exchange value, to the level of the state, exchange between nations and the world market. The latter is obviously the scientifically correct method. The concrete is concrete because it is the concentration of many determinations, hence unity of the diverse. It appears in the process of thinking, therefore, as a process of concentration, as a result, not as a point of departure, even though it is the point of departure in reality and hence also the point of departure for observation [*Anschauung*] and conception. Along the first path the full conception was evaporated to yield an abstract determination; along the second, the abstract determinations lead towards a reproduction of the concrete by way of thought. In this way Hegel fell into the illusion of conceiving the real as the product of thought concentrating itself, probing its own depths, and unfolding itself out of itself, by itself, whereas the method of rising from the abstract to the concrete is only the way in which thought appropriates the concrete, reproduces it as the concrete in the mind. But this is by no means the process by which the concrete itself comes into being. For example, the simplest economic category, say e.g. exchange value, presupposes population, moreover a population producing in specific relations; as well as a certain kind of family, or commune, or state, etc. It can never exist other than as an abstract, one-sided relation within an already given, concrete, living whole. As a category, by contrast, exchange value leads an antediluvian existence. Therefore, to the kind of consciousness – and this is characteristic of the philosophical consciousness – for which conceptual thinking is the real human being, and for which the conceptual world as such is thus the only reality, the movement of the categories appears as the real act of production – which only, unfortunately, receives a jolt from the outside – whose product is the world; and – but this is again a tautology – this is correct in so far as the concrete totality is a totality of thoughts, concrete in thought, in fact a product of thinking and comprehending; but not in any way a product of the concept which thinks and generates itself outside or above observation and conception; a product, rather, of the working-up of observation and conception into concepts. The totality as it appears in the head, as a totality of thoughts, is a product of a thinking head, which appropriates the world in the only way it can, a way different from the artistic, religious, practical and mental appropriation of this world. The real subject retains its autonomous existence outside the head just as before; namely as long as the head's conduct is merely speculative, merely theoretical. Hence, in the theoretical method, too, the subject, society, must always be kept in mind as the presupposition.

But do not these simpler categories also have an independent historical or natural existence pre-dating the more concrete ones? That depends. Hegel, for example, correctly begins the Philosophy of Right with possession, this being the subject's simplest juridical relation. But there is no possession preceding the family or master-servant relations, which are far more concrete relations. However, it would be correct to say that there are families or clan groups which still merely *possess,* but have no *property.* The simple category therefore appears in relation to property as a relation of simple families or clan groups. In the higher society it appears as the simpler relation of a developed organization. But the concrete substratum of which possession is a relation is always presupposed. One can imagine an individual savage as possessing something. But in that case possession is not a juridical relation. It is incorrect that possession develops historically into the family. Possession, rather, always presupposes this 'more concrete juridical category.' There would still always remain this much, however, namely that the simple categories are the expressions of relations within which the less developed concrete may have already realized itself before having posited the more many-sided connection or relation which is mentally expressed in the more concrete category; while the more developed concrete preserves the same category as a subordinate relation. Money may exist, and did exist historically, before capital existed, before banks existed, before wage labour existed, etc. Thus in this respect it may be said that the simpler category can express the dominant relations of a less developed whole, or else those subordinate relations of a more developed whole which already had a historic existence before this whole developed in the direction expressed by a more concrete category. To that extent the path of abstract thought, rising from the simple to the combined, would correspond to the real historical process.

It may be said on the other hand that there are very developed but nevertheless historically less mature forms of society, in which the highest forms of economy, e.g. cooperation, a developed division of labour, etc., are found, even though there is no kind of money, e.g. Peru. Among the Slav communities also, money and the exchange which determines it play little or no role within the individual communities, but only on their boundaries, in traffic with others; it is simply wrong to place exchange at the centre of communal society as the original, constituent element. It originally appears, rather, in the connection of the different communities with one another, not in the relations between the different members of a single community. Further, although money everywhere plays a role from very early on, it is nevertheless a predominant element, in antiquity, only within the confines of certain one-sidedly developed nations, trading nations. And even in the most advanced parts of the ancient world, among the Greeks and Romans, the full development of money, which is presupposed in modern bourgeois society, appears only in the period of their dissolution. This very simple category, then, makes a historic appearance in its full intensity only in the most developed conditions of society. By no means does it wade its way through all economic relations. For example, in the Roman Empire, at its highest point of development, the foundation remained taxes and payments in kind. The money system actually completely developed there only in the army. And it never took over the whole of labour. Thus, although the simpler category may have existed historically before the more concrete, it can achieve its full (intensive and extensive) development precisely in a combined form of society, while the more concrete category was more fully developed in a less developed form of society.

Labour seems a quite simple category. The conception of labour in this general form – as labour as such – is also immeasurably old. Nevertheless, when it is economically conceived in this simplicity, ‘labour’ is as modern a category as are the relations which create this simple abstraction. The Monetary System [19] for example, still locates wealth altogether objectively, as an external thing, in money. Compared with this standpoint, the commercial, or manufacture, system took a great step forward by locating the source of wealth not in the object but in a subjective activity – in commercial and manufacturing activity – even though it still always conceives this activity within narrow boundaries, as money-making. In contrast to this system, that of the Physiocrats posits a certain kind of labour – agriculture – as the creator of wealth, and the object itself no longer appears in a monetary disguise, but as the product in general, as the general result of labour. This product, as befits the narrowness of the activity, still always remains a naturally determined product – the product of agriculture, the product of the earth *par excellence.*

It was an immense step forward for Adam Smith to throw out every limiting specification of wealth-creating activity – not only manufacturing, or commercial or agricultural labour, but one as well as the others, labour in general. With the abstract universality of wealth-creating activity we now have the universality of the object defined as wealth, the product as such or again labour as such, but labour as past, objectified labour. How difficult and great was this transition may be seen from how Adam Smith himself from time to time still falls back into the Physiocratic system. Now, it might seem that all that had been achieved thereby was to discover the abstract expression for the simplest and most ancient relation in which human beings – in whatever form of society – play the role of producers. This is correct in one respect. Not in another. Indifference towards any specific kind of labour presupposes a very developed totality of real kinds of labour, of which no single one is any longer predominant. As a rule, the most general abstractions arise only in the midst of the richest possible concrete development, where one thing appears as common to many, to all. Then it ceases to be thinkable in a particular form alone. On the other side, this abstraction of labour as such is not merely the mental product of a concrete totality of labours. Indifference towards specific labours corresponds to a form of society in which individuals can with ease transfer from one labour to another, and where the specific kind is a matter of chance for them, hence of indifference. Not only the category, labour, but labour in reality has here become the means of creating wealth in general, and has ceased to be organically linked with particular individuals in any specific form. Such a state of affairs is at its most developed in the most modern form of existence of bourgeois society – in the United States. Here, then, for the first time, the point of departure of modern economics, namely the abstraction of the category 'labour', 'labour as such', labour pure and simple, becomes true in practice. The simplest abstraction, then, which modern economics places at the head of its discussions, and which expresses an immeasurably ancient relation valid in all forms of society, nevertheless achieves practical truth as an abstraction only as a category of the most modern society. One could say that this indifference towards particular kinds of labour, which is a historic product in the United States, appears e.g. among the Russians as a spontaneous inclination. But there is a devil of a difference between barbarians who are fit by nature to be used for anything, and civilized people who apply themselves to everything. And then in practice the Russian indifference to the specific character of labour corresponds to being embedded by tradition within a very specific kind of labour, from which only external influences can jar them loose.

This example of labour shows strikingly how even the most abstract categories, despite their validity – precisely because of their abstractness – for all epochs, are nevertheless, in the specific character of this abstraction, themselves likewise a product of historic relations, and possess their full validity only for and within these relations.

Bourgeois society is the most developed and the most complex historic organization of production. The categories which express its relations, the comprehension of its structure, thereby also allows insights into the structure and the relations of production of all the vanished social formations out of whose ruins and elements it built itself up, whose partly still unconquered remnants are carried along within it, whose mere nuances have developed explicit significance within it, etc. Human anatomy contains a key to the anatomy of the ape. The intimations of higher development among the subordinate animal species, however, can be understood only after the higher development is already known. The bourgeois economy thus supplies the key to the ancient, etc. But not at all in the manner of those economists who smudge over all historical differences and see bourgeois relations in all forms of society. One can understand tribute, tithe, etc., if one is acquainted with ground rent. But one must not identify them. Further, since bourgeois society is itself only a contradictory form of development, relations derived from earlier forms will often be found within it only in an entirely stunted form, or even travestied. For example, communal property. Although it is true, therefore, that the categories of bourgeois economics possess a truth for all other forms of society, this is to be taken only with a grain of salt. They can contain them in a developed, or stunted, or caricatured form etc., but always with an essential difference. The so-called historical presentation of development is founded, as a rule, on the fact that the latest form regards the previous ones as steps leading up to itself, and, since it is only rarely and only under quite specific conditions able to criticize itself – leaving aside, of course, the historical periods which appear to themselves as times of decadence – it always conceives them one-sidedly. The Christian religion was able to be of assistance in reaching an objective understanding of earlier mythologies only when its own self-criticism had been accomplished to a certain degree, so to speak, δυνάμει. [20] Likewise, bourgeois economics arrived at an understanding of feudal, ancient, oriental economics only after the self-criticism of bourgeois society had begun. In so far as the bourgeois economy did not mythologically identify itself altogether with the past, its critique of the previous economies, notably of feudalism, with which it was still engaged in direct struggle, resembled the critique which Christianity levelled against paganism, or also that of Protestantism against Catholicism.

In the succession of the economic categories, as in any other historical, social science, it must not be forgotten that their subject – here, modern bourgeois society – is always what is given, in the head as well as in reality, and that these categories therefore express the forms of being, the characteristics of existence, and often only individual sides of this specific society, this subject, and that therefore this society by no means begins only at the point where one can speak of it *as such;* this holds *for science as well.* This is to be kept in mind because it will shortly be decisive for the order and sequence of the categories. For example, nothing seems more natural than to begin with ground rent, with landed property, since this is bound up with the earth, the source of all production and of all being, and with the first form of production of all more or less settled societies – agriculture. But nothing would be more erroneous. In all forms of society there is one specific kind of production which predominates over the rest, whose relations thus assign rank and influence to the others. It is a general illumination which bathes all the other colours and modifies their particularity. It is a particular ether which determines the specific gravity of every being which has materialized within it. For example, with pastoral peoples (mere hunting and fishing peoples lie outside the point where real development begins). Certain forms of tillage occur among them, sporadic ones. Landed property is determined by this. It is held in common, and retains this form to a greater or lesser degree according to the greater or lesser degree of attachment displayed by these peoples to their tradition, e.g. the communal property of the Slavs. Among peoples with a settled agriculture – this settling already a great step – where this predominates, as in antiquity and in the feudal order, even industry, together with its organization and the forms of property corresponding to it, has a more or less landed-proprietary character; is either completely dependent on it, as among the earlier Romans, or, as in the Middle Ages, imitates, within the city and its relations, the organization of the land. In the Middle Ages, capital itself – apart from pure money-capital – in the form of the traditional artisans' tools etc., has this landed-proprietary character. In bourgeois society it is the opposite. Agriculture more and more becomes merely a branch of industry, and is entirely dominated by capital. Ground rent likewise. In all forms where landed property rules, the natural relation still predominant. In those where capital rules, the social, historically created element. Ground rent cannot be understood without capital. But capital can certainly be understood without ground rent. Capital is the all-dominating economic power of bourgeois society. It must form the starting-point as well as the finishing-point, and must be dealt with before landed property. After both have been examined in particular, their interrelation must be examined.

It would therefore be infeasible and wrong to let the economic categories follow one another in the same sequence as that in which they were historically decisive. Their sequence is determined, rather, by their relation to one another in modern bourgeois society, which is precisely the opposite of that which seems to be their natural order or which corresponds to historical development. The point is not the historic position of the economic relations in the succession of different forms of society. Even less is it their sequence 'in the idea' (Proudhon) [21] (a muddy notion of historic movement). Rather, their order within modern bourgeois society.

The purity (abstract specificity) in which the trading peoples – Phoenicians, Carthaginians – appear in the old world is determined precisely by the predominance of the agricultural peoples. Capital, as trading-capital or as money-capital, appears in this abstraction precisely where capital is not yet the predominant element of societies. Lombards, Jews take up the same position towards the agricultural societies of the Middle Ages.

As a further example of the divergent positions which the same category can occupy in different social stages: one of the latest forms of bourgeois society, *joint-stock companies.* These also appear, however, at its beginning, in the great, privileged monopoly trading companies.

The concept of national wealth creeps into the work of the economists of the seventeenth century – continuing partly with those of the eighteenth – in the form of the notion that wealth is created only to enrich the state, and that its power is proportionate to this wealth. This was the still unconsciously hypocritical form in which wealth and the production of wealth proclaimed themselves as the purpose of modern states, and regarded these states henceforth only as means for the production of wealth.

The order obviously has to be (1) the general, abstract determinants which obtain in more or less all forms of society, but in the above-explained sense. (2) The categories which make up the inner structure of bourgeois society and on which the fundamental classes rest. Capital, wage labour, landed property. Their interrelation. Town and country. The three great social classes. Exchange between them. Circulation. Credit system (private). (3) Concentration of bourgeois society in the form of the state. Viewed in relation to itself. The ‘unproductive’ classes. Taxes. State debt. Public credit. The population. The colonies. Emigration. (4) The international relation of production. International division of labour. International exchange. Export and import. Rate of exchange. (5) The world market and crises. [22]

(4) PRODUCTION. MEANS OF PRODUCTION AND RELATIONS OF PRODUCTION. RELATIONS OF PRODUCTION AND RELATIONS OF CIRCULATION. FORMS OF THE STATE AND FORMS OF CONSCIOUSNESS IN RELATION TO RELATIONS OF PRODUCTION AND CIRCULATION. LEGAL RELATIONS. FAMILY RELATIONS.

Notabene in regard to points to be mentioned here and not to be forgotten:

(1) *War* developed earlier than peace; the way in which certain economic relations such as wage labour, machinery etc. develop earlier, owing to war and in the armies etc., than in the interior of bourgeois society. The relation of productive force and relations of exchange also especially vivid in the army.

(2) *Relation of previous ideal historiography to the real. Namely of the so-called cultural histories,* which are only histories of religions and of states. (On that occasion something can also be said about the various kinds of previous historiography. The so-called objective. Subjective (moral among others). The philosophical.)

(3) *Secondary and tertiary* matters; in general, *derivative, inherited,* not original relations of production. Influence here of international relations.

(4) *Accusations about the materialism of this conception. Relation to naturalistic materialism.*

(5) *Dialectic of the concepts productive force (means of production) and relation of production,* a dialectic whose boundaries are to be determined, and which does not suspend the real difference.

(6) *The uneven development of material production relative to e.g. artistic development.* In general, the concept of progress not to be conceived in the usual abstractness. Modern art etc. This disproportion not as important or so difficult to grasp as within practical-social relations themselves. E.g. the relation of education. Relation of the *United States* to Europe. But the really difficult point to discuss here is how relations of production develop unevenly as legal relations. Thus e.g. the relation of Roman private law (this less the case with criminal and public law) to modern production.

(7) *This conception appears as necessary development.* But legitimation of chance. How. (Of freedom also, among other things.) (Influence of means of communication. World history has not always existed; history as world history a result.)

(8) *The point of departure obviously from the natural characteristic;* subjectively and objectively. Tribes, races etc.

(1) In the case of the arts, it is well known that certain periods of their flowering are out of all proportion to the general development of society, hence

also to the material foundation, the skeletal structure as it were, of its organization. For example, the Greeks compared to the moderns or also Shakespeare. It is even recognized that certain forms of art, e.g. the epic, can no longer be produced in their world epoch-making, classical stature as soon as the production of art, as such, begins; that is, that certain significant forms within the realm of the arts are possible only at an undeveloped stage of artistic development. If this is the case with the relation between different kinds of art within the realm of the arts, it is already less puzzling that it is the case in the relation of the entire realm to the general development of society. The difficulty consists only in the general formulation of these contradictions. As soon as they have been specified, they are already clarified.

Let us take e.g. the relation of Greek art and then of Shakespeare to the present time. It is well known that Greek mythology is not only the arsenal of Greek art but also its foundation. Is the view of nature and of social relations on which the Greek imagination and hence Greek [mythology] is based possible with self-acting mule spindles and railways and locomotives and electrical telegraphs? What chance has Vulcan against Roberts and Co., Jupiter against the lightning-rod and Hermes against the Crédit Mobilier? All mythology overcomes and dominates and shapes the forces of nature in the imagination and by the imagination; it therefore vanishes with the advent of real mastery over them. What becomes of Fama alongside Printing House Square? Greek art presupposes Greek mythology, i.e. nature and the social forms already reworked in an unconsciously artistic way by the popular imagination. This is its material. Not any mythology whatever, i.e. not an arbitrarily chosen unconsciously artistic reworking of nature (here meaning everything objective, hence including society). Egyptian mythology could never have been the foundation or the womb of Greek art. But, in any case, a *mythology.* Hence, in no way a social development which excludes all mythological, all mythologizing relations to nature; which therefore demands of the artist an imagination not dependent on mythology.

From another side: is Achilles possible with powder and lead? Or the *Iliad* with the printing press, not to mention the printing machine? Do not the song and the saga and the muse necessarily come to an end with the printer’s bar, hence do not the necessary conditions of epic poetry vanish?

But the difficulty lies not in understanding that the Greek arts and epic are bound up with certain forms of social development. The difficulty is that they still afford us artistic pleasure and that in a certain respect they count as a norm and as an unattainable model.

A man cannot become a child again, or he becomes childish. But does he not find joy in the child’s naïvité, and must he himself not strive to reproduce its truth at a higher stage? Does not the true character of each epoch come alive in the nature of its children? Why should not the historic childhood of humanity, its most beautiful unfolding, as a stage never to return, exercise an eternal charm? There are unruly children and precocious children. Many of the old peoples belong in this category. The Greeks were normal children. The charm of their art for us is not in contradiction to the undeveloped stage of society on which it grew. [It] is its result, rather, and is inextricably bound up, rather, with the fact that the unripe social conditions under which it arose, and could alone arise, can never return.

NOTEBOOK I

October 1857

The Chapter on Money

Alfred Darimon, *De la réforme des banques*, Paris, 1856. [1]

‘The root of the evil is the predominance which opinion obstinately assigns to the role of the precious metals in circulation and exchange.’ (pp. 1, 2.) [2]

Begins with the measures which the Banque de France adopted in October 1855 to ‘stem the progressive diminution of its reserves.’ (p. 2.) Wants to give us a statistical tableau of the condition of this bank during the six months preceding its October measures. To this end, compares its bullion assets during these three months and the *‘fluctuations du portefeuille’*, i.e. the quantity of discounts extended by the bank (commercial papers, *bills of exchange* in its portfolio). The figure which expresses the value of the securities held by the bank, ‘represents’, according to Darimon, ‘the greater or lesser need felt by the public for its services, or, *which amounts to the same thing, the requirements of circulation’.* (p. 2.) Amounts to the same thing? Not at all. If the mass of bills presented for discount were identical with the ‘requirements of circulation’, of *monetary turnover* in the proper sense, then the turnover of banknotes would have to be determined by the quantity of discounted bills of exchange. But this movement is on the average not only not parallel, but often an inverse one. The quantity of discounted bills and the fluctuations in this quantity express the requirements of credit, whereas the quantity of money in circulation is determined by quite different influences. In order to reach any conclusions about circulation at all, Darimon would above all have had to present a column showing the amount of notes in circulation next to the column on bullion assets and the column on discounted bills. In order to discuss the requirements of circulation, it did not require a very great mental leap to look first of all at the fluctuations in circulation proper. The omission of this necessary link in the equation immediately betrays the bungling of the dilettante, and the intentional muddling together of the requirements of credit with those of monetary circulation – a confusion on which rests in fact the whole secret of Proudhonist wisdom. (A mortality chart listing illnesses on one side and deaths on the other, but forgetting births.) The two columns (see p. 3) given by Darimon, i.e. the bank’s metallic assets from April to September on the one side, the movement of its portfolio on the other, express nothing but the tautological fact, which requires no display of statistical illustration, that the bank's portfolio filled up with bills of exchange and its vaults emptied of metal in proportion as bills of exchange were presented to it for the purpose of withdrawing metal. And the table which Darimon offers to prove this tautology does not even demonstrate it in a pure form. It shows, rather, that the metallic assets of the bank declined by about 144 million between 12 April and 13 September 1855, while its portfolio holdings increased by about 101 million. The decline in bullion thus exceeded the rise in discounted commercial papers by 43 million. The identity of both movements is wrecked against this net imbalance at the end of six months. A more detailed comparison of the figures shows us additional incongruities.

Metal in bank	*Paper discounted by bank*
12 April – 432,614,799 fr.	12 April – 322,904,313
10 May – 420,914,028	10 May – 310,744,925

In other words: between 12 April and 10 May, the metal assets decline by 11,700,769, while the amount of securities increases by 12,159,388; i.e. the increase of securities exceeds the decline of metal by about half a million (458,619 fr.). [3] The opposite finding, but on a far more surprising scale, appears when we compare the months of May and June:

Metal in bank	*Paper discounted by bank*
10 May – 420,914,028	10 May – 310,744,925
14 June – 407,769,813	14 June – 310,369,439

That is, between 10 May and 14 June the metal assets of the bank declined by 13,144,225 fr. Did its securities increase to the same degree? On the contrary, they fell during the same period by 375,486 fr. Here, in other words, we no longer have a merely quantitative disproportion between the decline on one side and the rise on the other. Even the inverse relation of both movements has disappeared. An enormous decline on one side is accompanied by a relatively weak decline on the other.

Metal in bank	*Paper discounted by bank*
14 June – 407,769,813	14 June – 310,369,439
12 July – 314,629,614	12 July – 381,699,256

Comparison of the months June and July shows a decline of metal assets by 93,140,199 and an increase of securities by 71,329,817; i.e. the decline in metal assets is 21,810,382 greater than the increase of the portfolio.

Metal in bank	*Paper discounted by bank*
12 July – 314,629,614	12 July – 381,699,256
9 August – 338,784,444	9 August – 458,689,605

Here we see an increase on both sides; metal assets by 24,154,830, and on the portfolio side the much more significant 76,990,349.

Metal in bank	*[Paper discounted by bank]*
9 August – 338,784,444	9 August – 458,689,605
13 Sept. – 288,645,333	[13 Sept.] – 431,390,562

The decline in metal assets of 50,139,111 fr. is here accompanied by a decline in securities of 27,299,043 fr. (Despite the restrictive measures adopted by the Banque de France, its reserves again declined by 24 million in December 1855.)

What's sauce for the gander is sauce for the goose. The conclusions that emerge from a sequential comparison of the six-month period have the same claim to validity as those which emerge from Mr Darimon's comparison of the beginning of the series with its end. And what does the comparison show? Conclusions which reciprocally devour each other. Twice, the portfolio increases more rapidly than the metal assets decrease (April-May, June-July). Twice the metal assets and the portfolio both decline, but the former more rapidly than the latter (May – June, August-September). Finally, during one period both metal assets and the portfolio increase, but the latter more rapidly than the former. Decrease on one side, increase on the other; decrease on both sides; increase on both sides; in short, everything except a lawful regularity, above all no inverse correlation, not even an interaction, since a decline in portfolio cannot be the cause of a decline in metal assets, and an increase in portfolio cannot be the cause of an increase in metal assets. An inverse relation and an interaction are not even demonstrated by the isolated comparison which Darimon sets up between the first and last months. Since the increase in portfolio by 101 million does not cover the decrease in metal assets, 144 million, then the possibility remains open that there is no causal link whatever between the increase on one side and the decrease on the other. Instead of providing a solution, the statistical illustration threw up a quantity of intersecting questions; instead of one puzzle, a bushelful. These puzzles, it is true, would disappear the moment Mr Darimon presented columns on circulation of banknotes and on deposits next to his columns on metal assets and portfolio (discounted paper). An increase in portfolio more rapid than a decrease in metal would then be explained by a simultaneous increase in metallic deposits or by the fact that a portion of the banknotes issued in exchange for discounted paper was not converted into metal but remained instead in circulation, or, finally, that the issued banknotes immediately returned in the form of deposits or in repayment of due bills, without entering into circulation. A decrease in metal assets accompanied by a lesser decrease in portfolio could be explained by the withdrawal of deposits from the bank or the presentation of banknotes for conversion into metal, thus adversely affecting the bank's discounts through the agency of the owners of the withdrawn deposits or of the metallized notes. Finally, a lesser decline in metal assets accompanied by a lesser decline in portfolio could be explained on the same grounds (we entirely leave out of consideration the possibility of an outflow of metal to replace silver currency inside the country, since Darimon does not bring it into the field of his observations). But a table whose columns would have explained one another reciprocally in this manner would have proved what was not supposed to be proved, namely that the fulfillment by the bank of increasing commercial needs does not necessarily entail an increase in the turnover of its notes, that the increase or decrease of this turnover does not correspond to the increase or decrease of its metallic assets, that the bank does not control the quantity of the means of circulation, etc. – a lot of conclusions which did not fit in with Mr Darimon's intent. In his hasty effort to present in the most lurid colours his preconceived opinion that the metal basis of the bank, represented by its metallic assets, stands in contradiction to the requirements of circulation, which, in his view, are represented by the bank's portfolio, he tears two columns of figures out of their necessary context with the result that this isolation deprives the figures of all meaning or, at the most, leads them to testify against him. We have dwelt on this *fact* in some detail in order to make clear with one example what the entire worth of the statistical and positive illustrations of the Proudhonists amounts to. Economic facts do not furnish them with the test of their theories; rather, they furnish the proof of their lack of mastery of the facts, in order to be able to play with them. Their manner of playing with the facts shows, rather, the genesis of their theoretical abstractions.

Let us pursue Darimon further.

When the Bank of France saw its metal assets diminished by 144 million and its portfolio increased by 101 million, it adopted, on 4 and 18 October 1855, a set of measures to defend its vaults against its portfolio. It raised its discount rate successively from 4 to 5 and from 5 to 6% and reduced the time of payment of bills presented for discount from 90 to 75 days. In other words: it raised the terms on which it made its metal available to commerce. What does this demonstrate? 'That a bank', says Darimon, 'organized on present principles, i.e. on the rule of gold and silver, withdraws its services from the public precisely at the moment when the public most needs them.' Did Mr Darimon require his figures to prove that supply increases the cost of its services to the same degree as demand makes claims upon them (and exceeds them)? And do not the gentlemen who represent the 'public' *vis-à-vis* the bank follow the same 'agreeable customs of life'? The philanthropic grain merchants who present their bills to the bank in order to receive notes, in order to exchange the notes for the bank's gold, in order to exchange the bank's gold for another country's grain, in order to exchange the grain of another country for the money of the French public – were they perhaps motivated by the idea that, since the public then had the greatest need of grain, it was therefore their duty to let them have grain on easier terms, or did they not rather rush to the bank in order to exploit the increase of grain prices, the misery of the public and the disproportion between its supply and its demand? And the bank should be made an exception to these general economic laws? *Quelle idée!* But perhaps the present organization of the banks has as its consequence that gold must be piled up in great quantity so that the means of purchase, which, in case of insufficient grain, could have the greatest utility for the nation, should be condemned to lie fallow; in short, so that capital, instead of passing through the necessary transformation of production, becomes the unproductive and lazy basis of circulation. In this case the problem would be, then, that the unproductive stock of metal still stands above its necessary minimum within the present system of bank organization, because hoarding of the gold and silver in circulation has not yet been restricted to its economic limits. It is a question of something more or something less, but on the same foundation. But then the question would have been deflated from the socialist heights down to the practical bourgeois plains where we find it promenading among the majority of the English bourgeois opponents of the Bank of England. What a come-down! Or is the issue not a greater or lesser saving of metal by means of banknotes and other bank arrangements, but a departure from the metal basis altogether? But then the statistical fable is worthless again, as is its moral. If, for any reason whatever, the bank must send precious metals to other countries in case of need, then it must first accumulate them, and if the other country is to accept these metals in exchange for its commodities, then the predominance of the metals must first have been secured.

The causes of the precious metals' flight from the bank, according to Darimon, were crop failures and the consequent need to import grain from abroad. He forgets the failure of the silk harvest and the need to purchase it in vast quantities from China. Darimon further cites the numerous great undertakings coinciding with the last months of the industrial exhibition in Paris. Again he forgets the great speculations and ventures abroad launched by the Crédit Mobilier and its rivals for the purpose of showing, as Isaac Péreire [4] says, that French capital is as distinguished among capitals by its cosmopolitan nature as is the French language among languages. Plus the unproductive expenditures entailed by the Crimean War: borrowings of 750 million. That is, on one side, a great and unexpected collapse in two of the most important branches of French production! On the other, an unusual employment of French capital in foreign markets for undertakings which by no means immediately paid their way and which in part will perhaps never cover their costs of production! In order to balance the decrease of domestic production by means of imports, on the one side, and the increase of industrial undertakings abroad on the other side, what would have been required were not symbols of circulation which facilitate the exchange of equivalents, but these equivalents themselves; not money but capital. The losses in French domestic production, in any case, were not an equivalent for the employment of French capital abroad. Now suppose that the Bank of France did not rest on a metallic base, and that other countries were willing to accept the French currency or its capital in any form, not only in the specific form of the precious metals. Would the bank not have been equally forced to raise the terms of its discounting precisely at the moment when its ‘public’ clamoured most eagerly for its services? The notes with which it discounts the bills of exchange of this public are at present nothing more than drafts on gold and silver. In our hypothetical case, they would be drafts on the nation’s stock of products and on its directly employable labour force: the former is limited, the latter can be increased only within very positive limits and in certain amounts of time. The printing press, on the other hand, is inexhaustible and works like a stroke of magic. At the same time, while the crop failures in grain and silk enormously diminish the directly exchangeable wealth of the nation, the foreign railway and mining enterprises freeze the same exchangeable wealth in a form which creates no direct equivalent and therefore devours it, for the moment, without replacement! Thus, the directly exchangeable wealth of the nation (i.e. the wealth which can be circulated and is acceptable abroad) absolutely diminished! On the other side, an unlimited increase in bank drafts. Direct consequence: increase in the price of products, raw materials and labour. On the other side, decrease in price of bank drafts. The bank would not have increased the wealth of the nation through a stroke of magic, but would merely have undertaken a very ordinary operation to devalue its own paper. With this devaluation, a sudden paralysis of production! But no, says the Proudhonist. Our new organization of the banks would not be satisfied with the negative accomplishment of abolishing the metal basis and leaving everything else the way it was. It would also create entirely new conditions of production and circulation, and hence its intervention would take place under entirely new preconditions. Did not the introduction of our present banks, in its day, revolutionize the conditions of production? Would large-scale modern industry have become possible without this new financial institution, without the concentration of credit which it created, without the state revenues which it created in antithesis to ground rent, without finance in antithesis to landed property, without the moneyed interest in antithesis to the landed interest; without these things could there have been stock companies etc., and the thousand forms of circulating paper which are as much the preconditions as the product of modern commerce and modern industry?

We have here reached the fundamental question, which is no longer related to the point of departure. The general question would be this: Can the existing relations of production and the relations of distribution which correspond to them be revolutionized by a change in the instrument of circulation, in the organization of circulation? Further question: Can such a transformation of circulation be undertaken without touching the existing relations of production and the social relations which rest on them? If every such transformation of circulation presupposes changes in other conditions of production and social upheavals, there would naturally follow from this the collapse of the doctrine which proposes tricks of circulation as a way of, on the one hand, avoiding the violent character of these social changes, and, on the other, of making these changes appear to be not a presupposition but a gradual result of the transformations in circulation. An error in this fundamental premise would suffice to prove that a similar misunderstanding has occurred in relation to the inner connections between the relations of production, of distribution and of circulation. The above-mentioned historical case cannot of course decide the matter, because modern credit institutions were as much an effect as a cause of the concentration of capital, since they only form a moment of the latter, and since concentration of wealth is accelerated by a scarcity of circulation (as in ancient Rome) as much as by an increase in the facility of circulation. It should further be examined, or rather it would be part of the general question, whether the different civilized forms of money – metallic, paper, credit money, labour money (the last-named as the socialist form) – can accomplish what is demanded of them without suspending the very relation of production which is expressed in the category money, and whether it is not a self-contradictory demand to wish to get around essential determinants of a relation by means of formal modifications? Various forms of money may correspond better to social production in various stages; one form may remedy evils against which another is powerless; but none of them, as long as they remain forms of money, and as long as money remains an essential relation of production, is capable of overcoming the contradictions inherent in the money relation, and can instead only hope to reproduce these contradictions in one or another form. One form of wage labour may correct the abuses of another, but no form of wage labour can correct the abuse of wage labour itself. One lever may overcome the inertia of an immobile object better than another. All of them require inertia to act at all as levers. This general question about the relation of circulation to the other relations of production can naturally be raised only at the end. But, from the outset, it is suspect that Proudhon and his associates never even raise the question in its pure form, but merely engage in occasional declamations about it. Whenever it is touched on, we shall pay close attention.

This much is evident right at the beginning of Darimon, namely that he completely identifies *monetary turnover* with *credit,* which is economically wrong. (The notion of *crédit gratuit,* incidentally, is only a hypocritical, philistine and anxiety-ridden form of the saying: property is theft. Instead of the workers *taking* the capitalists' capital, the capitalists are supposed to be compelled to give it to them.) This too we shall have to return to.

In the question under discussion now, Darimon got no further than the point that banks, which deal in credit, like merchants who deal in commodities or workers who deal in labour, sell at a higher price when demand rises in relation to supply, i.e. they make their services more difficult for the public to obtain at the very moment the public has the greatest need for them. We saw that the bank has to act in this way whether the notes it issues are convertible or inconvertible.

The behaviour of the Bank of France in October 1855 gave rise to an 'immense clamour' (p. 4) and to a 'great debate' between it and the spokesmen of the public. Darimon summarizes, or pretends to summarize, this debate. We will follow him here only occasionally, since his synopsis displays the weak sides of both opponents, revealed in their constant desultory irrelevances. Groping about in extrinsic arguments. Each of the antagonists is at every moment dropping his weapon in order to search for another. Neither gets to the point of striking any actual blows, not only because they are constantly changing the weapons with which they are supposed to hit each other, but also because they hardly meet on one terrain before they take rapid flight to another.

(The discount rate in France had not been raised to 6% since 1806: for 50 years the time of payment for commercial bills of exchange had stood firm at 90 days.)

The weakness of the bank's defending arguments, as presented by Darimon, and his own misconceptions, emerge for example from the following passage in his fictitious dialogue:

Says the bank's opponent: 'By virtue of your monopoly you are the dispenser and regulator of credit. When you take up an attitude of severity, the discounters not only imitate you but they further exaggerate your rigour … Your measures have brought business to a standstill.' (p. 5.)

The bank replies, and indeed 'humbly': '"What would you have me do?" the bank humbly said … "To defend myself against the foreigner, I have to defend myself against our citizens … Above all I must prevent the outflow of the currency, without which I am nothing and can do nothing."' (p. 5.)

The bank's script is ridiculous. It is made to sidetrack the question, to turn it into a rhetorical generality, in order to be able to answer it with a rhetorical generality. In this dialogue the bank is made to share Darimon's illusion that its monopoly really allows it to regulate credit. In fact the power of the bank begins only where the private 'discounters' stop, hence at a moment when its power is already extraordinarily limited. Suppose that during easy conditions on the money market, when everybody else is discounting at 2 1/2%, the bank holds at 5%; instead of imitating it, the discounters will discount all its business away before its very eyes. Nowhere is this more vividly demonstrated than in the history of the Bank of England since the law of 1844, which made it into a real rival of the private bankers in the business of discounting, etc. In order to secure for itself a share, and a growing share, of the discount business during the periods of easiness on the money market, the Bank of England was constantly forced to reduce its rates not only to the level adopted by the private bankers but often below it. Its 'regulation of credit' is thus to be taken with a grain of salt; Darimon, however, makes his superstitious faith in its absolute control of the money market and of credit into his point of departure.

Instead of analysing critically the determinants of the bank's real power over the money market, he immediately grabs on to the phrase that cash is everything for the bank and that it has to prevent its outflow from the country. A professor of the Collège de France (Chevalier) [5] replies: 'Gold and silver are commodities like any other … The only purpose of the bank's metallic reserves is to make purchases abroad in moments of emergency.' The bank rejoins: 'Metallic money is not a commodity like any other; it is an instrument of exchange, and by virtue of this title it holds the privilege of prescribing laws for all the other commodities.' Now Darimon leaps between the combatants: 'Thus the privilege held by gold and silver, that of being the only authentic instrument of circulation and exchange, is responsible not only for the present crisis, but for the periodic commercial crises as well.' In order to control all the undesirable features of crises 'it would be enough that gold and silver were made commodities like any other, or, precisely expressed, that all commodities were made instruments of exchange on an equal footing (*au même titre*) with gold and silver; that products were truly exchanged for products'. (pp. 5–7.)

Shallowness with which the disputed question is presented here. If the bank issues drafts on money (notes) and promissory notes on capital repayable in gold (or silver) (deposits), then it is self-evident that it can watch and endure the decrease of its metal reserves only up to a certain point without reacting. That has nothing to do with the theory of metallic money. We will return to Darimon's theory of crises later.

In the chapter "Short History of the Crises of Circulation", Mr Darimon omits the English crisis of 1809–11 and confines himself to noting the appointment of the Bullion Committee in 1810; and for 1811 he again leaves out the crisis itself (which began in 1809), and merely mentions the adoption by the House of Commons of the resolution that 'the depreciation of notes relative to bullion stems not from a depreciation of paper money but from an increase in the price of bullion', together with Ricardo's pamphlet which maintains the opposite thesis, the conclusion of which is supposed to read: 'A currency is in its most perfect state when it consists wholly of paper money.' (pp. 22, 23.) [6] The crises of 1809 and 1811 were important here because the bank at that time issued inconvertible notes, meaning that the crises did not stem from the convertibility of notes into gold (metal) and hence could not be restrained by the abolition of convertibility. Like a nimble tailor, Darimon skips over these facts which contradict his theory of crises. He clutches on to Ricardo's aphorism, which had nothing to do with the real subject of discussion in the pamphlet, namely the depreciation of banknotes. He is unaware that Ricardo's theory of money is as completely refuted as its false assumptions that the bank controls the quantity of notes in circulation, and that the quantity of means of circulation determines prices, whereas on the contrary prices determine the quantity of means of circulation etc. In Ricardo's time all detailed studies of the phenomena of monetary circulation were still lacking. This by the way.

Gold and silver are commodities like the others. Gold and silver are not commodities like the others: as general instruments of exchange they are the privileged commodities and degrade the other commodities by virtue of this privilege. This is the last analysis to which Darimon reduces the antagonism. His final judgement is: abolish the privilege of gold and silver, degrade them to the rank of all other commodities. Then you no longer have the specific evils of gold and silver money, or of notes convertible into gold and silver. You abolish all evils. Or, better, elevate all commodities to the monopoly position now held by gold and silver. Let the pope remain, but make everybody pope. Abolish money by making every commodity money and by equipping it with the specific attributes of money. The question here arises whether this problem does not already pronounce its own nonsensicality, and whether the impossibility of the solution is not already contained in the premises of the question. Frequently the only possible answer is a critique of the question and the only solution is to negate the question. The real question is: does not the bourgeois system of exchange itself necessitate a specific instrument of exchange? Does it not necessarily create a specific equivalent for all values? One form of this instrument of exchange or of this equivalent may be handier, more fitting, may entail fewer inconveniences than another. But the inconveniences which arise from the existence of every specific instrument of exchange, of any specific but general equivalent, must necessarily reproduce themselves in every form, however differently. Darimon naturally skips over this question with enthusiasm. Abolish money and don't abolish money! Abolish the exclusive privilege possessed by gold and silver in virtue of their exclusive monetary role, but turn all commodities to money, i.e. give them all together equally a quality which no longer exists once its exclusiveness is gone.

The bullion drains do in fact bring to the surface a contradiction which Darimon formulates superficially and distorts as well. It is evident that gold and silver are not commodities like the others, and that modern economics is horrified to see itself suddenly and temporarily thrown back again and again to the prejudices of the Mercantile System. The English economists attempt to overcome the difficulty by means of a distinction. What is demanded in moments of such monetary crises, they say, is not gold and silver as money, not gold and silver as coin, but gold and silver as capital. They forget to add: yes, capital, but capital in the specific form of gold and silver. Why else is there an outflow of precisely these commodities, while most of the others depreciate owing to lack of outflow, if capital were exportable in every form?

Let us take specific examples: drain as a result of domestic harvest failures in a chief food crop (e.g. grain), crop failure abroad and hence increased prices in one of the main imported consumer goods (e.g. tea); drain because of a crop failure in decisive industrial raw materials (cotton, wool, silk, flax etc.); drain because of excessive imports (caused by speculation, war etc.). The replacement of a sudden or chronic shortage (grain, tea, cotton, flax, etc.) in the case of a domestic crop failure deprives the nation doubly. A part of its invested capital or labour is not reproduced – real loss of production. A part of that capital which has been reproduced has to be shifted to fill this gap; and this part, moreover, does not stand in a simple arithmetical relation to the loss, because the deficient product rises and must rise on the world market as a result of the decreased supply and the increased demand. It is necessary to analyse precisely how such crises would look if money were disregarded, and what determinants money introduces into the given relations. (*Grain crop failures* and *excess imports* the most important cases. The impact of war is self-evident, since economically it is exactly the same as if the nation were to drop a part of its capital into the ocean.)

Case of a grain crop failure: Seen in comparison to other nations, it is clear that the nation's capital (not only its real wealth) has diminished, just as clear as that a peasant who burns his loaves and has to buy bread at the baker's is impoverished to the extent of the price of his purchase. In reference to the domestic situation, the rise in grain prices, as far as value enters into the question, seems to leave everything as it was. Except for the fact that the lesser quantity of grain multiplied by the increased price, in real crop failures, never = the normal quantity multiplied by the lesser price. Suppose that the entire English wheat crop were 1 quarter, and that this 1 quarter fetched the same price as 30 million quarters previously. Then, leaving aside the fact that it lacks the means to reproduce either life or wheat, and if we postulate that the working day necessary to produce 1 quarter = A, then the nation would exchange A × 30 million working days (cost of production) for 1 × A working days (product); the productive force of its capital would have diminished by millions and the sum of all values in the land would have diminished, since every working day would have depreciated by a factor of 30 million. Every unit of capital would then represent only 1/30,000,000 of its earlier value, of its equivalent in production costs, even though in this given case the nominal value of the nation's capital would not have diminished (apart from the depreciation of land and soil), since the decrease in value of all other products would have been exactly compensated by the increase in value of the 1 quarter of wheat. The increase in the wheat price by a factor of A × 30 million would be the expression of an equivalent depreciation of all other products. This distinction between domestic and foreign, incidentally, is altogether illusory. The relation between the nation which suffers a crop failure and another nation where the former makes purchases is like that between every individual of the nation and the farmer or grain merchant. The surplus sum which it must expend in purchasing grain is a direct subtraction from its capital, from its disposable means.

So as not to obscure the question with unessential influences, it must be postulated that the nation has free trade in grain. Even if the imported grain were as cheap as the domestically produced grain, the nation would still be poorer to the amount of capital not reproduced by the farmers. However, on the above assumption of free trade, the nation always imports as much foreign grain as is possible at the normal price. The increase of imports thus presupposes a rise in the price.

The rise in the grain price is = to the fall in the price of all other commodities. The increased cost of production (represented by the price) at which the quarter of wheat is obtained is = to the decreased productivity of capital in all other forms. The surplus used to purchase grain must correspond to a deficit in the purchase of all other products and hence already a decline in their prices. With or without metallic money, or money of any other kind, the nation would find itself in a crisis not confined to grain, but extending to all other branches of production, not only because their productivity would have positively diminished and the price of their production depreciated as compared to their value, which is determined by the normal cost of production, but also because all contracts, obligations etc. rest on the average prices of products. For example, *x* bushels of grain have to be supplied to service the state's indebtedness, but the cost of producing these *x* bushels has increased by a given factor. Quite apart from the role of money the nation would thus find itself in a general crisis. If we abstract not only from money but from exchange value as well, then products would have depreciated and the nation's productivity diminished while all its economic relations are based on the average productivity of its labour.

A crisis caused by a failure in the grain crop is therefore not at all created by the drain of bullion, although it can be aggravated by obstacles set up to impede this drain.

In any case, we cannot agree with Proudhon either when he says that the crisis stems from the fact that the precious metals alone possess an authentic value in contrast to the other commodities; for the rise in the grain price first of all means only that more gold and silver have to be given in exchange for a certain quantity of grain, i.e. that the price of gold and silver has declined relative to the price of grain. Thus gold and silver participate with all other commodities in the depreciation relative to grain, and no privilege protects them from this. The depreciation of gold and silver relative to grain is identical with the rise of the grain price (not quite correct. The quarter of grain rises from 50s. to 100s., i.e. by 100%, but cotton goods fall by 80. Silver has declined by 50 relative to grain; cotton goods (owing to declining demand etc.) have declined by 80% relative to it. That is to say, the prices of other commodities fall to a greater extent than those of grain rise. But the opposite also occurs. For example in recent years, when grain temporarily rose by 100%, it never entered the heads of the industrial products to decline in the same proportion in which gold had declined relative to grain. This circumstance does not immediately affect the general thesis). Neither can it be said that gold possesses a privilege because its quantity is precisely and authentically defined in the coin form. One thaler (silver) remains under all circumstances one thaler. But a bushel of wheat is also always a bushel, and a yard of linen a yard.

The depreciation of most commodities (labour included) and the resultant crisis, in the case of an important crop mishap, cannot therefore be crudely ascribed to the export of gold, because depreciation and crisis would equally take place if no gold whatever were exported and no grain imported. The crisis reduces itself simply to the law of supply and demand, which, as is known, acts far more sharply and energetically within the sphere of primary needs – seen on a national scale – than in all other spheres. Exports of gold are not the cause of the grain crisis, but the grain crisis is the cause of gold exports.

Gold and silver in themselves can be said to intervene in the crisis and to aggravate its symptoms in only two ways: (1) When the export of gold is made more difficult by the metal reserve requirements to which the banks are bound; when the measures which the banks therefore undertake against the export of gold react disadvantageously on domestic circulation; (2) When the export of gold becomes necessary because foreign nations will accept capital only in the form of gold and not otherwise.

Difficulty No. 2 can remain even if difficulty No. 1 is removed. The Bank of England experienced this precisely during the period when it was legally empowered to issue inconvertible notes. [7] These notes declined in relation to gold bullion, but the mint price of gold likewise declined in relation to its bullion price. In relation to the note, gold had become a special kind of commodity. It can be said that the note still remained dependent on gold only to the extent that it nominally represented a certain quantity of gold for which it could not in fact be exchanged. Gold remained its denomination, although it was no longer legally exchangeable for this quantity of gold at the bank.

There can be hardly a doubt (?) (this is to be examined later and does not directly belong with the subject under discussion) that as long as paper money retains its denomination in gold (i.e. so long as a £5 note for example is the paper representative of 5 sovereigns), the convertibility of the note into gold remains its economic law, whether this law also exists *politically* or not. The Bank of England's notes continued during the years 1799–1819 to state that they represented the value of a given quantity of gold. How can this assertion be put to the test other than by the fact that the note indeed commands so-and-so-much bullion? From the moment when bullion to the value of 5 sovereigns could no longer be had for a £5 note, the note was depreciated even though it was inconvertible. The equivalence of the note with an amount of gold equal to its face-value immediately entered into contradiction with the factual non-equivalence between banknotes and gold. The point in dispute among the English who want to keep gold as the denomination of notes is not in fact the convertibility of the note into gold – which is only the practical equivalence of what the face of the note expresses theoretically – but rather the question how this convertibility is to be secured, whether through limits imposed by law on the bank or whether the bank is to be left to its own devices. The advocates of the latter course assert that this convertibility is achieved on the average by a bank of issue which lends against bills of exchange and whose notes thus have an assured reflux, and charge that their opponents despite everything never achieved better than this average measure of security. The latter is a fact. The average, by the way, is not to be despised, and calculations on the basis of averages have to form the basis for banks just as well as for all insurance companies etc. In this regard the Scottish banks are above all, and rightly, held up as a model. The strict bullionists say for their part that they take convertibility as a serious matter, that the bank's obligation to convert notes keeps the notes convertible, that the necessity of this convertibility is given by the denomination of the notes themselves, that this forms a barrier against over-issue, and that their opponents are pseudo-defenders of inconvertibility. Between these two sides, various shadings, a mass of little 'species'. [8] The defenders of inconvertibility, finally, the determined anti-bullionists, are, without knowing it, just as much pseudo-defenders of convertibility as their opponents are of inconvertibility, because they retain the denomination of the note and hence make the practical equation between a note of a given denomination and a given quantity of gold the measure of their notes' full value. Prussia has paper money of forced currency. (A reflux is secured by the obligation to pay a portion of taxes in paper.) These paper thalers are not drafts on silver; no bank will legally convert them. They are not issued by a commercial bank against bills of exchange but by the government to meet its expenses. But their denomination is that of silver. A paper thaler proclaims that it represents the same value as a silver thaler. If confidence in the government were to be thoroughly shaken, or if this paper money were issued in greater proportions than required by circulation, then the paper thaler would in practice cease to be equal to the silver thaler and would be depreciated because it had fallen beneath the value proclaimed on its face. It would even depreciate if neither of the above conditions obtained but if a special need for silver, e.g. for exports, gave silver a privileged position *vis-à-vis* the paper thaler. Convertibility into gold and silver is therefore the practical measure of the value of every paper currency denominated in gold or silver, whether this paper is legally convertible or not. Nominal value runs alongside its body as a mere shadow; whether the two balance can be shown only by actual convertibility (exchangeability). A fall of real value beneath nominal value is depreciation. Convertibility is when the two really run alongside each other and change places with each other. The convertibility of inconvertible notes shows itself not in the bank's stock of bullion but in the everyday exchange between paper and the metal whose denomination the paper carries. In practice, the convertibility of convertible notes is already endangered when this is no longer confirmed by everyday routine exchange in all parts of the country, but has to be established specifically by large-scale operations on the part of the bank. In the Scottish countryside paper money is even preferred to metal money. Before 1845, when the English law of 1844 [9] was forced upon it, Scotland naturally took part in all English social crises, and experienced some crises to a higher degree because the clearing of the land proceeded more ruthlessly there. Nevertheless, Scotland never experienced a real monetary crisis (the fact that a few banks, exceptions, collapsed because they had made careless loans is irrelevant here); no depreciation of notes, no complaints and no inquiries into the sufficiency or insufficiency of the currency in circulation etc. Scotland is important here because it shows on the one hand how the monetary system can be completely regulated on the present basis – all the evils Darimon bewails can be abolished – without departing from the present social basis; while at the same time its contradictions, its antagonisms, the class contradiction etc. have reached an even higher degree than in any other country in the world. It is characteristic that both Darimon and the patron who introduces his book – Émile Girardin,

[10] who complements his practical swindles with theoretical utopianism – do not find the antithesis of the monopoly banks of France and England in Scotland, but rather look for it in the United States, where the banking system, owing to the need to obtain a charter from the individual State, is only nominally free, where the prevailing system is not free competition among banks but a federation of monopoly banks. The Scottish banking and monetary system was indeed the most perilous reef for the illusions of the circulation artists. Gold or silver money (except where coins of both kinds are legal tender) are not said to depreciate no matter how often their value changes relative to other commodities. Why not? Because they form their own denomination; because their title is not a title to a value, i.e. they are not measured in a third commodity, but merely express fractional parts of their own substance, 1 sovereign = so much gold of a given weight. Gold is therefore nominally undepreciable, not because it alone expresses *an authentic value,* but because as money it does *not* express *value at all,* but merely expresses a given quantity of its own substance, merely carries its own quantitative definition on its forehead. (To be examined more closely later: whether this characteristic mark of gold and silver money is in the last analysis an intrinsic property of all money.) Deceived by this nominal undepreciability of metallic money, Darimon and consorts see only the one aspect which surfaces during crises: the appreciation of gold and silver in relation to nearly all other commodities; they do not see the other side, the *depreciation* of gold and silver or of *money* in relation to all other commodities (labour perhaps, not always, excluded) in periods of so-called *prosperity,* periods of a temporary general rise of prices. Since this depreciation of metallic money (and of all kinds of money which rest on it) always precedes its appreciation, they ought to have formulated the problem the other way round: how to prevent the periodic depreciation of money (in their language, to abolish the privileges of commodities in relation to money). In this last formulation the problem would have reduced itself to: how to overcome the rise and fall of prices. The way to do this: abolish prices. And how? By doing away with exchange value. But this problem arises: exchange corresponds to the bourgeois organization of society. Hence one last problem: to revolutionize bourgeois society economically. It would then have been self-evident from the outset that the evil of bourgeois

society is not to be remedied by ‘transforming’ the banks or by founding a rational ‘money system’.

Convertibility, therefore – legal or not – remains a requirement of every kind of money whose title makes it a value-symbol, i.e. which equates it as a quantity with a third commodity. The equation already includes the antithesis, the possibility of nonequivalence; convertibility includes its opposite, inconvertibility; appreciation includes depreciation, δυνάμει, [11] as Aristotle would say. Suppose for example that the sovereign were not only called a sovereign, which is a mere honorific for the *x*th fraction of an ounce of gold (accounting name), in the same way that a metre is the name for a certain length, but were called, say, *x hours of labour time.* 1/*x* ounce of gold is in fact nothing more than 1/*x* hours of labour time materialized, objectified. But gold is labour time accumulated in the past, labour time defined. Its title would make a given quantity of labour as such into its standard. The pound of gold would have to be convertible into *x* hours of labour time, would have to be able to purchase it at any given moment: as soon as it could buy a greater or a lesser amount, it would be appreciated or depreciated; in the latter case its convertibility would have ceased. What determines value is not the amount of labour time incorporated in products, but rather the amount of labour time necessary at a given moment. Take the pound of gold itself: let it be the product of 20 hours’ labour time. Suppose that for some reason it later requires only 10 hours to produce a pound of gold. The pound of gold whose title advises that it = 20 hours’ labour time would now merely = 10 hours’ labour time, since 20 hours’ labour time = 2 pounds of gold. 10 hours of labour are in practice exchanged for 1 pound of gold; hence 1 pound of gold cannot any longer be exchanged for 20 hours of labour time. Gold money with the plebeian title *x hours of labour* would be exposed to greater fluctuations than any other sort of money and particularly more than the present gold money, because gold cannot rise or fall in relation to gold (it is equal to itself), while the labour time accumulated in a given quantity of gold, in contrast, must constantly rise or fall in relation to present, living labour time. In order to maintain its convertibility, the productivity of labour time would have to be kept stationary. Moreover, in view of the general economic law that the costs of production constantly decline, that living labour becomes constantly more productive, hence that the labour time objectified in products constantly depreciates, the inevitable fate of this golden labour money would be constant depreciation. In order to control this evil, it might be said that the title of labour time should go not to gold but, as Weitling proposed, with Englishmen ahead of him and French after, Proudhon & Co. among them, to paper money, to a mere symbol of value. The labour time incorporated in the paper itself would then have as little relevance as the paper value of banknotes. The former would be merely the representation of hours of labour, as the latter is of gold or silver. If the hour of labour became more productive, then the chit of paper which represents it would rise in buying power, and vice versa, exactly as a £5 note at present buys more or less depending on whether the relative value of gold in comparison to other commodities rises or falls. According to the same law which would subject golden labour money to a constant depreciation, paper labour money would enjoy a constant appreciation. And that is precisely what we are after; the worker would reap the joys of the rising productivity of his labour, instead of creating proportionately more alien wealth and devaluing himself as at present. Thus the socialists. But, unfortunately, there arise some small scruples. First of all: if we once presuppose money, even if it is only time-chits, then we must also presuppose the accumulation of this money, as well as contracts, obligations, fixed burdens etc., which are entered into in the form of this money. The accumulated chits would constantly appreciate together with the newly issued ones, and thus on the one hand the rising productivity of labour would go to the benefit of non-workers, and on the other hand the previously contracted burdens would keep step with the rising yield of labour. The rise and fall in the value of gold or silver would be quite irrelevant if the world could be started afresh at each new moment and if, hence, previous obligations to pay a certain quantity of gold did not survive the fluctuations in the value of gold. The same holds, here, with the time-chit and hourly productivity.

The point to be examined here is the convertibility of the time-chit. We reach the same goal if we make a detour. Although it is still too early, a few observations can be made about the delusions on which the time-chit rests, which allow us an insight into the depths of the secret which links Proudhon’s theory of circulation with his general theory – his theory of the determination of value. We find the same link e.g. in Bray [12] and Gray. [13] Whatever basis in truth it may happen to have will be examined later [14] (but first, incidentally: seen only as drafts on gold, banknotes should not be issued in amounts exceeding the quantity of gold which they pretend to replace, or they depreciate. Three drafts of £15 which I issue to three different creditors on the same £15 in gold are in fact only drafts on £15 / 3 = £5 each. Each of these notes would have depreciated to 33 1/3 per cent from the outset.)

The *value* (the real exchange value) of all commodities (labour included) is determined by their cost of production, in other words by the labour time required to produce them. Their *price* is this exchange value of theirs, expressed in money. The replacement of metal money (and of paper or fiat money denominated in metal money) by labour money denominated in labour time would therefore equate the *real value* (exchange value) of commodities with their *nominal value, price, money value.* Equation of *real value and nominal value, of value and price.* But such is by no means the case. The value of commodities as determined by labour time is only their *average value.* This average appears as an external abstraction if it is calculated out as the average figure of an epoch, e.g. 1 lb. of coffee = 1s. if the average price of coffee is taken over 25 years; but it is very real if it is at the same time recognized as the driving force and the moving principle of the oscillations which commodity prices run through during a given epoch. This reality is not merely of theoretical importance: it forms the basis of mercantile speculation, whose calculus of probabilities depends both on the median price averages which figure as the centre of oscillation, and on the average peaks and average troughs of oscillation above or below this centre. The *market value* is always different, is always below or above this average value of a commodity. Market value equates itself with real value by means of its constant oscillations, never by means of an equation with real value as if the latter were a third party, but rather by means of constant non-equation of itself (as Hegel would say, not by way of abstract identity, but by constant negation of the negation, i.e. of itself as negation of real value). [15] In my pamphlet against Proudhon I showed that real value itself – independently of its rule over the oscillations of the market price (seen apart from its role as the *law* of these oscillations) – in turn negates itself and constantly posits the real value of commodities in contradiction with its own character, that it constantly depreciates or appreciates the real value of already produced commodities; this is not the place to discuss it in greater detail. [16] *Price* therefore is distinguished from *value* not only as the nominal from the real; not only by way of the denomination in gold and silver, but because the latter appears as the law of the motions which the former runs through. But the two are constantly different and never balance out, or balance only coincidentally and exceptionally. The price of a commodity constantly stands above or below the value of the commodity, and the value of the commodity itself exists only in this up-and-down movement of commodity prices. Supply and demand constantly determine the prices of commodities; never balance, or only coincidentally; but the cost of production, for its part, determines the oscillations of supply and demand. The gold or silver in which the price of a commodity, its market value, is expressed is itself a certain quantity of accumulated labour, a certain measure of materialized labour time. On the assumption that the production costs of a commodity and the production costs of gold and silver remain constant, the rise or fall of its market price means nothing more than that a commodity, $= x$ labour time, constantly commands $>$ or $< x$ labour time on the market, that it stands above or beneath its average value as determined by labour time. The first basic illusion of the time-chitters consists in this, that by annulling the *nominal difference* between real value and market value, between exchange value and price – that is, by expressing value in units of labour time itself instead of in a given objectification of labour time, say gold and silver – that in so doing they also remove the real difference and contradiction between price and value. Given this illusory assumption it is self-evident that the mere introduction of the time-chit does away with all crises, all faults of bourgeois production. The money price of commodities = their real value; demand = supply; production = consumption; money is simultaneously abolished and preserved; the labour time of which the commodity is the product, which is materialized in the commodity, would need only to be measured in order to create a corresponding mirror-image in the form of a value-symbol, money, time-chits. In this way every commodity would be directly transformed into money; and gold and silver, for their part, would be demoted to the rank of all other commodities.

It is not necessary to elaborate that the contradiction between exchange value and price – the average price and the prices of which it is the average –

that the difference between magnitudes and average magnitudes is not overcome merely by suppressing the *difference in name,* e.g. by saying, instead of: 1 lb. bread costs 8d., 1 lb. bread = 1/x hours of labour. Inversely, if 8d. = 1/x hours of labour, and if the labour time which is materialized in one pound of bread is greater or less than 1/x hours of labour, then, because the measure of value would be at the same time the element in which the price is expressed, the difference between price and value, which is hidden in the gold price or silver price, would never be glaringly visible. An infinite equation would result. 1/x hours of labour (as contained in 8d. or represented by a chit) > < than 1/x hours of labour (as contained in the pound of bread).

The time-chit, representing *average labour time,* would never correspond to or be convertible into *actual labour time;* i.e. the amount of labour time objectified in a commodity would never command a quantity of labour time equal to itself, and vice versa, but would command, rather, either more or less, just as at present every oscillation of market values expresses itself in a rise or fall of the gold or silver prices of commodities.

The constant depreciation of commodities – over longer periods – in relation to time-chits, which we mentioned earlier, arises out of the law of the rising productivity of labour time, out of the disturbances within relative value itself which are created by its own inherent principle, namely labour time. This inconvertibility of the time-chits which we are now discussing is nothing more than another expression for the inconvertibility between real value and market value, between exchange value and price. In contrast to all other commodities, the time-chit would represent an ideal labour time which would be exchanged sometimes against more and sometimes against less of the actual variety, and which would achieve a separate existence of its own in the time-chit, an existence corresponding to this non-equivalence. The general equivalent, medium of circulation and measure of commodities would again confront the commodities in an individual form, following its own laws, alienated, i.e. equipped with all the properties of money as it exists at present but unable to perform the same services. The medium with which commodities – these objectified quantities of labour time – are compared would not be a third commodity but would be rather their own measure of value, labour time itself; as a result, the confusion would reach a new height altogether. Commodity A, the objectification of 3 hours' labour time, is = 2 labour-hour-chits; commodity B, the objectification, similarly, of 3 hours' labour, is = 4 labour-hour-chits. This contradiction is in practice expressed in money prices, but in a veiled form. The difference between price and value, between the commodity measured by the labour time whose product it is, and the product of the labour time against which it is exchanged, this difference calls for a third commodity to act as a measure in which the real exchange value of commodities is expressed. *Because price is not equal to value, therefore the value-determining element – labour time – cannot be the element in which prices are expressed, because labour time would then have to express itself simultaneously as the determining and the non-determining element, as the equivalent and non-equivalent of itself.* Because labour time as the measure of value exists only as an ideal, it cannot serve as the matter of price-comparisons. (Here at the same time it becomes clear how and why the value relation obtains a separate material existence in the form of money. This to be developed further.) The difference between price and value calls for values to be measured as prices on a different standard from their own. Price as distinct from value is necessarily money price. It can here be seen that the nominal difference between price and value is conditioned by their real difference.

Commodity A = 1s. (i.e. = $1/x$ silver); commodity B = 2s. (i.e. $2/x$ silver). Hence commodity B = double the value of commodity A. The value relation between A and B is expressed by means of the proportion in which they are exchanged for a quantity of a third commodity, namely silver; they are not exchanged for a value-relation.

Every commodity (product or instrument of production) is = the objectification of a given amount of labour time. Their value, the relation in which they are exchanged against other commodities, or other commodities against them, is = to the quantity of labour time realized in them. If a commodity e.g. = 1 hour of labour time, then it exchanges with all other commodities which are the product of 1 hour of labour time. (This whole reasoning on the presupposition that exchange value = market value; real value = price.) The value of the commodity is different from the commodity itself. The commodity is a value (exchange value) only within exchange (real or imagined); value is not only the exchangeability of the commodity in general, but its specific exchangeability. Value is at the same time the exponent of the relation in which the commodity is exchanged with other commodities, as well as the exponent of the relation in which it has already been exchanged with other commodities (materialized labour time) in production; it is their quantitatively determined exchangeability. Two commodities, e.g. a yard of cotton and a measure of oil, considered as cotton and as oil, are different by nature, have different properties, are measured by different measures, are incommensurable. Considered as values, all commodities are qualitatively equal and differ only quantitatively, hence can be measured against each other and substituted for one another (are mutually exchangeable, mutually convertible) in certain quantitative relations. Value is their social relation, their economic quality. A book which possesses a certain value and a loaf of bread possessing the same value are exchanged for one another, are the same value but in a different material. As a value, a commodity is an equivalent for all other commodities in a given relation. As a value, the commodity is an equivalent; as an equivalent, all its natural properties are extinguished; it no longer takes up a special, qualitative relationship towards the other commodities; but is rather the general measure as well as the general representative, the general medium of exchange of all other commodities. As value, it is *money.* But because the commodity, or rather the product or the instrument of production, is different from its value, its existence as value is different from its existence as product. Its property of being a value not only can but must achieve an existence different from its natural one. Why? Because commodities as values are different from one another only quantitatively; therefore each commodity must be qualitatively different from its own value. Its value must therefore have an existence which is qualitatively distinguishable from it, and in actual exchange this separability must become a real separation, because the natural distinctness of commodities must come into contradiction with their economic equivalence, and because both can exist together only if the commodity achieves a double existence, not only a natural but also a purely economic existence, in which latter it is a mere symbol, a cipher for a relation of production, a mere symbol for its own value. As a value, every commodity is equally divisible; in its natural existence this is not the case. As a value it remains the same no matter how many metamorphoses and forms of existence it goes through; in reality, commodities are exchanged only because they are not the same and correspond to different systems of needs. As a value, the commodity is general; as a real commodity it is particular. As a value it is always exchangeable; in real exchange it is exchangeable only if it fulfills particular conditions. As a value, the measure of its exchangeability is determined by itself; exchange value expresses precisely the relation in which it replaces other commodities; in real exchange it is exchangeable only in quantities which are linked with its natural properties and which correspond to the needs of the participants in exchange. (In short, all properties which may be cited as the special qualities of money are properties of the commodity as exchange value, of the product as value as distinct from the value as product.) (The exchange value of a commodity, as a separate form of existence accompanying the commodity itself, is *money*; the form in which all commodities equate, compare, measure themselves; into which all commodities dissolve themselves; that which dissolves itself into all commodities; the universal equivalent.) Every moment, in calculating, accounting etc., that we transform commodities into value symbols, we fix them as mere exchange values, making abstraction from the matter they are composed of and all their natural qualities. On paper, in the head, this metamorphosis proceeds by means of mere abstraction; but in the real exchange process a real *mediation* is required, a means to accomplish this abstraction. In its natural existence, with its natural properties, in natural identity with itself, the commodity is neither constantly exchangeable nor exchangeable against *every other commodity;* this it is only as something different from itself, something distinct from itself, as exchange value. We must first transpose the commodity into itself as exchange value in order then to be able to compare this exchange value with other exchange values and to exchange it. In the crudest barter, when two commodities are exchanged for one another, each is first equated with a symbol which expresses their exchange value, e.g. among certain Negroes on the West African coast, = *x* bars. One commodity is = 1 bar; the other = 2 bars. They are exchanged in this relation. The commodities are first transformed into bars in the head and in speech before they are exchanged for one another. They are appraised before being exchanged, and in order to appraise them they must be brought into a given numerical relation to one another. In order to bring them into such a numerical relation, in order to make them commensurable, they must obtain the same denomination (unit). (The bar has a merely imaginary existence, just as, in general, a relation can obtain a particular embodiment and become individualized only by means of abstraction.) In order to cover the excess of one value over another in exchange, in order to liquidate the balance, the crudest barter, just as with international trade today, requires payment in money.

Products (or activities) are exchanged only as commodities; commodities in exchange exist only as values; only as values are they comparable. In order to determine what amount of bread I need in order to exchange it for a yard of linen, I first equate the yard of linen with its exchange value, i.e. = $1/x$ hours of labour time. Similarly, I equate the pound of bread with its exchange value, = $1/x$ or $2/x$ hours of labour time. I equate each of the commodities with a third; i.e. not with themselves. This third, which differs from them both, exists initially only in the head, as a conception, since it expresses a relation; just as, in general, relations can be established as existing only by being *thought,* as distinct from the subjects which are in these relations with each other. In becoming an exchange value, a product (or activity) is not only transformed into a definite quantitative relation, a relative number – that is, a number which expresses the quantity of other commodities which equal it, which are its equivalent, or the relation in which it is their equivalent – but it must also at the same time be transformed qualitatively, be transposed into another element, so that both commodities become magnitudes of the same kind, of the same unit, i.e. commensurable. The commodity first has to be transposed into labour time, into something qualitatively different from itself (qualitatively different (1) because it is not labour time as labour time, but materialized labour time; labour time not in the form of motion, but at rest; not in the form of the process, but of the result; (2) because it is not the objectification of labour time in general, which exists only as a conception (it is only a conception of labour separated from its quality, subject merely to quantitative variations), but rather the specific result of a specific, of a naturally specified, kind of labour which differs qualitatively from other kinds), in order then to be compared as a specific amount of labour time, as a certain magnitude of labour, with other amounts of labour time, other magnitudes of labour. For the purpose of merely making a comparison – an appraisal of products – of determining their value ideally, it suffices to make this transformation in the head (a transformation in which the product exists merely as the expression of quantitative relations of production). This abstraction will do for comparing commodities; but in actual exchange this abstraction in turn must be objectified, must be symbolized, realized in a symbol. This necessity enters into force for the following reasons: (1) As we have already said, both the commodities to be exchanged are transformed in the head into common relations of magnitude, into exchange values, and are thus reciprocally compared. But if they are then to be exchanged in reality, their natural properties enter into contradiction with their character as exchange values and as mere denominated numbers. They are not divisible at will etc. (2) In the real exchange process, particular commodities are always exchanged against particular commodities, and the exchangeability of commodities, as well as the relation in which they are exchangeable, depends on conditions of place and time, etc. But the transformation of the commodity into exchange value does not equate it to any other particular commodity, but expresses it as equivalent, expresses its exchangeability relation, *vis-à-vis* all other commodities. This comparison, which the head accomplishes in one stroke, can be achieved in reality only in a delimited sphere determined by needs, and only in successive steps. (For example, I exchange an income of 100 thalers as my needs would have it one after another against a whole range of commodities whose sum = the exchange value of 100 thalers.) Thus, in order to realize the commodity as exchange value in one stroke, and in order to give it the general influence of an exchange value, it is not enough to exchange it for one particular commodity. It must be exchanged against a third thing which is not in turn itself a particular commodity, but is the symbol of the commodity as commodity, of the commodity's exchange value itself; *which thus represents, say, labour time as such,* say a piece of paper or of leather, which represents a fractional part of labour time. (Such a symbol presupposes general recognition; it can only be a social symbol; it expresses, indeed, nothing more than a social relation.) This symbol represents the fractional parts of labour time; it represents exchange value in such fractional parts as are capable of expressing all relations between exchange values by means of simple arithmetical combination; this symbol, this material sign of exchange value, is a product of exchange itself, and not the execution of an idea conceived *a priori.* (In fact the commodity which is required as medium of exchange becomes transformed into money, into a symbol, only little by little; as soon as this has happened, it can in turn be replaced by a symbol of itself. It then becomes the conscious sign of exchange value.)

The process, then, is simply this: The product becomes a commodity, *i.e. a mere moment of exchange.* The commodity is transformed into exchange value. In order to equate it with itself as an exchange value, it is exchanged for a symbol which represents it as exchange value as such. As such a symbolized exchange value, it can then in turn be exchanged in definite relations for every other commodity. Because the product becomes a commodity, and the commodity becomes an exchange value, it obtains, at first only in the head, a double existence. This doubling in the idea proceeds (and must proceed) to the point where the commodity appears double in real exchange: as a natural product on one side, as exchange value on the other. I.e. the commodity's exchange value obtains a material existence separate from the commodity.

The definition of a product as exchange value thus necessarily implies that exchange value obtains a separate existence, in isolation from the product. The exchange value which is separated from commodities and exists alongside them as itself a commodity, this is – *money.* In the form of *money* all properties of the commodity as exchange value appear as an object distinct from it, as a form of social existence separated from the natural existence of the commodity. (This to be further shown by enumerating the usual properties of money.) (The material in which this symbol is expressed is by no means a matter of indifference, even though it manifests itself in many different historical forms. In the development of society, not only the symbol but likewise the material corresponding to the symbol are worked out – a material from which society later tries to disentangle itself; if a symbol is not to be arbitrary, certain conditions are demanded of the material in which it is represented. The symbols for words, for example the alphabet etc., have an analogous history.) Thus, the exchange value of a product creates money alongside the product. Now, just as it is impossible to suspend the complications and contradictions which arise from the existence of money alongside the particular commodities merely by altering the form of money (although difficulties characteristic of a lower form of money may be avoided by moving to a higher form), so also is it impossible to abolish money itself as long as exchange value remains the social form of products. It is necessary to see this clearly in order to avoid setting impossible tasks, and in order to know the limits within which monetary reforms and transformations of circulation are able to give a new shape to the relations of production and to the social relations which rest on the latter.

The properties of money as (1) measure of commodity exchange; (2) medium of exchange; (3) representative of commodities (hence object of contracts); (4) general commodity alongside the particular commodities, all simply follow from its character as exchange value separated from commodities themselves and objectified. (By virtue of its property as the general commodity in relation to all others, as the embodiment of the exchange value of the other commodities, money at the same time becomes the realized and always realizable form of capital; the form of capital's appearance which is always valid – a property which emerges in bullion drains; hence capital appears in history initially only in the money form; this explains, finally, the link between money and the rate of interest, and its influence on the latter.)

To the degree that production is shaped in such a way that every producer becomes dependent on the exchange value of his commodity, i.e. as the product increasingly becomes an exchange value in reality, and exchange value becomes the immediate object of production – to the same degree must *money relations* develop, together with the contradictions immanent in the *money relation,* in the relation of the product to itself as money. The need for exchange and for the transformation of the product into a pure exchange value progresses in step with the division of labour, i.e. with the increasingly social character of production. But as the latter grows, so grows the power of *money,* i.e. the exchange relation establishes itself as a power external to and independent of the producers. What originally appeared as a means to promote production becomes a relation alien to the producers. As the producers become more dependent on exchange, exchange appears to become more independent of them, and the gap between the product as product and the product as exchange value appears to widen. Money does not create these antitheses and contradictions; it is, rather, the development of these contradictions and antitheses which creates the seemingly transcendental power of money. (To be further developed, the influence of the transformation of all relations into money relations: taxes in kind into money taxes, rent in kind into money rent, military service into mercenary troops, all personal services in general into money services, of patriarchal, slave, serf and guild labour into pure wage labour.)

The product becomes a commodity; the commodity becomes exchange value; the exchange value of the commodity is its immanent money-property; this, its money-property, separates itself from it in the form of money, and achieves a general social existence separated from all particular commodities and their natural mode of existence; the relation of the product to itself as exchange value becomes its relation to money, existing alongside it; or, becomes the relation of all products to money, external to them all. Just as the real exchange of products creates their exchange value, so does their exchange value create money.

The next question to confront us is this: are there not contradictions, inherent in this relation itself, which are wrapped up in the existence of money alongside commodities?

Firstly: The simple fact that the commodity exists doubly, in one aspect as a specific product whose natural form of existence ideally contains (latently contains) its exchange value, and in the other aspect as manifest exchange value (money), in which all connection with the natural form of the product is stripped away again – this double, *differentiated* existence must develop into a *difference*, and the difference into *antithesis* and *contradiction.* The same contradiction between the particular nature of the commodity as product and its general nature as exchange value, which created the necessity of positing it doubly, as this particular commodity on one side and as money on the other – this contradiction between the commodity's particular natural qualities and its general social qualities contains from the beginning the possibility that these two separated forms in which the commodity exists are not convertible into one another. The exchangeability of the commodity exists as a thing beside it, as money, as something different from the commodity, something no longer directly identical with it. As soon as money has become an external thing alongside the commodity, the exchangeability of the commodity for money becomes bound up with external conditions which may or may not be present; it is abandoned to the mercy of external conditions. The commodity is demanded in exchange because of its natural properties, because of the needs for which it is the desired object. Money, by contrast, is demanded only because of its exchange value, as exchange value. Hence, whether or not the commodity is transposable into money, whether or not it can be exchanged for money, whether its exchange value can be posited for it – this depends on circumstances which initially have nothing to do with it as exchange value and are independent of that. The transposability of the commodity depends on the natural properties of the product; that of money coincides with its existence as symbolized exchange value. There thus arises the possibility that the commodity, in its specific form as product, can no longer be exchanged for, equated with, its general form as money.

By existing outside the commodity as money, the exchangeability of the commodity has become something different from and alien to the commodity, with which it first has to be brought into equation, to which it is therefore at the beginning unequal; while the equation itself becomes dependent on external conditions, hence a matter of chance.

Secondly: Just as the exchange value of the commodity leads a double existence, as the particular commodity and as money, so does the act of exchange split into two mutually independent acts: exchange of commodities for money, exchange of money for commodities; purchase and sale. Since these have now achieved a spatially and temporally separate and mutually indifferent form of existence, their immediate identity ceases. They may correspond or not; they may balance or not; they may enter into disproportion with one another. They will of course always attempt to equalize one another; but in the place of the earlier immediate equality there now stands the constant movement of equalization, which evidently presupposes constant non-equivalence. It is now entirely possible that consonance may be reached only by passing through the most extreme dissonance.

Thirdly: With the separation of purchase and sale, with the splitting of exchange into two spatially and temporally independent acts, there further emerges another, new relation.

Just as exchange itself splits apart into two mutually independent acts, so does the overall movement of exchange itself become separate from the exchangers, the producers of commodities. Exchange for the sake of exchange separates off from exchange for the sake of commodities. A mercantile estate [17] steps between the producers; an estate which only buys in order to sell and only sells so as to buy again, and whose aim in this operation is not the possession of commodities as products but merely the obtaining of exchange values as such, of money. (A mercantile estate can take shape even with mere barter. But since only the overflow of production on both sides is at its disposal, its influence on production, and its importance as a whole, remain completely secondary.) The rise of exchange (commerce) as an independent function torn away from the exchangers corresponds to the rise of exchange value as an independent entity, as money, torn away from products. Exchange value was the measure of commodity exchange; but its aim was the direct possession of the exchanged commodity, its consumption (regardless of whether this consumption consists of serving to satisfy needs directly, i.e. serving as product, or of serving in turn as a tool of production). The purpose of commerce is not consumption, directly, but the gaining of money, of exchange values. This doubling of exchange – exchange for the sake of consumption and exchange for exchange – gives rise to a new disproportion. In his exchange, the merchant is guided merely by the difference between the purchase and sale of commodities; but the consumer who buys a commodity must replace its exchange value once and for all. Circulation, i.e. exchange within the mercantile estate, and the point at which circulation ends, i.e. exchange between the mercantile estate and the consumers – as much as they must ultimately condition one another – are determined by quite different laws and motives, and can enter into the most acute contradiction with one another. The possibility of commercial crises is already contained in this separation. But since production works directly for commerce and only indirectly for consumption, it must not only create but also and equally be seized by this incongruency between commerce and exchange for consumption. (The relations of demand and supply become entirely inverted.) (The money business then in turn separates from commerce proper.)

Aphorisms. (All commodities are perishable money; money is the imperishable commodity. With the development of the division of labour, the immediate product ceases to be a medium of exchange. The need arises for a general medium of exchange, i.e. a medium of exchange independent of the specific production of each individual. Money implies the separation between the value of things and their substance. Money is originally the representative of all values; in practice this situation is inverted, and all real products and labours become the representatives of money. In direct barter, every article cannot be exchanged for every other; a specific activity can be exchanged only for certain specific products. Money can overcome the difficulties inherent in barter only by generalizing them, making them universal. It is absolutely necessary that forcibly separated elements which essentially belong together manifest themselves by way of forcible eruption as the *separation* of things which belong together in essence. The unity is brought about *by force.* As soon as the antagonistic split leads to eruptions, the economists point to the *essential unity* and abstract from the alienation. Their apologetic wisdom consists in forgetting their own definitions at every decisive moment. The product as direct medium of exchange is (1) still directly bound to its natural quality, hence limited in every way by the latter; it can, for example, deteriorate etc.; (2) connected with the immediate need which another may have or not have at the time, or which he may have for his own product. When the product becomes subordinated to labour and labour to exchange, then a moment enters in which both are separated from their owner. Whether, after this separation, they return to him again in another shape becomes a matter of *chance*. When money enters into exchange, I am forced to exchange my product for exchange value in general or for the general capacity to exchange, hence my product becomes dependent on the state of general commerce and is torn out of its local, natural and individual boundaries. For exactly that reason it can cease to be a product.)

Fourthly: Just as exchange value, in the form of money, takes its place as the *general commodity* alongside all particular commodities, so does exchange value as money therefore at the same time take its place as a *particular commodity* (since it has a particular existence) alongside all other commodities. An incongruency arises not only because money, which exists only in exchange, confronts the particular exchangeability of commodities as their general exchangeability, and directly extinguishes it, while, nevertheless, the two are supposed to be always convertible into one another; but also because money comes into contradiction with itself and with its characteristic by virtue of being itself a *particular* commodity (even if only a symbol) and of being subject, therefore, to particular conditions of exchange in its exchange with other commodities, conditions which contradict its general unconditional exchangeability. (Not to speak of money as fixed in the substance of a particular product, etc.) Besides its existence in the commodity, exchange value achieved an existence of its own in money, was separated from its substance exactly because the natural characteristic of this substance contradicted its general characteristic as exchange value. Every commodity is equal (and comparable) to every other as exchange value (*qualitatively*: each now merely represents a *quantitative* plus or minus of exchange value). For that reason, this equality, this unity of the commodity is distinct from its natural differentiation; and appears in money therefore as their common element as well as a third thing which confronts them both. But on one side, exchange value naturally remains at the same time an inherent quality of commodities while it simultaneously exists outside them; on the other side, when money no longer exists as a property of commodities, as a common element within them, but as an individual entity apart from them, then money itself becomes a *particular* commodity alongside the other commodities. (Determinable by demand and supply; splits into different kinds of money, etc.) It becomes a commodity like other commodities, and at the same time it is not a commodity like other commodities. Despite its general character it is one exchangeable entity among other exchangeable entities. It is not only the general exchange value, but at the same time a particular exchange value alongside other particular exchange values. Here a new source of contradictions which make themselves felt in practice. (The particular nature of money emerges again in the separation of the money business from commerce proper.)

We see, then, how it is an inherent property of money to fulfil its purposes by simultaneously negating them; to achieve independence from commodities; to be a means which becomes an end; to realize the exchange value of commodities by separating them from it; to facilitate exchange by splitting it; to overcome the difficulties of the direct exchange of commodities by generalizing them; to make exchange independent of the producers in the same measure as the producers become dependent on exchange.

(It will be necessary later, before this question is dropped, to correct the idealist manner of the presentation, which makes it seem as if it were merely a matter of conceptual determinations and of the dialectic of these concepts. Above all in the case of the phrase: product (or activity) becomes commodity; commodity, exchange value; exchange value, money.)

(*Economist.* 24 January 1857. The following passage to be borne in mind on the subject of banks:

‘So far as the mercantile classes share, which they now do very generally, in the profits of banks – and may to a still greater extent by the wider diffusion of joint-stock banks, the abolition of all corporate privileges, and the extension of perfect freedom to the business of banking – they have been enriched by the increased rates of money. In truth, the mercantile classes by the extent of their deposits, are virtually their own bankers; and so far as that is the case, the rate of discount must be to them of little importance. All banking and other reserves must of course be the results of continual industry, and of savings laid by out of profits; and consequently, taking the mercantile and industrious classes as a whole, they must be their own bankers, and it requires only that the principles of free trade should be extended to all businesses, to equalize or naturalize for them the advantages and disadvantages of all the fluctuations in the money market.’)

All contradictions of the *monetary system* and of the exchange of products under the monetary system are the development of the relation of products as *exchange values,* of their definition as *exchange value* or as *value* pure and simple.

(*Morning Star.* 12 February 1857. ‘The pressure of money during last year, and the high rate of discount which was adopted in consequence, has been very beneficial to the profit account of the Bank of France. Its dividend has gone on increasing: 118 fr. in 1852, 154 fr. in 1853, 194 fr. in 1854, 200 fr. in 1855, 272 fr. in 1856.')

Also to be noted, the following passage: The English silver coins issued at a price higher than the value of the silver they contain. A pound silver of an intrinsic value of 60–62s. (£3 on an average in gold) was coined into 66s. The Mint pays the 'market price of the day, from 5s. to 5s. 2d. the ounce, and issues at the rate of 5s. 6d. the ounce. There are two reasons which prevent any practical inconvenience resulting from this arrangement:' (*of silver tokens*, not of intrinsic value) 'first, the coin can only be procured at the Mint, and at that price; as home circulation, then, it cannot be depreciated, and it cannot be sent abroad because it circulates here for more than its intrinsic value; and secondly, as it is a legal tender only up to 40s., it never interferes with the gold coins, nor affects their value.' Gives France the advice to do the same: to issue subordinate coins of silver tokens, not of intrinsic value, and limit[ing] the amount to which they should be a legal tender. But at the same time: in fixing the quality of the coin, to take a larger margin between the intrinsic and the nominal value than we have in England, because the increasing value of silver in relation to gold may very probably, before long, rise up to our present Mint price, when we may be obliged again to alter it. Our silver coin is now little more than 5% below the intrinsic value: a short time since it was 10%. (*Economist*. 24 January 1857.)

Now, it might be thought that the issue of time-chits overcomes all these difficulties. (The existence of the time-chit naturally already presupposes conditions which are not directly given in the examination of the relations of exchange value and money, and which can and do exist without the time-chit: public credit, bank etc.; but all this not to be touched on further here, since the time-chit men of course regard it as the ultimate product of the 'series', which, even if it corresponds most to the 'pure' concept of money, 'appears' last in reality.) To begin with: If the preconditions under which the price of commodities = their exchange value are fulfilled and given; balance of demand and supply; balance of production and consumption; and what this amounts to in the last analysis, *proportionate production* (the so-called relations of distribution are themselves relations of production), then the money question becomes entirely secondary, in particular the question whether the tickets should be blue or green, paper or tin, or whatever other form social accounting should take. In that case it is totally meaningless to keep up the pretence that an investigation is being made of the real relations of money.

The bank (any bank) issues the time-chits. [18] A commodity, A = the exchange value x, i.e. = x hours of labour time, is exchanged for a quantity of money representing x labour time. The bank would at the same time have to purchase the commodity, i.e. exchange it for its representative in monetary form, just as e.g. the Bank of England today has to give notes for gold. The commodity, the substantial and therefore accidental existence of exchange value, is exchanged for the symbolic existence of exchange value as exchange value. There is then no difficulty in transposing it from the form of the commodity into the form of money. The labour time contained in it only needs to be authentically verified (which, by the way, is not as easy as assaying the purity and weight of gold and silver) and thereby immediately creates its *counter-value*, its monetary existence. No matter how we may turn and twist the matter, in the last instance it amounts to this: the bank which issues the time-chits buys commodities at their costs of production, buys all commodities, and moreover this purchase costs the bank nothing more than the production of snippets of paper, and the bank gives the seller, in place of the exchange value which he possesses in a definite and substantial form, the symbolic exchange value of the commodity, in other words a draft on all other commodities to the amount of the same exchange value. Exchange value as such can of course exist only symbolically, although in order for it to be employed as a thing and not merely as a formal notion, this symbol must possess an objective existence; it is not merely an ideal notion, but is actually presented to the mind in an objective mode. (A measure can be held in the hand; exchange value measures, but it exchanges only when the measure passes from one hand to the other.) So the bank gives money for the commodity; money which is an exact draft on the exchange value of the commodity, i.e. of all commodities of the same value; the bank buys. The bank is the general buyer, the buyer of not only this or that commodity, but all commodities. For its purpose is to bring about the transposition of every commodity into its symbolic existence as exchange value. But if it is the general buyer, then it also has to be the general seller; not only the dock where all wares are deposited, not only the general warehouse, but also the owner of the commodities, in the same sense as every merchant. I have exchanged my commodity A for the time-chit B, which represents the commodity's exchange value; but I have done this only so that I can then further metamorphose this B into any real commodity C, D, E etc., as it suits me. Now, can this money circulate outside the bank? Can it take any other route than that between the owner of the chit and the bank? How is the convertibility of this chit secured? Only two cases are possible. Either all owners of commodities (be these products or labour) desire to sell their commodities at their exchange value, or some want to and some do not. If they all want to sell at their exchange value, then they will not await the chance arrival or non-arrival of a buyer, but go immediately to the bank, unload their commodities on to it, and obtain their exchange value symbol, money, for them: they redeem them for its money. In this case the bank is simultaneously the general buyer and the general seller in one person. Or the opposite takes place. In this case, the bank chit is mere paper which claims to be the generally recognized symbol of exchange value, but has in fact no value. For this symbol has to have the property of not merely representing, but *being,* exchange value in actual exchange. In the latter case the bank chit would not be money, or it would be money only by convention between the bank and its clients, but not on the open market. It would be the same as a meal ticket good for a dozen meals which I obtain from a restaurant, or a theatre pass good for a dozen evenings, both of which represent money, but only in this particular restaurant or this particular theatre. The bank chit would have ceased to meet the qualifications of money, since it would not circulate among the general public, but only between the bank and its clients. We thus have to drop the latter supposition.

The bank would thus be the general buyer and seller. Instead of notes it could also issue cheques, and instead of that it could also keep simple bank accounts. Depending on the sum of commodity values which X had deposited with the bank, X would have that sum in the form of other commodities to his credit. A second attribute of the bank would be necessary: it would need the power to establish the exchange value of all commodities, i.e. the labour time materialized in them, in an authentic manner. But its functions could not end there. It would have to determine the labour time in which commodities could be produced, with the average means of production available in a given industry, i.e. the time in which they would have to be produced. But that also would not be sufficient. It would not only have to determine the time in which a certain quantity of products had to be produced, and place the producers in conditions which made their labour equally productive (i.e. it would have to balance and to arrange the distribution of the means of labour), but it would also have to determine the amounts of labour time to be employed in the different branches of production. The latter would be necessary because, in order to realize exchange value and make the bank's currency really convertible, social production in general would have to be stabilized and arranged so that the needs of the partners in exchange were always satisfied. Nor is this all. The biggest exchange process is not that between commodities, but that between commodities and labour. (More on this presently.) The workers would not be selling their labour to the bank, but they would receive the exchange value for the entire product of their labour, etc. Precisely seen, then, the bank would be not only the general buyer and seller, but also the general producer. In fact either it would be a despotic ruler of production and trustee of distribution, or it would indeed be nothing more than a board which keeps the books and accounts for a society producing in common. The common ownership of the means of production is presupposed, etc., etc. The Saint-Simonians made their bank into the papacy of production.

The dissolution of all products and activities into exchange values presupposes the dissolution of all fixed personal (historic) relations of dependence in production, as well as the all-sided dependence of the producers on one another. Each individual's production is dependent on the production of all others; and the transformation of his product into the necessaries of his own life is [similarly] dependent on the consumption of all others. Prices are old; exchange also; but the increasing determination of the former by costs of production, as well as the increasing dominance of the latter over all relations of production, only develop fully, and continue to develop ever more completely, in bourgeois society, the society of free competition. What Adam Smith, in the true eighteenth-century manner, puts in the prehistoric period, the period preceding history, is rather a product of history.

This reciprocal dependence is expressed in the constant necessity for exchange, and in exchange value as the all-sided mediation. The economists express this as follows: Each pursues his private interest and only his private interest; and thereby serves the private interests of all, the general interest, without willing or knowing it. The real point is not that each individual's pursuit of his private interest promotes the totality of private interests, the general interest. One could just as well deduce from this abstract phrase that each individual reciprocally blocks the assertion of the others' interests, so that, instead of a general affirmation, this war of all against all produces a general negation. The point is rather that private interest is itself already a socially determined interest, which can be achieved only within the conditions laid down by society and with the means provided by society; hence it is bound to the reproduction of these conditions and means. It is the interest of private persons; but its content, as well as the form and means of its realization, is given by social conditions independent of all.

The reciprocal and all-sided dependence of individuals who are indifferent to one another forms their social connection. This social bond is expressed in *exchange value*, by means of which alone each individual's own activity or his product becomes an activity and a product for him; he must produce a general product – *exchange value*, or, the latter isolated for itself and individualized, *money.* On the other side, the power which each individual exercises over the activity of others or over social wealth exists in him as the owner of *exchange values*, of *money*. The individual carries his social power, as well as his bond with society, in his pocket. Activity, regardless of its individual manifestation, and the product of activity, regardless of its particular make-up, are always *exchange value*, and exchange value is a generality, in which all individuality and peculiarity are negated and extinguished. This indeed is a condition very different from that in which the individual or the individual member of a family or clan (later, community) directly and naturally reproduces himself, or in which his productive activity and his share in production are bound to a specific form of labour and of product, which determine his relation to others in just that specific way.

The social character of activity, as well as the social form of the product, and the share of individuals in production here appear as something alien and objective, confronting the individuals, not as their relation to one another, but as their subordination to relations which subsist independently of them and which arise out of collisions between mutually indifferent individuals. The general exchange of activities and products, which has become a vital condition for each individual – their mutual interconnection – here appears as something alien to them, autonomous, as a thing. In exchange value, the social connection between persons is transformed into a social relation between things; personal capacity into objective wealth. The less social power the medium of exchange possesses (and at this stage it is still closely bound to the nature of the direct product of labour and the direct needs of the partners in exchange) the greater must be the power of the community which binds the individuals together, the patriarchal relation, the community of antiquity, feudalism and the guild system. (See my Notebook XII, 34 B.) [19] Each individual possesses social power in the form of a thing. Rob the thing of this social power and you must give it to persons to exercise over persons. Relations of personal dependence (entirely spontaneous at the outset) are the first social forms, in which human productive capacity develops only to a slight extent and at isolated points. Personal independence founded on *objective [sachlicher]* dependence is the second great form, in which a system of general social metabolism, of universal relations, of all-round needs and universal capacities is formed for the first time. Free individuality, based on the universal development of individuals and on their subordination of their communal, social productivity as their social wealth, is the third stage. The second stage creates the conditions for the third. Patriarchal as well as ancient conditions (feudal, also) thus disintegrate with the development of commerce, of luxury, of *money*, of *exchange value,* while modern society arises and grows in the same measure.

Exchange and division of labour reciprocally condition one another. Since everyone works for himself but his product is nothing for him, each must of course exchange, not only in order to take part in the general productive capacity but also in order to transform his own product into his own subsistence. (See my ‘Remarks on Economics’, p. V (13,20).) [20] Exchange, when mediated by exchange value and money, presupposes the all-round dependence of the producers on one another, together with the total isolation of their private interests from one another, as well as a division of social labour whose unity and mutual complementarity exist in the form of a natural relation, as it were, external to the individuals and independent of them. The pressure of general demand and supply on one another mediates the connection of mutually indifferent persons.

The very necessity of first transforming individual products or activities into *exchange value,* into *money,* so that they obtain and demonstrate their social *power* in this *objective [sachlichen]* form, proves two things: (1) That individuals now produce only for society and in society; (2) that production is not *directly* social, is not 'the offspring of association', which distributes labour internally. Individuals are subsumed under social production; social production exists outside them as their fate; but social production is not subsumed under individuals, manageable by them as their common wealth. There can therefore be nothing more erroneous and absurd than to postulate the control by the united individuals of their total production, on the basis of *exchange value*, of *money,* as was done above in the case of the time-chit bank. The *private exchange* of all products of labour, all activities and all wealth stands in antithesis not only to a distribution based on a natural or political super- and subordination of individuals to one another (to which *exchange* proper only runs parallel or, by and large, does not so much take a grip on the life of entire communities as, rather, insert itself between different communities; it by no means exercises general domination over all relations of production and distribution) (regardless of the character of this super- and subordination: patriarchal, ancient or feudal) but also to free exchange among individuals who are associated on the basis of common appropriation and control of the means of production. (The latter form of association is not arbitrary; it presupposes the development of material and cultural conditions which are not to be examined any further at this point.) Just as the division of labour creates agglomeration, combination, cooperation, the antithesis of private interests, class interests, competition, concentration of capital, monopoly, stock companies – so many antithetical forms of the unity which itself brings the antithesis to the fore – so does private exchange create world trade, private independence creates complete dependence on the so-called world market, and the fragmented acts of exchange create a banking and credit system whose books, at least keep a record of the balance between debit and credit in private exchange. Although the private interests within each nation divide it into as many nations as it has ‘full-grown individuals’, and although the interests of exporters and of importers are antithetical here, etc, etc., national trade does obtain the *semblance* of existence in the form of the rate of exchange. Nobody will take this as a ground for believing that a *reform of the money market* can abolish the *foundations* of internal or external private trade. But within bourgeois society, the society that rests on *exchange value,* there arise relations of circulation as well as of production which are so many mines to explode it. (A mass of antithetical forms of the social unity, whose antithetical character can never be abolished through quiet metamorphosis. On the other hand, if we did not find concealed in society as it is the material conditions of production and the corresponding relations of exchange prerequisite for a classless society, then all attempts to explode it would be quixotic.)

We have seen that, although exchange value is = to the relative labour time materialized in products, money, for its part, is = to the exchange value of commodities, separated from their substance; and that in this exchange value or money relation are contained the contradictions between commodities and their exchange value, between commodities as exchange values and money. We saw that a bank which directly creates the mirror image of the commodity in the form of labour-money is a utopia. Thus, although money owes its existence only to the tendency of exchange value to separate itself from the substance of commodities and to take on a pure form, nevertheless commodities cannot be directly transformed into money; i.e. the authentic certificate of the amount of labour time realized in the commodity cannot serve the commodity as its price in the world of exchange values. How is this?

(In one of the forms of money – in so far as it is *medium* of exchange (not *measure* of exchange value) – it is clear to the economists that the existence of money presupposes the objectification [*Versachlichung*] of the social bond; in so far, that is, as money appears in the form of *collateral* which one individual must leave with another in order to obtain a commodity from him. Here the economists themselves say that people place in a thing (money) the faith which they do not place in each other. But why do they have faith in the thing? Obviously only because that thing is an *objectified relation* between persons; because it is objectified exchange value, and exchange value is nothing more than a mutual relation between people's productive activities. Every other collateral may serve the holder directly in that function: money serves him only as the 'dead pledge of society', [21] but it serves as such only because of its social (symbolic) property; and it can have a social property only because individuals have alienated their own social relationship from themselves so that it takes the form of a thing.)

In the *lists of current prices,* where all values are measured in money, it seems as though this independence from persons of the social character of things is, by the activity of commerce, on this basis of alienation where the relations of production and distribution stand opposed to the individual, to all individuals, at the same time subordinated to the individual again. Since, 'if you please', the autonomization of the world market (in which the activity of each individual is included), increases with the development of monetary relations (exchange value) and vice versa, since the general bond and all-round interdependence in production and consumption increase together with the independence and indifference of the consumers and producers to one another; since this contradiction leads to crises, etc., hence, together with the development of this alienation, and on the same basis, efforts are made to overcome it: institutions emerge whereby each individual can acquire information about the activity of all others and attempt to adjust his own accordingly, e.g. lists of current prices, rates of exchange, interconnections between those active in commerce through the mails, telegraphs etc. (the means of communication of course grow at the same time). (This means that, although the total supply and demand are independent of the actions of each individual, everyone attempts to inform himself about them, and this knowledge then reacts back in practice on the total supply and demand. Although on the given standpoint, alienation is not overcome by these means, nevertheless relations and connections are introduced thereby which include the possibility of suspending the old standpoint.) (The possibility of general statistics, etc.) (This is to be developed, incidentally, under the categories *'Prices, Demand and Supply'*. To be further noted here only that a comprehensive view over the whole of commerce and production in so far as lists of current prices in fact provide it, furnishes indeed the best proof of the way in which their own exchange and their own production confront individuals as an *objective* relation which is *independent* of them. In the case of the *world market,* the *connection of the individual* with all, but at the same time also the *independence of this connection from the individual,* have developed to such a high level that the formation of the world market already at the same time contains the conditions for going beyond it.) *Comparison* in place of real communality and generality.

(It has been said and may be said that this is precisely the beauty and the greatness of it: this spontaneous interconnection, this material and mental metabolism which is independent of the knowing and willing of individuals, and which presupposes their reciprocal independence and indifference. And, certainly, this objective connection is preferable to the lack of any connection, or to a merely local connection resting on blood ties, or on primeval, natural or master-servant relations. Equally certain is it that individuals cannot gain mastery over their own social interconnections before they have created them. But it is an insipid notion to conceive of this merely *objective bond* as a spontaneous, natural attribute inherent in individuals and inseparable from their nature (in antithesis to their conscious knowing and willing). This bond is their product. It is a historic product. It belongs to a specific phase of their development. The alien and independent character in which it presently exists *vis-à-vis* individuals proves only that the latter are still engaged in the creation of the conditions of their social life, and that they have not yet begun, on the basis of these conditions, to live it. It is the bond natural to individuals within specific and limited relations of production. Universally developed individuals, whose social relations, as their own communal [*gemeinschaftlich*] relations, are hence also subordinated to their own communal control, are no product of nature, but of history. The degree and the universality of the development of wealth where *this* individuality becomes possible supposes production on the basis of exchange values as a prior condition, whose universality produces not only the alienation of the individual from himself and from others, but also the universality and the comprehensiveness of his relations and capacities. In earlier stages of development the single individual seems to be developed more fully, because he has not yet worked out his relationships in their fullness, or erected them as independent social powers and relations opposite himself. It is as ridiculous to yearn for a return to that original fullness [22] as it is to believe that with this complete emptiness history has come to a standstill. The bourgeois viewpoint has never advanced beyond this antithesis between itself and this romantic viewpoint, and therefore the latter will accompany it as legitimate antithesis up to its blessed end.)

(The relation of the individual to science may be taken as an example here.)

(To compare money with blood – the term circulation gave occasion for this – is about as correct as Menenius Agrippa's comparison between the patricians and the stomach.) [23] (To compare money with language is not less erroneous. Language does not transform ideas, so that the peculiarity of ideas is dissolved and their social character runs alongside them as a separate entity, like prices alongside commodities. Ideas do not exist separately from language. Ideas which have first to be translated out of their mother tongue into a foreign language in order to circulate, in order to become exchangeable, offer a somewhat better analogy; but the analogy then lies not in language, but in the foreignness of language.)

(The exchangeability of all products, activities and relations with a third, *objective* entity which can be re-exchanged for everything *without distinction* – that is, the development of exchange values (and of money relations) is identical with universal venality, corruption. Universal prostitution appears as a necessary phase in the development of the social character of personal talents, capacities, abilities, activities. More politely expressed: the universal relation of utility and use. The equation of the incompatible, as Shakespeare nicely defined money. [24] Greed as such impossible without money; all other kinds of accumulation and of mania for accumulation appear as primitive, restricted by needs on the one hand and by the restricted nature of products on the other (*sacra auri fames* [25]).)

(The development of the money system obviously presupposes other, prior developments.)

When we look at social relations which create an undeveloped system of exchange, of exchange values and of money, or which correspond to an undeveloped degree of these, then it is clear from the outset that the individuals in such a society, although their relations appear to be more personal, enter into connection with one another only as individuals imprisoned within a certain definition, as feudal lord and vassal, landlord and serf, etc., or as members of a caste etc. or as members of an estate etc. In the money relation, in the developed system of exchange (and this semblance seduces the democrats), the ties of personal dependence, of distinctions of blood, education, etc, are in fact exploded, ripped up (at least, personal ties all appear as *personal* relations); and individuals *seem* independent (this is an independence which is at bottom merely an illusion and it is more correctly called indifference), free to collide with one another and to engage in exchange within this freedom; but they appear thus only for someone who abstracts from the *conditions*, the *conditions of existence* within which these individuals enter into contact (and these conditions, in turn, are independent of the individuals and, although created by society, appear as if they were *natural conditions,* not controllable by individuals). The definedness of individuals, which in the former case appears as a personal restriction of the individual by another, appears in the latter case as developed into an objective restriction of the individual by relations independent of him and sufficient unto themselves. (Since the single individual cannot strip away his personal definition, but may very well overcome and master external relations, his freedom *seems* to be greater in case 2. A closer examination of these external relations, these conditions, shows, however, that it is impossible for the individuals of a class etc. to overcome them *en masse* without destroying them. A particular individual may by chance get on top of these relations, but the mass of those under their rule cannot, since their mere existence expresses subordination, the necessary subordination of the mass of individuals.) These external relations are very far from being an abolition of ‘relations of dependence’; they are rather the dissolution of these relations into a general form; they are merely the elaboration and emergence of the general *foundation* of the relations of personal dependence. Here also individuals come into connection with one another only in determined ways. These *objective* dependency relations also appear, in antithesis to those of *personal* dependence (the objective dependency relation is nothing more than social relations which have become independent and now enter into opposition to the seemingly independent individuals; i.e. the reciprocal relations of production separated from and autonomous of individuals) in such a way that individuals are now ruled by *abstractions,* whereas earlier they depended on one another. The abstraction, or idea, however, is nothing more than the theoretical expression of those material relations which are their lord and master. Relations can be expressed, of course, only in ideas, and thus philosophers have determined the reign of ideas to be the peculiarity of the new age, and have identified the creation of free individuality with the overthrow of this reign. This error was all the more easily committed, from the ideological stand-point, as this reign exercised by the relations (this objective dependency, which, incidentally, turns into certain definite relations of personal dependency, but stripped of all illusions) appears within the consciousness of individuals as the reign of ideas, and because the belief in the permanence of these ideas, i.e. of these objective relations of dependency, is of course consolidated, nourished and inculcated by the ruling classes by all means available.

(As regards the illusion of the ‘purely personal relations’ in feudal times, etc., it is of course not to be forgotten for a moment (1) that these relations, in a certain phase, also took on an objective character within their own sphere, as for example the development of landed proprietorship out of purely military relations of subordination; but (2) the objective relation on which they founder has still a limited, primitive character and therefore *seems* personal, while, in the modern world, personal relations flow purely out of relations of production and exchange.)

The product becomes a commodity. The commodity becomes exchange value. The exchange value of the commodity acquires an existence of its own alongside the commodity; i.e. the commodity in the form in which (1) it is exchangeable with all other commodities, (2) it has hence become a commodity in general, and its natural specificity is extinguished, and (3) the measure of its exchangeability (i.e. the given relation within which it is equivalent to other commodities) has been determined – this commodity is the commodity as money, and, to be precise, not as money in general, but as a *certain definite sum of money,* for, in order to represent exchange value in all its variety, money has to be countable, quantitatively divisible.

Money – the common form into which all commodities as exchange values are transformed, i.e. the universal commodity – must itself exist as a *particular* commodity alongside the others, since what is required is not only that they can be measured against it in the head, but that they can be changed and exchanged for it in the actual exchange process. The contradiction which thereby enters, to be developed elsewhere. Money does not arise by convention, any more than the state does. It arises out of exchange, and arises naturally out of exchange; it is a product of the same. At the beginning, that commodity will serve as money – i.e. it will be exchanged not for the purpose of satisfying a need, not for consumption, but in order to be re-exchanged for other commodities – which is most frequently exchanged and circulated as an object of consumption, and which is therefore most certain to be exchangeable again for other commodities, i.e. which represents within the given social organization wealth κατ᾽ ἐξοχήν, [26] which is the object of the most general demand and supply, and which possesses a particular use value. Thus salt, hides, cattle, slaves. In practice such a commodity corresponds more closely to itself as exchange value than do other commodities (a pity that the difference between *denrée* and *marchandise* cannot be neatly reproduced in German). It is the particular usefulness of the commodity whether as a particular object of consumption (hides), or as a direct instrument of production (slaves), which stamps it as money in these cases. In the course of further development precisely the opposite will occur, i.e. that commodity which has the least utility as an object of consumption or instrument of production will best serve the needs of *exchange as such.* In the former case, the commodity becomes money because of its particular use value; in the latter case it acquires its particular use value from its serviceability as money. The precious metals last, they do not alter, they can be divided and then combined together again, they can be transported relatively easily owing to the compression of great exchange value in little space – for all these reasons they are especially suitable in the latter stage. At the same time, they form the natural transition from the first form of money. At somewhat higher levels of production and exchange, the instrument of production takes *precedence* over products; and the *metals* (prior to that, stones) are the first and most indispensable instruments of production. Both are still combined in the case of *copper,* which played so large a role as money in antiquity; here is the particular use value as an instrument of production together with other attributes which do not flow out of the use value of the commodity but correspond to its function as exchange value (including medium of exchange). The *precious* metals then split off from the remainder by virtue of being inoxidizable, of standard quality etc., and they correspond better, then, to the higher stage, in that their direct utility for consumption and production recedes while, because of their rarity, they better represent value purely based on exchange. From the outset they represent superfluity, the form in which wealth originates. Also, metals preferably exchanged for metals rather than for other commodities.

The first form of money corresponds to a low stage of exchange and of barter, in which money still appears more in its quality of *measure* rather than as a real *instrument of exchange.* At this stage, the measure can still be purely imaginary (although the bar in use among Negroes includes iron) (sea shells etc., however, correspond more to the series of which gold and silver form the culmination).

From the fact that the commodity develops into general exchange value, it follows that exchange value becomes a specific commodity: it can do so only because a specific commodity obtains the privilege of representing, symbolizing, the exchange value of all other commodities, i.e. of becoming *money*. It arises from the essence of exchange value itself that a specific commodity appears as the money-subject, despite the monetary properties possessed by every commodity. In the course of development, the exchange value of money can again exist separately from its matter, its substance, as in the case of paper money, without therefore giving up the privilege of this specific commodity, because the separated form of existence of exchange value must necessarily continue to take its denomination from the specific commodity.

It is because the commodity is exchange value that it is exchangeable for money, is posited = to money. The proportion of its equivalence with money, i.e. the specificity of its exchange value, is *presupposed* before its transposition into money. The proportion in which a particular commodity is exchanged for money, i.e. the quantity of money into which a given quantity of a commodity is transposable, is determined by the amount of labour time objectified in the commodity. The commodity is an exchange value because it is the realization of a *specific* amount of labour time; money not only measures the amount of labour time which the commodity represents, but also contains its general, conceptually adequate, exchangeable form. Money is the physical medium into which exchange values are dipped, and in which they obtain the form corresponding to their general character. Adam Smith says that labour (labour time) is the original money with which all commodities are purchased. [27] As regards the act of production, this always remains true (as well as in the determination of relative values). In production, every commodity is continuously exchanged for labour time. The necessity of a money other than labour time arises precisely because the quantity of labour time must not be expressed in its immediate, particular product, but in a mediated, general product; in its particular product, as a product equal to and convertible into all other products of an equal labour time; of the labour time not in a particular commodity, but in all commodities at once, and hence in a particular commodity which represents all the others. Labour time cannot directly be money (a demand which is the same, in other words, as demanding that every commodity should simply be its own money), precisely because in fact labour time always exists only in the form of particular commodities (as an object): being a general object, it can exist only symbolically, and hence only as a particular commodity which plays the role of money. Labour time does not exist in the form of a general object of exchange which is independent of and separate (in isolation) from the particular natural characteristics of commodities. But it would have to exist in that form if it were directly to fulfil the demands placed on money. The objectification of the general, social character of labour (and hence of the labour time contained in exchange value) is precisely what makes the product of labour time into exchange value; this is what gives the commodity the attributes of money, which however, in turn imply the existence of an independent and external money-subject.

A particular expenditure of labour time becomes objectified in a definite particular commodity with particular properties and a particular relationship to needs; but, in the form of exchange value, labour time is required to become objectified in a commodity which expresses no more than its quota or quantity, which is indifferent to its own natural properties, and which can therefore be metamorphosed into – i.e. exchanged for – every other commodity which objectifies the same labour time. The object should have this character of generality, which contradicts its natural particularity. This contradiction can be overcome only by objectifying it: i.e. by positing the commodity in a double form, first in its natural, immediate form, then in its mediated form, as money. The latter is possible only because a particular commodity becomes, as it were, the general substance of exchange values, or because the exchange values of commodities become identified with a particular commodity different from all others. That is, because the commodity first has to be exchanged for this general commodity, this symbolic general product or general objectification of labour time, before it can function as exchange value and be exchanged for, metamorphosed into, any other commodities at will and regardless of their material properties. Money is labour time in the form of a general object, or the objectification of general labour time, labour time as a *general commodity*. Thus, it may seem a very simple matter that labour time should be able to serve directly as money (i.e. be able to furnish the element in which exchange values are realized as such), because it regulates exchange values and indeed is not only the inherent measure of exchange values but their substance as well (for, as exchange values, commodities have no other substance, no natural attributes). However, this appearance of simplicity is deceptive. The truth is that the exchange-value relation – of commodities as mutually equal and equivalent objectifications of labour time – comprises contradictions which find their objective expression in a *money which is distinct from* labour time.

In Adam Smith this contradiction still appears as a set of parallels. Along with the particular product of labour (labour time as a particular object), the worker also has to produce a quantity of the general commodity (of labour time as general object). The two determinants of exchange value appear to Smith as existing externally, *alongside* one another. The interior of the commodity as a whole does not yet appear as having been seized and penetrated by contradiction. This corresponds to the stage of production which Smith found in existence at that time, in which the worker still directly owned a portion of his subsistence in the form of the product; where neither his entire activity nor his entire product had become dependent on exchange; i.e. where subsistence agriculture (or something similar, as Steuart calls it) [28] still predominated to a great extent, together with patriarchal industry (hand weaving, domestic spinning, linked closely with agriculture). Still it was only the excess which was exchanged within a large area of the nation. Exchange value and determination by labour time not yet fully developed on a national scale.

(*Incidental remark:* It is less true of gold and silver than of any other commodities that their consumption can grow only in inverse proportion to their costs of production. Their consumption grows, rather, in proportion with the growth of general wealth, since their use specifically represents wealth, excess, luxury, because they themselves *represent* wealth in general. Apart from their use as money, silver and gold are consumed more in proportion as wealth in general increases. When, therefore, their supply suddenly increases, even if their costs of production or their value does not proportionately decrease, they find a rapidly expanding market which retards their depreciation. A number of problems which appear inexplicable to the economists – who generally make consumption of gold and silver dependent solely on the decrease in their costs of production – in regard to the *California-Australia case,* [29] where they go around in circles, are thereby clarified. This is precisely linked with their property as money, as representation of wealth.)

(The contrast between gold and silver, as eternal commodities, and the others, which are not, is to be found in Petty, [30] but is already present in Xenophon, *On Revenues,* in reference to marble and silver. ‘οὐ μόνον δὲ κρατεῖ τοῖς ἐπ᾽ ἐνιαυτὸν θάλλουσί τε καὶ γηράσκουσιν, ἀλλὰ καὶ ἀίδια ἀγαθὰ ἔχει ἡ χώρα. πέφυκε μὲν γὰρ λίθος ἐν αὐτῆ ᾄφθονος, etc. (namely marble) ἔστι δὲ καὶ γῆ, ἣ σπειρομὲνη μὲν οὐ φέρει καρπόν, ὀρυττομένη δὲ πολλαπλασίους τρέφει ἢ ἐι σῖτον ἒφεφε.’) [31] (Important to note that exchange between different tribes or peoples – and this, not private exchange, is its first form – begins when an uncivilized tribe sells (or is cheated out of) an excess product which is not the product of its labour, but the natural product of the ground and of the area which it occupies.)

(Develop the ordinary economic contradictions arising from the fact that money has to be symbolized in a particular commodity, and then develop those that arise from this commodity itself (gold, etc.) This No. II. [32] Then determine the relation between the quantity of gold and silver and commodity prices, and whether the exchange takes place in reality or only in the mind, since all commodities have to be exchanged for money in order to be determined as *prices*. This No. III. [33] It is clear that, merely *measured* in gold or silver, the quantity of these metals has no influence on the prices of commodities; the difficulty enters with actual exchange, where the metals actually serve as instruments of exchange; the relations of demand and supply etc. But it is obviously as a measure that its value as an instrument of circulation is affected.)

Labour time itself exists as such only subjectively, only in the form of activity. In so far as it is exchangeable (itself a commodity) as such, it is defined and differentiated not only quantitatively but also qualitatively, and is by no means general, self-equivalent labour time; rather, labour time as subject corresponds as little to the general labour time which determines exchange values as the particular commodities and products correspond to it as object.

A. Smith’s thesis, that the worker has to produce a general commodity alongside his particular commodity, in other words that he has to give a part of his products the form of money, more generally that he has to convert into money all that part of his commodity which is to serve not as use value for himself but as exchange value – this statement means, subjectively expressed, nothing more than that the worker’s particular labour time cannot be directly exchanged for every other particular labour time, but rather that this, its general exchangeability, has first to be mediated, that it has first to take on an objective form, a form different from itself, in order to attain this general exchangeability.

The labour of the individual looked at in the act of production itself, is the money with which he directly buys the product, the object of his particular activity; but it is a *particular* money, which buys precisely only this *specific* product. In order to be *general money* directly, it would have to be not a *particular,* but *general* labour from the outset; i.e. it would have to be *posited* from the outset as a link in *general production.* But on this presupposition it would not be exchange which gave labour its general character; but rather its presupposed communal character would determine the distribution of products. The communal character of production would make the product into a communal, general product from the outset. The exchange which originally takes place in production – which would not be an exchange of exchange values but of activities, determined by communal needs and communal purposes – would from the outset include the participation of the individual in the communal world of products. On the basis of exchange values, labour is *posited* as general only through *exchange*. But on this foundation it would be *posited* as such before exchange; i.e. the exchange of products would in no way be the *medium* by which the participation of the individual in general production is mediated. Mediation must, of course, take place. In the first case, which proceeds from the independent production of individuals – no matter how much these independent productions determine and modify each other *post festum* through their interrelations – mediation takes place through the exchange of commodities, through exchange value and through money; all these are expressions of one and the same relation. In the second case, the *presupposition is itself mediated;* i.e. a communal production, communality, is presupposed as the basis of production. The labour of the individual is posited from the outset as social labour. Thus, whatever the particular material form of the product he creates or helps to create, what he has bought with his labour is not a specific and particular product, but rather a specific share of the communal production. He therefore has no particular product to exchange. His product is *not an exchange value.* The product does not first have to be transposed into a particular form in order to attain a general character for the individual. Instead of a division of labour, such as is necessarily created with the exchange of exchange values, there would take place an organization of labour whose consequence would be the participation of the individual in communal consumption. In the first case the social character of production is *posited* only *post festum* with the elevation of products to exchange values and the exchange of these exchange values. In the second case the *social character of production* is presupposed, and participation in the world of products, in consumption, is not mediated by the exchange of mutually independent labours or products of labour. It is mediated, rather, by the social conditions of production within which the individual is active. Those who want to make the labour of the individual directly into *money* (i.e. his product as well), into *realized exchange value,* want therefore to determine that labour *directly* as general labour, i.e. to negate precisely the conditions under which it must be made into money and exchange values, and under which it depends on private exchange. This demand can be satisfied only under conditions where it can no longer be raised. Labour on the basis of exchange values presupposes, precisely, that neither the labour of the individual nor his product are *directly* general; that the product attains this form only by passing through an *objective mediation* by means of a form of *money* distinct from itself.

On the basis of communal production, the determination of time remains, of course, essential. The less time the society requires to produce wheat, cattle etc., the more time it wins for other production, material or mental. Just as in the case of an individual, the multiplicity of its development, its enjoyment and its activity depends on economization of time. Economy of time, to this all economy ultimately reduces itself. Society likewise has to distribute its time in a purposeful way, in order to achieve a production adequate to its overall needs; just as the individual has to distribute his time correctly in order to achieve knowledge in proper proportions or in order to satisfy the various demands on his activity. Thus, economy of time, along with the planned distribution of labour time among the various branches of production, remains the first economic law on the basis of communal production. It becomes law, there, to an even higher degree. However, this is essentially different from a measurement of exchange values (labour or products) by labour time. The labour of individuals in the same *branch of work,* and the various kinds of work, are different from one another not only quantitatively but also qualitatively. What does a solely *quantitative* difference between things presuppose? The identity of their *qualities.* Hence, the quantitative measure of labours presupposes the equivalence, the identity of their quality.

(Strabo, Book XI. On the Albanians of the Caucasus: ‘καὶ οἱ ἄνθρωνοι κάλλει καὶ μεγέθει διαφέροντες, άπλοῖ δὲ καὶ οὐ καπηλικοί · οὐδἐ γὰρ νομίσματι τὰ πολλὰ κρῶνται, οὐδὲ ἀριθμὸν ἴσασι μείζω τῶν ἑκατόν, ἀλλὰ φορτίοις τὰς ἀμοιβὰς ποιοῦνται.’ It says there further: ‘ἄπειροι δ’ εἰσὶ καὶ μέτρων τῶν ἐπ’ ἀκριβὲς καὶ σταθμῶν.’) [34]

Money appears as *measure* (in Homer, e.g. oxen) earlier than as *medium of exchange,* because in barter each commodity is still its own medium of exchange. But it cannot be its own measure or its own standard of comparison.

(2) [35] This much proceeds from what has been developed so far: A particular product (commodity) (material) must become the subject of money, which exists as the attribute of every exchange value. The subject in which this symbol is represented is not a matter of indifference, since the demands placed

on the representing subject are contained in the conditions – conceptual determinations, characteristic relations – of that which is to be represented. The study of the precious metals as subjects of the money relations, as incarnations of the latter, is therefore by no means a matter lying outside the realm of political economy, as Proudhon believes, any more than the physical composition of paint, and of marble, lie outside the realm of painting and sculpture. The attributes possessed by the commodity as exchange value, attributes for which its natural qualities are not adequate, express the demands made upon those commodities which κατ᾽ ἐξοχήν [36] are the material of money. These demands, at the level to which we have up to now confined ourselves, are most completely satisfied by the precious metals. Metals as such [enjoy] preference over other commodities as instruments of production, and among the metals the one which is first found in its physical fullness and purity – gold; then copper, then silver and iron. The precious metals take preference over others in realizing *metal,* as Hegel would say. [37]

The precious metals uniform in their physical qualities, so that equal quantities of them should be so far identical as to present no ground for preferring this one to the others. Not the case, for example, with equal numbers of cattle and equal quantities of grain.

(a) Gold and silver in relation to the other metals

The other metals oxidize when exposed to air; the precious metals (mercury, silver, gold, platinum) are unaffected by the air.

Aurum (Au). Specific gravity = 19.5; melting point: 1,200° C, ‘Glittering gold is the most magnificent of all metals, and was therefore referred to in antiquity as the sun or the king of metals. Widely distributed, never in great quantities, and is hence also more precious than the other metals. Found generally in pure metallic state, partly in larger pieces, partly in the form of smaller granules fused with other minerals. As the latter decompose, there arises gold-bearing sand, carried by many rivers, from which gold, owing to its greater specific gravity, can be washed out. Enormous malleability of gold; one grain can be drawn to make a 500-foot long wire, and can be hammered into leaves barely 1/200,000 of an inch thick. Gold resists all acids, only chlorine in a free state dissolves it (*aqua regia,* a mixture of nitric and hydrochloric acids). To gild.’

Argentum (Ag). Specific gravity = 10. Melting point = 1,000° C. Bright appearance; the friendliest of metals, very white and malleable; can be beautifully worked up and drawn in very thin wires. Silver found as unalloyed solid; frequently also combined with lead in silvery lead ores.

So much for *chemical* properties of gold and silver. (Divisibility and fusibility, uniformity of pure gold and silver etc. well known.)

Mineralogical:

Gold. It is surely noteworthy that the more precious the metals are, the more isolated is their occurrence; they are found separately from the more commonly prevalent bodies, they are higher natures far from the common herd. Thus we find gold, as a rule, in unalloyed metallic state, as a crystal in various die-shaped forms, or in the greatest variety of shapes; irregular pieces and nuggets, sand and dust, in which form it is found fused into many kinds of stone, e.g. granite: and it finds its way into the sand of rivers and the gravel of floodlands as a result of the disintegration of this stone. Since the specific gravity of gold in this state goes up to 19.4, even the tiniest pieces can be extracted by stirring gold-bearing sand in water. The heavier, metallic elements settle first and can thus, as the saying goes, be washed out. Most frequently found in the company of gold is silver, and one encounters natural combinations of both metals, containing from 0.16 to 38.7 per cent silver; which naturally entails differences in colour and weight.

Silver. With the great variety of its minerals, appears as one of the more prevalent metals, both as unalloyed metal and combined with other metals or with arsenic and sulphur. (Silver chloride, silver bromide, carbonic silver oxide, bismuth-silver ore, Sternbergite, polybasite, etc.)

The chief *chemical* properties are: *all precious metals:* do not oxidize on contact with air; of gold (and platinum): are not dissolved by acids, except in chlorine. Do not oxidize, thus remain pure, free of rust; they present themselves as that which they are. Resistance to oxygen – *imperishability* (so highly lauded by the gold and silver fanatics of antiquity).

Physical properties: Specific gravity, i.e. a great deal of weight in a small space, especially important for means of circulation. Gold 19.5, silver 10.

Brilliance. Gleam of gold, whiteness of silver, magnificence, *malleability;* hence so serviceable for jewellery, ornamentation, and for the addition of splendour to other objects. The *white* shade of silver (which reflects all light rays in their original composition); red-yellow of gold (which absorbs all colours of a mixed beam and reflects back only the red). *Difficult to melt.*

Geological properties: Found (gold especially) as an unalloyed solid, separate from other bodies; isolated, individualized. Individual presentation, independent of the elemental.

About the two other precious metals: (1) *Platinum* lacks the colour: grey on grey (soot of metals); too rare; unknown in antiquity; discovered only after the discovery of America; also discovered in the Urals in the nineteenth century; soluble only in chlorine; always solid; specific gravity = 21; the strongest fire does not melt it; more of scientific value. (2) *Mercury:* found in liquid form; evaporates; vapours poisonous; can be combined with other liquids (amalgams). (Specific gravity = 13.5, boiling point = 360° C.) Thus neither platinum, nor much less mercury, are suitable as money.

One of the *geological* properties is common to all the precious metals: *rarity.* Rarity (apart from supply and demand) is an element of value only in so far as its opposite, the non-rare as such, the negation of rarity, the elemental, has no value because it does not appear as the result of production. In the original definition of value, that which is most independent of conscious, voluntary production is the most valuable, assuming the existence of demand. Common pebbles have no value, relatively speaking, because they are to be had *without production* (even if the latter consists only of searching). For something to become an object of exchange, to have exchange value, it must not be available to everyone without the mediation of exchange; it must not appear in such an elemental form as to be common property. To this extent, rarity is an element of exchange value and hence this property of the precious metal is of importance, even apart from its further relation to supply and demand.

When we look at the advantages of the metals as such as instruments of production, then gold has to its credit that it is at bottom the *first metal to be discovered as metal.* For a double reason. *First,* because more than the others, it presents itself in nature as the most metallic, the most distinct and distinguishable metal; *second,* because in its preparation nature has done the work otherwise left to artifice, and for its first discovery only rough labour is necessary, but neither science nor developed instruments of production.

‘Certain it is that gold must take its place as *the earliest metal known*, and in the first record of man’s progress it is indicated as a standard of man’s position’ (because in the form of excess, the first form in which wealth appears. The first form of value is *use value,* the everyday quality that expresses the relation of the individual to nature; the second, exchange value ALONGSIDE use value, its command over other people’s use values, its social connectedness: exchange value is itself originally a value for use on Sundays only, going beyond immediate physical necessity.)

Very early discovery of gold by man: ’Gold differs remarkably from the other metals, with a very few exceptions, in the fact that it is found in nature in its metallic state. Iron and copper, tin, lead and silver are ordinarily discovered in chemical combinations with oxygen, sulphur, arsenic, or carbon; and the few exceptional occurrences of these metals in an uncombined, or, as it was formerly called, virgin state, are to be cited rather as mineralogical curiosities than as common productions. Gold is, however, always found native or metallic … Therefore, as a metallic mass, curious by its yellow colour, it would attract the eye of the most uneducated man, whereas the other substances likely to lie in his path would offer no features of attraction to his scarcely awakened powers of observation. Again gold, from the circumstance of its having been formed in those rocks which are most exposed to atmospheric action, is found in the *débris* of the mountains. By the disintegrating influences of the atmosphere, of changes of temperature, of the action of water, and particularly by the effects of ice, fragments of rock are continually broken off. These are borne by floods into the valleys and rolled into pebbles by the constant action of flowing water. Amongst these, pebbles, or particles, of gold are discovered. The summer heats, by drying up the waters, rendered those beds which had formed river channels and the courses of winter torrents paths for the journeys of migratory man; and here we can imagine the early discovery of gold.’

‘Gold most frequently occurs pure, or, at all events, so nearly so that its metallic nature can be at once recognized, in rivers as well as in quartz veins.’

‘The specific gravity of quartz, and of most other heavy compact rocks is about 2 1/2, whilst the specific gravity of gold is 18 or 19. Gold, therefore, is somewhere about seven times as heavy as any rock or stone with which it is likely to be associated. A current of water accordingly having sufficient strength to bear along sand or pebbles of quartz or any other rock, might not be able to move the fragments of gold associated with them. Moving water, therefore, has done for the auriferous rocks formerly, just what the miner would do now, break it, namely, up, into fragments, sweep away the lighter particles, and leave the gold behind it. Rivers are, indeed, great natural *cradles,* sweeping off all the lighter and finer particles at once, the heavier ones either sticking against natural impediments, or being left whenever the current slackens its force or velocity.' (See *Gold (Lectures on).* London, 1852.) (pp. 12 and 13.) [38]

'In all probability, from tradition and early history, the *discovery of gold in the sand and gravel of streams would appear to have been the first step in the recognition of metals,* and in almost all, perhaps in all, the countries of Europe, Africa and Asia, greater or smaller quantities of gold have from very early times been washed by simple contrivances from auriferous deposits. Occasionally, the success of gold-streams has been great enough to produce a pulse of excitement which has vibrated for a while through a district, but has been hushed down again. In 760 the poor people turned out in numbers to wash gold from the river sands south of Prague, and three men were able in the day to extract a mark (1/2 lb.) of gold; and so great was the consequent rush to the "diggings" that in the next year the country was visited by famine. We read of a recurrence of similar events several times within the next few centuries, although here, as elsewhere, the general attraction to surface-spread riches has subsided into regular and systematic mining.'

'Two classes of deposits in which gold is found, the *lodes or veins,* which intersect the solid rock in a direction more or less perpendicular to the horizon; and the *drift beds* or *'streams'*, in which the gold mingled with gravel, sand, or clay, has been deposited by the mechanical action of water, upon the surface of those rocks, which are penetrated to unknown depths by the lodes. To the former class belongs more specially the art of *mining*; to the latter the simple operations of *digging*. Gold mining, properly so called, is, like other mining, an art requiring the employment of capital, and of a skill only to be acquired by years of experience. There is no art practised by civilized men which requires for its full development the application of so many sciences and collateral arts. But although so essential to the miner, scarcely any of these are necessary to the gold-washer or streamer, who must trust chiefly to the strength of his arm, or the buoyancy of his health. The apparatus which he employs must necessarily be simple, so as to be conveyed from place to place, to be easily repaired if injured, and not to require any of those niceties of manipulation which would cause him to lose time in the acquiring of small quantities.'

Difference between the drift-deposits of gold, best exemplified at the present day in Siberia, California and Australia; and the fine sands annually brought down by rivers, some of which are also found to contain gold in workable quantities. The latter are of course found literally at the surface, the former may be met with under a cover of from 1 to 70 feet in thickness, consisting of soil, peat, sand, gravel, etc. The modes of working the two must be identical in principle. For the stream-worker nature has pulled down the highest, proudest and richest parts of the lodes, and so triturated and washed up the materials, that the streamer has the heaviest part of the work already done for him: whilst the miner, who attacks the poorer, but more lasting, deep-going lodes, must aid himself with all the resources of the nicest art.

Gold has justly been considered the noblest of metals from various physical and chemical properties. It is unchangeable in air and does not rust. (Its unchangeability consists precisely in its resistance against the oxygen in the atmosphere.) Of a bright reddish yellow colour when in a coherent state, and very dense. Highly malleable. Requires a strong heat to melt it. Specific gravity.

Thus three modes of its production: (1) In the river sand. Simple finding on the surface. *Washing*. (2) In river beds and floodlands. *Digging.* (3) *Mining.* Its production requires, hence, no development of the productive forces. Nature does most of the work in that regard.

(The *roots* of the words for gold, silver etc. (see Grimm); [39] here we find a number of general concepts of *brilliance,* soon to be transferred to the words, proximate to *colour*. Silver white; gold yellow; brass and gold, brass and iron exchange names. Among the Germans bronze in use before iron. Direct affinity between *aes* (bronze) and *aurum* (gold).)

Copper (*brass, bronze:* tin and copper) and gold in use before silver and iron.

'Gold in use long before silver, because it is found pure or only lightly admixed with silver; obtained by simple washing. Silver is found in general in veins threaded through the hardest rocks in primitive terrain: its extraction requires complicated labour and machines. In southern America, veins of gold are not exploited, only gold in the form of dust and nuggets in alluvial terrain. In Herodotus's time, similarly. The most ancient monuments of Greece, Asia, Northern Europe and the New World prove that the use of gold for utensils and for ornamentation is possible in a semi-barbarian condition; while the use of silver for the same purposes by itself already denotes a fairly advanced state of society. See Dureau de la Malle, Notebook. (2.) [40]

Copper as main instrument of war and peace (ibid. 2) (as *money* in Italy ibid.).

(b) Fluctuations in the value-relation between the different metals

If the use of metals as the substance of money, as well as their comparative uses, their earlier or later appearance, are to be examined at all, then it is necessary to look also at the *fluctuations in their relative value*. (Letronne, Böckh, Jacob.) [41] (That part of the question which is linked to the question of the mass of circulating metals as such, and its relation to prices, is to be looked at later, as a historical appendix to the chapter on the relation between money and prices.)

The successive fluctuations between gold, silver and copper in various epochs had to depend first of all on the nature of the sites where they are found, and on their greater or lesser purity. Then, on political changes, such as the invasion of Asia and of a part of Africa by the Persians and the Macedonians; later the conquest of parts of three continents by the Romans (*orbis Romanus,* etc.). Dependent, therefore, on their relative purity and their location.

The value relation between the different metals can be determined without recourse to prices – by means of the simple *quantitative* ratio in which one exchanges for the other. We can employ this form, in general, when we are comparing only a few commodities which have the same measure; e.g. so many quarters of rye, barley, oats for so many quarters of wheat. This method employed in barter, where little of anything is exchanged and where even fewer commodities enter the traffic, and where, hence, no money is required.

Among an *Arab* people neighbouring on Sabaea, according to Strabo, pure gold was so abundant that 10 lb. of it were given for 1 lb. of iron, and 2 lb. were given for 1 lb. silver. A wealth of gold in the Bactrian region (Bactara, etc., in short, Turkestan) and in the part of Asia situated between the Paropamisus (Hindu-kush) and the Imaus (Mustagh Mountains), i.e. in the *Desertum arenosum auro abondans* [42] (Desert of Cobi): according to Dureau de la Malle it is probable, therefore, that from the fifteenth to the sixth century B.C. the ratio of gold to silver was 6:1 or 8:1, the same which existed in China and Japan until the beginning of the nineteenth century; Herodotus puts it at 13:1 for Persia under Darius Hystaspes. According to the code of Manou, written between 1300 and 600 B.C., gold to silver = 2 1/2:1. Silver mines must nearly always be established in primitive terrain; that is where the deposits lie, and only lesser veins are found in easier ground. Instead of in alluvial sand and gravel, silver is ordinarily embedded in the most compact and hard rocks, such as quartz, etc. This metal is more common in regions which are cold, either from latitude or from elevation, while gold generally frequents warm countries. In contrast to gold, silver is only very rarely found in a pure state (usually combined with arsenic or sulphur) (muriatic acid, nitric saltpetre). As far as the quantity of deposits is concerned (prior to the discovery of Australia and California), Humboldt in 1811 estimates the proportion of gold to silver in America at 1:46, and in Europe (including Asiatic Russia) at 1:40. The mineralogists of the Académie des Sciences estimate in our time (1842) that the ratio is 1:52; despite that, the lb. of gold is only worth 15 lb. of silver; thus their value relation = 15:1.

Copper. Specific gravity = 8.9. Beautiful dawn-red colour; fairly hard; requires very high temperatures to melt. Not infrequently encountered pure; frequently combined with oxygen or sulphur. Deposits found in primordial, ancient terrain. However, found more frequently close to the surface, at no great depth, agglomerated in masses of pure metal, sometimes of a considerable weight. Used in peace and war before iron. (Gold relates to silver as the substance of money in the same way as copper to iron as instrument of labour in historical development.) Circulates in great quantity in Italy under the

Romans during the first to the fifth centuries. One can determine *a priori* a people’s degree of civilization if one knows no more than the metal, gold, copper, silver or iron, which it uses for weapons, tools or ornamentation. Hesiod, in his poem on agriculture: ‘χαλκῷ δ’ ειργάζοντο μέλας δ’ οὐκ ἔσκε σίδηρος’. [43]

Lucretius: ‘*Et prior aeris erat quam ferri cognitus usus.*’ [44] Jacob cites ancient copper mines in Nubia and Siberia (see Dureau I, 58); Herodotus says that the Massagetians had only bronze, but no iron. To judge by the collection known as the Oxford Marbles, iron unknown before 1431 B.C. In Homer, iron rare; however, very common use of bronze (an alloy of copper, zinc and tin) which Greek and Roman society used for a very long period, even for the fabrication of axes and razors. Italy fairly wealthy in native copper; thus copper money formed, if not the only currency, at least the normal currency, the monetary unit of central Italy, up to 247 B.C. The Greek colonies in southern Italy received silver directly from Greece and Asia, or via Tyre and Carthage; and used it for money starting in the fifth and sixth centuries. The Romans, it seems, possessed silver money prior to the expulsion of the Kings, but, Pliny says, *‘interdictum id vetere consulto patrum, Italiae parci* ‘ (i.e. the silver mines) *‘jubentium’*, [45] They feared the consequences of a convenient means of circulation – opulence, increase of slaves, accumulation, concentration of land ownership. Among the Etruscans, too, copper money before gold.

Garnier is wrong when he says (see Notebook III, p. 28), ‘The material destined for accumulation was naturally sought for and selected from the realm of the minerals.’ [46] On the contrary, accumulation began after metal money was found (whether as money proper or only as preferred medium of exchange by weight). This point to be discussed especially in regard to gold. Reitemeier is right (see Notebook III, p. 34): ‘Gold, silver and copper were used by the ancients as implements for hacking and breaking, despite their relative softness, before the advent of iron and before they were used as money.” [47] (Improvement of implements when men learned to temper copper and thus make it hard enough to defy solid rock. A very much hardened copper was used to make the chisels and hammers used for mastering rock. Finally, iron was discovered.) Jacob says: ‘In patriarchal times’ (see Notebook IV, p. 3), ‘when the metals used for making weapons, such as (1) brass and (2) iron, were rare and enormously expensive compared with the common food and clothing then used, then, although coined money made of the precious metals was still unknown, yet gold and silver had acquired the faculty of being more easily and conveniently exchanged for the other metals than corn and cattle.’ [48]

‘Besides, in order to obtain the pure or nearly pure gold found in the immense alluvial lands situated between the Hindu-kush chains and the Himalaya, only a simple washing operation was required. In those times the population in these countries of Asia was abundant, and hence labour was cheap. Silver was relatively more expensive owing to the (technical) difficulties of obtaining it. The opposite tendency set in in Asia and in Greece after the death of Alexander. The gold-bearing sands became exhausted; the price of slaves and of manpower rose; and, since mechanics and geometry had made immense progress from Euclid to Archimedes, it was possible to exploit with profit the rich veins of silver mined in Asia, in Thrace and in Spain; and, silver being 52 times more abundant than gold, the value ratio between them necessarily changed, so that the *livre* of gold, which at the time of Xenophon, 350 B.C., was exchanged for 10 *livres* of silver, came to be worth 18 *livres* of the latter metal in the year A.D. 422. [49] Thus, it rose from 10:1 to 18:1.

At the end of the fifth century A.D. an extraordinary diminution in the quantity of precious metals; a halt in mining. In the Middle Ages up to the end of the fifteenth century a relatively significant portion of money in gold coins. (The diminution affected, most of all, silver, which had previously circulated most widely.) Ratio in the fifteenth century = 10:1, in the eighteenth century 14:1 on the continent, in England = 15:1. In most of Asia, silver more as a commodity in trade; especially in China, where copper money (Tehen, a composition of copper, zinc and lead) coin of the realm; in China, gold (and silver) by weight as a commodity to balance foreign trade.

Large fluctuations in Rome between the value of copper and silver (in coins). Up to Servius, metal in bullion form, *aes rude,* for trade. The monetary unit, the copper *as* = 1 pound of copper. In the time of Servius, silver to copper = 279:1; until the beginning of the Punic war = 400:1 ; during the First Punic War = 140:1; Second Punic War = 112:1.

Gold very expensive in Rome at first, whereas silver from Carthage (and Spain); gold used only in ingots until 547. Gold to silver in trade = 13.71:1, in coins = 17.4:1, under Caesar = 12:1 (at the outbreak of the civil war, after the plunder of the *aerarium* [50] by Caesar, only 8:1); under Honorius and Arcadius (397) fixed at = 14.4:1; under Honorius and Theodosius the Younger (422)= 18:1. First silver coin in Rome minted 485; first gold coin: 547. As soon as, after the Second Punic War, the *as* was reduced to 1 ounce, it became small change; the *sesterce* (silver) the monetary unit, and all large payments made in silver. (In everyday commerce copper (later iron) remained the chief metal. Under the Emperors of the Orient and Occident, the *solidus (aureus),* i.e. gold, was the monetary standard.)

Thus, in antiquity, taking the average:

First: Relative increase in value of silver as compared with gold. Apart from special phenomena (Arabs) where gold cheaper than silver and still cheaper than iron, in Asia from the fifteenth to the sixth centuries B.C., gold to silver = 6:1 or 8:1 (the latter ratio in China and Japan until the beginning of the nineteenth century). In the Manou Code itself = 2 1/2:1. This lower ratio arises from the same causes which promote the discovery of gold as the first metal. Gold in those days chiefly from Asia and Egypt. This period corresponds to that of *copper* money in Italian history. In general, copper as main instrument of peace and war corresponds to the pre-eminence of gold among the precious metals. Even in Xenophon’s time, gold to silver = 10:1.

Secondly: after the death of Alexander, relative rise in the value of gold compared to silver, with the exhaustion of the gold-bearing sand, progress in technology and civilization; and hence establishment of silver mines; now the influence of the quantitatively greater prevalence of silver over gold in the earth’s crust. But especially the Carthaginians, the exploitation of Spain, which necessarily had to revolutionize the relation of silver to gold in somewhat the same way as the discovery of American silver at the end of the fifteenth century. Ratio in Caesar’s time = 17:1; later 14: 1; finally, after A.D. 422 = 18: l. (The decline of gold under Caesar for accidental reasons.) The decline of silver relative to gold corresponds to iron being the chief instrument of production in war and peace. While in the first period, influx of gold from the East, in the second, influx of silver from the cooler West.

Thirdly in the Middle Ages: Again the ratio as in the time of Xenophon, 10:1. (In some places = 12:1?)

Fourthly, after the discovery of America: Again about the ratio as in the time of Honorius and Arcadius (397); 14 to 15:1. Although since about 1815–44 an increase in the production of gold, gold was at a premium (e.g. in France). It is probable that the discovery of California and Australia

fifthly, will reintroduce the ratio of the Roman Imperium, 18: 1, if not greater. The relative depreciation of silver due to progress in the production of precious metals, in antiquity as well as after, [proceeds] from East to West, until California and Australia reverse this. In the short run, great fluctuations; but when one looks at the main differences, these repeat themselves in a remarkable fashion.

In antiquity, copper three or four times as expensive as today. (Garnier.)

(c) Now to be examined, the sources of gold and silver and their connection with historical development.

(d) *Money as coin.* Briefly the historical aspect of coins. Depreciation and appreciation, etc.

Circulation, or the *turnover of money,* corresponds to an opposite *circulation, or turnover, of commodities.* A commodity possessed by A passes into the hands of B, while B’s money passes into the hands of A, etc. The circulation of money, like that of commodities, begins at an infinity of different points, and to an infinity of different points it returns. Departures from a single centre to the different points on the periphery and the return from all points of the periphery to a single centre do not take place in the circulatory process at the stage here being examined, i.e. its *direct* stage; they belong, rather, in a circulatory system *mediated* by a banking system. This first, spontaneous and natural circulation does consist, however, of a mass of turnovers. Circulation proper, nevertheless, begins only where gold and silver cease to be commodities; between countries which export precious metals and those which import them, no circulation in this sense takes place, but mere simple exchange, since gold and silver function here not as money but as commodities. Where money plays the role of mediating the exchange of commodities (that means here their circulation) and is hence a means of exchange, it is an *instrument of circulation, a vehicle of circulation;* but wherever, in this process, it is itself circulated, where it changes hands along its own lines of motion, there it itself has a *circulation, monetary circulation, monetary turnover.* The aim is to find out to what extent this circulation is determined by particular laws. This much is clear from the outset: if money is a vehicle of circulation for the commodity, then the commodity is likewise a vehicle for the circulation of money. If money circulates commodities, then commodities circulate money. The circulation of commodities and the circulation of money thus determine one another. As regards monetary turnover, three things merit attention: (1) the form of the movement itself; the line which it describes (its concept); (2) the quantity of money circulating; (3) the rate at which it completes its motion, its velocity of circulation. This can happen only in connection with the circulation of commodities. This much is clear from the outset, that there are moments in the circulation of commodities which are entirely independent of the circulation of money, and which either directly determine the latter, or which are determined along with monetary circulation by a third factor, as in the case of, e.g., the velocity. The overall character of the mode of production will determine them both, and will determine the circulation of commodities more directly. The mass of persons engaged in exchange (population): their distribution between the town and the country; the absolute quantity of commodities, of products and agencies of production; the relative mass of commodities which enter into circulation; the development of the means of communication and transport, in the double sense of determining not only the sphere of those who are in exchange, in contact, but also the speed with which the raw material reaches the producer and the product the consumer; finally the development of industry, which concentrates different branches of production, e.g. spinning, weaving, dyeing, etc., and hence makes superfluous a series of intermediate exchanges. The circulation of commodities is the original precondition of the circulation of money. To what extent the latter then reacts back on the circulation of commodities remains to be seen.

The first task is firmly to establish the *general concept of circulation or of turnover.*

But first let us note that what is circulated by money is exchange value, hence *prices.* Hence, as regards the circulation of commodities, it is not only their mass but, equally, their prices which must be considered. A large quantity of commodities at a low exchange value (price) obviously requires less money for its circulation than a smaller quantity at double the price. Thus, actually, the concept of price has to be developed *before* that of circulation. Circulation is the positing of prices, it is the process in which commodities are transformed into prices: their realization as prices. Money has a dual character: it is (1) *measure*, or element in which the commodity is realized as exchange value, and (2) *means of exchange,* instrument of circulation, and in each of these aspects it acts in quite opposite directions. Money only circulates commodities which have already been *ideally* transformed into money, not only in the head of the individual but in the conception held by society (directly, the conception held by the participants in the process of buying and selling). This ideal transformation into money is by no means determined by the same laws as the real transformation. Their interrelation is to be examined.

(a) An essential characteristic of circulation is that it circulates exchange values (products or labour), and, in particular, exchange values in the form of *prices*. Thus, not every form of commodity exchange, e.g. barter, payment in kind, feudal services, etc., constitutes circulation. To get circulation, two things are required above all: *Firstly*: the precondition that commodities are prices; *Secondly*: not isolated acts of exchange, but a circle of exchange, a totality of the same, in constant flux, proceeding more or less over the entire surface of society; a system of acts of exchange. The commodity is specified as an exchange value. As an exchange value, it functions in a given proportion (relative to the labour time contained in it) as equivalent for all other values (commodities); but it does not directly correspond to this, its function. As an exchange value it differs from itself as a natural, material thing. A mediation is required to posit it as an exchange value. Money presents the exchange value of the commodity to the commodity as something different from itself. The commodity which is posited as money is, at the outset, the commodity as pure exchange value, or, the commodity as pure exchange value is money. But at the same time, money now exists outside and alongside the commodity; its exchange value, the exchange value of all commodities, has achieved an existence independent of the commodity, an existence based in an autonomous material of its own, in a particular commodity. The exchange value of the commodity expresses the totality of the quantitative relations in which all other commodities can be exchanged for it, determined by the unequal quantities of the same which can be produced in the same labour time. Money then exists as the exchange value of all commodities alongside and outside them. It is the universal material into which they must be dipped, in which they become gilded and silver-plated, in order to win their independent existence as exchange values. They must be translated into money, expressed in money. Money becomes the general denomination of exchange values, of commodities as exchange values. Exchange value expressed as money, i.e. equated with money, is *price*. After money has been posited as independent in relation to exchange values, then the exchange values are posited in their particularity in relation to their subject, money. But every exchange value is a particular quantity; a quantitatively specific exchange value. As such, it is = a particular quantity of money. This particularity is given, in the general law, by the amount of labour time contained in a given exchange value. Thus an exchange value which is the product of, say, one day is expressed in a quantity of gold or silver which = one day of labour time, which is the product of one day of labour. The general measure of exchange values now becomes the measure which exists between each exchange value and the money to which it is *equated*. (Gold and silver are determined, in the first place, by their cost of production in the country of production. 'In the mining countries all prices ultimately depend on the costs of production of the precious metals; ... the remuneration paid to the miner, ... affords the scale, on which the remuneration of all other producers is calculated. The gold value and silver value of all commodities exempt from monopoly depends in a country without mines on the gold and silver which can be obtained by exporting the result of a given quantity of labour, the current rate of profit, and, in each individual case, the amount of wages, which have been paid, and the time for which they have been advanced.' (Senior.) [51] In other words: on the quantity of gold and silver which is directly or indirectly obtained from the mining countries in exchange for a given quantity of labour (exportable products). Money is in the first instance that which expresses the relation of equality between all exchange values: in money, they all have the same name.)

Exchange value, posited in the character of money, is price. Exchange value is expressed in price as a specific quantity of money. Money as price shows first of all the *identity* of all exchange values; secondly, it shows the unit of which they all contain a given number, so that the equation with money expresses the quantitative specificity of exchange values, their quantitative relation to one another. Money is here posited, thus, as the *measure* of exchange values; and prices as exchange values measured in money. The fact that money is the measure of prices, and hence that exchange values are compared with one another on this standard, is an aspect of the situation which is self-evident. But what is more important for the analysis is that *in price, exchange value is compared with money.* After money has been posited as independent exchange value, separated from commodities, then the individual commodity, the particular exchange value, is again *equated* to money, i.e. it is posited as equal to a given quantity of money, expressed as money, translated into money. By being equated to money, they again become related to one another as they were, conceptually, as exchange values: they balance and equate themselves with one another in given proportions. The particular exchange value, the commodity, becomes expressed as, subsumed under, posited in the character of the independent exchange value, of money. How this happens (i.e. how the quantitative relation between the quantitatively defined exchange value and a given quantity of money is found), above. But, since money has an independent existence apart from commodities, the price of the commodity appears as an *external* relation of exchange values or commodities to money; the commodity *is not price,* in the way in which its social substance stamped it as exchange value; this quality is not *immediately* coextensive with it; but is mediated by the commodity's comparison with money; the commodity *is* exchange value, but it *has* a price. Exchange value was in immediate identity with it, it was its immediate quality, from which it just as immediately split, so that on one side we found the commodity, on the other (as money) its exchange value; but now, as *price*, the commodity relates to money on one side as something existing outside itself, and secondly, it is *ideally* posited as money itself, since money has a reality different from it. The price is a property of the commodity, a quality in which it is *presented* as money. It is no longer an immediate but a reflected quality of it. Alongside real money, there now exists the commodity as ideally posited money.

This next characteristic, a characteristic of money *as measure* as well as of the commodity as *price,* is most easily shown by means of the distinction between *real money* and *accounting money.* As measure, money always serves as accounting money, and, as price, the commodity is always transformed only ideally into money.

‘The appraisal of the commodity by the seller, the offer made by the buyer, the calculations, obligations, rents, inventories, etc., in short, everything which leads up to and precedes the material act of payment, must be expressed in accounting money. Real money intervenes only in order to realize payments and to balance (liquidate) the accounts. If I must pay 24 *livres* 12 *sous*, then accounting money presents 24 units of one sort and 12 of another, while in reality I shall pay in the form of two material pieces: a gold coin worth 24 *livres* and a silver coin worth 12 *sous*. The total mass of real money has necessary limits in the requirements of circulation. Accounting money is an ideal measure, which has no limits other than those of the imagination. Employed to *express every sort of wealth if considered from the aspect of its exchange value alone;* thus, national wealth, the income of the state and of individuals; the accounting values, regardless of the form in which these values may exist, regulated in one and the same form; so that there is not a single article in the mass of consumable objects which is not several times transformed into money by the mind, while, compared to this mass, the total sum of effective money is, at the most = 1:10.’ (Garnier.) [52] (This last ratio is poor. 1: many millions is more correct. But this entirely unmeasurable.)

Thus, just as originally money expressed exchange value, so does the commodity as price, as ideally posited, mentally realized exchange value, now express a sum of money: money in a definite proportion. As prices, all commodities in their different forms are representatives of money, whereas earlier it was money, as the independent form of exchange value, which was the representative of all commodities. After money is posited as a commodity in reality, the commodity is posited as money in the mind.

It is clear so far, then, that in this ideal transformation of commodities into money, or in the positing of commodities as *prices*, the quantity of really available money is altogether a matter of indifference, for two reasons: *Firstly*: the ideal transformation of commodities into money is *prima facie* independent of and unrestricted by the mass of real money. Not a single piece of money is required in this process, just as little as a measuring rod (say, a yardstick) really needs to be employed before, for example, the ideal quantity of yards can be expressed. If, for example, the entire national wealth of England is appraised in terms of money, i.e. expressed as a price, everyone knows that there is not enough money in the world to realize this price. Money is needed here only as a category, as a mental relation. *Secondly*: because money functions as a unit, that is, the commodity is expressed in such a way that it contains a definite sum of equal parts of money, is measured by it, it follows that the measure between both [is] the general measure of exchange values – costs of production or labour time. Thus if 1/3 of an ounce of gold is the product of 1 working day, and the commodity x is the product of 3 working days, then the commodity x = 1 oz. or £3 17s. 4d. With the measurement of money and of the commodity, the original measure of exchange values enters again. Instead of being expressed in 3 working days, the commodity is expressed in the quantity of gold or silver which is the product of 3 working days. The quantity of really available money obviously has no bearing on this proportion.

(*Error by James Mill*: overlooks that their cost of production and not their quantity determines the value of the precious metals, as well as the prices of commodities measured in metallic value.) [53]

('Commodities in exchange are their own reciprocal measure … But this process would require as many reference points as there are commodities in circulation. If a commodity were exchanged only for one, and not for two commodities, then it would not serve as term of comparison … Hence the necessity of a common term of comparison … This term can be purely ideal … The determination of measure is fundamental, more important than that of wages … In the trade between Russia and China silver is used to evaluate all commodities, but nevertheless this commerce is done by means of barter.' (Storch.) [54] 'The operation of measuring with money is similar to the employment of weights in the comparison of material quantities. The same name for the two units whose function is to count the weight as well as the value of each thing. *Measures of weight and measures of value the same names.* An *étalon* of invariable weight was easily found. In the case of money, the question was again the *value* of a pound of silver, which = its cost of production.’ (Sismondi.) [55] Not only the same names. Gold and silver were originally measured by weight. Thus, the *as* = 1 pound of copper among the Romans.)

‘Sheep and oxen, not gold and silver, *money* in Homer and Hesiod, as measure of value. Barter on the Trojan battlefield.’ (Jacob.) (Similarly, *slaves* in the Middle Ages. ibid.) [56]

Money can be posited in the character of measure and in that of the general element of exchange values, without being realized in its further qualities; hence also before it has taken on the form of metal money. In simple barter. However, presupposed in that case that little exchange of any kind takes place; that commodities are not developed as exchange values and hence not as *prices*. (‘A common standard in the price of anything presupposes its frequent and familiar alienation. This not the case in simple states of society. In non-industrial countries many things without definite price … Sale alone can determine prices, and frequent sale alone can fix a standard. The frequent sale of articles of first necessity depends on the relation between town and country’ etc.) [57]

A developed determination of prices presupposes that the individual does not directly produce his means of subsistence, but that his direct product is an *exchange value,* and hence must first be mediated by a social process, in order to become the *means of life* for the individual. Between the full development of this foundation of industrial society and the patriarchal condition, many intermediate stages, endless nuances. This much appears from (a). If the cost of production of the precious metals rises, then all commodity prices fall; if the cost of production of the precious metals falls, then all commodity prices rise. This is the general law, which, as we shall see, is modified in particular cases.

(b) If exchange values are *ideally* transformed into money by means of prices, then, in the act of exchange, in purchase and sale, they are *really* transformed into money, exchanged for money, in order then to be again exchanged as money for a commodity. A particular exchange value must first be exchanged for exchange value in general before it can then be in turn exchanged for particulars. The commodity is realized as an exchange value only through this mediating movement, in which money plays the part of middleman.

Money thus circulates in the opposite direction from commodities. It appears as the middleman in commodity exchange, as the medium of exchange. It is the wheel of circulation, the instrument of circulation for the turnover of commodities; but, as such, it also has a circulation of its own – *monetary turnover, monetary circulation.* The price of the commodity is realized only when it is exchanged for real money, or in its real exchange for money.

This is what emerges from the foregoing. Commodities are really exchanged for money, transformed into real money, after they have been ideally transformed into money beforehand – i.e. have obtained the *attribute of price* as *prices. Prices,* therefore, are the *precondition* of monetary circulation, regardless of how much their realization appears to be a result of the latter. The circumstances which make the *prices* of commodities rise above or fall below their average value because their exchange value does so are to be developed in the section on exchange value, and precede the process of the actual *realization* of the prices of commodities through money; they thus appear, at first, as completely independent of it. The relations of numbers to one another obviously remain the same when I change them into decimal fractions. This is only giving them *another name.* In order really to circulate commodities, what is required is *instruments of transport,* and transport cannot be performed by money. If I have bought 1,000 lb. of iron for the amount of £*x,* then the ownership of the iron has passed into my hand. My £*x* have done their duty as means of exchange and have circulated, along with the title of ownership. The seller, inversely, has realized the price of iron, iron as exchange value. But in order then to bring the iron from him to me, money itself is useless; that requires wagons, horses, roads, etc. The real circulation of commodities through time and space is not accomplished by money. Money only realizes their *price* and thereby transfers the title to the commodity into the hands of the buyer, to him who has proffered means of exchange. What money circulates is not commodities but their titles of ownership; and what is realized in the opposite direction in this circulation, whether by purchase or sale, is again not the commodities, but their prices. The quantity of money which is, then, required for circulation is determined initially by the level of the prices of the commodities thrown into circulation. The sum total of these prices, however, is determined *firstly*: by the prices of the individual commodities; *secondly*: by the quantity of commodities at given prices which enter into circulation. For example, in order to circulate a quarter of wheat at 60s., twice as many s. are required as would be to circulate it at 30s. And if 5,000 of these quarters at 60s. are to be circulated, then 300,000 s. are required, while in order to circulate 200 such quarters only 12,000s. are needed. Thus, the amount of money required is dependent on the level of commodity prices and on the quantity of commodities at specified prices.

Thirdly, however, the quantity of money required for circulation depends not only on the sum total of prices to be realized, but on the rapidity with which money circulates, completes the task of this realization. If 1 thaler in one hour makes 10 purchases at 1 thaler each, if it is exchanged 10 times, then it performs quite the same task that 10 thalers would do if they made only 1 purchase per hour. Velocity is the negative moment; it substitutes for quantity; by its means, a single coin is multiplied.

The circumstances which determine the mass of commodity prices to be realized, on the one hand, and the velocity of circulation of money, on the other hand, are to be examined later. This much is clear, that prices are not high or low because much or little money circulates, but that much or little money circulates because prices are high or low; and, further, that the velocity of the circulating money does not depend on its quantity, but that the quantity of the circulating medium depends on its velocity (heavy payments are not counted but weighed; through this the time necessary is shortened).

Still, as already mentioned, the circulation of money does not begin from a single centre, nor does it return to a single centre from all points of the periphery (as with the *banks of issue* and partly with state issues); but from an infinite number of points, and returns to an infinite number (this return itself, and the time required to achieve it, a matter of chance). The velocity of the circulating medium can therefore substitute for the quantity of the circulating medium only up to a certain point. (Manufacturers and farmers pay, for example, the worker; he pays the grocer, etc.; from there the money returns to the manufacturers and farmers.) The same quantity of money can effectuate a series of payments only *successively,* regardless of the speed. But a certain mass of payments must be made *simultaneously.* Circulation takes its point of departure at one and the same time from many points. A definite quantity of money is therefore necessary for circulation, a sum which will always be engaged in circulation, and which is determined by the sum total which starts from the simultaneous points of departure in circulation, and by the velocity with which it runs its course (returns). No matter how many ebbs and floods this quantity of the circulating medium is exposed to, an average level nevertheless comes into existence; since the permanent changes are always very gradual, take place only over longer periods, and are constantly paralysed by a mass of secondary circumstances, as we shall see.

(To (a). *'Measure,* used as attribute of money, means *indicator of value'* … Ridiculous, that 'prices must fall, because commodities are judged as being worth so many ounces of gold, and the amount of gold is diminished in this country … The efficiency of gold as an indicator of value is unaffected by its quantity being greater or smaller in any particular country. If the employment of banking expedients were to succeed in reducing the paper and metal circulation in this country by half, the relative value of money and commodities would remain the same.' Example of Peru in the sixteenth century and transmission from France to England. Hubbard, VIII, 45.) [58] ('On the African coast neither gold nor silver the measure of value; instead of them, an ideal standard, an imaginary *bar.*') (Jacob, V, 15.) [59]

In its quality of being a measure, money is indifferent to its quantity, or, the existing quantity of money makes no difference. Its quantity is measured in its quality as medium of exchange, as instrument of circulation. Whether these two qualities of money can enter into contradiction with one another – to be looked at later.

(The concept of *forced, involuntary circulation* (see Steuart) [60] does not belong here yet.)

To have *circulation,* what is essential is that exchange appear as a process, a fluid whole of purchases and sales. Its first presupposition is the circulation of commodities themselves, as a natural, many-sided circulation of those commodities. The precondition of commodity circulation is that they be produced as *exchange values,* not as *immediate use values,* but as mediated through exchange value. Appropriation through and by means of divestiture [*Entäusserung*] and alienation [*Veräusserung*] is the fundamental condition. Circulation as the realization of exchange values implies: (1) that my product is a product only in so far as it is for others; hence suspended singularity, generality; (2) that it is a product for me only in so far as it has been alienated, become for others; (3) that it is for the other only in so far as he himself alienates his product; which already implies (4) that production is not an end in itself for me, but a means. Circulation is the movement in which the general alienation appears as general appropriation and general appropriation as general alienation. As much, then, as the whole of this movement appears as a social process, and as much as the individual moments of this movement arise from the conscious will and particular purposes of individuals, so much does the totality of the process appear as an objective interrelation, which arises spontaneously from nature; arising, it is true, from the mutual influence of conscious individuals on one another, but neither located in their consciousness, nor subsumed under them as a whole. Their own collisions with one another produce an alien social power standing above them, produce their mutual interaction as a process and power independent of them. Circulation, because a totality of the social process, is also the first form in which the social relation appears as something independent of the individuals, but not only as, say, in a coin or in exchange value, but extending to the whole of the social movement itself. The social relation of individuals to one another as a power over the individuals which has become autonomous, whether conceived as a natural force, as chance or in whatever other form, is a necessary result of the fact that the point of departure is not the free social individual. Circulation as the first totality among the economic categories is well suited to bring this to light.

At first sight, circulation appears as a *simply infinite* process. [61] The commodity is exchanged for money, money is exchanged for the commodity, and this is repeated endlessly. This constant renewal of the same process does indeed form an important moment of circulation. But, viewed more precisely, it reveals other phenomena as well; the phenomena of completion, or, the return of the point of departure into itself. The commodity is exchanged for money; money is exchanged for the commodity. In this way, commodity is exchanged for commodity, except that this exchange is a mediated one. The purchaser becomes a seller again and the seller becomes purchaser again. In this way, each is posited in the double and the antithetical aspect, and hence in the living unity of both aspects. It is entirely wrong, therefore, to do as the economists do, namely, as soon as the contradictions in the monetary system emerge into view, to focus only on the end results without the process which mediates them; only on the unity without the distinction, the affirmation without the negation. The commodity is exchanged in circulation for a commodity: at the same time, and equally, it is not exchanged for a commodity, in as much as it is exchanged for money. The acts of purchase and sale, in other words, appear as two mutually indifferent acts, separated in time and place. When it is said that he who sells also buys in as much as he buys money, and that he who buys also sells in as much as he sells money, then it is precisely the distinction which is overlooked, the specific distinction between commodity and money. After the economists have most splendidly shown that barter, in which both acts coincide, does not suffice for a more developed form of society and mode of production, they then suddenly look at the kind of barter which is mediated by money as if it were not so mediated, and overlook the *specific* character of this transaction. After they have shown us that money is necessary in addition to and distinct from commodities, they assert all at once that there is no distinction between money and commodities. They take refuge in this abstraction because in the real development of money there are contradictions which are unpleasant for the apologetics of bourgeois common sense, and must hence be covered up. In so far as purchase and sale, the two essential moments of circulation, are indifferent to one another and separated in place and time, they by no means need to coincide. Their indifference can develop into the fortification and apparent independence of the one against the other. But in so far as they are both essential moments of a single whole, there must come a moment when the independent form is violently broken and when the inner unity is established externally through a violent explosion. Thus already in the quality of money as a medium, in the splitting of exchange into two acts, there lies the germ of crises, or at least their possibility, which cannot be realized, except where the fundamental preconditions of classically developed, conceptually adequate circulation are present.

It has further been seen that, in circulation, money only realizes prices. The price appears at first as an ideal aspect of the commodity; but the sum of money exchanged for a commodity is its realized price, its real price. The price appears therefore as *external to* and *independent of* the commodity, as well as existing in it ideally. If the commodity cannot be realized in money, it ceases to be capable of circulating, and its price becomes merely imaginary; just as originally the product which has become transformed into exchange value, if it is not really exchanged, ceases to be a product. (The rise and fall of prices not the question here.) From viewpoint (a) *price* appeared as an *aspect of the commodity;* but from (b) *money* appears as *the price outside the commodity.* The commodity requires not simply demand, but demand which can pay in money. Thus, if its price cannot be realized, if it cannot be transformed into money, the commodity appears as *devalued, depriced.* The exchange value expressed in its price must be sacrificed as soon as this specific transformation into money is necessary. Hence the complaints by Boisguillebert, [62] e.g. that money is the hangman of all things, the moloch to whom everything must be sacrificed, the despot of commodities. In the period of the rising absolute monarchy with its transformation of all taxes into money taxes, money indeed appears as the moloch to whom real wealth is sacrificed. Thus it appears also in every monetary panic. From having been a servant of commerce, says Boisguillebert, money became its despot. [63] But, in fact, already the determination of prices in themselves contains what is counterposed to money in exchange; that money no longer represents the commodity, but the commodity, money. Lamentations about commerce in money as illegitimate commerce are to be found among several writers, who form the transition from the feudal to the modern period; the same later among socialists.

(α) The further the division of labour develops, the more does the product cease to be a medium of exchange. The necessity of a general medium of exchange arises, a medium independent of the specific production of each and every one. When production is oriented towards immediate subsistence, not *every* article can be exchanged for *every* other one, and a specific activity can be exchanged only for *specific* products. The more specialized, manifold and interdependent the products become, the greater the necessity for a general medium of exchange. At the beginning, the product of labour, or labour itself, is the general medium of exchange. But this ceases more and more to be general medium of exchange as it becomes more specialized. A fairly developed division of labour presupposes that the needs of each person have become very many-sided and his product has become very one-sided. The *need for exchange* and the *unmediated medium of exchange* develop in inverse proportion. Hence the necessity for a *general medium of exchange,* where the specific product and the specific labour must be exchanged for *exchangeability.* The exchange value of a thing is nothing other than the quantitatively specific expression of its capacity for serving as *medium of exchange.* In money the *medium of exchange* becomes a thing, or, the exchange value of the thing achieves an independent existence apart from the thing. Since the commodity is a medium of exchange of limited potency compared with money, it can cease to be a medium of exchange as against money.

(β) The splitting of exchange into purchase and sale makes it possible for me to buy without selling (stockpiling of commodities) or to sell without buying (accumulation of money). It makes speculation possible. It turns exchange into a special business; i.e. it founds the *merchant estate.* [64] This separation of the two elements has made possible a mass of transactions in between the definitive exchange of commodities, and it enables a mass of persons to exploit this divorce. It has made possible a mass of *pseudo-transactions.* Sometimes it becomes evident that what appeared to be an essentially divided act is in reality an essentially unified one; then again, sometimes, that what was thought to be an essentially unified act is in reality essentially divided. At moments when purchasing and selling assert themselves as essentially different acts, a general depreciation of all commodities takes place. At moments where it turns out that money is only a medium of exchange, a depreciation of money comes about. General fall or rise of prices.

Money provides the possibility of an absolute division of labour, because of independence of labour from its specific product, from the immediate use value of its product for it. The general rise of prices in times of speculation cannot be ascribed to a general rise in its *exchange value* or its *cost of production*; for if the *exchange value or the cost of production* of gold were to rise in step with that of all other commodities, then their exchange values expressed in money, i.e. their *prices,* would remain the same. Nor can it be ascribed to a decline in the production price of gold. (Credit is not yet on the agenda here.) But since money is not only a general commodity, but *also* a particular, and since, as a particular, it comes under the laws of supply and demand, it follows that the general demand for particular commodities as against money must bring it down.

We see that it is in the nature of money to solve the contradictions of direct barter as well as of exchange value only by positing them as general contradictions. Whether or not a *particular medium of exchange* was exchanged for another particular was a matter of coincidence; now, however, the commodity must be exchanged for the *general medium of exchange,* against which its particularity stands in a still greater contradiction. In order to secure the exchangeability of the commodity, exchangeability itself is set up in opposition to it as an independent commodity. (It was a means, becomes an end.) The question was, whether a particular commodity encounters another particular one. But money suspends the act of exchange itself in two mutually indifferent acts.

(Before the questions regarding circulation, its strength, weakness, etc., and notably the disputed point regarding the quantity of money in circulation and prices, are further developed, money should be looked at from the point of view of its third characteristic. [65])

One moment of circulation is that the commodity exchanges itself through money for another commodity. But there is, equally, the other moment, not only that commodity exchanges for money and money for commodity, but equally that money exchanges for commodity and commodity for money; hence that money is mediated with itself by the commodity, and appears as the unity which joins itself with itself in its circular course. Then it appears no longer as the medium, but as the aim of circulation (as e.g. with the merchant estate) (in commerce generally). If circulation is looked at not as a constant alternation, but as a series of circular motions which it describes within itself, then this circular path appears as a double one: Commodity–Money–Money–Commodity; and in the other direction Money–Commodity–Commodity–Money; i.e. if I sell in order to buy, then I can also buy in order to sell. In the former case money only a means to obtain the commodity, and the commodity the aim; in the second case the commodity only a means to obtain money, and money the aim. This is the simple result when the moments of circulation are brought together. Looking at it as mere circulation, the point at which I intervene in order to declare it the point of departure has to be a matter of indifference.

Now, a specific distinction does enter between a commodity in circulation and money in circulation. The commodity is thrown out of circulation at a certain point and fulfils its definitive function only when it is definitively withdrawn from circulation, consumed, whether in the act of production or in consumption proper. The function of money, by contrast, is to remain in circulation as its vehicle, to resume its circular course always anew like a *perpetuum mobile.*

Nevertheless, this second function is also a part of circulation, equally with the first. Now one can say: to exchange commodity for commodity makes sense, since commodities, although they are equivalent as prices, are qualitatively different, and their exchange ultimately satisfies qualitatively different needs. By contrast, exchanging money for money makes no sense, unless, that is, a quantitative difference arises, less money is exchanged for more, sold at a higher price than purchased, and with the category of profit we have as yet nothing to do. The circle Money–Commodity–Commodity–Money, which we drew from the analysis of circulation, would then appear to be merely an arbitrary and senseless abstraction, roughly as if one wanted to describe the life cycle as Death–Life–Death; although even in the latter case it could not be denied that the constant decomposition of what has been individualized back into the elemental is just as much a moment of the process of nature as the constant individualization of the elemental. Similarly in the act of circulation, the constant monetarization of commodities, just as much as the constant transformation of money into commodities. In the real process of buying in order to sell, admittedly, the motive is the profit made thereby, and the ultimate aim is to exchange less money, by way of the commodity, for more money, since there is no qualitative difference (here we disregard special kinds of metal money as well as special kinds of coins) between money and money. All that given, it cannot be denied that the operation may come to grief and that hence the exchange of money for money without quantitative difference frequently takes place in reality and, hence, can take place. But before this process, on which commerce rests and which therefore, owing to its extension, forms a chief phenomenon of circulation, is possible at all, the circular path Money–Commodity–Commodity–Money must be recognized as a particular form of circulation. This form is specifically different from that in which money appears as a mere medium of exchange for commodities; as the middle term; as a minor premise of the syllogism. Along with its quantitative aspect, visible in commerce, it must be separated out in its purely qualitative form, in its specific movement. *Secondly*: it already implies that money functions neither only as measure, nor only as medium of exchange, nor only as both; but has yet a third quality. It appears here *firstly* as an end in itself, whose sole realization is served by commodity trade and exchange. *Secondly,* since the cycle concludes with it at that point, it steps *outside* it, just as the commodity, having been exchanged for its equivalent through money, is thrown out of circulation. It is very true that money, in so far as it serves only as an agent of circulation, constantly remains enclosed in its cycle. But it appears here, also, that it is still something more than this instrument of circulation, that it also has an independent existence outside circulation, and that in this new character it can be withdrawn from circulation just as the commodity must constantly be definitively withdrawn. We must then observe money in its third quality, in which both of the former are included, i.e. that of serving as measure as well as the general medium of exchange and hence the realization of commodity prices.

(c) Money as material representative of wealth (accumulation of money; before that, money as the general material of contracts, etc.)

It is in the nature of circulation that every point appears simultaneously as a starting-point and as a conclusion, and, more precisely, that it appears to be the one in so far as it appears to be the other. The specific form M–C–C–M therefore just as correct as the other, which appears the more original, C–M–M–C. The difficulty is that the other commodity is qualitatively different; not so the other money. It can differ only quantitatively. – Regarded as *measure* the material substance of money is essential, although its availability and even more its quantity, the *amount* of the portion of gold or silver which serves as *unit*, are entirely irrelevant for it in this quality, and it is employed in general only as an imaginary, non-existent unit. In this quality it is needed as a unit and not as an amount. If I say a pound of cotton is worth 8d., then I am saying that 1 pound of cotton = 1/116 oz. of gold (the ounce at £3 17s. 7d.) (931d.). This expresses at the same time its particularity as exchange value as against all other commodities, as equivalent of all other commodities, which contain the ounce of gold this or that many times, since they are all in the same way compared to the ounce of gold. This original relation of the pound of cotton with gold, by means of which the quantity of gold contained in an ounce of cotton is determined, is fixed by the quantity of labour time realized in one and the other, the real common substance of exchange values. This is to be presupposed from the chapter dealing with exchange value as such. The difficulty of finding this equation is not as great as it may appear. For example, labour which directly produces gold directly reveals a certain quantity of gold to be the product of, say, one working day. Competition equates the other working days with that one, *modificandis modificatis.* Directly or indirectly. In a word, in the direct production of gold, a definite quantity of gold directly appears as product and hence as the value, the equivalent, of a definite amount of labour time. One has therefore only to determine the amount of labour time realized in the various commodities, and to equate them to the labour time which directly produces gold, in order to state how much gold is contained in a given commodity. The determination of all commodities as prices – as measured exchange values – is a process which takes place only gradually, which presupposes frequent exchange and hence frequent comparison of commodities as exchange values; but as soon as the existence of commodities as prices has become a precondition – a precondition which is itself a product of the social process, a result of the process of social production – then the determination of new prices appears simple, since the elements of production cost are themselves already present in the form of prices, and are hence simply to be added. (*Frequent alienation, sale, frequent sale,* Steuart. [66] Rather, all this must have continuity so that prices achieve a certain regularity.) However, the point we wanted to get at here is this: in so far as gold is to be established as the unit of measurement, the relation of gold to commodities is determined by barter, direct, unmediated exchange; like the relation of all other commodities to one another. With barter, however, the product is exchange value only *in itself*; it is its first phenomenal form; but the product is not yet posited as exchange value. Firstly, this character does not yet dominate production as a whole, but concerns only its superfluity and is hence itself more or less *superfluous* (like exchange itself); an accidental enlargement of the sphere of satisfactions, enjoyments (relations to new objects). It therefore takes place at only a few points (originally at the borders of the natural communities, in their contact with strangers), is restricted to a narrow sphere, and forms something which passes production by, is auxiliary to it; dies out just as much by chance as it arises. The form of barter in which the overflow of one's own production is exchanged by chance for that of others' is only the *first occurrence* of the product as exchange value in general, and is determined by accidental needs, whims, etc. But if it should happen to continue, to become a continuing act which contains within itself the means of its renewal, then little by little, from the outside and likewise by chance, regulation of reciprocal exchange arises by means of regulation of reciprocal production, and the costs of production, which ultimately resolve into labour time, would thus become the measure of exchange. This shows how exchange comes about, and the exchange value of the commodity. But the circumstances under which a relation occurs for the first time by no means show us that relation either in its purity or in its totality. A product posited as exchange value is in its essence no longer a simple thing; it is posited in a quality differing from its natural quality; it is posited as a *relation,* more precisely as a relation in general, not to one commodity but to every commodity, to every possible product. It expresses, therefore, a general relation; the product which relates to itself as the realization of a *specific quantity* of labour in general, of social labour time, and is therefore the equivalent of every other product in the proportion expressed in its exchange value. Exchange value presupposes social labour as the substance of all products, quite apart from their natural make-up. Nothing can express a relation without relating to one particular thing, and there can be no general relation unless it relates to a general thing. Since labour is motion, time is its natural measure. Barter in its crudest form presupposes labour as substance and labour time as measure of commodities; this then emerges as soon as it becomes regularized, continuous, as soon as it contains within itself the reciprocal requirements for its renewal. – A commodity is *exchange value* only if it is expressed in another, i.e. as a relation. A bushel of wheat is worth so many bushels of rye; in this case wheat is exchange value in as much as it is expressed in rye, and rye is exchange value in as much as it is expressed in wheat. If each of the two is related only to itself, it is not exchange value. Now, in the relation in which money appears as measure, it itself is not expressed as a relation, not as exchange value, but as a natural quantity of a certain material, a natural weight- fraction of gold or silver. In general, the commodity in which the exchange value of another is expressed, is never expressed as exchange value, never as relation, but rather as a definite quantity of its natural make-up. If 1 bushel of wheat is worth 3 bushels of rye, then only the bushel of wheat is expressed as a value, not the bushel of rye. Of course, the other is also posited *in itself*; the 1 bushel of rye is then = 1/3 bushel of wheat; but this is not *posited,* but merely a second relation, which is admittedly directly present in the first. If one commodity is expressed in another, then it is posited as a relation, and the other as simple quantity of a certain material. 3 bushels of rye are in themselves no value; rather, rye filling up a certain volume, measured by a standard of volume. The same is true of money as measure, as the unit in which the exchange values of other commodities are measured. It is a specific weight of the natural substance by which it is represented, gold, silver, etc. If 1 bushel of wheat has the price of 77s. 7d., then it is expressed as something else, to which it is equal, as 1 ounce of gold; as relation, as exchange value. But 1 ounce of gold is in itself no exchange value; it is not expressed as exchange value; but as a specific quantity of itself, of its natural substance, gold. If 1 bushel of wheat has the price of 77s. 7d. or of 1 ounce of gold, then this can be a greater or lesser value, since 1 ounce of gold will rise or fall in relation to the quantity of labour required for its production. But for the determination of its price as such, this is irrelevant; for its price of 77s. 7d. exactly expresses the relation in which it is equivalent to all other commodities, in which it can buy them. The specificity of price determination, whether the bushel is 77 or 1,780s., is a different matter altogether from the determination of price as such, i.e. the positing of wheat as price. It has a price, regardless of whether it costs 100 or 1s. The price expresses its exchange value only in a unit common to all commodities; presupposes therefore that this exchange value is already regulated by other relations. To be sure, the fact that 1 bushel of wheat has the price of 1 ounce of gold – since gold and wheat as natural objects have no relation with one another, are *as such* not a measure for one another, are *irrelevant* to one another – this fact is found out by bringing the ounce of gold itself into relation with the amount of labour time necessary for its production, and thus bringing both wheat and gold in relation to a third entity, labour, and equating them through this relation; by comparing them both, therefore, as exchange values. But this shows us only how the price of wheat is found, the quantity of gold to which it is equal. In this relation itself, where gold appears as the price of wheat, it is itself not in turn posited as a relation, as exchange value, but as a certain quantity of a natural material. In exchange value, commodities (products) are posited as relations to their social substance, to labour; but as prices, they are expressed as quantities of other products of various natural make-ups. Now, it can admittedly be said that the price of money is also posited as 1 bushel of wheat, 3 bushels of rye and all the other quantities of different commodities, whose price is 1 ounce of gold. But then, in order to express the price of money, the whole sphere of commodities would have to be listed, each in the quantity which equals 1 ounce of gold. Money would then have as many prices as there are commodities whose price it itself expresses. The chief quality of price, *unity,* would disappear. No commodity expresses the price of money, because none expresses its relation to all other commodities, its general exchange value. But it is the specific characteristic of price that exchange value must be expressed in its generality and at the same time in a specific commodity. But even this is irrelevant. In so far as money appears as a material in which the price of all commodities is expressed and measured, to that extent is money itself posited as a particular amount of gold, silver, etc., in short, of its natural matter; a simple amount of a certain material, not itself as exchange value, as relation. In the same way, every commodity which expresses the price of another is itself not *posited* as exchange value, but as a simple amount of itself. In its quality as unit of exchange value, as their measure, their common point of comparison, money is essentially a natural material, gold, silver; since, as the price of the commodity, it is not an exchange value, not a relation, but a certain weight of gold, silver; e.g. a pound with its subdivisions, and thus money appears originally as pound, *aes grave.* This is precisely what distinguishes price from exchange value, and we have seen that exchange value necessarily drives towards price formation. Hence the nonsensicality of those who want to make labour time as such into money, i.e. who want to posit and then not posit the distinction between price and exchange value. Money as measure, as element of price determination, as measuring unit of exchange values thus presents the following phenomena: (1) it is required only as an imagined unit once the exchange value of an ounce of gold compared to any one commodity has been determined; its actual presence is superfluous, along with, even more so, its available quantity: as an indicator (an indicator of value) the amount in which it exists in a country is irrelevant; required only as accounting unit; (2) while it thus only needs to be posited ideally, and, indeed, in the form of the price of a commodity is only ideally posited *in* it; at the same time, as a simple amount of the natural substance in which it is represented, as a given weight of gold, silver, etc. which is accepted as unit, it also yields the point of comparison, the unit, the measure. Exchange values (commodities) are transformed by the mind into certain weights of gold or silver, and are ideally posited as being = to this imagined quantity of gold etc.; as expressing it.

But when we now go over to the second quality of money, money as medium of exchange and realizer of prices, then we have found that in this case it must be present in a certain *quantity*; that the given weight of gold and silver which has been posited as a unit is required in a given quantity in order to be adequate to this function. If the sum of prices to be realized, which depends on the price of a particular commodity multiplied by its quantity, is given on one side, and the velocity of monetary circulation on the other, then a certain quantity of the circulating medium is required. When we now examine the original form more closely, the direct form in which circulation presents itself, C–M–M–C, then we see that money appears here as a pure medium of exchange. The commodity is exchanged for a commodity, and money appears merely as the medium of this exchange. The price of the first commodity is realized with money, in order to realize the price of the second commodity with the money, and thus to obtain it in exchange for the first. After the price of the first commodity is realized, the aim of the person who now has its price in money is not to obtain the price of the second commodity, but rather to pay its price in order to obtain the commodity. At bottom, therefore, money served him to exchange the first commodity for the second. As mere medium of exchange, money has no other purpose. The man who has sold his commodity and got money wants to buy another commodity, and the man from whom he buys it needs the money in order to buy another commodity etc. Now, in this function, as pure medium of circulation, the specific role of money consists only of this circulation, which it brings about owing to the fact that its quantity, its amount, was fixed beforehand. The number of times in which it is itself contained in the commodities as a unit is determined beforehand by their prices, and as medium of circulation it appears merely as a multiple of this predetermined unit. In so far as it realizes the price of commodities, the commodity is exchanged for its real equivalent in gold and silver; its exchange value is really exchanged for another commodity, money; but in so far as this process takes place only in order to transform this money back into a commodity, i.e. in order to exchange the first commodity for the second, then money appears only fleetingly, or, its substance consists only in this constant appearance as disappearance, as this vehicle of mediation. Money as medium of circulation is *only* medium of circulation. The only attribute which is essential to it in order to serve in this capacity is the attribute of quantity, of amount, in which it circulates. (Since the amount is co-determined by the velocity, the latter does not require special mention here.) In so far as it realizes the price, its material existence as gold and silver is essential; but in so far as this realization is only fleeting and destined to suspend itself, this is *irrelevant*. It is only a *semblance*, as if the point were to exchange the commodity for gold or silver as particular commodities: a semblance which disappears as soon as the process is ended, as soon as gold and silver have again been exchanged for a commodity, and the commodity, hence, exchanged for another. The character of gold and silver as mere media of circulation, or the character of the medium of circulation as gold and silver is therefore irrelevant to their make-up as particular natural commodities. Suppose the total price of circulating commodities = 1,200 thalers. Their measure is then 1 thaler = *x* weight of silver. Now let 100 thalers be necessary to circulate these commodities in 6 hours; i.e. every thaler pays the price of 100 thalers in 6 hours. Now, what is essential is that 100 thalers be present, the amount of 100 of the metallic unit which measures the sum total of commodity prices; 100 of these units. That these units consist of silver is irrelevant to the process itself. This is already visible in the fact that a single thaler represents in the cycle of circulation a mass of silver 100 times greater than is contained in it in reality, even though in each particular transaction it only represents the silver weight of 1 thaler. In circulation as a whole, the 1 thaler thus represents 100 thalers, a weight of silver a hundred times greater than it really contains. It is in truth only a *symbol* for the weight of silver contained in 100 thalers. It realizes a price which is 100 times greater than it realizes in reality as a quantity of silver. Let the pound sterling be = 1/3 ounce of gold (it is not as much as that). In so far as the price of a commodity at £1 is paid, i.e. its price of £1 is realized, it is exchanged for £1, to that extent it is of decisive importance that the £1 really contain 1/3 ounce of gold. If it were a counterfeit £, alloyed with non-precious metals, a £ only in appearance, then indeed the price of the commodity would not be realized; in order to realize it, it would have to be paid for in as great a quantity of the non-precious metal as equals 1/3 of an ounce of gold. Looking at this moment of circulation in isolation, it is thus essential that the unit of money should really represent a given quantity of gold or silver. But when we take circulation as a totality, as a self-enclosed process, C–M–M–C, then the matter stands differently. In the first case the realization of price would be only apparent: in reality only a *part* of its price would be realized. The price posited in it ideally would not be posited in reality. The commodity which is ideally equated to a given weight of gold would in actual exchange not bring in as much gold as that. But if a fake £ were to circulate in the place of a real one, it would render absolutely the same service in circulation as a whole as if it were genuine. If a commodity, A, with the price of £1, is exchanged for 1 fake £, and if this fake pound is again exchanged for commodity B, price £1, then the fake pound has done absolutely the same service as if it had been genuine. The genuine pound is, therefore, in this process, nothing more than a *symbol*, in so far as the moment in which it realizes prices is left out, and we look only at the totality of the process, in which it serves only as medium of exchange and in which the realization of prices is only a *semblance,* a fleeting mediation. Here the gold pound serves only to allow commodity A to be exchanged for commodity B, both having the same price. The real realization of the price of commodity A is, here, the commodity B, and the real realization of the price of B is the commodity A or C or D, which amounts to the same as far as the form of the relation is concerned, for which the particular content of the commodity is entirely irrelevant. Commodities with identical prices are exchanged. Instead of exchanging commodity A directly for commodity B, the price of commodity A is exchanged for the price of commodity B and the price of commodity B for commodity A. Money thus represents to the commodity only the latter’s price. Commodities are exchanged for one another at their prices. The price of the commodity expresses about it, ideally, that it is an amount of a certain natural unit (weight units) of gold or silver, of the material in which money is embodied. In the form of money, or its realized price, the commodity now confronts a real amount of this unit. But in so far as the realization of the price is not the final act, and the point is not to possess the price of commodities as price, but as the price of another commodity, to that extent the material of money is irrelevant, e.g. gold and silver. Money becomes a subject as instrument of circulation, as medium of exchange, and the natural material in which it presents itself appears as an accident whose significance disappears in the act of exchange itself; because it is not in this material that the commodity exchanged for money is supposed to be realized, but rather in the material of another commodity. For now, apart from the moments that, in circulation, (1) money realizes prices, (2) money circulates titles of ownership; we have (3), additionally, that by means of it something takes place which could not happen otherwise, namely that the exchange value of the commodity is expressed in every other commodity. If 1 yard of linen costs 2s. and 1 lb. of sugar 1s., then the yard of linen is realized, by means of the 2s., in 2 lb. of sugar, while the sugar is converted into the material of its exchange value, into the material in which its exchange value is realized. As a mere medium of circulation, in its role in the constant flow of the circulatory process, money is neither the measure of prices, because it is already posited as such in the prices themselves; nor is it the means for the realization of prices, for it exists as such in one single moment of circulation, but disappears as such in the totality of its moments; but is, rather, the mere *representative* of the price in relation to all other commodities, and serves only as a means to the end that all commodities are to be exchanged at equivalent prices. It is exchanged for one commodity because it is the general representative of its exchange value; and, as such, as the *representative* of every other commodity of equal exchange value, it is the general representative; and that is, as such, what it is in circulation itself. It *represents* the price of the one commodity as against all other commodities, or the price of all commodities as against the one commodity. In this relation it is not only the *representative* of commodity prices, but the *symbol* of itself; i.e. in the act of circulation itself, its material, gold and silver, is irrelevant. It *is* the price; it is a given quantity of gold or silver; but in so far as this reality of the price is here only fleeting, a reality destined constantly to disappear, to be suspended, not to count as a definitive realization, but always only as an intermediate, mediating realization; in so far as the point here is not the realization of the price at all, but rather the realization of the exchange value of one particular commodity in the material of another commodity, to that extent its own material is irrelevant; it is ephemeral as a realization of the price, since this itself disappears; it exists, therefore, in so far as it remains in this constant movement, only as a representative of exchange value, which becomes real only if the real exchange value constantly steps into the place of its representative, constantly changes places with it, constantly exchanges itself for it. Hence, in this process, its reality is not that it is the price, but that it *represents* it, is its representative – the materially present representative of the price, thus of itself, and, as such, of the exchange value of commodities. As medium of exchange, it realizes the prices of commodities only in order to posit the exchange value of the one commodity in the other, as its unit; i.e. in order to realize its exchange value in the other commodity; i.e. to posit the other commodity as the material of its exchange value.

Only within circulation, then, is it such a material symbol; taken out of circulation, it again becomes a realized price; but within the process, as we have seen, the quantity, the amount of these material symbols of the monetary unit is the essential attribute. Hence, while the material substance of money, its material substratum of a given quantity of gold or silver, is irrelevant within circulation, where money appears as something existing in opposition to commodities, and where, by contrast, its amount is the essential aspect, since it is there only a *symbol* for a given amount of this unit; in its role as measure, however, where it was introduced only ideally, its material substratum was essential, but its quantity and even its existence as such were irrelevant. From this it follows that money as gold and silver, in so far as *only* its role as means of exchange and circulation is concerned, can be replaced by any other *symbol* which expresses a given quantity of its unit, and that in this way symbolic money can replace the real, because material money as mere medium of exchange is itself symbolic.

It is these contradictory functions of money, as measure, as realization of prices and as mere medium of exchange, which explain the otherwise inexplicable phenomenon that the *debasement* of metallic money, of gold, silver, through admixture of inferior metals, causes a depreciation of money and a rise in prices; because in this case the measure of prices [is] no longer the cost of production of the ounce of gold, say, but rather of an ounce consisting of 2/3 copper etc. (The debasement of the coinage, in so far as it consists merely of falsifying or changing the names of the fractional weight units of the precious metal, e.g. if the eighth part of an ounce were to be called a sovereign, makes absolutely no difference in the measure and changes only its name. If, earlier, 1/4 of the ounce was called 1 sovereign, and now it is 1/8, then the price of 1 sovereign now expresses merely 1/8 of an ounce of gold; thus (about) 2 sovereigns are necessary to express the same price which was earlier expressed by 1 sovereign); or in the case of a mere falsification of the name of the fractional parts of the precious metal, the measure remains the same, but the fractional part [is] expressed in twice as many francs etc. as before; on the other hand, if the substratum of money, gold, silver, is entirely suspended and replaced by paper bearing the symbol of given quantities of real money, in the quantity required by circulation, then the paper circulates at the full gold and silver value. In the first case, because the medium of circulation is at the same time the material of money as measure, and the material in which prices are definitively realized; in the second case, because money only in its role as medium of circulation.

Example of the clumsy confusion between the contradictory functions of money: ‘Price is exactly determined by the quantity of money there is to buy it with. All the commodities in the world can fetch no more than all the money in the world.’ First, the determination of prices has nothing to do with actual sale; money, in sale, serves only as measure. Secondly, all commodities (in circulation) can fetch a thousand times more money as is in the world, if every piece of money were to circulate a thousand times. (The passage is quoted from the *London Weekly Dispatch,* 8 November 1857.)

Since the total sum of prices to be realized in circulation changes with the prices of the commodities and with the quantity of them thrown into circulation; and since, on the other side, the velocity of the medium of circulation is determined by circumstances independent of itself, it follows from this that the quantity of media of circulation must be capable of changing, or expanding and contracting – *contraction and expansion of circulation.*

In its role as mere medium of circulation, it can be said about money that it ceases to be a commodity (*particular* commodity), when its material is irrelevant and it meets only the needs of circulation itself, and no other direct need: gold and silver cease to be commodities as soon as they circulate as money. It can be said about it, on the other hand, that it is now *merely* a commodity (*general* commodity), the commodity in its pure form, indifferent to its natural particularity and hence indifferent to all direct needs, without natural relation to a particular need as such. The followers of the Monetary System, even partly of the protectionist system (see e.g. Ferrier, p. 2), [67] have clung only to the first aspect, while the modern economists cling to the second; e.g. Say, who says that money should be treated like a ‘particular’ commodity, a commodity like any other. [68] As medium of exchange, money appears in the role of necessary mediator between production and consumption. In the developed money system, one produces only in order to exchange, or, one produces only by exchanging. Strike out money, and one would thereby either be thrown back to a lower stage of production (corresponding to that of auxiliary barter), or one would proceed to a higher stage, in which exchange value would no longer be the principal aspect of the commodity, because social labour, whose representative it is, would no longer appear merely as socially mediated private labour.

The question whether money as medium of exchange is productive or not productive is solved just as easily. According to Adam Smith, money not productive. [69] Of course, Ferrier says e.g.: ‘It creates values, because they would not exist without it.’ One has to look not only at ‘its *value* as metal, but equally its *property* as money’. A. Smith is correct, in so far as it is not the instrument of any particular branch of production; Ferrier is right too because it is an essential aspect of the mode of production resting on exchange value that product and agency of production should be posited in the character of money, and because this characteristic presupposes a money distinct from products; and because the money relation is itself a relation of production if production is looked at in its totality.

When C–M–M–C is dissected into its two moments, although the *prices* of the commodities are presupposed (and this makes the major difference), circulation splits into two acts of direct barter.

C–M: the exchange value of the commodity is expressed in another particular commodity, in the material of money, like that of money in the commodity; similarly with M–C. To this extent, A. Smith is right when he says that money as medium of exchange is only a more complicated kind of barter. But when we look at the whole of the process, and not at both as equivalent acts, realization of the commodity in money and of money in the commodity, then A. Smith’s opponents are correct when they say that he misunderstood the nature of money and that monetary circulation suppresses barter; that money serves only to balance the accounts of the ‘arithmetical division’ arising from the division of labour. These ‘arithmetical figures’ no more need to be of gold and silver than do the measures of length. (See Solly, p. 20.) [70]

Commodities change from being *marchandises* to being *denrées*, they enter consumption; money as medium of circulation does not; at no point does it cease to be commodity, *as long as* it remains within the role of medium of circulation.

We now pass on to the third function of money; which initially results from the second form of circulation:

M–C–C–M; in which money appears not only as *medium,* nor as *measure,* but as end-in-itself, and hence steps outside circulation just like a particular commodity which ceases to circulate for the time being and changes from *marchandise* to *denrée.*

But first it must be noted that, once the quality of money as an intrinsic relation of production generally founded on exchange value is presupposed, it is possible to demonstrate that in some particular cases it does service as an instrument of production. 'The utility of gold and silver rests on this, that they replace labour.' (Lauderdale, p. 11.) [71] Without money, a mass of swaps would be necessary before one obtained the desired article in exchange. Furthermore, in each particular exchange one would have to undertake an investigation into the relative value of commodities. Money spares us the first task in its role as instrument of exchange (instrument of commerce); the second task, as measure of value and representative of all commodities (idem, loc. cit.). The opposite assertion, that money is not productive, amounts only to saying that, apart from the functions in which it is productive, as measure, instrument of circulation and representative of value, it is *unproductive*; that its quantity is productive only in so far as it is necessary to fulfil these preconditions. That it becomes not only *unproductive*, but *faux frais de production*, the moment when more of it is employed than necessary for its productive aspect – this is a truth which holds for every other instrument of production or exchange; for the machine as well as the means of transportation. But if by this it is meant that money exchanges only real wealth which already exists, then this is false, since labour, as well, is exchanged for it and bought with it, i.e. productive activity itself, *potential* wealth.

The *third attribute* of money, in its complete development, presupposes the first two and constitutes their unity. Money, then, has an independent existence outside circulation; it has stepped outside it. As a *particular* commodity it can be transformed out of its form of money into that of luxury articles, gold and silver jewellery (as long as craftsmanship is still very simple, as e.g. in the old English period, a constant transformation of silver money into plate and vice versa. See Taylor) [72] ; or, as money, it can be *accumulated* to form a *treasure*. When money in its independent existence is derived from circulation, it appears in itself as a result of circulation; by way of circulation, it closes the circle with itself. This aspect already latently contains its quality as *capital*. It is negated only as medium of exchange. Still, since it can be historically posited as measure before it appears as medium of exchange, and can appear as medium of exchange before it is posited as measure – in the latter case it would exist merely as preferred *commodity* – it can therefore also appear historically in the third function before it is posited in the two prior ones. But gold and silver can be accumulated *as money* only if they are already present in one of the other two roles, and it can appear in a developed form of the third role only if the two earlier ones are already developed. Otherwise, accumulating it is nothing more than the accumulation of gold and silver, not of money.

(As an especially interesting example, go into the *accumulation of copper money* in the earlier periods of the Roman republic.)

Since money as *universal material representative of wealth* emerges from circulation, and is as such itself a *product of circulation*, both of exchange at a higher potentiality, and a *particular* form of exchange, it stands therefore in the third function, as well, in connection with circulation; it stands independent of circulation, but this independence is only its own process. It derives from it just as it returns to it again. Cut off from all relation to it, it would not be money, but merely a simple natural object, gold or silver. In this character it is just as much its precondition as its result. Its independence is not the end of all relatedness to circulation, but rather a *negative* relation to it. This comes from its independence as a result of M–C–C–M. In the case of money as *capital,* money itself is posited (1) as precondition of circulation as well as its result; (2) as having independence only in the form of a negative relation, but always a relation to circulation; (3) as itself an *instrument of production,* since circulation no longer appears in its primitive simplicity, as quantitative exchange, but as a process of production, as a real metabolism. And thus money is itself stamped as a particular moment of this process of production. Production is not only concerned with simple determination of prices, i.e. with translation of the exchange values of commodities into a common unit, but with the creation of exchange values, hence also with the creation of the *particularity* of prices. Not merely with positing the form, but also the content. Therefore, while in simple circulation, money appears generally as productive, since circulation in general is itself a moment of the system of production, nevertheless this quality still only exists *for us,* and is not yet *posited* in money. (4) As capital, money thus also appears posited as a relation to itself mediated by circulation – in the *relation* of *interest and capital.* But here we are not as yet concerned with these aspects; rather, we have to look simply at money in the third role, in the form in which it emerged as something *independent* from circulation, more properly, from both its earlier aspects.

(‘An increase of money only an increase in the *means of counting.*’ Sismondi. [73] This correct only in so far as defined as mere medium of exchange. In the other property it is also an increase in the *means of paying.*)

‘Commerce separated the shadow from the body, and introduced the possibility of owning them separately.’ (Sismondi.) [74] Thus, money is now exchange value become independent (it never puts in more than a fleeting appearance as such, as *medium of exchange*) in its general form. It possesses, it is true, a particular body or substance, gold and silver, and precisely this gives it its independence; for what only exists as an aspect or relation of something else is not independent. On the other side, with this bodily independence, as gold and silver, it represents not only the exchange value of one commodity as against another, but rather exchange value as against all commodities; and although it possesses a substance of its own, it appears at the same time, in its particular existence as gold and silver, as the general exchange value of all commodities. On one side, it is possessed as their exchange value; they stand on the other side as only so many particular substances of exchange value, so that it can either transform itself into every one of these substances through exchange, or it can remain indifferent to them, aloof from their particularity and peculiarity. They are therefore merely accidental existences. It is the *‘précis de toutes les choses’,* [75] in which their particular character is erased; it is general wealth in the form of a concise compendium, as opposed to its diffusion and fragmentation in the world of commodities. While wealth in the form of the particular commodity appears as one of the moments of the same, or the commodity as one of the moments of wealth; in the form of gold and silver general wealth itself appears as concentrated in a particular substance. Every particular commodity, in so far as it is exchange value, has a price, expresses a certain quantity of money in a merely imperfect form, since it has to be thrown into circulation in order to be realized, and since it remains a matter of chance, due to its particularity, whether or not it is realized. However, in so far as it is realized not as price, but in its natural property, it is a moment of wealth by way of its relation to a particular need which it satisfies; and, in this relation, [it] expresses (1) only the wealth of uses [*Gebrauchsreichtum*], (2) only a quite particular facet of this wealth. Money, by contrast, apart from its particular usefulness as a valuable commodity, is (1) the realized price; (2) satisfies every need, in so far as it can be exchanged for the desired object of every need, regardless of any particularity. The commodity possesses this property only through the mediation of money. Money possesses it directly in relation to all commodities, hence in relation to the whole world of wealth, to wealth as such. With money, general wealth is not only a form, but at the same time the content itself. The concept of wealth, so to speak, is realized, *individualized* in a particular object.

NOTEBOOK II

c. November 1857

The Chapter on Money (continuation)

(*Superfluity, accumulation*)

In the particular commodity, in so far as it is a price, wealth is posited only as an ideal form, not yet realized; and in so far as it has a particular use value, it represents merely a quite singular facet of wealth. In money, by contrast, the price is realized; and its substance is wealth itself considered in its totality in abstraction from its particular modes of existence. Exchange value forms the substance of money, and exchange value is wealth. Money is therefore, on another side, also the embodied form of wealth, in contrast to all the substances of which wealth consists. Thus, while on one side the form and the content of wealth are identical in money, considered for itself, on the other side, in contrast to all the other commodities, money is the general form of wealth, while the totality of these particularities form its substance. Thus, in the first role, money is wealth itself; in the other, it is the *general material representative of wealth.* This totality exists in money itself as the comprehensive representation of commodities. Thus, wealth (exchange value as totality as well as abstraction) exists, individualized as such, to the exclusion of all other commodities, as a singular, tangible object, in gold and silver. Money is therefore the god among commodities.

Since it is an individuated, tangible object, money may be randomly searched for, found, stolen, discovered; and thus general wealth may be tangibly brought into the possession of a particular individual. From its servile role, in which it appears as mere medium of circulation it suddenly changes into the lord and god of the world of commodities. It represents the divine existence of commodities, while they represent its earthly form. Before it is replaced by exchange value, every form of natural wealth presupposes an essential relation between the individual and the objects, in which the individual in one of his aspects objectifies [*vergegenständlicht*] himself in the thing, so that his possession of the thing appears at the same time as a certain development of his individuality: wealth in sheep, the development of the individual as shepherd, wealth in grain his development as agriculturist, etc. *Money, however, as the individual* of general wealth, as something emerging from circulation and representing a general quality, as a *merely social result,* does not at all presuppose an individual relation to its owner; possession of it is not the development of any particular essential aspect of his individuality; but rather possession of what lacks individuality, since this social [relation] exists at the same time as a sensuous, external object which can be mechanically seized, and lost in the same manner. Its relation to the individual thus appears as a purely accidental one; while this relation to a thing having no connection with his individuality gives him, at the same time, by virtue of the thing's character, a general power over society, over the whole world of gratifications, labours, etc. It is exactly as if, for example, the chance discovery of a stone gave me mastery over all the sciences, regardless of my individuality. The possession of money places me in exactly the same relationship towards wealth (social) as the philosophers' stone would towards the sciences.

Money is therefore not only *an* object, but is *the* object of greed [*Bereicherungssucht*]. It is essentially *auri sacra fames.* [1] Greed as such, as a particular form of the drive, i.e. as distinct from the craving for a particular kind of wealth, e.g. for clothes, weapons, jewels, women, wine etc., is possible only when general wealth, wealth as such, has become individualized in a particular thing, i.e. as soon as money is posited in its third quality. Money is therefore not only the object but also the fountainhead of greed. The mania for possessions is possible without money; but greed itself is the product of a definite social development, not *natural,* as opposed to *historical.* Hence the wailing of the ancients about money as the source of all evil. Hedonism [*Genusssucht*] in its general form and miserliness [*Geiz*] are the two particular forms of monetary greed. Hedonism in the abstract presupposes an object which possesses all pleasures in potentiality. Abstract hedonism realizes that function of money in which it is the *material representative of wealth*; miserliness, in so far as it is only the general form of wealth as against its particular substances, the commodities. In order to maintain it as such, it must sacrifice all relationship to the objects of particular needs, must abstain, in order to satisfy the need of greed for money as such. Monetary greed, or mania for wealth, necessarily brings with it the decline and fall of the ancient communities [*Gemeinwesen*]. Hence it is the antithesis to them. It is itself the community [*Gemeinwesen*], [2] and can tolerate none other standing above it.

But this presupposes the full development of exchange values, hence a corresponding organization of society. In antiquity, exchange value was not the *nexus rerum;* it appears as such only among the mercantile peoples, who had, however, no more than a carrying trade and did not, themselves, produce. At least this was the case with the Phoenicians, Carthaginians, etc. But this is a peripheral matter. They could live just as well in the interstices of the ancient world, as the Jews in Poland or in the Middle Ages. Rather, this world itself was the precondition for such trading peoples. That is why they fall apart every time they come into serious conflict with the ancient communities. Only with the Romans, Greeks etc. does money appear unhampered in both of its first two functions, as measure and as medium of circulation, and not very far developed in either. But as soon as either their trade etc. develops, or, as in the case of the Romans, conquest brings them money in vast quantities – in short, suddenly, and at a certain stage of their economic development, money necessarily appears in its third role, and the further it develops in that role, the more the decay of their community advances. In order to function productively, money in its third role, as we have seen, must be not only the precondition but equally the result of circulation, and, as its precondition, also a moment of it, something posited by it. Among the Romans, who amassed money by stealing it from the whole world, this was not the case. It is inherent in the simple character of money itself that it can exist as a developed moment of production only where and when *wage labour* exists; that in this case, far from subverting the social formation, it is rather a condition for its development and a driving-wheel for the development of all forces of production, material and mental. A particular individual may even today come into money by chance, and the possession of this money can undermine him just as it undermined the communities of antiquity. But the dissolution of this individual within modern society is in itself only the enrichment of the productive section of society. The owner of money, in the ancient sense, is dissolved by the industrial process, which he serves whether he wants and knows it or not. It is a dissolution which affects only his person. *As material representative of general wealth,* as *individualized exchange value,* money must be the *direct* object, aim and product of general labour, the labour of all individuals. Labour must directly produce exchange value, i.e. money. It must therefore be *wage labour.* Greed, as the urge of all, in so far as everyone wants to make money, is only created by general wealth. Only in this way can the general mania for money become the wellspring of general, self-reproducing wealth. When labour is wage labour, and its direct aim is money, then general wealth is *posited* as its aim and object. (*In this regard, talk about the context of the military system of antiquity when it became a mercenary system.*) Money as aim here becomes the means of general industriousness. General wealth is produced in order to seize hold of its representative. In this way the real sources of wealth are opened up. When the aim of labour is not a particular product standing in a particular relation to the particular needs of the individual, but money, wealth in its general form, then, firstly the individual's industriousness knows no bounds; it is indifferent to its particularity, and takes on every form which serves the purpose; it is ingenious in the creation of new objects for a social need, etc. It is clear, therefore, that when wage labour is the foundation, money does not have a dissolving effect, but acts productively; whereas the ancient community as such is already in contradiction with wage labour as the general foundation. General industriousness is possible only where every act of labour produces general wealth, not a particular form of it; where therefore the individual's reward, too, is money. Otherwise, only particular forms of industry are possible. Exchange value as direct product of labour is money as direct product of labour. Direct labour which produces exchange value as such is therefore wage labour. Where money is not itself the community [*Gemeinwesen*], it must dissolve the community. In antiquity, one could buy labour, a slave, directly; but the slave could not buy money with his labour. The increase of money could make slaves more expensive, but could not make their labour more productive. *Negro slavery* – a purely industrial slavery – which is, besides, incompatible with the development of bourgeois society and disappears with it, *presupposes* wage labour, and if other, free states with wage labour did not exist alongside it, if, instead, the Negro states were isolated, then all social conditions there would immediately turn into pre-civilized forms.

Money as individualized exchange value and hence as wealth incarnate was what the alchemists sought; it figures in this role within the Monetary (Mercantilist) System. The period which precedes the development of modern industrial society opens with general greed for money on the part of individuals as well as of states. The real development of the sources of wealth takes place as it were behind their backs, as a means of gaining possession of the representatives of wealth. Wherever it does not arise out of circulation – as in Spain – but has to be discovered physically, the nation is impoverished, whereas the nations which have to work in order to get it from the Spaniards develop the sources of wealth and really become rich. This is why the search for and discovery of gold in new continents, countries, plays so great a role in the history of revaluation, because by its means colonization is improvised and made to flourish as if in a hothouse. The hunt for gold in all countries leads to its discovery; to the formation of new states; initially to the spread of commodities, which produce new needs, and draw distant continents into the metabolism of circulation, i.e. exchange. Thus, in this respect, as the general representative of wealth and as individualized exchange value, it was doubly a means for expanding the universality of wealth, and for drawing the dimensions of exchange over the whole world; for creating the true *generality* [*Allgemeinheit*] of exchange value in substance and in extension. But it is inherent in the attribute in which it here becomes developed that the illusion about its nature, i.e. the fixed insistence on one of its aspects, in the abstract, and the blindness towards the contradictions contained within it, gives it a really magical significance behind the backs of individuals. In fact, it is because of this self-contradictory and hence illusory aspect, because of this abstraction, that it becomes such an enormous instrument in the real development of the forces of social production.

It is the elementary precondition of bourgeois society that labour should directly produce exchange value, i.e. money; and, similarly, that money should directly purchase labour, and therefore the labourer, but only in so far as he alienates [*veräussert*] his activity in the exchange. *Wage labour* on one side, *capital* on the other, are therefore only other forms of developed exchange value and of money (as the incarnation of exchange value). Money thereby directly and simultaneously becomes the *real community* [*Gemeinwesen*], since it is the general substance of survival for all, and at the same time the social product of all. But as we have seen, in money the community [*Gemeinwesen*] is at the same time a mere abstraction, a mere external, accidental thing for the individual, and at the same time merely a means for his satisfaction as an isolated individual. The community of antiquity presupposes a quite different relation to, and on the part of, the individual. The development of money in its third role therefore smashes this community. All production is an objectification [*Vergegenständlichung*] of the individual. In money (exchange value), however, the individual is not objectified in his natural quality, but in a social quality (relation) which is, at the same time, external to him.

Money *posited* in the form of the medium of circulation is *coin* [*Münze*]. As coin, it has lost its use value as such; its use value is identical with its quality as medium of circulation. For example, it has to be melted down before it can serve as money as such. It has to be demonetized. That is why the coin is also only a *symbol* whose material is irrelevant. But, as coin, it also loses its universal character, and adopts a national, local one. It decomposes into coin of different kinds, according to the material of which it consists, gold, copper, silver, etc. It acquires a political title, and talks, as it were, a different language in different countries. Finally, within a single country it acquires different denominations, etc. Money in its third quality, as something which *autonomously* arises out of and stands against circulation, therefore still negates its character as coin. It reappears as gold and silver, whether it is melted down or whether it is valued only according to its gold and silver weight-content. It also loses its national character again, and serves as medium of exchange between the nations, as universal medium of exchange, no longer as a symbol, but rather as a definite amount of gold and silver. In the most developed international system of exchange, therefore, gold and silver reappear in exactly the same form in which they already played a role in primitive barter. Gold and silver, like exchange itself originally, appear, as already noted, not within the sphere of a social community, but where it ends, on its boundary; on the few points of its contact with alien communities. Gold (or silver) now appears posited as the *commodity* as such, the universal commodity, which obtains its character as commodity in all places. Only in this way is it the material representative of *general* wealth. In the Mercantilist System, therefore, gold and silver count as the measure of the power of the different communities. 'As soon as the precious metals become objects of commerce, an universal equivalent for everything, they also become the measure of power between nations. Hence the Mercantilist System.' (Steuart.) [3] No matter how much the modern economists imagine themselves beyond Mercantilism, in periods of general crisis gold and silver still appear in precisely this role, in 1857 as much as in 1600. In this character, gold and silver play an important role in the creation of the world market. Thus the circulation of American silver from the West to the East; the metallic band between America and Europe on one side, with Asia on the other side, since the beginning of the modern epoch. With the original communities this trade in gold and silver was only a peripheral concern, connected with excess production, like exchange as a whole. But in developed trade it is posited as a moment essentially interconnected with production etc. as a whole. It no longer appears for the purpose of exchanging the excess production but to balance it out as part of the total process of international commodity exchange. It is coin, now, only as *world coin.* But, as such, its formal character as medium of circulation is essentially irrelevant, while its material is everything. As a form, in this function, gold and silver remain the universally acceptable *commodity,* the commodity as such.

(In this first section, where exchange values, money, prices are looked at, commodities always appear as already present. The determination of forms is simple. We know that they express aspects of social production, but the latter itself is the precondition. However, they are *not posited* in this character [of being aspects of social production]. And thus, in fact, the first exchange appears as exchange of the superfluous only, and it does not seize hold of and determine the whole of production. It is the *available* overflow of an overall production which lies outside the world of exchange values. This still presents itself even on the surface of developed society as the directly available world of commodities. But by itself, it points beyond itself towards the economic relations which are posited as *relations of production.* The internal structure of production therefore forms the second section; the concentration of the whole in the state the third; the international relation the fourth; the world market the conclusion, in which production is posited as a totality together with all its moments, but within which, at the same time, all contradictions come into play. The world market then, again, forms the presupposition of the whole as well as its substratum. Crises are then the general intimation which points beyond the presupposition, and the urge which drives towards the adoption of a new historic form.) ‘The quantity of goods and the quantity of money may remain the same, and price may rise or fall notwithstanding’ (namely through greater expenditure, e.g. by the moneyed capitalists, landowners, state officials etc. Malthus, X, 43). [4]

Money, as we have seen, in the form in which it independently steps outside of and against circulation, is the negation (negative unity) of its character as medium of circulation and measure. * We have developed, so far:

> * In so far as money is a medium of circulation, ‘the quantity of it which circulates can never be employed individually; it must always circulate’. (Storch.) The individual can employ money only by divesting himself of it, by positing it as *being for others,* in its social function. This, as Storch correctly remarks, is a reason why the material of money ‘should not be indispensable to human existence’, in the manner of such things as hides, salt, etc., which serve for money among some peoples. For the quantity that is in circulation is lost to consumption. Hence, firstly, metals [enjoy] preference over other commodities as money, and secondly, the precious metals preference over those which useful as instruments of production. It is characteristic of the economists that Storch expresses this thusly: the material of money should should ‘have direct value but on the basis of an *artificial need*‘. Artificial need is what the economist calls, firstly, the needs which arise out of the *social* existence of the individual; secondly, those which do not flow from its naked existence as a natural object. This shows the inner, desperate poverty which forms the basis of bourgeois wealth and of its science.

Firstly. Money is the negation of the medium of circulation as such, of the *coin.* But it also contains the latter at the same time as an aspect, negatively, since it can always be transformed into coin; positively, as *world coin,* but, as such, its formal character is irrelevant, and it is essentially a commodity as such, the omnipresent commodity, not determined by location. This indifference is expressed in a double way: *Firstly because* it is now money only as gold and as silver, not as *symbol,* not in the form of the coin. For that reason the *face* which the state impresses on money as coin has no value; only its metal content has value. Even in domestic commerce it has a merely temporary, local value, ‘because it is no more useful to him who owns it than to him who owns the commodity to be bought’. The more domestic commerce is conditioned on all sides by foreign commerce, the more, therefore, does the value of this face vanish: it does not exist in private exchange, but appears only as tax. *Then:* in their capacity as *general* commodity, as world coin, the return of gold and silver to their point of departure, and, more generally, circulation as such, are not necessary. *Example:* Asia and Europe. Hence the wailings of the upholders of the Monetary System, that money disappears among the heathen without flowing back again. (See Misselden about 1600.) [5] The more external circulation is conditioned and enveloped by internal, the more does the world coin as such come into circulation (rotation). This higher stage is yet no concern of ours and is not contained in the simple relation which we are considering here.

Secondly: Money is the negation of itself as mere realization of the prices of commodities, where the particular commodity always remains what is essential. It becomes, rather, the price realized in itself and, as such, the *material representative of wealth* as well as the *general form of wealth* in relation to all commodities, as merely particular substances of it; but

Thirdly: Money is also negated in the aspect in which it is merely the *measure* of exchange values. As the general form of wealth and as its material representative, it is no longer the ideal measure of other things, of exchange values. For it is itself the adequate [*adäquat*] reality of exchange value, and this it is in its metallic being. Here the character of measure has to be posited in it. It is its own unit; and the measure of its value, the measure of itself as wealth, as exchange value, is the quantity of itself which it represents. The multiple of an amount of itself which serves as unit. As measure, its amount was irrelevant; as medium of circulation, its materiality, the matter of the unit, was irrelevant: as money in this third role, the amount of itself as of a definite quantity of material is essential. If its quality as general wealth is given, then there is no difference within it, other than the quantitative. It represents a greater or lesser amount of general wealth according to whether its given unit is possessed in a greater or lesser quantity. If it is general wealth, then one is the richer the more of it one possesses, and the only important process, for the individual as well as the nation, is to pile it up [*Anhäufen*]. In keeping with this role, it was seen as that which steps outside circulation. Now this withdrawing of money from circulation, and *storing it up,* appears as the essential object [*Gegenstand*] of the drive to wealth and as the essential process of becoming wealthy. In gold and silver, I possess general wealth in its tangible form, and the more of it I pile up, the more general wealth do I appropriate. If gold and silver represent general wealth, then, as specific quantities, they represent it only to a degree which is definite, but which is capable of indefinite expansion. This accumulation [6] of gold and silver, which presents itself as their repeated withdrawal from circulation, is at the same time the act of bringing general wealth into safety and away from circulation, in which it is constantly lost in exchange for some particular wealth which ultimately disappears in consumption.

Among all the peoples of antiquity, the piling-up of gold and silver appears at first as a priestly and royal privilege, since the god and king of commodities pertains only to gods and kings. Only they deserve to possess wealth as such. This accumulation, then, occurs on one side merely to display overabundance, i.e. wealth as an extraordinary thing, for use on Sundays only; to provide gifts for temples and their gods; to finance public works of art; finally as *security* in case of extreme necessity, to buy arms etc. Later in antiquity, this accumulation becomes political. The *state treasury*, as reserve fund, and the temple are the original banks in which this holy of holies is preserved. Heaping-up and accumulating attain their ultimate development in the modern banks, but here with a further-developed character. On the other side, among private individuals, accumulation takes place for the purpose of bringing wealth into safety from the caprices of the external world in a tangible form in which it can be *buried* etc., in short, in which it enters into a wholly *secret* relation to the individual. This, still on a large historical scale, in Asia. Repeats itself in every panic, war etc. in bourgeois society, which then falls back into barbaric conditions. Like the accumulation of gold etc. as ornament and ostentation among semi-barbarians. But a very large and constantly growing part of it withdrawn from circulation as an object of luxury in the most developed bourgeois society. (See Jacob etc.) [7] As representative of general wealth, it is precisely its retention without abandoning it to circulation and employing it for particular needs, which is proof of the wealth of individuals; and to the degree that money develops in its various roles, i.e. that wealth as such becomes the general measure of the worth of individuals, [there develops] the drive to display it, hence the display of gold and silver as representatives of wealth; in the same way, Herr v. Rothschild displays as his proper emblem, I think, two banknotes of £100,000 each, mounted in a frame. The barbarian display of gold etc. is only a more naïve form of this modern one, since it takes place with less regard to gold as money. Here still the simple *glitter*. There a premeditated point. The point being that it is *not* used as money; here the form antithetical to circulation is what is important.

The accumulation of all other commodities is less ancient than that of gold and silver: (1) because of their perishability. Metals as such represent the enduring, relative to the other commodities; they are also accumulated by preference because of their greater rarity and their exceptional character as the instruments of production *par excellence.* The precious metals, because not oxidized by the air, are again more durable than the other metals. What other commodities lose is their form; but this form is what gives them their exchange value, while their use value consists in overcoming this form, in consuming it. With money, on the other hand, its substance, its materiality, is itself its form, in which it represents wealth. If money appears as the general commodity in all places, so also does it in all times. It maintains itself as wealth at all times. Its specific durability. It is the treasure which neither rust nor moths eat up. All commodities are only transitory money; money is the permanent commodity. Money is the omnipresent commodity; the commodity is only local money. But accumulation is essentially a process which takes place in time. In this connection, Petty says:

‘The great and ultimate effect of trade is not wealth as such, but preferably an overabundance of silver, gold and jewels, which are not *perishable,* nor as *fickle* as other commodities, but are wealth in all times and all places. A superfluity of wine, grain, poultry, meat etc. is wealth, but *hic et nunc* ... Therefore the production of those commodities and the effects of that trade which endow a land with gold and silver are advantageous above others.’ (p. 3.) ‘If taxes take money from one who eats or drinks it up, and give it to one who employs it in improving the land, in fisheries, in the working of mines, in manufactures or even in clothing, then for the community there is always an advantage; for even clothes are not as perishable as meals; if in the furnishing of houses, even more; in the building of houses yet more; in the improvement of land, working of mines, fisheries, more again; the most of all, when employed so as to bring gold and silver into the country, for these things alone *do not pass* *away*, but are prized at all times and in all places as wealth.' (p. 5.) [8] Thus a writer of the seventeenth century. One sees how the piling-up of gold and silver gained its true stimulus with the conception of it as the material representative and general form of wealth. The cult of money has its asceticism, its self-denial, its self-sacrifice – economy and frugality, contempt for mundane, temporal and fleeting pleasures; the chase after the *eternal* treasure. Hence the connection between English Puritanism, or also Dutch Protestantism, and money-making. A writer of the beginning of the seventeenth century (Misselden) expresses the matter quite unselfconsciously as follows:

'The natural material of commerce is the commodity, the artificial is money. Although money by nature and in time comes after the commodity, it has become, in present custom, the most important thing.' He compares this to the two sons of old Jacob: Jacob placed his right hand on the younger and his left on the older son. (p. 24.) 'We consume among us too great an excess of wines from Spain, France, the Rhine, the Levant, the Islands: raisins from Spain, currants from the Levant, cambrics from Hainault and the Netherlands, the silkenware of Italy, the sugar and tobacco of the West Indies, the spices of East India; all this is not necessary for us, but is paid for in *hard* money ... If less of the foreign and more of the domestic product were sold, then the difference would have to come to us in the form of gold and silver, as treasure.' (loc. cit.) [9] The modern economists naturally make merry at the expense of this sort of notion in the general section of books on economics. But when one considers the anxiety involved in the doctrine of money in particular, and the feverish fear with which, in practice, the inflow and outflow of gold and silver are watched in times of crisis, then it is evident that the aspect of money which the followers of the Monetary and Mercantilist System conceived in an artless one-sidedness is still to be taken seriously, not only in the mind, but as a real economic category.

The antithesis between the real needs of production and this supremacy of money is presented most forcibly in Boisguillebert. (See the striking passages in my Notebook.) [10]

(2) The accumulation of other commodities, their perishability apart, essentially different in two ways from the accumulation of gold and silver, which are here identical with money. First, the accumulation of other commodities does not have the character of accumulating wealth in general, but of

accumulating particular wealth, and it is therefore itself a particular act of production; here simple accumulation will not do. To accumulate grain requires special stores etc. Accumulating sheep does not make one into a shepherd; to accumulate slaves or land requires relations of domination and subordination etc. All this, then, requires acts and relations distinct from simple accumulation, from increase of wealth as such. On the other hand, in order then to realize the accumulated commodity in the form of general wealth, to appropriate wealth in all its particular forms, I have to engage in trade with the particular commodity I have accumulated, I have to be a grain merchant, cattle merchant, etc. Money as the *general* representative of wealth absolves me of this.

The accumulation of gold and silver, of money, is the first historic appearance of the gathering-together of capital and the first great means thereto; but, as such, it is not yet accumulation of capital. For that, the re-entry of what has been accumulated into circulation would itself have to be posited as the moment and the means of accumulation.

Money in its final, completed character now appears in all directions as a contradiction, a contradiction which dissolves itself, drives towards its own dissolution. As the *general form of wealth,* the whole world of real riches stands opposite it. It is their pure abstraction – hence, fixated as such, a mere conceit. Where wealth as such seems to appear in an entirely material, tangible form, its existence is only in my head, it is a pure fantasy. Midas. On the other side, as *material representative of general wealth,* it is realized only by being thrown back into circulation, to disappear in exchange for the singular, particular modes of wealth. It remains in circulation, as medium of circulation; but for the accumulating individual, it is lost, and this disappearance is the only possible way to secure it as wealth. To dissolve the things accumulated in individual gratifications is to realize them. The money may then be again stored up by other individuals, but then the same process begins anew. I can really posit its being for myself only by giving it up as mere being for others. If I want to cling to it, it evaporates in my hand to become a mere phantom of real wealth. Further: [the notion that] to accumulate it is to increase it, [since] its own quantity is the measure of its value, turns out again to be false. If the other riches do not [also] accumulate, then it loses its value in the measure in which it is accumulated. What appears as its increase is in fact its decrease. Its independence is a mere semblance; its independence of circulation exists only in view of circulation, exists as dependence on it. It pretends to be the general commodity, but because of its natural particularity it is again a particular commodity, whose value depends both on demand and supply, and on variations in its specific costs of production. And since it is incarnated in gold and silver, it becomes one-sided in every real form; so that when the one appears as money, the other appears as particular commodity, and vice versa, and in this way each appears in both aspects. As absolutely secure wealth, entirely independent of my individuality, it is at the same time, because it is something completely external to me, the absolutely insecure, which can be separated from me by any accident. Similarly, it has entirely contradictory qualities as measure, as medium of circulation, and as money as such. Finally, in the last-mentioned character, it also contradicts itself because it must represent value as such; but represents in fact only a constant amount of fluctuating value. It therefore suspends itself as *completed* exchange value.

As mere measure it already contains its own negation as medium of circulation; as medium of circulation and measure, as money. To negate it in the last quality is therefore at the same time to negate it in the two earlier ones. If negated as the mere *general form of wealth*, it must then realize itself in the particular substances of real wealth; but in the process of proving itself really to be the *material representative* of the totality of wealth, it must at the same time preserve itself as the general form. Its very entry into circulation must be a moment of its staying at home [*Beisichbleiben*], and its staying at home must be an entry into circulation. That is to say that as realized exchange value it must be simultaneously posited as the process in which exchange value is realized. This is at the same time the negation of itself as a purely objective form, as a form of wealth external and accidental to individuals. It must appear, rather, as the production of wealth; and wealth must appear as the result of the mutual relations among individuals in production. Exchange value is now characterized, therefore, no longer simply as a thing for which circulation is only an external movement, or which appears individually in a particular material: [but rather] as relation to itself through the process of circulation. On the other side, circulation itself is no longer [qualified] merely as the simple process of exchanging commodities for money and money for commodities, merely as the mediating movement by which the prices of the various commodities are realized, are equated as exchange values, with both [commodities and money] appearing as external to circulation: the presupposed exchange value, the ultimate withdrawal of the commodity into consumption, hence the destruction of exchange value, on one side, and the withdrawal of the money, its achievement of independence *vis-à-vis* its substance, which is again another form of its destruction [on the other]. [Rather,] exchange value itself, and now no longer exchange value in general, but measured exchange value, has to appear as a presupposition posited by circulation itself, and, as posited by it, its presupposition. The process of circulation must also and equally appear as the process of the production of exchange values. It is thus, on one side, the regression of exchange value into labour, on the other side, that of money into exchange value, which is now posited, however, in a more profound character. With circulation, the determined price is presupposed, and circulation as money posits it only formally. The *determinateness* of exchange value itself, or the measure of price, must now itself appear as an act of circulation. Posited in this way, exchange value is *capital*, and circulation is posited at the same time as an act of production.

To be brought forward: In circulation, as it appears as money circulation, the simultaneity of both poles of exchange is always presupposed. But a difference of time may appear between the existence of the commodities to be exchanged. It may lie in the nature of reciprocal services that a service is performed today, but the service required in return can be performed only after a year etc. ‘In the majority of contracts,’ says Senior, ‘only one of the contracting parties has the thing available and lends it; and if exchange is to take place, one party has to cede it immediately on the condition of receiving the equivalent only in a later period. Since, however, the value of all things changes in a given space of time, the means of payment employed is that thing whose value varies least, and which maintains a given average capacity to buy things for the longest time. Thus money becomes *the expression or the representative* of value.’ [11] According to this there would be no connection at all between the latter quality of money and the former. But this is wrong. Only when money is posited as the autonomous representative of value do contracts cease to be valued e.g. in quantities of grain or in services to be performed. (The latter was current e.g. in feudalism.) It is merely a notion held by Mr Senior that money has a ‘longer average capacity’ to maintain its value. The fact is that it is employed as the general material of contracts (*general commodity of contracts,* says Bailey) [12] because it is the *general commodity,* the *representative of general wealth* (says Storch), [13] because it is *exchange value become independent.* Money has to be already very developed in its two earlier functions before it can appear generally in this role. Now it turns out in fact that, although the quantity of money remains uniformly the same, its value changes: that, in general, as a specific amount, it is subject to the mutability of all values. Here its nature as a particular commodity comes to the fore against its general character. To money as measure, this change is irrelevant, for ‘in a changing medium, two different relations to the same thing can always be expressed, just as well as in a constant medium’. [14] As medium of circulation it is also irrelevant, since its quantity as such is set by the measure. But as *money* in the form in which it appears in contracts, this is essential, just as, in general, its contradictions come to the fore in this role.

In separate sections, to be brought forward:

(1) *Money as coin.* This very summarily about coinage. (2) Historically the sources of gold and silver. Discoveries etc. The history of their production. (3) Causes of the variations in the value of the precious metals and hence of metallic money; effects of this variation on industry and the different classes. (4) *Above all:* quantity of circulation in relation to rise and fall of prices. (Sixteenth century. Nineteenth century.) Along the way, to be seen also how it is affected as measure by rising quantity etc. (5) About circulation: velocity, necessary amount, effect of circulation; more, less developed etc. (6) Solvent effect of money.

(*This to be brought forward.*) (Herein the specific economic investigations.)

(The specific gravity of gold and silver, to contain much weight in a relatively small volume, as compared with other metals, repeats itself in the world of values so that it contains much value (labour time) in relatively small volume. The labour time, exchange value realized in it, is the specific weight of the commodity. This makes the precious metals particularly suited for service in circulation (since one can carry a significant amount of value in the pocket) and for accumulation, since one can secure and stockpile a great amount of value in a small space. Gold does not turn into something else in the process, like iron, lead etc. Remains what it is.)

‘If Spain had never owned the mines of Mexico and Peru, it would never have had need of the grain of Poland.’ (Ravenstone.) [15]

‘Illi unum consilium habent et virtutem et potestatem suam bestiae tradent … Et ne quis posset emere aut vendere, nisi qui habet characterem aut nomen bestiae, aut numerum nominis ejus.’ (*Apocalypse. Vulgate.*) [16] ‘The correlative quantities of commodities which are given for one another, constitute the price of the commodity.’ (Storch.) ‘Price is the degree of exchangeable value.’ (loc cit.) [17]

As we have seen, in simple circulation as such (exchange value in its movement), the action of the individuals on one another is, in its content, only a reciprocal, self-interested satisfaction of their needs; in its form, [it is] exchange among equals (equivalents). Property, too, is still posited here only as the appropriation of the product of labour by labour, and of the product of alien labour by one’s own labour, in so far as the product of one’s own labour is bought by alien labour. Property in alien labour is mediated by the equivalent of one’s own labour. This form of property – quite like freedom and equality – is posited in this simple relation. In the further development of exchange value this will be transformed, and it will ultimately be shown that private property in the product of one’s own labour is identical with the separation of labour and property, so that labour will create alien property and property will command alien labour.

The Chapter on Capital [18]

‘From the beginnings of civilization, men have fixed the exchange value of the products of their labour not by comparison with the *products offered in exchange,* but by comparison with a product they preferred.’ (Ganilh, 13,9.) [19]

Simple exchange. **Relations between exchangers.** ***Harmonies of equality, freedom, etc. (Bastiat, Proudhon)***

The special difficulty in grasping money in its fully developed character as money – a difficulty which political economy attempts to evade by forgetting now one, now another aspect, and by appealing to one aspect when confronted with another – is that a social relation, a definite relation between individuals, here appears as a metal, a stone, as a purely physical, external thing which can be found, as such, in nature, and which is indistinguishable in form from its natural existence. Gold and silver, in and of themselves, are not money. Nature does not produce money, any more than it produces a rate of exchange or a banker. In Peru and Mexico gold and silver did not serve as money, although it does appear here as jewellery, and there is a developed system of production. To be money is not a natural attribute of gold and silver, and is therefore quite unknown to the physicist, chemist etc. as such. But money is directly gold and silver. Regarded as a measure, money still predominates in its formal quality; even more so as coin, where this appears externally on its face impression; but in its third aspect, i.e. in its perfection, where to be measure and coinage appear as functions of money alone, there all formal character has vanished, or directly coincides with its metallic existence. It is not at all apparent on its face that its character of being money is merely the result of social processes; it *is* money. This is all the more difficult since its immediate use value for the living individual stands in no relation whatever to this role, and because, in general, the memory of use value, distinct from exchange value, has become entirely extinguished in this incarnation of pure exchange value. Thus the fundamental contradiction contained in exchange value, and in the social mode of production corresponding to it, here emerges in all its purity. We have already criticized the attempts made to overcome this contradiction by depriving money of its metallic form, by positing it outwardly, as well, as something *posited* by society, as the expression of a social relation, whose ultimate form would be that of labour-money. It must by now have become entirely clear that this is a piece of foolishness as long as exchange value is retained as the basis, and that, moreover, the illusion that metallic money allegedly falsifies exchange arises out of total ignorance of its nature. It is equally clear, on the other side, that to the degree to which opposition against the ruling relations of production grows, and these latter themselves push ever more forcibly to cast off their old skin – to that degree, polemics are directed against metallic money or money in general, as the most striking, most contradictory and hardest phenomenon which is presented by the system in a palpable form. One or another kind of artful tinkering with money is then supposed to overcome the contradictions of which money is merely the perceptible appearance. Equally clear that some revolutionary operations can be performed with money, in so far as an attack on it seems to leave everything else as it was, and only to rectify it. Then one strikes a blow at the sack, intending the donkey. However, as long as the donkey does not feel the blows on the sack, one hits in fact only the sack and not the donkey. As soon as he feels it, one strikes the donkey and not the sack. As long as these operations are directed against money as such, they are merely an attack on consequences whose causes remain unaffected; i.e. disturbance of the productive process, whose solid basis then also has the power, by means of a more or less violent reaction, to define and to dominate these as mere passing *disturbances*.

On the other hand, it is in the character of the money relation – as far as it is developed in its purity to this point, and without regard to more highly developed relations of production – that all inherent contradictions of bourgeois society appear extinguished in money relations as conceived in a simple form; and bourgeois democracy even more than the bourgeois economists takes refuge in this aspect (the latter are at least consistent enough to regress to even simpler aspects of exchange value and exchange) in order to construct apologetics for the existing economic relations. Indeed, in so far as the commodity or labour is conceived of only as exchange value, and the relation in which the various commodities are brought into connection with one another is conceived as the exchange of these exchange values with one another, as their equation, then the individuals, the subjects between whom this process goes on, are simply and only conceived of as exchangers. As far as the formal character is concerned, there is absolutely no distinction between them, and this is the economic character, the aspect in which they stand towards one another in the exchange relation; it is the indicator of their social function or social relation towards one another. Each of the subjects is an exchanger; i.e. each has the same social relation towards the other that the other has towards him. As subjects of exchange, their relation is therefore that of equality. It is impossible to find any trace of distinction, not to speak of contradiction, between them; not even a difference. Furthermore, the commodities which they exchange are, as exchange values, equivalent, or at least count as such (the most that could happen would be a subjective error in the reciprocal appraisal of values, and if one individual, say, cheated the other, this would *happen not because of the nature of the social function in which they confront one another,* for this is *the same*, in this they are *equal*; but only because of natural cleverness, persuasiveness etc., in short only the purely individual superiority of one individual over another. The difference would be one of natural origin, irrelevant to the nature of the relation as such, and it may be said in anticipation of further development, the difference is even lessened and robbed of its original force by competition etc.). As regards the pure form, the economic side of this relation – the content, outside this form, here still falls entirely outside economics, or is posited as a natural content distinct from the economic, a content about which it may be said that it is still entirely separated from the economic relation because it still directly coincides with it – then only three moments emerge as formally distinct: the subjects of the relation, *the exchangers* (posited in the same character); the objects of their exchange, exchange values, *equivalents*, which not only are equal but are expressly supposed to be equal, and are posited as equal; and finally the act of exchange itself, the mediation by which the subjects are posited as exchangers, equals, and their objects as equivalents, equal. The equivalents are the objectification [*Vergegenständlichung*] of one subject for another; i.e. they themselves are of equal worth, and assert themselves in the act of exchange as equally worthy, and at the same time as mutually indifferent. The subjects in exchange exist for one another only through these equivalents, as of equal worth, and prove themselves to be such through the exchange of the objectivity in which the one exists for the other. Since they only exist for one another in exchange in this way, as equally worthy persons, possessors of equivalent things, who thereby prove their equivalence, they are, as equals, at the same time also indifferent to one another; whatever other individual distinction there may be does not concern them; they are indifferent to all their other individual peculiarities. Now, as regards the content outside the act of exchange (an act which constitutes the positing as well as the proving of the exchange values and of the subjects as exchangers), this content, which falls outside the specifically economic form, can only be: (1) The natural particularity of the commodity being exchanged. (2) The particular natural need of the exchangers, or, both together, the different use values of the commodities being exchanged. The content of the exchange, which lies altogether outside its economic character, far from endangering the social equality of individuals, rather makes their natural difference into the basis of their social equality. If individual A had the same need as individual B, and if both had realized their labour in the same object, then no relation whatever would be present between them; considering only their production, they would not be different individuals at all. Both have the need to breathe; for both the air exists as atmosphere; this brings them into no social contact; as breathing individuals they relate to one another only as natural bodies, not as persons. Only the differences between their needs and between their production gives rise to exchange and to their social equation in exchange; these natural differences are therefore the precondition of their social equality in the act of exchange, and of this relation in general, in which they relate to one another as productive. Regarded from the standpoint of the natural difference between them, individual A exists as the owner of a use value for B, and B as owner of a use value for A. In this respect, their natural difference again puts them reciprocally into the relation of equality. In this respect, however, they are not indifferent to one another, but integrate with one another, have need of one another; so that individual B, as objectified in the commodity, is a need of individual A, and vice versa; so that they stand not only in an equal, but also in a social, relation to one another. This is not all. The fact that this need on the part of one can be satisfied by the product of the other, and vice versa, and that the one is capable of producing the object of the need of the other, and that each confronts the other as owner of the object of the other's need, this proves that each of them reaches beyond his own particular need etc., as a *human being*, and that they relate to one another as human beings; that their common species-being [*Gattungswesen*] is acknowledged by all. It does not happen elsewhere – that elephants produce for tigers, or animals for other animals. For example. A hive of bees comprises at bottom only one bee, and they all produce the same thing. Further. In so far as these natural differences among individuals and among their commodities (products, labour etc. are not as yet different here, but exist only in the form of commodities, or, as Mr Bastiat prefers, following Say, *services* [20]; Bastiat fancies that, by reducing the economic character of exchange value to its natural content, commodity or service, and thereby showing himself incapable of grasping the economic relation of exchange value as such, he has progressed a great step beyond the classical economists of the English school, who are capable of grasping the relations of production in their specificity, as such, in their pure form) form the motive for the integration of these individuals, for their social interrelation as exchangers, in which they are *stipulated* for each other as, and *prove* themselves to be, equals, there enters, in addition to the quality of equality, that of *freedom*. Although individual A feels a need for the commodity of individual B, he does not appropriate it by force, nor vice versa, but rather they recognize one another reciprocally as proprietors, as persons whose will penetrates their commodities. Accordingly, the juridical moment of the Person enters here, as well as that of freedom, in so far as it is contained in the former. No one seizes hold of another's property by force. Each divests himself of his property voluntarily. But this is not all: individual A serves the need of individual B by means of the commodity *a* only in so far as and because individual B serves the need of individual A by means of the commodity *b*, and vice versa. Each serves the other in order to serve himself; each makes use of the other, reciprocally, as his means. Now both things are contained in the consciousness of the two individuals: (1) that each arrives at his end only in so far as he serves the other as means; (2) that each becomes means for the other (being for another) [*Sein für andres*] only as end in himself (being for self) [Sein für sich]

[21]; (3) that the reciprocity in which each is at the same time means and end, and attains his end only in so far as he becomes a means, and becomes a means only in so far as he posits himself as end, that each thus posits himself as being for another, in so far as he is being for self, and the other as being for him, in so far as he is being for himself – that this reciprocity is a necessary fact, presupposed as natural precondition of exchange, but that, as such, it is irrelevant to each of the two subjects in exchange, and that this reciprocity interests him only in so far as it satisfies his interest to the exclusion of, without reference to, that of the other. That is, the common interest which appears as the motive of the act as a whole is recognized as a fact by both sides; but, as such, it is not the motive, but rather proceeds, as it were, behind the back of these self-reflected particular interests, behind the back of one individual's interest in opposition to that of the other. In this last respect, the individual can at most have the consoling awareness that the satisfaction of his antithetical individual interest is precisely the realization of the suspended antithesis, of the social, general interest. Out of the act of exchange itself, the individual, each one of them, is reflected in himself as its exclusive and dominant (determinant) subject. With that, then, the complete freedom of the individual is posited: voluntary transaction; no force on either side; positing of the self as means, or as serving, only as means, in order to posit the self as end in itself, as dominant and primary [*übergreifend*]; finally, the self-seeking interest which brings nothing of a higher order to realization; the other is also recognized and acknowledged as one who likewise realizes his self-seeking interest, so that both know that the common interest exists only in the duality, many-sidedness, and autonomous development of the exchanges between self-seeking interests. The general interest is precisely the generality of self-seeking interests. Therefore, when the economic form, exchange, posits the all-sided equality of its subjects, then the content, the individual as well as the objective material which drives towards the exchange, is *freedom*. Equality and freedom are thus not only respected in exchange based on exchange values but, also, the exchange of exchange values is the productive, real basis of all *equality* and *freedom*. As pure ideas they are merely the idealized expressions of this basis; as developed in juridical, political, social relations, they are merely this basis to a higher power. And so it has been in history. Equality and freedom as

developed to this extent are exactly the opposite of the freedom and equality in the world of antiquity, where developed exchange value was not their basis, but where, rather, the development of that basis destroyed them. Equality and freedom presuppose relations of production as yet unrealized in the ancient world and in the Middle Ages. Direct forced labour is the foundation of the ancient world; the community rests on this as its foundation; labour itself as a ‘privilege’, as still particularized, not yet generally producing exchange values, is the basis of the world of the Middle Ages. Labour is neither forced labour; nor, as in the second case, does it take place with respect to a common, higher unit (the guild).

Now, it is admittedly correct that the [relation between those] engaged in exchange, in so far as their motives are concerned, i.e. as regards natural motives falling outside the economic process, does also rest on a certain compulsion; but this is, on one side, itself only the other’s indifference to my need as such, to my natural individuality, hence his equality with me and his freedom, which are at the same time the precondition of my own; on the other side, if I am determined, forced, by my needs, it is only my own nature, this totality of needs and drives, which exerts a force upon me; it is nothing alien (or, my *interest* posited in a general, reflected form). But it is, after all, precisely in this way that I exercise compulsion ever the other and drive him into the exchange system.

In Roman law, the *servus* is therefore correctly defined as one who may not enter into exchange for the purpose of acquiring anything for himself (see the *Institutes*). [22] It is, consequently, equally clear that although this legal system corresponds to a social state in which exchange was by no means developed, nevertheless, in so far as it was developed in a limited sphere, it was able to develop the *attributes of the juridical person, precisely of the individual engaged in exchange*, and thus anticipate (in its basic aspects) the legal relations of industrial society, and in particular the right which rising bourgeois society had necessarily to assert against medieval society. But the development of this right itself coincides completely with the dissolution of the Roman community.

Since money is only the realization of exchange value, and since the system of exchange values has realized itself only in a developed money system, or inversely, the money system can indeed only be the realization of this system of freedom and equality. As measure, money only gives the equivalent its specific expression, makes it into an equivalent in form, as well. A distinction of form does, it is true, arise within circulation: the two exchangers appear in the different roles of buyer and seller; exchange value appears once in its general form, in the form of money, then again in its particular form, in the natural commodity, now with a price; but, first of all, these forms alternate; circulation itself creates not a disequation, but only an equation, a suspension of the merely negated difference. The inequality is only a purely formal one. Finally, even equality now posits itself tangibly, in money as medium of circulation, where it appears now in one hand, now in another, and is indifferent to this appearance. Each appears towards the other as an owner of money, and, as regards the process of exchange, as money itself. Thus indifference and equal worthiness are expressly contained in the form of the thing. The particular natural difference which was contained in the commodity is extinguished, and constantly becomes extinguished by circulation. A worker who buys commodities for 3s. appears to the seller in the same function, in the same equality – in the form of 3s. – as the king who does the same. All distinction between them is extinguished. The seller *qua* seller appears only as owner of a commodity of the price of 3s., so that both are completely equal; only that the 3s. exist here in the form of silver, there again in the form of sugar, etc. In the third form of money, a distinguishing quality might seem to enter between the subjects of the process. But in so far as money here appears as the material, as the general commodity of contracts, all distinction between the contracting parties is, rather, extinguished. In so far as money, the general form of wealth, becomes the object of accumulation, the subject here appears to withdraw it from circulation only to the extent that he does not withdraw commodities of an equal price from circulation. Thus, if one individual accumulates and the other does not, then none does it at the expense of the other. One enjoys real wealth, the other takes possession of wealth in its general form. If one grows impoverished and the other grows wealthier, then this is of their own free will and does not in any way arise from the economic relation, the economic connection as such, in which they are placed in relation to one another. Even inheritance and similar legal relations, which perpetuate such inequalities, do not prejudice this natural freedom and equality. If individual A’s relation is not in contradiction to this system originally, then such a contradiction can surely not arise from the fact that individual B steps into the place of individual A, thus perpetuating him. This is, rather, the perpetuation of the social relation beyond one man’s natural lifespan: its reinforcement against the chance influences of nature, whose effects as such would in fact be a suspension of individual freedom. Moreover, since the individual in this relation is merely the individuation of money, therefore he is, as such, just as immortal as money, and his representation by heirs is the logical extension of this role.

If this way of conceiving the matter is not advanced in its historic context, but is instead raised as a refutation of the more developed economic relations in which individuals relate to one another no longer merely as exchangers or as buyers and sellers, but in specific relations, no longer all of the same character; then it is the same as if it were asserted that there is no difference, to say nothing of antithesis and contradiction, between natural bodies, because all of them, when looked at from e.g. the point of view of their weight, have weight, and are therefore equal; or are equal because all of them occupy three dimensions. Exchange value itself is here similarly seized upon in its simple character, as the antithesis to its more developed, contradictory forms. In the course of science, it is just these abstract attributes which appear as the earliest and sparsest; they appear in part historically in this fashion, too; the more developed as the more recent. In present bourgeois society as a whole, this positing of prices and their circulation etc. appears as the surface process, beneath which, however, in the depths, entirely different processes go on, in which this apparent individual equality and liberty disappear. It is forgotten, on one side, that the *presupposition* of exchange value, as the objective basis of the whole of the system of production, already in itself implies compulsion over the individual, since his immediate product is not a product for him, but only *becomes* such in the social process, and since it *must* take on this general but nevertheless external form; and that the individual has an existence only as a producer of exchange value, hence that the whole negation of his natural existence is already implied; that he is therefore entirely determined by society; that this further presupposes a division of labour etc., in which the individual is already posited in relations other than that of mere *exchanger*, etc. That therefore this presupposition by no means arises either out of the individual's will or out of the immediate nature of the individual, but that it is, rather, *historical*, and posits the individual as already *determined* by society. It is forgotten, on the other side, that these higher forms, in which exchange, or the relations of production which realize themselves in it, are now posited, do not by any means stand still in this simple form where the highest distinction which occurs is a formal and hence irrelevant one. What is overlooked, finally, is that already the simple forms of exchange value and of money latently contain the opposition between labour and capital etc. Thus, what all this wisdom comes down to is the attempt to stick fast at the simplest economic relations, which, conceived by themselves, are pure abstractions; but these relations are, in reality, mediated by the deepest antithesis, and represent only one side, in which the full expression of the antitheses is obscured.

What this reveals, on the other side, is the foolishness of those socialists (namely the French, who want to depict socialism as the realization of the ideals of *bourgeois* society articulated by the French revolution) who demonstrate that exchange and exchange value etc. are *originally* (in time) or *essentially* (in their adequate form) a system of universal freedom and equality, but that they have been perverted by money, capital, etc. [23] Or, also, that history has so far failed in every attempt to implement them in their true manner, but that they have now, like Proudhon, discovered e.g. the real Jacob, and intend now to supply the genuine history of these relations in place of the fake. The proper reply to them is: that exchange value or, more precisely, the money system is in fact the system of equality and freedom, and that the disturbances which they encounter in the further development of the system are disturbances inherent in it, are merely the realization of *equality and freedom*, which prove to be inequality and unfreedom. It is just as pious as it is stupid to wish that exchange value would not develop into capital, nor labour which produces exchange value into wage labour. What divides these gentlemen from the bourgeois apologists is, on one side, their sensitivity to the contradictions included in the system; on the other, the utopian inability to grasp the necessary difference between the real and the ideal form of bourgeois society, which is the cause of their desire to undertake the superfluous business of realizing the ideal expression again, which is in fact only the inverted projection [*Lichtbild*] of this reality. And now, indeed, in opposition to these socialists there is the stale argumentation of the degenerate economics of most recent times (whose classical representative as regards insipidness, affectation of dialectics, puffy arrogance, effete, complacent platitudinousness and complete inability to grasp historic processes is *Frederick Bastiat*, because the American, Carey, at least brings out the specific American relations as against the European), *which demonstrates* that economic relations everywhere express *the same* simple determinants, and hence that they everywhere express the equality and freedom of the simple exchange of exchange values; this point entirely reduces itself to an infantile abstraction. For example, the relation between capital and interest is reduced to the exchange of exchange values. Thus, after first taking from the empirical world the fact that exchange value exists not only in this simple form but also in the essentially different form of capital, capital is then in turn reduced again to the simple concept of exchange value; and interest, which, to crown all, expresses a specific relation of capital as such, is similarly torn out of this specificity and equated with exchange value; the whole relation in its specific character is reduced to an abstraction and everything reduced to the undeveloped relation of commodity exchange. In so far as I abstract from what distinguishes a concrete from its abstract, it is of course the abstract, and does not differ from it at all. *According to this, all economic categories are only so many names for what is always the same relation, and this crude inability to grasp the real distinctions is then supposed to represent pure common sense as such. The 'economic harmonies' of Mr Bastiat amount* au fond *to the assertion that there exists only one single economic relation which takes on different names, or that any differences which occur, occur only in name*. The reduction is not even formally scientific to the minimal extent that everything is reduced to a real economic relation by dropping the difference that development makes; rather, sometimes one and sometimes another side is dropped in order to bring out now one, now another side of the identity. For example, the wage for labour is payment for a service done by one individual for another. (The economic form as such is dropped here, as noted above.) Profit is also payment for a service done by one individual for another. Hence wages and profit are identical, and it is, in the first place, an error of language to call one payment wages, the other profit.

But let us now look at profit and interest. With profit, the payment of the service is exposed to chance fluctuations; with interest, it is fixed. Thus, since, with wages, payment is relatively speaking exposed to chance fluctuations, while with profit, in contrast to labour, it is fixed, it follows that the relation between interest and profit is the same as that between wages and profit, which, as we have seen, is the exchange of equivalents for one another. The opponents [24] then take this twaddle (which goes back from the economic relations where the contradiction is expressed to those where it is only latent and obscured) literally, and demonstrate that e.g. with capital and interest there is not a simple exchange, since capital is not replaced by an equivalent, but that the owner of capital, rather, having consumed the equivalent 20 times over in the form of interest, still has it in the form of capital and can exchange it for 20 more equivalents. Hence the unedifying debate in which one side asserts that there is no difference between developed and undeveloped exchange value, and the other asserts that there is, unfortunately, a difference, but, by rights, there ought not to be.

Capital.* Sum of values. – *Landed property and capital. – Capital comes from circulation. Content exchange value. – Merchant capital, money capital, and money interest. – Circulation presupposes another process. Motion between presupposed extremes

Money as capital is an aspect of money which goes beyond its simple character as money. It can be regarded as a higher realization; as it can be said that man is a developed ape. However, in this way the lower form is posited as the primary subject, over the higher. In any case, *money as capital* is distinct from *money as money*. The new aspect is to be developed. On the other hand, *capital as money* seems to be a regression of capital to a lower form. But it is only the positing of capital in a particular form which already existed prior to it, as non-capital, and which makes up one of its presuppositions. Money recurs in all later relations; but then it does not function as mere money. If, as here, the initial task is to follow it up to its totality as money-market, then the rest of the development is presupposed and has to be brought in occasionally. Thus we give here the general character of capital before we proceed to its particularity as money.

If I state, like for example Say, that capital is a *sum of values*, [25] then I state nothing more than that *capital = exchange value*. Every sum of values is an exchange value, and every exchange value is a sum of values. I cannot get from exchange value to capital by means of mere addition. In the pure accumulation of money, as we have seen, the relation of capitalizing [*Kapitalisieren*] is not yet posited.

In so-called retail trade, in the daily traffic of bourgeois life as it proceeds directly between producers and consumers, in petty commerce, where the aim on one side is to exchange the commodity for money and on the other to exchange money for commodity, for the satisfaction of individual needs – in this movement, which proceeds on the surface of the bourgeois world, there and there alone does the motion of exchange values, their circulation, proceed in its pure form. A worker who buys a loaf of bread and a millionaire who does the same appear in this act only as simple buyers, just as, in respect to them, the grocer appears only as seller. All other aspects are here extinguished. The *content* of these purchases, like their *extent*, here appears as completely irrelevant compared with the formal aspect.

As in the theory the concept of value precedes that of capital, but requires for its pure development a mode of production founded on capital, so the same thing takes place in practice. The economists therefore necessarily sometimes consider capital as the creator of values, as their source, while at other times they presuppose values for the formation of capital, and portray it as itself only a sum of values in a particular function. The existence of value in its purity and generality presupposes a mode of production in which the individual product has ceased to exist for the producer in general and even more for the individual worker, and where nothing exists unless it is realized through circulation. For the person who creates an infinitesimal part of a yard of cotton, the fact that this is value, exchange value, is not a formal matter. If he had not created an exchange value, money, he would have created nothing at all. This determination of value, then, presupposes a given historic stage of the mode of social production and is itself something given with that mode, hence a historic relation.

At the same time, individual moments of value-determination develop in earlier stages of the historic process of social production and appear as its result.

Hence, within the system of bourgeois society, capital follows immediately after money. *In history, other systems come before*, and they form the material basis of a less complete development of value. Just as exchange value here plays only an accompanying role to use value, it is not capital but the relation of landed property which appears as its real basis. Modern landed property, on the other hand, cannot be understood at all, because it cannot exist, without capital as its presupposition, and it indeed appears historically as a transformation of the preceding historic shape of landed property by capital so as to correspond to capital. It is, therefore, precisely in the development of landed property that the gradual victory and formation of capital can be studied, which is why Ricardo, the economist of the modern age, with great historical insight, examined the relations of capital, wage labour and ground rent within the sphere of landed property, so as to establish their specific form. The relation between the industrial capitalist and the proprietor of land appears to be a relation lying outside that of landed property. But, as a relation between the modern farmer and the landowner, it appears posited as an immanent relation of landed property itself; and the [latter], [26] as now existing merely in its relation to capital. The history of landed property, which would demonstrate the gradual transformation of the feudal landlord into the landowner, of the hereditary, semi-tributary and often unfree tenant for life into the modern farmer, and of the resident serfs, bondsmen and villeins who belonged to the property into agricultural day-labourers, would indeed be the history of the formation of modern capital. It would include within it the connection with urban capital, trade, etc. But we are dealing here with developed bourgeois society, which is already moving on its own foundation.

Capital comes initially from circulation, and, moreover, its point of departure is money. We have seen that money which enters into circulation and at the same time returns from it to itself is the last requirement, in which money suspends itself. It is at the same time the first concept of capital, and the first form in which it appears. Money has negated itself as something which merely dissolves in circulation; but it has also equally negated itself as something which takes up an independent attitude towards circulation. This negation, as a single whole, in its positive aspects, contains the first elements of capital. Money is the first form in which capital as such appears. M–C–C–M; that money is exchanged for commodity and the commodity for money; *this movement of buying in order to sell, which makes up the formal aspect of commerce, of capital as merchant capital,* is found in the earliest conditions of economic development; it is the first movement in which exchange value as such forms the content – is not only the form but also its own content. This motion can take place within peoples, or between peoples for whose production exchange value has by no means yet become the presupposition. The movement only seizes upon the surplus of their directly useful production, and proceeds only on its margin. Like the Jews within old Polish society or within medieval society in general, entire trading peoples, as in antiquity (and, later on, the Lombards), can take up this position between peoples whose mode of production is not yet determined by exchange value as the fundamental presupposition. Commercial capital is only circulating capital, and circulating capital is the first form of capital; in which it has *as yet by no means become the foundation of production.* A more developed form is *money capital* and *money interest*, usury, whose independent appearance belongs in the same way to an earlier stage. Finally, the form C–M–M–C, in which money and circulation in general appear as mere means for the *circulating commodity*, which for its part again steps outside circulation and directly satisfies a need, this is itself the presupposition of that original appearance of merchant capital. The presuppositions appear distributed among different peoples; or, within society, commercial capital as such appears only as determined by this purely consumption-directed circulation. On the other side, the *circulating commodity*, the commodity which realizes itself only by taking on the form of another commodity, which steps outside circulation and serves immediate needs, is similarly [the] [27] first form of capital, which is essentially *commodity capital*.

On the other side it is equally clear that the simple movement of exchange values, such as is present in pure circulation, can never realize capital. It can lead to the withdrawal and stockpiling of money, but as soon as money steps back into circulation, it dissolves itself in a series of exchange processes with commodities which are consumed, hence it is lost as soon as its purchasing power is exhausted. Similarly, the commodity which has exchanged itself for another commodity through the medium of money steps outside circulation in order to be consumed, destroyed. But if it is given independence from circulation, as money, it then merely represents the non-substantial general form of wealth. Since equivalents are exchanged for one another, the form of wealth which is fixed as money disappears as soon as it is exchanged for the commodity; and the use value present in the commodity, as soon as it is exchanged for money. All that can happen in the simple act of exchange is that each can be lost in its role for the other as soon as it realizes itself in it. None can maintain itself in its role by going over into the other. For this reason the sophistry of the bourgeois economists, who embellish capital by reducing it in argument to pure exchange, has been countered by its inversion, the equally sophistical, but, in relation to them, legitimate demand that capital be *really* reduced to pure exchange, whereby it would disappear as a power and be destroyed, whether in the form of money or of the commodity. *

> * Just as exchange value, i.e. all relations of commodities as exchange values, appears in money to be a thing, so do all aspects of the activity which creates exchange values, labour, appear in *capital*.

The repetition of the process from either of the points, money or commodity, is not posited within the conditions of exchange itself. The act can be repeated only until it is completed, i.e. until the amount of the exchange value is exchanged away. It cannot ignite itself anew through its own resources. *Circulation therefore does not carry within itself the principle of self-renewal. The moments of the latter are presupposed to it*, not posited by it. Commodities constantly have to be thrown into it anew from the outside, like fuel into a fire. Otherwise it flickers out in indifference. It would die out with money, as the indifferent result which, in so far as it no longer stood in any connection with commodities, prices or circulation, would have ceased to be money, to express a relation of production; only its metallic existence would be left over, while its economic existence would be destroyed. Circulation, therefore, which appears as that which is immediately present on the surface of bourgeois society, exists only in so far as it is constantly mediated. Looked at in itself, it is the mediation of presupposed extremes. But it does not posit these extremes. Thus, it has to be mediated not only in each of its moments, but as a whole of mediation, as a total process itself. Its immediate being is therefore pure semblance. *It is the phenomenon of a process taking place behind it.* It is now negated in every one of its moments: as a commodity – as money – and as a relation of the two, as simple exchange and circulation of both. While, originally, the act of social production appeared as the positing of exchange values and this, in its later development, as circulation – as completely developed reciprocal movement of exchange values – now, circulation itself returns back into the activity which posits or produces exchange values. It returns into it as into its ground. [28] It is commodities (whether in their particular form, or in the general form of money) which form the presupposition of circulation; they are the realization of a definite labour time and, as such, values; their presupposition, therefore, is both the production of commodities by labour and their production as exchange values. This is their point of departure, and through its own motion it goes back into exchange-value-creating production as its result. We have therefore reached the point of departure again, *production* which posits, creates exchange values; but this time, *production which presupposes circulation as a developed moment* and which appears as a constant process, which posits circulation and constantly returns from it into itself in order to posit it anew. The movement which creates exchange value thus appears here in a much more complex form, since it is no longer only the movement of presupposed exchange values, or the movement which posits them formally as prices, but which creates, brings them forth at the same time as presuppositions. Production itself is here no longer present in advance of its products, i.e. presupposed; it rather appears as simultaneously bringing forth these results; but it does not bring them forth, as in the first stage, as merely leading into circulation, but as simultaneously presupposing circulation, the developed process of circulation. (Circulation consists at bottom only of the formal process of positing exchange value, sometimes in the role of the commodity, at other times in the role of money.)

Transition from circulation to capitalist production. – Capital objectified labour etc. – Sum of values for production of values

This movement appears in different forms, not only historically, as leading towards value-producing labour, but also within the system of bourgeois production itself, i.e. production for exchange value. With semi-barbarian or completely barbarian peoples, there is at first interposition by trading peoples, or else tribes whose production is different by nature enter into contact and exchange their superfluous products. The former case is a more classical form. Let us therefore dwell on it. The exchange of the overflow is a traffic which posits exchange and exchange value. But it extends only to the overflow and plays an accessory role to production itself. But if the trading peoples who solicit exchange appear repeatedly (the Lombards, Normans etc. play this role towards nearly all European peoples), and if an ongoing commerce develops, although the producing people still engages only in so-called *passive* trade, since the impulse for the activity of positing exchange values comes from the outside and not from the inner structure of its production, then the surplus of production must no longer be something accidental, occasionally present, but must be constantly repeated; and in this way domestic production itself takes on a tendency towards circulation, towards the positing of exchange values. At first the effect is of a more physical kind. The sphere of needs is expanded; the aim is the satisfaction of the new needs, and hence greater regularity and an increase of production. The organization of domestic production itself is already modified by circulation and exchange value; but it has not yet been completely invaded by them, either over the surface or in depth. This is what is called the *civilizing influence* of external trade. The degree to which the movement towards the establishment of exchange value then attacks the whole of production depends partly on the intensity of this external influence, and partly on the degree of development attained by the elements of domestic production – division of labour etc. In England, for example, the import of Netherlands commodities in the sixteenth century and at the beginning of the seventeenth century gave to the surplus of wool which England had to provide in exchange, an essential, decisive role. In order then to produce more wool, cultivated land was transformed into sheep-walks, the system of small tenant-farmers was broken up etc., clearing of estates took place etc. Agriculture thus lost the character of labour for use value, and the exchange of its overflow lost the character of relative indifference in respect to the inner construction of production. At certain points, agriculture itself became purely determined by circulation, transformed into production for exchange value. Not only was the mode of production altered thereby, but also all the old relations of population and of production, the economic relations which corresponded to it, were dissolved. Thus, here was a circulation which presupposed a production in which only the overflow was created as exchange value; but it turned into a production which took place only in connection with circulation, a production which posited exchange values as its exclusive content.

On the other hand, in modern production, where exchange value and developed circulation are presupposed, it is prices which determine production on one side, and production which determines prices on the other.

When it is said that capital 'is accumulated (realized) labour (properly, *objectified* [*vergegenständlichte*] labour), which serves as the means for new labour (production)', [29] then this refers to the simple material of capital, without regard to the formal character without which it is not capital. This means nothing more than that capital is – an instrument of production, for, in the broadest sense, every object, including those furnished purely by nature, e.g. a stone, must first be appropriated by some sort of activity before it can function as an instrument, as means of production. According to this, capital would have existed in all forms of society, and is something altogether unhistorical. Hence every limb of the body is capital, since each of them not only has to be developed through activity, labour, but also nourished, reproduced, in order to be active as an organ. The arm, and especially the hand, are then capital. Capital would be only a new name for a thing as old as the human race, since every form of labour, including the least developed, hunting, fishing, etc., presupposes that the product of prior labour is used as means for direct, living labour. A further characteristic contained in the above definition is that the material stuff of products is entirely abstracted away, and that antecedent labour itself is regarded as its only content (matter); in the same way, abstraction is made from the particular, special purpose for which the making of this product is in its turn intended to serve as means, and merely production in general is posited as purpose. All these things only seemed a work of abstraction, which is equally valid in all social conditions and which merely leads the analysis further and formulates it more abstractly (generally) than is the usual custom. If, then, the specific form of capital is abstracted away, and only the content is emphasized, *as which it is a necessary moment of all labour, then of course nothing is easier than to demonstrate that capital is a necessary condition for all human production.* The proof of this proceeds precisely by abstraction from the specific aspects which make it the moment of a specifically developed *historic* stage of human production. The catch is that if all capital is objectified labour which serves as means for new production, it is not the case that all objectified labour which serves as means for new production is capital. *Capital is conceived as a thing, not as a relation.*

If it is said on the other hand that capital is a sum of values used for the production of values, then this means: capital is self-reproducing exchange value. But, formally, exchange value reproduces itself even in simple circulation. This explanation, it is true, does contain the form wherein exchange value is the point of departure, but the connection with the content (which, with capital, is not, as in the case of simple exchange value, *irrelevant*) is dropped. If it is said that capital is exchange value which produces profit, or at least has the intention of producing a profit, then capital is already presupposed in its explanation, for profit is a specific relation of capital to itself. Capital is not a simple relation, but a *process*, in whose various moments it is always capital. This process therefore to be developed. Already in *accumulated* labour, something has sneaked in, because, in its essential characteristic, it should be merely *objectified* labour, in which, however, a certain amount of labour is accumulated. But accumulated labour already comprises a quantity of objects in which labour is realized.

‘At the beginning everyone was content, since exchange extended only to objects which had no value for each exchanger: no significance was assigned to objects other than those which were without value for each exchanger; no significance was assigned to them, and each was satisfied to receive a useful thing in exchange for a thing without utility. But after the division of labour had made everyone into a merchant and society into a commercial society, no one wanted to give up his products except in return for their equivalents; it thus became necessary, in order to determine this equivalent, to know the *value* of the thing received.’ (Ganilh, 12, b.) [30] This means in other words that exchange did not stand still with the formal positing of exchange values, but necessarily advanced towards the subjection of production itself to exchange value.

(1) Circulation, and exchange value deriving from circulation, the presupposition of capital

To develop the concept of capital it is necessary to begin not with labour but with value, and, precisely, with exchange value in an already developed movement of circulation. It is just as impossible to make the transition directly from labour to capital as it is to go from the different human races directly to the banker, or from nature to the steam engine. We have seen that in money, as such, exchange value has already obtained a form independent of circulation, but only a negative, transitory or, when fixated, an illusory form. It exists only in connection with circulation and as the possibility of entering into it; but it loses this character as soon as it realizes itself, and falls back on its two earlier roles, as measure of exchange value and as medium of exchange. As soon as money is posited as an exchange value which not only becomes independent of circulation, but which also maintains itself through it, then it is no longer money, for this as such does not go beyond the negative aspect, but is *capital*. That money is the first form in which exchange value proceeds to the character of capital, and that, hence, the first *form* in which capital *appears* is confused with capital itself, or is regarded as sole adequate form of capital – this is a historic fact which, far from contradicting our development, rather confirms it. The first quality of capital is, then, this: that exchange value deriving from circulation and presupposing circulation preserves itself within it and by means of it; does not lose itself by entering into it; that circulation is not the movement of its disappearance, but rather the movement of its real self-positing [*Sichsetzen*] as exchange value, its self-realization as exchange value. [31] It cannot be said that exchange value as such is realized in simple circulation. It is always realized only in the moment of its disappearance. If the commodity is exchanged via money for another commodity, then its value-character disappears in the moment in which it realizes itself, and it steps outside the relation, becomes irrelevant to it, merely the direct object of a need. If money is exchanged for a commodity, then even the disappearance of the form of exchange is posited; the form is posited as a merely formal mediation for the purpose of gaining possession of the natural material of the commodity. If a commodity is exchanged for money, then the form of exchange value, exchange value posited as exchange value, money, persists only as long as it stays outside exchange, withdraws from it, is hence a purely illusory realization, purely ideal in this form, in which the independence of exchange value leads a tangible existence. If, finally, money is exchanged for money – the fourth form in which circulation can be analysed, but at bottom only the third form expressed in the form of exchange – then not even a formal difference appears between the things distinguished; a distinction without a difference; not only does exchange value disappear, but also the formal movement of its disappearance. At bottom, these four specific forms of simple circulation are reducible to two, which, it is true, coincide in themselves; the distinction consists in the different placing of the emphasis, the accent; which of the two moments – money and commodity – forms the point of departure. Namely, money for the commodity: i.e. the exchange value of the commodity disappears in favour of its material content (substance); or commodity for money, i.e. its content (substance) disappears in favour of its form as exchange value. In the first case, the form of exchange value is extinguished; in the second, its substance; in both, therefore, its realization is its disappearance. Only with *capital* is exchange value posited as exchange value in such a way that it preserves itself in circulation; i.e. it neither becomes substanceless, nor constantly realizes itself in other substances or a totality of them; nor loses its specific form, but rather preserves its identity with itself in each of the different substances. It therefore always remains money and always commodity. It is in every moment both of the moments which disappear into one another in circulation. But it is this only because it itself is a constantly self-renewing circular course of exchanges. In this relation, too, its circulation is distinct from that of simple exchange values as such. Simple circulation is in fact circulation only from the standpoint of the observer, or *in itself*, not posited as such. It is not always the same exchange value – precisely because its substance is a particular commodity – which first becomes money and then a commodity again; rather, it is always different commodities, different exchange values which confront money. Circulation, the circular path, consists merely of the simple repetition or alternation of the role of commodity and money, and not of the identity of the real point of departure and the point of return. Therefore, in characterizing simple circulation as such, where money alone is the persistent moment, the term mere *money circulation, money turnover* has been applied.

‘Capital values are self-perpetuating.’ (Say, 14.) [32] ‘Capital – permanent’ (‘self-multiplying’ does not belong here as yet) ‘value which no longer decayed; this value tears itself loose from the commodity which created it; like a metaphysical, insubstantial quality, it always remained in the possession of the same *cultivateur*’ (here irrelevant; say *owner*) ‘for whom it cloaked itself in different forms.’ (Sismondi, VI.) [33]

The immortality which money strove to achieve by setting itself negatively against circulation, by withdrawing from it, is achieved by capital, which preserves itself precisely by abandoning itself to circulation. Capital, as exchange value existing prior to circulation, or as presupposing and preserving itself in circulation, not only is in every moment ideally both of the two moments contained in simple circulation, but alternately takes the form of the one and of the other, though no longer merely by passing out of the one into the other, as in simple circulation, but rather by being in each of these roles at the same time a relation to its opposite, i.e. containing it ideally within itself. Capital becomes commodity and money alternately; but (1) *it is itself the alternation of both these roles*; (2) it becomes commodity; but not this or the other commodity, rather a *totality of commodities*. It is not indifferent to the substance, but to the particular form; appears in this respect as a constant metamorphosis of this substance; in so far as it is then posited as a particular content of exchange value, this particularity itself is a totality of particularity; hence indifferent not to particularity as such, but to the single or individuated particularity. The identity, the form of generality [*Allgemeinheit*], which it obtains is that of being exchange value and, as such, money. It is still therefore posited as money, in fact it exchanges itself as commodity for money. But posited as money, i.e. as this contradictory form of the generality of exchange value, there is posited in it at the same time that it must not, as in simple exchange, lose this generality, but must rather lose the attribute antithetical to generality, or adopt it only fleetingly; therefore it exchanges itself again for the commodity, but as a commodity which itself, in its particularity, expresses the generality of exchange value, and hence constantly changes its particular form.

If we speak here of capital, this is still merely a word. The only aspect in which capital is here posited as distinct from direct exchange value and from money is *that of exchange value which preserves and perpetuates itself in and through circulation.* We have so far examined only one side, that of its self-preservation in and through circulation. The other equally important side is that exchange value is *presupposed*, but no longer as simple exchange value, such as it exists as a merely ideal quality of the commodity before it enters into circulation, or as, rather, a merely intended quality, since it becomes exchange value only for a vanishing moment in circulation; nor as exchange value as it exists as a moment in circulation, as money; it exists here, rather, as money, as objectified exchange value, but with the addition of the relation just described. What distinguishes the second from the first is that it (1) exists in the form of objectivity; (2) arises out of circulation, hence presupposes it, but at the same time proceeds from itself as presupposition of circulation.

There are two sides in which the result of simple circulation can be expressed:

The simply negative: The commodities thrown into circulation have achieved their purpose; they are exchanged for one another; each becomes an object of a need and is consumed. With that, circulation comes to an end. Nothing remains other than money as simple residue. As such a residue, however, it has ceased to be money, loses its characteristic form. It collapses into its material, which is left over as the inorganic ashes of the process as a whole.

The positively negative: Money is negated not as objectified, independent exchange value – not only as vanishing in circulation – but rather the *antithetical* independence, the merely abstract generality in which it has firmly settled, is negated; but

thirdly: Exchange value as the presupposition and simultaneously the result of circulation, just as it is assumed as having emerged from circulation, must emerge from it again. If this happens in a merely formal manner, it would simply become money again; if it emerges as a real commodity, as in simple circulation, then it would become a simple object of need, consumed as such, and again lose its quality as form. For this emergence to become real, it must likewise become the object of a need and, as such, be consumed, but it must be consumed by labour, and thereby reproduce itself anew.

Differently expressed: Exchange value, as regards its content, was originally an objectified amount of labour or labour time; as such it passed through circulation, in its objectification, until it became money, tangible money. It must now again posit the point of departure of circulation, which lay outside circulation, was presupposed to it, and for which circulation appeared as an external, penetrating and internally transforming movement; this point was labour; but [it must do so] now no longer as a simple equivalent or as a simple objectification of labour, but rather as objectified exchange value, now become independent, which yields itself to labour, becomes its material, only so as to renew itself and to begin circulating again by itself. And with that it is no longer a simple positing of equivalents, a preservation of its identity, as in circulation; but rather *multiplication* of itself. Exchange value posits itself as exchange value only by realizing itself; i.e. increasing its value. *Money* (as returned to itself from circulation), *as capital, has lost its rigidity, and from a tangible thing has become a process.* But at the same time, labour has changed its relation to its objectivity; it, too, has returned to itself. But the nature of the return is this, that the labour objectified in the exchange value posits living labour as a means of reproducing it, whereas, originally, exchange value appeared merely as a product of labour.

Exchange value emerging from circulation, a presupposition of circulation, preserving and multiplying itself in it by means of labour

<[34] I. (1) General concept of capital. – (2) Particularity of capital: circulating capital, fixed capital. (Capital as the necessaries of life, as raw material, as instrument of labour.) (3) Capital as money. II. (1) *Quantity of capital. Accumulation.* (2) *Capital measured by itself. Profit. Interest. Value of capital*: i.e. capital as distinct from itself as interest and profit. (3) *The circulation of capitals.* (α) Exchange of capital and capital. Exchange of capital with revenue. Capital and *prices*. (β) *Competition of capitals*. (γ) *Concentration of capitals*. III. Capital as credit. IV. Capital as share capital. V.

Capital as money market. VI. Capital as source of wealth. The capitalist. After capital, landed property would be dealt with. After that, wage labour. All three presupposed, the *movement of prices*, as circulation now defined in its inner totality. On the other side, the three classes, as production posited in its three basic forms and presuppositions of circulation. Then the *state*. (State and bourgeois society. – Taxes, or the existence of the unproductive classes. – The state debt. – Population. – The state externally: colonies. External trade. Rate of exchange. Money as international coin. – Finally the world market. Encroachment of bourgeois society over the state. Crises. Dissolution of the mode of production and form of society based on exchange value. Real positing of individual labour as social and vice versa.)>

Product and capital. Value and capital. Proudhon

(Nothing is more erroneous than the manner in which economists as well as socialists regard *society* in relation to economic conditions. Proudhon, for example, replies to Bastiat by saying (XVI, 29): '*For society*, the difference between capital and product does not exist. This difference is entirely *subjective*, and related to individuals.' [35] Thus he calls subjective precisely what is social; and he calls society a subjective abstraction. The difference between product and capital is exactly this, that the product expresses, as capital, a particular relation belonging to a historic form of society. This so-called contemplation from the standpoint of society means nothing more than the overlooking of the *differences* which express the *social relation* (relation of bourgeois society). Society does not consist of individuals, but expresses the sum of interrelations, the relations within which these individuals stand. As if someone were to say: Seen from the perspective of society, there are no slaves and no citizens: both are human beings. Rather, they are that outside society. To be a slave, to be a citizen, are social characteristics, relations between human beings A and B. Human being A, as such, is not a slave. He is a slave in and through society. What Mr Proudhon here says about capital and product means, for him, that from the viewpoint of society there is no difference between capitalists and workers; a difference which exists precisely only from the standpoint of society.)

(For Proudhon in his polemic against Bastiat, ‘*Gratuité du crédit*’, everything comes down to his own wish to reduce the exchange between capital and labour to the simple exchange of commodities as exchange values, to the moments of simple circulation, i.e. he abstracts from just the specific difference on which everything depends. He says: ‘At a given moment, every product becomes capital, because everything which is consumed is at a given moment consumed reproductively.’ This very false, but never mind. ‘What is it that makes the motion of the product suddenly transform itself into that of capital? It is the *idea of value*. That means that the product, in order to become capital, needs to have passed through an authentic evaluation, to have been bought or sold, its price debated and fixed by a sort of legal convention. E.g. leather, coming from the slaughterhouse, is the product of the butcher. Is this leather bought by the tanner? The latter then immediately carries it or carries its value into his exploitation fund [*fonds d’exploitation*]. By means of the tanner’s labour, this capital becomes product again etc.’ [36] Every capital is here ‘*a constituted value*’. Money is the ‘*most perfect value*’, [37] *constituted value* to the highest power. This means, then: (1) Product becomes capital by becoming value. Or capital is just nothing more than simple value. There is no difference between them. Thus he says commodity (the natural side of the same, expressed as product) at one time, value another time, alternatively, or rather, since he presupposes the act of buying and selling, price. (2) Since money appears as the perfected form of value such as it is in simple circulation, therefore money is also the true *constituted value*.)

Capital and labour. Exchange value and use value for exchange value. – Money and its use value (labour) in this relation, capital. Self-multiplication of value is its only movement. – The phrase that no capitalist will employ his capital without drawing a gain from it. – Capital, as regards substance, objectified labour. Its antithesis, living, productive (i.e. value-preserving and value-increasing) labour. – Productive labour and labour as performance of a service. – Productive and unproductive labour. A. Smith etc. – Thief in Lauderdale’s sense and productive labour

The transition from simple exchange value and its circulation to capital can also be expressed in this way: Within circulation, exchange value appears double: once as commodity, again as money. If it is in one aspect, it is not in the other. This holds for every particular commodity. But the wholeness of circulation, regarded in itself, lies in the fact that the same exchange value, exchange value as subject, posits itself once as commodity, another time as money, and that it is just this movement of positing itself in this dual character and of preserving itself in each of them as its opposite, in the commodity as money and in money as commodity. This in itself is present in simple circulation, but is not posited in it. Exchange value posited as the unity of commodity and money is *capital*, and this positing itself appears as the circulation of capital. (Which is, however, a spiral, an expanding curve, not a simple circle.)

Let us analyse first the simple aspects contained in the relation of capital and labour, in order by this means to arrive at the inner connection not only of these aspects, but also of their further development from the earlier ones.

The first presupposition is that capital stands on one side and labour on the other, both as independent forms relative to each other; both hence also alien to one another. The labour which stands opposite capital is *alien* [*fremde*] labour, and the capital which stands opposite labour is *alien* capital. The extremes which stand opposite one another are *specifically* different. In the first positing of simple exchange value, labour was structured in such a way that the product was not a direct use value for the labourer, not a direct means of subsistence. This was the general condition for the creation of an exchange value and of exchange in general. Otherwise the worker would have produced only a product – a direct use value for himself – but not an exchange value. This exchange value, however, was materialized in a product which had, as such, a use value for others, and, as such, was the object of their needs. The use value which the worker has to offer to the capitalist, which he has to offer to others in general, is not materialized in a product, does not exist apart from him at all, thus exists not really, but only in potentiality, as his capacity. It becomes a reality only when it has been solicited by capital, is set in motion, since activity without object is nothing, or, at the most, mental activity, which is not the question at issue here. As soon as it has obtained motion from capital, this use value exists as the worker's specific, productive activity; it is his vitality itself, directed toward a specific purpose and hence expressing itself in a specific form.

In the relation of capital and labour, exchange value and use value are brought into relation; the one side (capital) initially stands opposite the other side as *exchange value*, * and the other (labour), stands opposite capital, as use value. In simple circulation, each of the commodities can alternately be regarded in one or the other role. In both cases, when it counts as commodity as such, it steps outside circulation as object of a need and falls entirely outside the economic relation. In so far as the commodity becomes fixed as exchange value – money – it tends towards the same formlessness, but as falling within the economic relation. In any case, the commodities are of interest in the exchange-value relation (simple circulation) only in so far as they have exchange value; on the other side their exchange value is of only passing interest, in that it suspends the one-sidedness – the usefulness, use value, existing only for the specific individual, hence existing *directly* for him – but not this use value itself; rather, it posits and mediates it as use value for others etc. But to the degree that exchange value as such becomes fixed in money, use value no longer confronts it as anything but abstract chaos; and, through just this separation from its substance, it collapses into itself and tends away from the sphere of simple exchange value, whose highest movement is simple circulation, and whose highest perfection is money. But within the sphere itself, the distinctness exists in fact only as a superficial difference, a purely formal distinction. Money itself in its highest fixedness is itself a commodity again, and distinguishes itself from the others only in that it expresses exchange value more *perfectly*; but, as currency, and precisely for that reason, it loses its *exchange value* as intrinsic quality, and becomes *mere* use value, although admittedly use value for determining the prices etc. of commodities. The aspects still immediately coincide and just as immediately they separate. Where they relate to one another independently, *positively*, as in the case of the commodity which becomes an object of consumption, it ceases to be a moment of the economic process; where negatively, as in the case of money, it becomes *madness*; madness, however, as a moment of economics and as a determinant of the practical life of peoples.

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* Is not *value* to be conceived as the unity of use value and exchange value? In and for

> itself, is value as such the general form, in opposition to use value and exchange value as *particular* forms of it? Does this have significance in economics? Use value presupposed even in simple exchange or barter. But here, where exchange takes place only for the reciprocal use of the commodity, the use value, i.e. the content, the natural particularity of the commodity has as such no standing as an economic form. Its form, rather, is exchange value. The content apart from this form is irrelevant; is not a content of the relation as a social relation. But does this content as such not develop into a system of needs and production? Does not use value as such enter into the form itself, as a determinant of the form itself, e.g. in the relation of capital and labour? the different forms of labour? – agriculture, industry etc. – ground rent? – effect of the seasons on raw product prices? etc. If *only* exchange value as such plays a role in economics, then how could elements later enter which relate purely to use value, such as, right away, in the case of capital as raw material etc.? How is it that the physical composition of the soil suddenly drops out of the sky in Ricardo? [38] The word *ware* [commodity] (German *Güter* [goods] perhaps as *denrée* [good] as distinct from *marchandise* [commodity]?) contains the connection. The price appears as a merely formal aspect in it. This is not in the slightest contradicted by the fact that exchange value is the predominant aspect. But of course use does not come to a halt because it is determined *only* by exchange; although of course it obtains its direction thereby. In any case, this is to be examined with exactitude in the examination of value, and not, as Ricardo does, to be entirely abstracted from, nor like the dull Say, who puffs himself up with the mere presupposition of the word ‘utility’. [39] Above all it will and must become clear in the development of the individual sections to what extent use value exists not only as presupposed matter, outside economics and its forms, but to what extent it enters into it. Proudhon’s nonsense, see the ‘Misère’. [40] This much is certain: in exchange we have (in circulation) the commodity – use value – as price; that it is, apart from its price, a commodity, an object of need, goes without saying. The two aspects in no way enter into relation with each other, except in so far as the particular use value appears as the natural limit of the commodity and hence posits money, i.e. its exchange value, simultaneously as an existence apart from itself, in money, but only formally. Money itself is a commodity, has a use value for its substance.

We have seen earlier that it cannot be said that exchange value is realized in simple circulation. [41] This is so, however, because use value does not stand as such opposite exchange value, as something defined as use value by exchange value; while inversely use value as such does not stand in a connection with exchange value, but becomes a specific exchange value only because the common element of use values – labour time – is applied to it as an external yardstick. Their unity still immediately splits, and their difference still immediately coincides. It must now be posited that use value as such becomes what it becomes through exchange value, and that exchange value mediates itself through use value. In money circulation, all we had was the different forms of exchange value (price of the commodity – money) or only different use values (commodity – C), for which money, exchange value, is merely a vanishing mediation. A real connection of exchange value and use value did not take place. The commodity as such – its particularity – is for that reason an irrelevant, merely accidental, and in general imaginary content, which falls outside the relation of economic forms; or, the latter is a merely superficial form, a formal quality: the real substance lies outside its realm and stands in no relation at all to the substance as such; therefore if this formal quality as such becomes fixed in money, then it transforms itself on the sly into an irrelevant natural product, a metal, in which every trace of a connection, whether with the individual or with intercourse between individuals, is extinguished. Metal as such of course expresses no social relations; the coin form is extinguished in it as well; the last sign of life of its social significance.

Posited as a side of the relation, exchange value, which stands opposite use value itself, confronts it as money, but the money which confronts it in this way is no longer money in its character as such, but money as *capital*. The *use value* or commodity which confronts capital or the posited *exchange value* is no longer the commodity such as it appeared in opposition to money, where its specific form was as irrelevant as its content, and which appeared only as a completely undefined substance. First, as use value for capital, i.e. therefore as an object in exchange with which capital does not lose its value-quality, as for example does money when it is exchanged for a particular commodity. The only utility whatsoever which an object can have for capital can be to preserve or increase it. We have already seen, in the case of money, how value, having become independent as such – or the general form of wealth – is capable of no other motion than a quantitative one; to increase itself. It is according to its concept the quintessence of all use values; but since it is always only a definite amount of money (here, capital), its quantitative limit is in contradiction with its quality. It is therefore inherent in its nature constantly to drive beyond its own barrier. (As consumption-oriented wealth, e.g. in imperial Rome, it therefore appears as limitless waste, which logically attempts to raise consumption to an imaginary boundlessness, by gulping down salad of pearls etc.) Already for that reason, value which insists on itself as value preserves itself through increase; and it preserves itself precisely only by constantly driving beyond its quantitative barrier, which contradicts its character as form, its inner generality. Thus, growing wealthy is an end in itself. The goal-determining activity of capital can only be that of growing wealthier, i.e. of magnification, of increasing itself. A specific sum of money (and money always exists for its owner in a specific quantity, always as a specific sum of money) (this is to be developed as early as in the money chapter) can entirely suffice for a specific consumption, in which it ceases to be money. But as a representative of general wealth, it cannot do so. As a quantitatively specific sum, a limited sum, it is only a limited representative of general wealth, or representative of a limited wealth, which goes as far, and no further than, its exchange value, and is precisely measured in it. It thus does not by any means have the capacity which according to its general concept it ought to have, namely the capacity of buying all pleasures, all commodities, the totality of the material substances of wealth; it is not a ‘*précis de toutes les choses*’ [42] etc. Fixed as wealth, as the general form of wealth, as value which counts as value, it is therefore the constant drive to go beyond its quantitative limit: an endless process. Its own animation consists exclusively in that; it *preserves* itself as a self-validated exchange value distinct from a use value only by *constantly multiplying* itself. (It is damned difficult for Messrs the economists to make the theoretical transition from the self-preservation of value in capital to its multiplication; and this in its fundamental character, not only as an accident or result. See e.g. Storch, how he brings this fundamental character in with an adverb, ‘properly’. [43] Admittedly, the economists try to introduce this into the relation of capital as an essential aspect, but if this is not done in the brutal form of defining capital as that which brings profit, where the increase of capital itself is already posited as a special *economic* form, profit, then it happens only surreptitiously, and very feebly, as we shall later show in a brief review of all that the economists have contributed towards determining the concept of capital. Drivel to the effect that nobody would employ his capital without drawing a gain from it [44] amounts either to the absurdity that the good capitalists will remain capitalists even *without* employing their capital; or to a very banal form of saying that gainful investment is inherent in the concept of capital. Very well. In that case it would just have to be demonstrated.) – Money as a sum of money is measured by its quantity. This measuredness contradicts its character, which must be oriented towards the measureless. Everything which has been said here about money holds even more for capital, in which money actually develops in its completed character for the first time. The only use value, i.e. usefulness, which can stand opposite capital as such is that which increases, multiplies and hence preserves it as capital.

Secondly. Capital is by definition money, but not merely money in the simple form of gold and silver, nor merely as money in opposition to circulation, but in the form of all substances – commodities. To that degree, therefore, it does not, as capital, stand in opposition to use value, but exists apart from money precisely only in use values. These, its substances themselves, are thus now transitory ones, which would have no exchange value if they had no use value; but which lose their value as use values and are dissolved by the simple metabolism of nature if they are not actually used, and which disappear even more certainly if they are actually used. In this regard, the opposite of capital cannot itself be a particular commodity, for as such it would form no opposition to capital, since the substance of capital is itself use value; it is not this commodity or that commodity, but all commodities. The communal substance of all commodities, i.e. their substance not as material stuff, as physical character, but their communal substance as *commodities* and hence *exchange values*, is this, that they are *objectified labour*. * The only thing distinct from *objectified* labour is *non-objectified* labour, labour which is still objectifying itself, *labour* as subjectivity. Or, *objectified* labour, i.e. labour which is *present in space*, can also be opposed, as *past labour*, to labour which is *present in time*. If it is to be present in time, alive, then it can be present only as the *living subject*, in which it exists as capacity, as possibility; hence as *worker*. The only *use value,* therefore, which can form the opposite pole to capital is *labour (to be exact, value-creating, productive labour.* This marginal remark is an anticipation; must first be developed, by and by. Labour as mere performance of services for the satisfaction of immediate needs has nothing whatever to do with capital, since that is not capital’s concern. If a capitalist hires a woodcutter to chop wood to roast his mutton over, then not only does the wood-cutter relate to the capitalist, but also the capitalist to the wood-cutter, in the relation of simple exchange. The woodcutter gives him his service, a use value, which does not increase capital; rather, capital consumes itself in it; and the capitalist gives him another commodity for it in the form of money. The same relation holds for all services which workers exchange directly for the money of other persons, and which are consumed by these persons. This is consumption of revenue, which, as such, always falls within simple circulation; it is not consumption of capital. Since one of the contracting parties does not confront the other as a capitalist, this performance of a service cannot fall under the category of productive labour. From whore to pope, there is a mass of such rabble. But the honest and ‘working’ lumpenproletariat belongs here as well; e.g. the great mob of porters etc. who render service in seaport cities etc. He who represents money in this relation demands the service only for its use value, which immediately vanishes for him; but the porter demands money, and since the party with money is concerned with the commodity and the party with the commodity, with money, it follows that they represent to one another no more than the two sides of simple circulation; goes without saying that the porter, as the party concerned with money, hence directly with the general form of wealth, tries to enrich himself at the expense of his improvised friend, thus injuring the latter’s self-esteem, all the more so because he, a hard calculator, has need of the service not *qua capitalist* but as a result of his ordinary human frailty. A. Smith was *essentially* correct with his *productive* and *unproductive* labour, correct from the standpoint of bourgeois economy. [45] What the other economists advance against it is either horse-piss (for instance Storch, Senior even lousier etc.), [46] namely that every action after all acts upon something, thus confusion of the product in its natural and in its economic sense; so that the pickpocket becomes a productive worker too, since he indirectly produces books on criminal law (this reasoning at least as correct as calling a judge a productive worker because he protects *from* theft). Or the modern economists have turned themselves into such sycophants of the bourgeois that they want to demonstrate to the latter that it is productive labour when somebody picks the lice out of his hair, or strokes his tail, because for example the latter activity will make his fat head – blockhead – clearer the next day in the office. It is therefore quite correct – but also characteristic – that for the consistent economists the workers in e.g. luxury shops are productive, although the characters who consume such objects are expressly castigated as unproductive wastrels. The fact is that these workers, indeed, are productive, as far as they increase the capital of their master; unproductive as to the material result of their labour. In fact, of course, this 'productive' worker cares as much about the crappy shit he has to make as does the capitalist himself who employs him, and who also couldn't give a damn for the junk. But, looked at more precisely, it turns out in fact that the true definition of a productive worker consists in this: A person who needs and demands exactly as much as, and no more than, is required to enable him to gain the greatest possible benefit for his capitalist. All this nonsense. Digression. But return in more detail to the productive and unproductive).

> * But only this economic (social) substance of use values, i.e. of their economic character as content as distinct from their form (but this form *value*, because specific amount of this *labour*), comes into question when searching for an antithesis to capital. As far as their natural differences are concerned, none of them excludes capital from entering into them and making their bodies its own, so long as none excludes the character of exchange value and of the commodity.

The two different processes in the exchange of capital with labour. (Here the use value of that which is exchanged for capital belongs to the specific economic form etc.)

The use value which confronts capital as posited exchange value is *labour*. Capital exchanges itself, or exists in this role, only in connection with *not-capital*, the negation of capital, without which it is not capital; the real *not-capital* is labour.

If we consider the exchange between capital and labour, then we find that it splits into two processes which are not only formally but also qualitatively different, and even contradictory:

(1) The worker sells his commodity, labour, which has a use value, and, as commodity, also a *price*, like all other commodities, for a specific sum of exchange values, specific sum of money, which capital concedes to him.

(2) The capitalist obtains labour itself, labour as value-positing activity, as

productive labour; i.e. he obtains the productive force which maintains and multiplies capital, and which thereby becomes the productive force, the reproductive force of capital, a force belonging to capital itself.

The separation of these two processes is so obvious that they can take place at different times, and need by no means coincide. The first process can be and usually, to a certain extent, is completed before the second even begins. The completion of the second act presupposes the completion of the product. The payment of wages cannot wait for that. We will even find it an essential aspect of the relation, that it does not wait for that.

In simple exchange, circulation, this double process does not take place. If commodity A is exchanged for money B, and the latter then for the commodity C, which is destined to be consumed – the original object of the exchange, for A – then the using-up of commodity C, its consumption, falls entirely outside circulation; is irrelevant to the form of the relation; lies beyond circulation itself, and is of purely physical interest, expressing no more than the relation of the individual A in his natural quality to an object of his individual need. What he does with commodity C is a question which belongs outside the economic relation. Here, by contrast, *the use value of that which is exchanged for money appears as a particular economic relation, and the specific utilization of that which is exchanged for money forms the ultimate aim of both processes. Therefore, this is already a distinction of form between the exchange of capital and labour, and simple exchange – two different processes.*

If we now further inquire how the exchange between capital and labour is different in content from simple exchange (circulation), then we find that this difference does not arise out of an external connection or equation; but rather that, in the totality of the latter process, the second form distinguishes itself from the first, in that this equation is itself comprised within it. The difference between the second act and the first – note that the particular process of the appropriation of labour by capital is the second act – is exactly the difference between the exchange of capital and labour, and exchange between commodities as it is mediated by money. *In the exchange between capital and labour, the first act is an exchange, falls entirely within ordinary circulation; the second is a process qualitatively different from* *exchange, and only by misuse* could it have been called *any sort of exchange at all.* It stands directly opposite exchange; essentially different category.

Capital and modern landed property. – Wakefield

<*Capital.* I. *Generality*: (1) (a) Emergence of capital out of money. (b) Capital and labour (mediating itself through *alien* labour). (c) The elements of capital, dissected according to their relation to labour (Product. Raw material. Instrument of labour.) (2) *Particularization of capital*: (a) Capital circulant, capital fixe. Turnover of capital. (3) *The singularity of capital*: Capital and profit. Capital and interest. Capital as *value*, distinct from itself as interest and profit. II. *Particularity*: (1) Accumulation of capitals. (2) Competition of capitals. (3) Concentration of capitals (quantitative distinction of capital as at same time qualitative, as *measure* of its size and influence). III. *Singularity*: (1) Capital as credit. (2) Capital as stock-capital. (3) Capital as money market. In the money market, capital is posited in its totality; there it *determines prices, gives work, regulates production,* in a word, is the *source of production*; but capital, not only as something which produces itself (positing prices materially in industry etc., developing forces of production), but at the same time as a creator of values, has to posit a value or form of wealth specifically distinct from capital. This is *ground rent.* This is the only value created by capital which is distinct from itself, from its own production. By its nature as well as historically, capital is the *creator* of modern landed property, of ground rent; just as its action therefore appears also as the dissolution of the old form of property in land. The new arises through the action of capital upon the old. Capital is this – in one regard – as creator of modern agriculture. The inner construction of modern society, or, capital in the totality of its relations, is therefore posited in the economic relations of modern landed property, which appears as a process: ground rent – capital – wage labour (the form of the circle can also be put in another way: as wage labour – capital – ground rent; but capital must always appear as the active middle). The question is now, how does the transition from landed property to wage labour come about? (The transition from wage labour to capital arises by itself, since the latter is here brought back

into its active foundation.) Historically, this transition is beyond dispute. It is already given in the fact that landed property is the product of capital. We therefore always find that, wherever landed property is transformed into money rent through the reaction of capital on the older forms of landed property (the same thing takes place in another way where the modern farmer is created) and where, therefore, at the same time agriculture, driven by capital, transforms itself into industrial agronomy, there the cottiers, serfs, bondsmen, tenants for life, cottagers etc. become day labourers, wage labourers, i.e. that *wage labour* in its totality is initially created by the action of capital on landed property, and then, as soon as the latter has been produced as a form, by the proprietor of the land himself. This latter himself then 'clears', as Steuart says, [47] the land of its excess mouths, tears the children of the earth from the breast on which they were raised, and thus transforms labour on the soil itself, which appears by its nature as the direct wellspring of subsistence, into a mediated source of subsistence, a source purely dependent on social relations. (The reciprocal dependence has first to be produced in its pure form before it is possible to think of a real social communality [*Gemeinschaftlichkeit*]. All relations as posited by society, not as determined by nature.) Only in this way is the application of science possible for the first time, and the development of the full force of production. There can therefore be no doubt that *wage labour* in its *classic form,* as something permeating the entire expanse of society, which has replaced the very earth as the ground on which society stands, is initially created only by modern landed property, i.e. by landed property as a value created by capital itself. This is why landed property leads back to wage labour. In one regard, it is nothing more than the extension of wage labour, from the cities to the countryside, i.e. wage labour distributed over the entire surface of society. The ancient proprietor of land, if he is rich, needs no capitalist in order to become the modern proprietor of land. He needs only to transform his workers into wage workers and to produce for profit instead of for revenue. Then the modern farmer and the modern landowner are presupposed in his person. This change in the form in which he obtains his revenue or in the form in which the worker is paid is not, however, a formal distinction, but presupposes *a total restructuring of the mode of production* (agriculture) itself; it therefore presupposes conditions which rest on a certain development of industry, of trade, and of science, in short of the forces of production. Just as, in general, production resting on capital and wage labour differs from other modes of production not merely formally, but equally presupposes a total revolution and development of material production. Although capital can develop itself completely as commercial capital (only not as much quantitatively), without this transformation of landed property, it cannot do so as industrial capital. Even the development of manufactures presupposes the beginning of a dissolution of the old economic relations of landed property. On the other hand, only with the development of modern industry to a high degree does this dissolution at individual points acquire its totality and extent; but this development itself proceeds more rapidly to the degree that modern agriculture and the form of property, the economic relations corresponding to it, have developed. Thus England in this respect the model country for the other continental countries. Likewise: if the first form of industry, large-scale manufacture, already presupposes dissolution of landed property, then the latter is in turn conditioned by the subordinate development of capital in its primitive (medieval) forms which has taken place in the cities, and at the same time by the effect of the flowering of manufacture and trade in other countries (thus the influence of Holland on England in the sixteenth and the first half of the seventeenth century). These countries themselves had already undergone the process, agriculture had been sacrificed to cattle-raising, and grain was obtained from countries which were left behind, such as Poland etc., by import (Holland again). It must be kept in mind that the new forces of production and relations of production do not develop out of *nothing*, nor drop from the sky, nor from the womb of the self-positing Idea; but from within and in antithesis to the existing development of production and the inherited, traditional relations of property. While in the completed bourgeois system every economic relation presupposes every other in its bourgeois economic form, and everything posited is thus also a presupposition, this is the case with every organic system. This organic system itself, as a totality, has its presuppositions, and its development to its totality consists precisely in subordinating all elements of society to itself, or in creating out of it the organs which it still lacks. This is historically how it becomes a totality. The process of becoming this totality forms a moment of its process, of its development. – On the other hand, if within one society the modern relations of production, i.e. capital, are developed to its totality, and this society then seizes hold of a new territory, as e.g. the colonies, then it finds, or rather its representative, the capitalist, finds, that his capital ceases to be capital without wage labour, and that one of the presuppositions of the latter is not only landed property in general, but modern landed property; landed property which, as capitalized rent, is expensive, and which, as such, excludes the direct use of the soil by individuals. Hence Wakefield's theory of colonies, followed in practice by the English government in Australia. [48] Landed property is here artificially made more expensive in order to transform the workers into wage workers, to make capital act as capital, and thus to make the new colony productive; to develop wealth in it, instead of using it, as in America, for the momentary deliverance of the wage labourers. Wakefield's theory is infinitely important for a correct understanding of modern landed property. – Capital, when it creates landed property, therefore goes back to the production of wage labour as its general creative basis. Capital arises out of circulation and posits labour as wage labour; takes form in this way; and, developed as a whole, it posits landed property as its precondition as well as its opposite. It turns out, however, that it has thereby only created wage labour as its general presupposition. The latter must then be examined by itself. On the other hand, modern landed property itself appears most powerfully in the process of clearing the estates and the transformation of the rural labourers into wage labourers. Thus a double transition to wage labour. This on the positive side. Negatively, after capital has posited landed property and hence arrived at its double purpose: (1) industrial agriculture and thereby development of the forces of production on the land; (2) wage labour, thereby general domination of capital over the countryside; it then regards the existence of landed property itself as a merely transitional development, which is required as an action of capital on the old relations of landed property, and a *product of their decomposition*; but which, as such – once this purpose achieved – is merely a limitation on profit, not a necessary requirement for production. It thus endeavours to dissolve landed property as private property and to transfer it to the state. This the negative side. Thus to transform the entire domestic society into capitalists and wage labourers. When capital has reached this point, then wage labour itself reaches the point where, on one side, it endeavours to remove the landowner as an excrescence, to simplify the relation, to lessen the burden of taxes etc., in the same form as the bourgeois; on the other hand, in order to escape wage labour and to become an independent producer – for immediate consumption – it demands the breaking-up of large landed property. Landed property is thus negated from two sides; the negation from the side of capital is only a change of form, towards its undivided rule. (Ground rent as the universal state rent (state tax), so that bourgeois society reproduces the medieval system in a new way, but as the latter's total negation.) The negation from the side of wage labour is only concealed negation of capital, hence of itself as well. It must now be regarded as independent in respect to capital. Thus the transition double: (1) *Positive transition* from modern landed property, or from capital through the mediation of modern landed property, to general wage labour; (2) *negative transition*: negation of landed property by capital, i.e. thus negation of autonomous value by capital, i.e. precisely negation of capital by itself. But its negation is *wage labour*. Then negation of landed property and, through its mediation, of capital, on the part of wage labour, i.e. on the part of wage labour which wants to posit itself as independent.>

<The *market*, which appears as an abstract quality at the beginning of economics, takes on total shapes. First, the *money market*. This includes the discount market; in general, the loan market; hence money trade, bullion market. As *money-lending market* it appears in the banks, for instance the discount at which they discount: loan market, billbrokers etc.; but then also as the market in all *interest-bearing bills*: state funds and the share market. The latter separate off into larger groups (first the *shares of money institutions* themselves; bank shares; joint-stock bank shares; *shares* in the means of communication (*railway shares* the most important; *canal* shares; steam navigation shares, telegraph shares, omnibus shares); *shares of general industrial enterprises (mining shares* the chief ones). Then in the supply of common elements (*gas* shares, water-supply shares). *Miscellaneous* shares of a thousand kinds. For the *storage of commodities* (dock shares etc.). *Miscellaneous* in infinite variety, such as enterprises in industry or trading companies founded on shares. Finally, as security for the whole, *insurance shares* of all kinds.) Now, just as the market by and large is divided into home

market and foreign market, so the internal market itself again divides into the market of home shares, national funds etc. and foreign funds, foreign shares etc. This development actually belongs properly under the world market, which is not only the internal market in relation to all foreign markets existing outside it, but at the same time the internal market of all foreign markets as, in turn, components of the home market. *The concentration of the money market* in a chief location within a country, while the other markets are more distributed according to the division of labour; although here, too, great concentration in the capital city, if the latter is at the same time a port of export. – The various markets other than the money market are, firstly, as different as are products and branches of production themselves. The chief markets in these various products arise in centres which are such either in respect of import or export, or because they are either themselves centres of a given production, or are the direct supply points of such centres. But these markets proceed from this simple difference to a more or less organic separation into large groups, which themselves necessarily divide up according to the basic elements of capital itself: product market and raw-material market. The instrument of production as such does not form a separate market; it exists as such chiefly, first, in the raw materials themselves which are sold as means of production; then, however, in particular in the metals, since these exclude all thought of direct consumption, and then the products, such as coal, oil, chemicals, which are destined to disappear as auxiliary means of production. Likewise dyes, wood, drugs etc. Hence:

I. *Products.* (1) *Grain market* with its various subdivisions. E.g. seed market: rice, sage, potatoes etc. This very important economically; at the same time market for production and for direct consumption. (2) *Colonial-produce market*. Coffee, tea, cocoa, sugar; spices (pepper, tobacco, pimento, cinnamon, cassia lignea, cloves, ginger, mace, nutmegs, etc.). (3) *Fruits*. Almonds, currants, figs, plums, prunes, raisins, oranges, lemons etc. *Molasses* (for production etc.). (4) *Provisions*. Butter; cheese; bacon; hams; lard; pork; beef (smoked), fish etc. (5) *Spirits.* Wine, rum, beer etc. II. *Raw Materials*. (1) *Raw materials for mechanical industry.* Flax; hemp; cotton; silk; wool; hides; leather; gutta-percha etc. (2) *Raw materials for chemical industry.* Potash, saltpetre; turpentine; nitrate of soda etc. III. *Raw materials which at* *the same time instruments of production. Metals* (copper, iron, tin, zinc, lead, steel etc.), *wood*. Lumber. Timber. Dye-woods. Specialized wood for shipbuilding etc. *Accessory means of production and raw materials*. Drugs and dyes. (Cochineal, indigo etc. Tar. Tallow. Oil. Coals etc.) Of course, every product must go to market, but really great markets, as distinct from retail trade, are formed only by the great consumption goods (economically important are only the grain market, the tea, the sugar, the coffee market (wine market to some extent, and market in spirits generally), or those which are raw materials of industry: wool, silk, wood, metal market etc.) To be seen at what point the abstract category of the market has to be brought in.>

Exchange between capital and labour. Piecework wages. – Value of labour power. – Share of the wage labourer in general wealth determined only quantitatively. – The worker's equivalent, money. Thus confronts capital as equal. – But aim of his exchange satisfaction of his need. Money for him only* medium of circulation. – *Savings, self-denial as means of the worker's enrichment. – Valuelessness and devaluation of the worker a condition of capital

The exchange between the worker and the capitalist is a simple exchange; each obtains an equivalent; the one obtains money, the other a commodity whose *price* is exactly equal to the money paid for it; what the capitalist obtains from this simple exchange is a use value: disposition over alien labour. From the worker's side – and service is the exchange in which he appears as seller – it is evident that the use which the buyer makes of the purchased commodity is as irrelevant to the specific form of the relation here as it is in the case of any other commodity, of any other use value. What the worker sells is the disposition over his labour, which is a specific one, specific skill etc.

What the capitalist does with his labour is completely irrelevant, although of course he can use it only in accord with its specific characteristics, and his disposition is restricted to a *specific* labour and is *restricted in time* (so much labour time). The piece-work system of payment, it is true, introduces the semblance that the worker obtains a specified share of the product. But this is only another form of measuring time (instead of saying, you will work for 12 hours, what is said is, you get so much per piece; i.e. we measure the time you have worked by the number of products); it is here, in the examination of the general relation, altogether beside the point. If the capitalist were to content himself with merely the capacity of disposing, without actually making the worker work, e.g. in order to have his labour as a reserve, or to deprive his competitor of this capacity of disposing (like e.g. theatre directors who buy singers for a season not in order to have them sing, but so that they do not sing in a competitor's theatre), then the exchange has taken place in full. True, the worker receives money, hence exchange value, the general form of wealth, in one or another quantity; and the more or less he receives, the greater or the lesser is the share in the general wealth he thus obtains. How this more or less is determined, how the quantity of money he receives is measured, is of so little relevance to the general relation that it cannot be developed out of the latter. In general terms, the exchange value of his commodity cannot be determined by the manner in which its buyer uses it, but only by the amount of objectified labour contained in it; hence, here, by the amount of labour required to reproduce the worker himself. For the use value which he offers exists only as an ability, a capacity [*Vermögen*] of his bodily existence; has no existence apart from that. The labour objectified in that use value is the objectified labour necessary bodily to maintain not only the general substance in which his labour power exists, i.e. the worker himself, but also that required to modify this general substance so as to develop its particular capacity. This, in general terms, is the measure of the amount of value, the sum of money, which he obtains in exchange. The further development, where wages are measured, like all other commodities, by the labour time necessary to produce the worker as such, is not yet to the point here. Within circulation, if I exchange a commodity for money, buy a commodity for it and satisfy my need, then the act is at an end. Thus it is with the worker. But he has the possibility of beginning it again from the beginning because his life is the source in which his own use value constantly rekindles itself up to a certain time, when it is worn out, and constantly confronts capital again in order to begin the same exchange anew. Like every individual subject within circulation, the worker is the owner of a use value; he exchanges this for money, for the general form of wealth, but only in order to exchange this again for commodities, considered as the objects of his immediate consumption, as the means of satisfying his needs. Since he exchanges his use value for the general form of wealth, he becomes co-participant in general wealth up to the limit of his equivalent – a quantitative limit which, of course, turns into a qualitative one, as in every exchange. But he is neither bound to particular objects, nor to a particular manner of satisfaction. The sphere of his consumption is not qualitatively restricted, only quantitatively. This distinguishes him from the slave, serf etc. Consumption certainly reacts on production itself; but this reaction concerns the worker in his exchange as little as it does any other seller of a commodity; rather, as regards mere circulation – and we have as yet no other developed relation before us – it falls outside the economic relation. This much, however, can even now be mentioned in passing, namely that the relative restriction on the sphere of the workers' consumption (which is only quantitative, not qualitative, or rather, only qualitative as posited through the quantitative) gives them as consumers (in the further development of capital the relation between consumption and production must, in general, be more closely examined) an entirely different importance as agents of production from that which they possessed e.g. in antiquity or in the Middle Ages, or now possess in Asia. But, as noted, this does not belong here yet. Similarly, because the worker receives the equivalent in the form of money, the form of general wealth, he is in this exchange an equal *vis-à-vis* the capitalist, like every other party in exchange; at least, so he *seems*. In fact this equality is already disturbed because the worker's relation to the capitalist as a use value, in the form specifically distinct from exchange value, in opposition to value posited as value, is a presupposition of this seemingly simple exchange; because, thus, he already stands in an economically different relation – outside that of exchange, in which the nature of the use value, the particular use value of the commodity is, as such, irrelevant. This semblance exists, nevertheless, as an illusion on his part and to a certain degree on the other side, and thus essentially modifies his relation by comparison to that of workers in other social modes of production. But what is essential is that the purpose of the exchange for him is the satisfaction of his need. The object of his exchange is a direct object of need, not exchange value as such. He does obtain money, it is true, but only in its role as coin; i.e. only as a self-suspending and vanishing mediation. What he obtains from the exchange is therefore not exchange value, not wealth, but a means of subsistence, objects for the preservation of his life, the satisfaction of his needs in general, physical, social etc. It is a specific equivalent in means of subsistence, in objectified labour, measured by the cost of production of his labour. What he gives up is his power to dispose of the latter. On the other side, it is true that even within simple circulation the coin may grow into money, and that in so far as he receives coin in exchange, he can therefore transform it into money by stockpiling it, etc., withdrawing it from circulation; fixes it as general form of wealth, instead of as vanishing medium of exchange. In this respect it could thus be said that, in the exchange between capital and labour, the worker's object – hence, for him, the product of the exchange – is not the means of subsistence, but wealth; not a particular use value, but rather exchange value as such. Accordingly the worker could make exchange value into his own *product* only in the same way in which wealth in general can *appear* solely as *product of simple circulation* in which equivalents are exchanged, namely by sacrificing substantial satisfaction to obtain the *form* of wealth, i.e. through *self-denial*, saving, cutting corners in his consumption so as to withdraw less from circulation than he puts *goods* into it. This is the only possible form of enriching oneself which is posited by circulation itself. Self-denial could then also appear in the more active form, which is not posited in simple circulation, of denying himself more and more rest, and in general denying himself any existence other than his existence as worker, and being as far as possible a worker only; hence more frequently renewing the act of exchange, or extending it quantitatively, hence through *industriousness*. [49] Hence still today the demand for industriousness and also for *saving, self-denial*, is made not upon the capitalists but on the workers, and namely by the capitalists. Society today makes the paradoxical demand that he for whom the object of exchange is subsistence should deny himself, not he for whom it is wealth. The illusion that the capitalists in fact practised 'self-denial' [50] and became capitalists thereby – a demand and a notion which only made any sense at all in the early period when capital was emerging from feudal etc. relations – has been abandoned by all modern economists of sound judgement. The workers are supposed to save, and much bustle is made with savings banks etc. (As regards the latter, even the economists admit that their proper purpose is not wealth, either, but merely a more purposeful distribution of expenditure, so that in their old age, or in case of illness, crises etc., they do not become a burden on the poorhouses, on the state, or on the proceeds of begging (in a word, so that they become a burden on the working class itself and not on the capitalists, vegetating out of the latter’s pockets), i.e. so that they save for the capitalists; and reduce the costs of production for them.) Still, no economist will deny that if the workers *generally*, that is, as *workers* (what the individual worker does or can do, as distinct from his genus, can only exist just as *exception*, not as *rule*, because it is not inherent in the character of the relation itself), that is, if they acted according to this demand as a rule (apart from the damage they would do to general consumption – the loss would be enormous – and hence also to production, thus also to the amount and volume of the exchanges which they could make with capital, hence to themselves as workers) then the worker would be employing means which absolutely contradict their purpose, and which would directly degrade him to the level of the Irish, the level of wage labour where the most animal minimum of needs and subsistence appears to him as the sole object and purpose of his exchange with capital. If he adopted wealth as his purpose, instead of making his purpose use value, he would then, therefore, not only come to no riches, but would moreover lose use value in the bargain. For, as a rule, the maximum of industriousness, of labour, and the minimum of consumption – and this is the maximum of his self-denial and of his moneymaking – could lead to nothing else than that he would receive for his maximum of labour a minimum of wages. By his exertions he would only have diminished the general *level* of the production costs of his own labour and therefore its general price. Only as an exception does the worker succeed through will power, physical strength and endurance, greed etc., in transforming his coin into money, as an exception from his class and from the general conditions of his existence. If all or the majority are too industrious (to the degree that industriousness in modern industry is in fact left to their own personal choice, which is not the case in the most important and most developed branches of production), then they increase not the value of their commodity, but only its quantity; that is, the demands which would be placed on it as use value. If they all save, then a general reduction of wages will bring them back to earth again; for general savings would show the capitalist that their wages are in general too high, that they receive more than its equivalent for their commodity, the capacity of disposing of their own labour; since it is precisely the essence of simple exchange – and they stand in this relation towards him – that no one throws more into circulation than he withdraws; but also that no one can withdraw more than he has thrown in. An individual worker can be *industrious* above the average, more than he has to be in order to live as a worker, only because another lies below the average, is lazier; he can save only because and if another wastes. The most he can achieve on the average with his self-denial is to be able better to endure the fluctuations of prices – high and low, their cycle – that is, he can only distribute his consumption better, but never attain wealth. And that is actually what the capitalists demand. The workers should save enough at the times when business is good to be able more or less to live in the bad times, to endure short time or the lowering of wages. (The wage would then fall even lower.) That is, the demand that they should always hold to a minimum of life's pleasures and make crises easier to bear for the capitalists etc. Maintain themselves as pure labouring machines and as far as possible pay their own wear and tear. Quite apart from the sheer brutalization to which this would lead – and such a brutalization itself would make it impossible even to strive for wealth in general form, as money, stockpiled money – (and the worker's participation in the higher, even cultural satisfactions, the agitation for his own interests, newspaper subscriptions, attending lectures, educating his children, developing his taste etc., his only share of civilization which distinguishes him from the slave, is economically only possible by widening the sphere of his pleasures at the times when business is good, where saving is to a certain degree possible), [apart from this,] he would, if he saved his money in a properly ascetic manner and thus heaped up premiums for the lumpenproletariat, pickpockets etc., who would increase in proportion with the demand, he could conserve savings – if they surpass the piggy-bank amounts of the official savings banks, which pay him a minimum of interest, so that the capitalists can strike high interest rates out of his savings, or the state eats them up, thereby merely increasing the power of his enemies and his own dependence – conserve his savings and make them fruitful only by putting them into banks etc., so that, afterwards, in times of crisis he loses his deposits, after having in times of prosperity foregone all life's pleasures in order to increase the power of capital; thus has saved in every way *for* capital, not for himself.

Incidentally – in so far as the whole thing is not a hypocritical phrase of bourgeois ‘philanthropy’, which consists in fobbing the worker off with ‘pious wishes’ – each capitalist does demand that his workers should save, but only *his own*, because they stand towards him as workers; but by no means the remaining *world of workers*, for these stand towards him as consumers. In spite of all ‘pious’ speeches he therefore searches for means to spur them on to consumption, to give his wares new charms, to inspire them with new needs by constant chatter etc. It is precisely this side of the relation of capital and labour which is an essential civilizing moment, and on which the historic justification, but also the contemporary power of capital rests. (This relation between production and consumption to be developed only under capital and profit etc.) (Or, then again, under accumulation and competition of capitals.) These are nevertheless all exoteric observations, relevant here only in so far as they show the demands of hypocritical bourgeois philanthropy to be self-contradictory and thus to prove precisely what they were supposed to refute, namely that in the exchange between the worker and capital, the worker finds himself in the relation of simple circulation, hence obtains not wealth but only subsistence, use values for immediate consumption. That this demand contradicts the relation itself emerges from the simple reflection (the recently and complacently advanced demand that the workers should be given a certain share in profits [51] is to be dealt with in the section *wage labour*; other than as a *special bonus* which can achieve its purpose only as an exception from the rule, and which is in fact, in noteworthy practice, restricted to the buying-up of individual overlookers etc. in the interests of the employer *against* the interests of their class; or to travelling salesmen etc., in short, no longer *simple workers*, hence also not to the simple relation; or else it is a special way of cheating the workers and of *deducting a part of their wages* in the more precarious form of a profit depending on the state of the business) that, if the worker’s savings are not to remain merely the product of circulation – saved up money, which can be realized only by being converted sooner or later into the substantial content of wealth, pleasures etc. – then the saved-up money would itself have to become capital, i.e. buy labour, relate to labour as use value. It thus presupposes labour which is not capital, and presupposes that labour has become its opposite – not-labour. In order to become capital, it itself presupposes labour as not-capital as against capital; hence it presupposes the establishment at another point of the contradiction it is supposed to overcome. if, then, in the original relation itself, the object and the *product* of the worker's exchange – as product of mere exchange, it can be no other – were not use value, subsistence, satisfaction of direct needs, withdrawal from circulation of the equivalent put into it in order to be destroyed by consumption – then labour would confront capital not as labour, not as not-capital, but as capital. But capital, too, cannot confront capital if capital does not confront labour, since capital is only capital as not-labour; in this contradictory relation. Thus the concept and the relation of capital itself would be destroyed. That there are situations in which property-owners who themselves work engage in exchange with one another is certainly not denied. But such conditions are not those of the society in which capital as such exists in developed form; they are destroyed at all points, therefore, by its development. As capital it can posit itself only by positing labour as not-capital, as pure use value. (As a slave, the worker has *exchange value*, a *value*; as a free wage-worker he has *no value*; it is rather his power of disposing of his labour, effected by exchange with him, which has value. It is not he who stands toward the capitalist as exchange value, but the capitalist toward him. His *valuelessness* and *devaluation* is the presupposition of capital and the precondition of *free* labour in general. Linguet regards it as a step backwards; [52] he forgets that the worker is thereby formally posited as a person who is something for himself *apart from his* labour, and who alienates his life-expression only as a means towards his own life. So long as the worker as such has *exchange value, industrial capital* as such cannot exist, hence nor can developed capital in general. Towards the latter, labour must exist as *pure use value*, which is offered as a commodity by its possessor himself in exchange for it, for its *exchange value,* which of course becomes real in the worker's hand only in its role as general medium of exchange; otherwise vanishes.) Well. The worker, then, finds himself only in the relation of simple circulation, of simple exchange, and obtains only *coin* for his use value; subsistence; but mediated. This form of mediation is, as we saw, essential to and characteristic of the relation. That it can proceed to the transformation of the coin into money – savings – proves precisely only that his relation is that of simple circulation; he can save more or less; but beyond that he cannot get; he can realize what he has saved only by momentarily expanding the sphere of his pleasures. It is of importance – and penetrates into the character of the relation itself – that, because money is the product of his exchange, general wealth drives him forward as an illusion; makes him industrious. At the same time, this not only formally opens up a field of arbitrariness in the realiz ... [53]

NOTEBOOK III

29 November – c. mid-December 1857

The Chapter on Capital (continuation)

(*Labour power as* capital!) – *Wages not productive*

[1] ... processes of the same subject; thus e.g. the substance of the eye, the capital of vision etc. Such belletristic phrases, which relate everything to everything else by means of some analogy, may even appear profound the first time they are expressed, all the more so if they identify the most disparate things. Repeated, however, and then repeated with outright complacency as statements of scientific value, they are purely and simply ridiculous. Good only for belletristic sophomores and empty chatterboxes who defile all the sciences with their liquorice-sweet filth. The fact that labour is a constant new source of exchange for the worker as long as he is capable of working – meaning not exchange in general, but exchange with capital – is inherent in the nature of the concept itself, namely that he only sells a temporary disposition over his labouring capacity, [2] hence can always begin the exchange anew as soon as he has taken in the quantity of substances required in order to reproduce the externalization of his life [*Lebensäusserung*]. Instead of aiming their amazement in this direction – and considering the worker to owe a debt to capital for the fact that he is alive at all, and can repeat certain life processes every day as soon as he has eaten and slept enough – these whitewashing sycophants of bourgeois economics should rather have fixed their attention on the fact that, after constantly repeated labour, he always has *only* his living, direct labour itself to exchange. The repetition itself is in fact only apparent. *What he exchanges for capital is his entire labouring capacity, which he spends, say, in 20 years*. Instead of paying him for it in a lump sum, capital pays him in small doses, as he places it at capital's disposal, say weekly. This alters absolutely nothing in the nature of the thing and gives no grounds whatsoever for concluding that – because the worker has to sleep 10–12 hours before he becomes capable of repeating his labour and his exchange with capital – labour forms *his capital*. [3] What this argument in fact conceives as capital is the limit, the interruption of his labour, since he is not a perpetuum mobile. The struggle for the ten hours' bill etc. proves that the capitalist likes

nothing better than for him *to squander his dosages of vital force as much as possible, without interruption.* We now come to the second process, which forms the relation between capital and labour *after* this exchange. We want to add here only that the economists themselves express the above statement by saying that *wages* are *not productive.* For them, of course, to be productive means to be productive of wealth. Now, since wages are the product of the exchange between worker and capital – and the only product posited in this act itself – they therefore admit that the worker produces *no wealth* in this exchange, neither for the capitalist, because for the latter the payment of money for a use value – and this *payment* forms the only function of capital in this relation – is a sacrifice of wealth, not creation of the same, which is why he tries to pay the smallest amount possible; nor for the worker, because it brings him only subsistence, the satisfaction of individual needs, more or less – *never* the general form of wealth, never wealth. Nor can it do so, since the content of the commodity which he sells rises in no way above the general laws of circulation: [his aim is] to obtain for the value which he throws into circulation its equivalent, through the coin, in another use value, which he consumes. Such an operation, of course, can never bring wealth, but has to bring back him who undertakes it exactly to the point at which he began. This does not exclude, as we saw, but rather includes, the fact that the sphere of his immediate gratifications is capable of a certain contraction or expansion. On the other side, if the capitalist – who is not yet posited as capitalist at all in this exchange, but only as *money* – were to repeat this act again and again, his money would soon be eaten up by the worker, who would have wasted it in a series of other gratifications, mended trousers, polished boots – in short, services received. In any case, the repetition of this operation would be precisely limited by the circumference of his moneybag. They would no more enrich him than does the expenditure of money for other use values for his beloved person, which, as is well known, do not – pay him, but cost him.

The exchange between capital and labour belongs within simple circulation, does not enrich the worker. – Separation of labour and property the precondition of this exchange. – Labour as object absolute poverty, labour as subject general possibility of

wealth. – Labour without particular specificity confronts capital

It may seem peculiar, in this relation between labour and capital, and already in this first relation of exchange between the two, that the worker here buys the exchange value and the capitalist the use value, in that labour confronts capital not as *a* use value, but as *the* use value pure and simple, but that the capitalist should obtain wealth, and the worker merely a use value which ends with consumption. <In so far as this concerns the capitalist, to be developed only with the second process.> This appears as a dialectic which produces precisely the opposite of what was to be expected. However, regarded more precisely, it becomes clear that the worker who exchanges his commodity goes through the form C–M–M–C in the exchange process. If the point of departure in circulation is the commodity, use value, as the principle of exchange, then we necessarily arrive back at the commodity, since money appears only as coin and, as medium of exchange, is only a vanishing mediation; while the commodity as such, after having described its circle, is consumed as the direct object of need. On the other hand, capital represents M–C–C–M, the antithetical moment.

Separation of property from labour appears as the necessary law of this exchange between capital and labour. Labour posited as *not-capital* as such is: (1) *not-objectified labour [nicht-vergegenständlichte Arbeit], conceived negatively* (itself still objective; the not-objective itself in objective form). As such it is not-raw-material, not-instrument of labour, not-raw-product: labour separated from all means and objects of labour, from its entire objectivity. This living labour, existing as an *abstraction* from these moments of its actual reality (also, not-value); this complete denudation, purely subjective existence of labour, stripped of all objectivity. Labour as *absolute poverty*: poverty not as shortage, but as total exclusion of objective wealth. Or also as the existing *not-value*, and hence purely objective use value, existing without mediation, this objectivity can only be an objectivity not separated from the person: only an objectivity coinciding with his immediate bodily existence. Since the objectivity is purely immediate, it is just as much direct not-objectivity. In other words, not an objectivity which falls outside the immediate presence [*Dasein*] of the individual himself. (2) *Not-objectified labour, not-value*, conceived *positively*, or as a negativity in relation to itself, is the not-*objectified*, hence non-objective, i.e. subjective existence of labour itself. Labour not as an object, but as activity; not as itself *value*, but as the *living source* of value. [Namely, it is] general wealth (in contrast to capital in which it exists objectively, as reality) as the *general possibility* of the same, which proves itself as such in action. Thus, it is not at all contradictory, or, rather, the in-every-way mutually contradictory statements that labour is *absolute poverty as object*, on one side, and is, on the other side, the *general possibility* of wealth as subject and as activity, are reciprocally determined and follow from the essence of labour, such as it is *presupposed* by capital as its contradiction and as its contradictory being, and such as it, in turn, presupposes capital.

The last point to which attention is still to be drawn in the relation of labour to capital is this, that as the use value which confronts money posited as capital, labour is not this or another labour, but *labour pure and simple*, abstract labour; absolutely indifferent to its particular *specificity* [*Bestimmtheit*], but capable of all specificities. Of course, the particularity of labour must correspond to the particular substance of which a given capital consists; but since capital *as such* is indifferent to every particularity of its substance, and exists not only as the totality of the same but also as the abstraction from all its particularities, the labour which confronts it likewise subjectively has the same totality and abstraction in itself. For example, in guild and craft labour, where capital itself still has a limited form, and is still entirely immersed in a particular substance, hence is not yet *capital as such*, labour, too, appears as still immersed in its particular specificity: not in the totality and abstraction of labour *as such*, in which it confronts capital. That is to say that labour is of course in each single case a specific labour, but capital can come into relation with every *specific* labour; it confronts the *totality* of all labours δυνάμει, [4] and the particular one it confronts at a given time is an accidental matter. On the other side, the worker himself is absolutely indifferent to the specificity of his labour; it has no interest for him as such, but only in as much as it is in fact *labour* and, as such, a use value for capital. It is therefore his economic character that he is the carrier of labour as such – i.e. of labour as *use value* for capital; he is a worker, in opposition to the capitalist. This is not the character of the craftsmen and guild-members etc., whose economic character lies precisely in the *specificity* of their labour and in their relation to a *specific* *master*, etc. This economic relation – the character which capitalist and worker have as the extremes of a single relation of production – therefore develops more purely and adequately in proportion as labour loses all the characteristics of art; as its particular skill becomes something more and more abstract and irrelevant, and as it becomes more and more a *purely abstract activity*, a purely mechanical activity, hence indifferent to its particular form; a merely *formal* activity, or, what is the same, a merely *material* [*stofflich*] activity, activity pure and simple, regardless of its form. Here it can be seen once again that the particular specificity of the relation of production, of the category – here, capital and labour – becomes real only with the development of a particular *material mode of production* and of a particular stage in the development of the industrial *productive forces*. (This point in general to be particularly developed in connection with this relation, later; since it is here already *posited* in the relation itself, while, in the case of the abstract concepts, exchange value, circulation, money, it still lies more in our subjective reflection.)

Labour process absorbed into capital. (Capital and capitalist)

(2) We now come to the second side of the process. The exchange between capital or capitalist and the worker is now finished, in so far as we are dealing with the process of *exchange* as such. We now proceed to the relation of capital to labour as capital's use value. Labour is not only the *use value* which confronts capital, but, rather, it is *the use value* of capital itself. As the not-being of values in so far as they are objectified, labour is their being in so far as they are not-objectified; it is their ideal being; the possibility of values, and, as activity, the positing of value. As against capital, labour is the merely abstract form, the mere possibility of value-positing activity, which exists only as a capacity, as a resource in the bodiliness of the worker. But when it is made into a real activity through contact with capital – it cannot do this by itself, since it is without object – then it becomes a really value-positing, productive activity. In relation with capital, this activity can in general consist only of the reproduction of itself – of the preservation and increase of itself as the *real* and *effective* value, not of the merely intended value, as with money as such. Through the

exchange with the worker, capital has appropriated labour itself; labour has become one of its moments, which now acts as a fructifying vitality upon its merely existent and hence dead objectivity. Capital is money (exchange value posited for itself), but no longer is it money as existing in a particular substance and hence excluded from other substances of exchange value and existing alongside them, but rather money as obtaining its ideal character from all substances, from the exchange values of every form and mode of objectified labour. Now, in so far as capital, money existing in all particular forms of objectified labour, enters into the process with not-objectified, but rather living labour, labour existing as process and as action, it is initially this qualitative difference of the substance in which it exists from the form in which it now *also* exists as labour. It is the process of this differentiation and of its suspension, in which capital itself becomes a process. Labour is the yeast thrown into it, which starts it fermenting. On the one side, the objectivity in which it exists has to be worked on, i.e. consumed by labour; on the other side, the mere subjectivity of labour as a mere form has to be suspended, and labour has to be objectified in the material of capital. The relation of capital, in its content, to labour, of objectified labour to living labour – in this relation, where capital appears as passive towards labour, it is its passive being, as a particular substance, which enters into relation with the forming activity of labour – can, in general, be nothing more than the relation of labour to its objectivity, its material – which is to be analysed already in the first chapter, which has to precede exchange value and treat of production in general – and in connection with labour as activity, the material, the objectified labour, has only two relations, that of the *raw material*, i.e. of the formless matter, the mere material for the form-positing, purposive activity of labour, and that of the *instrument of labour*, the objective means which subjective activity inserts between itself as an object, as its conductor. The concept of the *product*, which the economists introduce here, does not yet belong here at all as an aspect *distinct* from raw material and instrument of labour. It appears as *result*, not as *presupposition* of the process between the passive content of capital and labour as activity. As a *presupposition*, the product is not a distinct relation of the object to labour; distinct from raw material and instrument of labour, since raw material and instrument of labour, as substance of values, are themselves already *objectified* labour, *products*. The substance of value is not at all the particular natural substance, but rather objectified labour. This latter itself appears again in connection with *living labour* as *raw material* and *instrument of labour*. As regards the pure act of production in itself, it may seem that the instrument of labour and the raw material are found freely in nature, so that they need merely to be *appropriated*, i.e. made into the object and means of labour, which is not itself a labour process. Thus, in contrast to them, the *product* appears as something qualitatively different, and is a product not only as a result of labour with an instrument on a material, but rather as the first *objectification of labour* alongside them. But, as components of capital, raw material and instrument of labour are themselves already objectified labour, hence *product*. This does not yet exhaust the relation. For, e.g. in the kind of production in which no exchange value, no capital at all exists, the product of labour can become the means and the object of new labour. For example, in agricultural production purely for use value. The hunter's bow, the fisherman's net, in short the simplest conditions, already presuppose a product which ceases to count as product and becomes *raw material* or more specifically *instrument of production*, for this [is] actually the first specific form in which the product appears as the means of reproduction. This link therefore by no means exhausts the relation in which *raw material* and *instrument of labour* appear as moments of capital itself. The economists, incidentally, introduce the *product* as third element of the substance of capital in another connection entirely, as well. This is the product in so far as its character is to step outside both the process of production and circulation, and to become immediate object of individual consumption; *approvisionnement*, as Cherbuliez calls it. [5] That is, the products presupposed so that the worker lives as a worker and is capable of living during production, before a new product is created. That the capitalist possesses this capacity is posited in the fact that every element of capital is money, and, as such, can be transformed from its general form of wealth into the material of wealth, object of consumption. The economists' *approvisionnement* thus applies only to the workers; i.e. it is money expressed in the form of articles of consumption, use values, which they obtain from the capitalist in the act of exchange between the two of them. But this belongs within the first act. The extent to which this first relates to the second is not yet the question here. The only diremption posited by the process of production itself is the original diremption, that posited by the difference between objective labour and living labour itself, i.e. that between *raw material* and *instrument of labour*. It is quite consistent of the economists to confuse these two aspects with each other, because they must bring the two moments in the relation between capital and labour into confusion and cannot allow themselves to grasp their specific difference.

Thus: the raw material is consumed by being changed, formed by labour, and the instrument of labour is consumed by being used up in this process, worn out. On the other hand, labour also is consumed by being employed, set into motion, and a certain amount of the worker's muscular force etc. is thus expended, so that he exhausts himself. But labour is not only consumed, but also at the same time fixed, converted from the form of activity into the form of the object; materialized; as a modification of the object, it modifies its own form and changes from activity to being. The end of the process is the *product*, in which the raw material appears as bound up with labour, and in which the instrument of labour has, likewise, transposed itself from a mere possibility into a reality, by having become a real conductor of labour, but thereby also having been consumed in its static form through its mechanical or chemical relation to the material of labour. All three moments of the process, the material, the instrument, and labour, coincide in the neutral result – the *product*. The moments of the process of production which have been consumed to form the product are simultaneously reproduced in it. The whole process therefore appears as *productive consumption*, i.e. as consumption which terminates neither in a *void*, nor in the mere subjectification of the objective, but which is, rather, again posited as an *object*. This consumption is not simply a consumption of the material, but rather consumption of consumption itself; in the suspension of the material it is the suspension of this suspension and hence the *positing* of the same. [6] This *form-giving* activity consumes the object and consumes itself, but it consumes the given form of the object only in order to posit it in a new objective form, and it consumes itself only in its subjective form as activity. It consumes the objective character of the object – the indifference towards the form – and the subjective character of activity; forms the one, materializes the other. But as *product*, the result of the production process is *use value.*

If we now regard the result so far obtained, we find:

Firstly: The appropriation, absorption of labour by capital – money, i.e. the act of buying the capacity of disposing over the worker, here appears only as a means to bring this process about, not as one of its moments – brings capital into ferment, and makes it into a process, *process of production*, in whose totality it relates to itself not only as objectified by living labour, but also, because objectified, [as] mere *object* of labour.

Secondly: Within simple circulation, the substance of the commodity and of money was itself indifferent to the formal character, i.e. to the extent that commodity and money remained moments of circulation. As for the substance of the commodity, it fell outside the economic relation as an object of consumption (of need); money, in so far as its form achieved independence, was still related to circulation, but only negatively, and was only this negative relation. Fixed for itself, it similarly became extinguished in dead materiality, and ceased to be money. Both commodity and money were expressions of exchange value, and differed only as general and particular exchange value. This difference itself was again merely a nominal one, since not only were the two roles switched in real circulation, but also, if we consider each of them by itself, money itself was a particular commodity, and the commodity as price was itself general money. The difference was only formal. Each of them was posited in the one role only in so far as and because it was not posited in the other. Now however, in the process of production, capital distinguishes itself as form from itself as substance. It is both aspects at once, and at the same time the relation of both to one another. But:

Thirdly: It still only appeared as this relation *in itself*. The relation is not *posited* yet, or it is posited initially only in the character of one of its two moments, the *material* moment, which divides internally into material (raw material and instrument) and form (labour), and which, as a relation between both of them, as a real process, is itself only a material relation again – a relation of the two material elements which form the content of capital as distinct from its formal relation as capital. If we now consider the aspect of capital in which it originally appears in distinction from labour, then it is merely a passive presence in the process, a merely objective being, in which the formal character which makes it capital – i.e. a social relation existing as being-for-itself [*für sich seiendes*] – is completely extinguished. It enters the process only as content – as objectified labour in general; but the fact that it is objectified labour is completely irrelevant to labour – and the relation of labour to it forms the process; it enters into the process, is worked on, rather, only as object, not as *objectified labour*. Cotton which becomes cotton yarn, or cotton yarn which becomes cloth, or cloth which becomes the material for printing and dyeing, exist for labour only as available cotton, yarn, cloth. They themselves do not enter into any process as products of labour, as objectified labour, but only as material existences with certain natural properties. *How* these were posited in them makes no difference to the relation of living labour towards them; they exist for it only in so far as they exist as distinct from it, i.e. as material for labour. This [is the case], in so far as the point of departure is capital in its objective form, presupposed to labour. On another side, in so far as labour itself has become one of capital's objective elements through the exchange with the worker, labour's distinction from the objective elements of capital is itself a merely objective one; the latter in the form of rest, the former in the form of activity. The relation is the material relation between one of capital's elements and the other; but not *its own* relation to both. It therefore appears on one side as a merely *passive object*, in which all formal character is extinguished; it appears on the other side only as a simple *production process* into which capital as such, as distinct from its substance, does not enter. It does not even appear in the substance appropriate to itself – as objectified labour, for this is the substance of exchange value – but rather only in the natural form-of-being [*Daseinsform*] of this substance, in which all relation to exchange value, to objectified labour, and to labour itself as the use value of capital – and hence all relation to capital itself – is extinguished. Regarded from this side, the process of capital coincides with the simple process of production as such, in which its character as capital is quite as extinguished in the form of the process, as money was extinguished as money in the form of value. To the extent to which we have examined the process so far, capital in its being-for-itself, i.e. the capitalist, does not enter at all. It is not the capitalist who is consumed by labour as raw material and instrument of labour. And it is not the capitalist who does this consuming but rather labour. Thus the process of the production of capital does not appear as the process of the production of capital, but as the process of production in general, and capital's *distinction from labour* appears only in the material character of *raw material* and *instrument of labour*. It is this aspect – which is not only an arbitrary abstraction, but rather an abstraction which takes place within the process itself – on which the economists seize in order to represent capital as a necessary element of every production process. Of course, they do this only by forgetting to pay attention to its conduct as capital during this process.

This is the occasion to draw attention to a moment which here, for the first time, not only arises from the standpoint of the observer, but is posited in the economic relation itself. In the first act, in the exchange between capital and labour, labour as such, existing *for itself*, necessarily appeared as *the worker*. Similarly here in the second process: capital as such is posited as a value existing for itself, as egotistic value, so to speak (something to which money could only aspire). But capital in its being-for-itself is the *capitalist*. Of course, socialists sometimes say, we need capital, but not the capitalist. [7] Then capital appears as a pure thing, not as a relation of production which, reflected in itself, is precisely the capitalist. I may well separate capital from a given individual capitalist, and it can be transferred to another. But, in losing capital, he loses the quality of being a capitalist. Thus capital is indeed separable from an individual capitalist, but not from *the* capitalist, who, as such, confronts *the* worker. Thus also the individual worker can cease to be the being-for-itself [*Fürsichsein*] of labour; he may inherit or steal money etc. But then he ceases to be a *worker*. As a worker he is nothing more than labour in its being-for-itself. (This to be further developed later.) [8]

Production process *as content of capital. Productive and unproductive labour (productive labour – that which produces capital). – The worker relates to his labour as exchange value, the capitalist as use value etc. – He divests himself* [entäussert sich] *of labour as the wealth-producing power. (Capital appropriates it as such.) Transformation of labour into capital etc. Sismondi, Cherbuliez, Say, Ricardo, Proudhon etc.*

Nothing can emerge at the end of the process which did not appear as a presupposition and precondition at the beginning. But, on the other hand, everything also has to come out. Thus, if at the end of the process of production, which was begun with the presuppositions of capital, capital appears to have vanished as a formal relation, then this can have taken place only because the invisible threads which draw it through the process have been overlooked. Let us therefore consider this side.

The first result, then, is this:

(α) Capital becomes the process of production through the incorporation of labour into capital; initially, however, it becomes the *material* process of production; the process of production in general, so that the process of the production of capital is not distinct from the material process of production as such. Its formal character is completely extinguished. Because capital has exchanged a part of its objective being for labour, its objective being is itself internally divided into object and labour; the connection between them forms the production process, or, more precisely, the *labour process*. With that, the *labour process posited prior to value, as point of departure* – which, owing to its abstractness, its pure materiality, is common to all forms of production – here reappears *again within capital*, as a process which proceeds within its substance and forms its content.

(It will be seen that even within the production process itself this *extinguishing of the formal character* is merely a semblance.) [9]

In so far as capital is value, but appears as a process initially in the form of the simple production process, the production process posited in no particular *economic* form, but rather, the production process pure and simple, to that extent – depending on which particular aspect of the simple production process (which, as such, as we saw, by no means presupposes capital, but is common to all modes of production) is fixed on – it can be said that capital becomes product, or that it is instrument of labour or raw material for labour. Further, if it is conceived in one of the aspects which confronts labour as material or as mere means, then it is correct to say that capital is not productive, * because it is then regarded merely as the object, the material which confronts labour; as merely passive. The correct thing, however, is that it appears not as one of these aspects, nor as a difference within one of these aspects, nor as mere result (product), but rather as the simple production process itself; that this latter now appears as the self-propelling *content* of capital.

> * What is *productive labour* and what is *not*, a point very much disputed back and forth since Adam Smith made this distinction, [10] has to emerge from the dissection of the various aspects of capital itself. *Productive labour* is only that which produces *capital*. Is it not crazy, asks e.g. (or at least something similar) Mr Senior, that the piano maker is a *productive worker*, but not the *piano player*, although obviously the piano would be absurd without the piano player? [11] But this is exactly the case. The piano maker reproduces *capital*; the pianist only exchanges his labour for revenue. But doesn't the pianist produce music and satisfy our musical ear, does he not even to a certain extent produce the latter? He does indeed: his labour produces something; but that does not make it *productive labour* in the *economic sense*; no more than the labour of the madman who produces delusions is productive. *Labour becomes productive only by producing its own opposite.* Other economists therefore allow the so-called unproductive worker to be productive indirectly. For example, the pianist stimulates production; partly by giving a more decisive, lively tone to our individuality, and also in the ordinary sense of awakening a new need for the satisfaction of which additional energy becomes expended in direct material production. This already admits that only such labour is productive as produces capital; hence that labour which does not do this, regardless of how *useful* it may be – it may just as well be harmful – is not productive for capitalization, is hence unproductive labour. Other economists say that the difference between productive and unproductive applies not to production but to consumption. Quite the contrary. The producer of tobacco is productive, although the consumption of tobacco is unproductive. Production for unproductive consumption is quite as productive as that for productive consumption; always assuming that it produces or reproduces capital. '*Productive labourer he that directly augments his master's wealth,*' Malthus therefore says, quite correctly (IX,40); [12] correct at least in one aspect. The expression is too abstract, since in this formulation it holds also for the slave. The master's wealth, in relation to the worker, is the form of wealth itself in its relation to labour, namely capital. Productive labourer he that directly augments capital.

(β) Now to look at the side of the form-character, such as it preserves and modifies itself in the production process.

As *use value*, labour exists only *for capital*, and is itself the use value of capital, i.e. the mediating activity by means of which it *realizes* [*verwertet*] itself. Capital, as that which reproduces and increases its value, is autonomous exchange value (money), as a process, as the *process of realization.*

Therefore, labour does not exist as a use value for the worker; *for* him it is therefore not a *power productive of wealth,* [and] not a means or the activity of gaining wealth. He brings it as a use value into the exchange with capital, which then confronts him not as capital but rather as *money*. In relation to the worker, it is capital as capital only in the consumption of labour, which initially falls outside this exchange and is independent of it. A *use value* for capital, labour is a *mere exchange value* for the worker; available *exchange value*. It is posited as such in the act of exchange with capital, through its sale for money. The use value of a thing does not concern its seller as such, but only its buyer. The property of saltpetre, that it can be used to make gunpowder, does not determine the price of saltpetre; rather, this price is determined by the cost of production of saltpetre, by the amount of labour objectified in it. The value of use values which enter circulation as prices is not the product of circulation, although it realizes itself only in circulation; rather, it is *presupposed* to it, and is realized only through exchange for money. Similarly, the labour which the worker sells as a *use value* to capital is, for the worker, his *exchange value*, which he wants to realize, but which is already *determined* prior to this act of exchange and presupposed to it as a condition, and is determined like the value of every other commodity by supply and demand; or, in general, which is our only concern here, by the cost of production, the amount of objectified labour, by means of which the labouring capacity of the worker has been produced and which he therefore obtains for it, as its equivalent. The exchange value of labour, the realization of which takes place in the process of exchange with the capitalist, is therefore *presupposed*, predetermined, and only undergoes the formal modification which every only ideally posited price takes on when it is realized. It is not determined by the use value of labour. It has a use value for the worker himself only in so far as it is *exchange value*, not in so far as it produces exchange values. It has exchange value for capital only in so far as it is use value. It is a use value, as distinct from exchange value, not for the worker himself, but only for capital. The worker therefore sells labour as a simple, predetermined exchange value, determined by a previous process – he sells labour itself as *objectified labour*; i.e. he sells labour only in so far as it already objectifies a definite amount of labour, hence in so far as its equivalent is already measured, given; capital buys it as living labour, as the general productive force of wealth; activity which increases wealth. It is clear, therefore, that the worker cannot become *rich* in this exchange, since, in exchange for his labour capacity as a fixed, available magnitude, he surrenders its *creative power*, like Esau his birthright for a mess of pottage. Rather, he necessarily impoverishes himself, as we shall see further on, because the creative power of his labour establishes itself as the power of capital, as an *alien power* confronting him. He *divests* himself [*entäussert sich*] of labour as the force productive of wealth; capital appropriates it, as such. The separation between labour and property in the product of labour, between labour and wealth, is thus posited in this act of exchange itself. What appears paradoxical as *result* is already contained in the presupposition. The economists have expressed this more or less empirically. Thus the productivity of his labour, his labour in general, in so far as it is not a *capacity* but a motion, *real* labour, *comes* to confront the worker as an *alien power*; capital, inversely, realizes itself through the *appropriation of alien labour*. (At least the possibility of realization is thereby posited; as result of the exchange between labour and capital. The relation is realized only in the act of production itself, where capital really consumes the alien labour.) Just as labour, as a *presupposed* exchange value, is exchanged for an equivalent in money, so the latter is again exchanged for an equivalent in *commodities*, which are consumed. In this process of exchange, labour is not productive; it becomes so only for capital; it can take out of circulation only what it has thrown into it, a *predetermined* amount of commodities, which is as little its own product as it is its own value. Sismondi says that the workers exchange their labour for grain, which they consume, while their labour 'has become *capital* for its master'. (Sismondi, VI.) [13] 'Giving their labour in exchange, the workers *transform* it into capital.' (id., VIII.) [14] By selling his labour to the capitalist, the worker obtains a right only to the *price of labour*, not to the *product of his labour*, nor to the value which *his labour has added to it.* (Cherbuliez XXVIII.) '*Sale of labour = renunciation of all fruits of labour.*' (loc.cit.) [15] Thus all the progress of civilization, or in other words every increase in the *powers of social production* [*gesellschaftliche Produktivkräfte*], if you like, in the *productive powers of labour itself* – such as results from science, inventions, division and combination of labour, improved means of communication, creation of the world market, machinery etc. – enriches not the worker but rather *capital*; hence it only magnifies again the power dominating over labour; increases only the productive power of capital. Since capital is the antithesis of the worker, this merely increases the *objective power* standing over labour. The *transformation of labour* (as living, purposive activity) into *capital* is, *in itself*, the result of the exchange between capital and labour, in so far as it gives the capitalist the title of ownership to the product of labour (and command over the same). *This transformation is posited* only in the *production process* itself. Thus, the question whether capital is productive or not is absurd. Labour itself is *productive only* if absorbed into capital, where capital forms the basis of production, and where the capitalist is therefore in command of production. The productivity of labour becomes the productive force of capital just as the general exchange value of commodities fixes itself in money. Labour, such as it exists *for itself* in the worker in opposition to capital, that is, labour in its *immediate being*, separated from capital, is *not productive*. Nor does it ever become *productive* as an activity of the worker so long as it merely enters the simple, only formally transforming process of circulation. Therefore, those who demonstrate that the productive force ascribed to capital is a *displacement*, a *transposition of the productive force* of labour, [16] forget precisely that capital itself is essentially this *displacement, this transposition*, and that wage labour as such presupposes capital, so that, from its standpoint as well, capital is this *transubstantiation*; the necessary process of positing its own powers as *alien* to the worker. Therefore, the demand that wage labour be continued but capital suspended is self-contradictory, self-dissolving. Others say, even economists, e.g. Ricardo, Sismondi etc., that *only labour* is productive, not capital. [17] But then they do not conceive [18] capital in its *specific character as form*, as a *relation of production* reflected into itself, but think only about its material substance, raw material etc. But these material elements do not make capital into capital. Then, however, they recall that capital is also in another respect a *value*, that is, something *immaterial*, something indifferent to its material consistency. Thus, Say: '*Capital is always an immaterial essence*, because it is not material which makes capital, but the *value* of this material, a value which has nothing corporeal about it.' (Say, 21.) [19] Or: Sismondi: 'Capital is a commercial *idea*.' (Sismondi, LX.) [20] But then they recall that capital is a different economic quality as well, other than *value*, since otherwise it would not be possible to speak of capital *as distinct from value* at all, and, if all capitals were value, all values as such would still not be capital. Then they take refuge again in its material form within the production process, e.g. when Ricardo explains that capital is 'accumulated labour employed in the production of new labour', [21] i.e. merely as *instrument of labour* or *material for labour*. In this sense Say even speaks of the '*productive service of capital*', [22] on which remuneration is supposed to be based, as if the instrument of labour as such were entitled to thanks from the worker, and as if it were not precisely because of him that it is posited as instrument of labour, as *productive*. This presupposes the autonomy of the instrument of labour, i.e. of its *social* character, i.e. its character as capital, in order to derive the privileges of capital from it. Proudhon's phrase '*le capital vaut, le travail produit*' [23] means absolutely nothing more than: capital is value, and, since nothing further is here said about capital other than that it is value, that value is value (the subject of the judgement is here only another name for the predicate); [24] and labour produces, is productive labour, i.e. labour is labour, since it is precisely nothing apart from '*produire*'. [25] It must be obvious that these identical judgements do not contain any particularly deep wisdom, and that above all, they cannot express a relation in which value and labour enter into connection, in which they connect and divide in relation to one another, and where they do not lie side by side in mutual indifference. Already the fact that it is *labour* which confronts capital as subject, i.e. the worker only in his character as *labour*, and not *he himself*, should open the eyes. This alone, disregarding capital, already contains a relation, a relation of the worker to his own activity, which is by no means the *'natural'* one, but which itself already contains a specific *economic* character.

To the extent that we are considering it here, as a relation distinct from that of value and money, capital is *capital in general*, i.e. the incarnation of the qualities which distinguish value as capital from value as pure value or as money. Value, money, circulation etc., prices etc. are presupposed, as is labour etc. But we are still concerned neither with a *particular* form of capital, nor with an *individual* capital as distinct from other individual capitals etc. We are present at the process of its becoming. This dialectical process of its becoming is only the ideal expression of the real movement through which capital comes into being. The later relations are to be regarded as developments coming out of this germ. But it is necessary to establish the specific form in which it is posited at a *certain* point. Otherwise confusion arises.

Realization process [*Verwertungsprozess*]. – *(Costs of production.)* – *(Surplus value not explicable by exchange.* Ramsay. Ricardo.) *Capitalist cannot live from his wage etc.* (Faux frais de production.) [26] – *Mere self-preservation, non-multiplication of value contradicts the essence of capital*

Hitherto, capital has been regarded from its material side as a *simple production process*. But, from the side of its formal specificity this process is a *process of self-realization*. Self-realization includes preservation of the prior value, as well as its multiplication.

Value enters as subject. Labour is purposeful activity, and the material side therefore presupposes that the instrument of labour has really been used as means to an end in the production process, and that the raw material has obtained a higher use value as product than it had before, whether this is due to chemical alteration or mechanical modification. However, this side alone, as impinging merely on the use value, still belongs in the simple production process. It is not the point here – this is, rather, understood, presupposed – that a higher use value has been created (this in itself is very relative; when grain is transformed into spirits, the higher use value is itself already posited in respect of circulation); no higher use value has yet been created for the individual, the producer. This, in any case, is accidental, and does not affect the relation as such; rather, a higher use value *for others*. The point is, [rather,] that a *higher exchange value* be created. In the case of simple circulation, the process ended for the individual commodity by its being consumed as use value. With that, it left circulation; lost its exchange value, its economic form-character [*Formbestimmung*] in general. Capital has consumed its material with labour and its labour with material; it has consumed itself as use value, but only as *use value for itself*, as capital. Its consumption as use value therefore in this case falls within circulation itself, or rather it itself posits the *beginning of circulation* or its end, as one prefers. The consumption of the use value itself here falls within the economic process, because the use value here is itself determined by exchange value. In no moment of the production process does capital cease to be capital or value to be value, and, as such, *exchange value*. Nothing is more ridiculous than to say, as does Mr Proudhon, that capital changes from a product into an exchange value by means of the act of exchange, i.e. by re-entering simple circulation. [27] We would then be thrown back to the beginning, to direct barter even, where we observe the origin of exchange value out of the product. Already its presupposition as self-preserving exchange value comprises the possibility that capital can and does re-enter into circulation as a commodity at the end of the production process, after its consumption as use value. However, in so far as the product now again becomes commodity, and as commodity, exchange value, and obtains a price and is realized as such in money, to that extent it is a simple commodity, exchange value as such, and, as such, its fate within circulation may be to be realized in money, or it may equally be that it does not realize itself in money; i.e. that its exchange value becomes money or not. Thus its exchange value has become much more problematic – before, it was posited ideally – than the fact that it came into existence. What is more, its being *really* posited as a higher exchange value in circulation cannot originate out of circulation itself, in which, in its simple character, only equivalents are exchanged. Therefore, if it comes out of circulation as a higher exchange value, it must have entered into it as such.

Capital as a form consists not of objects of labour and labour, but rather of *values*, and, still more precisely, of *prices*. The fact that its value-elements have various substances in common during the production process does not affect their character as values; they are not changed thereby. If, out of the form of unrest – of the process – at the end of the process, they again condense themselves into a resting, objective form, in the product, then this, too, is merely a change of the material [*Stoffwechsel*] in relation to value, and does not alter the latter. [28] True, the substances as such have been destroyed, but they have not been made into nothing, but rather into a substance with another form. Earlier, they appeared as elemental, indifferent preconditions of the product. Now they are the product. The value of the product can therefore only = the sum of the values which were materialized in the specific material elements of the process, i.e. raw material, instrument of labour (including the merely instrumental commodities), and labour itself. The raw material has been entirely used up, labour has been entirely used up, the instrument has been only partly used up, hence continues to possess a part of the value of the capital in its specific mode of existence as present prior to the process. This part therefore does not come under view here at all, since it has suffered no modification. The different modes in which the values existed were a pure semblance; value itself formed the constantly self-identical essence within their disappearance. Regarded as a value, the product has in this respect not become *product*, but rather remained identical, unchanged value, which merely exists in a different mode, which is, however, irrelevant to it and which can be exchanged for money. The value of the product is = to the value of the raw material + the value of the part of the instrument of labour which has been destroyed, i.e. transferred to the product, and which is suspended in its original form, + the value of labour. Or, the price of the product is equal to these costs of production, i.e. = to the sum of the prices of the commodities consumed in the production process. That means, in other words, nothing more than that the production process in its material aspect has been irrelevant to value; that value therefore has remained identical with itself and has merely taken on another mode of existence, become materialized in another substance and form. (The form of the substance is irrelevant to the economic form, to value as such.) If capital was originally = to 100 thalers, then afterwards, as before, it remains equal to 100 thalers, although the 100 thalers existed in the production price as 50 thalers of cotton, 40 thalers of wages + 10 thalers of spinning machine, and now exist as cotton yarn to the price of 100 thalers. This reproduction of the 100 thalers is a simple retention of self-equivalence [*Sichselbstgleichbleiben*], except that it is mediated through the material production process. The latter must therefore proceed to the product, for otherwise cotton loses its value, instrument of labour used up for nothing, wages paid in vain. The only stipulation for the self-preservation of value is that the production process really be a total process, i.e. continue to the point where a product exists. The completeness [*Totalität*] of the production process, i.e.

the fact that it proceeds to the product, is here in fact the precondition of the self-preservation, the self-equivalent retention of value; but this is already contained in the first precondition, that capital really becomes use value, a real production process; is therefore *presupposed* at this point. On the other hand, the production process is a production process for capital *only* to the extent that it preserves itself in this process as value, i.e. as product. The statement that the necessary price = the sum of the prices of the costs of production is therefore purely analytical. It is the presupposition of the production of capital itself. First capital is posited as 100 thalers, as simple value; then it is posited in this process as a sum of prices of specific value-elements of itself, elements specified by the price of production itself. The price of capital, its value expressed in money, = the price of its product. That means the value of capital as the result of the production process is the same as it was as the presupposition of the process. However, during the process it does not retain the simplicity it had at the beginning, and which it takes on once again at the end, as the result; rather, it decomposes into the initially quite irrelevant quantitative elements of value of labour (wage), value of the instrument of labour, and value of the raw material. No further relation has been posited, other than that the simple value decomposes quantitatively to form the price of production, as a number of values which recombine in their simplicity in the product, but which exists now as a *sum.* But the sum is = to the original unity. Otherwise, as regards value, and apart from the quantitative subdivision, there is not the least difference in the relation between the distinct amounts of value. The original capital was 100 thalers; the product is 100 thalers, but now 100 thalers as the sum of 50 + 40 + 10 thalers. I could just as well have regarded the original 100 thalers as a sum of 50 + 40 + 10 thalers, but equally as a sum of 60 + 30 + 10 thalers, etc. The fact that they now appear as the sum of specific amounts of units is posited because each of the different material elements into which capital decomposed in the production process represents a part of its value, but a specific part.

It will be seen later that these amounts into which the original unity is decomposed themselves have certain relations with one another, but this does not concern us here yet. In so far as any movement in the value itself is posited during the production process, it is the purely formal one which consists of the following simple act: that value exists first as a unity, a specific amount of units, which are themselves regarded as a unity, a whole: capital in the amount of 100 thalers; secondly, that this unity is divided during the production process into 50 thalers, 40 thalers and 10 thalers, a division which is essential to the extent that material, instrument and labour are required in specific quantities, but which here appears, in regard to the 100 thalers themselves, merely as an irrelevant decomposition of the same unity into different amounts; finally, that the 100 thalers reappear as a sum in the product. The only process, as regards value, [is] that it sometimes appears as a whole, unity; then as a division of this unity into certain amounts; finally, as sum. The 100 thalers which appear at the end as a sum are just as much a sum and in fact exactly the same sum as that which appeared at the outset as a unity. The character of being a sum, of being added up, arose only out of the subdivision which took place in the act of production; but does not exist in the product as such. The statement thus says nothing more than that the price of the product = the price of the costs of production, or that the value of capital = the value of the product, that the value of the capital has preserved itself in the act of production, and now appears as a sum. With this mere identity of capital, or, reproduction of its value throughout the production process, we would have come no further than we were at the beginning. What was there at the outset as presupposition is now there as result, and in unchanged form. It is clear that it is not in fact this to which the economists refer when they speak of the determination of price by the cost of production. Otherwise, a value greater than that originally present could never be created; no greater exchange value, although perhaps a greater use value, which is quite beside the point here. We are dealing with the *use value of capital* as such, not with the use of value of a commodity.

When one says that the cost of production or the necessary price of a commodity is = to 110, then one is calculating in the following way: Original capital = 100 (e.g. raw material = 50; labour = 40; instrument = 10) + 5% interest + 5% profit. Thus the production cost = 110, not = 100; the production cost is thus greater than the cost of production. Now, it is no help at all to flee from exchange value to the use value of the commodity, as some economists love to do. Whether the use value is greater or lesser is not, as such, determined by the exchange value. Commodities often fall beneath their prices of production, although they indisputably have obtained a higher use value than they had in the period *prior* to production. It is equally useless to seek refuge in circulation. I produce at 100, but I sell at 110. 'Profit is not made by exchanging. Had it not existed before, neither could it after that transaction.' (Ramsay, IX, 88.) [29] This signifies the attempt to explain the augmentation of value with the aid of simple circulation, despite the fact that the latter *expressly* posits value as an equivalent only. It is clear even empirically that if everyone sold for 10% too much, this is the same as if they all sold at the cost of production. The surplus value [*Mehrwert*] would then be purely nominal, artificial, a convention, an empty phrase. And, since money is itself a commodity, a product, it also would be sold for 10% too much, i.e. the seller who received 110 thalers would in fact receive only 100. (Consult Ricardo on foreign trade, which he conceives as simple circulation, and says, therefore: 'foreign trade can never increase the amount of exchange value in a country'. (Ricardo, 39, 40.) [30] The grounds he cites for this conclusion are absolutely the same as those which 'prove' that exchange as such, simple circulation, i.e. commerce in general, in so far as it is conceived as such, can never increase *exchange values*, never create *exchange value*.) The statement that the price = the cost of production would otherwise have to read, also: the price of a commodity is always greater than its cost of production. In addition to the simple division and re-addition, the production process also adds the formal element to value, namely that its elements now appear as *production costs*, i.e. precisely that the elements of the production process are not preserved in their material character, but rather as *values*, while the mode of existence which these had *before* the production process is consumed.

It is clear, on another side, that if the act of production is merely the reproduction of the value of capital, then it would have undergone a merely material but not an economic change, and such a simple preservation of its value contradicts its concept [*Begriff*]. True, it would not remain outside circulation, as in the case of autonomous money, but would, rather, take on the form of different commodities; however, it would do so for nothing; this would be a purposeless process, since it would ultimately represent only the same sum of money, and would only have run the risk of suffering some damage in the act of production – [moreover, it is a process] which can fail, and in which money surrenders its immortal form. Well then. The production process is now at an end. The product, too, is realized in money again, and has again taken on the original form of the 100 thalers. But the capitalist has to eat and drink, too; he cannot live from this change into the form of money. Thus, a part of the 100 thalers would have to be exchanged not as capital, but as coin for commodities as use values, and be consumed in this form. The 100 thalers would have become 90, and since he always ultimately reproduces capital in the form of money, more precisely, in the quantity of money with which he began production, at the end the 100 thalers would be eaten up and the capital would have disappeared. But the capitalist is paid for the *labour* of throwing the 100 thalers into the production process as capital, instead of eating them up. But with what is he to be paid? And does not his labour appear as absolutely useless, since capital includes the wage; so that the workers could live from the simple reproduction of the cost of production, which the capitalist cannot do? He would thus appear among the *faux frais de production*. [31] But, whatever his merits may be, reproduction would be possible without him, since, in the production process, the workers only transfer the value which they take out, hence have no need for the entire relation of capital in order to begin it always anew; and secondly, there would then be no fund out of which to pay him what he deserves, since the price of the commodity = the cost of production. But, if his labour were defined as a particular labour alongside and apart from that of the workers, e.g. that of the labour of superintendence etc., [32] then he would, like them, receive a certain wage, would thus fall into the same category as they, and would by no means relate to labour as a capitalist; and he would never get rich, but receive merely an exchange value which he would have to consume via circulation. The existence of capital *vis-à-vis* labour requires that capital in its being-for-itself, the capitalist, should exist and be able to live as *not-worker*. It is equally clear, on the other side, that capital, even as conventionally defined, would not retain its value if it could retain nothing but its *value. The risks of production have to be compensated.* Capital has to preserve itself through the fluctuations of prices. The constantly ongoing devaluation of capital, resulting from the increase in the force of production, has to be compensated, etc. The economists therefore state flatly that if no gain, no profit were to be made, everyone would eat up his money instead of throwing it into production and employing it as capital. In short, if this *not-realization* [*Nichtverwerten*], i.e. the non-multiplication of the value of capital, is presupposed, then what is presupposed is that capital is not a real element of production, that it is not a *specific relation of production*; then a condition is presupposed in which the production costs do not have the form of capital and where capital is not posited as the condition of production.

It is easy to understand how labour can increase use value; the difficulty is, how it can create exchange values greater than those with which it began.

Suppose that the exchange value which capital pays the worker were an exact equivalent for the value which labour creates in the production process. In that case, an increase in the exchange value of the product would be impossible. Everything which labour as such had brought into the production process, in addition to the already present value of the raw material and of the instrument of labour, would have been paid to the worker. In so far as the value of the product is a surplus over and above the value of raw material and instrument, that value would go to the worker; except that the capitalist would pay him this value in his wages, and that the worker pays it back to the capitalist in the product.

***Capital enters the cost of production as capital.* Interest-bearing capital. Proudhon**

<Interest on borrowed capital makes tangible the truth that what is meant by *the cost of production* – even by economists who make this assertion – is not the sum of values which enter into production. For the industrial capitalist, interest is among his direct expenses, his *real* costs of production. But interest itself already presupposes that capital emerges from production as surplus value, since interest is itself only *one form* of this surplus value. Therefore, since, from the standpoint of the borrower, interest already enters into his *direct production costs*, it is apparent that capital enters as such into the cost of production, but that capital as such is not the mere addition of its value-components. – As interest, capital itself appears again in the character of a *commodity*, but a commodity *specifically* distinct from all other commodities; *capital as such* – not as a mere sum of exchange values – enters into

circulation and becomes a *commodity*. Here, the character of the commodity is itself present as an *economic, specific* determinant, not irrelevant as in simple circulation, nor directly related to labour as its opposite, as its use value, as with industrial capital; [but, rather,] capital as it exists in its further aspects, after emerging from circulation and production. The commodity as capital; or capital as *commodity*, is therefore not exchanged for an equivalent in circulation; by entering into circulation, it *obtains its being-for-itself*; it obtains its original relation to its owner, even when it passes into the possession of another. It is therefore merely *loaned*. For its owner, its use value as such is its *realization* [*Verwertung*]; money as money, not as medium of circulation; its *use value as capital*. The demand raised by Mr Proudhon, that capital should not be loaned out and should bear no interest, but should be sold like a commodity for its equivalent, [33] amounts at bottom to no more than the demand that exchange value should never become capital, but always remain simple exchange value; that *capital* should *not exist as capital*. This demand, combined with the other, that wage labour should remain the general basis of production, reveals a happy confusion with regard to the simplest economic concepts. Hence the miserable role he plays in the polemic with Bastiat, about which, later. His chatter about considerations of fairness and right only amounts to this, that he wants to use the relation of property or of law corresponding to simple exchange as the measuring-rod for the relation of property and law at a higher stage of exchange value. Which is why Bastiat himself, unconsciously, stresses those moments of simple circulation which drive in the direction of capital. – Capital itself as commodity is *money as capital* or *capital as money*.>

<The third moment to be developed in the formation of the concept of capital is *original accumulation* [*ursprüngliche Akkumulation*] as against labour, hence the still objectless labour *vis-à-vis* accumulation. The *first moment* took its point of departure from value, as it arose out of and presupposed circulation. This was the *simple concept* of capital; money on the direct path to becoming capital; the *second moment* proceeded from capital as the presupposition and result of production; the *third moment* posits capital as a *specific unity* of circulation and production. (Relation between capital and labour, capitalist and worker itself [posited] as a result of the production

process.) A distinction is to be drawn between the accumulation of capitals, which presupposes capitals, the relation of capital as *present* [*daseiend*], which also presupposes its relations to labour, prices (fixed capital and circulating capital), interest and profit. [34] But in order to come into being, capital presupposes a certain accumulation; which is already contained in the independent antithesis between objectified and living labour; in the independent survival of this antithesis. This accumulation, necessary for capital to come into being, which is therefore already included in its concept as presupposition – as a moment – is to be distinguished essentially from the accumulation of capital which has already become capital, where there must already be *capitals*.>

<We have already seen so far that capital presupposes: (1) the production process in general, such as is common to all social conditions, that is, without historic character, *human*, if you like; (2) *circulation* which is already a specific *historic* product in each of its moments, and even more so in its totality; (3) *capital* as a *specific* unity of the two. Now, the extent to which the production process in general comes to be modified historically as soon as it becomes merely an element of capital has to be found out in the course of developing it; just as the simple conception of the specific characteristics of capital must yield its general historic presuppositions.>

<Everything else is empty chatter. Only at the end, and as a result of the whole development, can it become clear which aspects belong in the first section, ‘Production in General’, and which into the first section of the second section, ‘Exchange Value in General’. We already saw, for example, that the distinction between use value and exchange value belongs within economics itself, and that use value does not lie dead as a simple presupposition, which is what Ricardo makes it do. [35] The chapter on production objectively ends with the product as result; that on circulation begins with the *commodity*, which is itself again a *use value* and an *exchange value* (hence, also, distinct from both, a *value*), circulation as the unity of both – which is, however, merely formal and hence collapses into the commodity as mere object of consumption, extra-economic, and exchange value as independent money.>

Surplus value. Surplus labour time. – Bastiat on wages. Value of

labour. How determined? – Self-realization is self-preservation of capital. Capitalist may not live merely from his labour etc. Conditions for the self-realization of capital. Surplus labour time etc. – To the extent that capital is productive (as creator of surplus labour etc.), this only historic-transitory. – The free blacks in Jamaica. – Wealth which has gained autonomy requires slave labour or wage labour (forced labour in both cases)

The surplus value which capital has at the end of the production process – a surplus value which, as a higher price of the product, is realized only in circulation, but, like all prices, is realized in it by already being ideally *presupposed* to it, determined before they enter into it – signifies, expressed in accord with the general concept of exchange value, that the labour time objectified in the product – or amount of labour (expressed passively, the magnitude of labour appears as an amount of space; but expressed in motion, it is measurable only in time) – is greater than that which was present in the original components of capital. This in turn is possible only if the labour objectified in the price of labour is smaller than the living labour time purchased with it. The labour time objectified in capital appears, as we have seen, [36] as a sum consisting of three parts: (a) the labour time objectified in the raw material; (b) the labour time objectified in the instrument of labour; (c) the labour time objectified in the price of labour. Now, parts (a) and (b) remain unchanged as components of capital; while they may change their form, their modes of material existence, in the process, they remain unchanged as values. Only in (c) does capital exchange one thing for something qualitatively different; a given amount of objectified labour for an amount of living labour. If living labour reproduced only the labour time objectified in the labour price, this also would be merely formal, and, as regards value, the only change which would have taken place would have been that from one mode to another mode of the existence of the same value, just as, in regard to the value of the material of labour and the instrument, only a change of its mode of material existence has taken place. If the capitalist has paid the worker a price = one working day, and the worker's working day adds only one working day to the raw material and the instrument, then the capitalist would merely have exchanged exchange value in one form for exchange value in another. He would not have acted as capital. At the same time, the worker would not have remained within the simple exchange process; he would in fact have obtained the product of his labour in payment, except that the capitalist would have done him the favour of paying him the price of the product in advance of its realization [*Realisation*]. The capitalist would have advanced him credit, and free of charge at that, *pour le roi de Prusse*. [37] *Voilà tout*. No matter that for the worker the exchange between capital and labour, whose result is the price of labour, is a simple exchange; as far as the capitalist is concerned, it has to be a not-exchange. He has to obtain more value than he gives. Looked at from the capitalists' side, the exchange must be only *apparent*; i.e. must belong to an economic category other than exchange, or capital as capital and labour as labour in opposition to it would be impossible. They would be exchanged for one another only as identical exchange values existing in different material modes. – Thus the economists take refuge in this simple process in order to construct a legitimation, an apology for capital by explaining it with the aid of the very process which makes its existence impossible. In order to demonstrate it, they demonstrate it away. You pay me for my labour, you exchange it for its product and deduct from my pay the value of the raw material and instrument which you have furnished. That means we are *partners* who bring different elements into the process of production and exchange according to their values. Thus the product is transformed into money, and the money is divided in such a way that you, the capitalist, obtain the price of your raw material and your instrument, while I, the worker, obtain the price which my labour added to them. The benefit for you is that you now possess raw material and instrument in a form in which they are capable of being consumed (circulated); for me, that my labour has realized itself [*sich verwertet*]. Of course, you would soon be in the situation of having eaten up all your capital in the form of money, whereas I, as worker, would enter into the possession of both.

What the worker exchanges with capital is his labour itself (the capacity of disposing over it); he *divests himself of it* [*entäussert sie*]. What he obtains as price is the *value* of this divestiture [*Entäusserung*]. He exchanges value-positing activity for a predetermined value, regardless of the result of his activity. * Now how is its value determined? By the objectified labour contained in his commodity. This commodity exists in his vitality. In order to maintain this from one day to the next – we are not yet dealing with the working class, i.e. the replacement for wear and tear so that it can maintain itself as a class, since the worker here confronts capital as a *worker*, i.e. as a presupposed perennial subject [*Subjekt*], and not yet as a mortal individual of the working species – he has to consume a certain quantity of food, to replace his used-up blood etc. He receives no more than an equivalent. Thus tomorrow, after the completed exchange – and only after he has formally completed the exchange does he execute it in the process of production – his labouring capacity exists in the same mode as before: he has received an exact equivalent, because the price which he has obtained leaves him in possession of the same exchange value he had before. Capital has paid him the amount of objectified labour contained in his vital forces. Capital has consumed it, and because it did not exist as a thing, but as the capacity of a living being, the worker can, owing to the *specific* nature of his commodity – the specific nature of the life process – resume the exchange anew. Since we are dealing here not with any *particularly* qualified labour but with labour in general, simple labour, we are here not yet concerned with the fact that there is more labour objectified in his immediate existence than is contained in his mere vitality – i.e. the labour time necessary to pay for the products necessary to maintain his vitality – namely the values he has consumed in order to produce a specific *labouring capacity*, a special *skill* – and the value of these shows itself in the costs necessary to produce a similar labouring skill.

[*] One of Mr Bastiat's tremendous profundities is that *wage labour* is an inessential, only formal form, a form of association, which, *as such*, has nothing to do with the economic relation of labour and capital. If, he says, the workers were rich enough to be able to await the completion and sale of the product, then wages, wage labour, would not hinder them from making as advantageous a contract with their capitalist as their capitalist makes with another capitalist. Thus the evil lies not in the wage form, but in conditions independent of it. That these conditions are themselves the *wage condition* naturally does not occur to him. If the workers were capitalists at the same time, then indeed they would relate to non-working capital not as working workers, but as working capitalists – i.e. not in the form of wage-labourers. That is why wages and profit are *essentially* the same for him as *profit* and *interest*. This he calls the *harmony of economic relations*, namely that only *seemingly* economic relations exist, but in fact, in essence, there exists only one relation, that of simple exchange.

> The *essential* forms therefore appear to him as *lacking content*, i.e. not as real forms. [38]

If one day's work were necessary in order to keep one worker alive for one day, then capital would not exist, because the working day would then exchange for its own product, so that capital could not realize itself and hence could not maintain itself as capital. The self-preservation of capital is its self-realization. If capital also had to work in order to live, then it would not maintain itself as capital but as labour. Property in raw materials and instruments of labour would be merely *nominal*; economically they would belong to the worker as much as to the capitalist, since they would create *value* for the capitalist only in so far as he himself were a worker. He would relate to them therefore not as capital, but as simple material and means of labour, like the worker himself does in the production process. If, however, only half a working day is necessary in order to keep one worker alive one whole day, then the surplus value of the product is self-evident, because the capitalist has paid the price of only half a working day but has obtained a whole day objectified in the product; thus has exchanged *nothing* for the second half of the work day. The only thing which can make him into a capitalist is not exchange, but rather a process through which he obtains *objectified labour time*, i.e. *value*, without exchange. Half the working day costs capital nothing; it thus obtains a value for which it has given no equivalent. And the multiplication of values can take place only if a value in excess of the equivalent has been obtained, hence *created*.

Surplus value in general is value in excess of the equivalent. The equivalent, by definition, is only the identity of value with itself. Hence surplus value can never sprout out of the equivalent; nor can it do so originally out of circulation; it has to arise from the production process of capital itself. The matter can also be expressed in this way: if the worker needs only half a working day in order to live a whole day, then, in order to keep alive as a worker, he needs to work only half a day. The second half of the labour day is forced labour; surplus-labour. What appears as surplus value on capital's side appears identically on the worker's side as surplus labour in excess of his requirements as worker, hence in excess of his immediate requirements for keeping himself alive. The great historic quality of capital is to create this *surplus labour*, superfluous labour from the standpoint of mere use value, mere subsistence; and its historic destiny [*Bestimmung*] is fulfilled as soon as, on one side, there has been such a development of needs that surplus labour above and beyond necessity has itself become a general need arising out of individual needs themselves – and, on the other side, when the severe discipline of capital, acting on succeeding generations [*Geschlechter*], has developed general industriousness as the general property of the new species [*Geschlecht*] – and, finally, when the development of the productive powers of labour, which capital incessantly whips onward with its unlimited mania for wealth, and of the sole conditions in which this mania can be realized, have flourished to the stage where the possession and preservation of general wealth require a lesser labour time of society as a whole, and where the labouring society relates scientifically to the process of its progressive reproduction, its reproduction in a constantly greater abundance; hence where labour in which a human being does what a thing could do has ceased. Accordingly, capital and labour relate to each other here like money and commodity; the former is the general form of wealth, the other only the substance destined for immediate consumption. Capital's ceaseless striving towards the general form of wealth drives labour beyond the limits of its natural paltriness [*Naturbedürftigkeit*], and thus creates the material elements for the development of the rich individuality which is as all-sided in its production as in its consumption, and whose labour also therefore appears no longer as labour, but as the full development of activity itself, in which natural necessity in its direct form has disappeared; because a historically created need has taken the place of the natural one. This is why *capital is productive; i.e. an essential relation for the development of the social productive forces.* It ceases to exist as such only where the development of these productive forces themselves encounters its barrier in capital itself.

The Times of November 1857 contains an utterly delightful cry of outrage on the part of a West-Indian plantation owner. This advocate analyses with great moral indignation – as a plea for the re-introduction of Negro slavery – how the *Quashees* (the free blacks of Jamaica) content themselves with producing only what is strictly necessary for their own consumption, and, alongside this 'use value', regard loafing (indulgence and idleness) as the real luxury good; how they do not care a damn for the sugar and the fixed capital invested in the plantations, but rather observe the planters' impending bankruptcy with an ironic grin of malicious pleasure, and even exploit their acquired Christianity as an embellishment for this mood of malicious glee and indolence. [39] They have ceased to be slaves, but not in order to become wage labourers, but, instead, self-sustaining peasants working for their own consumption. As far as they are concerned, capital does not exist as capital, because autonomous wealth as such can exist only either on the basis of *direct* forced labour, slavery, or *indirect* forced labour, *wage labour*. Wealth confronts direct forced labour not as capital, but rather as *relation of domination* [*Herrschaftsverhältnis*]; thus, the relation of domination is the only thing which is reproduced on this basis, for which wealth itself has value only as gratification, not as wealth itself, and which can therefore never create *general industriousness.* (We shall return to this relation of slavery and wage labour.) [40]

Surplus value. *Ricardo. Physiocrats. A. Smith. Ricardo*

The difficulty of grasping the creation of value shows itself (1) in those modern English economists who accuse Ricardo of not having understood the surplus, the *surplus value* (see *Malthus on value*, who at least tries to proceed scientifically), [41] whereas, among all the economists, Ricardo alone understood it, as is demonstrated by his polemic against A. Smith's confusion of the determination of value by wages and by the labour time objectified in the commodity. The newcomers are just plain simpletons. However, Ricardo himself often gets into confusion, because, although he well understands that the creation of surplus value is the presupposition of capital, he often goes astray in conceiving the multiplication of values on any basis other than the investment of *additional objectified labour time* in the same product, in other words, on any basis other than when production becomes *more difficult*. Hence the absolute antithesis in his thinking between *value* and *wealth*. Hence the one-sidedness of his theory of ground rent; his erroneous theory of international trade, which is supposed to produce only use value (which he calls wealth), not exchange value. [42] The only avenue for the increase of values as such, apart from the *growing difficulty of production* (theory of rent), remains population growth (the natural increase among workers resulting from the growth of capital), although he himself never plainly summarized this relation. The basic mistake, that he never investigates where actually the distinction between the determination of value by wages and that by objectified labour comes from. Money and exchange itself (circulation) therefore appear only as purely formal elements in his economics; and although, according to him, economics is concerned *only* with exchange value, profit etc. appears there *only* as a percentage share of the product, which happens just as much on the basis of slavery. He never investigated the form of the mediation.

(2) *The Physiocrats.* Here the difficulty of grasping capital, the self-realization of value, hence the surplus value created by capital in the act of production, presents itself in tangible form, and this was necessarily so among the fathers of modern economics, just as was the case with the creation of surplus value in Ricardo, which he conceives in the form of rent, during the final classical conclusion of this economics. It is at bottom the question of the concept of capital and of wage labour, and therefore the fundamental question which presents itself at the threshold of the system of modern society. The Monetary System had understood the autonomy of value only in the form in which it arose from simple circulation – *money*; it therefore made this *abstract form* of wealth into the exclusive object [*Objekt*] of nations which were just then entering into the period in which the *gaining of wealth as such* appeared as the aim of society itself. Then came the Mercantile System, an epoch where industrial capital and hence wage labour arose in manufactures, and developed in antithesis to and at the expense of non-industrial wealth, of feudal landed property. [The Mercantilists] already have faint notions of money as capital, but actually again only in the form of money, of the circulation of *mercantile* capital, of capital which *transforms* itself into *money*. Industrial capital has value for them, even the highest value – as a means, not as wealth itself in its productive process – because it creates mercantile capital and the latter, via circulation, becomes money. Labour in manufactures – i.e. at bottom industrial labour, but agricultural labour was and appeared to them, in antithesis, as chiefly productive of use values; raw products, processed, are more valuable, because in a clearer form, likewise more suitable for circulation, commerce; creating more money for the mercantile form (in this regard the historic view of wealth of non-agricultural peoples such as Holland, for example,

in antithesis to that of the agricultural, feudal; agriculture did not appear at all in industrial form, but in feudal, hence as source of feudal, not of bourgeois wealth). Thus one form of wage labour, the industrial, and one form of capital, the industrial, were recognized as sources of wealth, but only in so far as they produced money. Exchange value itself therefore not yet conceived in the form of capital. Now the *Physiocrats*. They distinguish between capital and money, and conceive it in its general form as autonomous exchange value which preserves and increases itself in and through production. They also therefore examine the relation for itself, not merely as a moment of simple circulation, but rather as its presupposition which constantly rises out of it to become its presupposition again. They are therefore the fathers of modern economics. They also understand that the creation of surplus value by wage labour is the self-realization [*Selbstverwertung*], i.e. the realization [*Verwirklichung*] of capital. But how does labour act as a means to produce a surplus value out of capital, i.e. already-present value? Here they let the form drop altogether and only look at the simple production process. Hence only that labour can be productive which takes place in the kind of field where the natural force of the instrument of labour tangibly permits the labourer to produce more value than he consumes. Surplus value therefore does not arise from labour as such, but rather from the natural forces which labour uses and conducts – agriculture. This is therefore the only *productive labour*, for they have come so far that [they consider that] *only labour which creates surplus value is productive* (that surplus value has to express itself in a material product is a crude view which still occurs in A. Smith. [43] Actors are productive workers, not in so far as they produce a play, but in so far as they increase their employer's wealth. But what sort of labour takes place, hence in what form labour materializes itself, is absolutely irrelevant for *this relation*. It is not irrelevant, again, from later points of view); but this surplus value surreptitiously transforms itself into a quantity of use value coming out of production, larger than that which is consumed in it. This multiplication of use values, the excess of the product above that which has to serve as a means for new production – of which a part can therefore be consumed unproductively – appears tangibly only in the relation between the natural seed and its product. Only a part of the harvest has to be directly returned to the soil as seed; products found in nature, the elements air, water, earth, light, and added substances such as fertilizer, then recreate the seed again in multiplied quantity as grain etc. In short, human labour has only to conduct the chemical processes (in agriculture), and in part also to promote them mechanically, or promote the reproduction of life itself (cattle-raising) in order to obtain the surplus, i.e. to transform the identical natural substances from a useless into a valuable form. An over-abundance of agricultural products (grain, cattle, raw materials) is therefore the true form of general wealth. From the economic viewpoint, therefore, *rent* is the only form of wealth. Thus it is that the first prophets of capital conceive only the not-capitalists, the *feudal landed proprietors*, as the representatives of *bourgeois* wealth. The consequence, the levy of all taxes on rent, is then, however, entirely to the advantage of bourgeois capital. The bourgeois glorify feudalism in theory – many a feudal figure, like the elder Mirabeau [44] has been duped by this – only in order to ruin it in actual practice. All other values merely represent raw material + labour; labour itself represents grain or other products of the soil, which labour consumes; hence the factory worker etc. adds no more to the raw material than he consumes in raw materials. Therefore, his labour as well as his employer create no additional wealth – wealth being the surplus above the commodities consumed in production – but merely give it forms more pleasant and useful for consumption. At that time the utilization of natural energy in industry had not developed, nor the division of labour etc. which increases the natural force of labour itself. This was the case, however, in A. Smith's time. With him, therefore, labour in principle the source of value, likewise of wealth, but actually labour too posits surplus value only in so far as in the division of labour the surplus appears as just as much a gift of nature, a natural force of society, as the soil with the Physiocrats. Hence the weight A. Smith lays on the division of labour. *Capital*, on the other hand, appears to him – because, although he defines labour as productive of value, he conceives it as use value, as productivity for-itself [*für sich seiend*], as *human* natural force in general (this distinguishes him from the Physiocrats), but not as wage labour, not in its *specific* character as form in antithesis to capital – not as that which contains wage labour as its internal contradiction from its origin, but rather in the form in which it emerges from circulation, as money, and is therefore created out of circulation, by *saving*. Thus capital does not originally realize itself – precisely because the appropriation of alien labour [*fremde Arbeit*] is not itself included in its concept. Capital appears only *afterwards*, after already having been presupposed as *capital* – a vicious circle – as *command over alien labour*. Thus, according to A. Smith, labour should actually have its own product for wages, wages should be = to the product, hence labour should not be wage labour and capital not capital. Therefore, in order to introduce profit and rent as original elements of the cost of production, i.e. in order to get a surplus value out of the capitalist production process, he presupposes them, in the clumsiest fashion. The capitalist does not want to give the use of his capital for nothing; the landowner, similarly, does not want to give land and soil over to production for nothing. They want something in return. This is the way in which they are introduced, with their demands, as historical facts, but not explained. Wages are actually the *only economically* justifiable, because necessary, element of production costs. Profit and rent are only *deductions* from wages, arbitrarily wrested by force in the historical process by capital and landed property, and justified *by law*, not economically. But on the other side, since he [Adam Smith] then confronts labour with the means and materials of production in the form of landed property and capital, as independent entities, he has essentially posited labour as wage labour. Therefore contradictions. Hence his vacillation in the determination of value; the placing of profit and ground rent on the same level; erroneous views about the influence of wages on prices etc. Now Ricardo (see 1). [45] With him, however, wage labour and capital are again conceived as a natural, not as a historically specific social form [*Gesellschaftsform*] for the creation of wealth as use value; i.e. their form as such, precisely because it is natural, is *irrelevant*, and is not conceived in its *specific* relation to the form of wealth, just as wealth itself, in its exchange-value form, appears as a merely formal mediation of its material composition; thus the specific character of bourgeois wealth is not grasped – precisely because it appears there as the adequate form of wealth as such, and thus, although *exchange value* is the point of departure, the *specific economic forms of exchange* themselves play no role at all in his economics. Instead, he always speaks about distribution of the general product of labour and of the soil among the three classes, as if the form of wealth based on *exchange value* were concerned only with *use value*, and as if exchange value were merely a ceremonial form, which vanishes in Ricardo just as money as medium of circulation vanishes in exchange. Therefore, in order to bring out the true laws of economics, he likes to refer to this relation of money as a merely formal one. Hence also his weakness in the doctrine of money proper.

The exact development of the concept of capital [is] necessary, since it [is] the fundamental concept of modern economics, just as capital itself, whose abstract, reflected image [is] its concept [*dessen abstraktes Gegenbild sein Begriff*], [is] the foundation of bourgeois society. The sharp formulation of the basic presuppositions of the relation must bring out all the contradictions of bourgeois production, as well as the boundary where it drives beyond itself.

<It is important to note that wealth as such, i.e. bourgeois wealth, is always expressed to the highest power as exchange value, where it is posited as *mediator*, as the mediation of the extremes of exchange value and use value themselves. This intermediary situation [*Mitte*] always appears as the *economic* relation in its completeness, because it comprises the opposed poles, and ultimately always appears as a one-sidedly higher power *vis-à-vis* the extremes themselves; because the movement, or the relation, which *originally* appears as mediatory between the extremes necessarily develops dialectically to where it appears as mediation with itself, as the subject [*Subjekt*] for whom the extremes are merely its moments, whose autonomous presupposition it suspends in order to posit itself, through their suspension, as that which alone is autonomous. Thus, in the religious sphere, Christ, the mediator between God and humanity – a mere instrument of circulation between the two – becomes their unity, God-man, and, as such, becomes more important than God; the saints more important than Christ; the popes more important than the saints. Where it is posited as middle link, exchange value is always the total economic expression, itself one-sided against the extremes; e.g. money in simple circulation; capital itself as mediator between production and circulation. Within capital itself, one form of it in turn takes up the position of use value against the other as exchange value. Thus e.g. does industrial capital appear as producer as against the merchant, who appears as circulation. Thus the former represents the material [*stofflich*], the latter the formal side, i.e. wealth as wealth. At the same time, mercantile capital is itself in turn the mediator between production (industrial capital) and circulation (the consuming public)

or between exchange value and use value, where both sides are posited alternately, production as money and circulation as use value (consuming public) or the former as use value (product) and the latter as exchange value (money). Similarly within commerce itself: the wholesaler as mediator between manufacturer and retailer, or between manufacturer and agriculturalist, or between different manufacturers; he is the same mediator at a higher level. And in turn, in the same way, the commodity brokers as against the wholesalers. Then the banker as against the industrialists and merchants; the joint-stock company as against simple production; the financier as mediator between the state and bourgeois society, on the highest level. *Wealth as such* presents itself more distinctly and broadly the further it is removed from direct production and is itself mediated between poles, each of which, considered for itself, is already posited as economic form. Money becomes an end rather than a means; and the higher form of mediation, as capital, everywhere posits the lower as itself, in turn, labour, as merely a source of surplus value. For example, the bill-broker, banker etc. as against the manufacturers and farmers, which are posited in relation to him in the role of labour (of use value); while he posits himself toward them as capital, extraction of surplus value; the wildest form of this, the financier.>

Capital is direct unity of product and money or, better, of production and circulation. Thus it itself is again something *immediate*, and its development consists of positing and suspending itself as this unity – which is posited as a specific and therefore simple relation. The unity at first appears in capital as something *simple*.

<Ricardo’s reasoning is simply this: products are exchanged for one another – hence capital for capital – according to the amounts of objectified labour contained in them. A day’s work is always exchanged for a day’s work. This is presupposition. Exchange itself can therefore be entirely left out. The product – capital posited as product – is exchange value *in itself*, to which exchange merely adds form; formal form with him. The only question is now in what *proportions* this product is divided up and distributed. Whether these *proportions* are regarded as specific quotas of the presupposed exchange value, or of its content, material wealth, [is] the same thing. Moreover, since exchange as such is merely circulation – money as circulation – it is better to

abstract from it altogether, and to examine only the proportions of material wealth which have been distributed within the production process or because of it to the various factors. In the *exchange* form, all value etc. is merely *nominal*; it is real only in the form of the *proportion*. Exchange as a whole, to the extent that it creates no greater *material* variety, is *nominal*. Since a full day's work is always exchanged for a full day's work, the sum of *values* remains the same – the growth in the forces of production affects only the content of wealth, not its form. An increase of values can arise, therefore, only out of an increasing difficulty in production – and this can take place only where the forces of nature no longer afford an equal service to equal quantities of human labour, i.e. where the fertility of the natural elements decreases – in agriculture. The decline of profits is therefore caused by rent. [46] Firstly the false presupposition that a *full day's work* is always worked in all social conditions; etc. etc. (see above [47]).>

Surplus value and productive force. Relation when these increase. – Result. – Productive force of labour is productive force of capital. – In proportion as necessary labour is already diminished, the realization of capital becomes more difficult

We have seen: The worker needs to work only e.g. half a working day in order to live a whole one; and hence to be able to begin the same process again the next day. Only half a day's work is objectified in his labouring capacity – to the extent that it exists in him as someone *alive*, or as a *living* instrument of labour. The worker's entire living day (day of life) is the static result, the objectification of half a day's work. By appropriating the entire day's work and then consuming it in the production process with the materials of which his capital consists, but by giving in exchange only the labour objectified in the worker – i.e. half a day's work – the capitalist creates the surplus value of his capital; in this case, half a day of objectified labour. Now suppose that the productive powers of labour double, i.e. that the same labour creates double the *use value* in the same time. (For the moment, use value is defined in the present relation as only that which the worker consumes in order to stay alive as a worker; the quantity of the means of life for which, through the mediation of money, he exchanges the labour objectified in his living labouring capacity.) The worker would then have to work only 1/4 day in order to live a full day; the capitalist then needs to give the worker only 1/4 day's objectified labour in exchange, in order to increase his surplus value in the production process from 1/2 to 3/4; so that he would gain 3/4 day's objectified labour instead of 1/2. At the end of the production process, the value of the capital would have risen by 3/4 instead of by 2/4. Thus the capitalist would have to make the workers work only 3/4 day, in order to add the same surplus value – that of 1/2 or 2/4 objectified labour – to his capital. However, as representative of the general form of wealth – money – capital is the endless and limitless drive to go beyond its limiting barrier. Every boundary [*Grenze*] is and has to be a barrier [*Schranke*] for it. [48] Else it would cease to be capital – money as self-reproductive. If ever it perceived a certain boundary not as a barrier, but became comfortable within it as a boundary, it would itself have declined from exchange value to use value, from the general form of wealth to a specific, substantial mode of the same. Capital as such creates a specific surplus value because it cannot create an infinite one all at once; but it is the constant movement to create more of the same. The quantitative boundary of the surplus value appears to it as a mere natural barrier, as a necessity which it constantly tries to violate and beyond which it constantly seeks to go. * Therefore (quite apart from the factors entering in later, competition, prices etc.) the capitalist will make the worker work not only 3/4 day, because the 3/4 day bring him the *same surplus value* as the whole day did before, but rather he will make him work the full day; and the increase in the productive force which allows the worker to work for 1/4 day and live a whole day now expresses itself simply in that he now has to work 3/4 day for capital, whereas before he worked for it only 2/4 day. The increased productive force of his labour, to the extent that it is a shortening of the time required to replace the labour objectified in him (for use value, subsistence), appears as a lengthening of the time he labours for the realization of capital (for exchange value). From the worker's standpoint, he now has to do a surplus labour of 3/4 day in order to live a full day, while before he only had to do a surplus labour of 2/4 day. The increase, the doubling of the productive force, has increased his surplus labour by 1/4 [day]. One remark here: the productive force has doubled, the surplus labour the worker has to do has not doubled, but has only grown by 1/4 [day]; nor has capital's surplus value doubled; but it, too, has grown by only 1/4 [day]. This shows, then, that surplus labour (from the worker's standpoint) or surplus value (from capital's standpoint) does not grow in the same numerical proportion as the productive force. Why? The doubling in the productive force is the reduction of necessary labour (for the worker) by 1/4 [day], hence also the [increase of the] production of surplus value by 1/4, because the original relation was posited as 1/2. If the worker had to work, originally, 2/3 day in order to live one full day, then the surplus value would have been 1/3, and the surplus labour the same. The doubling in the productive force of labour would then have enabled the worker to restrict his necessary labour to half of 2/3 or 2/(3 × 2), 2/6 or 1/3 day, and the capitalist would have gained 1/3 [day] of value. But the total surplus labour would have become 2/3 [day]. The doubling of the productive force, which resulted in 1/4 [day] surplus value and surplus labour in the first example, would now result in 1/3 [day] surplus value or surplus labour. The multiplier of the productive force – the number by which it is multiplied – is therefore not the multiplier of surplus labour or of surplus value; but rather, if the original relation of the labour objectified in the labour price was 1/2 of the labour objectified in 1 working day, which always appears as the limit, † then the doubling is equal to the division of 1/2 by 2 (in the original relation), i.e. 1/4. If the original relation was 2/3, then the doubling equals the division of 2/3 by 2 = 2/6 or 1/3. The multiplier of the productive force is thus never the multiplier but always the divisor of the original relation, not the multiplier of its numerator but of its denominator. If it were the former, then the multiplication of the productive force would correspond to the multiplication of the surplus value. Instead, the surplus value is always equal to the division of the original relation by the multiplier of the productive force. If the original relation was 8/9, i.e. the worker needs 8/9 of a working day to live, so that capital gains only 1/9 in its exchange with living labour, if surplus labour equals 1/9, then the worker can now live from half of 8/9 of a working day, i.e. with 8/18 = 4/9 (whether we divide the numerator or multiply the denominator the same thing), and the capitalist, who orders a full day’s work, would have a total surplus value of 4/9 working day; subtracting the original surplus value of 1/9 from this leaves 3/9 or 1/3. The doubling of the productive force therefore = here an increase in surplus value or surplus time by 1/3. This is simply because the surplus value is always equal to the relation between the whole working day and that part of the working day necessary to keep the worker alive. The unit in which surplus value is calculated is always a fraction, i.e. the given part of a day which exactly represents the price of labour. If that is = 1/2, then the increase in the productive force = the reduction of necessary labour to 1/4; if it is = 1/3, then reduction of necessary labour to 1/6; hence in the first, the total surplus value = 3/4; in the second = 5/6; the relative surplus value, i.e. relative to that present before, in the first case = 1/4, in the second = 2/6 or 1/3. Therefore the value of capital does not grow in the same proportion as the productive force increases, but in the proportion in which the increase in the productive force, the multiplier of productive force, divides the fraction of the working day which expresses the part of the day belonging to the worker. The extent to which the productive force of labour increases the value of capital thus depends on the original relation between the portion of labour objectified in the worker and his living labour. This portion is always expressed as a fractional part of the whole working day, 1/3, 2/3, etc. The increase in productive force, i.e. its multiplication by a given amount, is equal to a division of the numerator or the multiplication of the denominator of this fraction by the same amount. Thus the largeness or smallness of the increase of value depends not only on the number which expresses the multiplication of the productive force, but equally on the previously given relation which makes up the part of the work day belonging to the price of labour. If this relation is 1/3, then the doubling of the productive force of the working day = a reduction of the same to 1/6; if it is 2/3, then reduction to 2/6. The objectified labour contained in the price of labour is always equal to a fractional part of the whole day; always arithmetically expressed as a fraction; always a relation between numbers, never a simple number. If the productive force doubles, multiplies by 2, then the worker has to work only 1/2 of the previous time in order to get the price of labour out of it; but how much labour time he still needs for this purpose depends on the first, given relation, namely on the time which was required before the increase in productive force. The multiplier of the productive force is the divisor of this original fraction. Value or surplus labour therefore does not increase in the same numerical relation as productive force. If the original relation is 1/2 and the productive force is doubled, then the *necessary* (for the worker) labour time reduces itself to 1/4 and the surplus value grows by only 1/4. If the productive force is quadrupled, then the original relation becomes 1/8 and the value grows by only 1/8. The value can never be equal to the entire working day; i.e. a certain part of the working day must always be exchanged for the labour objectified in the worker. Surplus value in general is only the relation of living labour to that objectified in the worker; *one member of the relation must therefore always remain*. A certain relation between increase in productive force and increase of value is already given in the fact that the relation is constant as a relation, although its factors vary. We see therefore, on one side, that relative surplus value is exactly equal to relative surplus labour; if the working day was 1/2 and the productive force doubles, then the part belonging to the worker, *necessary labour*, reduces itself to 1/4 and the new value is also exactly 1/4; but the total value is now 3/4. While surplus value rose by 1/4, i.e. in the relation of 1:4, the total surplus value = 3/4 = 3:4. Now if we assume that 1/4 was the original *necessary* working day, and a doubling in productive force took place, then necessary labour is reduced to 1/8 and surplus labour or surplus value exactly = 1/8 = 1:8. The total surplus value by contrast = 7:8. In the first example the original total surplus value = 1:2 (1/2) and then rose to 3:4; in the second case the original total surplus value was 3/4 and has now risen to 7:8 (7/8). In the first case it has grown from 1/2 or 2/4 to 3/4; in the second from 3/4 or 6/8 to 7/8; in the first case by 1/4, in the second by 1/8; i.e. in the first case it rose twice as much as in the second: but in the first case the total surplus value is only 3/4 or 6/8 while it is 7/8 in the second, i.e. 1/8 more.

[*] The barrier appears as an accident which has to be conquered. This is apparent on even the most superficial inspection. If capital increases from 100 to 1,000, then 1,000 is now the point of departure, from which the increase has to begin; the tenfold multiplication, by 1,000% counts for nothing; profit and interest themselves become capital in turn. *What appeared as surplus value now appears us simple presupposition etc.*, as included in its *simple composition.*

[†] Messrs the manufacturers have, however, also prolonged it into the night, *ten hours' bill*. See the report of Leonard Horner. [49] The working day itself does not recognize daylight as a limit; it can be lengthened *deep into the night*; this belongs to the chapter on *wages*.

Let *necessary labour* be 1/16, then total surplus value = 15/16; which was 5/8 = 10/16 in the previous relation; thus the total surplus value presupposed is by 5/16 higher than in the previous case. [50] Now let the productive force double, then necessary labour = 1/32; which was previously = 2/32 (1/16); hence surplus time has risen by 1/32, surplus value by the same proportion. As regards the total surplus value, which was 15/16 or 30/32, this is now 31/32. Compared to the earlier relation (where *necessary* labour was 1/4 or 8/32), the total surplus value is now 31/32, whereas it was only 30/32 earlier, hence grew by 1/32. But regarded relatively, the doubling of production increased it in the first case by 1/8 or 4/32, while it has now increased by only 1/32, i.e. by 3/32 less.

If *necessary labour* had already been reduced to 1/1,000, then the total surplus value would be = 999/1,000. Now if the productive force increased a thousandfold, then necessary labour would decline to 1/1,000,000 working day and the total surplus value would amount to 999,999/1,000,000 of a working day; whereas before this increase in productive force it amounted to only 999/1,000 or 999,000/1,000,000; it would thus have grown by 999/1,000,000 = 1/11 (with the addition of 1/(11 + 1/999), [51] i.e. the thousandfold increase in productive force would have increased the total surplus by not even 1/11, i.e. not even by 3/33, whereas in the previous case it rose by 1/32 owing to a mere doubling of the productive force. If necessary labour falls from 1/1,000 to 1/1,000,000, then it falls by exactly 999/1,000,000 (for 1/1,000 = 1,000/1,000,000), i.e. by the surplus value.

If we summarize this, we find:

Firstly: The increase in the productive force of living labour increases the *value* of capital (or diminishes the value of the worker) not because it increases the quantity of products or use values created by the same labour – the productive force of labour is its natural force – but rather because it diminishes *necessary* labour, hence, in the same relation as it diminishes the former, it creates *surplus labour* or, what amounts to the same thing, surplus value; because the surplus value which capital obtains through the production process consists only of the excess of surplus labour over *necessary labour*. The increase in productive force can increase surplus labour – i.e. the excess of labour objectified in capital as product over the labour objectified in the exchange value of the working day – only to the extent that it diminishes the relation of *necessary labour* to *surplus labour*, and only in the proportion in which it diminishes this relation. Surplus value is exactly equal to surplus labour; the increase of the one [is] exactly measured by the diminution of *necessary labour*.

Secondly: The surplus value of capital does not increase as does the multiplier of the productive force, i.e. the amount to which the productive force (posited as unity, as multiplicand) increases; but by the surplus of the fraction of the living work day which originally represents necessary labour, in excess over this same fraction divided by the multiplier of the productive force. Thus if *necessary labour* = 1/4 of the living work day and the productive force doubles, then the value of capital does not double, but grows by 1/8; which is equal to 1/4 or 2/8 (the original fraction of the work day which represents necessary labour) − 1/4 divided by 2, or = 2/8 minus 1/8 = 1/8. (That value doubles itself can also be expressed, it grows 4/2 [-fold] or 16/8 [-fold]. Its growth would relate to that of the productive force by 1:16. (That is it!) [52] If the fraction was 1/1,000 and the productive force increases a thousandfold, then the value of capital does not grow a thousandfold, but rather by far less than 1/11; it grows by 1/1,000 − 1/1,000,000, i.e. by 1,000/1,000,000 − 1/1,000,000 = 999/1,000,000.)

Thus the *absolute sum* by which capital increases its value through a given increase of the productive force depends on the *given fractional part* of the working day, on the fractional part of the working day which represents *necessary labour*, and which therefore expresses the original relation of necessary labour to the living work day. The increase in productive force in a given relation can therefore increase the value of capital differently e.g. in the *different countries*. A general increase of productive force in a given relation can increase the value of capital differently in the different branches of industry, and will do so, depending on the different relation of *necessary labour* to the living work day in these branches. This relation would naturally be the same in all branches of business in a system of free competition, if labour were simple labour everywhere, hence *necessary labour* the same. (If it represented the same amount of objectified labour.)

Thirdly: The larger the surplus value of capital *before the increase of productive force*, the larger the amount of presupposed surplus labour or surplus value of capital; or, the smaller the fractional part of the working day which forms the equivalent of the worker, which expresses necessary labour, the smaller is the increase in surplus value which capital obtains from the increase of productive force. Its surplus value rises, but in an ever smaller relation to the development of the productive force. Thus the more developed capital already is, the more surplus labour it has created, the more terribly must it develop the productive force in order to realize itself in only smaller proportion, i.e. to add surplus value – because its barrier always remains the relation between the fractional part of the day which expresses *necessary labour*, and the entire working day. It can move only within these boundaries. The smaller already the fractional part falling to *necessary labour*, the greater the *surplus labour*, the less can any increase in productive force perceptibly diminish necessary labour; since the denominator has grown enormously. The self-realization of capital becomes more difficult to the extent that it has already been realized. The increase of productive force would become irrelevant to capital; realization itself would become irrelevant, because its proportions have become minimal, and it would have ceased to be capital. If necessary labour were 1/1,000 and the productive force tripled, then it would fall to only 1/3,000 or surplus labour would have increased by only 2/3,000. But this happens not because wages have increased or the share of labour in the product, but because it has *already* fallen so low, regarded in its relation to the product of labour or to the living work day. *

> * The labour objectified in the worker here shows itself as a fraction *of his own living work day*; for that is the same as [the proportion] in which the objectified labour which he obtains from capital as wages stands to the entire working day.

(All these statements correct only in this abstraction for the relation from the present standpoint. Additional relations will enter which modify them significantly. The whole, to the extent that it proceeds entirely in generalities, *actually already belongs in the doctrine of profit.*)

So much in general for the time being: the development of the productive force of labour – first the positing of surplus labour – is a necessary condition for the growth of value or the realization of capital. As the infinite urge to wealth, it strives consistently towards infinite increase of the productive forces of labour and calls them into being. But on the other hand, every increase in the productive force of labour – leaving aside the fact that it increases the use values for the capitalist – is an increase in the productive force of capital and, from the present standpoint, is a productive force of labour only in so far as it is a productive force of capital.

Concerning increases in the value of capital

This much is already clear, can at least be mentioned in anticipation: the increase in the productive force does not in and by itself increase prices. For example the bushel of wheat. If a half of a working day objectifies itself in one bushel of wheat, and if this is the worker’s price, then the surplus labour can only produce 2 bushels of wheat. Thus 2 bushels of wheat [is] the value of one working day, and if that = 26s. in money, = 26s. Each bushel = 13s. Now if the productive force doubles, then the bushel of wheat no more than = 1/4 working day; = 6 1/2s. With the productive force, the price of this fractional part of the commodity fell. But the total price remained; but now a surplus of 3/4 working day. Every fourth = 1 bushel wheat = 6 1/2s. Thus the total product = 26s. = 4 bushels. Same as before. The value of the capital increased from 13s. to 19 1/2s. The value of labour diminished from 13s. to 6 1/2s.; material production rose from 2 bushels to 4. Now 19 1/2. [53] Now, if the force of production were to double also in gold production, so that, if 13s. were the product of half a working day and this half a day were the *necessary labour* before; now 1/4 [working day] produces 52s. or 52 − 13 = 39s. more. 1 bushel of wheat now = 13s.; the same fractional price afterwards as before; but the total product = 52s.; before only = 26s. On the other hand, the 52s. would now buy 4 bushels, while the 26, earlier, bought only 2.

Well. First of all it is clear that if capital has already raised surplus labour to the point where the entire living work day is consumed in the production process (and we here assume the working day to be the natural amount of labour time which the worker is able to put at the disposal of capital; this is always only for a *specific time*, i.e. *specific labour time*), then an increase in the productive force cannot increase labour time, nor, therefore, objectified labour time. The product objectifies one working day, whether the necessary time of labour is represented by 6 or 3 hours, by 1/2 or 1/4 of the working day. The surplus value of capital has grown; i.e. its value relative to the worker – for if it was only = 2/4 before, it is now = to 3/4 of objectified labour time; but its value increased not because the *absolute* but because the *relative amount of labour* grew; i.e. the total amount of labour did not grow; the working day is as long before as after; hence no absolute increase in surplus time (surplus labour time); rather the *amount of necessary labour decreased*, and that is how relative surplus labour increased. The worker in fact worked a whole day before, but only 1/2 day of surplus time; afterwards, as before, he works the whole day, but 3/4 of a day of surplus time. To that extent, therefore, the price (presupposing this as its gold and silver value), or the exchange value of capital, has not increased with the doubling of the productive force. This therefore concerns the *rate of profit*, not the price of the product or the value of the capital, which became a commodity again in the product. But in fact the absolute values also increase in this manner, because that part of wealth which is posited as capital – as self-realizing value – also increases. (*Accumulation of capitals*.) Take our earlier example. Let *capital* = 100 thalers, and let it decompose in the production process into the following parts: 50 thalers cotton, 40 thalers wages, 10 thalers instrument. Assume at the same time, in order to simplify the arithmetic, that the entire instrument of labour is consumed in one act of production (and this is quite beside the point here, so far), so that its entire value would reappear in the form of the product. Suppose in this case that the 40 thalers which go to labour express a labour time objectified in living labouring capacity of, say, 4 hours, giving capital 8 hours. Presupposing the instrument and the raw material, the total product would amount to 100 thalers, if the worker works only 4 hours, i.e. if the raw material and the instrument were his property and he worked for 4 hours only. He would increase the 60 thalers by 40, which he could consume, since firstly he replaces the 60 thalers in raw material and instrument required for production, and then adds a surplus value of 40 thalers as reproduction of his own living labour capacity or of the time objectified in him. He could repeat the work again and again, since he would have reproduced the value of the raw material and of the instrument as well as of the labouring capacity; the latter by constantly increasing the value of the former by 4 hours of objectified labour. But now let him receive the 40 thalers in wages only by working 8 hours, so that he would add to the material and instrument of labour, which now confront him as capital, a surplus value of 80 thalers; while the former surplus value of 40 thalers, which he added, is only exactly the value of his labour. He would thus add a surplus value exactly = to the surplus labour or surplus time. * The value of capital would thus have increased from 100 thalers to 140. †

* It is not in the least necessary at this point to assume that the material and instrument also has to increase along with surplus labour or surplus time. How surplus labour by itself increases the raw material, see Babbage, e.g. the working of gold wire etc. [54]

† Assume further that raw material doubles and the instrument of labour (for the sake

> of simpler arithmetic) increases by one-half. Then capital costs would amount to 100 thalers cotton, 20 thalers instrument, i.e. 120 thalers; for labour, now as then, 40 thalers; altogether 160 thalers. If a surplus labour of 4 hours increases 100 thalers by 40%, then it increases 160 thalers by 64 thalers. Hence the total product = 224 thalers. We here have presupposed, further, that the rate of profit does not vary with the size of capital; and material and instrument of labour are not regarded as being themselves realizations, capitalizations of surplus labour; as we saw, the greater the already posited surplus time, i.e. the size of capital as such, the more is it presupposed that an *absolute increase of labour time* is impossible, and that a relative increase, resulting from an increase in the productive force, declines in geometric proportion.

Now, capital regarded as simple exchange value would be absolutely greater, 140 thalers instead of 100; but in fact, a new value would merely have been created, i.e. a value which is not merely necessary to replace the 60 thalers in advances for the materials and the instrument of labour and the 40 thalers for labour, a new value of 40 thalers. The values in circulation would have been increased by 80 thalers, by 40 thalers of additional objectified labour time.

Now assume the same presupposition. 100 thalers capital; specifically, 50 for cotton, 40 for labour, 10 for instrument of production; let the surplus labour time remain as before, i.e. 4 hours, and the total labour time 8 hours. Thus in all cases the product only = 8 hours labour time = 140 thalers. Now suppose the productive force of labour doubles; i.e. 2 hours would be enough for the worker to realize raw materials and instrument to the extent required to maintain his labouring capacity. If 40 thalers were an objectified labour time of 4 hours, then 20 thalers would be the objectified labour time of 2 hours. These 20 thalers now express the same use value as the 40 thalers before. The exchange value of labouring capacity has diminished by half, because half of the original labour time creates the same use value, while the exchange value of the use value is measured purely by the labour time objectified in it. But the capitalist makes the workers work 8 hours now as before, and his product therefore represents now as before a labour time of 8 hours = 80 thalers of labour time, while the value of raw material and material remain the same, namely 60 thalers; altogether, as before, 140 thalers. (In order to live, the worker himself would have had to add to the 60 thalers of raw material and instrument a value of no more than 20 thalers, he would thus have created a value of only 80 thalers. The total value of his product would have diminished, by the doubling of production, from 100 to 80, by 20 thalers, i.e. by 1/5 of 100 = 20%.) But the surplus time or surplus value for capital is now 6 hours instead of 4, or 60 thalers instead of 40. Its increment is 2 hours, 20 thalers. His accounts would now show the following: for raw material, 50; for labour, 20; for instrument, 10; costs = 80 thalers. Gain = 60 thalers. Now as before he would sell the product for 140 thalers, but would show a gain of 60 thalers instead of 40 as before. On one side, therefore, he throws only the same exchange value into circulation as before, 140 thalers. But the surplus value of his capital has grown by 20 thalers. Accordingly, only the share he gets of the 140 thalers [is] the rate of his profit. The worker in fact worked 2 hours more for him free of charge, i.e. 6 hours instead of 4, and this is the same for him as if he had worked 10 hours instead of 8 in the earlier relation, had increased his *absolute labour time*. But indeed a *new value* has arisen also; namely 20 additional thalers are posited as *autonomous* value, as objectified labour which has become free, unbound from the task of serving only in exchange for earlier labour power [*Arbeitskraft*]. This can present itself in two ways. Either the 20 thalers set as much additional labour into motion as becomes *capital* and creates larger exchange value: make more objectified labour into the point of departure for the new production process; or the capitalist exchanges the 20 thalers as money for commodities other than those which he needs in its production as industrial capital; all commodities other than labour and money themselves thus are exchanged for 20 more thalers, for 2 more hours of objectified labour time. Their *exchange value* has thus increased by just this *liberated sum*. In fact, 140 thalers are 140 thalers, as the very ‘perceptive’ French publisher of the Physiocrats remarks against Boisguillebert. [55] But it is false that these 140 thalers only represent more use value; they represent a greater amount of *independent exchange value,* of *money*, of *latent capital*; i.e. of wealth posited as *wealth*. The economists themselves admit this later when they allow the accumulation of capitals to accumulate not only the mass of use values, but that of *exchange values* too; for, according to Ricardo himself, the element of the accumulation of capitals is posited just as completely with relative surplus labour as with absolute – impossible any other way. [56] On the other side, it is already implicit in the thesis best developed by Ricardo, that these excess 20 thalers, which are created purely by the increase in productive force, can become capital again.

Earlier, only 40 of the 140 thalers (leaving capital's consumption aside for now) could become new capital; 100 do not become capital but remain capital; now 60 [can], i.e. the present capital is greater by an exchange value of 20 thalers. Thus, exchange value, *wealth as such*, has increased, although the total sum of the same has not directly increased. Why has it increased? Because that part of the total sum has increased which was not a mere medium of circulation, but money; or which was not merely equivalent, but *exchange value for-itself* [*für sich seiend*]. Either the liberated 20 thalers were accumulated as money, i.e. added to the stock of exchange values in general (abstract) exchange value form; or they all circulated, and then the prices of the commodities bought with them rise; they all represent more money, as well as, since the production cost of gold has not fallen (rather, risen relative to the commodity produced by the more productive capital), more objectified labour (because of this, the excess production, which at first only appeared on the side of the one producing capital, now appears on the side of the others, which produce the more expensive commodities); or the 20 thalers are directly used up as capital by the originally circulating capital. Thus a new capital of 20 thalers is posited – a sum of self-preserving and self-realizing wealth. Capital has risen by the exchange value of 20 thalers. (Circulation actually does not yet concern us here, since we are here dealing with capital in general, and circulation can only mediate between capital in the form of money and capital in its form as capital; the first capital may realize money as such, i.e. exchange it for commodities, consume more than before; but in the hand of the producer of these commodities this money becomes capital. Thus it becomes capital directly in the hands of the first capital, or, via a detour, [in those] of another capital. But the other capital is always in turn capital as such; and we are concerned here with *capital as such*, [let us] say the capital of the whole society. The differentiation etc. of capitals does not concern us yet.) In general, these 20 thalers can appear only in a double form. As money, so that capital again exists in the character of money which has not yet become capital – its point of departure; the abstract-autonomous form of exchange value or of general wealth; or itself in turn as capital, as a new domination of objectified labour over living labour. * (Every increase in the mass of capital employed can increase the *productive force* not only at an arithmetical but at a geometrical rate; although it can increase profit at the same time – as increase of productive force – only at a much lower rate. The influence of the increase of capital on the increase of productive force is thus infinitely greater than that of the increase of the productive force on the growth of capital.) As general wealth, materialized in the form of money (of the thing, in its mere abstractness), or of *new* living labour. The capitalist consumes, say, 20 of the 140 thalers as use values for himself, through the mediation of money as means of circulation. Thus, in the first presupposition, he could begin the process of self-realization only with a larger capital, a larger use value of 120 (as against 100). After the doubling in the productive forces, he can do it with 140 thalers without restricting his consumption. A larger part of the exchange values solidifies as exchange value, instead of vanishing in use value (whether it solidifies as such, through production, directly or indirectly). To create a larger capital means to create a larger exchange value; although exchange value in its *direct form* as simple exchange value has not been increased by the growth of productivity, it has in its intensified form as *capital*. This larger capital of 140 thalers represents, absolutely, more objectified labour than the earlier capital of 120 thalers. It therefore also, at least relatively, sets more living labour into motion and therefore also ultimately reproduces more simple exchange value. The capital of 120 thalers at 40% produced a product or simple exchange value of 60 thalers at 40%; the capital of 140 thalers a simple exchange value of 64 thalers. Here, then, the increase in exchange value in the form of capital is still posited directly as an increase in exchange value in its simple form. It is of the highest importance to remember this. It is not enough to say, like Ricardo, that exchange value does not increase; i.e. the abstract form of wealth; but only exchange value as capital. [57] In saying this he is looking only at the original production process. But if relative surplus labour increases – and capital therefore increases absolutely – then there is necessarily also an increase within circulation also of *relative exchange value existing as exchange value*, money as such, and therefore, through the mediation of the production process, *absolute exchange value*. In other words, of this same amount of exchange value – or money – and the product of the realization process appears in this simple form – the product is surplus value only relative to capital, to value such as it existed before the production process; for itself, regarded as an independent existence, it is merely *quantitatively defined* *exchange value* – a part has become liberated, which does not exist as equivalent for already present exchange values or for already present labour time. If it is exchanged for those already present, it gives them not an equivalent but more than an equivalent, and thus liberates a part of the exchange value on their side. In a static state, this liberated exchange value by which society has become richer can only be money, in which case only the abstract form of wealth has increased; [is] in motion: [it] can realize itself only in *new* living labour (whether labour which had been dormant is set into motion, or *new workers* are created (population [growth] is accelerated) or again a new circle of exchange values, of exchange values in circulation, is expanded, which can occur on the production side if the liberated exchange value opens up a *new branch of production*, i.e. a new object of exchange, objectified labour in the form of a new use value; or the same is achieved when objectified labour is put in the sphere of circulation in a new country, by an expansion of trade). The latter must then be created.

* In the example given, the productive force has doubled, risen by 100%, the value of capital has risen by 20%.

The form in which Ricardo attempts to clarify the matter for himself (and he is very unclear in this regard) says at bottom nothing more than that he just introduces a certain relation, instead of saying, simply, that out of the same sum of simple exchange values a smaller part posits itself in the form of simple exchange value (equivalent) and a larger part in the form of money (money as the original, antediluvian form out of which capital always arises anew; money in its character as money, not as coin etc.); that therefore the part posited *as* exchange value for-itself, i.e. as *value*, increases, i.e. *wealth in the form of wealth* (whereas he comes to just the mistaken conclusion that it increases only in the form of material, physical wealth as use value). The origin of *wealth as such*, in so far as it arises not from *rent*, i.e., according to him, not from the *increase* in productive force, but rather from the *decrease of the same*, is therefore *totally incomprehensible* to him, and he entangles himself in the wildest contradictions. Let us take the form of the matter. [58] Capital 1,000 sets 50 workers into motion; or 50 living work days; through a doubling of the productive force, it could set 100 working days into motion. But these latter do not exist in the presupposition, and are introduced arbitrarily, because otherwise – unless *more real working days* are introduced – he does not grasp the increase in exchange value which arises from increased productivity. At the same time, the *growth of population* is never *developed* by him as an *element in the increase* of exchange values; never clearly and definitely stated. Let the presupposition be capital 1,000 and workers 50. The correct deduction, which he himself *also draws* (see Notebook) [59] : capital 500 with 25 workers can produce the same use value as before; the other 500 with the other 25 workers establish a new business and likewise produce an exchange value of 500. The profit remains the same, since it arises not from the exchange of 500 for 500, but from the proportions in which profit and wages originally divide in the 500, and since exchange deals in equivalents, which can no more increase value than *external trade* can, which Ricardo explicitly demonstrates. Since the exchange of equivalents just means nothing more than that the value in the hands of *A* before the exchange with *B* still exists in his hands after the exchange with *B*. The total value or wealth has remained the same. Use value, however, or the *material of wealth*, has doubled. Now, there is absolutely no reason here why *wealth* should grow as *wealth, exchange value as such* – as far as the *increase in the productive forces* is concerned. If the productive forces again double in both branches, then capital *A* can again divide into two of 250 with 12 1/2 working days each, capital *B* can do the same. [60] There are now four capitals with the same total exchange value of £1,000, consuming 50 living work days as before, [*] producing four times as much use value as before the doubling of consumption value. Ricardo is too classical to commit absurdities, like those who claim to improve on him, who derive the larger value after the increase in productive force from one party selling at a higher price within circulation. As soon as the capital of 500 has become commodity, simple exchange value, instead of exchanging it for 500, he exchanges it for 550 (at 10%), but then the other party obviously only gets 450 in exchange value instead of 500 and the total sum remains 1,000 as before. This happens often enough in commerce, but explains the profit made by one capital only by the loss of the other capital, and not *the* profit of *capital*; and without this presupposition there can be profit neither on one nor on the other side. Ricardo's process can therefore go on without any other limit than the *increase* *of the productive force* (and this is again physical, located outside the *economic relation* itself) possible with a capital of 1,000 and 50 workers. See the following passage: 'Capital is that part of the wealth of a country which is employed with a view to future production, *and may be increased in the same manner as wealth*.' [61] (*Wealth* for him the abundance of use values; and, seen from the standpoint of simple exchange, the identical objectified labour can express itself in limitless use values and constantly remain *the same exchange value*, as long as it remains the same amount of objectified labour, for its *equivalent* is measured not by the mass of use value in which it exists, but rather by its own amount.) 'An *additional capital* will be equally efficacious in the formation of future wealth, whether it be obtained from improvements of skill or machinery, or from using more revenue productively; for wealth' (use value) 'always depends on the *quantity* of commodities produced' (also somewhat on their variety, it seems), 'without regard to the facility with which the instruments employed in production may have been produced' (i.e. the labour time objectified in them). 'A certain quantity of clothes and provisions will maintain and employ the same number of men; but they will be of twice the value' (*exchange value*) 'if 200 have been employed on their production.' If, owing to an increase in the productive force, 100 produce as much in use values as 200 earlier, then: 'of the 200, half are let go, so that the remaining 100 produce as much as the 200 did before. Thus a half of the capital can be withdrawn from this branch of business; as much capital has become free as labour. And since one half of the capital now does quite the same service as did the whole, two capitals have now been formed etc.' (cf. 39, 40 ibid. on national trade, [62] to which we must return). Ricardo does not speak here about the working day; [the fact] that, if the capitalist earlier exchanged half of an objectified working day for the worker's entire living work day, [he] thus at bottom gains only half a living work day, since he gives the other half in objectified form to the worker, and obtains it from him in the living form, i.e. pays the worker a half of the working day, instead of in the form of simultaneous working days, i.e. of different workers; this does not alter the matter, only its expression. Each one of these working days furnishes so much more surplus time. If the capitalist, before, had *the* working day as limit, he now has 50 working days etc. As has been said, this form does not posit an increase in exchange values with an increase in the number of capitals through productivity, and, according to Ricardo, it would also be possible for the population to fall from, say, 10,000,000 to 10,000, without a decrease in exchange values or the quantity of use values (see conclusion of his book). [63] We are the last to deny that *capital* contains contradictions. Our purpose, rather, is to develop them fully. But Ricardo *does not develop them*, but rather shifts them off by considering the value in exchange as indifferent for the formation of wealth. That is to say, he contends that in a society based upon the value of exchange, and wealth resulting from such value, the contradictions to which this form of wealth is driven with the development of productive powers etc. do not exist, and that a progress of value is not necessary in such a society to secure the progress of wealth, consequently that value as the form of wealth does not at all affect that wealth itself and its development, i.e. he regards exchange value as merely *formal*. Then, however, he remembers (1) that the capitalists are concerned with value, (2) that, historically, with the progress of the productive forces (of international trade too, he *should have* noted), there is a growth in *wealth as such,* i.e. the sum of values. Now, how to explain this? Capitals accumulate faster than the population; thus wages rise; thus population; thus grain prices; thus the difficulty of production and hence the *exchange values*. The latter are then finally reached by a detour. We will here entirely omit the moment of rent, since we are not yet concerned with increased difficulty of production but rather with its opposite, with increase in the productive forces. With the accumulation of capitals, wages rise unless population grows simultaneously; the worker marries, production is spurred on or his children live better, do not die before their time etc. In short, the population grows. Its growth, however, gives rise to competition among the workers, and thereby forces the worker to sell his labour power to the capitalist at its *value* again, or momentarily even below it. Now the accumulated capital, which has meanwhile grown up more slowly, again has the surplus which it earlier spent in the form of wages, i.e. as coin, in order to buy the use value of labour, available to it in the form of money, in order to realize it as capital in living labour, and, since it now also disposes over a greater amount of working days, its *exchange value* grows in turn. (Even this not really developed in Ricardo, but mixed up with the theory of rent; since the surplus which capital earlier lost in the form of wages is now lost to it in the form of rent, owing to the growth of population.) But even the growth of population is not really comprehensible in his theory. At no time has he shown that there is an *inherent* relation between the whole of the labour objectified in capital and the living work day (whether the latter is represented as one working day of 50 × 12 hours, or as 12 hours of labour by 50 workers, is the same thing as far as the relation goes), and that this inherent relation is just the *relation between the fractional part of the living work day,* or that between the equivalent of the objectified labour with which the worker is paid, and the living working day; where the whole is the day itself, and the inherent relation is the variable relation (the day itself is a constant) between the *fractional part of the necessary hours of labour* and the *hours of surplus labour*. And, just because he has not developed this relation, he has also not developed [the point] (which did not concern us up to now, since we were concerned with *capital as such* and introduced the development of the productive forces as an external relation) that the development of the productive forces itself presupposes both the increase of capital and the increase of simultaneous working days, which, however, within the given barrier of a capital that sets one working day into motion (even if it be a day of 50 × 12 hours, 600 hours), is itself the barrier to the development of its productive force. The wage covers not only the worker, but also his reproduction; so that when this specimen of the working class dies, another replaces it; after the 50 workers are dead, 50 new ones are there to replace them. The 50 workers themselves – as living labour capacities – represent not only the costs of their own production, but also the costs which had to be paid to their parents above and beyond their wages as individuals, in order to replace themselves with 50 new individuals. Thus the population progresses even without a rise in wages. But now, why does it not progress rapidly enough? and why does it need a special stimulus? Surely only because the aim of capital is not served merely by obtaining more ‘wealth’ in the Ricardian sense, but because it wants more *value*, to command more objectified labour. But indeed, according to him, it can command the latter only if wages fall; i.e. if more living work days are exchanged for the same capital with objectified labour, and hence a greater value is created. In order to make wages fall, he presupposes increase of population. And in order to prove increase of population here, he presupposes that the demand for working days increases, in other words, that capital can buy more *objectified labour* (objectified in labouring capacity), hence that its *value* has grown. Originally, however, he proceeded from just the contrary presupposition, and took the detour only *because* that is where he began. If £1,000 was able to buy 500 working days, and the productive force increases, then either it can proceed to employ the 500 in the same branch of work, or it can divide up and employ 250 in one branch of work, 250 in another, so that this capital splits into 2 capitals of 500 each. But it can never command more than 500 working days, since otherwise, according to Ricardo, not only the use values it produces but also their *exchange value* must have multiplied itself, the *objectified labour time* over which it exercises command. Thus, given his presupposition, an increased demand for labour cannot take place. But if it does take place, then capital's *exchange value* has grown. Compare *Malthus on value*, who *senses* the contradictions, but falls flat when he himself tries to develop them. [64]

> * It is *at bottom false to say* that living labour consumes capital; capital (objectified labour) consumes the living in the production process.

Labour does not* reproduce *the value of the material in which, and of the instrument with which, it works. It* preserves *their value simply by relating to them in the labour process as to their objective conditions. This animating and preserving force costs capital* nothing; *appears, rather, as its own force etc.

We have always spoken only about the two elements of capital, the two parts of the living work day, of which one represents wages, the other profit; one, necessary labour, the other, surplus labour. But what about the other two parts of capital, which are realized in the material of labour and the instrument of labour? As far as the simple production process is concerned, labour presupposes the existence of an instrument which facilitates the work, and of a material in which it presents itself, which it forms. This form gives it its use value. This use value becomes exchange value through exchange, to the extent that it contains objectified labour. But are they, as components of capital, values which labour must replace? Thus in the above example (and such objections [were] heaped on Ricardo; that he regarded profit and wages only as components of production costs, not the machine and the material), it seems that if the capital is 100, divided 50 for cotton, 40 for wages, 10 for instrument; and if the wages, of 40 thalers, = 4 hours of objectified labour, and capital orders a working day of 8 hours, then the worker who has to reproduce 40 thalers for wages, 40 thalers surplus time (profit), 10 thalers instrument, 50 thalers cotton = 140 thalers, reproduces only 80 thalers. For 40 thalers are the product of half a working day; 40 are the other, surplus half. But the value of the two other component parts of capital is 60 thalers. Since the worker's real product is 80 thalers, he can reproduce only 80, not 140. He would have, instead, decreased the value of the 60; since 40 of the 80 [is] replacement for his wages; and the remaining 40 of surplus labour [is] smaller by 20 than 60. Instead of a profit of 40, the capitalist would have a loss of 20 on the part of his original capital consisting of instrument and material. How is the worker supposed to create still another 60 on top of the 80 thalers of value, since one half of his working day, as his wages show, creates only 40 thalers out of the instrument and the material; the other half only the same; and he disposes of only one working day, cannot work two days in one? Suppose the 50 thalers in material = x lb. of cotton yarn; the 10 thalers in instrument = spindle. Now, first, as regards the *use value*, it is clear that if the cotton did not already have the form of yarn and wood and iron the form of the spindle, then the worker could produce no *fabric*, no higher use value. For him himself, the 50 thalers and the 10 thalers in the production process are *nothing but yarn and spindle, not exchange values*. His labour has given them a higher use value, and added objectified labour to the amount of 80 thalers to them, i.e. 40 thalers to reproduce his wages, 40 surplus time. The use value – the fabric – contains one additional working day, half of which, however, replaces only that part of capital for which the disposition over the labouring capacity has been exchanged. The worker has not created the objectified labour contained in yarn and spindle, which form a part of the value of the product; for him they were and remain material to which he gave another form and into which he incorporated new labour. The only condition is that he should not waste them, and this he did not do, in so far as his product has use value, and a higher use value than before. It now contains objectified labour in two parts – his working day, and that already contained in his material, yarn and spindle, independent of him and before him. The previously objectified labour was the condition of *his* labour; it was necessary to make his labour what it is, costs him no labour. Suppose they were not already presupposed as components of capital, as *values*, and had cost *him* nothing. Then the value of the product, if he worked a whole day, would be 80, if a half day, 40 thalers. It would just = one objectified working day. Indeed, they cost him nothing in production; however, this does not destroy the labour time objectified in them, which remains and merely obtains another form. If, in addition to the fabric, the worker also had to create the yarn and the spindle in the same working day, then the process would be in fact impossible. The fact, therefore, that they call for his labour neither as use values in their original form, nor as exchange values, but are *on hand,* makes it possible for the addition of a working day by him to create a product of a value higher than one working day. He succeeds in this, however, to the extent that he does not have to create this additional part, but rather *finds it on hand* as material, as presupposition. It can therefore only be said that he reproduces these values in so far as *without* labour they would rot, be useless; but *without them, labour* would be equally useless. In so far as the worker reproduces these values, he does so not by giving them a higher exchange value, or entering into any process with their exchange value at all, but merely by subordinating them to the simple production process, merely by *working*. But this costs him no additional labour time *besides* what he needs for their processing and higher realization. It is a situation into which capital has put him so that he may work. He reproduces the values only by giving them a higher value, and this giving of a higher value is = his working day. Otherwise he lets them be as they are. That their old value is preserved happens because a new one is added to them, not that the old is itself *reproduced*, created. In so far as they are products of previous labour, a product of previous labour, a sum of previously objectified labour remains an element of his *product*, so that the product contains, in addition to its new value, the old as well. He therefore in fact produces in this product only the day's work which he adds to it, and the preservation of the old value costs him absolutely nothing apart from what it costs him to add the new. For him it is only a material, and remains that no matter how it changes its form; therefore [it is] something present *independently* of his labour. That this material, which remains that, since it only obtains a different form, itself already contains labour time is the business of capital, not his own; similarly, it is *independent* of his labour and continues on *after* it, just as it existed before it. This so-called reproduction costs him no labour time, but is rather the condition of his labour time, since it is nothing more than positing the substance on hand as the material of his labour, relating to it as material. He therefore replaces the old labour time by the *act* of working itself, not by the addition of special labour time for this purpose. He replaces it simply by the addition of the *new*, by means of which the old is preserved in the product and becomes an element of a new product. Thus the worker in his working day does not replace the raw material and the instrument in so far as they are values. *The capitalist thus obtains this preservation of the old value just as free of charge as he obtains surplus labour.* But he obtains it free of charge, because it costs the worker nothing, and is, instead, the result of the fact that the material and the instrument of labour are already in his hands as *presupposition*, and the worker cannot *work*, therefore, without making this already objectified labour, now in the hands of capital, into the material of his own labour, thereby also preserving the labour objectified in this material. The capitalist, then, pays the worker nothing for the fact that the yarn and the spindle – their value – reappear, as far as their value is concerned, in the fabric, and are thus preserved. This preservation takes place simply by the addition of new labour, which adds a higher value. What arises from the original relation between capital and labour, then, is that the same service which living labour as living labour performs for objectified labour costs capital nothing, just as it costs the worker nothing, but merely expresses the relation that the material and the instrument of labour confront the worker as capital, as presuppositions *independent* of him. The preservation of the old value is not a separate act from the addition of the new, but happens by itself; appears as a natural result of the same. But the fact that this preservation costs capital nothing and costs the worker nothing either is already posited in the relation of *capital and labour*, which in itself is already the former’s profit and the latter’s wage.

The individual capitalist may imagine (and for his accounts it serves as well) that, if he owns a capital of 100 thalers, 50 thalers in cotton, 40 thalers to buy labour with, 10 thalers in instrument, plus a profit of 10% counted as part of his production costs, then labour has to replace his 50 thalers of cotton, 40 thalers subsistence, 10 thalers instrument plus 10% of 50, of 40 and of 10; so that in his imagination, labour creates 55 thalers of raw material, 44 thalers subsistence and 11 thalers instrument for him, together = 110. But this is a peculiar notion for economists, even though it has been advanced with great pomp as an innovation against Ricardo. If the worker's working day = 10 hours, and if he can create 40 thalers in 8 hours, i.e. can create his wage, or, what is the same, can maintain and replace his labour capacity, then he needs 4/5 of a day in order to replace his wages for capital, and he gives capital 1/5 in surplus labour, or 10 thalers. In exchange for the 40 thalers in wages, for 8 hours of objectified labour, therefore, capital obtains 10 hours of living labour, and this excess constitutes the entirety of its profit. The total objectified labour which the worker has created, then, is 50 thalers, and, regardless of the costs of the instrument and of the raw materials, more he cannot add, for his day cannot objectify itself in more labour than that; now, the fact that he adds these 50 thalers – 10 hours of labour (of which only 8 replace the wage) – to the 60 thalers contained in raw material and instrument – and thereby has simultaneously preserved the raw material and the instrument – they are preserved just by coming into contact again with living labour, and being used as instrument and as material – this costs him no labour (and he would have no time available in which to do this), nor does the capitalist pay him for it. Like every other natural or social power of labour unless it is the product of previous labour, or of such previous labour as does not need to be repeated (e.g. the historical development of the worker etc.), this natural animating power of labour – namely that, by using the material and instrument, it preserves them in one or another form, including the labour objectified in them, their exchange value – becomes a *power of capital*, not of labour. Hence not paid for by capital. As little as the worker is paid for the fact that he can think etc.

We have seen the original presupposition of the coming into being of *capital* is the existence of *money as money*, i.e. as money which has withdrawn from circulation and asserts itself *negatively* towards it, i.e. *value* which has become independent from and *against* circulation – i.e. the commodity for which the character of exchange value is not merely a formal, vanishing character, [which it possesses only] before being exchanged for another use value and finally disappearing as an object of consumption. On the other side, *money* (in its third, adequate form) – as value which no longer enters circulation as equivalent, but is not yet potentiated as capital, i.e. value independent of and relating *negatively* against circulation – is at the same time the result of capital's product, in so far as that product is not merely its own *reproduction* (but this reproduction is merely formal, since, of the three parts of its value, only one is really consumed and hence reproduced, namely that which replaces wages; profit, on the other hand, is not reproduction but addition of value, surplus value). Just as money at first appeared as the presupposition, the cause of capital, so it now appears as its effect. In the first movement, money arose out of simple circulation; in the second it arises from the production process of capital. In the first, it *makes a transition to* capital; in the second it appears as a presupposition of capital posited by capital itself; and is therefore already posited as capital *in itself* [*an sich*], already contains the ideal relation towards capital. It does not simply make a transition to capital, but rather, as *money,* its potential to be transformed into capital is already posited in it.

Absolute surplus labour time. Relative. – It is not the* quantity *of living labour, but rather its* quality *as labour which simultaneously preserves the labour time already contained in the material etc. – The change of form and substance in the direct production process. – The preservation of the previous stage of production by the subsequent one is contained in the simple production process etc. – Preservation of the old use value by new labour etc. – Process of production and process of realization. The* quantity *of objectified labour is preserved because contact with living labour preserves its quality as use value for new labour. – In the real production process, the separation of labour from its objective conditions of existence is suspended. But in this process labour already incorporated in capital etc. Appears as capital's power of self-preservation. Eternalization of value

The increase of values is therefore the result of the self-realization of capital; [regardless of] whether this self-realization is the result of *absolute* surplus time or of *relative*, i.e. of a real increase in absolute labour time or of an increase in relative surplus labour, i.e. of a decrease in the fractional part of the working day which is required as labour time necessary to preserve the labouring capacity, as *necessary labour* in general.

Living labour time reproduces nothing more than that part of objectified labour time (of capital) which appears as an equivalent for the power of disposition over living labour capacity, and which, therefore, as an equivalent, must replace the labour time objectified in this labouring capacity, i.e. replace the production costs of the living labour capacities, in other words, must keep the workers alive as workers. What it produces in addition to that is not reproduction but rather new creation, and, more specifically, creation of new values, because it is the objectification of new labour time in a use value. That the labour time contained in the raw material and instrument is preserved at the same time is a result *not of the quantity of labour*, but of its *quality* of being labour as such; and there is no special payment for this, its general quality, for the fact that *labour, as labour, is labour* – leaving aside all special qualifications, all specific kinds of labour – because capital has bought *this quality* as part of its exchange with the worker.

But the equivalent for this quality (for the specific use value of labour) is measured simply by the *quantity* of labour time which has produced it. Initially the worker’s use of the instrument as an instrument, and his shaping of the raw material, adds to the value of the raw material and of the instrument as much new form as is = to the labour time contained in his own wage; what he adds additionally is surplus labour time, surplus value. For their part, the raw materials and the instrument are preserved not in their form but in their substance, through the simple relation of being used as instrument and being posited as the raw material of labour, the simple process of coming into contact with labour, being posited as its means and object and therefore as objectification of living labour, moments of labour itself; and, viewed economically, their substance is objectified labour time. By being posited as a material mode of existence – means and end [*Objekt*] – of living labour, objectified labour time ceases to exist in a one-sided, objective form, in which, as a mere thing, it is at the prey of processes of chemical decay etc. There is an indifference on the part of the substance [*Stoff*] towards the form, which develops out of merely objectified labour time, in whose objective existence labour has become merely the vanished, *external form* of its natural substance, existing merely in the external form of the substantial [*das Stoffliche*] (e.g. the form of the table for wood, or the form of the cylinder for iron); [65] no immanent law of reproduction maintains this form in the way in which the tree, for example, maintains its form as a tree (wood maintains itself in the specific form of the tree because this form is a form of the wood; while the form of the table is accidental for wood, and not the intrinsic form of its substance); it exists only as a form external to the substance, or it exists only as a substance [*stofflich*]. The dissolution to which its substance is prey therefore dissolves the form as well. However, when they are posited as conditions of living labour, they are themselves reanimated. Objectified labour ceases to exist in a dead state as an external, indifferent form on the substance, because it is itself again posited as a moment of living labour; as a relation of living labour to itself in an objective material, as the *objectivity* of living labour (as means and end [*Objekt*]) (the *objective* conditions of living labour). The transformation of the material by living labour, by the realization of living labour in the material – a transformation which, as purpose, determines labour and is its purposeful activation (a transformation which does not only posit the form as external to the inanimate object, as a mere vanishing image of its material consistency) – thus preserves the material in a definite form, and subjugates the transformation of the material to the purpose of labour. Labour is the living, form-giving fire; it is the transitoriness of things, their temporality, as their formation by living time. In the simple production process – leaving aside the realization process – the transitoriness of the forms of things is used to posit their usefulness. When cotton becomes yarn, yarn becomes fabric, fabric becomes printed etc. or dyed etc. fabric, and this becomes, say, a garment, then (1) the substance of cotton has preserved itself in all these forms. (The chemical process, regulated by labour, has everywhere consisted of an exchange of (natural) equivalents etc.); (2) in each of these subsequent processes, the material has obtained a more useful form, a form making it more appropriate to consumption; until it has obtained at the end the form in which it can directly become an object of consumption, when, therefore, the consumption of the material and the suspension of its form satisfies a human need, and its transformation is the same as its use. The substance of cotton preserves itself in all of these processes; it becomes extinct in one form of use value in order to *make way for a higher one, until the object is in being as an object of direct consumption*. But when cotton is posited, say, as twist, then it is posited in a specific relation to a further kind of labour. If this labour were not to take place, then not only has the form been posited in it uselessly, i.e. the previous labour is not reaffirmed by new labour, but the material is also spoiled, because, in the form of twist, it has a use value only in so far as it is worked on further: it is a use value only in respect of the use which further labour makes of it; is use value only in so far as its form as twist is suspended in the form of fabric; while cotton in its existence as cotton is capable of an infinite number of useful employments. Thus, without further labour, the use value of cotton and twist, material and form, would be botched; it would be destroyed instead of produced. Material as well as form, substance like form, are preserved by further labour – preserved as use value, until they obtain the form of use value as such, whose use is consumption. It is therefore already a part of the simple production process that the earlier stage of production is preserved by the later, and that positing the higher use value preserves the old, or, the old use value is transformed only to the extent that it is raised to a higher use value. It is living labour which preserves the use value of the incomplete product of labour by making it the material of further labour. It preserves it, however, i.e. protects it from uselessness and decay, only by working it in a purposeful way, by making it the object of new living labour. *This preservation of the old use value* is not a process taking place separately from the increase or the completion of the use value by new labour; it takes place, rather, entirely in this new labour of raising the use value. When the labour of weaving transforms yarn into fabric, i.e. treats yarn as the raw material of weaving (a particular form of living labour) (and twist has a use value only if it is woven into fabric), it thereby preserves the use value which cotton had as such, as well as that which cotton had obtained specifically as yarn. It preserves the product of labour by making it into the raw material of new labour; but what happens is not that it (1) adds new labour and (2) besides that, by means of additional labour, preserves the use value of the raw material. *It preserves the utility of cotton as yarn by weaving the yarn into fabric.* (All this belongs already in the first chapter *on production in general.*) *Preserves it by weaving it.* This preservation of labour as product – of the use value of the product of labour by its becoming the raw material of new labour, being again posited as material objectivity of purposeful living labour – is given with the simple production process. As regards use value, labour has the property of preserving the existing use value by raising it, and it raises it by making it into the object of new labour as defined by an ultimate aim; by changing it in turn from the form of its indifferent consistency into that of objective material, the body of labour. (*The same holds for the instrument.* A spindle maintains itself as a use value only by being used up for spinning. If it is not, the specific form which is here posited in iron and wood would be spoiled for use, together with the labour which posited it and the material in which it did the positing. The use value of wood and iron, and of their form as well, are preserved only by being posited as a means of living labour, as an objective moment of the existence of labour's vitality. As an instrument of labour, it is their destiny [*Bestimmung*] to be used up, but used up in the process of spinning. The increased productivity which it lends to labour creates more use values and thereby replaces the use value eaten up in the consumption of the instrument. This appears most clearly in agriculture, because there the instrument appears most easily, because most anciently, as a use value, directly as a means of life – in contrast to exchange value. If the hoe allows the tiller to grow twice as much grain as before, then he has to spend less time on the production of the hoe itself; he has enough food to make a new hoe.) Now, in the realization process, the value components of capital – the one in the form of the material, the other in the form of instrument – confront the worker, i.e. living labour (for the labourer exists in the process only as such) not as values, but rather as simple moments of the production process; as use values for labour, as the objective conditions of its efficacity, or as its objective moments. It lies in the nature of labour itself to preserve them by using the instrument as instrument and by giving the raw material a higher form of use value. But, as components of capital, the use values thus obtained from labour are exchange values; as such, determined by the costs of production contained in them, the amount of labour objectified in them. (Use value is concerned only with the *quality* of the labour already objectified.) The quantity of *objectified labour* is preserved in that its *quality* is preserved as *use value for further labour*, through the contact with living labour. The use value of cotton, as well as its use value as yarn, are preserved by being woven; by existing as one of the objective moments (together with the spinning wheel) in the weaving process. *The quantity of labour time contained in the cotton and the cotton yarn are therefore also preserved thereby. The preservation of the quality of previous labour in the simple production process, – hence of its material* as well – becomes, in the realization process, the preservation of the quantity of labour already objectified. *For capital*, this preservation is the preservation of the amount of objectified labour *by* the production process; for *living labour* itself, it is merely the preservation of the already present use value. Living labour *adds a new amount of labour*; however, it is not this *quantitative addition* which preserves the amount of already objectified labour, but rather its *quality as living labour*, the fact that it relates as labour to the use values in which the previous labour exists. But living labour is not paid for this quality, which it possesses as living labour – if it were not living labour, it would not be bought at all – rather, it is paid for the *amount of labour* contained in itself. What is paid for is only the *price* of its use value, like that of all other commodities. It does not receive payment for its specific quality of adding new amounts of labour to the amounts of labour already objectified, and at the same time preserving labour which is already objectified as objectified labour; and this quality does not cost the worker anything either, since it is a natural property of his labouring capacity. Within the production process, the separation of labour from its objective moments of existence – instruments and material – is *suspended. The existence of capital and of wage labour rests on this separation. Capital does not pay for the suspension of this separation which proceeds in the real production process* – for otherwise work could not go on at all. (Nor does this suspension take place in the process of exchange with the worker; but rather *in the process of work itself, during production*. But, as *ongoing labour*, it is itself already incorporated in capital, and a moment of the same. This preserving force of labour therefore appears as the self-preserving force of capital. The worker has merely added new labour; as for previous labour –

owing to the existence of capital – this has an eternal existence as value, quite independent of its material existence. This is how the matter appears to capital and to the worker.) If it had to pay for this quality also, then it would just cease to be capital. This is part of the material role which labour plays by its nature in the production process; of its use value. But as use value, labour belongs to the capitalist; it belongs to the worker merely as exchange value. Its living quality of preserving objectified labour time by using it as the objective condition of living labour in the production process is none of the worker's business. *This appropriation, by means of which living labour makes instrument and material in the production process* into the body of its soul and thereby resurrects them from the dead, does indeed stand in antithesis to the fact that labour itself is objectless, is a reality only in the immediate vitality of the worker – and that the instrument and material, in capital, exist as beings-for-themselves [*für sich selbst seiende*]. (Return to this.) The process of the realization of capital proceeds by means of and within the simple production process, by putting living labour into its natural relation with its moments of material being. But to the extent that labour steps into this relation, this relation exists not for itself, but for capital; labour itself has become already a moment of capital.

Capitalist obtains surplus labour free of charge together with the maintenance of the value of material and instrument. Labour, by adding a new value to the old one, at the same time maintains, eternizes [sic] the latter. – The* preservation *of values in the product costs capital nothing. – By means of the appropriation of ongoing labour, the capitalist already possesses a claim to (and, respectively) appropriation of future labour

We see therefore that the capitalist, by means of the exchange process with the worker – by indeed paying the worker an equivalent for the costs of production contained in his labour capacity, i.e. giving him the means of maintaining his labour capacity, but appropriating living labour for himself – obtains two things free of charge, first the surplus labour which increases the value of his capital; but at the same time, secondly, the quality of living labour which maintains the previous labour materialized in the component parts of capital and thus preserves the previously existing value of capital. But this preservation does not take place as a result of an *increase in the amount of labour objectified* by living labour, a creation of value, but simply as a result of its existence as living *labour* in the proper relation with material and instrument, i.e. through its *quality* as living labour. As such a quality, it is itself a moment of the simple production process and does not cost the capitalist anything, any more than yarn and spindle do, apart from their price, for having also become moments of the production process.

When e.g. in times of stagnations of trade etc. the mills are shut down, then it can indeed be seen that the machinery rusts away and that the yarn is useless ballast and rots, as soon as their connection with living labour ceases. If the capitalist employs labour only in order to create surplus value – to create value in addition to that already present – then it can be seen as soon as he orders work to stop that his already present capital, as well, becomes devalued; that living labour hence not only adds new value, but, by the very act of adding a new value to the old one, maintains, eternizes it. (This shows clearly the absurdity of the charge against Ricardo, that he conceives *only* profits and wages as necessary components of the cost of production, and not also the part of capital contained in raw materials and instrument. To the extent that the value which they represent is merely preserved, there are no new production costs. But as far as these present values themselves are concerned, they all dissolve again into objectified labour – necessary labour and surplus labour – wages and profit. The purely natural material in which no human labour is objectified, to the extent that it is merely a material that exists independently of labour, has no *value*, since only objectified labour is value; as little value as is possessed by the common elements as such.) The maintenance of present capital by the labour which realizes it therefore costs capital nothing and hence does not belong among the production costs; although the present values are preserved in the product and equivalents have therefore to be given for them in exchange. But the *maintenance of these values* in the product costs capital nothing and cannot therefore be cited among the costs of production. Nor are they replaced by labour, since they are not consumed, except in so far as they are consumed apart from and outside labour, i.e. as labour *consumes* (suspends) their *transitoriness*. Only the wage is really consumed.

Let us return once more to our example. 100 thalers capital, i.e. 50 thalers raw material, 40 thalers labour, 10 thalers instrument of production. Let the worker require 4 hours in order to create the fraction of production necessary for his maintenance, the 40 thalers representing the means of his life. Let his working day be 8 hours. The capitalist then obtains a surplus of 4 hours free of charge; his surplus value equals 4 objectified hours, 40 thalers; hence his product = 50 + 10 (preserved, not reproduced values; remained *constant, unchanged* as values) + 40 thalers (wages, reproduced, because consumed in the form of wage) + 40 thalers of surplus value. *Sum*: 140 thalers. Of these 140, 40 are excess. The capitalist had to live during production and before he began to produce; say 20 thalers. He had to own the latter apart from his capital of 100 thalers; hence equivalents for them had to be present in circulation. (How these arose does not concern us here.) Capital presupposes circulation as a constant magnitude. These equivalents now present again. Thus consumes 20 thalers of his gain. These enter into simple circulation. The 100 thalers also enter into simple circulation, but only in order to be transformed again into the conditions of new production, 50 thalers of raw material, 40 subsistence for workers, 10 instrument. There remains a surplus value, an addition as such, newly created, of 20 thalers. This is *money*, posited as a negatively independent value against circulation. It cannot enter into circulation as a mere equivalent, in order to exchange for objects of mere consumption, since circulation is presupposed as constant. But the independent, illusory existence of money is suspended; it now only exists in order to be realized, i.e. to become capital. In order to become that, however, it would again have to be exchanged for the moments of the production process, subsistence for workers, raw material and instrument; all these dissolve into objectified labour, can only be posited by living labour. *Money*, then, in so far as it now already *in itself* exists as capital, is therefore simply *a claim on future* (new) labour. It exists, objectively, merely as *money*. Surplus value, the new growth of *objectified labour*, to the extent that it exists for itself, is *money*; but now, it is money which *in itself* is already capital; and, as such, it is a *claim on new labour*. Here capital already no longer enters into relation with ongoing labour, but with future labour. And it no longer appears dissolved into its simple elements in the production process, but as money; no longer, however, as money which is merely the abstract form of general wealth, but as a claim on the real possibility of general wealth – labour capacity, and more precisely, *labour capacity in the process of becoming* [*das werdende Arbeitsvermögen*]. As a claim, its material existence as money is irrelevant, and can be replaced by any other title. Like the creditor of the state, every capitalist with his newly gained value possesses a claim on future labour, and, by means of the appropriation of ongoing labour has already at the same time appropriated future labour. (This side of capital to be developed to this point. But already here its property of existing as value separately from its substance can be seen. This already lays the basis for credit.) To stockpile it in the form of money is therefore by no means the same as materially to stockpile the material conditions of labour. This is rather a stockpiling of property titles to labour. Posits future labour as *wage labour*, as use value for capital. No *equivalent* on hand for the newly created value; its possibility only in new labour.

In this example, then, an absolute surplus labour time of 4 hours created, added to the old values, to the world of available wealth, a new value of 20 thalers money, and money already in connection with its form as capital (already as *posited possibility* of capital, not as before, becoming the possibility of capital as such only by ceasing to be money as such).

Now if the productive force doubles, so that instead of 4 hours the worker has to put in only 2 hours of *necessary labour*, and if the capitalist makes him work 8 hours as before, then the accounts are as follows: 50 thalers material, 20 wages, 10 instrument of labour, 60 surplus value (6 hours, 4 before). New growth of absolute surplus value: 2 hours or 20 thalers. *Sum*: 140 thalers (in the product).

A total of 140 thalers as before; but now 60 of them are surplus value; of which 40 for absolute increase in surplus time as before, 20 for relative. But the simple exchange value only contains 140 thalers as before. Now, is it only the use values which have increased, or has a new value been created? Before, capital had to begin again with 100 in order to realize itself anew at 40%. What happens to the 20 of surplus value? Before, the capitalist ate up 20 of them; he was left with a value of 20. Now he eats up 20 and is left with 40. On another side, the capital entering into production remained 100; now it has become 80.

What is gained in value on one side in one form is lost as value on the other side in another form. The first capital re-enters into the production process; again produces a surplus value (capitalist's consumption deducted) of 20. At the end of this second operation, a newly created value is present without equivalent. 20 thalers together with the first 40. Now let us take the second capital.

Material, 50; wages (2 hours), 20; instrument, 10. But in the 2 hours he produces a value of 8, i.e. 80 thalers (of which 20 for costs of production). Remainder, 60, since 20 reproduce the wage (disappear as wage). 60 + 60 = 120. At the end of this second operation, 20 thalers for consumption; remainder surplus value 20; together with the first operation, 60. In the third operation with the first capital, 60; with the second, 80; in the fourth operation with the first capital 80, with the second, 100. The first capital has increased as *value* in proportion as its exchange value, as productive capital, has decreased.

Suppose both capitals together with their surplus can be used as capital; i.e. their surplus exchanged for new labour. We then get the following calculation (leaving consumption aside): the *first* capital produces 40%, the second 60%. 40% of 140 is 56; 60% of 140 (i.e. capital, 80; surplus value, 60) is 84. The total product in the first case 140 + 56 = 196; in the second 140 + 84 = 224. In the second case absolute surplus value 28 higher than in the first. The first capital has 40 thalers with which to buy new labour time; the value of the hour of labour was presupposed at 10 thalers; therefore, his 40 thalers buy 4 new hours of labour, which produce 80 for him (of which 40 go to replace the wages of 8 hours of labour). At the end it was 140 + 80 (i.e. reproduction of the capital of 100: surplus value of 40, or reproduction of 140; or, in the first case, 100 thalers reproduce themselves as 140; the second 40, since they are spent only to buy new labour, hence do not *simply* replace value – impossible presupposition, by the way) which produce 80. 140 + 80 = 220. The second capital of 140; the 80 produce 40; or the 80 thalers reproduce themselves as 120; the remaining 60, however, reproduce themselves (since they are spent *purely* for the purchase of *labour*, and do not therefore simply replace any value, but reproduce out of themselves and posit the surplus) as 180; then 120 + 120 = 240. (Produced 40 thalers more than the first capital, exactly the surplus time of two hours, for the first is a surplus time of 2 hours as assumed in the first case). Thus the result is a greater exchange value, because more labour objectified; 2 hours more surplus labour.

Something else should be noted here as well: 140 thalers at 40% yield 56; capital and interest together = 140 + 56 = 196; but we have obtained 220; according to which the interest on 140 would be not 56 but 84; which would be 60% on 140 (140:84 = 100:*x*; *x* = 8,400/140 = 60). Similarly in the second case: 140 at 60% = 84; capital and interest = 140 + 84 = 224; but we obtain 240; according to which the interest on the 140 is not 84 but 100; (140 + 100 = 240); i.e., %, (140:100 = 100:*x; x* = 10,000/140); [*x* = 71 3/7%]. Now where does this come from? (In the first case 60% instead of 40; in the second 71 3/7 instead of 60%.) In the first case, where it was 60 instead of 40, hence 20% too much came out; in the second case 71 3/7 instead of 60, i.e. 11 3/7 too much. Why, then, firstly the difference between the two cases and secondly the difference in each case?

In the first case, the original capital was 100 = 60 (material and instrument of labour) plus 40 in labour; 2/5 labour, 3/5 (material). The first 3/5 bring no interest at all; the last 2/5 bring 100%. But computed on the basis of the whole capital, the increase is only 40%; 2/5 of 100 = 40. But the 100% on the latter amount to only 40% on the whole 100; i.e. an increase of 2/5 in the whole. Now, if only 2/5 of the newly arrived capital of 40 had increased by 100%, then this would yield an increase of the whole by 16 [thalers]. 40 + 16 = 56. This together with the 140 = 196; which is then actually 40% on 156, capital and interest reckoned together. 40 increased by 100%, doubled, is 80; 2/5 of 40 increased by 100% is 16. [66] 40 of the 80 replace capital. Gain of 40.

The account then: 100*c* + 40 interest + 40*c* + 40*i* = 220; or, capital of 140 with an interest of 80; but if we had calculated 100*c* + 40*i* + 40*c* + 16*i* = 196; or, capital of 140 with interest of 56.

An interest of 24 on a capital of 40 is too much; but 24 = 3/5 of 40 (3 × 8 = 24); i.e. in addition to the capital, only 2/5 of the capital grew by 100%; the whole capital therefore by only 2/5, i.e. 16%. [67] The interest computation on 40 is 24% too high (by 100% on 3/5 of the capital); 24 on 24 is 100% on 3 × 8 (3/5 of 40). But on the whole amount of 140, it is 60% instead of 40; i.e. 24 too much out of 40, 24 out of 40 = 60%. Thus we figured 60% too much on a capital of 40 (60 = 3/5 of 100). But we figured 24 too high on 140 (and this is the difference between 220 and 196); this is first 1/5 of 100 then 1/12 of 100 too much; 1/5 of 100 = 20%; 1/12 of 100 = 8 4/12% or 8 1/3%; thus altogether 28 1/3% too high. Thus on the whole not 60%, as on 40, but only 28 1/3% too much; which makes a difference of 31 2/3, depending on whether we figure 24 too many on the 40 [or on] the capital of 140. Similarly in the other example.

In the first 80 which produce 120, 50 + 10 was simply replaced, but 20 reproduced itself threefold: 60 (20 reproduction, 40 surplus).

Hours of labour
If 20 posit 60, making up triple the value, then
60 180.

NOTEBOOK IV

Mid-December 1857 – 22 January, 1858

The Chapter on Capital (continuation)

Confusion of profit and surplus value. Carey's erroneous calculation. – The capitalist, who does **not pay** ***the worker for the*** **preservation** ***of the old value, then demands remuneration for giving the worker permission to preserve the old capital. – Surplus value and profit etc. – Difference between consumption of the instrument and of wages. The former consumed in the production process, the latter outside it. – Increase of surplus value and decrease in rate of profit. (Bastiat)***

This highly irksome calculation will not delay us further. The point is simply this: if, as in our first example, material and instrument amount to 3/5 (60 out of 100), and wages 2/5 (40), and if the capital yielded a gain of 40%, then it equals 140 at the end (this 40% gain equal to the fact that the capitalist made the workers put out 12 hours of labour, where 6 were necessary, hence gained 100% on the necessary labour time). Now if the 40 thalers which were gained go to work again as capital with the same presuppositions – and at the present point, the presuppositions have not changed yet – then of the 40 thalers 3/5 i.e. 24 thalers have to be used for material and instrument, and 2/5 for labour; so that the only thing that doubles is the wage of 16 which becomes 32, 16 for reproduction, 16 surplus labour; so that altogether at the end of production 40 + 16 = 56 or 40%. Thus the entire capital of 40 would have produced 196 under the same conditions. It should not be assumed, as happens in most of the economics books, that the 40 thalers are spent purely for wages, to buy living labour, and thus yield 80 thalers at the end of production.

<If it is said: a capital of 100 yields 10% in one period, 5% in another, then nothing is more mistaken than to conclude, as do Carey and consorts, that the share of capital in production was 1/10 and that of labour 9/10 in the first case; in the second case, the share of capital only 1/20 and that of labour 19/20; i.e. that the share of labour rises as the rate of profit falls. [1] From the viewpoint of capital – and capital has no awareness whatever of the nature of its process of realization, and has an interest in having an awareness of it only in times of *crisis* – a profit of 10% on a capital of 100 looks like a profit on each of its value

components – material, instrument, wages – equally and indifferently, as if this capital were simply a sum of 100 thalers of value which had, as such, increased by 10%. But the question is, in fact: (1) what was the relation between the component parts of capital and (2) how much surplus labour did it buy with the wage – with the hours of labour objectified in the wage? If I know the total size of a capital, the relation of its value components to one another (in practice, I would also have to know what part of the instrument of production is used up in the process, i.e. actually enters into it), and if I know the profit, then I know how much surplus labour has been created. If 3/5 of the capital consisted of material (which for the sake of convenience we here suppose to be entirely consumed productively as material of production), i.e. 60 thalers, and wages 40, and if the profit on the 100 thalers is 10, then the labour bought for 40 thalers of objectified labour time has created 50 thalers of objectified labour in the production process, hence has worked a surplus labour time or created a surplus value of 25% = 1/4 of the necessary labour time. Then if the worker works a day of 12 hours, he has worked 3 hours of surplus time, and the labour time necessary to maintain him alive for one day was 9 hours of labour. The new value created in production may only be 10 thalers, but, according to the real rate, these 10 thalers are to be reckoned on the base of the 40, not of the 100. The 60 thalers of value have created no value whatever; the working day has. Thus the worker has increased the part of capital spent for labour capacity by 25%, not by 10%. The total capital has grown by 10%. 10 is 25% of 40; it is only 10% of 100. Thus the profit rate on capital in no way expresses the rate at which living labour increases objective labour; for this increase is merely = to the surplus with which the worker reproduces his wage, i.e. = to the time which he works over and above that which he would have to work in order to reproduce his wages. If the worker in the above example were not a worker for a capitalist, and if he related to the use values contained in the 100 thalers not as to capital but simply as to the objective conditions of his labour, then, before beginning the production process anew, he would possess 40 thalers in subsistence, which he would consume during the working day, and 60 thalers in instrument and material. He would work only 3/4 of a day, 9 hours, and at the end of the day his product would be not 110 thalers but 100, which he would again exchange in the above proportions, beginning the process again and again. But he would also work 3 hours less; i.e. he would save 25% surplus labour = 25% surplus value out of the exchange which he undertakes between 40 thalers in subsistence and his labour time; and if at some time he worked 3 hours extra, because the material and the instrument were there on hand, then it would not occur to him to say that he had created a new value of 10%, but rather one of 25%, because he could buy one fourth additional subsistence, 50 thalers' worth instead of 40; and, since he is concerned with use values, these items of subsistence by themselves would be of value for him. This illusion that the new value is derived not from the exchange of 9 hours of labour time as objectified in 40 thalers for 12 hours of living labour, i.e. a surplus value of 25% on this part, but that it comes from an even 10% increase in the total capital – 10% of 60 is 6 and of 40 is 4 – this illusion is the basis of the notorious Dr Price's *compound interest calculation*, [2] which led the heaven-born Pitt to his *sinking fund* idiocy. [3] The identity of surplus gain with surplus labour time – absolute and relative – sets a qualitative limit on the accumulation of capital, namely the *working day*, the amount of time out of 24 hours during which labouring capacity can be active, the degree to which the productive forces are developed, and the population, which expresses the number of simultaneous working days etc. If, on the other side, surplus value is defined merely as interest – i.e. as the relation in which capital increases itself by means of some imaginary sleight of hand, then the limit is merely quantitative, and there is then absolutely no reason why capital cannot every other day convert the interest into capital and thus yield interest on its interest in infinite geometrical progression. Practice has shown the economists that Price's interest-multiplication is impossible; but they have never discovered the blunder contained in it.

Of the 110 thalers which emerge at the end of production, 60 thalers (material and instrument), in so far as they are values, have remained absolutely unchanged. The worker took nothing away from them and added nothing to them. Of course, from the standpoint of the capitalist, the fact that the worker maintains the value of objectified labour by the very fact of his labour being living labour appears as if the worker still had to pay the capitalist to get permission to enter into the proper relation with the objectified moments, the objective conditions, of labour. Now, as regards the remaining 50 thalers, 40 of them represent not only preservation but *actual reproduction*, since capital has divested itself of them [*von sich entäussert*] in the form of wages and the worker has consumed them; 10 thalers represent production above and beyond reproduction, i.e. 1/4 surplus labour (of 3 hours). Only these 50 thalers are a product of the production process. Therefore, if the worker, as is wrongly asserted, divided the product with the capitalist so that the former's share were 9/10, then he would have to get not 40 thalers (and he has obtained them in advance, in exchange for which he has reproduced them and paid them back in their entirety, as well as maintaining the already existing values for the capitalist free of charge), which is only 8/10 but rather 45, which would leave capital only 5. Then, having begun the production process with 100 thalers, the capitalist would have at the end only 65 thalers as product. But the worker obtains none of the 40 thalers he has reproduced, nor any of the 10 thalers of surplus value. If the 40 thalers which have been reproduced are to serve for the purchase of further living labour, then, as far as the relation is concerned, all that can be said is that an objectified labour of 9 hours (40 thalers) buys living labour for 12 hours (50 thalers) and thus yields a surplus value of 25% of the real product (partly reproduced as wage fund, partly newly produced as surplus value) in the realization process.

Just now the original capital of 100 was: 50 – 10 – 40. [4] Produced surplus gain of 10 thalers (25% surplus time). *Altogether* 110 thalers.

Now suppose it were: 60 – 20 – 20. The result would be 110 thalers, so says the ordinary economist, and the even more ordinary capitalist says that 10% has been produced in equal proportions by all parts of the capital. Again, 80 thalers of capital would merely be preserved; no change taken place in its value. Only the 20 thalers would have turned into 30; i.e. surplus labour would have increased by 50%, not by 25% as before.

Take the third case: 100: 70 – 20 – 10. Result 110.

Then the invariable value, 90. The new product 20; hence surplus value or surplus time 100%. Here we have three cases in which the profit on the whole capital is always 10, but in the first case the new value created was 25% above the objectified labour spent to buy living labour, in the second case 50%, in the third: 100%.>

The devil take this wrong arithmetic. [5] But never mind. *Commençons de* *nouveau.*

In the first case we had:

Invariable value	*Wage labour*	*Surplus value*	*Total*
60	40	10	110

We continue to presuppose a working day = 12 hours. (We could also assume a growing working day, e.g. *x* hours before, but now *x* + *b* hours, while productive force remains constant; or both factors variable.)

	Hours	*Thalers*	
If the worker produces in	12	50	
then in	1	4 1/6	
then in	9 3/5	40	} in 12 hours 50 thalers
then in	2 2/5	10	

The worker's necessary labour then amounts to 9 3/5 hours (40 thalers); hence surplus labour 2 2/5 hours (value of 10 thalers). 2 2/5 hours is 1/5 of the working day. The worker's surplus labour amounts to 1/5 of the day, i.e. = the value of 10 thalers. Now if we look at these 2 2/5 hours as a percentage which capital has gained above the labour time objectified in 9 3/5 hours, then 2 2/5:9 3/5 = 12/5:48/5, i.e. = 12:48 = 1:4. Thus 1/4 of the capital = 25% of it. Likewise, 10 thalers : 40 thalers = 1:4 = 25%. Now, summarizing the whole result: [6]

No. I	*Original capital:*	*Constant value:*	*Value reproduced for wages:*	*Surplus value from production:*	*Total sum:*	*Surplus time and value:*	*% of objectified labour exchanged:*
	100	60	40	10	110	2 2/5 hours or 10. (2 2/5 of labour)	25%

(It might be said that the *instrument of labour*, its value, has to be not only replaced but reproduced; since it is in fact used up, consumed in production.

This to be looked at under *fixed capital*. In actuality the value of the instrument is transposed to that of the material; to the extent that it is objectified labour, it only changes its form. If in the above example the value of the material was 50 and that of the instrument 10, then now, with the instrument used up by 5, the value of the material is 55 and that of the instrument 5; if it disappears altogether, then that of the material has reached 60. This is an element of the simple production process. Unlike wages, the instrument has not been consumed *outside the production process*.)

Now to the second presupposition:

Original capital:	*Constant Value:*	*Value reproduced for wages:*	*Surplus value from production:*	*Total sum:*
100	80	20	10	110

If the worker produces 30 thalers in 12 hours, then in 1 hour 2 2/4 thalers, in 8 hours 20 thalers, in 4 hours 10 thalers. 10 thalers are 50% of 20 thalers; as are 4 hours out of 8 hours; the surplus value = 4 hours, 1/3 of a day, or 10 thalers surplus value.

Thus:

No. II	*Original capital*	*Constant value:*	*Value reproduced for wages:*	*Surplus value from production:*	*Total sum:*	*Surplus time and value:*	*% on capital:*
	100	80	20 8 hours	10	110	4 hours or 10. 2 working days	50%

In the first case, like the second, the profit on a total capital of 100 = 10%, but in the first case the real surplus value which capital obtains from the production process is 25%, in the second, 50%.

The conditions presupposed in No. II are in themselves as possible as those in No. I. But brought into connection with one another, those of No. II are absurd. Material and instrument have been raised from 60 to 80, the productivity of labour has fallen from 4 1/6 thalers per hour to 2 3/4 and surplus value increased by 100%. (Suppose, however, that the increased expenditure for wages expresses more working days in the first case, fewer in the second, and then the presupposition is correct.) It is in itself irrelevant that necessary wages, i.e. the value of labour expressed in thalers, have fallen. Whether the value of an hour of labour is expressed in 2 thalers or in 4, in both cases the product of 12 hours of labour is exchanged (in circulation) for 12 hours of labour, and in both cases surplus labour appears as surplus value. The absurdity of the presupposition comes from the fact (1) that we have posited 12 hours as the minimum working time; and hence cannot introduce additional or fewer working days; (2) the more we make capital increase on one side, the more we not only make *necessary* labour decline, but have also to decrease its *value*, although the value is the same. In the second case, the price would, rather, have to rise. The fact that the worker can live from less work, i.e. that he produces more in the same number of hours, would have to be shown not in a decrease in the thalers for necessary labour, but in the number of necessary hours. If he gets, as e.g. in the first case, 4 1/6 thalers, but if the use value of this value, which has to be *constant* in order to express *value* (not price), had multiplied, then he no longer needs 9 3/5 but only 4 hours for the reproduction of his living labouring capacity, and this would have to express itself in the surplus over the value. But the way we have set up the presuppositions, our ‘invariable value’ is variable, while the 10% are invariable, here a constant addition to reproductive labour, although it expresses different percentage parts of the same. In the first case the invariable value is smaller than in the second case, but the total product of labour is larger; since, if one part of 100 is smaller, the other has to be larger; and, since absolute labour time is fixed at the identical amount, and since further the total product of labour becomes smaller, in proportion as ‘invariable value’ becomes larger, and larger as the latter becomes smaller, we therefore obtain less product (absolutely) from the same labour time in proportion as more capital is employed. Now, this would be quite correct, since, if out of a given sum such as 100 more is spent as ‘invariable value’, less can be spent for labour time, and thus, *relative* to total capital, less new overall value can be created; but then, if capital is to make a profit, one cannot hold *labour time* constant, as is done here, or, if one holds it constant, the *value of the working hour* cannot become smaller, as it does here; which is impossible if ‘invariable value’ becomes larger and *surplus value* becomes *larger*; the *number of* working hours would have to become smaller. But that is what we have assumed in the example. We assume in the first case that 50 thalers are produced in 12 hours of labour; in the second case, only 30 thalers. In the first, we make the worker work 9 3/5 hours; in the second only 6, although he produces less per hour. It’s absurd. But, understood differently, is there not after all something correct in these figures? Does not absolute new value decrease despite an increase in the relative, as soon as relatively more material and instrument than labour is introduced into the component parts of capital? Relative to a given capital, less living labour is employed; hence, even if the excess of this living labour above its costs is greater, and therefore the percentage of wages rises, i.e. the percentage relative to capital actually consumed, then the absolute new value does not necessarily become relatively smaller than in the case of a capital which employs less material and instrument (and this is the main point of the change in invariable value, i.e. value unchanged as value in the production process) and relatively more living labour; precisely because relatively more living labour is employed? An increase in the productive force then corresponds to the increase in the instrument, since the surplus value of the instrument does not keep pace, as in the previous mode of production, with its use value, its productive force, and since any increase in productive force creates more surplus value, although by no means in the same numerical proportion. The increase in the productive forces, which has to express itself in an enlargement of the value of the instrument – the space it takes up in capital expenditure – necessarily brings with it an increase in the material, since more material has to be worked in order to produce more product. (The increase in the productive force can, however, also relate to quality; but if that is given, only to quantity; or to quantity if quality is given; or to both.) Now, although there is less (necessary) labour in relation to surplus labour, and absolutely less living labour in relation to capital, is it not possible for its surplus value to rise, although in relation to the capital as a whole it declines, i.e. the so-called rate of profit declines? Take for example a capital of 100. Let material be 30 at first. 30 for instrument. (Together, invariable value of 60.) Wages 40 (4 working days). Profit 10%. Here profit is 25% on wages and 10% on capital as a whole. Now let material become 40 and instrument 40. Let productivity double, so that only 2 working days necessary = 20. Now posit that the absolute profit be smaller than 10; i.e. the profit on total capital. Is it not possible for profit on labour employed to be more than 25%, i.e. in the given case, more than merely a fourth of 20? In fact, a third of 20 is 6 2/3; i.e. less than 10, but 33 1/3% of labour employed, while in the previous case it was only 25%. In this case, we would end up with only 106 2/3, while in the previous case we would have had 110, but still, with the same capital (100) the surplus labour, surplus gain relative to labour employed, would be greater than in the first case; but since 50% less labour was employed, in absolute terms, than in the first case, while the profit on labour employed was only 8 1/3 more than in the first case, it follows that the absolute quantity which results has to be smaller, and the same applies to the profit on total capital. For 20 × 33 1/3 is smaller than 40 × 25. This whole instance is improbable and cannot count as a general example in economics; for an increase in the instrument and an increase in the material worked are both presupposed, while not only the relative but the absolute number of workers has declined. (Of course, when two factors = a third, one has to grow smaller as the other grows larger.) But an increase in the value of the instrument in relation to capital as a whole, and an increase in the value of the material, all in all presuppose a division of labour, hence at least an absolute increase in the number of workers, if not an increase relative to capital as a whole. However, take the case of the lithographing machine, which everyone can use to make lithographs without special skill; suppose the value of the instrument immediately upon its invention to be greater than that which 4 workers absorbed before these handy things were invented; it now requires only 2 workers (here, as with many instrument-like machines, no further division of labour takes place; instead, the qualitative division disappears); let the instruments originally have a value of only 40, but let 4 working days be necessary (necessary, here, for the capitalist to make a profit). (There are machines, e.g. forced air heating ducts, where labour as such disappears altogether except at a single point; the duct is open at one point, and carries heat to the others; no workers are required at all. This the case generally (see Babbage) [7] with energy transmission, where, previously, energy had to be carried in material form by numbers of workers, here firemen, from one point to another – where the transmission from one room to another, which has now become a physical process, appeared as the labour of numbers of workers.) Now, if he uses this lithographing machine as a source of income, as capital, and not as use value, then the material must necessarily increase, since he can put out more lithographs in the same amount of time, which is precisely where this greater profit comes from. Let this lithographer then employ an instrument to the amount of 40, material 40, 2 working days (20) which [give] him 33 1/3%, i.e. 6 2/3 out of an objectified labour time of 20; then his capital, like the other's, consists of 100, only yields 6 2/3%, but he gains 33 1/3 on labour employed, while the other gains 10 on capital, but only 25% on labour. The value obtained from labour employed may be smaller, but the profits on the whole capital are greater if the other elements of capital are relatively smaller. Despite this, the business at 6 2/3% on the total capital and 33 1/3% on labour could become more profitable than the earlier one based on 25% on labour and 10% profit on the total capital. Suppose e.g. that grain prices etc. rose so that the maintenance of the worker rose by 25% in value. The 4 working days would now cost the first lithographer 50 instead of 40. His instruments and material would remain the same: 60 thalers. He would then have to lay out a capital of 110. With this capital, his profit on the 50 thalers for 4 working days would be 12 (25%). Hence 12 thalers on 110 (i.e. 9 1/6% on the total capital of 110). The other lithographer: machine 40, material 40; but the 2 working days will cost him 25% more than 20, i.e. 25. He would thus have to lay out 105; his surplus value on labour 33 1/3%, i.e. 1/3, is 8 1/3. He would gain then, 8 1/3 on 105; 13 1/8%. Then suppose a 10 year cycle with 5 bad and 5 good harvests at the above average proportions; then the first lithographer would gain 50 thalers of interest on the second during the first 5 years; in the last 5 45 5/6; altogether 95 5/6 thalers; average interest over the 10 years 9 7/12 thalers. The other capitalist would have gained 31 1/3 in the first 5 years, 65 5/8 in the last; 96 23/24 altogether; a 10-year average of 9 84/120. Since No. II uses up more material at the same price, he sells cheaper. It could be said in reply that he sells dearer because he uses up more instrument; especially because he uses up more of the value of the machine in proportion as he uses up more material; however, it is in practice not true that machines wear out and have to be replaced more rapidly as they work more material. But all this is beside the point. Let the relation between the value of the machine and that of the material be constant in both cases.

This example attains significance only if we assume a smaller capital which employs more labour and less material and machinery, but yields a higher percentage on the total capital; and a larger capital employing more machinery and more material, as many working days in absolute numbers but relatively fewer, and a smaller percentage on the whole, because less on labour, being more productive, division of labour used, etc. It also has to be postulated (which was not done above) that the use value of the machine significantly greater than its value; i.e. that its devaluation in the service of production is not proportional to its increasing effect on production.

Thus, as above, a press (first, hand-operated printing press; second, self-acting printing press).

Capital I, 100, uses 30 in material; 30 for the manual press; 4 working days = 40 thalers; gain 10%; hence 25% on living labour (1/4 surplus time).

Capital II, 200, uses 100 in materials; 60 in press, 4 working days (40 thalers); gain on the 4 working days 13 1/3 thalers = 1 working day and 1/3, compared to only 1 working day in the first case; total sum: 213 1/3. I.e. 6 2/3%, compared to 10% in the first case. Nevertheless, the surplus value on the labour which has been employed is 13 1/3 in this second case, as against 10 in the first; in the first, 4 days create 1 surplus day in 4 working days; in the second, 4 days create 1 1/3 surplus days. But the rate of profit on the total capital is 1/3 or 33 1/3% smaller than in the first; the total amount of the gain is 1/3 greater. Now let us suppose that the 30 and the 100 in material are sheets of book paper, and that the instruments wear out in the same space of time, say 10 years or 1/10 per year. Then No. I has to replace 1/10 of 30 in material, i.e. 3; No. II, 1/10 of 60, i.e. 6. The material does not enter further into annual production (which may be regarded as 4 working days of 3 months each) on either side, see above.

Capital I sells 30 sheets at 30 for materials + 3 for instrument + 50 (objectified labour time) (production time) = 83.

Capital II sells 100 sheets at 100, material, + 6, instrument, + 53 1/3 = 159 1/3.

Capital I sells 30 sheets for 83 thalers, 1 sheet at 83/80 thalers = 2 thalers, 23 silver groschen.

Capital II sells 100 sheets for 159 thalers, 10 silver groschen; 1 sheet at

$\frac{\text{159 thalers 10 silver groschen}}{100}$ i.e., 1 thaler, 17 silver groschen, 8 pfennigs.

It is clear then that Capital I is done for, because its selling price is infinitely too high. Now, although in the first case the profit on total capital was 10% and in the second case only 6 2/3%, the first capital only took in 25% on labour time, while the second takes 33 1/3%. With Capital I, necessary labour is greater relative to the total capital; and hence surplus labour, while smaller in absolute terms than with Capital II, shows up as a higher rate of profit on the smaller total capital. 4 working days at 60 are greater than 4 at 160; in the first, 1 working day corresponds to a capital of 15; in the second, 1 working day corresponds to 40. But with the second capital, labour is more productive (which is given both in the *greater* amount of machinery, hence the greater amount of space that it takes up among the value components of capital; and in the greater amount of material in which a working day, which consists of a greater proportion of surplus time and hence uses more material in the same time, is expressed). It creates more surplus time (relative surplus time, i.e. determined by the development of the force of production). In the first case, surplus time is 1/4, in the second, 1/3. It therefore creates more use values and a higher exchange value in the same amount of time; but the latter not in proportion with the former, since, as we saw, exchange value does not rise in the same numerical proportion as the productivity of labour. The fractional price is therefore smaller than the total production price – i.e. the fractional price multiplied by the amount of fractional prices produced is greater. Now, if we had assumed an *absolutely greater* number of working days than in No. I, although a relatively smaller number, then the matter would have been even more striking. The profit of the larger capital, working with more machinery, therefore appears smaller than that of the smaller capital working with relatively or absolutely more living labour, precisely because the *higher profit on living labour* appears as smaller, when calculated on the basis of a total capital in which living labour makes up a lesser proportion of the whole, than the *lower profit on living labour* which makes up a larger proportion of the smaller total capital. But the fact that No. II can employ more material, and that a larger proportion of the total value is in the instrument, is only the expression of the productivity of labour.

This, then, is the unfortunate Bastiat's famous riddle; he had firmly convinced himself – to which Mr Proudhon had no answer – that because the rate of profit of the larger and more productive total capital is smaller, it follows that the worker's share has grown larger, whereas precisely the *opposite* is the case; his surplus labour has grown larger. [8]

Nor does Ricardo seem to have understood the matter, for otherwise he would not have tried to explain the periodic decline of profit merely by the rise in wages caused by the rise in grain prices (and hence of rent). [9] But at bottom, surplus value – in so far as it is indeed the foundation of profit, but still distinct from profit commonly so-called – has never been developed. The unfortunate Bastiat would have said in the above case that in the first example the profit was 10% (i.e. 1/10), in the second only 6 1/4%, i.e. 1/16 (leaving out the percentage), so that the worker receives 9/10 in the first case, 15/16 in the second. The relation is correct in neither of the two cases, nor is their relation to one another correct. Now, as far as the further relation of the new value of capital to capital as *indifferent total value* is concerned (and this is how capital as such appeared to us at the beginning, before we moved on into the production process, and it must again appear to us in this way at the end of the process), this is to be developed partly under the rubric of *profit*, where the new value obtains a new character, and partly under the heading of *accumulation*. We are here initially concerned only with developing the nature of surplus value as the equivalent of the absolute or relative labour time mobilized by capital above and beyond necessary labour time.

The consumption, in the production process, of the element of value consisting of the instrument cannot in the least [serve to] distinguish the instrument of labour from the material – here, where all that is to be explained is the creation of surplus value, self realization. This is because this consumption is part of the simple production process itself, hence the value of the consumed instrument (whether it be the *simple use value* of the instrument itself or the exchange value, if production has already progressed to where there is a division of labour and where at least the surplus is exchanged) has to be recovered again in the value (exchange value) or the use value of the product – so that the process can begin anew. The instrument loses its use value in the same proportion as it helps to raise the exchange value of the raw material and serves as a means of labour. This point must, indeed, be examined, because the distinction between the invariable value, the part of capital which is preserved; that which is reproduced (*reproduced* for capital; from the standpoint of the real production of labour – *produced*); and that which is newly produced, is of essential importance.

Multiplication of simultaneous working days. **(Accumulation of capital.) –** ***Growth of the constant part of capital in relation to the variable part spent on wages = growth of the productivity of labour. – Proportion in which capital has to increase in order to employ the same number of workers if productivity rises***

It is now time to finish with the question of the value resulting from the growth of the productive forces. We have seen: this creates a *surplus value* (not merely a greater use value) just as in the case of an absolute increase in surplus labour. If a certain limit is given, say e.g. that the worker needs only half a day in order to produce his subsistence for a *whole* day – and if the natural limit has been reached – then an increase of absolute labour time is possible only if more workers are employed *at the same time*, so that the real working day is simultaneously multiplied instead of only lengthened (in the given conditions, the individual worker can work no more than 12 hours; if a surplus time of 24 hours is to be gained, then there have to be 2 workers). Capital in this case, before entering the self-realization process, has to buy 6 additional hours of labour in the act of exchange with the worker, i.e. has to lay out a greater part of itself; at the same time it has to lay out more for material, on the average (beside the fact that the extra worker has to be *available*, i.e. that the working population has to have grown). Hence the possibility of this further realization process depends here on a previous accumulation of capital (as regards its material existence). If, however, productivity increases, and hence relative surplus time – at the present point we can still regard capital as always directly engaged in the production of subsistence, raw materials etc. – then less expenditure is necessary for wages and the growth in the material is created by the realization process itself. But this question belongs, rather, with the *accumulation* of capitals.

We now come to the point where we last broke off. [10] An increase in productivity increases the *surplus value*, although it does not increase the absolute amount of exchange values. It increases values because it creates a new *value as value*, i.e. a value which is not merely an equivalent destined for exchange, but which asserts itself as such; in a word, more money. The question is: does it ultimately also increase the amount of exchange values? This is, at bottom, admitted; for even Ricardo admits that along with the accumulation of capitals there is an increase in savings, hence a growth in the exchange values produced. The growth of savings means nothing more than the growth of independent values – of money. But Ricardo's demonstration contradicts his own assertion.

Our old example. 100 thalers capital; 60 thalers in constant value; 40 in wages; produces 80; hence product = 140. * Let these 40 in surplus value be absolute labour time.

> * Here we see again that the surplus value on the whole of the capital = to half of the newly produced value, since a half of the latter = to necessary labour. The relation between this surplus value, which is always equal to surplus time, i.e. = to the worker's total product minus the part which forms his wage, depends (1) on the relation between the constant part of capital and the productive part; (2) between necessary labour time and surplus time. In the above case, the relation of surplus time to necessary time is 100%; gives 40% on a capital of 100; hence (3) it depends further, not only on the relation given above in (2), but also on the absolute magnitude of necessary labour. If, in a capital of 100, the constant part were 80, then the part exchanged for necessary labour would be = 20, and if this created 100% surplus time, the profit on capital would be 20%. But if the capital were 200 with the same relation between the constant and the variable part (i.e. 3/5 to 2/5), then the total would be 280, which is 40 out of 100. In this case the absolute amount of profit would rise from 40 to 80, but the relation would remain at 40%. However, if out of the 200 the constant element were 120 and the quantity of necessary labour 80, but the latter increased by only 10%, i.e. 8, then the total sum would be = 208, i.e. a profit of 4%; if it increased by only 5, then the total 205, i.e. 2 1/2%.

Now suppose that productivity doubles: then, if a wage of 40 gives 8 hours of necessary labour, the worker could now produce a whole day of living labour in 4 hours. Surplus time would then increase by 1/3 (2/3 of a day to produce a whole day before, now 1/3). 2/3 of the product of the working day would be surplus value, and if the hour of necessary labour = 5 thalers (5 × 8 = 40), then he would now need only 5 × 4 = 20 thalers. For capital, then, a surplus gain of 20, i.e. 60 instead of 40. At the end, 140, of which 60 = the constant value, 20 = the wage and 60 = the surplus gain; together, 140. The capitalist can then begin production anew with 80 thalers of capital:

Let capitalist A on the same stage of old production invest his capital of 140 in new production. Following the original proportions, he needs 3/5 for the invariable part of capital, i.e. 3 × 140/5 = 3 × 28 = 84, leaving 56 for necessary labour. Before, he spent 40 on labour, now 56; 2/5 of 40 additionally. Then at the end, his capital = 84 + 56 + 56 = 196.

Capitalist B on the higher stage of production would similarly employ his 140 thalers for new production. If out of a capital of 80 he needs 60 for invariable value and only 20 for labour, then out of a capital of 60 he needs 45 for invariable value and 15 for labour; thus the total would be = 60 + 20 +20 = 100 in the first and, secondly, 45 + 15 + 15 = 75. Thus his total yield is 175, while that of the first = 196. An increase in the productivity of labour means nothing more than that the same capital creates the same value with less labour, or that less labour creates the same product with more capital. That less necessary labour produces more surplus labour. The necessary labour is smaller in relation to capital; for the process of its realization this is obviously the same as: capital is larger in relation to the necessary labour which it sets into motion; for the same capital sets more surplus labour in motion, hence less necessary labour. [*]

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[*] If it is postulated, as in our case, that the capital remains the same, i.e. that both begin again with 140 thalers, then in the case of the more productive capital, a larger part has to go to capital (i.e. to its invariable part), while with the less productive capital, a larger part to labour. The first capital of 140 thus sets into motion a necessary labour of 56, and this necessary labour presupposes an invariable part of 84 out of the total capital. The second sets labour in the amount of 20 + 15 = 35 into motion, and an invariable capital of 60 + 45 = 105 (it further follows from what was developed earlier that an increase in the force of production does not proportionately

> increase value). In the first case, as already shown above, the absolute new value is greater than in the second, because the mass of labour employed is greater in relation to the invariable part; while in the second the former is smaller, precisely because labour is more productive. However (1) the difference between the new value of 60 in one case and 40 in the other means that the first cannot begin production anew with the same capital as the second; for a part of the new value on both sides has to enter into circulation as an equivalent so that the capitalist can live, and live from his capital. If both of them eat up 20 thalers then the first begins anew with a capital of 120, the other also with 120 etc. See above. Return to this whole matter again; [11] but the question of the relation between the new value created by the increased force of production and the new value created by absolute increases in labour belongs in the chapter on *accumulation and profit*.

It is sometimes said about machinery, therefore, that it *saves labour*; however, as Lauderdale correctly remarked, the mere saving of labour is not the characteristic thing; [12] for, with the help of machinery, human labour performs actions and creates things which without it would be absolutely impossible of accomplishment. The latter concerns the use value of machinery. What is characteristic is the *saving* of necessary labour and the creating of *surplus labour.* The higher productivity of labour is expressed in the fact that capital has to buy a smaller amount of necessary labour in order to create the same value and a greater quantity of use values, or that less necessary labour creates the same exchange value, realizes more material and a greater mass of use values. Thus, *if the total value of the capital remains the same*, an increase in the productive force means that the constant part of capital (consisting of machinery and material) grows relative to the variable, i.e. to the part of capital which is exchanged for living labour and forms the wage fund. This means at the same time that a smaller quantity of labour sets a larger quantity of capital in motion. If the *total value of capital* entering into the production process increases, then the wage fund (this variable part of capital) must decrease *relatively*, compared to the relation if the productivity of labour, i.e. the relation of necessary to surplus labour, had remained the same. Now let us assume in the above case that the capital of 100 is agricultural capital. Then, 40 thalers for seeds, fertilizer etc.; 20 thalers instrument of labour, and 40 thalers wage labour, at the old level of production. (Let these 40 thalers = 4 days of necessary labour.) At the old production level, these create a total of

140. Now let fertility double, owing to improvement either in the instrument or in the fertilizer etc. In this case the product has to = 140 thalers (given that the instrument is entirely consumed). Let fertility double, so that the price of the necessary working day falls by half; so that only 4 necessary half days of work (i.e. 2 whole ones) are necessary in order to produce 8. 2 working days to produce 8 is the same as when 1/4 of each working day (3 hours) is required for necessary labour. Now, instead of 40 thalers, the farmer has to spend only 20 for labour. Thus at the end of the process the component parts of capital have changed; from the original 40 for seed etc., which now have double the use value; 20 for instrument and 20 for labour (2 whole working days). Before the relation of the constant part of capital to the variable = 60:40 = 3:2; now 80:20 = 4:1. Looking at the whole capital, necessary labour was = 2/5; now 1/5. Now, if the farmer wants to continue to use labour in the old relation, then by how much would his capital have to increase? Or – in order to avoid the *nefarious presupposition* that he continued to operate with a constant capital of 60 and a wage fund of 40 – after a doubling of productive force, which introduces false relations; * because it presupposes that, despite the doubled force of production, capital continued to operate with the same component parts, to employ the same quantity of necessary labour without spending more for raw material and instrument of labour; † then, therefore, productivity doubles, so that he now needs to spend only 20 thalers on labour, whereas he needed 40 before. (If it is given that 4 whole working days were necessary, each = 10 thalers, in order to create a surplus of 4 whole working days, and if this surplus is provided for him by the transformation of 40 thalers of cotton into yarn, then he now needs only 2 whole working days in order to create the same value, i.e. that of 8 working days; the value of the yarn expressed a surplus time of 4 working days before, now of 6. Or, each of the workers needed 6 hours of necessary labour time before in order to create 12; now 3. Necessary labour time was 12 × 4 = 48, or 4 days. In each of these days, the surplus time was = 1/2 day (6 hours). It now amounts to only 12 × 2 = 24 or 2 days; 3 hours per day. In order to bring forth the surplus value, each of the 4 workers would have to work 6 × 2 hours; i.e. 1 day; now he needs to work only 3 × 2 hours; i.e. 1/2 day. Now, whether 4 work 1/2 a day or 2 a whole (1) day is the same. The capitalist could dismiss 2 workers. He would even have to dismiss them, since a

certain quantity of cotton is only enough to make a certain quantity of yarn; thus he cannot order 4 whole days of work any more, but only 4 half days. But if the worker has to work 12 hours in order to obtain 3 hours, i.e. his *necessary* wage, then, if he works 6 hours, he will obtain only 1 1/2 hours of exchange value. But if he can live for 12 hours with 3 hours of necessary labour, then with it he can live only 6 hours. Thus if all 4 workers were to be employed, each of the 4 could live only half a day; i.e. the same capital cannot keep all 4 alive as *workers*, but only 2. The capitalist could pay 4 out of the old fund for 4 half days of work; then he would pay 2 too many and would make the workers a present of the productive force; since he can use only 4 half days of living labour; such 'possibilities' neither occur in practice, nor can we deal with them here, where we are concerned with the relation of capital as such.) Now 20 thalers of the capital of 100 are not directly employed in production. The capitalist uses 40 thalers of raw material, 20 for instrument, together 60 as before, but now only 20 thalers for labour (2 working days). Of the whole capital of 80 he uses 3/4 (60) for the constant part and only 1/4 for labour. Then if he employs the remaining 20 in the same way, 3/4 for constant capital, 1/4 for labour; then 15 for the first, 5 for the second. Now since 1 working day = 10 thalers (given), 5 would be only = 6 hours = 1/2 working day. With the new value of 20, gained through productivity, capital could buy only 1/2 a working day more, if it continues to realize itself in the same proportion. It would have to grow threefold (namely, 60) (together with the 20 = 80) in order to employ the 2 dismissed workers for the previous 2 full working days. In the new relation, the capital uses 3/4 in constant capital in order to employ 1/4 as wage fund.

[*] Although in the case e.g. of the farmer this is quite correct, if the seasons bring a doubling of fertility, and correct for every industrialist if the force of production doubles not in his branch, but in the branch whose output he uses; i.e. if e.g. raw cotton cost 50% less and grain (i.e. wages) and the instrument likewise; he would then continue as before to spend 40 thalers for raw cotton, but in twice the quantity, 20 for machinery, 40 for labour.

[†] Suppose cotton alone doubled in productivity, the machine remains the same, then – this to be examined further.

Thus if 20 is the whole capital, 3/4 i.e. 15 constant and 1/4 labour (i.e. 5) = 1/2 a working day.

With a whole capital of 4 × 20, hence 4 × 15 = 60 constant, hence 4 × 5 = 20 wages = 4/2 working days = 2 working days.

Therefore, if the productive force of labour doubles, so that a capital of 60 thalers in raw materials and instrument now needs only 20 thalers in labour (2 working days) for its realization, whereas it needed 100 before, then the total capital of 100 would have to grow to 160, or the capital of 80 now being dealt with would have to double in order to retain all the labour put out of work. But the doubling of productive force creates a new capital of only 20 thalers = 1/2 of the labour time employed earlier; and this is only enough to employ 1/2 a working day additionally. Before the doubling of the productive force, the capital was 100 and employed 4 working days (on the supposition that 2/5 = wage fund of 40); now, when the wage fund has fallen to 1/5 of 100, to 20 = 2 working days (but to 1/4 of 80, the capital newly entering into the realization process), it would have to rise to 160, by 60%, in order still to be able to employ 4 working days as before. It can only employ 1/2 a new working day with the 20 thalers drawn from the increase in the productive force, if the whole old capital continues operating. Before, it employed with 100, 16/4 (4 days) working days; it could now employ only 5/4. Therefore, when the force of production doubles, capital does not need to double in order to set the same necessary labour into motion, 4 working days; i.e. it does not need to rise to 200, but needs to rise only by double the whole, minus the part deducted from the wage fund. (100 − 20 = 80) × 2 = 160. (By contrast, the first capital, before the increase in productive force, which divided 100 as 60 constant 40 wages (4 working days), in order to employ two additional days, would need to grow from 100 to only 150; i.e. 3/5 constant capital (30) and 2/5 wage fund (20). If it is given that the working day doubles in both cases, then the second would amount to 250 at the end, the first only 160.) Of the part of capital which is withdrawn from the wage fund owing to the increase in the force of production, one part has to be transformed again into raw material and instrument, another part is exchanged for living labour; this can take place only in the proportions between the different parts which are posited by the new productivity. It can no longer take place in the old proportion, for the relation of the wage fund to the constant fund has decreased. If the capital of 100 first used 2/5 for wage fund (40) and, owing to a doubling of productive force, then used only 1/5 (20), then 1/5 of the capital has become free (20 thalers); and the employed part, 80, uses only 1/4 as wage fund. Thus, of the 20, similarly, only 5 thalers (1/2 working day). The whole capital of 100 therefore now employs 2 1/2 working days; or, it would have to grow to 160 in order to employ 4 again.

If the original capital had been 1,000, divided in the same way: 3/5 constant capital, 2/5 wage fund, then 600 + 400 (let 400 equal 40 working days; each working day = 10 thalers). Now double the productive force of labour, i.e. only 20 working days required for the same product (= 200 thalers), then the capital necessary to begin production anew would be = 800; that is 600 + 200; 200 thalers would have been set free. Employed in the same relation, then 3/4 for constant capital = 150 and 1/4 wages = 50. Thus, if the 1,000 thalers are employed in their entirety, then now 750 constant + 250 wage fund = 1,000 thalers. But 250 wage fund would be = 25 working days (i.e. the new fund can employ labour time only in the new relation, i.e. at 1/4; in order to employ the entire labour time as before, it would have to *quadruple*). The liberated capital of 200 would employ a wage fund of 50 = 5 working days (1/4 of the liberated labour time). (The part of the labour fund disconnected from capital is itself employed as capital at only 1/4 for labour fund; i.e. precisely in the relation in which that part of the new capital which is labour fund stands to the total sum of the capital.) Thus in order to employ 20 working days (4 × 5 working days), this fund would have to grow from 50 to 4 × 50 = 200; i.e. the liberated part would have to grow from 200 to 600, i.e. triple; so that the entire new capital would amount to 800. Then the total capital, 1,600; of this, 1,200 constant part and 400 labour fund. Thus if a capital of 1,000 originally contained a labour fund of 400 (40 working days), and if, owing to a doubling of productive force, it now needs to employ a labour fund of only 200 in order to buy *necessary* labour, i.e. only 1/2 of the previous labour; then the capital would have to grow by 600 in order to employ all the previous labour in its entirety (in order to gain the same amount of surplus time). It would have to be able to employ twice the labour fund, i.e. 2 × 200 = 400; but, since the relation of the labour fund to the total capital is now = 1/4, this requires a total capital of 4 × 400 = 1,600. *

[*] The total capital which would be necessary in order to employ the old labour time is therefore = *to the old labour fund multiplied by the denominator* of the fraction which now expresses the relation of the labour fund to the new total capital. If the doubling of productive force has reduced the latter to 1/4, then multiplied by 4; if to 1/3, then multiplied by 3. If the productive force has doubled, then necessary labour, and thereby the labour fund, is reduced to 1/2 of its earlier value; but this makes up 1/4 relative to the new total capital of 800 or 1/5 relative to the old total capital of 1,000. *Or the new total capital is* = 2 × *the old capital minus the liberated part of the labour fund*; (1,000 − 200) × 2 = 800 × 2 = 1,600. The new total capital expresses the total sum of constant and variable capital required in order to employ half of the old labour time (1/3, 1/4, 1/*x*, etc, depending on whether the force of production increased 3 ×, 4 ×, *x* ×); 2 × then the capital required to employ all of it (or 3 ×, 4 ×, etc., depending on the relation in which the productive force has grown). The original relation of the parts of capital must here always be given (*technologically*); on this depends, e.g., in what ratios the multiplication of productive force expresses itself as a division of *necessary labour.*

Or, which is the same thing, it is = 2 × *the new capital* which owing to the new productive force replaces the old in production (800 × 2) (thus if the productive force had quadrupled, quintupled etc. = 4 ×, 5 × *the new capital* etc. If the force of production has doubled, then *necessary labour* is reduced to 1/2; likewise the labour fund. Thus if it amounted, as in the above case of the old capital of 1,000, to 400, i.e. 2/5 of the total capital, then, afterwards, 1/5 or 200. This relation, by which it is reduced, is the liberated part of the labour fund = 1/5 of the old capital = 200. 1/5 of the old = 1/4 of the new. The new capital is = to the old + 3/5 of the same. These trivia more closely later etc.)

Given the same original relations between the parts of the capital and the same increase in the productive force, the largeness or smallness of the capital is completely irrelevant for the general theses. Quite another question is whether, when capital grows *larger*, the relations remain the same (but this belongs under accumulation). But, given this, we see how an increase in the force of production changes the relations between the component parts of capital. If in both cases 3/5 was originally constant and 2/5 labour fund, then doubling the productive force acts in the same way on a capital of 100 as on one of 1,000. (The word *labour fund* is here used only for convenience's sake; we have not yet developed capital in this *specificity* [*Bestimmtheit*]. So far two parts; the one exchanged for commodities (material and instrument), the other for labour capacity.) (The *new capital*, i.e. the part of the old capital which represents its *function*, is = the old minus the liberated part of the labour fund; this liberated part, however, = the fraction which used to express necessary labour (or, same thing, the labour fund) divided by the multiplier of the productive force. Thus, if the old capital = 1,000 and the fraction expressing necessary labour or the labour fund = 2/5, and if the force of production doubles, then the new capital which represents the function of the old = 800, i.e. 2/5 of the old capital = 400; this divided by 2, the multiplier of productive force, = 2/10 = 1/5 = 200. Then the new capital = 800 and the liberated part of the labour fund = 200.)

We have seen that under these conditions a capital of 100 thalers has to grow to 160, and a capital of 1,000 to 1,600, in order to retain the same labour time (of 4 or 40 working days) etc.; both have to grow by 60%, i.e. 3/5 of themselves (of the old capital), in order to be able to re-employ the liberated labour time (in the first case 20 thalers, in the second 200) of 1/5 – the liberated labour fund – as such.

Percentage of total capital can express very different relations. – Capital (like property) rests on **productivity of labour**

<*Notabene*. We saw above that identical percentages of the total capital can express very different relations in which capital creates its surplus value, i.e. posits surplus labour, relative or absolute. [13] If the relation between the invariable value-part of capital and the variable part (that exchanged for labour) such that the latter = 1/2 the total capital (i.e. capital 100 = 50 (constant) + 50 (variable), then the part exchanged for labour would have to increase by only 50% in order to yield 25% on the capital; i.e. 50 + 50 (+ 25) = 125; while in the above example 75 + 25 (+ 25) = 125; i.e. the part exchanged for living labour increases by 100% in order to yield 25% on the capital. Here we see that, if the relations remain the same, the same percentage on the total capital holds no matter how big or small it may be; i.e. if the relation of the labour fund to the total capital remains the same; thus, above, 1/4. Thus: 100 yields 125, 80 yields 100, 1,000 yields 1,250, 800 yields 1,000, 1,600 yields 2,000 etc., always =

25%. If capitals whose component parts are in different relations, including therefore their forces of production, nevertheless yield the same percentages on total capital, then the real surplus value has to be very different in the different branches.>

<Thus the example is correct, the productive force compared under the same conditions with the same capital *before* the rise in productive force. Let a capital of 100 employ constant value 50, labour fund = 50. Let the fund increase by 50%, i.e. 1/2; then the total product = 125. Let the labour fund of 50 thalers employ 10 working days, pay 5 thalers per day. Since the new value is 1/2, the surplus time has to be = 5 working days; i.e. the worker who needed to work only 10 working days in order to live for 15 has to work 15 for the capitalist in order to live for 15; and his surplus labour of 5 days constitutes capital's surplus value. Expressed in hours, if the work day = 12 hours, then surplus labour = 6 per day. Thus in 10 days or 120 hours, the worker works 60 hours = 5 days too many. But now with the doubling of productivity, relations within the 100 thalers would be 75 and 25, i.e. the same capital now needs to employ only 5 workers in order to create the same value of 125; the 5 working days then = 10; doubled; i.e. 5 working days are paid, 10 produced. The worker would need to work only 5 days in order to live 10 (before the increase in productive force he had to work 10 to live 15; thus, if he worked 5, he could live only 7 1/2); but he has to work 10 for the capitalist in order to live 10; the latter thus makes a profit of 5 days; 1 day per day; or, expressed in days, the worker had to work 1/2 to live 1 before (i.e. 6 hours to live 12); now he needs to work only 1/4 to live 1 (i.e. 3 hours). If he worked a whole day, he could live 2; if he worked 12 hours, 24; if he worked 6, 12 hours. But he now has to work 12 hours to live 12. He would need to work only 1/2 in order to live 1; but he has to work 2 × 1/2 = 1 to live 1. In the old state of the productive force, he had to work 10 days to live 15; or 12 hours to live 18; or 1 hour to live 1 1/2, or 8 hours to live 12, i.e. 2/3 of a day to live 3/3. But he has to work 3/3 to live 2/3, i.e. 1/3 too much. The doubling of the productive force increases the relation of surplus time from 1:1 1/2 (i.e. 50%) to 1:2 (i.e. 100%). In the earlier labour time relation: he needed 8 to live 12, i.e. 2/ 3 of the whole day was necessary labour; he now needs only 1/2, i.e. 6, to live 12. That is why capital now employs 5 workers instead of 10. If the 10 (cost 50) produced 75 before, then now the 25,

50: i.e. the former only 50%, the second 100. The workers work 12 hours as before; but in the first case capital bought 10 working days, now merely 5; because the force of production doubled, the 5 produce 5 days of surplus labour; because in the first case 10 working days yielded only 5 days of surplus labour; now, with the force of production doubled, i.e. risen from 50% to 100% – 5, 5; in the first case 120 working hours (= 10 working days) produce 180; in the second, 60, 60; i.e. in the first case, the surplus time is 1/3 of the whole day (50% of necessary labour) (i.e. 4 hours out of 12; necessary time 8); in the second case surplus time is 1/2 the whole day (100% of necessary labour) (i.e. 6 hours out of 12; necessary time 6); hence the 10 days yielded 5 days of surplus time (surplus labour) in the first case, and in the second the 5 yield 5. Thus relative surplus time has doubled; relative to the first relation it grew by only 1/2 compared to 1/3; i.e. by 16 4/6%.>

	constant		*variable*	
100	60	+	40	(original relation)
100	75	+	25	(+ 25) = 125 (25%)
160	120	+	40	(+ 40) = 200 (25%)

Since surplus labour, or surplus time, is the presupposition of capital, it therefore also rests on the fundamental presupposition that there exists a surplus above the labour time necessary for the maintenance and reproduction of the individual; that the individual e.g. needs to work only 6 hours in order to live one day, or 1 day in order to live 2 etc. With the development of the forces of production, necessary labour time decreases and surplus labour time thereby increases. Or, as well, that one individual can work for 2 etc. (‘*Wealth is disposable* time and nothing more. ... If the whole labour of a country were sufficient only to raise the support of the whole population, there would be no *surplus labour*, consequently nothing that can be allowed to accumulate as capital . . . Truly wealthy a nation, if there is *no interest* or if the working day is 6 hours rather than 12 ... Whatever may be *due* to the capitalist, he can only receive the *surplus labour* of the labourer; for the labourer must live.’ (*The Source and Remedy of the National Difficulties*.) [14]

‘*Property*. Origin in the productivity of labour. If one can produce only enough for one, everyone worker; there can be no property. When one man’s labour can maintain five, there will be four idle men for one employed in production. Property grows from the improvement in the mode of production … The growth of the property, this greater ability to maintain idle men and unproductive industry = capital … machinery itself can seldom be applied with success to abridge the labours of an individual: *more time would be lost in its construction than could be saved by its application. It is only really useful when it acts on great masses, when a single machine can assist the labours of thousands.* It is accordingly in the most populous countries where there are most idle men that it is always most abundant. It is not called into action by scarcity of men, but by the facility with which they are brought together … Not 1/4 of the English population provides everything that is consumed by all. Under William the Conqueror for example the amount of those directly participating in production much greater relative to the idle men.’ (Ravenstone, IX, 32.) [15]

Just as capital on one side creates surplus labour, surplus labour is at the same time equally the presupposition of the existence of capital. The whole development of wealth rests on the creation of disposable time. The relation of *necessary* labour time to the *superfluous* (such it is, initially, from the standpoint of necessary labour) changes with the different stages in the development of the productive forces. In the less productive [16] stages of exchange, people exchange nothing more than their *superfluous labour time*; this is the measure of their exchange, which therefore extends only to superfluous products. In production resting on capital, the existence of *necessary* labour time is conditional on the creation of *superfluous* labour time. In the lowest stages of production, firstly, few human needs have yet been produced, and thus few to be satisfied. Necessary labour is therefore restricted, not because labour is productive, but because it is not very necessary; and secondly, in all stages of production there is a certain common quality [*Gemeinsamkeit*] of labour, *social* character of the same, etc. The force of social production develops later etc. (Return to this.) [17]

Increase of surplus labour time. Increase of simultaneous working days* (Population). *(Population can increase in proportion

as **necessary labour time** *becomes smaller, i.e. the time required to produce living labour capacities decreases.) – Surplus capital and surplus population. – Creation of free time for society*

Surplus time is the excess of the working day above that part of it which we call *necessary* labour time; it exists secondly as the multiplication of *simultaneous working days*, i.e. of the *labouring population.* (It can also be created – but this is mentioned here only in passing, belongs in the chapter on wage labour – by means of forcible prolongation of the working day beyond its natural limits; by the addition of women and children to the labouring population.) The first relation, that of the surplus time and the necessary time in the day, can be and is modified by the development of the productive forces, so that necessary labour is restricted to a constantly smaller fractional part. The same thing then holds relatively for the population. A labouring population of, say, 6 million can be regarded as one working day of 6 × 12, i.e. 72 million hours: so that the same laws applicable here.

It is a law of capital, as we saw, to create surplus labour, disposable time; it can do this only by setting *necessary labour* in motion – i.e. entering into exchange with the worker. It is its tendency, therefore, to create as much labour as possible; just as it is equally its tendency to reduce necessary labour to a minimum. It is therefore equally a tendency of capital to increase the labouring population, as well as constantly to posit a part of it as surplus population – population which is useless until such time as capital can utilize it. (Hence the correctness of the theory of surplus population and surplus capital.) It is equally a tendency of capital to make human labour (relatively) superfluous, so as to drive it, as human labour, towards infinity. Value is nothing but objectified labour, and surplus value (realization of capital) is only the excess above that part of objectified labour which is necessary for the reproduction of labouring capacity. But labour as such is and remains the presupposition, and surplus labour exists only in relation with the necessary, hence only in so far as the latter exists. Capital must therefore constantly posit necessary labour in order to posit surplus labour; it has to multiply it (namely the *simultaneous* working days) in order to multiply the surplus; but at the same time it must suspend them as necessary, in order to posit them as surplus labour. As regards the single working day, the process is of course simple: (1) to lengthen it up to the limits of natural possibility; (2) to shorten the necessary part of it more and more (i.e. to increase the productive forces without limit). But the working day, regarded spatially – time itself regarded as space – is *many working days alongside one another*. The more working days capital can enter into exchange with at once, during which it exchanges *objectified for living labour*, the greater its realization *at once*. It can leap over the *natural* limit formed by one individual's living, working day, *at a given stage in the development of the forces of production* (and it does not in itself change anything that this stage is changing) only by positing *another* working day alongside the *first* at the same time – by the spatial addition *of more simultaneous working days*. E.g. I can drive the surplus labour of A no higher than 3 hours; but if I add the days of B, C, D etc., then it becomes 12 hours. In place of a surplus time of 3, I have created one of 12. This is why capital solicits the increase of population; and the very process by means of which necessary labour is reduced makes it possible to put new necessary labour (and hence surplus labour) to work. (I.e. the *production of workers* becomes cheaper, more workers can be produced in the same time, in proportion as *necessary labour time* becomes smaller or the time required for the *production of living labour capacity* becomes relatively smaller. These are identical statements.) (This still without regard to the fact that the increase in population increases the productive force of labour, since it makes possible a greater division and combination of labour etc. The increase of population is a *natural force* of labour, for which nothing is paid. From this standpoint, we use the term *natural force* to refer to the *social force*. All *natural forces of social labour* are themselves historical products.) It is, on the other side, a tendency of capital – just as in the case of the single working day – to reduce the many simultaneous necessary working days (which, as regards their value, can be taken as *one* working day) to the minimum, i.e. to posit as many as possible of them as *not necessary*. Just as in the previous case of the single working day it was a tendency of capital to reduce the necessary working hours, so now the necessary working days are reduced in relation to the total amount of objectified labour time. (If 6 are necessary to produce 12 superfluous working hours, then capital works towards the reduction of these 6 to 4. Or 6 working days can be regarded as one working day of 72 hours; if necessary labour time is reduced by 24 hours, then two days of necessary labour fall away – i.e. 2 workers.) At the same time, the newly created surplus capital can be realized as such only by being again exchanged for living labour. Hence the tendency of capital simultaneously to increase the *labouring population* as well as to reduce constantly its *necessary* part (constantly to posit a part of it as reserve). And the increase of population itself the chief means for reducing the necessary part. *At bottom this is only an application of the relation of the single working day*. Here already lie, then, all the contradictions which modern population theory expresses as such, but does not grasp. Capital, as the positing of surplus labour, is equally and in the same moment the positing and the not-positing of necessary labour; it exists only in so far as necessary labour both exists and does not exist. *

If the relation of the necessary working days to the total number of objectified working days was = 9:12 (hence surplus labour = 1/4), then the striving of capital is to reduce it to 6:9 (i.e. 2/3, hence surplus labour = 1/3). (Develop this more closely later; still, the major basic traits here, where we are dealing with the general concept of capital.)

* It does not belong here, but can already be recalled here, that the creation of surplus labour on the one side corresponds to the creation of minus-labour, relative idleness (or *not-productive* labour at best), on the other. This goes without saying as regards capital itself; but holds then also for the classes with which it shares; hence of the paupers, flunkeys, lickspittles etc. living from the surplus product, in short, the whole train of retainers; the part of the *servant* [*dienenden*] class which lives not from capital but from revenue. Essential difference between this *servant* class and the *working* class. In relation to the whole of society, the creation of *disposable time* is then also creation of time for the production of science, art etc. The course of social development is by no means that because one individual has satisfied his need he then proceeds to create a superfluity for himself; but rather because one individual or class of individuals is forced to work more than required for the satisfaction of its need – because *surplus labour* is on one side, therefore not-labour and surplus wealth are posited on the other. In reality the development of wealth exists only in these opposites [*Gegensätze*]: in potentiality, its development is the possibility of the suspension of these opposites. [18] Or because an individual can satisfy *his own* need only by simultaneously satisfying the need of and providing a surplus above that for *another* individual. This brutal under slavery. Only under the conditions of wage labour does it

lead to *industry, industrial* labour. – Malthus therefore quite consistent when, along with surplus labour and surplus capital, he raises the demand for surplus idlers, consuming without producing, or the necessity of waste, luxury, lavish spending etc.

Transition from the process of the production of capital into the process of circulation. – Devaluation of capital itself owing to increase of productive forces. (Competition.) (Capital *as unity and contradiction of production process and realization process.) Capital as barrier to production. – Overproduction. (Demand by the workers themselves.) – Barriers to capitalist production*

We have now seen how, in the *realization process,* capital has (1) maintained its value by means of exchange itself (exchange that is, with living labour); (2) increased, created a surplus value. There now appears, as the result of this unity of the process of production and the process of realization, the product of the process, i.e. capital itself, emerging as product from the process whose presupposition it was – as a product which is a value, or, *value* itself appears as the product of the process, and specifically a *higher value,* because it contains more objectified labour than the value which formed the point of departure. This value as such is *money.* However, this is the case only *in itself;* it is not posited as such; that which is *posited* at the outset, which is on hand, is a commodity with a certain (ideal) price, i.e. which exists only ideally [*ideell*] as a certain sum of money, and which first has to *realize* itself [*sich realisieren*] as such in the exchange process, hence has to re-enter the process of simple circulation in order to be posited as *money.* We now come therefore to the *third side of the process* in which capital is posited as such.

(3) Looked at precisely, that is, the *realization process* of capital – and money becomes capital only through the realization process – appears at the same time as its *devaluation process* [*Entwertungsprozess*], its demonetization. And this in two respects. First, to the extent that capital does not increase absolute labour time but rather decreases the relative, necessary labour time, by increasing the force of production, to that extent does it reduce the costs of its own production – in so far as it was presupposed as a certain sum of commodities, reduces its exchange value: one part of the capital on hand is constantly devalued owing to a decrease in the costs of production at which it can be *reproduced;* not because of a decrease in the amount of labour objectified in it, but because of a decrease in the amount of living labour which

it is henceforth necessary to objectify in this specific product. This constant devaluation of the *existing* capital does not belong here, since it already presupposes capital as completed. It is merely to be noted here in order to indicate how later developments are already contained in the general concept of capital. Belongs in the doctrine of the concentration and competition of capitals. – The *devaluation* being dealt with here is this, that capital has made the transition from the form of money into the form of a *commodity,* of a product, which has a certain price, which is to be *realized*. In its money form it existed as *value.* It now *exists* as product, and only ideally as price; but not as *value as* such. In order to *realize* itself, i.e. to maintain and to multiply itself as value, it would first have to make the transition from the form of money into that of use values (raw material – instrument – wages); but it would thereby lose the *form* of value; and it now has to enter anew into circulation in order to posit this form of general wealth anew. The capitalist now enters the process of circulation not simply as one engaged in exchange, but as *producer,* and the others engaged in exchange are, relative to him, *consumers.* They must exchange money in order to obtain his commodity for their consumption, while he exchanges his product to obtain their money. Suppose that this process breaks down – and the separation by itself implies the possibility of such a miscarriage in the individual case – then the capitalist’s money has been transformed into a worthless product, and has not only not gained a new value, but also lost its original value. But whether this is so or not, in any case devaluation forms one moment of the realization process; which is already simply implied in the fact that the product of the process in its immediate form is not *value,* but first has to enter anew into circulation in order to be realized as such. Therefore, while capital is reproduced as value and new value in the production process, it is at the same time posited as *not-value,* as something which first has to be *realized as value by means of exchange.* The three processes of which capital forms the unity are external; they are separate in time and space. As such, the transition from one into the other, i.e. their unity as regards the individual capitalists, is accidental. Despite their *inner unity,* they exist *independently* alongside one another, each as the presupposition of the other. Regarded broadly and as a whole, this inner unity must necessarily maintain itself to the extent that the whole of production rests on capital, and it must therefore realize all the necessary moments of its self-formation, and must contain the determinants necessary to make these moments real. But at the point we have reached so far, capital still does not appear as the determinant of circulation (exchange) itself but merely as one moment of the latter, and it appears to stop being capital just at the point where it enters into circulation. As a *commodity,* capital now shares the fate of commodities in general; it is a matter of accident whether or not it is exchanged for money, whether its *price* is realized or not.

In the production process itself – where capital continued to be presupposed as value – its *realization* appeared totally dependent solely on the relation of itself as objectified labour to living labour; i.e. on the relation of capital to wage labour. But now, as a product, as a commodity, it appears dependent on circulation, which lies outside this process. (In fact, as we have seen, it returns into it as its ground, but also and equally emerges from it again.) [19] As a commodity, it must be (1) a use value and, as such, an object of need, object of consumption; (2) it must be exchanged for its equivalent – in money. The new value can be realized only through a sale.

If it contained objectified labour at a price of 100 thalers before, and now at a price of 110 (the price here merely an expression, in money, of the amount of objectified labour), then this has to be demonstrated through the exchange of the labour objectified in the newly produced commodity for 110 thalers. The product is devalued [*entwertet*] initially in so far as it must be exchanged for money at all, in order to obtain its form as value again. Inside the production process, realization appeared totally identical with the production of surplus labour (the objectification of surplus time), and hence appeared to have no *bounds* other than those partly presupposed and partly posited within this process itself, but which are always posited within it as *barriers* to be forcibly overcome. There now appear barriers to it which lie *outside* it. To begin with, even on an entirely superficial inspection, the commodity is an exchange value only in so far as it is at the same time a *use value,* i.e. an object of consumption (still entirely irrelevant here, what kind of consumption); it ceases to be an exchange value when it ceases to be a use value (since it does not yet exist as money again, but rather still in a specific mode of existence coinciding with its natural quality). Its first barrier, then, is *consumption itself* – the *need for it.*

(Given the present presuppositions, there is no basis whatever for speaking of ineffective, *non-paying needs;* i.e. a need which does not itself possess a commodity or money to give in exchange.) Then, secondly, there has to be an equivalent for it, and, since circulation was presupposed at the outset as a constant magnitude – as having a given volume – but since, on the other hand, capital has created a new value in the production process, it seems indeed as if no equivalent were available for it. Thus, by emerging from the production process and re-entering circulation, capital (a) as *production,* appears to encounter a barrier in the available magnitude of *consumption* – of *consumption capacity.* As a specific use value, its quantity is irrelevant up to a certain point; then, however, at a certain level – since it satisfies only a specific need – it ceases to be required for consumption. As a *specific, one-sided, qualitative* use value, e.g. grain, its quantity itself is irrelevant only up to a certain level; it is required only in a specific quantity; i.e. in a certain *measure.* This measure, however, is given partly in its quality as use value – its *specific* usefulness, applicability – partly in the number of individuals engaged in exchange who have a need for this specific consumption. The number of consumers multiplied by the magnitude of their need for this *specific* product. Use value in itself does not have the boundlessness of value as such. Given objects can be consumed as objects of needs only up to a certain level. For example: No more than a certain amount of grain is consumed etc. Hence, as *use value,* the product contains a barrier – precisely the barrier consisting of the need for it – which, however, is measured not by the need of the producers but by the total need of all those engaged in exchange. Where the need for a certain use value ceases, it ceases to be a use value. It is measured as a use value by the need for it. But as soon is it ceases to be a use value, it ceases to be an object of circulation (in so far as it is not money). (b) As *new value* and as *value* as such, however, it seems to encounter a barrier in the magnitude of *available equivalents,* primarily money, not as medium of circulation but as money. The surplus value (distinct, obviously, from the original value) requires a surplus equivalent. This now appears as a second barrier.

(c) Money – i.e. wealth as such, i.e. wealth existing in and because of the exchange for *alien objectified labour* – originally appeared to collapse into itself [*in sich zusammenzufallen*] to the extent that it did not proceed to the exchange for *alien living labour,* i.e. to the production process. Circulation was incapable of renewing itself from within itself. At the same time, the production process now appears to be in a fix, in as much as it is not able to make the transition into the process of circulation. Capital, as production resting on wage labour, presupposes circulation as the necessary condition and moment of the entire motion. This specific form of production presupposes this specific form of exchange which finds its expression in the circulation of money. In order to renew itself, the entire product has to be transformed into money; not as in earlier stages of production, where exchange is by no means concerned with production in its totality, but only with superfluous production and superfluous products.

These are, then, the contradictions which present themselves of their own accord to a simple, objective, non-partisan view. How they are constantly suspended in the system of production resting on capital, but also constantly created again – and are suspended only by force (although this suspension appears up to a certain point merely as a quiet equilibration) – this is another question. The important thing at present is to take note of the existence of these contradictions. All the contradictions of circulation come to life again in a new form. The product as use value is in contradiction with itself as value; i.e. in as much as it exists in a specific quality, as a specific thing, as a product of specific natural properties, as a substance of need in contradiction with its substance as value, which it possesses exclusively on account of its being *objectified labour.* But this time, this contradiction is posited not merely as it was in circulation, as a *merely formal difference*; rather the quality of being measured by use value is here firmly determined as the quality of being measured by the total requirement for this product by all those engaged in exchange – i.e. by the amount of total consumption. The latter here appears as *measure* for it as use value and hence also as *exchange value.* In simple circulation it had simply to be transposed from the form of a particular use value into the form of exchange value. Its barrier then appeared only in the fact that, [coming] from circulation, it existed in a particular form owing to its *natural composition,* rather than in the value form in which it could be exchanged for all other commodities directly. What is posited now is that the *measure* of its availability is given in its *natural composition* itself. In order to be transposed into the general form, the use value has to be present in a limited and specific quantity; a *quantity* whose *measure* does not lie in the amount of *labour objectified in it,* but arises from its *nature as use value,* in particular, *use value for others.* At the same time, the previous contradiction, that money for-itself [*das für sich seiende Geld*] had to proceed to exchange itself for living labour, now appears even greater, in as much as the surplus money, in order to exist as such, or the surplus value, has to exchange itself for surplus value. Hence, as value, it encounters its barrier in alien production, just as, as use value, its barrier is alien consumption; in the latter, its measure is the amount of need for the specific product, in the former, the amount of *objectified labour* existing in circulation. The indifference of value as such towards use value is thereby brought into just as false a position [*Position*] as are, on the other side, the substance of value and its measure as objectified labour in general. *

> * The transition to the relation of supply, demand, prices cannot be made yet, as their development proper presupposes capital. Should not demand and, supply, in so far as they are abstract categories and do not yet express any particular economic relations, perhaps be examined already together with simple circulation or production?

The main point here – where we are concerned with the general concept of capital – is that it is this *unity of production and realization,* not *immediately* but only as a *process,* which is linked to certain conditions, and, as it appeared, *external* conditions. *

> * We saw earlier that the capital realization process presupposes the prior development of the *simple production process.* [20] This will be the case with *demand and supply* as well, to the extent that simple exchange presupposes a need for the product. The (direct) producer's *own* need as the need for others' demand. In the course of this development itself it will be seen what has to be presupposed to it, and all this is then to be thrown into the first chapters.

The creation by capital of *absolute surplus value* – more objectified labour – is conditional upon an expansion, specifically a constant expansion, of the sphere of circulation. The *surplus value* created at one point requires the creation of surplus value at *another* point, for which it may be exchanged; if only, initially, the production of more gold and silver, more money, so that, if surplus value cannot directly become capital again, it may exist in the form of money as the possibility of new capital. A precondition of production based on capital is therefore *the production of a constantly widening sphere of circulation,* whether the sphere itself is directly expanded or whether *more points within it are created as points of production.* While circulation appeared at first as a constant magnitude, it here appears as a moving magnitude, being expanded by production itself. Accordingly, it already appears as a moment of production itself. Hence, just as capital has the tendency on one side to create ever more surplus labour, so it has the complementary tendency to create more points of exchange; i.e., here, seen from the standpoint of *absolute* surplus value or surplus labour, to summon up more surplus labour as complement to itself; i.e. at bottom, to propagate production based on capital, or the mode of production corresponding to it. The tendency to create the *world market* is directly given in the concept of capital itself. Every limit appears as a barrier to be overcome. Initially, to subjugate every moment of production itself to exchange and to suspend the production of direct use values not entering into exchange, i.e. precisely to posit production based on capital in place of earlier modes of production, which appear primitive [*naturwüchsig*] from its standpoint. *Commerce* no longer appears here as a function taking place between independent productions for the exchange of their excess, but rather as an essentially all-embracing presupposition and moment of production itself. *

> * Of course, all production aimed at direct use value decreases the number of those engaged in exchange, as well as the sum of exchange values thrown into circulation, and above all the production of surplus values. Hence the tendency of capital (1) continually to enlarge the periphery of circulation; (2) to transform it at all points into production spurred on by capital. [21]

On the other side, the production of *relative surplus value,* i.e. production of surplus value based on the increase and development of the productive forces, requires the production of new consumption; requires that the consuming circle within circulation expands as did the productive circle previously. Firstly quantitative expansion of existing consumption; secondly: creation of new needs by propagating existing ones in a wide circle; *thirdly:*

production of *new* needs and discovery and creation of new use values. In other words, so that the surplus labour gained does not remain a merely quantitative surplus, but rather constantly increases the circle of qualitative differences within labour (hence of surplus labour), makes it more diverse, more internally differentiated. For example, if, through a doubling of productive force, a capital of 50 can now do what a capital of 100 did before, so that a capital of 50 and the necessary labour corresponding to it become free, then, for the capital and labour which have been set free, a new, qualitatively different branch of production must be created, which satisfies and brings forth a new need. The value of the old industry is preserved by the creation of the fund for a new one in which the relation of capital and labour posits itself in a *new* form. Hence exploration of all of nature in order to discover new, useful qualities in things; universal exchange of the products of all alien climates and lands; new (artificial) preparation of natural objects, by which they are given new use values. * The exploration of the earth in all directions, to discover new things of use as well as new useful qualities of the old; such as new qualities of them as raw materials etc.; the development, hence, of the natural sciences to their highest point; likewise the discovery, creation and satisfaction of new needs arising from society itself; the cultivation of all the qualities of the social human being, production of the same in a form as rich as possible in needs, because rich in qualities and relations – production of this being as the most total and universal possible social product, for, in order to take gratification in a many-sided way, he must be capable of many pleasures [*genussfähig*], hence cultured to a high degree – is likewise a condition of production founded on capital. This creation of new branches of production, i.e. of qualitatively new surplus time, is not merely the division of labour, but is rather the creation, separate from a given production, of labour with a new use value; the development of a constantly expanding and more comprehensive system of different kinds of labour, different kinds of production, to which a constantly expanding and constantly enriched system of needs corresponds.

> * The role played by *luxury* in antiquity in contrast to its role among the moderns, to be alluded to later.

Thus, just as production founded on capital creates universal industriousness on one side – i.e. surplus labour, value-creating labour – so does it create on the other side a system of general exploitation of the natural and human qualities, a system of general utility, utilizing science itself just as much as all the physical and mental qualities, while there appears nothing *higher in itself,* nothing legitimate for itself, outside this circle of social production and exchange. Thus capital creates the bourgeois society, and the universal appropriation of nature as well as of the social bond itself by the members of society. Hence the great civilizing influence of capital; its production of a stage of society in comparison to which all earlier ones appear as mere *local developments* of humanity and as *nature-idolatry.* For the first time, nature becomes purely an object for humankind, purely a matter of utility; ceases to be recognized as a power for itself; and the theoretical discovery of its autonomous laws appears merely as a ruse so as to subjugate it under human needs, whether as an object of consumption or as a means of production. In accord with this tendency, capital drives beyond national barriers and prejudices as much as beyond nature worship, as well as all traditional, confined, complacent, encrusted satisfactions of present needs, and reproductions of old ways of life. It is destructive towards all of this, and constantly revolutionizes it, tearing down all the barriers which hem in the development of the forces of production, the expansion of needs, the all-sided development of production, and the exploitation and exchange of natural and mental forces.

But from the fact that capital posits every such limit as a barrier and hence gets *ideally* beyond it, it does not by any means follow that it has *really* overcome it, and, since every such barrier contradicts its character, its production moves in contradictions which are constantly overcome but just as constantly posited. Furthermore. The universality towards which it irresistibly strives encounters barriers in its own nature, which will, at a certain stage of its development, allow it to be recognized as being itself the greatest barrier to this tendency, and hence will drive towards its own suspension.

Those economists who, like Ricardo, conceived production as directly identical with the self-realization of capital – and hence were heedless of the barriers to consumption or of the existing barriers of circulation itself, to the extent that it must represent counter-values at all points, having in view only the development of the forces of production and the growth of the industrial population – supply without regard to demand – have therefore grasped the positive essence of capital more correctly and deeply than those who, like Sismondi, emphasized the barriers of consumption and of the available circle of counter-values, although the latter has better grasped the limited nature of production based on capital, its negative one-sidedness. The former more its universal tendency, the latter its particular restrictedness. The whole dispute as to whether *overproduction* is possible and necessary in capitalist production revolves around the point whether the process of the realization of capital within production directly posits its realization in circulation; whether its realization posited in the *production process* is its *real* realization. Ricardo himself, of course, has a suspicion that the *exchange value* of a commodity is not a value apart from exchange, and that it proves itself as a value only in exchange; but he regards the barriers which production thereby encounters as accidental, as barriers which are overcome. He therefore conceives the overcoming of such barriers as being in the essence of capital, although he often becomes absurd in the exposition of that view; while Sismondi, by contrast, emphasizes not only the encounter with the barriers, but their creation by capital itself, and has a vague intuition that they must lead to its breakdown. He therefore wants to put up barriers to production, from the outside, through custom, law etc., which of course, as merely external and artificial barriers, would necessarily be demolished by capital. On the other side, Ricardo and his entire school never understood the really *modern crises,* in which this contradiction of capital discharges itself in great thunderstorms which increasingly threaten it as the foundation of society and of production itself.

The attempts made from the orthodox economic standpoint to deny that there is *general overproduction* at any given moment are indeed childish. Either, in order to rescue production *based on capital* (see e.g. MacCulloch), [22] all its specific qualities are ignored and their specific character as forms omitted, and capital is conceived as its inverse, as simple production for *immediate use value.* Totally abstracts away the essential relations. In fact, in order to cleanse it of contradictions, it is virtually dropped and negated. [23] – Or, like e.g. Mill, more perceptively (copied from the dull Say): *supply* and *demand* are allegedly identical, and should therefore necessarily correspond.

[24] Supply, namely, is allegedly a demand measured by its own amount. Here a great confusion: (1) This identity of supply, so that it is a demand measured by its own amount, is true only to the extent that it is *exchange value* = to a certain amount of objectified labour. To that extent it is the measure of its own demand – as far as *value* is concerned. But, as such a value, it first has to be realized through the exchange for *money,* and as object of exchange for money it depends (2) on its *use value,* but as use value it depends on the mass of needs present for it, the demand for it. But as use value it is absolutely not measured by the labour time objectified in it, but rather a measuring rod is applied to it which lies outside its nature as exchange value. Or, it is further said: *Supply itself is demand for a certain product* of a *certain value* (which expresses itself in the demanded amount of the product). Then, if the supplied product is unsaleable, it proves that too much has been produced of the supplied commodity and too little of what the supplier demands. Thus allegedly there is no general overproduction, but merely overproduction of one or a few articles, as against underproduction of others. This again forgets that what the producing capital demands is not a specific use value, but *value* for itself, i.e. money – money not in the role of medium of circulation, but as a general form of wealth, or a form of the realization of capital in one regard, a return to its original dormant state in the other. But the assertion that too little *money* is produced means indeed nothing else than what is being asserted, that production is not identical with realization, i.e. that it is *overproduction,* or, what is the same, that it is production which cannot be transformed into money, into *value;* production which does not pass the test of circulation. Hence the illusion of the money-artists (including Proudhon etc.), that it is a case of lack of *means of circulation* – on account of the high cost of money – and that more money has to be created artificially. [25] (See also the Birminghamites, e.g. the *Gemini*.) [26] Or it is said that *production and consumption* are the same *from the social standpoint,* that hence an excess or disproportion between the two can never take place. Social standpoint here means the abstraction which ignores precisely the specific social structure and relations and hence also the contradictions which emerge from it. Storch, for example, remarked quite correctly against Say that a great part of consumption is not consumption for immediate use, but consumption in the production

process, e.g. consumption of machines, coal, oil, required buildings etc. [27] This consumption is in no way identical with that at issue here. Malthus and Sismondi have likewise correctly remarked that e.g. the workers' consumption is in no way in itself a *sufficient* consumption for the capitalist. [28] The moment of realization is here simply thrown out entirely, and production and consumption are simply equated, i.e. not production based on capital but production based directly on *use value* is presupposed. Or, expressed *socialistically*: [29] labour and the exchange of labour, i.e. production and its exchange (circulation), are allegedly the entire process; how then could a disproportion arise except by oversight, miscalculation? Labour is here regarded not as wage labour, nor capital as capital. On one side, the consequences of production based on capital are accepted, on the other side the presuppositions and conditions of these consequences are denied – necessary labour as posited by and for surplus labour. Or – e.g. Ricardo – since production is itself regulated by the costs of production, it allegedly regulates itself, and if one branch of production does not realize itself then capital withdraws from it to a certain degree and throws itself on another point where it is needed. [30] But apart from the fact that this necessity of evening-up already *presupposes* the unevenness, the disharmony and hence the contradiction – in a general crisis of overproduction the contradiction is not between the different kinds of productive capital, but between industrial and loanable capital – between capital as directly involved in the production process and capital as money existing (relatively) outside of it. Finally: *proportionate production* (this is already in Ricardo also, etc.) only when it is capital's tendency to distribute itself in correct proportions, but equally its necessary tendency – since it strives limitlessly for surplus labour, surplus productivity, surplus consumption etc. – to drive beyond the proportion. (In *competition* this inner tendency of capital appears as a compulsion exercised over it by *alien capital,* which drives it forward beyond the correct proportion with a constant *march, march!* Free competition, as Mr Wakefield correctly sniffs out in his commentary on Smith, has *never yet* been developed by the economists, no matter how much they prattle about it, and [no matter] how much it is the basis of the entirety of bourgeois production, production resting on capital. [31] It has been understood only negatively: i.e. as negation of monopolies, the guild system, legal regulations etc. As negation of feudal production. But it also has to be something *for itself,* after all, since a mere 0 is an empty negation, abstraction, from a barrier which immediately arises again e.g. in the form of monopoly, natural monopolies etc. Conceptually, *competition* is nothing other than the inner *nature of capital,* its essential character, appearing in and realized as the reciprocal interaction of many capitals with one another, the inner tendency as external necessity.) (Capital exists and can only exist as many capitals, and its self-determination therefore appears as their reciprocal interaction with one another.) Capital is just as much the constant positing as the suspension of *proportionate production.* The existing proportion always has to be suspended by the creation of surplus values and the increase of productive forces. But this demand, that production should be expanded *simultaneously* and *at once in the same proportion,* makes external demands upon capital which in no way arise out of it itself; at the same time, the departure from the given proportion in one branch of production drives all of them out of it, and in unequal proportions. So far (for we have not yet reached the aspect of capital in which it is *circulating capital,* and still have circulation on one side and capital on the other, or production as its presupposition, or ground from which it arises), even from the standpoint of production alone, circulation contains the relation to consumption and production – in other words, surplus labour as counter value [*Gegenwert*], and differentiation of labour in an ever richer form.

The simple concept of capital has to contain its civilizing tendencies etc. *in themselves;* they must not, as in the economics books until now, appear merely as external consequences. Likewise the contradictions which are later released, demonstrated as already latent within it.

So far in the realization process, we have only the indifference of the individual moments towards one another; that they determine each other internally and search for each other externally; but that they may or may not find each other, balance each other, correspond to each other. The inner necessity of moments which belong together, and their indifferent, independent existence towards one another, are already a foundation of contradictions.

Still, we are by no means finished. The contradiction between production and realization – of which capital, by its concept, is the unity – has to be grasped more intrinsically than merely as the indifferent, seemingly reciprocally independent appearance of the individual moments of the process, or rather of the totality of processes.

To approach the matter more closely: *First of all, there is a limit, not inherent to production generally, but to production founded on capital.* This limit is double, or rather the same regarded from two directions. It is enough here to demonstrate that capital contains a *particular* restriction of production – which contradicts its general tendency to drive beyond every barrier to production – in order to have uncovered the foundation of *overproduction,* the fundamental contradiction of developed capital; in order to have uncovered, more generally, the fact that capital is not, as the economists believe, the *absolute* form for the development of the forces of production – not the absolute form for that, nor the form of wealth which absolutely coincides with the development of the forces of production. The stages of production which precede capital appear, regarded from its standpoint, as so many fetters upon the productive forces. It itself, however, correctly understood, appears as the condition of the development of the forces of production as long as they require an external spur, which appears at the same time as their bridle. It is a discipline over them, which becomes superfluous and burdensome at a certain level of their development, just like the guilds etc. These inherent limits have to coincide with the nature of capital, with the essential character of its very concept. These necessary limits are:

(1) *Necessary labour* as limit on the exchange value of living labour capacity or of the woes of the industrial population;

(2) *Surplus value* as limit on surplus labour time; and, in regard to relative surplus labour time, as barrier to the development of the forces of production;

(3) What is the same, the *transformation into money,* exchange value as such, as limit of production; or exchange founded on value, or value founded on exchange, as limit of production. This is:

(4) again the same as *restriction of the production of use values by exchange value;* or that real wealth has to take on a *specific* form distinct from itself, a form not absolutely identical with it, in order to become an object of production at all.

However, these limits come up against the *general tendency of capital* (which showed itself in simple circulation, where money as medium of circulation appeared as merely vanishing, without independent necessity, and hence not as limit and barrier) to forget and abstract from:

(1) necessary labour as limit of the exchange value of living labour capacity; (2) surplus value as the limit of surplus labour and development of the forces of production; (3) money as the limit of production; (4) the restriction of the production of use values by exchange value.

Hence overproduction: i.e. the sudden *recall* of all these necessary moments of production founded on capital; hence general devaluation in consequence of forgetting them. Capital, at the same time, [is] thereby faced with the task of launching its attempt anew from a higher level of the development of productive forces, with each time greater collapse *as capital.* Clear, therefore, that the higher the development of capital, the more it appears as barrier to production – hence also to consumption – besides the other contradictions which make it appear as burdensome barrier to production and intercourse.

<The entire *credit system,* and the over-trading, over-speculation etc. connected with it, rests on the necessity of expanding and leaping over the barrier to circulation and the sphere of exchange. This appears more colossally, classically, in the relations between peoples than in the relations between individuals. Thus e.g. the English forced to *lend* to foreign nations, in order to have them as customers. At bottom, the English capitalist exchanges doubly with *productive* English capital, (1) as himself, (2) as Yankee etc. or in whatever other form he has placed his money.>

<Capital as *barrier to production* is pointed out: e.g. Hodgskin: [32] ‘In the present state, every accumulation of capital adds to the amount of profit demanded from the labourer, and extinguishes all that labour which would only procure the labourer his comfortable existence ... *Profit* the limitation of production.’ (H[odgskin, Notebook,] p. 46.) [33] Through foreign trade, the barrier of the sphere of exchange [is] expanded, and [it is] made possible for the capitalist to consume more surplus labour: ‘In a series of years the world can take no more from us than we can take from the world. Even the profits made by our merchants in their foreign trade are paid by the consumer of the return goods here. Foreign trade mere barter, and as such exchange for the convenience and enjoyment of the capitalist. But he can consume commodities

to a certain degree only. He exchanges cottons etc. for the wines and silks of foreign countries. But these *represent only the surplus labour of our own population* as much as the clothes and cottons, and in this way the *destructive power of the capitalist is increased beyond all bounds.* Thus nature is *outwitted.' (Source and Remedy* etc., pp. 27, 28.) [34] How the *glut* is connected with the *barrier* of necessary labour: 'The very meaning of an increased demand by the labourers is, a disposition to take less themselves, and leave a larger share for their employers; and if it be said that this, *by diminishing consumption, increases glut,* I can only say that *glut then is synonymous with high profits.' (Enquiry,* London, 1821, p. 12.) [35] Herein the one side of the contradiction completely expressed. 'The practice of stopping labour at that point where it can produce, in addition to the subsistence of the labourer, a profit for the capitalist, opposed to the natural law which regulates production.' (H[odgskin, Notebook,] 41, IX.) [36] 'The more the capital accumulates, the more the *whole amount of profit demanded does so;* so there arises an *artificial check* to production and population.' (H[odgskin, Notebook,] 46.) [37] The contradictions between capital as instrument of production in general and as instrument of production of value, developed as follows by Malthus (X, 40 seq.): 'Profits are invariably measured by *value* and never by *quantity* ... The *wealth* of a country depends partly upon the *quantity of produce* obtained by its labour, and partly upon *such an adaptation of this quantity to the wants and powers of the existing population* as is calculated to give it value. Nothing can be more certain than that it is not determined by either of them alone. But where wealth and value are perhaps the most nearly connected, is in *the necessity of the latter to the production of the former.* The value set upon commodities, that is the sacrifice of labour which people are willing to make in order to sustain them, in the actual state of things may be said to be *almost the sole cause* of the existence of wealth ... The consumptive demand occasioned only by the workmen employed in productive labour can never *alone* furnish a motive to the accumulation and employment of capital ... *the powers of production alone do not secure the creation of a proportionate degree of wealth,* as little as the *increase of population.* What it requires in addition is *such a distribution of produce,* and such an adaptation of this produce to the wants of those who are to consume it, as constantly to increase *the exchangeable value of the whole mass,* i.e. the powers of production are only called fully into motion by the unchecked demand for all that is produced ... [38] This is however brought about on the one hand by constantly new branches of industry (and *reciprocal* expansion of the old), by means of which the old obtain new *markets* etc. Production indeed itself creates demand, in that it employs more workers in the same branch of business, and creates new branches of business, where new capitalists again employ new workers and at the same time alternately become market for the old; but the demand created by the productive labourer himself can never be an *adequate* demand, because it does not go to the full extent of what he produces. If it did, there would be no profit, consequently no motive to employ him. The very existence of a profit upon any commodity presupposes *a demand exterior to that of the labourer who has produced it.*' 'Both labourers and capital may be redundant compared with the means of employing them profitably.'> [39]

<To be noted for (3), to which we shall soon proceed, that the provisional accumulation, as which capital appears *vis-à-vis* labour, and by means of which it is the command over labour, is at first nothing else but *surplus labour* itself in the form of *surplus produce,* at the same time *claim on alien co-existing labour.>*

The point here, of course, is not yet to develop overproduction specifically, but only the predisposition to it, such as it is posited in primitive form in the capital relation itself. We must also, therefore, omit here any regard for the other possessing and consuming etc. classes, which do not produce but live from their revenue, hence exchange with capital; form centres of exchange for it. We can consider them only partly (but better, along with *accumulation*), in so far as they are most important for the historic formation of capital.

In production based on slavery, as well as in patriarchal agricultural-industrial production, where the greatest part of the population directly satisfies the greatest part of its needs directly by its labour, the sphere of circulation and exchange is still very narrow; and more particularly in the former, the slave does not come into consideration as *engaged in exchange* at all. But in production based on capital, consumption is mediated at all points by exchange, and labour never has a *direct* use value for those who are working.

Its entire basis is labour as exchange value and as the creation of exchange value.

Well. First of all

the wage worker as distinct from the slave is himself an independent centre of circulation, someone who exchanges, posits exchange value, and maintains exchange value through exchange. *Firstly:* in the exchange between that part of capital which is specified as wages, and living labour capacity, the *exchange value* of this part of capital is posited immediately, before capital again emerges from the production process to enter into circulation, or this can be conceived as itself still an act of circulation. *Secondly:* To each capitalist, the total mass of all workers, with the exception of his own workers, appear not as workers, but as consumers, possessors of exchange values (wages), money, which they exchange for his commodity. They are so many centres of circulation with whom the act of exchange begins and by whom the exchange value of capital is maintained. They form a proportionally very great part – although not quite so great as is generally imagined, if one focuses on the industrial worker proper – of all consumers. The greater their number – the number of the industrial population – and the mass of money at their disposal, the greater the sphere of exchange for capital. We have seen that it is the tendency of capital to increase the industrial population as much as possible.

Actually, the relation of one capitalist to the workers of *another* capitalist is none of our concern here. It only shows every capitalist's illusion, but alters nothing in the relation of capital in general to labour. Every capitalist knows this about his worker, that he does not relate to him as producer to consumer, and [he therefore] wishes to restrict his consumption, i.e. his ability to exchange, his wage, as much as possible. Of course he would like the workers of *other* capitalists to be the greatest consumers possible of *his own* commodity. But the relation of *every* capitalist to *his own* workers is the *relation as such* of *capital and labour,* the essential relation. But this is just how the illusion arises – true for the individual capitalist as distinct from all the others – that *apart from his* workers the whole remaining working class confronts him as *consumer* and *participant in exchange,* as money-spender, and not as worker. It is forgotten that, as Malthus says, 'the very existence of a profit upon any commodity pre-supposes a *demand exterior to that of the labourer who has produced it',* [40] and hence the *demand of the labourer himself can never be an adequate demand.* Since one production sets the other into motion and hence creates consumers for itself in the *alien* capital's workers, it *seems* to each individual capital that the demand of the working class posited by production itself is an 'adequate demand'. On one side, this demand which production itself posits drives it forward, and must drive it forward beyond the *proportion* in which it would have to produce with regard to the workers; on the other side, if the demand *exterior to the demand of the labourer himself* disappears or shrinks up, then the collapse occurs. Capital itself then regards *demand by the worker* – i.e. the payment of the wages on which this demand rests – not as a gain but as a loss. I.e. the *immanent relation between capital and labour* asserts itself. *Here again it is the competition among capitals,* their indifference to and independence of one another, which brings it about that the individual capital relates to the workers of the entire remaining capital *not as to workers:* hence is driven beyond the right proportion. What precisely distinguishes capital from the master-servant relation is that the *worker* confronts him as consumer and possessor of exchange values, and that in the form of the *possessor of money,* in the form of money he becomes a simple centre of circulation – one of its infinitely many centres, in which his specificity as worker is extinguished. *

> * It is quite the same with the demand created by production itself for raw material, semi-finished goods, machinery, means of communication, and for the auxiliary materials consumed in production, such as dyes, coal, grease, soap, etc. This effective, exchange-value-positing demand is adequate and sufficient as long as the producers exchange among themselves. Its inadequacy shows itself as soon as the final product encounters its limit in direct and final consumption. This *semblance,* too, which drives beyond the correct proportion, is founded in the essence of capital, which, as will be developed more closely in connection with competition, *is* something which repels itself, *is* many capitals mutually quite indifferent to one another. In so far as one capitalist *buys* from others, buys commodities, or sells, they are within the simple exchange relation; and do not relate to one another as capital. The *correct* (imaginary) proportion in which they must exchange with one another in order to realize themselves at the end as capital lies *outside* their relation to one another.

To begin with: capital forces the workers beyond necessary labour to surplus labour. Only in this way does it realize itself, and create surplus value. But on the other hand, it posits necessary labour only *to the extent* and *in so far as* it is surplus labour and the latter is *realizable* as *surplus value.* It posits surplus labour, then, as the condition of the necessary, and surplus value as the limit of objectified labour, of value as such. As soon as it cannot posit value, it does not posit necessary labour; and, given its foundation, it cannot be otherwise. It therefore restricts labour and the creation of value – by an artificial check, as the English express it – and it does so on the same grounds as and to the same extent that it posits surplus labour and surplus value. By its nature, therefore, it posits a *barrier* to labour and value-creation, in contradiction to its tendency to expand them boundlessly. And in as much as it both posits a barrier *specific* to itself, and on the other side equally drives over and beyond *every* barrier, it is the living contradiction. *

> * Since value forms the foundation of capital, and since it therefore necessarily exists only through exchange for *counter-value,* it thus necessarily repels itself from itself. A *universal capital,* one without alien capitals confronting it, with which it exchanges – and from the present standpoint, nothing confronts it but wage labourers or itself – is therefore a non-thing. The reciprocal repulsion between capitals is already contained in capital as realized exchange value.

While capital thus, on one side, makes surplus labour and its *exchange* for *surplus labour* into the precondition of necessary labour and hence of the positing of *labour capacity* [*Arbeitsvermögen*] as a centre of exchange – hence already narrows and attaches conditions to the sphere of exchange from this side – it is just as essential to it, on the other side, to restrict the worker's consumption to the amount necessary to reproduce his labour capacity – to make the value which expresses *necessary labour* the barrier to the realization of labour capacity and hence of the worker's *exchange capacity,* and to strive to reduce the relation of this necessary labour to surplus labour to the minimum. [Thus we have] a new barrier to the sphere of exchange, which is, however, at the same time identical, as is the first, with the tendency of capital to relate to every limit on its self-realization as to a barrier. The boundless enlargement of its value – boundless creation of value – therefore absolutely identical here with the positing of barriers to the sphere of exchange, i.e. the possibility of realization – the realization of the value posited in the production process.

The same with the *productive force.* On the one hand, the necessary tendency of capital to raise it to the utmost, in order to increase relative *surplus time.* On the other hand, thereby decreases *necessary labour time,* hence the worker's exchange capacity. Further, as we have seen, relative *surplus value* rises much more slowly than the force of production, and moreover this proportion grows ever smaller as the magnitude reached by the productive forces is greater. *But the mass of products grows in a similar proportion* – if not, then new capital would be set free – as well as labour – which did not enter into circulation. But to the same degree as the mass of products grows, so grows the difficulty of realizing the labour time contained in them – because the demands made on consumption rise. (We are still concerned here only with the way in which the capital *realization process* is its *devaluation process.* Out of place here would be the question how, while it has the tendency to *heighten the productive forces boundlessly,* it *also and equally* makes one-sided, limits etc. the *main force of production, the human being himself,* and has the tendency in general to restrict the forces of production.)

Capital, then, posits *necessary labour time* as the barrier to the exchange value of living labour capacity; *surplus labour time* as the barrier to necessary labour time; and *surplus value* as the barrier to surplus labour time; while at the same time it drives over and beyond all these barriers, to the extent that it posits *labour capacity* opposite itself as something simply engaged in exchange, as money, and surplus labour time as the only barrier, because creatrix of surplus value. (Or, from the first aspect, it posits the exchange of surplus values as the barrier to the exchange of the necessary values.)

In one and the same moment, it posits the *values on hand* in circulation – or, what is the same, the proportion of values posited by it to the values contained in it and *presupposed* in circulation – as the barrier, the necessary barrier to its value-creation; on the other hand, its productivity as the only barrier and creatrix of values. It therefore drives constantly on one side towards its own devaluation, on the other side towards the obstruction of the productive forces, and of labour which objectifies itself in values.

*Overproduction. – Proudhon (How is it possible that in the price of the commodity which the worker buys, he pays the profit etc. and still obtains his necessary wages). – Price of the commodity and labour time. Surplus etc. (*Price *and value etc.) – Capitalist does not sell* too dear; *but still above what the thing costs him. – Price (fractional). Bastiat. Decline of the fractional price. – Price can fall below value without damage to capital. Number and unit (measure) important in the multiplication of prices*

<This nonsense about the impossibility of overproduction (in other words, the assertion of the immediate identity of capital's process of production and its process of realization) has been expressed in a manner which is at least sophistical, i.e. ingenious, as mentioned above, [41] by James Mill, in the formula that supply = its own demand, that supply and demand therefore balance, which means in other words the same thing as that value is determined by labour time, and hence that *exchange adds nothing to it,* and which forgets only that exchange does have to take place and that this depends (in the final instance) on the *use value.* Mill says, then, that if demand and supply do not balance, this comes about because too much has been produced of one specific product (the supplied product) and too little of the other (the one in demand). This too much and too little concerns not the exchange value, but the use value. More of the supplied product exists than is 'needed'; this is what it boils down to. Hence that overproduction comes from use value and therefore from exchange itself. This in stultified form in Say – products are exchanged only for products; [42] therefore, at most, too much has been produced of one and too little of another. Forgetting: (1) that values are exchanged for values, and a product exchanges for another only to the extent that it is value; i.e. that it is or becomes money; (2) it exchanges for labour. The good gentleman adopts the standpoint of *simple exchange,* in which indeed no overproduction is possible, for it is indeed concerned not with exchange value but with use value. Overproduction takes place in connection with realization, not otherwise. [43]>

Proudhon, who certainly hears the bells ringing but never knows where, therefore sees the origin of overproduction in the fact 'that the worker cannot buy back his product’. [44] By this he understands that interest and profit are added on to it; or that the price of the product is an overcharge on top of its real value. This demonstrates first of all that he understands nothing about the determination of value, which, generally speaking, can include no overcharge. In practical commerce, capitalist A can screw capitalist B. The one pockets what the other loses. If we add them both together, then the sum of their exchange = the sum of the labour time objectified in it, of which capitalist A has merely pocketed more than his share in relation to B. From all the profits made by capital, i.e. the total mass of capitalists, there is deducted (1) the constant part of capital; (2) the wage, or, the amount of objectified labour time necessary in order to reproduce living labour capacity. They can therefore divide nothing among themselves other than the surplus value. The proportion – just or unjust – in which they distribute this surplus value among themselves alters absolutely nothing about exchange or about the exchange relation between capital and labour.

It might be said that *necessary labour time* (i.e. the wage), which therefore excludes profit, and is rather to be deducted from it, is itself again determined by the *prices* of products which already include profit. Where else could the profit come from which the capitalist who does not directly employ this worker makes in the exchange with him? For example, the spinner’s worker exchanges his wages for so many bushels of grain. But in the price of each bushel, the profit of the farmer, i.e. of capital, is already included. So that the *price* of the consumption goods which are bought by necessary labour itself already includes surplus labour time. It is clear, first of all, that the wage paid by the spinner to his workmen must be high enough to buy the necessary bushel of wheat, regardless of what profit for the farmer may be included in the *price* of the bushel of wheat; but that, likewise, on the other side, the wage which the farmer pays his workers must be high enough to procure for them the necessary quantity of clothing, regardless of what profit for the weaver and the spinner may be included in the *price* of these articles of clothing.

The puzzle arises simply because (1) *price* and *value* are being mixed up; (2) relations are brought in which are irrelevant to the determination of value of such. Suppose initially – and this is the conceptual relation – that capitalist A himself produces all the consumption goods which the worker needs, or which represent the sum of use values in which his necessary labour objectifies itself. Then, with the money which he obtains from the capitalist – money appears in this transaction only as medium of circulation – the worker would have to buy back from the capitalist, with that money, a fractional part – the part representing his necessary labour – of his product. The *price* of a fractional part of capitalist A's product is of course the same for the worker as for everyone else engaged in exchange. From the moment he buys from the capitalist, his specific quality as worker is extinguished; the money contains no trace of the relation in which, or of the operation by which, it was obtained; in circulation he confronts the capitalist simply as M, and the capitalist confronts him as C; as realizer of the *price* of C, which is hence presupposed for him just as for every other representative of M, i.e. buyer. Good. But in the price of the fractional part of the commodity which he buys, the profit is included in which the surplus value going to the capitalist appears. If his necessary labour time, therefore, represents 20 thalers = a certain fractional part of the product, it follows that, if the profit is 10%, the capitalist sells him the commodity for 22 thalers.

That is what Proudhon thinks, and concludes from it that the worker cannot buy back his product, i.e. the fractional part of the total product which objectifies his *necessary labour.* (We will come back directly to his other conclusion, that *therefore* capital cannot adequately exchange, *hence* overproduction.) To make the matter tangible, say that the worker's 20 thalers = 4 bushels of grain. Consequently – if 20 thalers is the value of the 4 bushels expressed in money – if the capitalist sells them for 22, then the worker could not buy back the 4 bushels, or rather he could buy only 3 7/11 bushels. In other words, he imagines that the monetary transaction distorts the relation. 20 thalers is the price of necessary labour = 4 bushels; and the capitalist pays this to the worker; but as soon as the latter presents his 20 thalers and asks for the 4 bushels, he gets only 3 7/11. Since he would thereby receive less than the *necessary* wage, he could not live at all, and thus Mr Proudhon proves more than he intends. *

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* It is beside the point here that capital, in practice as well as in general tendency, directly employs *price,* as e.g. in the truck system, to defraud *necessary labour,* and to reduce it below the standard given by nature as well as by a specific state of society.

> We must always presuppose here that the wage paid is *economically* just, i.e. that it is determined by the general laws of economics. The contradictions have to follow here from the general relations themselves, and not from fraud by individual capitalists. The further forms which this assumes in reality belong in the doctrine of wages.

But the presupposition, if you please, is wrong. If 5 thalers expresses the *value* of a bushel, i.e. the labour time objectified in it, and if 4 bushels express the necessary wages of labour, then capitalist A sells these 4 bushels not, as Proudhon thinks, for 22 but for 20 thalers. But the thing is this: let the total product (including necessary and surplus labour time) equal 110 thalers = 22 bushels; let 16 of these bushels = 80 thalers, represent the capital invested in seed, machinery etc.; 4 bushels = 20 thalers for necessary labour time; 2 bushels = 10 thalers, surplus labour time. The capitalist sells each bushel at 5 thalers, the necessary value of the bushel, and nevertheless he makes a gain of 10% on each bushel, or 5/10 of a thaler, 1/2 a thaler = 15 silver groschen. How? Because he sells 22 × 5 instead of 20 × 5. We can here equate to 0 the additional capital he would have to lay out in order to produce 2 additional bushels, since these can dissolve in pure surplus labour, more thorough ploughing, elimination of weeds, procurement of mineral fertilizer which, say, costs him nothing, etc. The value contained in the 2 surplus bushels has cost *him nothing,* hence makes up a surplus above his expenditures. If he sells 20 of the 22 bushels for what they cost him, for 100 thalers, plus 2, which cost him nothing – but whose value = the labour contained in them – for 10 thalers, then it is the same for him as if he sold all of them, each bushel for 15 silver groschen more than it cost him. (For 1/2 a thaler or 10% of 5 thalers = 5/10.) Therefore, although he makes 2 thalers on the 4 bushels he sells to the worker, the worker obtains each bushel at its necessary value. The capitalist makes 2 thalers on them only because, beside these 4 bushels, he sells 18 additional ones at the identical price. If he sold only 16, he would make nothing; for then he would sell a total of: 5 × 20 =100, his invested capital.

Indeed, in manufacturing, too, it is possible that the capital’s outlays do not increase, while a surplus value is sold nevertheless; i.e. it is not necessary that the outlay in raw material and machinery should grow. Assume that the same product obtains a higher finish through labour by hand – the mass of required raw material and instrument held constant – and hence its use value, therefore the use value of the product, increases, not in quantity, but in quality, owing to the increased hand labour employed on it. Its exchange value – the labour objectified in it – simply grows in relation to this labour. If the capitalist then sells for 10% more, then the worker gets paid the fractional part of the product, expressed in money, which represents necessary labour; and if the product could be divided, then the worker could buy this fractional part. The capitalist's profit would come not from overcharging the worker for this fractional part, but from the fact that in the whole of the product he sells a fractional part which he has not paid for, and which represents, precisely, *surplus labour time.* The product is always divisible as value; in its natural form, it need not be so. Profit here always comes from the fact that the whole value contains a fractional part which is not paid, and hence a fractional part of surplus labour is paid in each fractional part of the whole. So in the above example. When the capitalist sells 22 bushels, i.e. 2 which represent surplus labour, it is the same as if he sold an extra 1/10 of a bushel per bushel, i.e. 1/10 surplus value. If e.g. only one clock has been produced, where the relation of labour, capital and surplus value is the same, then the quality of the clock has been raised 1/10 in value by 1/10 labour time which costs the capitalist nothing.

Third case, that the capitalist, as is usual in manufacturing (but not in extractive industry), needs more raw material (let the instrument remain constant; however, nothing is changed if it, too, is variable) in which the surplus labour time objectifies itself. (Actually this does not belong here yet, for capital here can or must just as well be assumed as having also produced the raw material, e.g. the cotton, and surplus production at any point has to reduce itself to *mere* surplus labour, or, what is rather the *reality,* presupposes *simultaneous* surplus labour at all points of circulation.) Assume that he spins up 25 lb. of cotton, which cost him 50 thalers, and for which he requires machinery (which we will assume to be entirely consumed in the production process) at 30 thalers, and wages 20 thalers, for 25 lb. of twist, which he sells at 110. He sells each pound of twist, then, for 4 2/5 thalers, or 4 thalers 12 silver groschen. The worker thus obtains 4 6/11 lb. of twist, if he wants to buy it again. If the worker were working for himself, he would likewise sell the pound for 4 thalers 12 silver groschen and make no profit – presupposing that he performs only the necessary labour; but he would spin up less cotton.

As we know, the value of a pound of twist consists exclusively of the amount of labour time objectified in it. Now suppose that the value of the pound of twist = 5 thalers. Given that 4/5, i.e. 4 thalers, represent cotton, instrument etc.; then 1 thaler represents the labour realized in the cotton by means of the instrument. If the worker, in order to live from spinning, needs say 20 thalers per month, then – since he earns 1 thaler for spinning 1 lb. of twist, but needs 20 – he would have to spin 20 lb. of twist. If he himself owned the cotton, material etc., and were working for himself, hence were his own master, then he would have to sell 20 lb. of twist; since he would earn only 1/5 on each, one thaler, and 1 × 20 = 20. If he works for the capitalist, then the labour which spins up 20 lb. of cotton only represents the necessary labour; for, by presupposition, of the 20 lb. of twist or 20 × 5 = 100 thalers, 80 thalers only represent the already purchased cotton and instrument, and the newly reproduced value represents nothing but *necessary labour.* Of the 20 lb. of twist, 4 lb. = 20 thalers would represent necessary labour, and 16 nothing more than the constant part of capital. 16 × 5 = 80 thalers. Each additional pound which the capitalist orders to be produced over and above the 20 contains 1/5 surplus labour, surplus value for him. (Objectified labour which he has sold without having paid for it.) If he orders 1 more pound spun, he gains 1 thaler; 10 lb, more, 10 thalers. Out of 10 lb. or 50 thalers, the capitalist would have 40 thalers to replace his investment and 10 thalers of surplus labour; or 8 lb. of twist with which to buy the material for 10 (machinery and cotton), and 2 lb. of twist, or their value, which have cost him nothing. If we now summarize the capitalist’s accounts, we find that he has invested, in thalers

		Wages	*Surplus value*
80 + 40 =	120 (raw material, instrument, etc.)	20	10
	120	20	10 = 150

Altogether he has produced 30 lb. of twist (30 × 5 = 150); the pound at 5 thalers, the exact *value* of the pound, i.e. purely determined by the labour objectified in it, and deriving value only from the latter. Of this 30 lb., 24 represent constant capital, 4 lb. go for wages, and 2 form the *surplus value*. Calculating it on the basis of his total investment, 140 thalers or 28 lb., as the capitalist himself does, this surplus value forms 1/14 = 7 1/7% (although, in the example given, the surplus value amounts to 50% on labour).

Now assume that the productivity of labour grows to the extent that he is capable of spinning 40 lb. with the same wage cost. According to our assumption he would sell these 40 lb. at their real value, i.e. the pound at 5 thalers, of which 4 thalers is labour objectified in cotton etc., 1 thaler is newly added labour. He would then sell:

40 lb. - the lb. @ 5 thalers = 40 × 5 = 200; from these 40 lb., deduct

20 lb. for necessary labour	= 100	
	100	On the first 20 lb. he would have made not a farthing; of the remaining hundred, take off 4/5 = 4 × 20 = 80.
	80	for material, etc.
		Leaves:
	20	thalers

On an investment of 200 thalers the capitalist would have earned 20, or 10%. 10% on total investment; but in fact 20 on the second hundred thalers or second 20 lb., in which he did not pay the objectified labour. Now assume that he is capable of making double that, say

lb.	*Thalers*	
80	400	Of this, take off 20 lb. for [necessary labour]
20 for necessary labour etc. =	100	
Leaves:	300	Of these, take off 4/5 for material
	240	etc.
Leaves:	60	A profit of 60 on 400 is = 6 on 40 = 15%.

In fact in the above example the capitalist's investment is only 180; on this he makes 20, or 11 1/9%.

The smaller the part of the outlay becomes which represents necessary labour, the greater the gain, although it stands in no obvious relation to the real surplus value, i.e. surplus labour. For example. In order for the capitalist to gain 10%, he has to spin 40 lb. of twist; the worker needs to spin only 20 = necessary labour. Surplus labour = necessary labour, 100% surplus value. This is our old law. But this is not the matter at issue here.

In the above example with the 40 lb., the *real value* of the pound is 5 thalers, and, like the capitalist, the worker himself, if he conducted his own business *as a worker* (and could advance himself enough funds to be able to realize the raw material etc. to the extent necessary to allow him to live as a worker), would sell the pound at 5 thalers. He would, however, produce only 20 lb., and from its sale he would use 4/5 to obtain new raw material, and 1/5 to live. The only thing he would make out of the 100 thalers would be his wages. The capitalist's gain comes not from selling the pound *too dear* – he sells it at its *exact value* – but from selling it above the *costs of production, his costs* (not *the* costs, for the 1/5 costs the worker surplus labour). If he sold at less than 5 thalers, he would be selling *below* the value, and the buyer would have the 1/5 of labour contained in every pound of twist above the investment etc., for nothing. But the capitalist calculates in this manner:

Value of 1 pound = 5 thalers
of 40 pounds = 200 thalers; from which take off costs:
180
20 Leaves 20.

What he calculates is not that he gains 20 thalers out of the second 100 thalers, but that he gains 20 on his entire investment of ... 180 thalers. This gives him a profit of 11 1/9%, instead of 20. He calculates further that, in order to make this profit, he has to sell 40 lb. 40 lb. at 5 thalers gives him not 1/5, or 20%, but 20 thalers distributed over 40 lb., or 1/2 a thaler per pound. At the price for which he sells the pound, he makes 1/2 a thaler out of 5 thalers; or 1 out of 10 thalers;

10% of the selling price. The price is determined by the price of the fractional unit (1 pound) multiplied by the number to be sold; here 1 pound at 5 thalers × 40. While this determination of price is correct for the capitalist's pocket, it is equally liable to lead one astray theoretically, in as much as it now seems as if an overcharge above the *real* value took place in each individual pound, and the origin of the surplus value in each individual pound has become invisible. This *determination of price by the multiplication of the value of the unit (measure) of the use value (pound, yard, ton etc.) with the number of these units produced* is important later in the theory of prices. There follows from it among other things that a decline in the price of the unit and an increase in the number of units – brought about by growth of the productive forces – shows that profit increases in relation with labour, or that the proportion [*Verhältnis*] of necessary labour declines in relation [*im Verhältnis*] to surplus labour – and not the opposite, as is the opinion of Mr Bastiat etc. [45] E.g. if labour grew, owing to productivity, to the point where the worker was producing twice as many pounds in the same time as before – presupposing that 1 lb. of twist renders him entirely the same service, regardless of its cost, and that twist, clothing, is all he needs to live – then the value added by labour to 20 lb. of twist would no longer amount to 1/5 but now only to 1/10, because he would be transforming the 20 lb. cotton into twist in 1/2 the time. To the 80 thalers which the raw material cost, there would then be added not 20 thalers but only 10. The 20 lb. would cost 90 thalers and each pound 90/20 or 4 10/20 thalers. But if the total labour time remained the same, then labour would now transform 80 lb. of cotton into twist, instead of 40. 80 lb. twist, the pound at 4 9/20 thalers, = 356 thalers. [46] The capitalist's account would be –

Total receipts	356	thalers;	deduct for labour
	90		
	266		Of which, take off for investment etc.
	239	17/89	
	26	72/89	
			The capitalist's gain thus 26 72/89 instead of 20. Say 27 (which a little too high (17/89 too high)). His total outlays etc. 330; over

12%, although he would make less on
the individual pound.

The capitalist’s gain from the value of the measure (unit) of use value – pound, yard, quarter etc. – decreases in proportion as the relation of living labour to raw material etc. – of newly added labour – decreases; i.e. the less labour time is necessary to give the raw material the form which the unit expresses. Yard of cloth etc. But on the other side, – since this identical with the increased productivity of labour, or the growth of surplus labour time – the number of these units grows, units in which surplus labour time is contained, i.e. labour time not paid for.

It further follows from the above that the price can fall *below* the value, and capital can still make a gain; he must sell, however, a number multiplied by the unit large enough to form a surplus over the number multiplied by the unit which forms the necessary price of labour. If the relation of labour to raw material etc. is 1/5, then he can sell at e.g. only 1/10 above the constant value, since the surplus labour *costs* him *nothing.* He then makes a present of 1/10 of the surplus labour to the consumer and realizes only 1/10 for himself. This very important in competition; overlooked in particular by Ricardo. The determination of prices is founded on the determination of values, but new elements enter in. The price, which originally appeared only as the value expressed in money, becomes further determined as itself a specific magnitude. If 5 thalers is the *value* of a pound of twist, i.e. the same labour time as is contained in 5 thalers is contained in 1 pound of twist, then this remains its value regardless of whether 4 or 4 million lb. of twist are being appraised. The moment of the NUMBER OF POUNDS, because it expresses the relation of surplus labour to necessary labour in another form, becomes decisively important in the *determination of price.* This matter brought to popular awareness in the question of the *ten hours’ bill* etc.

Specific accumulation *of capital (transformation of surplus labour (revenue) into capital). – Proudhon. Value- and price-determination. In antiquity (slaves) not overproduction but over-consumption*

It follows further from the above:

If the worker were to restrict himself to *necessary labour,* he would spin no more than 20 lb. of twist, and realize no more raw material, machinery etc. than would have a value of 80 thalers monthly. Apart from the raw material, machinery etc. which are required for the workers *reproduction,* self-maintenance, the capitalist must *necessarily* lay out capital in raw material (and machinery, even if not in the same proportion) for the objectification of surplus labour. (In agriculture, fishery, in short, the extractive industries, this is not absolutely necessary; it becomes so, however, when they are conducted on a large scale, i.e. *industrially;* it appears then as surplus outlay not in raw material itself, but in the instruments to take it out with.) These surplus outlays – i.e. the tendering of the material for surplus labour – of the objective elements of its realization [*Verwirklichung*] are actually what forms the specific so-called *provisional accumulation* of capital: the accumulation of the stock (let us say for the time being) *specifically* of capital. For it is stupid, as we shall see more closely, to regard it as a quality specific to capital – that the objective conditions of living labour must be present, as such – whether they are furnished by nature or produced in history. These *specific advances* which capital makes signify nothing more than that it *realizes* objectified surplus labour – surplus product – in new living surplus labour, instead of investing (spending) it, like, say, Egyptian kings or Etruscan priest-nobles for pyramids etc.

Into the *determination of prices* (as we shall also see with profit) there also enters – *fraud, reciprocal chicanery.* One party can win in exchange what the other loses; all they can distribute among themselves is the surplus value – capital as a class. But these proportions open a field for individual deception etc. (apart from supply and demand) which has nothing to do with the determination of value as such.

Thus, out the window goes Mr Proudhon’s discovery that the worker cannot buy back his product. The basis on which this rests is that he (Proudhon) understands nothing, either about value-determination or about price-determination. But, furthermore and regardless of that, his conclusion that *this is why* there is over production is false in this abstraction. In the slave relation, the masters are not troubled by the fact that the workers do not compete with them as consumers. (Nevertheless, *production for luxury* as it presents itself in antiquity is a necessary result of the slave relation. Not overproduction, but *over-consumption* and *insane consumption,* signifying, by its turn towards the monstrous and the bizarre, the downfall of the old system of states.)

After capital steps out of the production process as *product,* it must be transformed into money again. The money which previously appeared merely as realized commodity etc., now appears as *realized capital,* or, realized capital as *money.* This an aspect of *money* (as of capital). The mass of money as medium of circulation has nothing to do with the difficulty of making capital into a reality [*realisieren],* i.e. of realizing it [*verwerten].* This can already be seen from the above development.

The general rate of profit. – If the capitalist merely sells at* his own *cost of production, then it is a* transfer *to another capitalist. Worker gains almost nothing thereby

In the above example, where the capitalist, if he sells the pound of twist at 5 thalers – i.e. 40 lb. at 5 thalers each – hence sells the pound of twist at its *real value* and thereby gains 1/2 a thaler out of 5 (the selling price), 10% on the selling price, or 1/2 on 4 1/2, i.e. 11 1/9% of his outlay, if he sells at only 10% – assume now a profit of merely 9/20 of a thaler on 4 1/2 thalers (this is a 1/20 difference from 1/2 on 4 1/2 thalers; a difference of just 1 1/9%). He then sells the pound at 4 1/2 thalers + 9/20 of a thaler; i.e. at 4 19/20 thalers or the 40 lb. at 198 thalers. Now various cases are possible. The capitalist with whom he exchanges – to whom he sells his 40 lb. – assume him to be the owner of a silver mine, i.e. silver producer – pays him only 198 thalers – hence gives him 2 thalers too little objectified labour in silver for the labour objectified in 40 lb. of cotton. Posit that with this capitalist B, the proportions of the outlay are exactly the same, etc. If capitalist B also takes only 10 instead of 11 1/9, then for 200 thalers he could not demand 40 lb. twist, but only 39 3/5. It is therefore impossible that both capitalists at the same time sell at 1 1/9% too little, or that the one offered 40 lb. for 198 thalers and the other offered 200 thalers for 39 3/5 lb., a case that cannot occur. In the previously assumed case, capitalist B would have paid 1 1/9% too little in his purchase of 40 lb. twist, i.e. apart from the profit which he does not obtain from exchange, but which exchange merely confirms, i.e. a profit of 11 1/9, he would also have gained the 1 1/9% lost by the other capitalist, for a total of 12 2/9%. From his own workers – the labour set into motion by his own capital – he would have gained 11 1/9%; the additional 1 1/9% are surplus labour by the workers of capitalist A, which he appropriates for himself. The *general rate of profit* can therefore fall in one or another branch of business if competition etc. forces the capitalist to sell below the *value,* i.e. to realize a part of the surplus labour not for himself, but for those who buy from him. But the general rate cannot fall in this way; it can fall only if the proportion of surplus labour to necessary labour falls *relatively,* and this, as we saw earlier, takes place if the proportion is already very large, or, expressed differently, if the proportion of living labour set into motion by capital is very small – if the part of capital which exchanges for living labour is very small compared to that which exchanges for machinery and raw material. The general rate of profit can fall in that case, even though absolute surplus labour rises.

With that, we come to another point. A *general rate of profit* as such is possible only if the rate of profit in one branch of business is too high and in another too low; i.e. that a part of the surplus value – which corresponds to surplus labour – is transferred from one capitalist to the other. If in 5 branches of business, for example, the respective rate of profit is

A	**B**	**C**	**D**	**E**
15%,	12%,	10%,	8%,	5%

then the average rate is 10%; but, in order for this to exist in reality, capitalist A and B have to give up 7% to D and E – more particularly, 2 to D and 5 to E – while C remains as it was. It is impossible for rates of profit on the same capital of 100 to be equal, since the relations of surplus labour are altogether different, depending on the productivity of labour and on the relation between raw material, machinery and wages, and on the overall volume in which production takes place. But suppose that a given branch of business, E, is necessary, say, the bakery trade, then the average 10% has to be paid to it. But this can happen only if A and B credit E with a part of their surplus labour. The capitalist class thus to a certain extent distributes the total surplus value so that, to a certain degree, it [shares in it] evenly in accordance with the *size* of its capital, instead of in accordance with the surplus values actually created by the capitals in the various branches of business. The larger profit – arising from the real surplus labour within a branch of production, the really created surplus value – is pushed down to the average level by competition, and the deficit of surplus value in the other branch of business raised up to the average level by withdrawal of capitals from it, i.e. a favourable relation of demand and supply. Competition cannot lower this level itself, but merely has the tendency to create such a level. Further developments belong in the section on competition. This is realized [*realisiert*] by means of the relation of prices in the different branches of business, which fall *below* the *value* in some, rise *above* it in others. This makes it seem as if an equal sum of capital in unequal branches of business created *equal surplus labour or surplus value.*

Now in the above example, where capitalist A is forced, say by competition, to sell at a profit of 10% instead of 11 1/9%, and hence sells the pound of twist at 1/20 of a thaler too cheaply, the worker would continue to obtain 20 thalers as before, in money, his necessary wages; but in twist, he would obtain 4 4/90 lb. instead of 4 lb. If his wages were in twist, he would have obtained 4/20 of a thaler = 1/5 of a thaler or 6 silver groschen, i.e. 1% more than his necessary wages. If the worker works in a branch of business whose product lies entirely outside the sphere of his consumption, then he gains not a farthing in this operation; rather, for him it is a matter of performing a part of his surplus labour indirectly for capitalist B, instead of directly for capitalist A; i.e. through the mediation of capitalist A. He can gain from the fact that capitalist A lets go of a part of the labour objectified in his product for nothing, only if he is himself a consumer of this product, and only to the extent that he is such a consumer. Thus, if his consumption of twist makes up 1/10 of his expenditure, then he gains exactly 1/50 of a thaler from the operation (2/100 of a thaler out of 2 thalers, 1/100 of 1, exactly 1% of the 2 thalers), i.e. 1/10% of his total wages of 20 thalers, or, 7 1/5 pfennigs. This would be the proportion – 7 1/5 pfennigs – in which he would participate in his own surplus labour of 20 thalers. Such are the proportions of the surplus wages which the worker makes at best, when the *price* in the branch of business where he is occupied falls below the necessary value. In the *best case* – and this is impossible – the limit (in the instance given) is 6 silver groschen or 1%, i.e. if he could live exclusively on twist; i.e. in the best case his surplus wages are determined by the relation of necessary labour time to surplus labour time. In the luxury-goods industries proper, from whose consumption he is himself excluded, it is always = 0.

Now let us assume that capitalists A, B, C exchange among one another; the total product of each = 200 thalers. Let A produce twist, B grain and C silver; let the relations of surplus and necessary labour, and of outlays and profit be just the same. A sells 40 lb. twist at 198, instead of at 200 thalers, and loses 1 1/9% of his gains; ditto B his, say 40 bushels wheat, at 198 instead of 200; but C exchanges the labour objectified in his 200 thalers in full. Between A and B the relation is such that neither of them loses in the exchange with the other. A would obtain 40 bushels wheat, B 40 lb. twist; but each of them a value of only 198. C obtains 40 lb. twist or 40 bushels wheat for 198 thalers and in both cases pays 2 thalers too little, or obtains 2/3 lb. twist or 2/5 bushel wheat too much. But now assume that the relation takes the form that A sells his 40 lb. to the silver man, C, for 200 thalers, but C has to pay 202 to the grain man, B, or 2 thalers above its value. Between twist A and silver C everything is all right; both exchange at value with each other; but because B's price has risen above its value, the 40 lb. twist and the 200 thalers silver, when expressed in grain, have fallen by 1 1/9%, or, neither of them could in fact any longer buy 40 bushels grain for 200 thalers, but only 39 2/5. 39 2/5 bushels wheat would cost 200 thalers, or the single bushel wheat, [47] instead of 5 thalers, 5 1/20 thalers; 5 thalers 1 1/4 silver groschen. Now, in this last relation, assume that the worker's consumption consists 1/2 of wheat; his twist consumption was 1/10 of his income; his wheat consumption 5/10. On the 1/10 he had gained 1/10% on his total wages; on the wheat, he loses 5/10; thus on the whole he loses 4/10% instead of gaining. Although the capitalist would have paid him his necessary labour, his wages would fall beneath the necessary pay as a consequence of grain man B's overcharging. If this continued on, then his necessary *wages* would have to *rise.* Thus if the sale of twist by capitalist A is due to a rise above value in the price of *grain* or of other use values which form the most essential part of the worker's consumption – then capitalist A's worker would lose in the same relation as his consumption of the now more expensive product is greater than the cheaper product he himself produces. But if A had sold twist at 1 1/9% above its value, and B sold grain at 1 1/9% below, then, in the best case, if the worker consumed nothing but grain, he could gain at most 6 silver groschen, or, since we presupposed half in grain, only 3 silver groschen, or 3% on his wages of 20 thalers. Thus the worker may experience all three cases: his gain or loss from the operation = 0; it may depreciate his necessary wages, so that they no longer suffice, hence make him fall below the necessary minimum; it can thirdly bring him a surplus wage, which is resolved into a very small share of his own surplus labour.

We saw above that if the relation of necessary labour to the other conditions of production = 2/5 (20 out of 100 total outlay) or = 40% of the total value (in 20 lb. twist = 4 lb. twist) (or of 100 thalers, 80 raw material and instrument, 20 labour) and the relation of surplus labour to necessary labour is 100% (i.e. the same quantity), then the capitalist makes 11 1/9% on his outlay.

If he took only 10% and made a gift of the 1 1/9 or 2 thalers (transferred surplus value), then the worker, in so far as he is a consumer, would likewise gain, and in the best (impossible) case, if he lived only from the products of his master, it would [be], as we saw:

Suppose the capitalist sold the pound of twist at 4 15/20 (4 3/4) instead of at 5 thalers, then the worker would gain 5/20 on the pound, and 20/20 = 1 on 4 lb.; but 1 out of 20 = 1/20 = 5% (1 thaler out of 20); the capitalist would sell the 40 lb. at 4 15/20 thalers = 95/20 of a thaler × 40 = 190 thalers; his outlays 180, his gain = 10 = 5 6/9[%], his minus-gain = 5 6/9; if he, the capitalist, sold at 4 12/20, then the worker would gain 8/20 thalers per pound, 32/20 per 4 lb., 1 thaler 12/20 or 1 3/5 thalers on his total wages, i.e. 8 48/119%, while the capitalist would lose 16 thalers of the surplus gain, or would only keep altogether 184 thalers, or 4 thalers gain on 180 = 1/45 of 180 = 2 2/9%; would lose 8 8/9; assume finally the capitalist sold the pound of twist at 4 1/2 thalers; the 40 lb. at 180; his profit = 0; he would make the consumer a present of the worker's surplus value or surplus labour time, then the worker's gain = 1/2 of a thaler per lb., = 4/2 of a thaler = 2 thalers, or 2 thalers out of 20 = 10%.	1 1/9% loss on the capitalist's side:=	1% = 6 silver groschen on 20 thalers (= 1/5 of a thaler out of 20) gain above wages for the worker: = 1 thaler
	5 6/9; (= 10 thalers)	= 5% (1 thaler out of 20)
	= 8 8/9% (= 16)	= 8 48/119%

	(1 thaler 18 silver groschen)
Gain = 0 (loss = 11 1/9%)	
	= 10% (2 thalers) (*less than 1/2 pound*)

If on the other hand the capitalist had raised wages by 10% from 20 to 22 thalers, because, say, the demand for labour in his branch of business had risen above the supply – while he continued to sell the pound of twist at its value, i.e. at 5 thalers as before, then his profit would have fallen by only 2 thalers, from 200 to 198, i.e. by 1 1/9%, and would still have been 10%.

It follows from this that if the capitalist, say, out of consideration for Mr Proudhon, sold his commodities at the production costs they cost *him,* and if his total profit = 0, this would be merely a transfer of the surplus value or surplus labour time from capitalist A to B, C, D etc., and as regards his worker, his gain at best – i.e. his share of his own surplus labour – would be limited to that part of the wage which he consumed in the depreciated commodity; and if he spent his entire wages on it, the gain could not be greater than the proportion of necessary labour to the total product (in the above example 20: 200 = 1/10, 1/10 of 20 = 2 thalers). As regards the other workers, the case is entirely the same; they gain from the depreciated commodity only in relation (1) as they consume it; (2) relative to the size of their wage, which is determined by necessary labour. If the depreciated commodity were, e.g. grain – one of the staffs of life – then first its producer, the farmer, and following him all other capitalists, would make the discovery that the worker’s necessary wage is no longer the necessary wage; but stands above its level; hence it is brought down; hence ultimately only the surplus value of capitals A, B, C etc. is increased, and the surplus labour of those occupied in them.

Posit 5 capitalists, A, B, C, D and E. Let E produce a commodity which is consumed only by workers. E would then realize his profit purely in the exchange of his commodity with wages; but, as always, his profit would originate not in the exchange of his commodity for the workers’ money, but in the exchange of his capital with living labour. Posit that necessary labour relates in all 5 branches of business at 1/5; let 1/5 be surplus labour in all of them; let constant capital be = 3/5 in all. Capitalist E exchanges his product for 1/5 of capital A, 1/5 of capital B, 1/5 of capital C, 1/5 of capital D, and 1/5 constitutes his wages. He would make no profit on this last 1/5, as we have seen; or rather his profit would not arise from the fact that he gives the workers 1/5 of his capital in money, and that they buy back the same 1/5 from him as money – would not originate from the exchange with them as *consumers,* as centres of circulation. His whole transaction with them as consumers rests on the basis that he gives them his product in the form of money, and they give him back the same money for exactly the same fractional part of the product. With the workers of A, B, C, D, his relation is not that of capitalist to worker, but of C[ommodity] to M[oney], of vendor to buyer. We have presupposed that the workers of A, B, C, D consume no part of their own products; D does, however, exchange for 1/5 of the product of A, B, C and E, i.e. 4/5 of their product; but this exchange is only a detour to get to the wages which A, B, C and D pay their own workers. They each give the workers money to the value of 1/5 of their product, or 1/5 of their product as payment for necessary labour, and with this, with 4/5 of the value of their product or capital, they then buy E’s commodity. But this exchange with E is then only an indirect form of advancing the part of capital which represents necessary labour – i.e. *deduction* from their capital. They cannot therefore gain thereby. The gain comes from the realization of the remaining 4/5 of capital A, B, C, D, and this realization consists of each of them, through the exchange, getting back the labour objectified in his product, in another form. For each of them, since there is a division of labour, 3/5 replaces his constant capital, raw material and material of labour. Their gain – the realization of surplus labour time, its positing as surplus value – consists in the reciprocal realization of the last 1/5. It is not necessary that capitals A, B, C, D exchange the entire 4/5 with one another. Since they are, as capitalists, at the same time large consumers, and can in no way live on air, but since, as capitalists, they do not live from their labour either, they have nothing to exchange or to consume apart from other peoples’ products. That is, for their own consumption they exchange just that 1/5 which represents surplus labour time, the labour created by means of capital. Posit that each consumes 1/5 of this 1/5, i.e. 1/25, in the form of his own product. There remain 4/25 to be either realized or to be transformed into use values for their own consumption through exchange. Let A exchange 2/25 with B, 1/25 with C, 1/25 with E, and likewise on the part of B, C, E.

The case we have posited, where capital E realizes the whole of its profit in exchange with wages, is the most favourable – or expresses, rather, the only correct relation in which it is possible for capital to realize the surplus value created in *production* through *exchange* with the workers' consumption. But capitals A, B, C, D can realize their value in this case only through exchange among one another, i.e. through the exchange of capitalists among themselves. Capitalist E consumes nothing of his own commodity, since he has paid 1/5 of it to his own workers, exchanged 1/5 for 1/5 of capital A, 1/5 for 1/5 of capital B, 1/5 for 1/5 of capital C, 1/5 for 1/5 of capital D. A, B, C, D make no profit on this exchange, since it is the respective 1/5 which they have paid to their own workers.

Given the relation we have assumed, of 2/5 raw material, 1/5 machinery, 1/5 workers' necessaries, and 1/5 surplus product, from which Messrs the capitalists at the same time live and realize their surplus value, then we need, if the total product of each of A, B, C, D, E = 100, a producer E for workers' necessaries, 2 capitalists A and B, who produce raw materials for all the others, 1, C, who produces the machinery, and 1, D, who makes the surplus produce, The accounts would be these (the machinery-maker etc. has to produce every part of his commodity for himself):

		For labour	*Raw material*	*Machinery*	*Surplus product*		
(A)	Raw material manufacturer	20	40	20	20	= 100	2½
(B)	Ditto	20	40	20	20	= 100	2½
(C)	Machinery manufacturer	20	40	20	20	= 100	2½
(E)	Workers' necessaries	20	40	20	20	= 100	2½

(D)	Surplus producer	20	40	20	20	= 100
		10	20	10	10	= 50

E therefore exchanges his entire product of 100 for 20 in his own workers' wages, 20 in wages for workers of raw material A, 20 for the workers of raw material B, 20 for the workers of machinery maker C, 20 for the workers of surplus producer D; of this he exchanges 40 for raw material, 20 for machinery, 20 he obtains back for workers' necessaries, and 20 remain for him to buy surplus produce, from which he himself lives. Likewise the others in the relation. What constitutes their surplus value is the 1/5 or 20, which all of them can exchange for surplus product. If they consumed the entire surplus, then they would have come no further at the end than they were at the beginning, and the surplus value of their capital would not grow. Posit that they eat up only 10; or 1/10, half of the surplus value; then surplus producer D himself would eat up 10 less; and each of the others 10 less; all in all, then, he would sell only half of his commodity, = 50, and could not begin his business anew. Posit therefore that he consumes only 50 in consumables. Likewise, 50 in money, then each of the capitalists A, B, C, D, E, would accumulate 10 thalers in money. These would represent the surplus value not consumed. These 10 thalers, or together 50, could be realized, however, only by being laid out for new labour. In order to produce more raw material, A and B need 4 thalers more of living labour, and, since they have no additional machinery for it, more labour by hand to the amount of 6 thalers. Thus, out of the 400 thalers which exist in raw materials, machines and workers' necessaries, only 50 are there for capitalists' consumables. But each of the capitalists now owns a surplus of 10, out of which 4 are in raw material, 2 in machines, 2 in workers' necessaries, on which he must make a gain of 2 (like 100 from 80, as before); D has gained 10 on his 40 and can therefore increase his production in the same proportion, i.e. by 5. The next year he produces 7 1/2% more = 57 1/2.

This example may or may not be continued later. Does not actually belong here. This much is clear, that realization here takes place in the exchange among the capitalists, for although E produces only for workers' consumption, he exchanges with the others through the form of wages, 1/5 of A, 1/5 of B, 1/5 of C, 1/5 of D etc. A, B, C, D likewise exchange with E: not directly, but indirectly, in that each of them requires 1/5 from him as necessaries for his workers. The realization consists of each of them exchanging his own product for fractional parts of the products of the other four, and this in such a way that a part of the surplus product goes for the capitalist's own consumption, and a part is transformed into surplus capital with which to set new labour into motion. The realization consists of the *real possibility* of increased realization – production of new and larger values. It is clear here that D and E, where E represents all commodities consumed by the workers and D all those consumed by the capitalists, would have produced too much – that is, too much relative to the proportion of the part of capital going to the worker, or too much relative to the part of capital consumable by the capitalists (too much relative to the proportion by which they must increase their capital; and this proportion later obtains a minimum limit in the form of interest) – that *general overproduction* would take place, not because relatively *too little* [sic] had been produced of the commodities consumed by the workers or too little [sic] of those consumed by the capitalists, but because too much *of both* had been produced – *not* too much *for consumption,* but too much to retain *the correct relation between consumption and realization; too much for realization.*

Barrier of capitalist production. – Relation of surplus labour to necessary labour. Proportion of the surplus consumed by capital to that transformed into capital. – Devaluation during crises

In other words: At a given point in the development of the productive forces – for this will determine the relation of necessary labour to surplus labour – a fixed relation becomes established, in which the product is divided into one part – corresponding to raw material, machinery, necessary labour, surplus labour – and finally surplus labour divides into one part which goes to consumption and another which becomes capital again. This inner division, inherent in the concept of capital, appears in exchange in such a way that the exchange of the capitals among one another takes place in specific and restricted proportions – even if these are constantly changing, in the course of production. If the relations are e.g. those of 2/5 raw material, 1/5 machinery, 1/5 wages, 1/5 surplus product, of which 1/10 for consumption, 1/10 for new production – this is the division within capital – this will appear in the exchange process as distribution among, say, 5 capitals. This gives, in any case, both the sum total of the exchange which can take place, and the proportions in which each of these capitals must both exchange and produce. If the relation of necessary labour to the constant part of capital is, as e.g. in the above example, = 1/5:3/5, then we have seen that the capital which works for the consumption of capitalists and workers combined may not be greater than 1/5 + 1/10 of the 5 capitals, each of which represents 1, = 1 1/2 capitals. Given likewise is the relation in which each capital must exchange with each other one, which represents a specific one of its own moments. Finally, in which each of them must exchange at all. If, for example, the relation of raw material = 2/5, then the capitals which produce raw material can at any final point exchange no more than 3/5, while 2/5 must be regarded as fixed. (E.g. as seed etc. in agriculture.) *Exchange* in and for itself gives these conceptually opposite moments an indifferent being; they exist independently of one another; their inner necessity becomes *manifest* in the crisis, which puts a forcible end to their seeming indifference towards each other.

A revolution in the forces of production further alters these relations, *changes* these relations themselves, whose foundations – from the standpoint of capital and hence also of that of realization through exchange – always remains *the relation of necessary to surplus labour,* or, if you like, of the different moments of objectified to living labour. It is possible, as we have already indicated earlier, that the capital as well as the living labour capacity set free owing to the increase in productive forces must both lie dormant, because they are not present in the proportions in which production must take place on the basis of the newly developed productive forces. If it proceeds regardless of that, then ultimately a minus, a negative magnitude, will come out of the exchange on one side or the other.

The barrier always remains, that exchange – hence production as well – takes place in such a way that the relation of surplus labour to necessary labour remains the same – for this is = to the constancy [*Gleichbleiben*] of the realization of capital. The second relation – the proportion between the part of the surplus product consumed by capital and that part transformed anew into capital – is determined by the first relation. Firstly, *the magnitude of the sum to be divided into these two parts depends on this original relation;* secondly, just as the creation of surplus value by capital depends on the creation of surplus labour, so does the increase of capital as capital (accumulation, and, without accumulation, capital cannot form the foundation of production, since it would remain stagnant, and would not be an element of progress, required already by the mere increase of population etc.) depend on the transformation of a part of this surplus product into new capital. If the surplus value were simply consumed, then capital would *not* have realized itself as capital, and not produced itself as *capital,* i.e. as value which produces value.

We have seen that if 40 lb. of twist of a value of 200 thalers – because they contain labour time objectified in 200 thalers – are exchanged for 198 thalers, then not only does the manufacturer of twist lose 1 1/9% gain; but also his product is devalued, has been sold *below* its real value, although it is sold at a *price* which still leaves him a profit of 10%. On the other hand, the producer of silver gains 2 thalers. Keeps 2 thalers as liberated capital. Nevertheless, a devaluation has taken place as regards the total sum. For the sum is 398 thalers instead of 400. For, in the hand of the producer of silver, the 200 thalers of twist are also worth only 198; it is the same for him as if the productive force of his labour had increased to the point where the same objectified labour were contained in 200 thalers as before, but that 2 of these thalers had left the column of necessary outlays in his books and gone over into the column of surplus value, so that he would have paid 2 thalers less for necessary labour. The opposite could be the case only if the silver producer were able to re-sell for 200 thalers the 40 lb. of twist he bought at 198 thalers. Then he would have 202 thalers, and say he sold them to a manufacturer of silk who gave him silk to the value of 200 thalers in exchange for the 40 lb. of twist. The 40 lb. twist would then have been sold at their true value, although not first-hand by their producer, but rather second-hand, by their buyer, and the total accounts would look as follows: Exchanged, 3 products each containing objectified labour of a value of 200 thalers; hence *sum* of the values of the capitals: 600. The manufacturer of twist, A, the manufacturer of silver, B, the manufacturer of silk, C: A 198, B 202 (i.e. 2 extra from the first exchange and 200 in silk), C 200.

Total 600. In this case the combined value of the capitals remained the same, and all that took place was a displacement, in that B pocketed as an extra the value-fraction which A lost.

If A, the twist maker, could sell only 180 (the cost of the thing for *him*), and absolutely could not find a buyer for 20 twist, then objectified labour in the amount of 20 thalers would have become valueless. The same would be the case if he gave a value of 200 for 180 thalers; for B, the manufacturer of silver – to the extent that this necessity had arisen for A owing to overproduction of twist, so that B, too, could not get rid of the value contained in the 40 lb. twist for more than 180 – 20 thalers of his capital would have been set free. He would have in hand a relative surplus value of 20 thalers, but in absolute values – objectified labour time to the extent that it is exchangeable – he would have only 200 as before – that is, 40 lb. twist at 180 and 20 thalers liberated capital. It would be the same for him as if the production costs of twist had decreased, i.e. as if, owing to increased labour productivity, 40 lb. twist contained 20 thalers less labour time, or as if, with a working day = 4 thalers, 5 working days less were necessary in order to transform *x* lb. of cotton into 40 lb. twist; so that, then, he would have to exchange less labour time objectified in silver for the labour time objectified in twist. But the combined sum of the values on hand would be 380 instead of 400. Thus a *general depreciation* of 20 thalers would have taken place, or a destruction of capital to the amount of 20 thalers. A *general devaluation* thus takes place despite the fact that the *depreciation* of the twist manufacturer’s 40 lb. twist from 200 to 180 necessarily appears as an appreciation on the part of silver, a depreciation of twist relative to silver; and a general depreciation of prices as such always includes an appreciation of money, i.e. of the commodity in which all the others are appraised. Thus, in a crisis – a general depreciation of prices – there occurs up to a certain moment a *general devaluation* or *destruction of capital.* The devaluation, like the *depreciation,* can be absolute and not merely relative, because value expresses not merely a relation between one commodity and another, as does price, but rather the relation between the price of the commodity and the labour objectified in it, or between one amount of objectified labour of the same quality and another. If these amounts are not equal, then *devaluation* takes place, which is not outweighed by appreciation on the other side, for the other side expresses a fixed amount of objectified labour which remains unchanged by exchange. In general crises, this devaluation extends even to living labour capacity itself. In consequence of what has been indicated above, the destruction of value and capital which takes place in a crisis coincides with – or means the same thing as – a general growth of the *productive forces,* which, however, takes place not by means of a real increase of the productive force of labour (the extent to which this happens in consequence of crises is beside the point here), but by means of a decrease of the existing value of raw materials, machines, labour capacity. For example. The cotton manufacturer loses capital on his products (e.g. twist), but he buys the same value of cotton, labour etc. at a lower price. It is the same for him as if the *real value* of labour, of cotton etc., had decreased, i.e. as if they had been produced more cheaply owing to an increase in the productive force of labour. In the same way, on the other hand, a sudden general increase in the forces of production would relatively devalue all the *present values* which labour objectifies at the lower stage of the productive forces, and hence would destroy present capital as well as present labouring capacity. The other side of the crisis resolves itself into a real decrease in production, in living labour – in order to restore the correct relation between necessary and surplus labour, on which, in the last analysis, everything rests. (Thus it is by no means true, as Lord Overstone thinks – as a true usurer – that crises simply resolve themselves in enormous profits for the one, and tremendous losses for the other.) [48]

Capital coming out of the production process becomes money again

Exchange does not change the inner characteristics of realization; but it projects them to the outside; gives them a reciprocally independent form, and thereby lets their unity exist merely as an inner necessity, which must therefore come forcibly to the surface in crises. Both are therefore posited in the essence of capital: the devaluation [*Entwertung*] of capital in the production process, as well as the suspension of devaluation and the creation of the conditions for the realization [*Verwertung*] of capital. The process by which this takes place in reality can be examined only as soon as *real* capital, i.e. competition etc. –

the actual real conditions – have been examined. Does not belong here yet. On the other hand, *without* exchange the production of capital as such would not exist, since *realization* as such cannot exist without exchange. Without exchange, the only question of concern would be the measurement etc. of the *use value* produced, only use value as such.

After capital, in the production process, (1) has realized itself, i.e. created a new value; (2) become devalued, i.e. made the transition from money to the form of a particular commodity, it (3) realizes itself together with its new value, in that the product is thrown into circulation again, and, as C, is exchanged for M. At the point where we stand now, where capital is being examined only in general, the real difficulties of this third process are present only as *possibilities,* and are therefore suspended, again as *possibilities.* Therefore, the product now posited as having been transformed back into money.

Capital is thus now posited as money again, and money therefore posited in the *new* aspect of *realized capital,* not merely as realized price of the commodity. Or, the commodity realized in the price is now realized capital. We will examine this new aspect of money, or rather of capital as money, later. In accord with the initial nature of money, the only apparent feature by which capital – when transformed into money – may be measured is the new value which it has created; i.e. the first aspect of money as the general measure of commodities repeats itself; now as the measure of surplus value – of the realization of capital. In the form of money, this realization appears as measured by itself; as being its own measure. The capital was originally 100 thalers; because it is now 110, the measure of its realization is posited in its own form – as a proportion of the capital returned (returned to its money form) from the production process and from exchange, relative to the original capital; no longer as a relation between two unequal qualities – objectified and living labour – or necessary labour and surplus labour. When capital is posited as money, it is therefore posited in the first aspect of money, as measure of value. Here, however, this value is its own value, or the measure of its self, negation. [49] We will return to this (under profit).

The second form of money was that of the medium of circulation, and in this regard the money form of capital appeared as a mere vanishing moment for the purpose of exchanging it again, but not, as in the case of money as a medium of circulation in general, an exchange in return for commodities – use values – for final consumption, but rather an exchange in return for those particular use values in which it is able to begin its course as capital anew – raw material and instrument on the one hand, living labour capacity on the other. In this role it is *circulating capital,* about which later. However, the end-product of money in its role as medium of circulation is the beginning of the act of production with *posited* capital as the point of departure, and this is the point which we will here examine before we go further. (In the first aspect, *measure,* the *new value* did appear as measured; but the difference merely formal; instead of surplus labour, money – surplus labour objectified in a specific commodity. But the *qualitative* nature of this new value also undergoes a change – i.e. the magnitude of the measure itself, to be examined only later. Secondly, as medium of circulation the disappearance of the money form is also merely *formal.* It only becomes *essential* after not only the first but also the second circular path has been completed. Thus initially it results only in our standing again at the beginning of the *realization process.* We therefore begin to take up the continuation at *this point.*)

The third form of money, as independent value in a negative relation *vis-à-vis* circulation, is capital which does not step out of the production process into exchange again to become money. Rather, it is capital which becomes a commodity and enters into circulation in the form of self-sufficient value [*sich auf sich selbst beziehenden Werts*]. This third form presupposes capital in the earlier forms and at the same time forms the transition from *capital* to the *particular capitals,* the real capitals; since now, in this last form, capital already in its very concept divides into two capitals with an independent existence. Along with the duality, plurality in general is then given. Such is the march of this development. [50]

<Before we go any further, just one remark. *Capital in general,* as distinct from the particular capitals, does indeed appear (1) *only as an abstraction;* not an arbitrary abstraction, but an abstraction which grasps the specific characteristics which distinguish capital from all other forms of wealth – or modes in which (social) production develops. These are the aspects common to every capital as such, or which make every specific sum of values into capital. And the distinctions within this abstraction are likewise abstract particularities

which characterize every kind of capital, in that it is their position [*Position*] or negation [*Negation*] (e.g. fixed capital or circulating capital); (2) however, capital in general, as *distinct* from the particular real capitals, is itself a *real* existence. This is recognized by ordinary economics, even if it is not *understood,* and forms a very important moment of its doctrine of equilibrations etc. For example, capital in this *general form,* although belonging to individual capitalists, in its *elemental form* as capital, forms the capital which accumulates in the banks or is distributed through them, and, as Ricardo says, so admirably distributes itself in accordance with the needs of production. [51] Likewise, through loans etc., it forms a level between the different countries. If it is therefore e.g. a law of capital in general that, in order to realize itself, it must posit itself doubly, and must realize itself in this double form, then e.g. the capital of a particular nation which represents capital *par excellence* in antithesis to another will have to lend itself out to a third nation in order to be able to realize itself. This double positing, this relating to self as to an alien, becomes damn real in this case. While the general is therefore on the one hand only a mental [*gedachte*] mark of distinction [*differentia specifica],* it is at the same time a *particular* real form alongside the form of the particular and individual. [52] (We will return later to this point, which, while having more of a logical than an economic character, will nevertheless have a great importance in the course of our inquiry. The same also in algebra. For example, *a, b, c* are numbers as such; in general; but then again they are whole numbers as opposed to *a/b, b/c, c/b, c/a, b/a* etc., which latter, however, presuppose the former as their general elements.>

***Surplus labour or surplus value becomes surplus capital. All determinants of capitalist production now appear as results of (wage) labour itself. The realization process* [Verwirklichungsprozess] *of labour at the same time its de-realization process* [Entwirklichungsprozess]

The new value, then, [is] itself posited as capital again, as objectified labour entering into the process of exchange with living labour, and hence dividing itself into a constant part – the objective conditions of labour, material and instrument – and the conditions for the subjective condition of labour, the existence of living labour capacity, the necessaries, subsistence goods for the worker. With this second entrance by capital in this form, some points appear clarified which were altogether unclear in its first occurrence – as money in transition from its role as value to its role as capital. Now they are solved through the process of realization and production itself. In the first encounter, the *presuppositions* themselves appeared to come in from the outside, out of circulation; as external presuppositions for the arising of capital; hence not emergent from its inner essence, and not explained by it. These *external* presuppositions will now appear as moments of the motion of capital itself, so that it has itself – regardless how they may arise historically – pre-posited them as its own moments.

Within the production process itself, surplus value, the surplus value procured through compulsion by capital, appeared as *surplus labour,* itself in the form of living labour, which, however, since it cannot create something out of nothing, finds its objective conditions laid out before it. Now this *surplus labour* appears in objectified form as *surplus product,* and, in order to realize itself as capital, this surplus product divides into a double form: as *objective condition of labour* – material and instrument; as subjective – consumption goods for the living labour now to be put to work. The general form as value – objectified labour – and objectified labour coming out of circulation – is of course the general, self-evident presupposition. Further: the surplus product in its totality – which objectifies surplus labour in its totality – now appears as *surplus capital* (in contrast to the original capital, before it had undertaken this cycle), i.e. as independent exchange value, in which living labour capacity encounters its *specific use value.* All moments which confronted living labour capacity, and employed it as *alien, external* powers, and which consumed it under *certain conditions independent of itself,* are now posited as *its own product and result.*

Firstly: surplus value or the surplus product are nothing but a specific sum of objectified living labour – the sum of surplus labour. This new *value* which confronts living labour as independent, as engaged in exchange with it, as capital, is the *product of labour.* It is itself nothing other than the *excess of labour as such above necessary labour* – in objective form and hence as *value.*

Secondly: the particular forms which this value must adopt in order to realize itself anew, i.e. to posit itself as capital – on one side as raw material and instrument, on the other as subsistence goods for labour during the act of production – are likewise, therefore, only *particular* forms of surplus labour itself. Raw material and instrument are produced by it in such relations – or, it is itself objectively posited in production as raw material and instrument in such a proportion – that a given sum of necessary labour – i.e. living labour which reproduces (the value of) the consumption goods – can objectify itself in it, and objectify itself in it continuously, i.e. can always begin anew the diremption into the objective and subjective conditions of its self-preservation and self-reproduction. In addition to this, living labour, in the process of reproducing its objective conditions, has at the same time posited raw material and instrument in such proportions that it can realize itself in them as *surplus labour, as labour beyond the necessary,* and can hence make them into material for the creation of *new* values. The objective conditions of *surplus labour* – which are restricted to the proportion of raw material and instrument beyond the requirements of necessary labour, whereas the objective conditions of necessary labour divide within their objectivity into objective and subjective, into objective moments of labour as well as subjective (consumption goods for living labour) – therefore now appear, are therefore now posited, as the product, result, objective form, external existence of surplus labour itself. Originally, by contrast, the fact that instrument and necessaries were on hand in the amounts which made it possible for living labour to realize itself not only as *necessary,* but also as *surplus* labour – this appeared alien to living labour itself, appeared as an act of capital.

Thirdly: The independent, for-itself existence [*Fürsichsein*] of value *vis-à-vis* living labour capacity – hence its existence as capital – the objective, self-sufficient indifference, the *alien quality* [*Fremdheit*] of the objective conditions of labour *vis-à-vis* living labour capacity, which goes so far that these conditions confront the person of the worker in the person of the capitalist – as personification [53] with its own will and interest – this absolute *divorce, separation* of property, i.e. of the objective conditions of labour from living labour capacity – that they confront him as *alien property,* as the reality of other juridical persons, as the absolute realm of *their* will – and that labour therefore, on the other side, appears as *alien labour* opposed to the value personified in the capitalist, or the conditions of labour – this absolute separation between property and labour, between living labour capacity and the conditions of its realization, between objectified and living labour, between value and value-creating activity – hence also the alien quality of the content of labour for the worker himself – this divorce now likewise appears as a product of labour itself, as objectification of its own moments. For, in the new act of production itself – which merely confirmed the exchange between capital and living labour which preceded it – surplus labour, and hence the surplus product, the total product of labour in general (of surplus labour as well as necessary labour), has now been posited as capital, as independent and indifferent towards living labour capacity, or as exchange value which confronts its mere use value. Labour capacity has appropriated for itself only the subjective conditions of necessary labour – the means of subsistence for actively producing labour capacity, i.e. for its reproduction as mere labour capacity separated from the conditions of its realization – and it has posited these conditions themselves as *things, values,* which confront it in an alien, commanding personification. The worker emerges not only not richer, but emerges rather poorer from the process than he entered. For not only has he produced the conditions of necessary labour as conditions belonging to capital; but also the value-creating possibility, the realization [*Verwertung*] which lies as a possibility within him, now likewise exists as surplus value, surplus product, in a word as capital, as master over living labour capacity, as value endowed with its own might and will, confronting him in his abstract, objectless, purely subjective poverty. He has produced not only the alien wealth and his own poverty, but also the relation of this wealth as independent, self-sufficient wealth, relative to himself as the poverty which this wealth consumes, and from which wealth thereby draws new vital spirits into itself, and realizes itself anew. All this arose from the act of exchange, in which he exchanged his living labour capacity for an amount of objectified labour, except that this objectified labour – these external conditions of his being, and the independent externality [*Ausserihmsein*] (to him) of these objective conditions – now appear as posited by himself, as *his own product,* as his own self-objectification as well as the objectification of himself as a power independent of himself, which moreover rules over him, rules over him through his own actions.

In *surplus capital,* all moments are products of *alien labour – alien surplus labour* transformed into capital; means of subsistence for necessary labour; the objective conditions – material and instrument – whereby necessary labour can reproduce the value exchanged for it in means of subsistence; finally the amount of material and instrument required so that new surplus labour can realize itself in them, or a new surplus value can be created.

It no longer seems here, as it still did in the first examination of the production process, as if capital, for its part, brought with it any value whatever from circulation. Rather, the objective conditions of labour now appear as labour's product – both to the extent that they are value in general, and as use values for production. But while capital thus appears as the product of labour, so does the product of labour likewise appear as capital – no longer as a simple product, nor as an exchangeable commodity, but as *capital;* objectified labour as mastery, command over living labour. The product of labour appears as *alien property,* as a mode of existence confronting living labour as independent, as *value* in its being for itself; the product of labour, objectified labour, has been endowed by living labour with a soul of its own, and establishes itself opposite living labour as an *alien power:* both these situations are themselves the product of labour. Living labour therefore now appears from its own standpoint as acting within the production process in such a way that, as it realizes itself in the objective conditions, it simultaneously repulses this realization from itself as an alien reality, and hence posits itself as insubstantial, as mere penurious labour capacity in face of this reality alienated [*entfremdet*] from it, belonging not to it but to others; that it posits its own reality not as a being for it, but merely as a being for others, and hence also as mere other-being [*Anderssein*], or being of another opposite itself. [54] This realization process is at the same time the de-realization process of labour. It posits itself objectively, but it posits this, its objectivity, as its own not-being or as the being of its not-being – of capital. It returns back into itself as the mere possibility of value-creation or realization [*Verwertung*]; because the whole of real wealth, the world of real value and likewise the real conditions of its own realization [*Verwirklichung*] are posited opposite it as independent existences. As a consequence of the production process, the possibilities resting in living labour's own womb exist outside it as realities – but as *realities alien* to it, which form wealth in opposition to it.

In so far as the surplus product is realized anew as surplus capital, enters anew into the process of production and self-realization, it divides into (1) means of subsistence for the workers, to be exchanged for living labour capacity; let this part of *capital* be designated as *labour fund;* this labour fund, the part allotted for the maintenance of living labour capacity – and for its progressive maintenance, since surplus capital constantly grows – now likewise appears as the product of *alien* labour, labour alien to *capital,* as well as (2) its other component parts – the material conditions for the reproduction of a value = to these means of subsistence + a surplus value.

Further, if we consider this surplus capital, then the division of capital into a constant part – raw material and instrument with an antediluvian existence before labour – and a variable part, i.e. the necessary goods exchangeable for living labour capacity, appears as purely formal, in so far as both of them are equally *posited* by labour and are equally posited by it as its own *presuppositions*. Now, however, this internal division of capital appears in such a way that labour's own product – objectified surplus labour – splits into two component parts – the objective conditions for new realization of labour (1), and a labour fund for maintaining the possibility of this living labour, i.e. of living labour capacity as alive (2), but in such a way that labour capacity can only re-appropriate that part of its own result – of its own being in objective form – which is designated as labour fund, can appropriate and extract this part from the form of the alien wealth which confronts it, only by reproducing not merely its own value, but by also realizing that part of the new capital which represents the objective conditions for the realization of new surplus labour and surplus production, or production of surplus values. Labour has itself created a new fund for the employment of new necessary labour, or, what is the same, a fund for the maintenance of new living labour capacities, of workers, but has created at the same time the condition that this fund can be employed only if new surplus labour is employed on the extra part of the surplus capital. Thus, the production by labour of this surplus capital – surplus value – is at the same time the creation of the real necessity of new surplus labour, and thus surplus capital is itself at the same time the real possibility both of new surplus labour and of new surplus capital. It here becomes evident that labour itself progressively extends and gives an ever wider and fuller existence to the objective world of wealth as a power alien to labour, so that, relative to the values created or to the real conditions of value-creation, the penurious subjectivity of living labour capacity forms an ever more glaring contrast. The greater the extent to which labour objectifies itself, the greater becomes the objective world of values, which stands opposite it as alien – alien property. With the creation of surplus capital, labour places itself under the compulsion to create yet further surplus capital etc. etc.

In regard to the original not-surplus capital, the relation has changed, as regards labour capacity, in so far as (1) the part of it which is exchanged for necessary labour has been reproduced by this labour itself, i.e. no longer comes to it out of circulation, but is its own product; and (2) that part of the value which, as raw material and instrument, represents the real conditions for the realization [*Verwertung*] of living labour, has been maintained by it itself in the production process; and, since every use value by its nature consists of transitory material, but since exchange value is present, exists, only in use value, therefore this maintenance = protection from decay and ruin, or negation of the transitory nature of the values owned by the capitalists; hence, this maintenance means to posit them as values for-themselves, as *indestructible wealth.* Hence, this original sum of values has been posited for the first time as capital in the production process, by living labour.

Formation of surplus capital I. – Surplus capital II. – Inversion of

the law of appropriation. – Chief result of the production and realization process: the reproduction and new production of the relation of capital and labour itself, of capitalist and worker

Now, from the standpoint of capital: As regards the *surplus capital,* the capitalist represents value for-itself, money in its third moment, wealth, by means of simple *appropriation of alien labour;* since every moment of surplus capital, material, instrument, necessaries, resolves into *alien labour,* which the capitalist does not appropriate by means of *exchange* for existing values, but has appropriated *without exchange.* True, the exchange of a part of *values belonging to him,* or of *objectified labour* possessed by him, for alien living labour capacity, appears as the *original precondition* for this *surplus capital.* For the formation of *surplus capital I,* if we give that name to the surplus capital emerging from the original production process, i.e. for the *appropriation of alien labour,* of *objectified alien labour,* it appears as a condition that the capitalist should possess *values,* of which he *formally* exchanges one part for living labour capacity. We say formally, because living labour must replace and return to him these *exchanged* values as well. But be this as it may. In any case, it appears as a condition for the formation of surplus capital I, i.e. for the appropriation of alien labour or of the values in which it is objectified, that there must be an exchange of values belonging to the capitalist, thrown into circulation by him, and supplied to living labour capacity by him – of values which do *not* arise from his *exchange* with living labour, or not from his relation as *capital* to *labour.*

But now let us think of this surplus capital as having been thrown back into the production process, as realizing its surplus value anew in exchange, and as appearing anew as new surplus capital at the beginning of a third production process. This, *surplus capital II,* has different presuppositions from surplus capital I. The presupposition of surplus capital I was the existence of values belonging to the capitalist and thrown by him into circulation, or, more exactly, into the exchange with living labour capacity. The presupposition of surplus capital II is nothing more than the existence of surplus capital I; i.e. in other words, the presupposition that the capitalist has already appropriated alien labour without exchange. This puts him into a position where he is able to begin the process again and again. True, in order to create surplus capital II, he had to exchange a part of the value of surplus capital I in the form of means of subsistence for living labour capacity, but the values he gave in that exchange were not values which he originally put into circulation out of his own funds; they were, rather, objectified alien labour which he appropriated without giving any equivalent whatever, and which he now re-exchanges for alien living labour; in the same way, moreover, as the material etc. in which this new labour realizes itself and in which it creates surplus value have come into his hands without exchange, by mere appropriation. *The previous appropriation of alien labour now appears as the simple precondition for the new appropriation of alien labour;* or, his ownership of alien labour in objective (material) form, in the form of existing values, appears as the condition of his ability to appropriate new alien *living* labour capacity, hence surplus labour, labour without equivalent. The fact that he has previously confronted living labour as capital appears as the only condition required in order that he may not only maintain himself as capital, but also, as a growing capital, increasingly *appropriate* alien labour without equivalent; or, that he may extend his power, his existence as capital opposite living labour capacity, and on the other side constantly posit living labour capacity anew in its subjective, insubstantial penury as living labour capacity. Property – previous, or objectified, alien labour – appears as the only condition for further appropriation of present or living alien labour. In so far as surplus capital I was created by means of a simple exchange between objectified labour and living labour capacity – an exchange entirely based on the laws of the exchange of equivalents as measured by the quantity of labour or labour time contained in them – and *in so far as* the legal expression of this exchange presupposed nothing other than everyone’s right of property over his own products, and of free disposition over them – but in so far as the relation of surplus capital II to I is therefore a consequence of this first relation – we see that, by a peculiar logic, the right of property undergoes a dialectical inversion [*dialektischer Umschlag*], so that on the side of capital it becomes the right to an alien product, or the right of property over alien labour, the right to appropriate alien labour without an equivalent, and, on the side of labour capacity, it becomes the duty to relate to one’s own labour or to one’s own product as to *alien property.* The right of property is inverted, to become, on the one side, the right to appropriate alien labour, and, on the other, the duty of respecting the product of one's own labour, and one's own labour itself, as values belonging to others. The exchange of equivalents, however, which appeared as the original operation, an operation to which the right of property gave legal expression, has become turned round in such a way that the exchange by one side is now only illusory, since the part of capital which is exchanged for living labour capacity, firstly, is itself *alien labour,* appropriated without equivalent, and, secondly, *has to be replaced with a surplus by living labour capacity,* is thus in fact not consigned away, but merely changed from one form into another. The relation of exchange has thus dropped away entirely, or is a *mere semblance.* Furthermore, the right of property originally appeared to be based on one's own labour. Property now appears as the right to alien labour, and as the impossibility of labour appropriating its own product. The complete separation between property, and, even more so, wealth, and labour, now appears as a consequence of the law which began with their identity.

Finally, the result of the process of production and realization is, above all, the reproduction and new production of the *relation of capital and labour itself,* of *capitalist and worker.* This social relation, production relation, appears in fact as an even more important result of the process than its material results. And more particularly, within this process the worker produces himself as labour capacity, as well as the capital confronting him, while at the same time the capitalist produces himself as capital as well as the living labour capacity confronting him. Each reproduces itself, by reproducing its other, its negation. The capitalist produces labour as alien; labour produces the product as alien. The capitalist produces the worker, and the worker the capitalist etc.

Original accumulation of capital. *(The real accumulation). – Once developed historically, capital itself creates the conditions of its existence (not as conditions for its arising, but as results of its being). – (Performance of personal services, as opposed to wage labour.) – Inversion of the law of appropriation. Real alien relation* [Fremdheit] *of the worker to his product. Division of labour. Machinery etc.*

Once production founded on capital is presupposed – money has become transformed into capital actually only at the *end of the first production* process, which resulted in its reproduction and in the new production of surplus capital I; surplus capital I, however, is itself *posited,* realized as surplus capital, only when it has produced surplus capital II, i.e. as soon as those presuppositions of money, while it is in the process of passing over into capital, which still lie outside the movement of *real* capital have vanished, and when capital has therefore itself posited, and posited in accordance with its immanent essence, the conditions which form its point of departure in production – [then] the condition that the capitalist, in order to posit himself as capital, must bring values into circulation which he created with his own labour – or by some other means, excepting only already available, previous wage labour – belongs among the antediluvian conditions of capital, belongs to its *historic presuppositions,* which, precisely as such *historic* presuppositions, are past and gone, and hence belong to the *history of its formation,* but in no way to its *contemporary* history, i.e. not to the real system of the mode of production ruled by it. While e.g. the flight of serfs to the cities is one of the *historic* conditions and presuppositions of urbanism, it is not a *condition,* not a moment of the reality of developed cities, but belongs rather to their *past* presuppositions, to the presuppositions of their becoming which are suspended in their being. The conditions and presuppositions of the *becoming,* of the *arising,* of capital presuppose precisely that it is not yet in being but merely in *becoming;* they therefore disappear as real capital arises, capital which itself, on the basis of its own reality, posits the conditions for its realization. Thus e.g. while the process in which money or value for-itself originally becomes capital presupposes on the part of the capitalist an accumulation – perhaps by means of savings garnered from products and values created by his own labour etc., which he has undertaken as a *not-capitalist,* i.e. while the presuppositions under which money becomes capital appear as given, external *presuppositions* for the arising of capital – [nevertheless,] as soon as capital has become capital as such, it creates its own presuppositions, i.e. the possession of the real conditions of the creation of new values *without exchange* – by means of its own production process. These presuppositions, which originally appeared as conditions of its becoming – and hence could not spring from its *action as capital* – now appear as results of its own realization, reality, as *posited by it – not as conditions of its arising, but as results of its presence.* It no longer proceeds from presuppositions in order to become, but rather it is itself presupposed, and proceeds from itself to create the conditions of its maintenance and growth. Therefore, the conditions which preceded the creation of surplus capital I, or which express the becoming of capital, do not fall into the sphere of that mode of production for which capital serves as the presupposition; as the historic preludes of its becoming, they lie behind it, just as the processes by means of which the earth made the transition from a liquid sea of fire and vapour to its present form now lie beyond its life as finished earth. That is, individual capitals can continue to arise e.g. by means of hoarding. But the hoard is transformed into capital only by means of the exploitation of labour. The bourgeois economists who regard capital as an eternal and *natural* (not historical) form of production then attempt at the same time to legitimize it again by formulating the conditions of its becoming as the conditions of its contemporary realization; i.e. presenting the moments in which the capitalist still appropriates as not-capitalist – because he is still becoming – as the very conditions in which he appropriates *as capitalist.* These attempts at apologetics demonstrate a guilty conscience, as well as the inability to bring the mode of appropriation of capital as capital into harmony with the *general laws of property* proclaimed by capitalist society itself. On the other side, much more important for us is that our method indicates the points where historical investigation must enter in, or where bourgeois economy as a merely historical form of the production process points beyond itself to earlier historical modes of production. In order to develop the laws of bourgeois economy, therefore, it is not necessary to write the *real history of the relations of production*. But the correct observation and deduction of these laws, as having themselves become [55] in history, always leads to primary equations – like the empirical numbers e.g. in natural science – which point towards a past lying behind this system. These indications [*Andeutung*], together with a correct grasp of the present, then also offer the key to the understanding of the past – a work in its own right which, it is to be hoped, we shall be able to undertake as well. [56] This correct view likewise leads at the same time to the points at which the suspension of the present form of production relations gives signs of its becoming – foreshadowings of the future. Just as, on one side the pre-bourgeois phases appear as *merely historical,* i.e. suspended presuppositions, so do the contemporary conditions of production likewise appear as engaged in *suspending themselves* and hence in positing the *historic presuppositions* for a new state of society.

Now, if we initially examine the relation such as it has become, value having become capital, and living labour confronting it as mere use value, so that living labour appears as a mere means to realize objectified, dead labour, to penetrate it with an animating soul while losing its own soul to it – and having produced, as the end-product, alien wealth on one side and [, on the other,] the penury which is living labour capacity's sole possession – then the matter is simply this, that the process itself, in and by itself, posits the real objective conditions of living labour (namely, material in which to realize itself, instrument with which to realize itself, and necessaries with which to stoke the flame of living labour capacity, to protect it from being extinguished, to supply its vital processes with the necessary fuels) and posits them as alien, independent existences – or as the mode of existence of an *alien person,* as self-sufficient values for-themselves, and hence as values which form wealth alien to an isolated and subjective labour capacity, wealth of and for the capitalist. The objective conditions of living labour appear as *separated, independent* [*verselbständigte*] values opposite living labour capacity as subjective being, which therefore appears to them only as a value of *another kind* (not as value, but different from them, as use value). Once this separation is given, the production process can only produce it anew, reproduce it, and reproduce it on an expanded scale. How it does this, we have seen. The objective conditions of living labour capacity are presupposed as having an existence independent of it, as the objectivity of a subject distinct from living labour capacity and standing independently over against it; the reproduction and *realization* [*Verwertung*], i.e. the expansion of these *objective conditions,* is therefore at the same time their own reproduction and new production as the wealth of an alien subject indifferently and independently standing over against labour capacity. What is reproduced and produced anew [*neuproduziert*] is not only the *presence* of these objective conditions of living labour, *but also their presence as independent values, i.e. values belonging to an alien subject,* *confronting this living labour capacity.* The objective conditions of labour attain a subjective existence *vis-à-vis* living labour capacity – capital turns into capitalist; on the other side, the merely subjective presence of the labour capacity confronted by its own conditions gives it a merely indifferent, objective form as against them – it is merely a *value* of a particular use value *alongside* the conditions of its own realization [*Verwertung*] as *values* of another use value. Instead of their being realized [*realisiert*] in the production process as the conditions of its realization [*Verwirklichung*], what happens is quite the opposite: it comes out of the process as mere condition for *their* realization [*Verwertung*] and preservation as values for-themselves opposite living labour capacity. The material on which it works is *alien* material; the instrument is likewise an *alien* instrument; its labour appears as a mere accessory to their substance and hence objectifies itself in things not *belonging to it.* Indeed, living labour itself appears as *alien vis-à-vis* living labour capacity, whose labour it is, whose own life's expression [*Lebensäusserung*] it is, for it has been surrendered to capital in exchange for objectified labour, for the product of labour itself. Labour capacity relates to its labour as to an alien, and if capital were willing to pay it *without* making it labour it would enter the bargain with pleasure. Thus labour capacity's own labour is as alien to it – and it really is, as regards its direction etc. – as are material and instrument. Which is why the product then appears to it as a combination of alien material, alien instrument and alien labour – as *alien property,* and why, after production, it has become poorer by the life forces expended, but otherwise begins the drudgery anew, existing as a mere subjective labour capacity separated from the conditions of its life. The recognition [*Erkennung*] of the products as its own, and the judgement that its separation from the conditions of its realization is improper – forcibly imposed – is an enormous [advance in] awareness [*Bewusstsein*], itself the product of the mode of production resting on capital, and as much the knell to its doom as, with the slave's awareness that he *cannot be the property of another,* with his consciousness of himself as a person, the existence of slavery becomes a merely artificial, vegetative existence, and ceases to be able to prevail as the basis of production.

However, if we consider the original relation, before the entry of money into the self-realization process, then various conditions appear which have to have arisen, or been given historically, for money to become capital and labour to become capital-positing, capital-creating labour, wage labour. *(Wage labour,* here, in the strict economic sense in which we use it here, and no other – and we will later have to distinguish it from other forms of labour for day-wages etc. – is capital-positing, capital-producing labour, i.e. living labour which produces both the objective conditions of its realization as an activity, as well as the objective moments of its being as labour *capacity,* and produces them as alien powers opposite itself, as *values for-themselves, independent of it.)* The essential conditions are themselves posited in the relation as it appears originally: (1) on the one side the presence of living labour capacity as a merely *subjective* existence, separated from the *conditions* of living labour as well as from the *means of existence, the necessary goods,* the means of self-preservation of living *labour capacity;* the living possibility of labour, on the one side, in this complete abstraction; (2) the value, or objectified labour, found on the other side, must be an accumulation of use values sufficiently large to furnish the objective conditions not only for the production of the products or values required to reproduce or maintain living labour capacity, but also for the absorption of surplus labour – to supply the objective material for the latter; (3) a free exchange relation – money circulation – between both sides; between the extremes a relation founded on exchange values – not on the master–servant relation – i.e., hence, production which does not directly furnish the producer with his necessaries, but which is mediated through exchange, and which cannot therefore usurp alien labour directly, but must buy it, exchange it, from the worker himself; finally (4) one side – the side representing the objective conditions of labour in the form of independent values for-themselves – must present itself as *value,* and must regard the positing of value, self-realization, money-making, as the ultimate purpose – not direct consumption or the creation of use value.

So long as *both* sides exchange their labour with one another in the form of *objectified* labour, the relation is impossible; it is likewise impossible if *living labour capacity* itself appears as the property of the other side, hence as not engaged in exchange. (The fact that slavery is possible at individual points within the bourgeois system of production does not contradict this. However, slavery is then possible there only because it does not exist at other points; and appears as an anomaly opposite the bourgeois system itself.)

The conditions under which the relation appears at the origin, or which appear as the historic presuppositions of its becoming, reveal at first glance a two-sided character – on one side, dissolution of lower forms of living labour; on the other, dissolution of happier forms of the same.

The first presupposition, to begin with, is that the relation of slavery or serfdom has been suspended. Living labour capacity belongs to itself, and has disposition over the expenditure of its forces, through exchange. Both sides confront each other as persons. *Formally,* their relation has the equality and freedom of exchange as such. As far as concerns the legal relation, the fact that this form is a mere *semblance,* and a *deceptive semblance,* appears as an *external* matter. What the free worker sells is always nothing more than a specific, particular measure of force-expenditure [*Kraftäusserung*]; labour capacity as a totality is greater than every particular expenditure. He sells the particular expenditure of force to a particular capitalist, whom he confronts as an independent *individual.* It is clear that this is not his relation to the existence of capital as capital, i.e. to the capitalist class. Nevertheless, in this way everything touching on the individual, real person leaves him a wide field of choice, of arbitrary will, and hence of formal freedom. In the slave relation, he belongs to the *individual, particular* owner, and is his labouring machine. As a totality of force-expenditure, as labour capacity, he is a thing [*Sache*] belonging to another, and hence does not relate as subject to his particular expenditure of force, nor to the act of living labour. In the serf relation he appears as a moment of property in land itself, is an appendage of the soil, exactly like draught-cattle. In the slave relation the worker is nothing but a living labour-machine, which therefore has a value for others, or rather is a value. The totality of the free worker's labour capacity appears to him as his property, as one of his moments, over which he, as subject, exercises domination, and which he maintains by expending it. This to he developed later under wage labour.

The exchange of objectified labour for living labour does not yet constitute either capital on one side or wage labour on the other. The entire class of so-called *services* from the bootblack up to the king falls into this category. Likewise the free day-labourer, whom we encounter sporadically in all places where either the oriental community [*Gemeinwesen*] or the western commune [*Gemeinde*] consisting of free landowners dissolves into individual elements – as a consequence of increase of population, release of prisoners of war, accidents by which the individual is impoverished and loses the objective conditions of his self-sustaining labour, owing to division of labour etc. If A exchanges a value or money, i.e. objectified labour, in order to obtain a service from B, i.e. living labour, then this can belong:

(1) *within the relation of simple circulation.* Both in fact exchange only use values with one another; one exchanges necessaries, the other labour, a service which the other wants to consume, either directly – personal service – or he furnishes him the material etc. from which, with his labour, with the objectification of his labour, he makes a use value, a use value designed for A's consumption. For example, when the peasant takes a wandering tailor, of the kind that existed in times past, into his house, and gives him the material to make clothes with. Or if I give money to a doctor to patch up my health. What is important in these cases is the service which both do for one another. *Do ut facias* here appears on quite the same level as *facio ut des,* or *do ut des.* [57] The man who takes the cloth I supplied to him and makes me an article of clothing out of it gives me a use value. But instead of giving it directly in objective form, he gives it in the form of activity. I give him a completed use value; he completes another for me. The difference between previous, objectified labour and living, present labour here appears as a merely formal difference between the different tenses of labour, at one time in the perfect and at another in the present. It appears in fact as a merely formal difference, a difference mediated by division of labour and by exchange, whether B himself produces the necessaries on which he has to subsist, or whether he obtains them from A and, instead of producing the necessaries himself, produces an article of clothing, in exchange for which he obtains them from A. In both cases he can take possession of the use value possessed by A only by giving him an equivalent for it; which, in the last analysis, always resolves itself into his own living labour, regardless of the objective form it may adopt, whether before the exchange is concluded, or as a consequence of it. Now, the article of clothing not only contains a specific, form-giving labour – a specific form of usefulness imparted to the cloth by the movement of labour – but it contains also a certain

quantity of labour – hence not only use value, but *value* generally, *value* as such. But this value does not exist for A, since he consumes the article, and is not a clothes-dealer. He has therefore bought the labour not as *value-positing* labour, but as an activity which creates utility, use value. In the case of personal services, this use value is consumed as such without making the transition from the form of movement [*Bewegung*] into the form of the object [*Sache*]. If, as is frequently the case in simple relations, the performer of the service does not obtain *money,* but direct use values themselves, then it no longer even seems as if *value* were being dealt in on one or the other side; merely use values. But even given that A pays money for the service, this is not a transformation of his money into capital, but rather the positing of his money as mere medium of circulation, in order to obtain an object for consumption, a specific use value. This act is for that reason not an act which produces wealth, but the opposite, one which consumes wealth. The point for A is not the objectification in the cloth of labour as such, of a certain amount of labour time, hence *value,* but rather the satisfaction of a certain need. Here A sees his money not *realized* but *devalued* in its transposition from the form of value into that of use value. Labour is here exchanged not as use value for value, but as itself a particular use value, as value for use. The more frequently A repeats the exchange, the poorer does he become. This exchange is not an *act of wealth-getting* for him, not an act of *value creation,* but of *devaluation* of the values he has in hand, in his possession. The money which A here exchanges for living labour – service in kind, or service objectified in a thing – is not *capital* but revenue, money as a medium of circulation in order to obtain use value, money in which the form of value is posited as merely vanishing, not money which will preserve and realize itself as such through the acquisition of labour. Exchange of *money as revenue,* as a mere medium of circulation, for living labour, can never posit money as capital, nor, therefore, labour as wage labour in the economic sense. A lengthy disquisition is not required to show that to consume (spend) money is not the same as to produce money. In situations in which the greatest part of surplus labour appears as agricultural labour, and where the owner of the land therefore appears as owner both of surplus labour and of the surplus product, it is the revenue of the owner of the land which forms the labour fund for the free worker, for the worker in manufactures (here, hand crafts) as opposed to the agricultural labourers. The exchange with them [58] is a form of the consumption of the owner of the land – he divides another part of his revenue directly – for personal services, often only the illusion of services, with a heap of retainers. In Asiatic societies, where the monarch appears as the exclusive proprietor of the agricultural surplus product, whole cities arise, which are at bottom nothing more than wandering encampments, from the exchange of his revenue with the 'free hands', as Steuart calls them. [59] There is nothing of wage labour in this relation, but it *can* stand in opposition to slavery and serfdom, though *need* not do so, for it always repeats itself under various forms of the overall organization of labour. To the extent that *money* mediates this exchange the determination of prices will become important on both sides, but it will do so for A only in so far as he does not want to pay too much for the *use value* of the labour; not in so far as he is concerned with its *value.* The essence of the relation remains unchanged even if this price, which begins as conventional and traditional, is thereafter increasingly determined economically, first by the relation of demand and supply, finally by the production costs at which the vendors themselves of these living services can be produced; nothing is essentially changed thereby, because the determination of prices remains a merely formal moment for the exchange of mere use values, as before. This determination itself, however, is created by other relations, by the general laws and the self-determination of the ruling mode of production, acting, as it were, behind the back of this particular act of exchange. One of the forms in which this kind of pay [*Besoldung*] first appears in the old communities is where an *army* is maintained. The pay [*Sold*] of the common soldier is also reduced to a minimum – determined purely by the production costs necessary to procure him. But he exchanges the performance of his services not for *capital,* but for the revenue of the state.

In bourgeois society itself, all exchange of personal services for revenue – including labour for personal consumption, cooking, sewing etc., garden work etc., up to and including all of the unproductive classes, civil servants, physicians, lawyers, scholars etc. – belongs under this rubric, within this category. All menial servants etc. By means of their services – often coerced – all these workers, from the least to the highest, obtain for themselves a share of the surplus product, of the capitalist's *revenue.* But it does not occur to anyone to think that by means of the exchange of his revenue for such services, i.e. through private consumption, the capitalist posits himself as capitalist. Rather, he thereby spends the fruits of his capital. It does not change the nature of the relation that the proportions in which revenue is exchanged for this kind of living labour are themselves determined by the general laws of production.

As we have already mentioned in the section on *money,* [60] it is here rather the performer of the service who actually posits *value;* who transposes a use value – a certain kind of labour, service etc. – into *value, money.* Hence in the Middle Ages, those who are oriented towards the production and accumulation of money proceed partly not from the side of the consuming landed nobility, but quite the opposite, from the side of living labour; they accumulate and thus become capitalists, δυνάμει, for a later period. The emancipated serf becomes, in part, the capitalist.

It thus does not depend on the general relation, but rather on the natural, particular quality of the service performed, whether the recipient of payment receives it as day-wages, or as an honorarium, or as a sinecure – and whether he appears as superior or inferior in rank to the person paying for the service. However, with the presupposition of capital as the dominant power, all these relations become more or less *dishonoured.* But this does not belong here yet – this *demystification* [*Entgötterung*] of personal services, regardless of the lofty character with which tradition may have poetically endowed them.

It is not, then, simply the exchange of *objectified labour* for *living* labour – which appear, from this standpoint, as two different aspects, as use values in different forms, the one objective, the other subjective – which constitutes capital and hence wage labour, but rather, the exchange of objectified labour as *value,* as self-sufficient value, for living labour as *its* use value, a use value not for a specific, particular use or consumption, but as use value for *value.*

In the exchange of money for labour or service, with the aim of direct consumption, a real exchange always takes place; the fact that *amounts of labour* are exchanged on both sides is of merely *formal* interest for measuring the *particular* forms of the utility of labour by comparing them with each other. This concerns only the *form* of the exchange; but does not form its *content.* In the exchange of capital for labour, *value* is not a measure of the exchange of two use values, but is rather the *content of the exchange* itself.

(2) In periods of the dissolution of *pre-bourgeois* relations, there sporadically occur free workers whose services are bought for purposes not of consumption, but of *production;* but, *firstly,* even if on a large scale, for the production only of *direct* use values, not of *values;* and *secondly,* if a nobleman e.g. brings the free worker together with his serfs, even if he re-sells a part of the worker's product, and the free worker thus creates *value* for him, then this exchange takes place only for the superfluous [product] and only for the sake of superfluity, for *luxury consumption;* is thus at bottom only a veiled purchase of alien labour for immediate consumption or as use value. Incidentally, wherever these free workers increase in number, and where this relation grows, there the old mode of production – commune, patriarchal, feudal etc. – is in the process of dissolution, and the elements of real wage labour are in preparation. But these free servants [*Knechte*] can also emerge, as e.g. in Poland etc., and vanish again, without a change in the mode of production taking place.

<In order to express the relations into which capital and wage labour enter as *property relations* or *laws,* we need do no more than express the conduct of both sides in the *realization process* as an *appropriation process.* For example, the fact that surplus labour is posited as surplus value of capital means that the worker does not appropriate the product of his own labour; that it appears to him as *alien property;* inversely, that *alien labour* appears as the property of capital. This second law of bourgeois property, the inversion of the first – which, through laws of inheritance etc., attains an existence independent of the accidental transitoriness of individual capitalists – becomes just as established in law as the first. The first is the identity of labour with property; the second, labour as negated property, or property as negation of the alien quality of alien labour. In fact, in the production process of capital, as will be seen more closely in its further development, labour is a totality – a combination of labours – whose individual component parts are alien to one another, so that the overall process as a totality is *not* the *work* of the individual worker, and is furthermore the work of the different workers together only to the extent that they are [forcibly] combined, and do not [voluntarily] enter into combination with one another. The combination of this labour appears just as subservient to and led by an alien will and an alien intelligence –

having its *animating unity* elsewhere – as its material unity appears subordinate to the *objective unity* of the *machinery,* of fixed capital, which, as *animated monster,* objectifies the scientific idea, and is in fact the coordinator, does not in any way relate to the individual worker as his instrument; but rather he himself exists as an animated individual punctuation mark; as its living isolated accessory. Thus, combined labour is combination *in-itself* in a double way; not combination as a mutual relation among the individuals working together, nor as their predominance either over their particular or individual function or over the instrument of labour. Hence, just as the worker relates to the product of his labour as an alien thing, so does he relate to the combination of labour as an alien combination, as well as to his own labour as an expression of his life, which, although it belongs to him, is alien to him and coerced from him, and which A. Smith etc. therefore conceives is a *burden, sacrifice* etc. [61] Labour itself, like its product, is *negated as the labour of the particular, isolated worker.* This isolated labour, negated, is now indeed communal or combined labour, posited. The *communal or combined labour* posited in this way – as activity and in the passive, objective form – is however at the same time posited as an other towards the really existing individual labour – as an *alien objectivity* (alien property) as well as an *alien subjectivity* (of capital). Capital thus represents both labour and its product as negated individualized labour and hence as the negated property of the individualized worker. Capital therefore is the existence of social labour – the combination of labour as subject as well as object – but this existence as itself existing independently opposite its real moments – hence itself a *particular* existence apart from them. For its part, capital therefore appears as the predominant subject and owner of *alien labour*, and its relation is itself as complete a contradiction as is that of wage labour.>

Forms which precede capitalist production. (Concerning the process which precedes the formation of the capital relation or of original accumulation)

A presupposition of wage labour, and one of the historic preconditions for capital, is free labour and the exchange of this free labour for money, in order to reproduce and to realize money, to consume the use value of labour not for individual consumption, but as use value for money. Another presupposition is the separation of free labour from the objective conditions of its realization – from the means of labour and the material for labour. Thus, above all, release of the worker from the soil as his natural workshop – hence dissolution of small, free landed property as well as of communal landownership resting on the oriental commune. In both forms, the worker relates to the objective conditions of his labour as to his property; this is the natural unity of labour with its material [*sachlich*] presuppositions. The worker thus has an objective existence independent of labour. The individual relates to himself as proprietor, as master of the conditions of his reality. He relates to the others in the same way and – depending on whether this *presupposition* is posited as proceeding from the community or from the individual families which constitute the commune – he relates to the others as co-proprietors, as so many incarnations of the common property, or as independent proprietors like himself, independent private proprietors – beside whom the previously all-absorbing and all-predominant communal property is itself posited as a particular *ager publicus* [62] alongside the many private landowners.

In both forms, the individuals relate not as workers but as proprietors – and members of a community, who at the same time work. The aim of this work is not the *creation of value* – although they may do surplus labour in order to obtain *alien*, i.e. surplus products in exchange – rather, its aim is sustenance of the individual proprietor and of his family, as well as of the total community. The positing of the individual as a *worker,* in this nakedness, is itself a product of *history.*

In the first form of this landed property, an initial, naturally arisen spontaneous [*naturwüchsiges*] community appears as first presupposition. Family, and the family extended as a clan [*Stamm*], [63] or through intermarriage between families, or combination of clans. Since we may assume that *pastoralism,* or more generally a *migratory* form of life, was the first form of the mode of existence, not that the clan settles in a specific site, but that it grazes off what it finds – humankind is not settlement-prone by nature (except possibly in a natural environment so especially fertile that they sit like monkeys on a tree; else roaming like the animals) – then the *clan community,* the natural community, appears not as a *result* of, but as a *presupposition for the communal appropriation* (temporary) *and utilization of the land.* When they finally do settle down, the extent to which this original community is modified will depend on various external, climatic, geographic, physical etc. conditions as well as on their particular natural predisposition – their clan character. This naturally arisen clan community, or, if one will, pastoral society, is the first presupposition – the communality [*Gemeinschaftlichkeit*] of blood, language, customs – for the *appropriation of the objective conditions* of their life, and of their life's reproducing and objectifying activity (activity as herdsmen, hunters, tillers etc.). The earth is the great workshop, the arsenal which furnishes both means and material of labour, as well as the seat, the *base* of the community. They relate naïvely to it as the *property of the community,* of the community producing and reproducing itself in living labour. Each individual conducts himself only as a link, as a member of this community as *proprietor* or *possessor.* The *real appropriation* through the labour process happens under these *presuppositions,* which are not themselves the *product* of labour, but appear as its natural or *divine* presuppositions. This form, with the same land-relation as its foundation, can realize itself in very different ways. E.g. it is not in the least a contradiction to it that, as in most of the *Asiatic* land-forms, the *comprehensive unity* standing above all these little communities appears as the higher *proprietor* or as the *sole proprietor;* the real communities hence only as *hereditary* possessors. Because the *unity* is the real proprietor and the real presupposition of communal property, it follows that this unity can appear as a *particular* entity above the many real particular communities, where the individual is then in fact propertyless, or, property – i.e. the relation of the individual to the *natural* conditions of labour and of reproduction as belonging to him, as the objective, nature-given inorganic body of his subjectivity – appears mediated for him through a cession by the total unity – a unity realized in the form of the despot, the father of the many communities – to the individual, through the mediation of the particular commune. The surplus product – which is, incidentally, determined by law in consequence of the real appropriation through labour – thereby automatically belongs to this highest unity. Amidst oriental despotism and the propertylessness which seems legally to exist there, this clan or communal property exists in fact as the foundation, created mostly by a combination of manufactures and agriculture within the small commune, which thus becomes altogether self-sustaining, and contains all the conditions of reproduction and surplus production within itself. A part of their surplus labour belongs to the higher community, which exists ultimately as a *person,* and this surplus labour takes the form of tribute etc., as well as of common labour for the exaltation of the unity, partly of the real despot, partly of the imagined clan-being, the god. Now, in so far as it actually realizes itself in labour, this kind of communal property can appear either in the form where the little communes vegetate independently alongside one another, and where, inside them, the individual with his family work independently on the lot assigned to them (a certain amount of labour for the *communal reserves, insurance* so to speak, and to *meet the expenses of the community as such,* i.e. for war, religion etc.; this is the first occurrence of the lordly *dominium* in the most original sense, e.g. in the Slavonic communes, in the Rumanian etc. Therein lies the transition to villeinage [*Frondienst*] etc.); or the unity may extend to the communality of labour itself, which may be a formal system, as in Mexico, Peru especially, among the early Celts, a few clans of India. The communality can, further, appear within the clan system more in a situation where the unity is represented in a chief of the clan-family, or as the relation of the patriarchs among one another. Depending on that, a more despotic or a more democratic form of this community system. The communal conditions of real appropriation through labour, *aqueducts,* very important among the Asiatic peoples; means of communication etc. then appear as the work of the higher unity – of the despotic regime hovering over the little communes. Cities proper here form alongside these villages only at exceptionally good points for external trade; or where the head of the state and his satraps exchange their revenue (surplus product) for labour, spend it as labour-fund.

The second form – and like the first it has essential modifications brought about locally, historically etc. – product of more active, historic life, of the fates and modifications of the original clans – also assumes the *community* as its first presupposition, but not, as in the first case, as the substance of which the individuals are mere accidents, or of which they form purely natural component parts – it presupposes as base not the countryside, but the town as an already created seat (centre) of the rural population (owners of land). The cultivated field here appears as a *territorium* belonging to the town; not the village as mere accessory to the land. The earth in itself – regardless of the obstacles it may place in the way of working it, really appropriating it – offers no resistance to [attempts to] relate to it as the inorganic nature of the living individual, as his workshop, as the means and object of labour and the means of life for the subject. The difficulties which the commune encounters can arise only from other communes, which have either previously occupied the land and soil, or which disturb the commune in its own occupation. War is therefore the great comprehensive task, the great communal labour which is required either to occupy the objective conditions of being there alive, or to protect and perpetuate the occupation. Hence the commune consisting of families initially organized in a warlike way – as a system of war and army, and this is one of the conditions of its being there as proprietor. The concentration of residences in the town, basis of this bellicose organization. The clan system in itself leads to higher and lower ancestral lineages [*Geschlechtern*], [64] a distinction which is still further developed through intermixture with subjugated clans etc. Communal property – as state property, *ager publicus* – here separated from private property. The property [*Eigentum*] of the individual is here not, unlike the first case, itself directly communal property; where it is, the individual has no property as distinct from the commune, but rather is merely its possessor [*Besitzer*]. The less it is the case that the individual's property can in fact be realized solely through communal labour – thus e.g. the aqueducts in the Orient – the more the purely naturally arisen, spontaneous character of the clan has been broken by historic movement, migration; the more, further, the clan removes itself from its original seat and occupies *alien* ground, hence enters into essentially new conditions of labour, and develops the energy of the individual more – its common character appearing, necessarily, more as a negative unity towards the outside – the more, therefore, are the conditions given under which the individual can become a *private proprietor* of land and soil – of a particular plot – whose particular cultivation falls to him and his family. The commune – as state – is, on one side, the relation of these free and equal private proprietors to one another, their bond against the outside, and is at the same time their safeguard. The commune here rests as much on the fact that its members consist of working landed proprietors, small-owning peasants, as the peasants' independence rests on their mutual relations as commune members, on protection of the *ager publicus* for communal needs and communal glory etc. Membership in the commune remains the presupposition for the appropriation of land and soil, but, as a member of the commune, the individual is a private proprietor. He relates to his private property as land and soil, but at the same time as to his being as commune member; and his own sustenance as such is likewise the sustenance of the commune, and conversely etc. The commune, although already a *product of history* here, not only in fact but also known as such, and therefore *possessing an origin,* is the presupposition of *property* in land and soil – i.e. of the relation of the working subject to the natural presuppositions of labour as belonging to him – but this belonging [is] mediated by his being a member of the state, by the being of the state – hence by a *presupposition* regarded as divine etc. [65] Concentration in the town, with the land as *territorium;* small agriculture working for direct consumption; manufacture as domestic side occupation of wives and daughters (spinning and weaving) or, independently, in individual branches only *(fabri* [66] etc.). The presupposition of the survival of the community is the preservation of equality among its free self-sustaining peasants, and their own labour as the condition of the survival of their property. They relate as proprietors to the natural conditions of labour; but these conditions must also constantly be posited as real conditions and objective elements of the personality of the individual, by means of personal labour. On the other side, the tendency of this small bellicose community system drives beyond these barriers etc. (Rome, Greece, Jews etc.). 'When the auguries', Niebuhr says, 'had assured Numa of the divine sanction of his election, the pious king's first concern was not worship at the temple, but a human one. He divided the lands which Romulus had won in war and given over to occupation: he endowed the order of Terminus. All the law-givers of antiquity, Moses above all, founded their success in commanding virtue, integrity and proper custom on landed property, or at least on secured, hereditary possession of land, for the greatest possible number of citizens.' (Vol. I, 245, 2nd edition. *Röm. Gesch.*) [67] The individual is placed in such conditions of earning his living as to make not the acquiring of wealth his object, but self-sustenance, his own reproduction as a member of the community; the reproduction of himself as proprietor of the parcel of ground, and, in that quality, as a member of the commune. The survival of the commune is the reproduction of all of its members as self-sustaining peasants, whose surplus time belongs precisely to the commune, the work of war etc. The property in one's own labour is mediated by property in the condition of labour – the hide of land, guaranteed in its turn by the existence of the commune, and that in turn by surplus labour in the form of military service etc. by the commune members. It is not cooperation in wealth-producing labour by means of which the commune member reproduces himself, but rather cooperation in labour for the communal interests (imaginary and real), for the upholding of the association inwardly and outwardly. Property is *quiritorium,* [68] of the Roman variety; the private proprietor of land is such only as a Roman, but as a Roman he is a private proprietor of land.

A[nother] form of the property of working individuals, self-sustaining members of the community, in the natural conditions of their labour, is the *Germanic.* Here the commune member is neither, as such, a co-possessor of the communal property, as in the specifically oriental form (wherever property exists *only* as communal property, there the individual member is as such only *possessor* of a particular part, hereditary or not, since any fraction of the property belongs to no member for himself, but to him only as immediate member of the commune, i.e. as in direct unity with it, not in distinction to it. This individual is thus only a possessor. What exists is only *communal* property, and only *private possession.* The mode of this possession in relation to the communal property may be historically, locally etc. modified in quite different ways, depending on whether labour itself is performed by the private possessor in isolation, or is in turn determined by the commune or by the unity hovering above the particular commune); nor is the situation such as obtains in the Roman, Greek form (in short, the form of classical antiquity) – in this case, the land is occupied by the commune, Roman land; a part remains to the commune as such as distinct from the commune members, *ager publicus* in its various forms; the other part is divided up and each parcel of land is Roman by virtue of being the private property, the domain of a Roman, the part of the *laboratorium* belonging to him; but, also, he is a Roman only in so far as he possesses this sovereign right over a part of the Roman earth. <In antiquity,

urban occupation and trade little esteemed, agriculture, however, highly; in the Middle Ages the contrary appraisal.> <The right of *using* the communal land through *possession* originally appertained to the patricians, who then granted it to their clients; the *transfer of property* out of the *ager publicus* appertained exclusively to the plebeians; all assignments in favour of the plebeians and compensation for a share of the communal property. *Actual property in land,* excepting the area around the city walls, originally only in the hands of the plebeians (rural communes included later.)> <Basis of the Roman plebs as a totality of agriculturists, as is indicated in their quiritary property. Antiquity unanimously esteemed agriculture as the *proper occupation* of the free man, the soldier's school. In it the ancestral stock of the nation sustains itself; it changes in the cities, where alien merchants and dealers settle, just as the indigenous move where gain entices them. Wherever there is slavery, the freedman seeks his support in such dealings, in which he then often gathers riches: thus these occupations were mostly in their hands in antiquity, and were therefore not proper for a citizen: hence the opinion that admission of the craftsmen to full citizenship rights would be a risky undertaking (among the earlier Greeks they were as a rule excluded). 'ὀὐδενὶ γὰρ ἐξῆν ̔Ρωμαίων οὔτε κάπηλον οὔτε χειροτέχνην βίον ἔχειν.' [69] Antiquity had no inkling of a privileged guild-system such as prevailed in the history of medieval cities; and already here the martial spirit declined as the guilds defeated the aristocratic lineages, and was finally extinguished altogether; and consequently, with it, the cities' external respect and freedom.> <The clans of the ancient states were founded on two different principles, either on *ancestry* [*Geschlecht*] or on the *locality.* The *ancestral clans* preceded the locality clans in time and are almost everywhere pushed aside by the latter. Their most extreme, strictest form is the caste-order, in which one is separated from the other, without the right of intermarriage, quite different in [degree of] privilege; each with an exclusive, irrevocable occupation. The *locality clans* originally corresponded to a partition of the countryside into districts and villages; so that someone residing in a given village at the time of this partition, in Attica under Cleisthenes, was registered as a *demotes* (villager) of that village, and as a member of the *phylon* (tribe) of the village's region. Now, his descendants, as a rule, remained in the same *phylon* and the same *demos* without regard to

their residence; whereby this partition also took on an ancestral appearance.> <These Roman *gens* not blood relatives; to the communal name, Cicero adds descent from free men as a sign. Communal *sacra* (shrines) for the Roman gentiles; later ceased (already in Cicero’s time). Practice of co-gentile inheritance, in cases without dependents or will, survived longest of all. In the earliest periods, obligation of all members of the *gens* to help those of their own who require this, to carry unaccustomed burdens. (This occurs originally everywhere among the Germans, remains longest among the Dithmarschen.) The *gentes,* corporations [*Innungen*]. There was in the world of antiquity no more general institution than that of kin groups. Thus among the Gaels the noble Campbells and their vassals forming one clan.> [70] Since the patrician represents the community in a higher degree, he is the *possessor* of the *ager publicus* and uses it through his clients etc. (and also appropriates it little by little). The Germanic commune is not concentrated in the town; by means of such a concentration – the town as centre of rural life, residence of the agricultural workers, likewise the centre of warfare – the commune as such would have a merely outward existence, distinct from that of the individual. The history of classical antiquity is the history of cities, but of cities founded on landed property and on agriculture; Asiatic history is a kind of indifferent unity of town and countryside (the really large cities must be regarded here merely as royal camps, as works of artifice [*Superfötation*] erected over the economic construction proper); the Middle Ages (Germanic period) begins with the land as the seat of history, whose further development then moves forward in the contradiction between town and countryside; the modern [age] is the urbanization of the countryside, not ruralization of the city as in antiquity.

NOTEBOOK V

22 January – Beginning of February 1858

The Chapter on Capital (continuation)

With its coming-together in the city, the commune possesses an economic existence as such; the city’s mere *presence,* as such, distinguishes it from a mere multiplicity of independent houses. The whole, here, consists not merely of its parts. It is a kind of independent organism. Among the Germanic tribes, where the individual family chiefs settled in the forests, long distances apart, the commune exists, already from *outward* observation, only in the periodic gathering-together [*Vereinigung*] of the commune members, although their unity-*in-itself* is posited in their ancestry, language, common past and history, etc. The *commune* thus appears as a *coming-together* [*Vereinigung*], not as a *being-together* [*Verein*]; as a unification made up of independent subjects, landed proprietors, and not as a unity. The commune therefore does not in fact exist as a *state* or *political body,* as in classical antiquity, because it does not exist as a *city.* For the commune to come into real existence, the free landed proprietors have to hold a *meeting,* whereas e.g. in Rome it *exists* even apart from these assemblies in the existence of the *city itself* and of the officials presiding over it etc. True, the *ager publicus,* the communal or people’s land, as distinct from individual property, also occurs among the Germanic tribes. It takes the form of hunting land, grazing land, timber land etc., the part of the land which cannot be divided if it is to serve as means of production in this specific form. But this *ager publicus* does not appear, as with the Romans e.g., as the particular economic presence of the state as against the private proprietors, so that these latter are actually *private* proprietors as such, in so far as they are *excluded,* deprived, like the plebeians, from using the *ager publicus*. Among the Germanic tribes, the *ager publicus* appears rather merely as a complement to individual property, and figures as property only to the extent that it is defended militarily as the common property of one tribe against a hostile tribe. Individual property does not appear mediated by the commune; rather, the existence of the commune and of communal property appear as mediated by, i.e. as a relation of, the independent subjects to one another. The economic totality is, at bottom, contained in each individual household, which forms an independent centre of production for itself (manufactures purely as domestic secondary task for women etc.). In the world of antiquity, the city with its territory is the economic totality; in the Germanic world, the totality is the individual residence, which itself appears as only a small dot on the land belonging to it, and which is not a concentration of many proprietors, but the family as independent unit. In the Asiatic form (at least, predominantly), the individual has no property but only possession; the real proprietor, proper, is the commune – hence property only as *communal property* in land. In antiquity (Romans as the most classic example, the thing in its purest, most fully developed form), the form of state property in land and that of private property in land [are] antithetical, so that the latter is mediated by the former, or the former itself exists in this double form. The private proprietor of land hence at the same time urban citizen. Urban citizenship resolves itself economically into the simple form that the agriculturist [is a] resident of a city. In the Germanic form, the agriculturist not citizen of a state, i.e. not inhabitant of a city; [the] basis [is] rather the isolated, independent family residence, guaranteed by the bond with other such family residences of the same tribe, and by their occasional coming-together [*Zusammnenkommen*] to pledge each others' allegiance in war, religion, adjudication etc. Individual landed property here appears neither as a form antithetical to the commune's landed property, nor as mediated by it, but just the contrary. The commune exists only in the interrelations among these individual landed proprietors as such. Communal property as such appears only as a communal accessory to the individual tribal seats and the land they appropriate. The commune is neither the substance of which the individual appears as a mere accident; nor is it a generality with a *being and unity* as such [*seiende Einheit*] either in the mind and in the existence of the city and of its civic needs as distinct from those of the individual, or in its civic land and soil as its particular presence as distinct from the particular economic presence of the commune member; rather, the commune, on the one side, is presupposed in-itself prior to the individual proprietors as a communality of language, blood etc., but it exists as a presence, on the other hand, only in its *real assembly* for communal purposes; and to the extent that it has a particular economic existence in the hunting and grazing lands for communal use, it is so used by each individual proprietor as such, not as representative of the state (as in Rome); it is really the common property of the individual proprietors, not of the union of these proprietors endowed with an existence separate from themselves, the city itself.

The main point here is this: In all these forms – in which landed property and agriculture form the basis of the economic order, and where the economic aim is hence the production of use values, i.e. the *reproduction of the individual* within the specific relation to the commune in which he is its basis – there is to be found: (1) Appropriation not through labour, but presupposed to labour; appropriation of the natural conditions of labour, of the *earth* as the original instrument of labour as well as its workshop and repository of raw materials. The individual relates simply to the objective conditions of labour as being his; [relates] to them as the inorganic nature of his subjectivity, in which the latter realizes itself; the chief objective condition of labour does not itself appear as a *product* of labour, but is already there as *nature;* on one side the living individual, on the other the earth, as the objective condition of his reproduction; (2) but this *relation* to land and soil, to the earth, as the property of the labouring individual – who thus appears from the outset not merely as labouring individual, in this abstraction, but who has an *objective mode of existence* in his ownership of the land, an existence *presupposed* to his activity, and not merely as a result of it, a presupposition of his activity just like his skin, his sense organs, which of course he also reproduces and develops etc. in the life process, but which are nevertheless presuppositions of this process of his reproduction – is instantly mediated by the naturally arisen, spontaneous, more or less historically developed and modified presence of the individual as *member of a commune* – his naturally arisen presence as member of a tribe etc. An isolated individual could no more have property in land and soil than he could speak. He could, of course, live off it as substance, as do the animals. The relation to the earth as property is always mediated through the occupation of the land and soil, peacefully or violently, by the tribe, the commune, in some more or less naturally arisen or already historically developed form. The individual can never appear here in the dot-like isolation [*Punktualität*] in which he appears as mere free worker. If the objective conditions of his labour are presupposed as belonging to him, then he himself is subjectively presupposed as member of a commune, through which his relation to land and soil is mediated. His relation to the objective conditions of labour is mediated through his presence as member of the commune; at the same time, the real presence of the commune is determined by the specific form of the individual's property in the objective conditions of labour. Whether this property mediated by commune-membership appears as *communal property,* where the individual is merely the possessor and there is no private property in land and soil – or whether property appears in the double form of state and private property alongside one another, but so that the latter appears as posited by the former, so that only the citizen is and must be a private proprietor, while his property as citizen has a separate, particular existence at the same time – or whether, finally, the communal property appears only as a complement to individual property, with the latter as the base, while the commune has no existence for-itself except in the *assembly* of the commune members, their coming-together for common purposes – these different forms of the commune or tribe members' relation to the tribe's land and soil – to the earth where it has settled – depend partly on the natural inclinations of the tribe, and partly on the economic conditions in which it relates as proprietor to the land and soil in reality, i.e. in which it appropriates its fruits through labour, and the latter will itself depend on climate, physical make-up of the land and soil, the physically determined mode of its exploitation, the relation with hostile tribes or neighbour tribes, and the modifications which migrations, historic experiences etc. introduce. The survival of the commune as such in the old mode requires the reproduction of its members in the presupposed objective conditions. Production itself, the advance of population (this too belongs with production), necessarily suspends these conditions little by little; destroys them instead of reproducing them etc., and, with that, the communal system declines and falls, together with the property relations on which it was based. The Asiatic form necessarily hangs on most tenaciously and for the longest time. This is due to its presupposition that the individual does not become independent *vis-à-vis* the commune; that there is a self-sustaining circle of production, unity of agriculture and manufactures, etc. If the individual changes his relation to the commune, he thereby changes and acts destructively upon the commune; as on its economic presupposition; on the other side, the alteration of this economic presupposition brought about by its own dialectic – impoverishment etc. In particular, the influence of warfare and of conquest, which e.g. in Rome belonged to the essential conditions of the commune itself, suspends the real bond on which it rests. In all these forms, the *reproduction of presupposed* relations – more or less naturally arisen or historic as well, but become traditional – of the individual to his commune, together with a *specific, objective* existence, *predetermined* for the individual, of his relations both to the conditions of labour and to his co-workers, fellow tribesmen etc. – are the foundation of development, which is therefore from the outset *restricted,* but which signifies decay, decline and fall once this barrier is suspended. Thus among the Romans, the development of slavery, the concentration of land possession, exchange, the money system, conquest etc., although all these elements up to a certain point seemed compatible with the foundation, and in part appeared merely as innocent extensions of it, partly grew out of it as mere abuses. Great developments can take place here within a specific sphere. The individuals may appear great. But there can be no conception here of a free and full development either of the individual or of the society, since such development stands in contradiction to the original relation.

Do we never find in antiquity an inquiry into which form of landed property etc. is the most productive, creates the greatest wealth? Wealth does not appear as the aim of production, although Cato may well investigate which manner of cultivating a field brings the greatest rewards, and Brutus may even lend out his money at the best rates of interest. [1] The question is always which mode of property creates the best citizens. Wealth appears as an end in itself only among the few commercial peoples – monopolists of the carrying trade – who live in the pores of the ancient world, like the Jews in medieval society. Now, wealth is on one side a thing, realized in things, material products, which a human being confronts as subject; on the other side, as value, wealth is merely command over alien labour not with the aim of ruling, but with the aim of private consumption etc. It appears in all forms in the shape of a thing, be it an object or be it a relation mediated through the object, which is external and accidental to the individual. Thus the old view, in which the human being appears as the aim of production, regardless of his limited national, religious, political character, seems to be very lofty when contrasted to the modern world, where production appears as the aim of mankind and wealth as the aim of production. In fact, however, when the limited bourgeois form is stripped away, what is wealth other than the universality of individual needs, capacities, pleasures, productive forces etc., created through universal exchange? The full development of human mastery over the forces of nature, those of so-called nature as well as of humanity's own nature? The absolute working-out of his creative potentialities, with no presupposition other than the previous historic development, which makes this totality of development, i.e. the development of all human powers as such the end in itself, not as measured on a *predetermined yardstick?* Where he does not reproduce himself in one specificity, but produces his totality? Strives not to remain something he has become, but is in the absolute movement of becoming? In bourgeois economics – and in the epoch of production to which it corresponds – this complete working-out of the human content appears as a complete emptying-out, this universal objectification as total alienation, and the tearing-down of all limited, one-sided aims as sacrifice of the human end-in-itself to an entirely external end. This is why the childish world of antiquity appears on one side as loftier. On the other side, it really is loftier in all matters where closed shapes, forms and given limits are sought for. It is satisfaction from a limited standpoint; while the modern gives no satisfaction; or, where it appears satisfied with itself, it is *vulgar.*

What Mr Proudhon calls the *extra-economic* origin of property, by which he understands just landed property, [2] is the *pre-bourgeois* relation of the individual to the objective conditions of labour, and initially to the *natural* objective conditions of labour – for, just as the working subject appears naturally as an individual, as natural being – so does the first objective condition of his labour appear as nature, earth, as his inorganic body; he himself is not only the organic body, but also the subject of this inorganic nature. This condition is not his product but something he finds to hand – presupposed to him as a natural being apart from him. Before we analyse this further, one more point: the worthy Proudhon would not only be able to, but would have to, accuse *capital* and *wage labour* – as forms of property – of having an *extra-economic* origin. For the encounter with the objective conditions of labour as separate from him, as *capital* from the worker's side, and the encounter with the *worker* as propertyless, as an abstract worker from the capitalist's side – the exchange such as takes place between value and living labour, presupposes a *historic process,* no matter how much capital and labour themselves reproduce this relation and work out its objective scope, as well as its depth – a historic process, which, as we saw, forms the history of the origins of capital and wage labour. In other words: the *extra-economic origin* of property means nothing else than the *historic origin* of the bourgeois economy, of the forms of production which are theoretically or ideally expressed by the categories of political economy. But the fact that pre-bourgeois history, and each of its phases, also has its own *economy* and an *economic foundation* for its movement, is at bottom only the tautology that human life has since time immemorial rested on production, and, in one way or another, on *social* production, whose relations we call, precisely, economic relations.

The original conditions of production (or, what is the same, the reproduction of a growing number of human beings through the natural process between the sexes; for this reproduction, although it appears as appropriation of the objects by the subjects in one respect, appears in another respect also as formation, subjugation of the objects to a subjective purpose; their transformation into results and repositories of subjective activity) *cannot themselves* originally *be products* – results of production. It is not the *unity* of living and active humanity with the natural, inorganic conditions of their metabolic exchange with nature, and hence their appropriation of nature, which requires explanation or is the result of a historic process, but rather the *separation* between these inorganic conditions of human existence and this active existence, a separation which is completely posited only in the relation of wage labour and capital. In the relations of slavery and serfdom this separation does not take place; rather, one part of society is treated by the other as itself merely an *inorganic and natural* condition of its own reproduction. The slave stands in no relation whatsoever to the objective conditions of his labour; rather, *labour* itself, both in the form of the slave and in that of the serf, is classified as *an inorganic condition* of production along with other natural beings, such as cattle, as an accessory of the earth. In other words: the original conditions of production appear as natural presuppositions, *natural conditions of the producer's existence* just as his living body, even though he reproduces and develops it, is originally not posited by himself, but appears as the *presupposition of his self;* his own (bodily) being is a natural presupposition, which he has not posited. These *natural conditions of existence,* to which he relates as to his own inorganic body, are themselves double: (1) of a subjective and (2) of an objective nature. He finds himself a member of a family, clan, tribe etc. – which then, in a historic process of intermixture and antithesis with others, takes on a different shape; and, as such a member, he relates to a specific nature (say, here, still earth, land, soil) as his own inorganic being, as a condition of his production and reproduction. As a natural member of the community he participates in the communal property, and has a particular part of it as his possession; just as, were he a natural Roman citizen, he would have an ideal claim (at least) to the *ager publicus* and a real one to a certain number of *iugera* [3] of land etc. His *property,* i.e. the relation to the natural presuppositions of his production as belonging to him, as *his*, is mediated by his being himself the natural member of a community. (The abstraction of a community, in which the members have nothing in common but language etc., and barely that much, is obviously the product of much later historical conditions.) As regards the individual, it is clear e.g. that he relates even to language itself *as his own* only as the natural member of a human community. Language as the product of an individual is an impossibility. But the same holds for property.

Language itself is the product of a community, just as it is in another respect itself the presence [*Dasein*] of the community, a presence which goes without saying. <Communal production and common property as they exist e.g. in Peru are evidently a *secondary* form; introduced by and inherited from conquering tribes, who, at home, had common property and communal production in the older, simpler form such as is found in India and among the Slavs. Likewise the form which we find among the Celts in Wales e.g. appears as a transplanted, *secondary* form, introduced by conquerors among the lesser, conquered tribes. The completion and systematic elaboration of these systems by a *supreme central authority* shows their later origin. Just as the feudalism introduced into England was more perfect in form than that which arose spontaneously in France.> <Among nomadic pastoral tribes – and all pastoral peoples are originally migratory – the earth appears like other natural conditions, in its elemental limitlessness, e.g. in the Asiatic steppes and the high plateau. It is grazed etc., consumed by the herds, from which the pastoral peoples in turn

live. They relate to it as their property, although they never stabilize this property. This is the case too with the hunting grounds of the wild Indian tribes in America; the tribe regards a certain region as its hunting domain, and asserts it by force against other tribes, or tries to drive others off the domains they assert. Among the nomadic pastoral peoples, the commune is indeed constantly united; the travelling society, the caravan, the horde, and the forms of supremacy and subordination develop out of the conditions of this mode of life. What is in fact *appropriated* and *reproduced* here is not the earth but the herd; but the earth is always used *communally* at each halting place.> The only barrier which the community can encounter in relating to the natural conditions of production – the earth – as to *its own property* (if we jump ahead to the settled peoples) is *another community,* which already claims it as its own inorganic body. *Warfare* is therefore one of the earliest occupations of each of these naturally arisen communities, both for the defence of their property and for obtaining new property. (We can indeed content ourselves here with speaking of land and soil as original property, for among the herding peoples property in natural products of the earth – e.g. sheep – is at the same time property in the pastures they wander through. In general, property in land and soil includes its organic products.) <If human beings themselves are conquered along with the land and soil as its organic accessories, then they are equally conquered as one of the conditions of production, and in this way arises slavery and serfdom, which soon corrupts and modifies the original forms of all communities, and then itself becomes their basis. The simple construction is thereby negatively determined.>

Property thus originally means no more than a human being's relation to his natural conditions of production as belonging to him, as his, as *presupposed* along with *his own being;* relations to them as *natural presuppositions* of his self, which only form, so to speak, his extended body. He actually does not relate to his conditions of production, but rather has a double existence, both subjectively as he himself, and objectively in these natural non-organic conditions of his existence. The forms of these *natural conditions of production* are double: (1) his existence as a member of a community; hence the existence of this community, which in its original form is a *clan* system, a more or less modified *clan* system; (2) the relation to *land*

and soil mediated by the community, as *its own,* as communal landed property, at the same time *individual possession* for the individual, or in such a way that only the fruits are divided, but the land itself and the labour remain common. (However, *residences* etc., even if only the Scythians' wagons, always appear in individual possession.) A natural condition of production for the living individual is his belonging to a *naturally arisen, spontaneous society,* clan etc. This is e.g. already a condition for his language etc. His own productive existence is possible only on this condition. His subjective existence is thereby conditioned as such, just as it is conditioned by his relation to the earth as his workshop. (Property is, it is true, originally *mobile,* for mankind first seizes hold of the ready-made fruits of the earth, among whom belong e.g. the animals, and for him especially the ones that can be tamed. Nevertheless even this situation – hunting, fishing, herding, gathering fruits from trees etc. – always presupposes appropriation of the earth, whether for a fixed residence, or for roaming, or for animal pasture etc.)

Property therefore means *belonging to a clan* (community) (having subjective-objective existence in it); and, by means of the relation of this community to the land and soil, [relating] to the earth as the individual's inorganic body; his relation to land and soil, to the external primary condition of production – since the earth is raw material, instrument and fruit all in one – as to a presupposition belonging to his individuality, as modes of his presence. *We reduce this property to the relation to the conditions of production.* Why not to consumption, since the production of the individual is originally restricted to the reproduction of his own body through the appropriation of ready objects prepared by nature itself for consumption? Even where the only task is to *find* and to *discover,* this soon requires exertion, labour – as in hunting, fishing, herding – and production (i.e. development) of certain capacities on the part of the subject. Then also, situations in which it is possible to seize hold of the things available without any instruments whatever (i.e. products of labour destined for production), without alteration of form (which already takes place for herding) etc., are themselves transitional and in no case to be regarded as normal; nor as normal original situations. The original conditions of production, incidentally, of course include substances consumable directly, without labour; thus the consumption fund appears as s component part of the *original production fund.*

The fundamental condition of property resting on the clan system (into which the community originally resolves itself) – to be a member of the clan – makes the clan conquered by another clan *propertyless* and throws it among the *inorganic conditions* of the conqueror's reproduction, to which the conquering community relates as its own. Slavery and serfdom are thus only further developments of the form of property resting on the clan system. They necessarily modify all of the latter's forms. They can do this least of all in the Asiatic form. In the self-sustaining unity of manufacture and agriculture, on which this form rests, conquest is not so necessary a condition as where *landed property, agriculture* are exclusively predominant. On the other hand, since in this form the individual never becomes a proprietor but only a possessor, he is at bottom himself the property, the slave of him in whom the unity of the commune exists, and slavery here neither suspends the conditions of labour nor modifies the essential relation.

It is now clear, further, that:

Property, in so far as it is only the conscious relation – and posited in regard to the individual by the community, and proclaimed and guaranteed as law – to the conditions of production as *his own,* so that the producer's being appears also in the objective conditions *belonging to him* – is only realized by production itself. The real appropriation takes place not in the mental but in the real, active relation to these conditions – in their real positing as the conditions of his subjective activity.

It is thereby also clear that *these conditions change.* Only when tribes hunt upon it does a region of the earth become a hunting domain; only cultivation of the soil posits the land as the individual's extended body. After the *city of Rome* had been built and the surrounding countryside cultivated by its citizens, the conditions of the community were different from what they had been before. The aim of all these communities is survival; i.e. *reproduction of the individuals who compose it as proprietors, i.e. in the same objective mode of existence as forms the relation among the members and at the same time therefore the commune itself.* This *reproduction, however, is at the same time necessarily new production and destruction of the old form.* For example, where each of the individuals is supposed to possess a given number of acres of land, the advance of population is already under way. If this is to be corrected, then colonization, and that in turn requires wars of conquest. With that, slaves etc. Also, e.g., enlargement of the *ager publicus,* and therewith the patricians who represent the community etc. Thus the preservation of the old community includes the destruction of the conditions on which it rests, turns into its opposite. If it were thought that productivity on the same land could be increased by developing the forces of production etc. (this precisely the slowest of all in traditional agriculture), then the new order would include combinations of labour, a large part of the day spent in agriculture etc., and thereby again suspend the old economic conditions of the community. Not only do the objective conditions change in the act of reproduction, e.g. the village becomes a town, the wilderness a cleared field etc., but the producers change, too, in that they bring out new qualities in themselves, develop themselves in production, transform themselves, develop new powers and ideas, new modes of intercourse, new needs and new language. The older and more traditional the mode of production itself – and this lasts a long time in agriculture; even more in the oriental supplementation of agriculture with manufactures – i.e. the longer the *real process* of appropriation remains constant, the more constant will be the old forms of property and hence the community generally. Where there is already a separation between the commune members as private proprietors [on one side,] and they themselves as the urban commune and proprietors of the commune's *territorium* [on the other], there the conditions already arise in which the individual can *lose* his property, i.e. the double relation which makes him both an equal citizen, a member of the community, and a *proprietor.* In the oriental form this *loss* is hardly possible, except by means of altogether external influences, since the individual member of the commune never enters into the relation of freedom towards it in which he could lose his (objective, economic) bond with it. He is rooted to the spot, ingrown. This also has to do with the combination of manufacture and agriculture, of town (village) and countryside. In classical antiquity, manufacture appears already as a corruption (business for *freedmen,* clients, aliens) etc. This development of productive labour (not bound in pure subordination to agriculture as a domestic task, labour by free men for agriculture or war only, or for religious observances, and manufactures for the community – such as construction of houses, streets, temples), which necessarily develops through intercourse with aliens and slaves, through the desire to exchange the surplus product etc., dissolves the mode of production on which the community rests, and, with it, the *objective individual,* i.e. the individual defined as Roman, Greek, etc. Exchange acts in the same way; indebtedness etc.

The original unity between a particular form of community (clan) and the corresponding property in nature, or relation to the objective conditions of production as a natural being, as an objective being of the individual mediated by the commune – this unity, which appears in one respect as the particular form of property – has its living reality in a specific *mode of production* itself, a mode which appears both as a relation between the individuals, and as their specific active relation to inorganic nature, a specific mode of working (which is always family labour, often communal labour). The community itself appears as the first great force of production; particular kinds of production conditions (e.g. stock-breeding, agriculture), develop particular modes of production and particular forces of production, subjective, appearing as qualities of individuals, as well as objective [ones].

In the last analysis, their community, as well as the property based on it, resolves itself into a specific stage in the development of the productive forces of working subjects – to which correspond their specific relations amongst one another and towards nature. Until a certain point, reproduction. Then turns into dissolution.

Property, then, originally means – in its Asiatic, Slavonic, ancient classical, Germanic form – the relation of the working (producing or self-reproducing) subject to the conditions of his production or reproduction as his own. It will therefore have different forms depending on the conditions of this production. Production itself aims at the reproduction of the producer within and together with these, his objective conditions of existence. This relation as proprietor – not as a result but as a presupposition of labour, i.e. of production – presupposes the individual defined as a member of a clan or community (whose property the individual himself is, up to a certain point). Slavery, bondage etc., where the worker himself appears among the natural conditions of production for a third individual or community (this is *not* the case e.g. with the general slavery of the Orient, *only* from the European point of view) – i.e. property no longer the relation of the working individual to the objective conditions of labour – is always secondary, derived, never original, although [it is] a necessary and logical result of property founded on the community and labour in the community. It is of course very simple to imagine that some powerful, physically dominant individual, after first having caught the animal, then catches humans in order to have them catch animals; in a word, uses human beings as another naturally occurring condition for his reproduction (whereby his own labour reduces itself to ruling) like any other natural creature. But such a notion is stupid – correct as it may be from the standpoint of some particular given clan or commune – because it proceeds from the development of *isolated individuals.* But human beings become individuals only through the process of history. He appears originally as a *species-being* [*Gattungswesen*], *clan being, herd animal* – although in no way whatever as a ζῶον πολιτικόν [4] in the political sense. Exchange itself is a chief means of this individuation [*Vereinzelung*]. It makes the herd-like existence superfluous and dissolves it. Soon the matter [has] turned in such a way that as an individual he relates himself only to himself, while the means with which he posits himself as individual have become the making of his generality and commonness. In this community, the objective being of the individual as proprietor, say proprietor of land, is presupposed, and presupposed moreover under certain conditions which chain him to the community, or rather form a link in his chain. In bourgeois society, the worker e.g. stands there purely without objectivity, subjectively; but the thing which *stands opposite* him has now become the *true community* [*Gemeinwesen*], [5] which he tries to make a meal of, and which makes a meal of him.

All forms (more or less naturally arisen, spontaneous, all at the same time however results of a historic process) in which the community presupposes its subjects in a specific objective unity with their conditions of production, or in which a specific subjective mode of being presupposes the communities themselves as conditions of production, necessarily correspond to a development of the forces of production which is only limited, and indeed limited in principle. The development of the forces of production dissolves these forms, and their dissolution is itself a development of the human productive forces. Labour begins with a certain foundation – naturally arisen, spontaneous, at first – then historic presupposition. Then, however, this foundation or presupposition is itself suspended, or posited as a vanishing presupposition which has become too confining for the unfolding of the progressing human pack.

In so far as classical landed property reappears in modern small-parcel landownership, it itself belongs to political economy and we shall come to it in the section on landed property.

(All this is to be returned to at greater depth and length.)

What we are here concerned with is this: the relation of labour to capital, or to the objective conditions of labour as capital, presupposes a process of history which dissolves the various forms in which the worker is a proprietor, or in which the proprietor works. Thus above all (1) *Dissolution* of the relation to the earth – land and soil – as natural condition of production – to which he relates as to his own inorganic being; the workshop of his forces, and the domain of his will. All forms in which this property appears presuppose a *community,* whose members, although there may be formal distinctions between them, are, as members of it, *proprietors.* The original form of this property is therefore itself *direct common property (oriental form,* modified in the Slavonic; developed to the point of antithesis, but still as the secret, if antithetical, foundation in classical and Germanic property). (2) *Dissolution of the relations* in which he appears as *proprietor of the instrument.* Just as the above form of landed property presupposes a *real community,* so does this property of the worker in the instrument presuppose a particular form of the development of manufactures, namely *craft, artisan work;* bound up with it, the guild-corporation system etc. (The manufacture system of the ancient Orient can be examined under (1) already.) Here labour itself still half artistic, half end-in-itself etc. Mastery. Capitalist himself still master-journeyman. Attainment of particular skill in the work also secures possession of instrument etc. etc. Inheritability then to a certain extent of the mode of work together with the organization of work and the instrument of work. Medieval cities. Labour still as his own; definite self-sufficient development of one-sided abilities etc. (3) Included in both is the fact that he has the means of consumption in his possession before production, which are necessary for him to live as producer –

i.e. during production, *before* its completion. As proprietor of land he appears as directly provided with the necessary consumption fund. As master in a craft he has inherited it, earned it, saved it up, and as a youth he is first an *apprentice,* where he does not appear as an actual independent worker at all, but shares the master's fare in a patriarchal way. As journeyman (a genuine one) there is a certain communality in the consumption fund possessed by the master. While it is not the journeyman's *property* either, still, through the laws of the guild, tradition etc., at least co-possession etc. (To be gone into further.) (4) *Dissolution* likewise at the same time of the relations in which the *workers themselves,* the *living labour capacities* themselves, still belong *directly among the objective conditions of production,* and are appropriated as such – i.e. are slaves or serfs. For capital, the worker is not a condition of production, only work is. If it can make machines do it, or even water, air, so much the better. And it does not appropriate the worker, but his labour – not directly, but mediated through exchange.

These are, now, on one side, historic presuppositions needed before the worker can be found as a free worker, as objectless, purely subjective labour capacity confronting the objective conditions of production as his *not-property,* as *alien property,* as *value* for-itself, as capital. But the question arises, on the other side, which conditions are required so that he finds himself up against a *capital?*

<The formula of capital, where living labour relates to the raw material as well as to the instrument and to the means of subsistence required during labour, as negatives, as not-property, *includes,* first of all, *not-land-ownership,* or, the negation of the situation in which the working individual relates to land and soil, to the earth, as his own, i.e. in which he works, produces, as proprietor of the land and soil. In the best case he relates not only as worker to the land and soil, but also as proprietor of the land and soil to himself as working subject. Ownership of land and soil potentially also includes ownership of the raw material, as well as of the primordial instrument, the earth itself, and of its spontaneous fruits. Posited in the most original form, it means relating to the earth as proprietor, and finding raw material and instrument on hand, as well as the necessaries of life created not by labour but by the earth itself. Once this relation is reproduced, secondary instruments and

fruits of the earth created through labour itself appear as included with landed property in its primitive forms. This historic situation is thus first of all negated as a full property relation, in the worker's relation to the conditions of labour as capital. This is historic state No. I, which is negated in this relation or presupposed as historically dissolved. Secondly, however, where there is *ownership of the instrument* on the part of the worker, i.e. the worker relates to the instrument as his own, where the worker works as owner of the instrument (which at the same time presupposes the subsumption of the instrument under his individual work, i.e. a particular, limited developmental stage of the productive force of labour), where this form of the *worker as owner* or of the *working owner* is already posited as an independent form beside and apart from *landed property* – the artisan-like and urban development of labour – not, as in the first case, as accidental to landed property and subsumed under it – hence where the raw material and the necessaries of life are also *mediated* as the craftsman's property, mediated through his craft work, through his property in the instrument – there a second historical stage is already presupposed beside and apart from the first, which must itself already appear significantly modified, through the *achievement of independence by this second sort of property* or by *working owners.* Since the instrument itself is already the product of labour, thus the element which constitutes property already exists as posited by labour, the community can no longer appear here in a naturally arisen, spontaneous form as in the first case – the community on which this form of property founded – but rather as itself already a produced, made, derived and secondary community, produced by the worker himself. It is clear that wherever ownership of the instrument is the relation to the conditions of production as property, there, in the real labour process, the instrument appears *only as a means* of individual labour; the art of really appropriating the instrument, of handling it as an instrument of labour, appears as the worker's particular skill, which posits him as the owner of the instrument. In short, the essential character of the guild-corporation system, of craft work as its subject, constituted by owners – can be resolved into the relation to the instrument of production – the instrument of labour as property – as distinct from the relation to the earth, to land and soil (to the raw material as such) as one's own. That the relation to this one moment of the conditions of production constitutes the working subject as owner, makes him into a working owner, this [is] historic situation No. II, which by its nature can exist only as antithesis to or, if one will, at the same time as complement of a modified form of the first – likewise negated in the first formula of capital. The third *possible form,* in which the worker relates as owner only to the necessaries of life, finding them on hand as the natural condition of the working subject, without relating to the land and soil, or to the instrument, or even (therefore) to labour itself as his own, is at bottom the formula of slavery and bondage, which is likewise negated, posited as a historically dissolved condition, in the relation of the worker to the conditions of production as capital. The original forms of property necessarily dissolve into the relation to the different objective moments which condition production, as one's own; they form the economic foundation of different forms of community, just as they for their part have specific forms of the community as presupposition. These forms are essentially modified by the inclusion of labour itself among the *objective conditions of production* (serfdom and slavery), through which the simply affirmative character of all forms of property included under No. I is lost and modified. They all contain, within themselves, slavery as possibility and hence as their own suspension. As regards No. II, where the particular kind of work – mastery of it, and, consequent upon that, an identity between property in the instrument and property in the conditions of production – while it excludes slavery and bondage, can take on an analogous negative development in the form of the caste system.> <The third form, ownership of the necessaries of life – if it does not reduce itself to slavery and serfdom – cannot contain a relation by the *working* individual to the conditions of production and hence of existence; it can therefore only be the relation of a member of the original community based on land ownership who has lost his landed property and not yet proceeded to variety No. II of property, such as the Roman *plebs* at the time of the bread and circuses.> <The relation of personal servitude, or of the retainers to their lord, is essentially different. For it forms, at bottom, only a mode of existence of the land-proprietor himself, who no longer works, but whose property includes, among the other conditions of production, the workers themselves as bondsmen etc. Here the *master–servant relation* [*Herrschaftsverhältnis*] as essential element of appropriation. Basically the appropriation of animals, land etc.

cannot take place in a master–servant relation, although the animal provides service. The presupposition of the master–servant relation is the appropriation of an alien *will.* Whatever has no will, e.g. the animal, may well provide a service, but does not thereby make its owner into a *master.* This much can be seen here, however, that the *master–servant relation* likewise belongs in this formula of the appropriation of the instruments of production; and it forms a necessary ferment for the development and the decline and fall of all original relations of property and of production, just as it also expresses their limited nature. Still, it is reproduced – in mediated form – in capital, and thus likewise forms a ferment of its dissolution and is an emblem of its limitation.>

<'The power to sell one's self and one's own when in distress was a grievous general right; it prevailed in the North as well as among the Greeks and in Asia: the power of the creditor to take into servitude a debtor who could not make payment, and to obtain payment through sale of the debtor's labour or of his person, was almost equally widespread.' (Niebuhr, I, p. 600.)> <In one passage Niebuhr says that the Greek writers writing in the period of Augustus had great difficulty with, and misunderstood, the relation between patricians and plebeians, confusing this relation with that between patrons and clients, because they 'write at a time when *rich and poor were the only true classes of citizens;* where the needy person, no matter how noble his ancestry, required a patron, and where the millionaire, even if he were a freed slave, was sought out as a patron. They could hardly find a trace of inherited dependency-relations any longer.' (I, 620.)> <'Craftsmen were to be found in both classes – *Metoikoi* [6] *and freedmen and their descendants* – and the plebeian who abandoned agriculture assumed the limited civic rights to which these were restricted. They did not lack the privilege of *legal corporations;* and their guilds were so highly esteemed, that Numa [7] was named as their founder: they were 9: pipers, gold-smiths, carpenters, dyers, harness makers, tanners, copper-smiths, potters, and the ninth guild, the miscellaneous remainder ... Those among them who were independent citizens; isopolites, [8] who belonged to no patron – if there was such a right; and descendants of servitors, whose bondage was dissolved by extinction of their patron's line; all these people without a doubt remained as distant from the wranglings of the patricians and the commune as did the Florentine guilds from the feuds of the Guelphs and the

Ghibellines: the servitors probably still stood entirely under the command of the patricians.’ (I, 623.)>

On one side, historic processes are presupposed which place a mass of individuals in a nation etc. in the position, if not at first of real free workers, nevertheless of such who are so δυνάμει, whose only property is their labour capacity and the possibility of exchanging it for values then present; individuals who confront all objective conditions of production as *alien property,* as their own *not-property,* but at the same time as *values,* as exchangeable, hence appropriable to a certain degree through living labour. Such historic processes of dissolution are also the dissolution of the bondage relations which fetter the worker to land and soil and to the lord of land and soil; but which factually presuppose his ownership of the necessaries of life – this is in truth the process of his release from the earth; dissolution of the landed property relations, which constituted him as a yeoman, as a free, working small landowner or tenant *(colonus),* a free peasant; * dissolution of the guild relations which presuppose his ownership of the instrument of labour, and which presuppose labour itself as a craftsmanlike, specific skill, as property (not merely as the source of property); likewise dissolution of the client-relations in the various forms in which *not-proprietors* appear in the retinue of their lord as co-consumers of the surplus product and wear the livery of their master as an equivalent, participate in his feuds, perform personal services, imaginary or real etc. It will be seen on closer inspection that all these processes of dissolution mean the dissolution of relations of production in which: use value predominates, production for direct consumption; in which exchange value and its production presupposes the predominance of the other form; and hence that, in all these relations, payments in kind and services in kind predominate over payment in money and money-services. But this only by the way. It will likewise be found on closer observation that all the dissolved relations were possible only with a definite degree of development of the material (and hence also the intellectual) forces of production.

* The dissolution of the still earlier forms of communal property and real community goes without saying.

What concerns us here for the moment is this: the process of dissolution, which transforms a mass of individuals of a nation etc. into free wage labourers δυνάμει – individuals forced solely by their lack of property to labour and to sell their labour – presupposes on the other side *not* that these individuals' previous sources of income and in part conditions of property have *disappeared,* but the reverse, that *only* their utilization has become different, that their mode of existence has changed, has gone over into other hands as a *free fund* or has even in part remained *in the same* hands. But this much is clear: the same process which divorced a mass of individuals from their previous relations to the *objective conditions of labour,* relations which were, in one way or another, affirmative, negated these relations, and thereby transformed these individuals into *free workers,* this same process freed – δυνάμει – these *objective conditions of labour* – land and soil, raw material, necessaries of life, instruments of labour, money or all of these – from their *previous state of attachment* to the individuals now separated from them. They are still *there on hand,* but in another form; as a *free fund,* in which all political etc. relations are obliterated. The objective conditions of labour now confront these unbound, propertyless individuals only in the form of *values,* self-sufficient values. The same process which placed the mass face to face with the *objective conditions of labour* as free workers also placed these conditions, as *capital,* face to face with the free workers. The historic process was the divorce of elements which up until then were bound together; its result is therefore not that one of the elements disappears, but that each of them appears in a negative relation to the other – the (potentially) free worker on the one side, capital (potentially) on the other. The separation of the objective conditions from the classes which have become transformed into free workers necessarily also appears at the same time as the achievement of independence by these same conditions at the opposite pole.

If the relation of capital and wage labour is regarded not as already commanding and predominant over the whole of production, * but as arising historically – i.e. if we regard the original transformation of money into capital, the process of exchange between capital, still only existing δυνάμει on one side and the free workers existing δυνάμει on the other – then of course one cannot help making the simple observation, out of which the economists make a great show, [9] that the side which appears as capital has to possess raw materials, instruments of labour and necessaries of life so that the worker can live during production, before production is completed. This further takes the form that there must have taken place on the part of the capitalist an accumulation – an accumulation prior to labour and not sprung out of it – which enables him to put the worker to work and to maintain his effectiveness, to maintain him as living labour capacity. † This act by capital which is independent of labour, not posited by labour, is then shifted from the prehistory of capital into the present, into a moment of its reality and of its present activity, of its self-formation. From this is ultimately derived the eternal right of capital to the fruits of alien labour, or rather its mode of appropriation is developed out of the simple and just laws of equivalent exchange. [10]

> * For in that case the capital presupposed as condition of wage labour is wage labour's own product, and is presupposed by it as its own presupposition, created by it as its own presupposition.

> † Once capital and wage labour are posited as their own presupposition, as the basis presupposed to production itself, then what appears initially is that the capitalist possesses, in addition to the fund of raw materials and necessaries required for the labourer to reproduce himself, to create the required means of subsistence, i.e. to realize *necessary labour,* a fund of raw material and means of labour in which the worker realizes his surplus labour, i.e. the capitalist's profit. On further analysis this takes the form that the worker constantly creates a double fund for the capitalist, or in the form of capital. One part of this fund constantly fulfils the conditions of his own existence and the other part fulfils the conditions for the existence of capital. As we have seen, in the case of the surplus capital – and surplus capital in relation to its antediluvian relation to labour – all *real, present capital* and each of its elements has equally been *appropriated* without exchange, without an equivalent, as objectified, appropriated *alien labour.*

Wealth present in the form of money can be exchanged for the objective conditions of labour only because and if these are separated from labour itself. We saw that money can be piled up in part by way of the sheer exchange of equivalents; but this forms so insignificant a source that it is not worth mentioning historically – if it is presupposed that this money is gained through the exchange of one's own labour. The monetary wealth which becomes transformed into capital in the proper sense, into industrial capital, is rather the mobile wealth piled up through usury – especially that practised against landed property – and through mercantile profits. We shall have occasion below to speak further of both of these forms – in so far as they appear not as themselves forms of capital, but as earlier forms of wealth, as presuppositions for capital.

It is inherent in the concept of capital, as we have seen – in its origin – that it begins with *money* and hence with wealth existing in the form of money. It is likewise inherent in it that it appears as coming out of circulation, as the *product* of circulation. The formation of capital thus does not emerge from landed property (here at most from the *tenant* [*Pächter*] in so far as he is a dealer in agricultural products); or from the guild (although there is a possibility at the last point); but rather from merchant's and usurer's wealth. But the latter encounter the conditions where free labour can be purchased only when this labour has been released from its objective conditions of existence through the process of history. Only then does it also encounter the possibility of buying these *conditions* themselves. Under guild conditions, e.g., mere money, if it is not itself guild money, masters' money, cannot buy the looms to make people work with them; how many an individual may operate etc. is prescribed. In short, the instrument itself is still so intertwined with living labour, whose domain it appears, that it does not truly circulate. What enables money-wealth to become capital is the encounter, on one side, with free workers; and on the other side, with the necessaries and materials etc., which previously were in one way or another the *property* of the masses who have now become object-less, and are also *free* and purchasable. The other condition of labour, however – a certain level of skill, instrument as means of labour etc. – is already *available* to it in this preliminary or first period of capital, partly as a result of the urban guild system, partly as a result of domestic industry, or industry which is attached to agriculture as an accessory. This historic process is not the product of capital, but the presupposition for it. And it is through this process that the capitalist inserts himself as (historic) middle-man between landed property, or property generally, and labour. History knows nothing of the congenial fantasies according to which the capitalist and the workers form an association etc., nor is there a trace of them in the conceptual development of capital. *Manufactures* may develop sporadically, locally, in a framework which still belongs to a quite different period, as e.g. in the Italian cities *alongside* the guilds. But as the sole predominant forms of an epoch, the conditions for capital have to be developed not only locally but on a grand scale. (Notwithstanding this, individual guild masters may develop into capitalists with the dissolution of the guilds; but the case is rare, in the nature of the thing as well. As a rule, the whole guild system declines and falls, both master and journeyman, where the capitalist and the worker arise.)

It goes without saying – and shows itself if we go more deeply into the historic epoch under discussion here – that in truth the *period of the dissolution* of the earlier modes of production and modes of the workers relation to the objective conditions of labour *is at the same time a period* in which *monetary wealth* on the one side *has* already developed to a certain extent, and on the other side grows and expands rapidly through the same circumstances as accelerate the above dissolution. It is itself one of the agencies of that dissolution, while at the same time that dissolution is the condition of its transformation into capital. But the *mere presence of monetary wealth,* and even the achievement of a kind of supremacy on its part, is in no way sufficient for this *dissolution into capital* to happen. Or else ancient Rome, Byzantium etc. would have ended their history with free labour and capital, or rather begun a new history. There, too, the dissolution of the old property relations was bound up with development of monetary wealth – of trade etc. But instead of leading to industry, this dissolution led in fact to the supremacy of the countryside over the city. – The *original formation* of capital does not happen, as is sometimes imagined, with capital *heaping up* necessaries of life and instruments of labour and raw materials, in short, the *objective* conditions of labour which have already been unbound from the soil and animated by human labour. * Capital does not create the objective conditions of labour. Rather, its *original formation* is that, through the historic process of the dissolution of the old mode of production, value existing as money-wealth is enabled, on one side, *to buy* the objective conditions of labour; on the other side, to exchange money for the *living labour* of the workers who have been set free. All these moments are present; their divorce is itself a historic process, a process of dissolution, and it is *the latter* which enables money to transform itself into *capital.* Money itself, to the extent that it also plays an active role, does so only in so far as it intervenes in this process as itself a highly energetic solvent, and to that extent assists in the creation of the *plucked,* object-less *free workers;* but certainly not by *creating* the objective conditions of their existence; rather by helping to speed up their separation from them – their propertylessness. When e.g. the great English landowners dismissed their retainers, who had, together with them, consumed the surplus product of the land; when further their tenants chased off the smaller cottagers etc., then, firstly, a mass of living labour powers was thereby thrown onto the *labour market,* a mass which was free in a double sense, free from the old relations of clientship, bondage and servitude, and secondly free of all belongings and possessions, and of every objective, material form of being, *free of all property;* dependent on the sale of its labour capacity or on begging, vagabondage and robbery as its only source of income. It is a matter of historic record that they tried the latter first, but were driven off this road by gallows, stocks and whippings, onto the narrow path to the labour market; owing to this fact, the *governments,* e.g. of Henry VII, VIII etc. appear as conditions of the historic dissolution process and as makers of the conditions for the existence of capital. On the other side, the necessaries of life etc., which the landowners previously ate up together with their retainers, now stood at the disposal of any money which might wish to buy them in order to buy labour through their instrumentality. Money neither *created* nor *stockpiled* these necessaries; they were there and were consumed and reproduced before they were consumed and reproduced through its mediation. What had changed was simply this, that these necessaries were now thrown on to the *exchange market* – were separated from their direct connection with the mouths of the retainers etc. and transformed from use values into exchange values, and thus fell into the domain and under the supremacy of money wealth. Likewise with the instruments of labour. Money wealth neither invented nor fabricated the spinning wheel and the loom. But, once unbound from their land and soil, spinner and weaver with their stools and wheels came under the command of money wealth. *Capital proper does nothing but bring together the mass of hands and instruments which it finds on hand. It agglomerates them under its command.* That is its *real stockpiling;* the stockpiling of workers, along with their instruments, at particular points. This will have to be dealt with more closely in the so-called *stockpiling* of capital. Monetary wealth – as merchant wealth – had admittedly helped to speed up and to dissolve the old relations of production, and made it possible for the proprietor of land for example, as A. Smith already nicely develops, [11] to exchange his grain and cattle etc. for use values brought from afar, instead of squandering the use values he himself produced, along with his retainers, and to locate his wealth in great part in the mass of his co-consuming retainers. It gave the *exchange value* of his revenue a higher significance for him. The same thing took place in regard to his tenants, who were already semi-capitalists, but still very hemmed-in ones. The development of exchange value – favoured by *money* existing in the form of the merchant estate – dissolves production which is more oriented towards direct use value and its corresponding forms of property – the relations of labour to its objective conditions – and thus pushes forward towards the making of the *labour market* (certainly to be distinguished from the slave market). However, even this action of money is only possible given the presupposition of an *urban artisanate* resting *not* on capital but on the organization of labour in guilds etc. Urban labour itself had created means of production for which the guilds became just as confining as were the old relations of landownership to an improved agriculture, which was in part itself a consequence of the larger market for agricultural products in the cities etc. The other circumstances which e.g. in the sixteenth century increased the mass of circulating commodities as well as that of money, which created new needs and thereby raised the exchange value of indigenous products etc., raised prices etc., all of these promoted on one side the dissolution of the old relations of production, sped up the separation of the worker or non-worker but able-bodied individual from the objective conditions of his reproduction, and thus promoted the transformation of money into capital. There can therefore be nothing more ridiculous than to conceive this *original formation* of capital as if capital had stockpiled and created the *objective conditions of production* – necessaries, raw materials, instrument – and then offered them to the worker, who was *bare* of these possessions. Rather, monetary wealth in part helped to *strip* the labour powers of able-bodied individuals from these conditions; and in part this process of divorce proceeded without it. When the formation of capital had reached a certain level, monetary wealth could place itself as mediator between the objective conditions of life, thus liberated, and the liberated but also *homeless* and *empty-handed* labour powers, and buy the latter with the former. But now, as far as the *formation of money-wealth* itself is concerned, this belongs to the prehistory of the bourgeois economy. Usury, trade, urbanization and the treasury rising with it play the main roles here. So, too, *hoarding* by tenants, peasants etc.; although to a lesser degree. – This shows at the same time that the development of exchange and of exchange value, which is everywhere mediated through trade, or whose mediation may be termed trade – money achieves an independent existence in the merchant estate, as does circulation in trade – brings with it both the dissolution of *labour's relations of property in its* conditions of existence, in one respect, and at the same time the dissolution of *labour* which is itself *classed as one of the objective conditions of production;* all these are relations which express a predominance of use value and of production directed towards use value, as well as of a real community which is itself still directly present as a presupposition of production. Production based on exchange value and the community based on the exchange of these exchange values – even though they seem, as we saw in the previous chapter on money, to posit property as the outcome of *labour* alone, and to posit private property over the product of one's own labour as condition – and labour as general condition of wealth, all presuppose and produce the separation of labour from its objective conditions. This exchange of equivalents proceeds; it is only the surface layer of a production which rests on the appropriation of alien labour *without exchange,* but with the *semblance of exchange.* This system of exchange rests on *capital* as its foundation, and, when it is regarded in isolation from capital, as it appears on the surface, as an *independent* system, then it is a mere *illusion,* but a *necessary illusion.* Thus there is no longer any ground for astonishment that the system of exchange values – exchange of equivalents measured through labour – turns into, or rather reveals as its hidden background, the *appropriation of alien labour without exchange,* complete separation of labour and property. For the domination of exchange value itself, and of exchange-value-producing production, *presupposes* alien labour capacity itself as an exchange value – i.e. the separation of living labour capacity from its objective conditions; a relation to them – or to its own objectivity – as alien property; a relation to them, in a word, as *capital.* Only in the period of the decline and fall of the feudal system, but where it still struggles internally – as in England in the fourteenth and first half of the fifteenth centuries – is there a golden age for labour in the process of becoming emancipated. In order for labour to relate to its objective conditions as its property again, another system must take the place of the system of private exchange, which, as we saw, posits the exchange of objectified labour for labour capacity, and therefore the appropriation of living labour without exchange. – The way in which money transforms itself into capital often shows itself quite tangibly in history; e.g. when the merchant induces a number of weavers and spinners, who until then wove and spun as a rural, secondary occupation, to work for him, making their secondary into their chief occupation; but then has them in his power and has brought them under his command as wage labourers. To draw them away from their home towns and to concentrate them in a place of work is a further step. In this simple process it is clear that the capitalist has prepared neither the raw material, nor the instrument, nor the means of subsistence for the weaver and the spinner. All that he has done is to restrict them little by little to one kind of work in which they become dependent on selling, on the *buyer,* the *merchant,* and ultimately produce only *for* and *through* him. He bought their labour originally only by buying their product; as soon as they restrict themselves to the production of this exchange value and thus must directly produce *exchange values,* must exchange their labour entirely for money in order to survive, then they come under his command, and at the end even the illusion that they *sold* him products disappears. He buys their labour and takes their property first in the form of the product, and soon after that the instrument as well, or he leaves it to them as *sham property* in order to reduce his own production costs. – The original historic forms in which capital appears at first sporadically or *locally, alongside* the old modes of production, while exploding them little by little everywhere, is on one side *manufacture* proper (not yet the factory); this [12] springs up where mass quantities are produced for export, for the external market – i.e. on the *basis of large-scale overland and maritime commerce,* in its emporiums like the Italian cities, Constantinople, in the Flemish, Dutch cities, a few Spanish ones, such as Barcelona etc. Manufacture seizes hold initially not of the so-called *urban trades,* but of the *rural secondary occupations,* spinning and weaving, the two which least requires guild-level skills, technical training. Apart from these great emporiums, where the external market is its basis, where production is thus, so to speak, *naturally* oriented towards exchange value – i.e. manufactures directly connected with shipping, shipbuilding itself etc. – it takes up its first residence not in the cities, but on the land, in villages lacking guilds etc. The rural subsidiary occupations have the broad basis [characteristic] of manufactures, while the urban trades demand great progress in production before they can be conducted in factory style. Likewise certain branches of production – such as glassworks, metal works, sawmills etc., which demand a higher concentration of labour powers from the outset, apply more natural energy from the outset, demand mass production, likewise concentration of the means of labour etc. Likewise paper mills. On the other side the rise of the tenant and the transformation of the agricultural population into free day-labourers. Although this transformation in the countryside is the last to push on towards its ultimate consequences and its purest form, its beginnings there are among the earliest. Classical antiquity, which could never get beyond the urban artisanate proper, could therefore never get to large industry. The first presupposition of the latter is to draw the land in all its expanse into the production not of use values but of exchange values. Glass factories, paper mills, iron works etc. cannot be operated on guild principles. They demand mass production; sales to a general market; *monetary wealth* on the part of their entrepreneur – not that he creates the conditions, neither the subjective nor the objective ones; but under the old relations of property and of production these conditions cannot be brought together. – The dissolution of relations of serfdom, like the rise of manufacture, then little by little transforms all branches of work into branches operated by capital. – The cities themselves, it is true, also contain an element for the formation of wage labour proper, in the non-guild day-labourers, unskilled labourers etc.

[*] The first glance shows what a nonsensical circle it would be if on the one hand the *workers* whom capital has to put to work in order to posit itself as capital had first to be *created,* to be brought to life through its *stockpiling* if they waited for its command, *Let There Be Workers!;* while at the same time it were itself incapable of *stockpiling* without alien labour, could at most stockpile *its own labour,* i.e. could itself exist in the form of *not-capital* and *not-money;* since labour, before the

> existence of capital, can only realize itself in forms such as craft labour, petty agriculture etc., in short, all forms which can *not stockpile,* or only sparingly; in forms which allow of only a small surplus product and *eat up* most of it. We shall have to examine this notion of *stockpiling* [*Aufhäufung*] still more closely later on.

While, as we have seen, the transformation of money into capital presupposes a historic process which divorces the objective conditions of labour from the worker and makes them independent of him, it is at the same time the effect of capital and of its process, once arisen, to conquer all of production and to develop and complete the divorce between labour and property, between labour and the objective conditions of labour, everywhere. It will be seen in the course of the further development how capital destroys craft and artisan labour, working small-landownership etc., together with itself in forms in which it does *not* appear in opposition to labour – in *small capital* and in the intermediate species, the species between the old modes of production (or their renewal on the foundation of capital) and the classical, adequate mode of production of capital itself.

The only stockpiling presupposed at the origin of capital is that of *monetary wealth,* which, regarded in and for itself, is altogether unproductive, as it only springs up out of circulation and belongs exclusively to it. Capital rapidly forms an internal market for itself by destroying all rural secondary occupations, so that it spins, weaves for everyone, clothes everyone etc., in short, brings the commodities previously created as direct use values into the form of exchange values, a process which comes about by itself through the separation of the workers from land and soil and from property (even in the form of serf property) in the conditions of production.

With the urban crafts, although they rest essentially on exchange and on the creation of exchange values, the direct and chief aim of this production is *subsistence as craftsmen,* as *master-journeymen,* hence use value; not *wealth,* not *exchange value as exchange value.* Production is therefore always subordinated to a given consumption, supply to demand, and expands only slowly.

The *production of capitalists and wage labourers is thus a chief product of capital's realization process.* Ordinary economics, which looks only at the things produced, forgets this completely. When objectified labour is, in this process, at the same time posited as the worker's *non-objectivity,* as the objectivity of a subjectivity antithetical to the worker, as *property* of a will alien to him, then capital is necessarily at the same time the *capitalist,* and the idea held by some socialists that we need capital but not the capitalists is altogether wrong. It is posited within the concept of capital that the objective conditions of labour – and these are its own product – take on a *personality* towards it, or, what is the same, that they are posited as the property of a personality alien to the worker. The concept of capital contains the capitalist. Still, this error is in no way greater than that of e.g. all philologists who speak of *capital* in antiquity, of Roman, Greek capitalists. This is only another way of expressing that labour in Rome and Greece was *free,* which these gentlemen would hardly wish to assert. The fact that we now not only call the plantation owners in America capitalists, but that they *are* capitalists, is based on their existence as anomalies within a world market based on free labour. If the concern is the word, capital, which does not occur in antiquity * then the still migrating hordes with their herds on the Asiatic high plateau are the biggest capitalists, since capital originally means cattle, which is why the *métairie* contract still frequently drawn up in southern France, for lack of capital, just as an exception, is called: *Bail de bestes à cheptel.* [14] If one wants to descend to bad Latin, then our capitalists or *Capitales Homines* would be those '*qui debent censum de capite*'. [15]

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* Although ἀρχεῖα among the Greeks, corresponding to the *principalis summa rei creditae*. [13]

The conceptual specification of capital encounters difficulties which do not occur with money; capital is essentially *capitalist;* but at the same time again as an element of his existence distinct from him, or production in general, *capital.* We shall likewise find later that many things are subsumed under *capital* which do not seem to belong within it conceptually. E.g. capital is lent out. It is stockpiled etc. In all these designations it appears to be a mere thing, and to coincide entirely with the matter in which it is present. But this and other questions will be cleared up in the course of the development. (Noted incidentally as a joke: the good Adam Müller, who takes all figurative ways of speaking as very mystical, has also heard of *living capital* in ordinary life as opposed to *dead* capital, and now rationalizes this theosophically. [16] King Aethelstan could teach him a lesson here: *Reddam de meo proprio decimas Deo tam in Vivente Capitale* (livestock), *quam in mortis fructuis terrae* (dead fruits of the earth).) [17] Money always remains the same form in the same substratum; and can thus be more easily conceived as a mere thing. But one and the same commodity, money etc., can represent capital or revenue etc. Thus it is clear even to the economists that money is not something tangible; but that one and the same thing can be subsumed sometimes under the title capital, sometimes under another and contrary one, and correspondingly *is* or *is not* capital. It is then evident that it is a *relation, and can only be a relation of production.*

We have seen that the true nature of capital emerges only at the *end of the second cycle.* What we have to examine now is this cycle itself, or the *circulation of capital.* Production originally appeared to lie beyond circulation, and circulation beyond production. The circulation of capital – circulation posited as the circulation of capital – spans both moments. Production appears in it as the conclusion and the point of departure of circulation, and vice versa. The independence of circulation is here reduced to a mere semblance, as is the otherworldliness of production.

Exchange of labour for labour rests on the worker's propertylessness

<But one more remark on the topic above: The exchange of equivalents, which seems to presuppose ownership of the products of one's own labour – hence seems to posit as identical: *appropriation through labour,* the real economic process of making something one's own [*Zueigen-Machen*], and *ownership of objectified* labour; what appeared previously as a real process is here recognized as a legal relation, i.e. as a general condition of production, and therefore recognized by law, posited as an expression of the general will – turns into, reveals itself through a necessary dialectic as absolute divorce of labour and property, and appropriation of alien labour without exchange, without equivalent. Production based on exchange value, on whose surface this free and equal exchange of equivalents proceeds, is at its base the exchange of *objectified labour* as exchange value for living labour as use value, or, to express this in another way, the relating of labour to its objective conditions – and hence to the objectivity created by itself – as alien property: *alienation* [*Entäusserung*] *of labour.* At the same time, the condition of exchange value is its measurement by labour time, and hence living labour – not its value – as measure of values. The notion that production and hence society depended in all states of production on the *exchange of mere labour for labour* is a delusion. In the various forms in which labour relates to the conditions of production as its own property, the reproduction of the worker is by no means posited through *mere labour,* for his property relation is not the result but the presupposition of his labour. In landed property this is clear; it must also become clear in the guild system that the particular kind of property which labour creates does not rest on labour alone or on the exchange of labour, but on an objective connection between the worker and a community and conditions which are there before him, which he takes as his basis. These too are products of labour, of the labour of world history; of the labour of the community – of its historic development, which does not proceed from the labour of individuals nor from the exchange of their labours. Therefore, mere labour is also not the presupposition of realization [*Verwertung*]. A situation in which labour is merely exchanged for labour – whether in the direct, living form, or in the form

of the product – presupposes the separation of labour from its original intertwinement with its objective conditions, which is why it appears as mere labour on one side, while on the other side its product, as objectified labour, has an entirely independent existence as value opposite it. *The exchange of labour for labour – seemingly the condition of the worker's property – rests on the foundation of the worker's propertylessness.>*

(It will be shown later that the *most extreme form of alienation,* wherein labour appears in the relation of capital and wage labour, and labour, productive activity appears in relation to its own conditions and its own product, is a necessary point of transition – and therefore already contains in *itself,* in a still only inverted form, turned on its head, the dissolution of all *limited presuppositions of production,* and moreover creates and produces the unconditional presuppositions of production, and therewith the full material conditions for the total, universal development of the productive forces of the individual.)

Circulation of capital and circulation of money. – Presupposition of value within each single capital (instrument etc.). – Production process and circulation process moments of production. – The productivity of the different capitals (branches of industry) determines that of the individual capital. – Circulation period. Velocity of circulation substitutes for volume of capital. Mutual dependence of capitals in the velocity of their circulation. Circulation a moment of production. Production process and its duration. Transformation of the product into money. Duration of this operation. Retransformation of money into the conditions of production. Exchange of part of the capital with living labour. – Transport costs

The circulation of money began at an infinite number of points and returned to an infinite number of points. The point of return was in no way posited as the point of departure. In the circulation of capital, the point of departure is posited as the terminal point and the terminal point as the point of departure. The capitalist himself is the point of departure and of return. He exchanges money for the conditions of production, produces, realizes the product, i.e. transforms it into money, and then begins the process anew. The circulation of money, regarded for itself, necessarily becomes extinguished in money as a static thing. The circulation of capital constantly ignites itself anew, divides into its different moments, and is a *perpetuum mobile.* The positing of prices on the side of money circulation was purely formal, in so far as *value* is presupposed independently of money circulation. The circulation of capital *posits prices,* not only formally but really, in so far as it posits value. If value itself appears within it as presupposition, this can only be as *value posited* by another capital. The breadth of the path for money circulation has been measured in advance, and the circumstances which accelerate or retard it are external impulses. In its circulation, capital expands itself and its path, and the speed or slowness of its circulation itself forms one of its intrinsic moments. It becomes qualitatively altered in circulation and the totality of the moments of its circulation are themselves the moments of its production – its reproduction as well as its new production.

<We saw how at the end of the second cycle, i.e. the second cycle of surplus value which has been realized as surplus capital, the illusion disappears that the capitalist exchanges anything at all with the worker other than a part of the latter's own objectified labour. [18] However, within the mode of production already founded on capital, the part of capital which represents raw materials and instrument appears to the individual capital as a value *presupposed* to it and likewise presupposed to the *living labour* which it buys. These two headings turn out to have been posited by *alien capital,* hence again by *capital,* but another one. One capitalist's raw material is another's product. One's product is the other's raw material. One capitalist's *instrument* is another's product, and may even serve as raw material for the production of another instrument. Thus, what we called the constant value which appeared as a presupposition in the case of the individual capital is nothing but the presupposition of capital by capital, i.e. the fact that the different capitals in the different branches of industry posit one another reciprocally as presupposition and condition. Each of them regarded for itself can be resolved into dead labour which, as *value,* has *become independent vis-à-vis* living labour. None of them in the last analysis contains anything other than labour – apart from the natural material from which value is absent. The introduction of *many* capitals

must not interfere with the investigation here. The relation of the *many* will, rather, be explained after what they all have in common, the quality of being capital, has been examined.>

The circulation of capital is at the same time its becoming, its growth, its vital process. If anything needed to be compared with the circulation of the blood, it was not the formal circulation of money, but the content-filled circulation of capital.

Since circulation presupposes production at all points – and is the circulation of products, whether money or commodity, while the latter always arise from the production process, which is itself the process of capital – it follows that the circulation of money itself now appears as determined by the circulation of capital, whereas previously it seemed to run *side by side with* the production process. We shall return to this point.

If we now consider circulation, or the circulation of capital as a whole, then the great distinction within it appears to be that between the production process and circulation itself, both as moments of its circulation. How long capital remains within the sphere of the production process depends on the latter's technological conditions, and the time it spends in this phase directly coincides – even though the duration is necessarily different depending on the type of production, its object etc. – with the development of the productive forces. The duration is here nothing but the labour time necessary for the making of the product (false!). [19] The smaller this labour time, the greater, as we have seen, the relative surplus value. If less labour time is required to make a given quantity of products, it is the same thing as if more finished products can be supplied in a given amount of labour time. The abbreviation of the time during which a given amount of capital remains within the production process and is withdrawn from circulation, 'embarked', [20] coincides with the abbreviation of the labour time required to make the product – [therefore coincides] with the development of the forces of production, the utilization of the forces of nature, of machinery, and of the natural powers of social labour – the agglomeration of the workers, the combination and division of labour. Thus no new moment seems to enter in from this side. However, when it is recalled that, as far as the individual capital is concerned, the part of it which constitutes raw material and instrument (means of labour) is itself the product of an alien capital, then it may be seen that the speed with which it can repeat the production process anew is at the same time determined by the development of the productive forces in all other branches of industry. This becomes quite clear if one supposes the same capital to produce its own raw materials, instruments and final products. The length of time during which capital remains in the phase of the production process becomes itself a moment of circulation, if we presuppose *various* capitals. But we are not yet concerned with *many* capitals here. This moment therefore does not belong here.

The second moment is the space of time running from the completed transformation of capital into the product until when it becomes transformed into money. The frequency with which capital can repeat the production process, self-realization, in a given amount of time, evidently depends on the speed with which this space of time is run through, or on its duration. If a capital – say originally a capital of 100 thalers – turns over 4 times in one year; let the gain be 5% of itself each time, if the new value is not capitalized; this is the same as if a capital 4 times as large, say 400, at the same percentage, were to turn over *once* in one year; each time 20%. The velocity of turnover therefore – the remaining conditions of production being held constant – substitutes for the *volume* of capital. Or, if a value 4 times smaller realizes itself as capital 4 times in the same period in which a 4 times greater value realizes itself as capital only once, then the smaller capital's gain – production of surplus value – is *at least as great* as the larger's. We say at least. It can be greater, because the surplus value can itself again be employed as surplus capital. For example, assume that a capital of 100 has a profit (here anticipating *this form* of surplus value for the calculation's sake) of 10% each time, no matter how often it turns over. Then, at the end of the first 3 months, it would be 110, at the end of the second 121, at the end of the third 133 1/10, and at the end of the last turnover 146 41/100, while a capital of 400 with one annual turnover would be only 440. In the first case the gain = 46 41/100, in the second only = 40. (The fact that the presupposition is wrong, in as much as capital does not bring the *same* rate of profit with each increase in its size, is beside the point as far as the example is concerned, for the issue here is not how much more than 40 it brings, but the very fact that in the first case it does – and it does – bring in more than 40.) We have already encountered the law of the substitution of velocity for mass, and mass for velocity, in money circulation. It holds in production just as in mechanics. It is a circumstance to return to when we consider the equalization of the rate of profit, price etc. The question which interests us here is this: Does not a moment of value-determination enter in independently of labour, not arising directly from it, but originating in circulation itself? <The fact that *credit* equalizes the differences in capital turnover does not belong here yet. But the question itself belongs here, because it arises out of the simple concept of capital – regarded in general.> The more frequent turnover of capital in a given period of time resembles the more frequent harvests during the natural year in the southerly countries compared with the northerly. As already stated above, we here abstract entirely from the different amounts of time which capital must spend in the phase of production – in the productive realization process itself. Just as grain when it is put in the soil as seed loses its immediate use value, is *devalued* as immediate use value, so is capital *devalued* from the completion of the production process until its retransformation into money and from there into capital again. <This velocity with which it can transpose itself from the form of money back into the conditions of production – unlike in slavery, it is not the worker himself who appears among these conditions of production, but rather the exchange with him – depends on the production speed and continuity of the remaining capitals, which supply him with raw material and instrument, as well as on the availability of workers, and in this last respect a relative surplus population is the best condition for capital.> <Quite apart from capital A's production process, the speed and continuity of production process B appears as a moment which conditions the retransformation of capital A from the form of money into the form of industrial capital. The duration of the *production process* of capital B thus appears as a moment in the *velocity of the circulation process* of capital A. The duration of one capital's production phase determines the velocity of the other's circulation phase. Their *simultaneity* is a condition required so that A's circulation is not obstructed – the fact that its own elements, for which it has to exchange and be exchanged, are thrown into production and circulation simultaneously. For example. In the final third of the eighteenth century, the hand-spinning system was incapable of supplying the required amounts of raw material for weaving – or, what is the same – spinning

could not put the flax or cotton through its production process with the required simultaneity – simultaneous velocity. The consequence was the invention of the spinning machine, which supplied a greater product in the same labour time, or, what is the same thing, required less labour time for the same product – less time delay in the spinning process. All moments of capital which appear involved in it when it is considered from the point of view of its general concept obtain an independent reality, and, further, only show themselves when it appears as real, as many capitals. The inner, living organization, which takes place in this way within and through competition, thus develops all the more extensively.>

If we examine the entire turnover of capital, then four moments appear, or, each of the two great moments of the production process and the circulation process appears again in a duality: we can take either circulation or production as the point of departure here. This much has now been said, that circulation is itself a moment of production, since capital becomes capital only through circulation; production is a moment of circulation only in so far as the latter is itself regarded as the totality of the production process. The moments are: (I) The real production process and its duration. (II) Transformation of the product into money. Duration of this operation. (III) Transformation of the money in the proper proportions into raw material, means of labour and labour, in short, into the elements of productive capital. (IV) The exchange of a part of the capital for living labour capacity can be regarded as a particular moment, and must be so regarded, since the labour market is ruled by other laws than the product market etc. Here population is the main thing, not in absolute but in relative terms. Moment I does not come into consideration here, as stated, since it coincides with the conditions of realization generally. Moment III can be considered only when the theme is not capital generally, but many capitals. Moment IV belongs in the section on wages etc.

We are concerned here only with Moment II. In money circulation there was a merely formal alternation of exchange value as money and as commodity. Here *money, commodity, are conditions of production,* ultimately of the production process. The moments here are different; they are filled with content. The differences in capital turnover as posited in II – since it depends neither on greater difficulty in the exchange with labour, nor on delays resulting from the fact that raw material [*Rohstoff*] and raw material [*Rohmaterial*] [21] are not present simultaneously in circulation, nor in the different durations of the production process – could therefore arise only from increased difficulties in realization. This is obviously not an immanent case arising from the relation itself, but rather coincides here, where we are examining capital in general, with what we have said about the way in which realization simultaneously results in devaluation. [22] No business will be founded on the principle that it can sell its products with *greater difficulty* than another. If this resulted from the smaller size of the market, then not a larger – as presupposed – but a smaller capital would be employed there than in the business with a larger market. It could be connected, however, with the *greater distance of the market in space* and hence the delayed return. The longer time required by capital A to realize itself would be due here to the greater spatial distance it has to travel after the production process in order to exchange as C for M. But cannot e.g. the product produced for China be regarded in such a way that the product is completed, its production process completed, only when it has reached the Chinese market? Its realization costs would rise by the costs of transport from England to China. (We cannot yet speak about the compensation for the longer fallow period of capital here, because the secondary and derived forms of surplus value – interest – would already have to have been presupposed.) The costs of production would resolve into the labour time objectified in the direct production process + the labour time contained in transport. Now the question is initially this: Given the basic principles we have so far asserted, can a surplus value be extracted from the transport costs? Let us deduct the constant part of the capital consumed in transport, ship, vehicle etc. and everything which falls under the heading of their application, since this element contributes nothing to the question, and it is irrelevant whether this is posited as = 0 or = x. Is it possible, then, that there is surplus labour in these transport costs, and that capital can therefore squeeze a surplus value out of them? The question is simple to answer if we ask a further question, where and which is the necessary labour or the value in which it objectifies itself? The product must pay (1) its own exchange value, the labour objectified in itself; (2) the surplus time, which the shipper, carter etc. employs on its transportation. Whether he can or cannot extract the surplus value depends on the wealth of the country into which he brings the product and on its needs etc., on the use value of the product for this land. In direct production, it is clear that all the surplus labour which the manufacturer makes the worker do is surplus value for him, in that it is labour objectified in new use values, which costs him nothing. But he can obviously not employ him during transport for a longer time than is required for the transporting. Otherwise he would throw labour time away instead of realizing it, i.e. he would not objectify it in a use value. If the sailor, the carter etc. require only half a year of labour time to live a full year (if this is generally the proportion of labour necessary for subsistence), then the capitalist employs him for a whole year and pays him a half. By adding a whole year's labour time to the value of the transported products, but paying only 1/2, he gains a surplus value of 100% on necessary labour. The case is entirely the same as indirect production, and the original surplus value of the transported product can come about only because the workers are *not paid* for a part of the transportation time, because it is surplus time, time *over and above* the labour necessary for them to live. That an individual product might be made so much more expensive, owing to the transport costs, that it could not be sold – on account of the disproportion between the value of the product and its surplus value as a transported product, a quality which becomes extinguished in it as soon as it has arrived at its destination – does not affect the matter. If a manufacturer were to set his entire machinery into motion in order to spin 1 lb. of twist, then the value of this lb. would likewise rise so that it would hardly find a market. The rise in the prices of imported products, as well as the smaller consumption of them in the Middle Ages etc., stem precisely from this cause. Whether I extract metals from mines, or take commodities to the site of their consumption, both movements are equally spatial. The improvement of the means of transport and communication likewise falls into the category of the development of the productive forces generally. The fact that it can depend on the value of the products whether or not they are able to bear transport costs; that, further, commercial traffic in mass quantities is required to reduce transport costs – a ship with a loading capacity of 100 tons can carry 2 or 100 tons with the same transport costs etc. – and in order to make means of communication pay etc., all this does not belong here. (Nevertheless, it will be necessary to devote a special section to the means of communication, since they make up a form of fixed capital which has its own laws of realization.) If one imagines the same capital both producing and transporting, then both acts fall within direct production, and circulation as we have considered it so far, i.e. transformation into money as soon as the product has achieved its final form for consumption, would begin only when the product had been brought to its point of destination. This capitalist’s delayed return compared to that of another, who gets rid of his product on the spot, would resolve into another form of greater use of fixed capital, with which we are not yet concerned here. Whether A requires 100 thalers more for instrument, or whether he needs 100 thalers more in order to bring his product to its destination, to market, is the same thing. In both cases more fixed capital is used; more *means* of production, which is consumed in direct production. In this respect, then, no immanent case would be posited here; it would fall under the examination of the difference between fixed capital and circulating capital.

Circulation costs. – Means of communication and transport. (Division of the branches of labour.) (Concentration *of many workers. Productive force of this concentration.)* (Mass *production.)* – General as distinct from particular conditions of production

Still, an additional moment enters here: the *costs of circulation,* which are not contained in the simple concept of circulation and do not concern us yet. Only in connection with interest and particularly with credit can we speak of the *costs of circulation* arising from circulation as an economic act – as a relation of production, not as a direct moment of production, as was the case with the *means of transport and communication.* Circulation as we regard it here is a process of transformation, a qualitative process of value, as it appears in the different form of money, production (realization) process, product, retransformation into money and surplus capital. [We are concerned here] in so far as new aspects are created within this process of transformation as such – in this transition from one form to another. The costs of circulation are not necessarily included e.g. in the transition from product to money. They can be = 0.

However, in so far as circulation itself creates costs, itself requires surplus labour, it appears as itself included within the production process. In this respect circulation appears as a moment of the direct production process. Where production is directly oriented towards use, and only the excess product is exchanged, the costs of circulation appear only for the excess product, not for the main product. [23] The more production comes to rest on exchange value, hence on exchange, the more important do the physical conditions of exchange – the means of communication and transport – become for the costs of circulation. Capital by its nature drives beyond every spatial barrier. Thus the creation of the physical conditions of exchange – of the means of communication and transport – the annihilation of space by time – becomes an extraordinary necessity for it. Only in so far as the direct product can be realized in distant markets in mass quantities in proportion to reductions in the transport costs, and only in so far as at the same time the means of communication and transport themselves can yield spheres of realization for labour, driven by capital; only in so far as commercial traffic takes place in massive volume – in which more than necessary labour is replaced – only to that extent is the production of cheap means of communication and transport a condition for production based on capital, and promoted by it *for that reason.* All labour required in order to throw the finished product into circulation – it is in economic circulation only when it is present on the market – is from capital's viewpoint a barrier to be overcome – as is all labour required as a *condition* for the production process (thus e.g. expenses for the security of exchange etc.). The sea route, as the route which moves and is transformed under its own impetus, is that of trading peoples κατ᾽ ἐξοχήν. [24] On the other side, highways originally fall to the community, later for a long period to the governments, as pure deductions from production, deducted from the common surplus product of the country, but do not constitute a source of its wealth, i.e. do not cover their production costs. In the original, self-sustaining communes of Asia, on one side no need for roads; on the other side the lack of them locks them into their closed-off isolation and thus forms an essential moment of their survival without alteration (as in India). Road construction by means of the *corvée,* or through taxes, which is another form, is a forced transformation of a part of a country's surplus labour or surplus product into roads. If an individual capital is to undertake this – i.e. if it is to create the conditions of the production process which are not included in the *production* process directly – then the work must provide a profit.

Presupposing a certain road between A and B (let land cost nothing), then this contains no more than a definite quantity of labour, hence value. Whether the capitalist or the state has it built is the same thing. Does the capitalist make a gain here, then, by creating surplus labour and hence surplus value? First, strip off what is puzzling about the road, which arises from its nature as fixed capital. Imagine that the road could be sold at once, like a coat or a ton of iron. If the production of the road cost say 12 months, then its value = 12 months. If the general standard of labour is such that a worker can live from say 6 months of objectified labour, then, if he built the entire road, he would create surplus value for himself to the amount of 6 months labour; or if the commune built the road, and the worker wanted to work only the necessary time, then another worker would have to be drawn in to work 6 months. The capitalist, however, forces the one worker to work 12 months, and pays him 6. The part of the value of the road which contains his surplus labour forms the capitalist's profit. The material form in which the product appears must absolutely not interfere in laying the foundations of the theory of value through objectified labour time. But the question is precisely: can the capitalist realize the road [*den Weg verwerten*], can he realize [*realisieren*] its value through exchange? This question naturally arises with every product, but it takes a special form with the general conditions of production. Suppose the value of the road is not realized. But it is built anyway, because it is a necessary use value. How does the matter stand then? It has to be built and has to be paid for – in so far as its cost of production must be exchanged for it. It comes into existence only through a certain consumption of labour, means of labour, raw materials etc. Whether it is built by *corvée* or through taxes is the same. But it is built only because it is a necessary use value for the commune, because the commune requires it at any price. This is certainly a surplus labour which the individual must perform, whether in the form of forced labour, or in the indirect form of taxes, over and above the direct labour necessary for his subsistence. But to the extent that it is necessary for the commune, and for each individual as its *member,* what he performs is not surplus labour, but a part of his *necessary* labour, the labour necessary for him to reproduce himself as *commune member* and hence to reproduce the community, which is itself a general condition of his productive activity. If the labour time were entirely consumed in direct production (or, expressed indirectly, if it were impossible to raise surplus tax revenue for this specific purpose), then the road would have to remain unbuilt. If the whole society is regarded as one individual, then necessary labour would consist of the sum of all the particular labour functions which the division of labour separates off. This one individual would have to spend e.g. so much time for agriculture, so much for industry, so much for trade, so much for making instruments, so much, to return to our subject, for road building and means of communication. All these necessities resolve into so much labour time which must be directed towards different aims and expended in particular activities. How much labour time could be employed would depend on the amount of labour capacity (= the mass of individuals capable of labour who constitute the society) and on the development of the productive force of labour (the mass of products (use values) which it can create in a given span of time). Exchange value, which presupposes a more or less developed division of labour, depending on the level of exchange itself, presupposes that, instead of one individual (the society) doing different kinds of labour and employing his labour time in different forms, each and every individual's labour time is devoted exclusively to the necessary particular functions. If we speak of *necessary labour time,* then the particular separate branches of labour appear *as necessary.* Where exchange value is the basis, this reciprocal necessity is mediated through exchange, and shows itself precisely in the fact that every particular [piece of] objectified labour, every particularly specified and materialized [piece of] labour time exchanges for the product and symbol of labour time in general, of objectified labour time pure and simple, for money, and can thus be exchanged again for every particular labour. This necessity is itself subject to changes, because needs are produced just as are products and the different kinds of work skills. Increases and decreases do take place within the limits set by these needs and necessary labours. The greater the extent to which historic needs – needs created by production itself, social needs – needs which are themselves the offspring of social production and intercourse, are posited as *necessary,* the higher the level to which real wealth has become developed. Regarded *materially,* wealth consists only in the manifold variety of needs. The crafts themselves do not appear *necessary* ALONGSIDE self-sustaining agriculture, where spinning, weaving etc. are done as a secondary domestic occupation. But e.g. if agriculture itself rests on scientific activities – if it requires machinery, chemical fertilizer acquired through exchange, seeds from distant countries etc., and if rural, patriarchal manufacture has already vanished – which is already implied in the presupposition – then the machine-making factory, external trade, crafts etc. appear as *needs* for agriculture. Perhaps guano can be procured for it only through the export of silk goods. Then the manufacture of silk no longer appears as a luxury industry, but as a necessary industry for agriculture. It is therefore chiefly and essentially because, in this case, agriculture no longer finds the natural conditions of its own production within itself, naturally, arisen, spontaneous, and ready to hand, but these exist as an independent industry separate from it – and, with this separateness the whole complex set of interconnections in which this industry exists is drawn into the sphere of the conditions of agricultural production – it is because of this, that what previously appeared as a luxury is now necessary, and that so-called luxury needs appear e.g. as a necessity for the most naturally necessary and down-to-earth industry of all. This pulling-away of the natural ground from the foundations of every industry, and this transfer of its conditions of production outside itself, into a general context – hence the transformation of what was previously superfluous into what is necessary, as a historically created necessity – is the tendency of capital. The general foundation of all industries comes to be general exchange itself, the world market, and hence the totality of the activities, intercourse, needs etc. of which it is made up. *Luxury* is the opposite of the *naturally necessary.* Necessary needs are those of the individual himself reduced to a natural subject. The development of industry suspends this natural necessity as well as this former luxury – in bourgeois society, it is true, it does so only in *antithetical form,* in that it itself only posits another specific social standard as necessary, opposite luxury. These questions about the *system of needs* and *system of labours* – at what point is this to be dealt with? Will be seen in due course.

Now back to our road. If it can be built at all, it proves that the society possesses the labour time (living labour and objectified labour) required for its construction. [*] Why, then, as soon as production based on exchange value and division of labour appears does road building not become the business of individuals? (And it does not so become where it is conducted through taxes by the state.) First of all: the society, the united individuals, may possess the surplus time to build the road, but only in concentration. Concentration is always the addition of the part of labour capacity which each individual can employ on road building, apart from his particular work; but it is *not only* addition. The unification of their forces increases their *force of production;* but this is by no means the same as saying that all of them added together numerically would possess the same labour capacity if they did not *work together,* hence if to the sum of their labour capacities were not added the *surplus* existing only in and through their *united, combined* labour. Hence the violent rounding-up of the people in Egypt, Etruria, India etc. for forced construction and compulsory public works. Capital effects the same concentration in *another* way, through the manner of its exchange with free labour. [†] *Secondly*: On one side, the population may be developed far enough, and the support which it finds in the employment of machinery etc. may be far enough advanced on the other side, so that the power arising only from the material, *massive concentration* of labour – and in antiquity it is always this *massive* effect of forcibly concentrated labour – may be superfluous, and a *relatively* smaller *mass of living labour* may be required. [‡] A special class of road-workers may form, employed by the state, [§] or a part of the occasionally unemployed population is used for it, together with a number of superintendents etc., who do not work as capitalists, however, but as more highly educated *menials.* (About the relation of this skilled labour etc. later.) The workers are then wage workers, but the state employs them not as such, but as menial servants.

[*] It is here presupposed of course that it follows a correct instinct. It could eat up the seed grain, let the field lie fallow, and build roads. But it would thereby not have accomplished the *necessary labour,* because it would not *reproduce* itself, not maintain itself as living labour capacity through this labour. Alternatively the living labour capacities may be directly murdered, as e.g. by Peter I, to build Petersburg. This sort of thing does not belong here.

[†] That capital has to do not with isolated, individual labour but with combined labour,

just as it is in and for itself already a social, combined force, is a point which should perhaps be treated already in the general history of the rise of capital.

‡ The greater the extent to which production still rests on mere manual labour, on use of muscle power etc., in short on physical exertion by individual labourers, the more does the increase of the *productive force* consist in their collaboration *on a mass scale.* The opposite features, particularization and individualization, are displayed by the semi-artistic crafts; the skilfulness of individual, but uncombined labour. Capital, in its true development, combines mass labour with skill, but in such a way that the former loses its physical power, and the skill resides not in the worker but in the machine and in the scientific combination of both as a whole in the factory. The social spirit of labour obtains an objective existence separate from the individual workers.

§ *Among the Romans, the army constituted a mass* – but already divorced from the whole people – which was disciplined to labour, whose surplus time also belonged to the state; who sold their entire labour time for pay to the state, exchanged their entire labour capacity for a wage necessary for the maintenance of their life, just as does the worker with the capitalist. This holds for the period when the Roman army was no longer a citizen’s army but a mercenary army. This is here likewise a free sale of labour on the part of the soldier. But the state does not buy it with the production of values as aim. And thus, although the wage form may seem to occur originally in armies, this pay system is nevertheless essentially different from wage labour. There is some similarity in the fact that the state uses up the army in order to gain an increase in power and wealth.

Now, for the capitalist to undertake road building as a business, at his expense, * various conditions are required, which all amount to this, that the mode of production based on capital is already developed to its highest stage. *Firstly: Large capital* is itself presupposed, a large capital concentrated in his hands, in order that he may be able to undertake work of such dimensions and of such slow turnover, [and hence] realization. Hence mostly *share-capital,* the form in which capital has worked itself up to its final form, in which it is posited, not only *in itself,* in its substance, but is posited also in its *form,* as social power and product. *Secondly*: It must bring *interest,* but not necessarily *profit* (it may bring more than interest, but this is not required). We do not yet need to examine this point any further here. *Thirdly*: As presupposition, such a volume of traffic – commercial, above all – that the road pays for itself, i.e. that the price demanded for the use of the road *is worth* that much exchange value for the producers, or supplies a productive force for which they can pay that much. *Fourthly*: A portion of idle wealth which can lay out its revenue for these articles of locomotion. But these two presuppositions are what remains essential: (1) Capital in the required mass, employable for this object, at attractive interest; (2) it has to be worth it for the productive capitals, for industrial capital, to pay the price of passage. Thus e.g. the first railway between Liverpool and Manchester had become a necessity of production for the Liverpool cotton brokers and even more for the Manchester manufacturers. ‡ Capital as such – its being posited with the necessary scope – will produce roads only when the production of roads has become a necessity for the producers, especially for productive capital itself; a condition for the capitalist's *profit-making*. Then the road will pay for itself. But in this case, a large volume of traffic is already presupposed. It is the same presupposition *doubly*: On one side, the wealth of the country sufficiently concentrated and transformed into the form of capital, to allow it to undertake such works as realization processes for capital; on the other side the volume of traffic sufficient, and the barrier formed by the lack of means of communication sufficiently felt as such, to allow the capitalist to realize the value of the road (in instalments over time) as road (i.e. its use). All *general conditions* of *production*, such as roads, canals, etc., whether they facilitate circulation or even make it possible at all, or whether they increase the force of production (such as irrigation works etc. as in Asia and, incidentally, as still built by governments in Europe), presuppose, in order to be undertaken by capital instead of by the government which represents the community as such, the highest development of production founded on capital. The separation of *public works* from the state, and their migration into the domain of the works undertaken by capital itself, indicates the degree to which the real community has constituted itself in the form of capital. A country, e.g. the United States, may feel the need for railways in connection with production; nevertheless the direct advantage arising from them for production may be too small for the investment to appear as anything but *sunk capital.* Then capital shifts the burden on to the shoulders of the state; or, where the state traditionally still takes up a position superior to capital, it still possesses the authority and the will to force the society of capitalists to put a part of their *revenue,* not of their capital, into such generally useful works, which appear at the same time as *general* conditions of production, and hence not as *particular* conditions for one capitalist or another – and, so long as capital does not adopt the form of the joint-stock company, it always looks out only for its *particular* conditions of realization, and shifts the *communal* conditions off on to the whole country as national requirements. Capital undertakes only *advantageous* undertakings, advantageous in its sense. True, it also speculates unsoundly, and, as we shall see, *must* do so. It then undertakes *investments* which do not pay, and which pay only as soon as they have become to a certain degree *devalued.* Hence the many undertakings where the first *investment* is sunk and lost, the first entrepreneurs go bankrupt – and begin to realize themselves only at second or third hand, where the invested capital has become smaller owing to *devaluation.* Incidentally, the state itself and everything connected with it belongs with these deductions from *revenue,* belongs so to speak to the *consumption costs* for the individual, the production costs for society. A road itself may so increase the force of production that it creates new traffic which then makes the road profitable. There are works and investments which may be necessary without being productive in the capitalist sense, i.e. without the realization of the *surplus labour* contained in them through circulation, through exchange, as *surplus value.* If a worker works e.g. 12 hours per day for a year building a road, and if the generally necessary labour time is = 6 hours on the average, then he works a surplus time of 6 hours. But if the road cannot be sold for 12 hours, perhaps only for 6, then this road construction is not an undertaking for capital, and road building is not productive labour for it. Capital must be able to sell the road (the timing and mode of the sale are beside the point here) in such a way that both the necessary and the surplus labour are realized, or in such a way that it obtains out of the general fund of profits – of surplus values – a sufficiently large share to make it the same as if it had created surplus value. *This relation* is to be examined *later in connection with profit and necessary labour.* The highest development of capital exists when the general conditions of the process of social production are not paid out of *deductions from the social revenue*, the state's taxes – where revenue and not capital appears as the labour fund, and where the worker, although he is a free wage worker like any other, nevertheless stands economically in a different relation – but rather out of *capital as capital.* This shows the degree to which capital has subjugated all conditions of social production to itself, on one side; and, on the other side, hence, the extent to which social reproductive wealth has been *capitalized,* and all needs are satisfied through the exchange form; as well as the extent to which the *socially posited* needs of the individual, i.e. those which he consumes and feels not as a single individual in society, but communally with others – whose mode of consumption is social by the nature of the thing – are likewise not only consumed but also produced through exchange, individual exchange. In the case of the above road, road building must be so advantageous that the transformation of a given amount of labour time into the road must reproduce the worker's labour capacity to the same degree as if he transformed it into cultivated fields. Value is determined by objectified labour time, whatever form it may take. But it does depend now on the use value in which it is realized, whether this *value is* realizable. It is presupposed here that the road is a requirement for the commune, hence the use value is presupposed. For capital, on the other side, if it is to undertake the building of the road, it must be presupposed that not only the *necessary labour time* but also the *surplus labour time* worked by the worker can be paid for – this is where his profit comes from. (The capitalist often compels this payment by means of protective tariffs, monopoly, state coercion; while the individuals engaged in exchange, under conditions of free exchange, would *at most* pay the necessary labour.) It is very possible that surplus labour time is present but not paid for (which can after all happen to every capitalist). *Where capital rules* (just as where there is slavery and bondage or serfdom of any sort), *the worker's absolute labour time is posited for him as condition of being allowed to work the necessary labour time, i.e. of being allowed to realize the labour time necessary for the maintenance of his labour capacity in use values for himself.* Competition then has the result, in every kind of work, that he must work the full time – i.e. surplus labour time. But it may be the case that this surplus labour time, although present in the product, is not exchangeable. For the worker himself – compared with the other wage workers – it is surplus labour. For the employer, it is labour which, while it has a use value for him, like e.g. his cook, has no exchange value, hence the entire distinction between *necessary and surplus labour time* does not exist.

Labour may be necessary without being productive. All *general, communal* conditions of production – so long as their production cannot yet be accomplished by capital as such and under its conditions – are therefore paid for out of a part of the country's revenue – out of the government's treasury – and the workers do not appear as productive workers, even though they increase the productive force of capital.

* If the state lets this sort of matter be conducted through *state-contractors,* then this still always takes place indirectly through the *corvée* or taxes.

† *Competition* is better suited to create the necessity of e.g. the railway in a country where the previous development of its forces of production would not yet push so far. The effect of *competition among nations* belongs in the section on *international intercourse.* The civilizing influences of capital particularly show themselves here.

The result of our digression is, incidentally, that the production of the means of communication, of the physical conditions of circulation, is put into the category of the production of fixed capital, and hence does not constitute a special case. Meanwhile, and incidentally, there opened up for us the prospect, which cannot be sharply defined yet at this point, *of a specific relation of capital to the communal, general conditions of social production,* as distinct from the conditions of a *particular capital* and its *particular production* process.

Transport to market (spatial condition of circulation) belongs in the production process. Credit, the temporal moment of circulation. – Capital is circulating capital. – Money circulation a mere illusion. – Sismondi. Cherbuliez. (Capital. Its various component parts)

Circulation proceeds in space and time. Economically considered, the spatial condition, the bringing of the product to the market, belongs to the production process itself. The product is really finished only when it is on the market. The movement through which it gets there belongs still with the cost of making it. It does not form a necessary moment of circulation, regarded as a particular value-process, since a product may be bought and even consumed at the point of its production. But this spatial moment is important in so far as the expansion of the market and the exchangeability of the product are connected with it. The reduction of the costs of this *real* circulation (in space) belongs to the development of the forces of production by capital, the reduction of the costs of its realization. In certain respects, as an external condition for the existence of the economic process of circulation, this moment may also be reckoned as part of the *production costs* of circulation, so that, with respect to this moment, circulation itself appears as a moment not only of the production process in general, but also of the direct production process. In any case, what appears here is the determination of this moment by the general degree of development of the productive forces, and of production based on capital generally. This locational moment – the bringing of the product to market, which is a necessary condition of its circulation, except when the point of production is itself a market – could more precisely be regarded as the transformation of the product *into a commodity.* Only on the market is it a *commodity.* (Whether or not this forms a particular moment is a matter of chance. If capital produces to order, then neither this moment nor the transformation into money exists as a particular moment for it. *Work done to order,* i.e. supply corresponding to a prior demand, as a *general or predominant situation,* is not characteristic of large industry and in no way arises from the nature of capital as a condition.)

Secondly, the temporal moment. This is an essential part of the concept of circulation. Suppose the act of making the transition from commodity to money is fixed by contract, then this still requires time – calculating, weighing, measuring. The abbreviation of this moment is likewise development of productive force. However, this is time still conceived only as an *external* condition for the transition from the state of money into that of commodity; the transition itself is presupposed; the question is the time which *elapses during this presupposed act.* This belongs to the *cost of production.* Quite different is the time which generally passes before the commodity makes its transition into money; or the time during which it remains a *commodity,* only a potential but not a real value. This is pure loss.

It is clear from everything said above that circulation appears as an essential process of capital. The production process cannot be begun anew before the transformation of the commodity into money. The *constant continuity* of the process, the unobstructed and fluid transition of value from one form into the other, or from one phase of the process into the next, appears as a fundamental condition for production based on capital to a much greater degree than for all earlier forms of production. On another side, while the necessity of this continuity is given, its phases are separate in time and space, and appear as particular, mutually indifferent processes. It thus appears as a matter of chance for production based on capital whether or not its essential condition, the continuity of the different processes which constitute its process as a whole, is actually brought about. The suspension of this chance element by capital itself is *credit.* (It has other aspects as well; but this aspect arises out of the direct nature of the production process and is hence the foundation of the necessity of credit.) Which is why *credit* in any developed form appears in no earlier mode of production. There was borrowing and lending in earlier situations as well, and usury is even the oldest of the antediluvian forms of capital. But borrowing and lending no more constitute *credit* than working constitutes *industrial labour* or *free wage labour.* And credit as an essential, developed relation of production appears *historically* only in circulation based on capital or on wage labour. *(Money* itself is a form for suspending the unevenness of the times required in different branches of production, to the extent that this obstructs exchange.) Although *usury* is itself a form of credit in its *bourgeoisified* form, the form *adapted to capital,* in its pre-bourgeois form it is rather the *expression of lack of credit.*

(The retransformation of money into objective moments or conditions of production presupposes the latters' *availability.* It constitutes the various *markets* where the producer encounters them as commodity – in the hands of a merchant – markets which (alongside the labour market) are essentially distinct from the markets for direct, individual, final consumption.)

Money became transformed into commodity through circulation, and in the exchange of M–C, consumption completed the process; or, the commodity was exchanged for money – and in the exchange C–M, M was either a vanishing moment itself to be exchanged for C again, in which case the process ended with consumption again, or the money withdrew from circulation and transformed itself into dead treasure, merely symbolic wealth. At no point did the process ignite from within, but rather the presuppositions of money circulation lay outside it, and it constantly required a new push from the outside. In so far as both moments were exchanged, their change of form within circulation was merely formal. But in so far as content entered in, it dropped out of the economic process; content did not form a part of it. The commodity did not sustain itself as money, nor the money as commodity; each was either one or the other. Value as such did not sustain itself in and through circulation as predominant over the process of its transformation, its metamorphosis; nor was the *use value* itself (as is the case in the capital production process) produced by the *exchange value.* With capital the consumption of the commodity is itself not final; it falls within the production process; it itself appears as a moment of production, i.e. of *value-positing* [*Wertsetzen*].

Capital is now posited, however, as not merely sustaining itself formally, but as *realizing itself as value,* as value relating to itself as value in every one of the moments of its metamorphosis, in which it appears at one time as money, at another time as commodity, then again as exchange value, then again as use value. The passage from one moment to the other appears as a particular process, but each of these processes is the transition to the other. Capital is thus posited as value-in-process, which is capital in every moment. [25] It is thus posited as *circulating capital;* in every moment capital, and circulating from one form into the next. The point of return is at the same time the point of departure and vice versa – namely the *capitalist.* All capital is originally circulating capital, product of circulation, as well as producing circulation, tracing in this way its own course. From the present standpoint, money circulation now appears as itself merely a moment of the circulation of capital, and its independence is posited as a mere *semblance.* It appears as determined on all sides by the circulation of capital, to which we shall return. In so far as it forms an independent motion alongside that of capital, this independence is posited only by the *continuity* of the circulation of capital, so that this one moment may be held constant and regarded for itself.

<'Capital a permanent, *self-multiplying* value which never decays. This *value* tears itself loose from the commodity which created it; remains, like a *metaphysical, insubstantial quality,* always in the possession of the same farmer,' (e.g.), 'for whom it cloaks itself in different forms.' (Sism. VI.) [26] 'In

the exchange of labour for capital, the worker demands subsistence *in order to live;* the capitalist demands *work in order to make a profit.'* (Sism. loc. cit.) 'The master of the workshop gains, makes a profit from every *increase in the powers of production* which the *division of labour* brings about.' (loc. cit.) [27] 'Sale of labour = renunciation of all fruits of labour.' (Cherbuliez, ch. XXVIII.) [28] 'The three component parts of capital do not grow evenly' (i.e. *matière première,* instrument, *approvisionnement*), [29] 'nor are they in the *same relation* in the different stages of society. The *approvisionnement* remains the same for a certain period, regardless of how quickly the *speed of production* and consequently the *quantity of products* may increase. Thus an increase of *productive capital* does not necessarily entail an increase of the *approvisionnement* which is destined to form the price of labour; it can be accompanied by a reduction of it.' (loc. cit.) [30]>

Influence of circulation on the determination of value. – Circulation time = time of devaluation. – Difference between the capitalist mode of production and all earlier ones (universality etc.). Propagandistic nature of capital. – Abbreviation of circulation (credit). – Storch. – What the capitalist advances is labour. (Malthus.) – Barriers to capitalist production. (Thompson) [31]

<In as much as the renewal of production depends on the sale of the finished products; transformation of the commodity into money and retransformation of money into the conditions of production – raw material, instrument, wages; in as much as the circuits which capital travels in order to go from one of these forms into the other constitute sections of circulation, and these sections are travelled in specific *amounts of time* (even spatial distance reduces itself to time; the important thing e.g. is not the market's distance in space, but the speed – the amount of time – with which it can be reached), by that much the velocity of circulation, the *time* in which it is accomplished, is a determinant of how many products can be produced in a given period of time; how often capital can be realized in a given period of time, how often it can *reproduce* and *multiply* its value. Thus a moment enters *into value-determination* which

indeed does not come out of the direct relation of labour to capital. The frequency with which the same capital can repeat the production process (creation of new value) in a given period of time is evidently a condition not posited directly by the production process itself. Thus, while circulation does not itself produce a moment of *value-determination,* for that lies exclusively in labour, its speed does determine the speed with which the production process is repeated, values are created – thus, if not *values,* at least to a certain extent the mass of values. Namely, the values and surplus values posited by the production process, multiplied by the number of repetitions of the production process in a given period of time. When we speak of the velocity of the circulation of capital, we postulate that delays in the transition from one phase to the next arise only from *external barriers,* not such as arise from the production process and circulation itself (such as crises, overproduction etc.). Thus, in addition to the labour time realized in production, the *circulation time* of capital enters in as a moment of value creation – of productive labour time itself. While labour time appears as value-positing activity, this circulation time of capital appears as the *time of devaluation.* The difference shows itself simply in this: if the totality of the labour time commanded by capital is set at its maximum, say infinity, ∞, so that necessary labour time forms an infinitely small part and surplus labour time an infinitely large part of this [infinity], then this would be the maximum realization of capital, and this is the tendency towards which it strives. On the other side, if the *circulation time of capital* were = 0, if the various stages of its transformation proceeded as rapidly in reality as in the mind, then that [32] would likewise be the maximum of the factor by which the production process could be repeated, i.e. the number of capital realization processes in a given period of time. The repetition of the production process would be restricted only by the amount of time which it lasts, the amount of time which elapses during the transformation of raw material into product. *Circulation time* is therefore not a positive value-creating element; if it were = to 0, then value-creation would be at its maximum. But if either surplus labour time or necessary labour time = 0, i.e. if necessary labour time absorbed all time, or if production could proceed altogether *without* labour, then neither value, nor capital, nor value-creation would exist. *Circulation time* therefore determines value only in so far as it appears as a *natural barrier* to the realization of labour time. It is therefore in fact a deduction from *surplus labour time,* i.e. an increase of *necessary labour time.* It is clear that necessary labour time has to be paid for, whether the circulation process proceeds slowly or quickly. E.g. in trades where specific workers are required, who can, however, only be employed for a part of the year because the products are, say, saleable only in a given season, [in those trades] the workers would have to be paid for the entire year, i.e. surplus labour time is decreased in exact proportion to the reduction in their possibilities of employment during a given period of time, but still they must be paid in one way or another. (For example in the form that their wages for 4 months suffice to maintain them for a year.) If capital could utilize them for 12 months, it would pay them no higher, and would have gained that much surplus labour. *Circulation time thus appears as a barrier to the productivity of labour* = an increase in necessary labour time = a decrease in surplus labour time = a decrease in surplus value = an obstruction, a barrier to the self-realization process [*Selbstverwertungsprozess*] of capital. Thus, while capital must on one side strive to tear down every spatial barrier to intercourse, i.e. to exchange, and conquer the whole earth for its market, it strives on the other side to annihilate this space with time, i.e. to reduce to a minimum the time spent in motion from one place to another. The more developed the capital, therefore, the more extensive the market over which it circulates, which forms the spatial orbit of its circulation, the more does it strive simultaneously for an even greater extension of the market and for greater annihilation of space by time. (If labour time is regarded not as the working day of the individual worker, but as the indefinite working day of an indefinite number of workers, then all *relations of population* come in here; the basic doctrines of population are therefore just as much contained in this first chapter on capital as are those of profit, price, credit etc.) There appears here the universalizing tendency of capital, which distinguishes it from all previous stages of production. Although limited by its very nature, it strives towards the universal development of the forces of production, and thus becomes the presupposition of a new mode of production, which is founded not on the development of the forces of production for the purpose of reproducing or at most expanding a given condition, but where the free, unobstructed, progressive and universal development of the forces of production is itself the presupposition of society and hence of its reproduction; where advance beyond the point of departure is the only presupposition. This tendency – which capital possesses, but which at the same time, since capital is a limited form of production, contradicts it and hence drives it towards dissolution – distinguishes capital from all earlier modes of production, and at the same time contains this element, that capital is posited as a mere point of transition. All previous forms of society – or, what is the same, of the forces of social production – foundered on the development of wealth. Those thinkers of antiquity who were possessed of consciousness therefore directly denounced wealth as the dissolution of the community. The feudal system, for its part, foundered on urban industry, trade, modern agriculture (even as a result of individual inventions like gunpowder and the printing press). With the development of wealth – and hence also new powers and expanded intercourse on the part of individuals – the economic conditions on which the community rested were dissolved, along with the political relations of the various constituents of the community which corresponded to those conditions: religion, in which it was viewed in idealized form (and both [religion and political relations] rested in turn on a given relation to nature, into which all productive force resolves itself); the character, outlook etc. of the individuals. The *development of science alone* – i.e. the most solid form of wealth, both its product and its producer – was sufficient to dissolve these communities. But the *development of science,* this ideal and at the same time practical wealth, is only one aspect, one form in which the *development of the human productive forces,* i.e. of wealth, appears. Considered *ideally,* the dissolution of a given form of consciousness sufficed to kill a whole epoch. In reality, this barrier to consciousness corresponds to a *definite degree of development of the forces of material production* and hence of wealth. True, there was not only a development on the old basis, but also a *development of this basis itself.* The highest development of this *basis* itself (the flower into which it transforms itself; but it is always *this* basis, *this* plant as flower; hence wilting *after* the flowering and as consequence of the flowering) is the point at which it is itself worked out, developed, into the form in which it is compatible with the *highest development of the forces of production,* hence also the richest development of the individuals. As soon as this point is reached, the further development appears as decay, and the new development begins from a new basis. We saw earlier that property in the conditions of production was posited as identical with a limited, definite form of the community; hence of the individual with the characteristics – limited characteristics and limited development of his productive forces – required to form such a community. This presupposition was itself in turn the result of a limited historic stage of the development of the productive forces; of wealth as well as of the mode of creating it. The purpose of the community, of the individual – as well as the condition of production – [is] *the reproduction of these specific conditions of production* and of the individuals, both singly and in their social groupings and relations – as living carriers of these conditions. Capital posits the *production of wealth* itself and hence the universal development of the productive forces, the constant overthrow of its prevailing presuppositions, as the presupposition of its reproduction. Value excludes no use value; i.e. includes no particular kind of consumption etc., of intercourse etc. as absolute condition; and likewise every degree of the development of the social forces of production, of intercourse, of knowledge etc. appears to it only as a barrier which it strives to overpower. Its own presupposition – value – is posited as product, not as a loftier presupposition hovering over production. The barrier to *capital* is that this entire development proceeds in a contradictory way, and that the working-out of the productive forces, of general wealth etc., knowledge etc., appears in such a way that the working individual *alienates* himself [*sich entäussert*]; relates to the conditions brought out of him by his labour as those not of his *own* but of an *alien wealth* and of his own poverty. But this antithetical form is itself fleeting, and produces the real conditions of its own suspension. The result is: the tendentially and potentially general development of the forces of production – of wealth as such – as a basis; likewise, the universality of intercourse, hence the world market as a basis. The basis as the possibility of the universal development of the individual, and the real development of the individuals from this basis as a constant suspension of its *barrier,* which is recognized as a barrier, not taken for a *sacred limit.* Not an ideal or imagined universality of the individual, but the universality of his real and ideal relations. Hence also the grasping of his own history as a *process,* and the recognition of nature (equally present as practical power over nature) as his real body. The process of development itself posited and known as the presupposition of the same. [33] For this, however, necessary above all that the full development of the forces of production has become the *condition of production;* and not that specific *conditions of production* are posited as a limit to the development of the productive forces. –

If we now return to the *circulation time* of capital, then its abbreviation (except for development of the means of communication and transport required to bring the product to market) [means] in part the *creation* of a continuous and hence an ever more extensive market; and in part the development of *economic* relations, development of forms of capital, by means of which it *artificially* abbreviates the circulation time. *(All forms of credit.)* <It may be further remarked at this point that, since capital alone possesses the conditions of the production of capital, hence satisfies and strives to realize [them], [it is] a general tendency of capital at all points which are presuppositions of circulation, which form its productive centres, to assimilate these points into itself, i.e. to transform them into capitalizing production or production of capital. This propagandistic (civilizing) tendency a property exclusively of capital – as distinct from the earlier conditions of production.> The modes of production where circulation does not form the immanent, dominant condition of production, naturally [do] not [meet] the specific circulation requirements of capital and hence also do not [provide for] the working-out of the economic forms as well as of the real forces of production corresponding to them. – Production based on capital originally came out of circulation; we now see that it posits circulation as its own condition, and likewise the production process in its immediacy as moment of the circulation process, as well as the circulation process as one phase of the production process in its totality. – In so far as different capitals have different circulation times (e.g. one a more distant market, the other a near one; one a guaranteed transformation into money, the other a risky one; one more fixed capital, the other more circulating capital), this makes for differences among them in realization. But this happens only in the secondary realization process. Circulation time in itself is a *barrier* to realization (*necessary labour time* is of course also a barrier; but at the same time an element, since value and capital would vanish without it); [it is a]

deduction from surplus labour time or an increase in *necessary labour time* in relation to *surplus labour time.* The circulation of capital *realizes value,* while living labour *creates value.* Circulation time is only a barrier to this realization of value, and, to that extent, to value creation; a barrier arising not from production generally but specific to production of capital, the suspension of which – or the struggle against which – hence also belongs to the specific economic development of capital and gives the impulse for the development of its forms in credit etc. <Capital itself is the contradiction [, in] that, while it constantly tries to suspend *necessary labour time* (and this is at the same time the reduction of the worker to a minimum, i.e. his existence as mere living labour capacity), *surplus labour time* exists only in antithesis with necessary labour time, so that capital posits necessary labour time as a *necessary* condition of its reproduction and realization. At a certain point, a development of the forces of material production – which is at the same time a development of the forces of the working class – *suspends capital itself.*>

<'The entrepreneur can resume production only after he has sold the completed product, and has employed the price for the purchase of new materials and wages: thus, the more prompt circulation is in bringing about these two effects, the more is he capable of beginning his production anew, and the more products does the capital supply in a given period of time.' (Storch, 34.) [34]> <'The specific *advances of the capitalist* do not consist of cloth etc., but of labour.' (Malthus, IX, 26.) [35]> <'The accumulation of the general capital of the community in other hands [than] those of the operative labourers, necessarily retards the progress of all industry save that of the usual remuneration of capital, which the time and circumstances afford to the holders of the capital ... In the previous systems, the *force of production regarded in reference to and subordinate to actual accumulations,* and to the perpetuating of the existing modes of distribution. Actual accumulation and distribution are subordinate to the power of producing.' (Thompson, 3.) [36]>

Circulation and creation of value. (Equalization between different capitals in the conditions of circulation.) Capital not a source of value-creation. – Circulation costs. – Continuity of production presupposes suspension of circulation time

It follows from the relation of circulation time to the production process that the sum of values produced, or the total realization of capital in a given epoch, is determined not simply by the new value which it creates in the production process, or by the surplus time realized in the production process, but rather by this surplus time (surplus value) multiplied by the number which expresses how often the production process of capital can be repeated within a given period of time. The number which expresses this frequency of repetition may be regarded as the coefficient of the production process or of the surplus value created through it. However, this coefficient is not positively but negatively determined by the velocity of circulation. I.e. if the velocity of circulation were absolute, i.e. if no interruption in production resulting from circulation occurred at all, then this coefficient would be at its maximum. If the real conditions of e.g. wheat production in a given country permit only one harvest, then no velocity of circulation can make two harvests out of it. But if an obstruction in the circulation occurred, if the farmer could not sell his wheat soon enough e.g. to hire workers again, then production would be delayed. The maximum of the coefficient of the production process or the realization process in a given period of time is determined by the absolute time taken up by the production phase itself. With circulation completed, capital is able to begin its production process anew. Thus if circulation caused no delay at all, if its velocity were absolute and its duration = 0, i.e. if it were accomplished in no time, then this would only be the same as if *capital* had been able to begin its production process anew directly it was finished; i.e. circulation would not have existed as a limiting barrier for production, and the repetition of the production process in a given period of time would be absolutely dependent on, identical with, the duration of the production process. Thus if the development of industry allowed x lb. of twist to be produced in 4 months with a capital of 100, then with that capital the production process could be repeated only 3 times per year, and only $3x$ lb. of twist could be produced. No velocity of circulation could increase the reproduction of capital, or rather the repetition of its realization process, beyond that point. That could occur only in consequence of an *increase in the forces of production.* Circulation time in itself is not a *productive force* of capital, but a *barrier to its productive force* arising from its nature as exchange value. The passage through the various phases of circulation here appears as a *barrier to production,* a barrier posited by the specific nature of capital itself. All that can happen through the acceleration and abbreviation of *circulation time* – of the circulation process – is the reduction of the barrier posited by the nature of capital. The natural barriers to the repetition of the production process e.g. in agriculture coincide with the duration of one cycle of the production phase. The barrier posited by capital is the lag not between seeding and harvest, but between harvest and the transformation of the harvest into money, and retransformation of the money into say e.g. purchase of labour. The circulation-artists who imagine that they can do something with the velocity of circulation other than lessen the obstacles to reproduction posited by capital itself are on the wrong track. (Even madder, of course, are those circulation-artists who imagine that credit institutes and inventions which abolish the lag of circulation time will not only do away with the delays and interruptions in production caused by the transformation of the finished product into capital, but will also make the capital, with which productive capital exchanges, itself superfluous; i.e. they want to produce on the basis of exchange value but to remove at the same time, by some witchcraft, the necessary conditions of production on this basis.) The most that credit can do in this respect – as regards *mere* circulation – is maintain the continuity of the production process, *if* all other conditions of this continuity are present, i.e. if the capital to be exchanged with actually exists etc.

It is posited in the circulation process that the transformation of the capital into money is posited as a condition for the realization of capital through production, for the exploitation of labour by capital; or, the exchange of capital for capital * is posited as barrier to the exchange of capital for labour and vice versa.

* For from the present standpoint we still only have labour or capital at all points of circulation.

Capital exists as capital only in so far as it passes through the phases of circulation, the various moments of its transformation, in order to be able to begin the production process anew, and these phases are themselves phases of its realization – but at the same time, as we saw, of its *devaluation.* As long as capital remains frozen in the form of the finished product, it cannot be active as capital, it is *negated* capital. Its realization process is delayed in the same degree, and its value-in-process [*prozessierender Wert*] negated. This thus appears as a loss for capital, as a relative loss of its value, for its value consists precisely in its realization process. This loss of capital means in other words nothing else but that time passes it by unseized, time during which it could have been appropriating alien labour, *surplus labour time* through exchange with living labour, if the deadlock had not occurred. Now let us imagine *many* capitals in particular branches of business, all of which are *necessary* (which would become evident if, in the eventuality of a massive flight of capital from a given branch, supply falling below demand, the market price would therefore rise above the natural price in that branch), and let a single branch of business require e.g. that capital A remain longer in the form of devaluation, i.e. that the time in which it passes through the various phases of circulation is longer than in all other branches of business, in which case this capital A would regard the smaller new value which it could produce as a positive loss, just as if it had so many more outlays to make in order to produce the same value. It would thus charge relatively more exchange value for its products than the other capitals, in order to share the same rate of gain. But this could take place in fact only if the loss were distributed among the other capitals. If A demands more exchange value for the product than there is labour objectified in it, then it can obtain this *more* only if the others obtain less than the real value of their products. That is, the less favourable conditions under which A has produced would be borne in proportional shares by all the capitalists who exchange with it, and in this way an equal average level would come out. But the sum of the surplus value created by all these capitals together would be lessened exactly by the amount of capital A's lesser realization in relation to the other capitals; only, instead of this reduction falling exclusively on capital A, it is borne as a general loss, as a loss shared proportionally by all the capitals. Nothing can therefore be more ridiculous than the notion (see e.g. Ramsay) [37] that, apart from the exploitation of labour, capital forms an *original* source, separately from labour, of *value-creation,* because the distribution of surplus labour among the capitals takes place not in proportion to the surplus labour time achieved by the individual capital, but in proportion to the *total surplus labour* which the totality of capitals achieved, and hence a higher value-creation can be attributed to the *individual capital* than is directly explicable from its *particular* exploitation of labour power. But this *more* on one side has to be compensated by a *less* on the other. This is what *average* means, if it means anything at all. The question how the relation of capital to alien capital, i.e. the competition of capitals, distributes the surplus value among them obviously has nothing to do with the absolute amount of this surplus value. Nothing more absurd, then, than to conclude that, because one capital obtains a compensation for its *exceptional* circulation time, i.e. puts its relatively lesser realization to account as positively greater realization, now all *capitals* combined, *capital* can make something out of nothing, make a plus out of a minus, make a plus-surplus value out of a minus-surplus value or out of minus-surplus labour time, and that it possesses, therefore, a *mystical* wellspring of value independent of the appropriation of alien labour. The manner in which the capitals among other things compute their proportional share of the *surplus value* – not only according to the surplus labour time which they set in motion, but also *in accordance with the time which their capital has worked as such,* i.e. lain fallow, found itself in the phase of devaluation – does of course not alter in the least the total sum of the surplus value which they have to distribute among themselves. This sum itself cannot grow by being smaller than it would have been if capital A, instead of lying fallow, had created surplus value; i.e. by having created less surplus value in the same time as the other capitalists. And this *lying-fallow* is made good for capital A only in so far as it arises necessarily out of the conditions of the particular branch of production, and hence appears in respect to *capital as such* as a burden on realization, as a *necessary barrier* to its realization generally. The division of labour leaves this barrier as a barrier only as regards the production process of this particular capital. If the production process is regarded as conducted by capital as such, this lying-fallow is a *general barrier* to capital's realization. If one imagines all production carried out by labour alone, then all the larger advances which it requires during its realization appear as what they are – *deductions from surplus value.*

Circulation can *create value* only in so far as it requires fresh employment – of *alien labour* – in addition to that directly consumed in the production process. This is then the same as if more *necessary labour* were used in the direct production process. Only the actual *circulation costs* increase the *value* of the product, but decrease the surplus value.

To the extent that the circulation of capital (the product etc.) does not merely express the phases necessary to begin the production process anew, this circulation (see Storch's example) does not form a moment of production in its totality – is hence not circulation posited by production, and, in so far as it creates expenses, these are *faux frais de production.* [38] The costs of circulation generally, in so far as their merely economic moments, circulation proper, are concerned (bringing the product to market gives it a *new use value),* are to be regarded as deduction from *surplus value,* i.e. as an increase of necessary labour in relation to surplus labour.

The continuity of production presupposes that circulation time has been suspended. If it has not been suspended, then time must pass between the different metamorphoses through which capital must travel; its circulation time *must* appear as deduction from its production time. On the other hand, the nature of capital presupposes that it travels through the different phases of circulation not as it does in the mind, where one concept turns into the next at the speed of thought, in no time, but rather as situations which are separate in time. It must spend some time as a cocoon before it can take off as a butterfly. Thus the conditions of production arising out of the nature of capital itself contradict each other. The contradiction can be suspended and overcome only * in two ways:

Firstly, credit: A pseudo-buyer B – i.e. someone who really *pays* but does not really buy – mediates the transformation of capitalist A's product into money. But B himself is paid only after capitalist C has bought A's product. Whether the money which this credit-man, B, gives to A is used by A to buy labour or to buy raw material and instrument, before A can replace either of them from the sale of his product, does not alter the case. Given our presupposition, he must basically give him both – i.e. all the conditions of production (these represent, however, a greater value than the original ones with which A began the production process). In this case capital B replaces capital A; but they are not realized at the same time. Now B takes the place of A; i.e. his capital lies fallow, until it is exchanged with capital C. It is frozen in the product of A, who has made his product liquid in capital B.

[*] Except if one imagines that all capitals produce to order for each other, and that the product is therefore always immediately money, a notion which contradicts the nature of capital and hence also the practice of large-scale industry.

Ramsay. Circulation time. Concludes therefore that capital is its own source of profit. – Ramsay. Confusion about surplus value and profit and law of values. (No surplus value according to Ricardo's law.) – Ricardo. Competition. – Quincey. [39] *Ricardo's theory of value. Wages and profit.* **Quincey. – Ricardo. – Wakefield.** *Conditions of capitalist production [in] colonies*

The economists' absolute confusion in respect of Ricardo's determination of value through labour time – something which is founded on a basic defect of his own development – emerges very clearly with Mr Ramsay. He says (after having previously drawn, from the influence of the circulation time of capitals on their *relative realization,* i.e. their relative share of the general surplus value, the nonsensical conclusion that: 'This shows how capital may regulate value independently of labour' (IX, 84. R, 43) [40] or 'that capital is a source of value independent of labour' [41]) – he says, literally: 'A circulating capital *(approvisionnement)* will always maintain more labour than that formerly bestowed upon itself. Because, could it employ no more than had been previously bestowed upon itself, *what advantage* could arise to the owner from the use of it *as such?'* (loc. cit. 49.) 'Given two capitals of equal value, each produced through the labour of 100 men operating for a given time, of which the one is entirely circulating, the other entirely fixed, and may perhaps consist of wine kept to improve. Now, this circulating capital, *raised by the labour of 100 men, will set 150 men in motion.* Therefore the product at the end of the coming year will in this case be the result of the labour of 150 men. But still it will be of no more value than the wine at the termination of the same period, although only 100 men employed upon the latter.' (50.) 'Or is it asserted that the quantity of labour which every circulating capital *will employ* is no more than equal to the [quantity] previously bestowed upon it? That would mean, that the *value of the capital expended* = that of the product.' (52.) Great confusion between the labour bestowed upon capital and that which it will employ. The capital which is exchanged for labour capacity, the *approvisionnement* – and this he here calls *circulating capital* – can never employ more labour than has been bestowed upon it. (The reaction of a development of the productive forces on present capital is beside the point here.) But there has been more labour bestowed upon it than it has paid for – *surplus labour,* which is converted into *surplus value and surplus produce,* enabling the capital to renew this profitable bargain, where the mutuality is all on one side, on a more enlarged scale. It is enabled to employ more new living labour, because during the process of production a portion of fresh labour has been bestowed upon it beyond the accumulated labour of which it consisted before entering that process.

Mr Ramsay seems to imagine that, if a capital is the product of 20 working days (necessary and surplus together), this product of 20 working days can employ 30 working days. But this is by no means the case. Say that 10 days of necessary labour and 10 surplus days were employed on the product. Then the surplus value = 10 surplus days. If the capitalist then exchanges these again for raw material, instrument and labour, then he can set new *necessary labour* into motion with the *surplus product.* The point is not that he employed more labour time than is present in the product, but that he exchanges the surplus labour time, which costs him nothing, for new necessary labour time – in other words, precisely, that he employs the *entire labour time* bestowed upon the product, while he has paid only part of that labour. Mr Ramsay's conclusion, that if the quantity of labour which every circulating capital will employ was no more than equal to that previously bestowed upon it, the value of the capital expended would be equal to that of the produce, i.e. no surplus value would be left, would be correct only if the quantity of labour bestowed upon the capital *were wholly paid for,* i.e. if capital did not appropriate a part of the labour *without equivalent.* These misunderstandings on Ricardo's part [42] obviously arise from the fact that he himself was not clear about the process, nor, as a bourgeois, could he be. Insight into this process is = to the statement that capital is not only, as A. Smith thinks, [43] command over alien labour, in the sense that every exchange value is that, since it gives its possessor *buying power,* but that it is the power to appropriate alien labour *without exchange, without equivalent,* but with the semblance of exchange. Ricardo knows no argument to refute those, like A. Smith and others, who fall into the same error regarding value as determined by labour, and value as determined by the price of labour (wages), other than to say: with the product of the same quantity of labour one can set sometimes more and sometimes less living labour into motion, i.e. he regards the product of labour in respect of the worker only as *use value* – only the part of the product which he needs to be able to live as worker. But how it comes about that the worker suddenly only represents *use value* in the exchange, or only draws use value from the exchange, is by no means clear to him, as is already proved by his arguments against A. Smith, which are never in general terms, but always about particular examples. But why is it, then, that the share of the worker in the value of the product is determined not by the value, but rather by the use value of the product, thus not by the labour time employed on it, but by its quality of maintaining living labour capacity? If he tries to explain this with, say, competition among the workers, then the answer which would have to be given is the same as that which he gives A. Smith about competition among capitalists, i.e. that competition may well even out, equalize the level of profit, but in no way creates the measure of this level. [44] Likewise, competition among the workers could press down a higher wages level etc., but the general standard of wages, or as Ricardo puts it the natural price of wages, could not be explained by the competition between worker and worker, but only by the original relation between capital and labour. Competition generally, this essential locomotive force of the bourgeois economy, does not establish its laws, but is rather their executor. Unlimited competition is therefore not the presupposition for the truth of the economic laws, but rather the consequence – the form of appearance in which their necessity realizes itself. For the economists to presuppose, as does Ricardo, that unlimited competition exists [45] is to presuppose the full reality and realization of the bourgeois relations of production in their specific and distinct character. Competition therefore does not *explain* these laws; rather, it lets them be *seen,* but does not produce them. Then Ricardo says, too: the production costs of living labour depend on the production costs of making the values required to reproduce it. [46] While he previously regarded the product in relation to the worker only as a use value, he now regards the worker only as an *exchange value* in relation to the product. The historic process through which product and living labour come into this mutual relation is none of his concern. He is just as vague about the way in which this relation is perpetuated. Capital, with him, is the *result of saving;* this already shows that he misunderstands the process of its origins and reproduction. He therefore also imagines that production is impossible without capital, although he can very well imagine capital possible without ground rent. The distinction between *profit* and *surplus value* does not exist for him, proof that he is clear about the nature of neither one. His procedure already shows this from the very beginning. Originally, he makes workers exchange with workers – and their exchange is then determined by the equivalent, by the labour time reciprocally expended in production. Then comes the real problem of his economics, to demonstrate that this determination of value is not altered by the accumulation of capitals – i.e. by the presence [*Dasein*] of capital. Firstly, he has no inkling that his first spontaneous relation is itself only a relation abstracted from the mode of production resting on capital. Secondly, what he has available is a *definite amount of objective labour time,* which may of course increase, and he asks himself, how is it *distributed?* The question is rather how is it created, and there it is precisely the specific nature of the relation of capital and labour, or the specific and distinct character of capital, which explains this. As Quincey (X, 5) puts it, modern economics (the economics of Ricardo) is in fact concerned only with the dividends, while the total product is regarded as fixed, determined by the quantity of labour employed on it – its value appraised in accordance with that. [47] Accordingly, Ricardo has rightly been accused of not understanding *surplus value,* although his opponents understand it even less. Capital is represented as appropriating a certain part of the ready and available value of labour (of the product); the creation of this value, which it appropriates above and beyond the reproduced capital, is not presented as the *source* of the surplus value. This creation is identical with the appropriation of alien labour *without exchange,* and for that reason the bourgeois economists are never permitted to understand it clearly. Ramsay accuses Ricardo of forgetting that the fixed capital (which consists of capital not included in *approvisionnement,* with Ramsay the *raw material* at the same time along with the *instrument*) is a deduction from the sum total available for distribution among capitalist and worker. 'Ricardo forgets that the whole product is divided not only between wages and profits, but that another part is necessary for replacing fixed capital.' (IX, p. 88. R. 174, note.) Indeed, since Ricardo does not grasp the relation between objectified and living labour in its living movement – [a relation] not to be deduced from the dividends of a given quantity of labour, but from the positing of surplus labour – and does not, therefore, grasp the relation among the different component parts of capital, it therefore seems with him as if the entire product were divided into wages and profits, so that the reproduction of capital is itself counted as part of profit. Quincey (loc. cit. Notebook X, 5) gives this exposition of the Ricardian doctrine: 'If the price is 10s. then wages and profit as a whole cannot exceed 10s. But do not the wages and profits as a whole, themselves, on the contrary, predetermine the price? No, that is the old superannuated doctrine.' (p. 204). 'The new economics has shown that all price is governed by *proportional quantity of the producing labour,* and by that only. Being itself once settled, then ipso facto, *price settles the fund* out of which both wages and profits must derive their *separate dividends.'* (loc. cit. 204.) [48] Capital here appears not as positing surplus value, i.e. surplus labour, but only as making deductions from a given quantity of labour. The fact that instrument and raw material appropriate these *dividends* then has to be explained by their *use value* in production, which then presupposes the absurdity that raw material and instrument create use value through their *separation* from labour. For this *separation* makes them into capital. Considered for themselves, they are themselves labour, accumulated labour. Besides, this clashes with sound common sense, because the capitalist knows very well that he counts wages and profit among the production costs and regulates the *necessary price* accordingly. This contradiction in the determination of the product by relative labour time, and the limitation of the sum of profit and wages by the sum of this labour time, and the *real determination of prices* in practice, comes about only because profit is not grasped as itself a derivative, secondary form of *surplus value;* the same is true of what the capitalist justly regards as *his production costs.* His profit arises simply from the fact that a part of the cost of production costs him nothing, hence does not enter into *his* outlays, *his* production costs.

NOTEBOOK VI

February 1858

The Chapter on Capital (continuation)

‘Any change that can disturb the existing relations between wages and profits must originate in wages.’ (Quincey. loc. cit. (X, 5) p. 205.) This is true only in so far as any variations in the mass of surplus labour must be derived from a variation in the relation between necessary and surplus labour. But this can likewise come about if necessary labour becomes less productive and hence a greater part of the total labour falls to it, or if the total labour becomes more productive, hence necessary labour time is reduced. It is nonsense to say that this productive force of labour arises from *wages.* The relative reduction of wages is rather its result. But it arises (1) from the appropriation by capital of the growth in the productive forces resulting from division of labour, trade which brings cheaper raw materials, science etc.; (2) but this increase of the productive forces has to be regarded as being initiated by capital in so far as it is realized through the employment of a greater capital etc. Further: profit and wages, although determined by the relation of necessary and surplus labour, do not coincide with it, are only secondary forms of the same. The point, however, is this: the Ricardians presuppose a definite quantity of labour; this determines the price of the product, out of which labour, in wages, and capital, in profits, then draw their dividends; the workers’ dividend = the price of the necessaries of life. Hence in the ‘existing relations between wages and profits’, the rate of profit is at its maximum and that of wages at its minimum. Competition among capitals can change only the relation in which they share the total profit, but cannot alter the relation between total profit and total wages. The general standard of profit is this relation of the total profit to the total wages, and this is not altered through competition. Hence, where does the alteration come from? Certainly not because the profit rate voluntarily declines, and it would have to do so voluntarily since competition does not have this result. Hence it is due to an alteration in wages, whose necessary costs may rise (theory of the progressive deterioration of the soil in agriculture; theory of rent) in consequence of a decrease in the productive force of labour due to natural causes. Carey etc. replies, correctly, to this (but, in the way he explains it, incorrectly again) that the rate of profit falls, as a result not of a decrease but rather of an increase in the productive force. [1] The solution of the whole matter is simply that the rate of profit is not the same as the absolute surplus value, but is rather the surplus value in relation to the capital employed, and that the growth of productive force is accompanied by the decrease of that part of capital which represents *approvisionnement* in relation to that part which represents invariable capital; hence, when the relation between total labour and the capital which employs it falls, then the part of labour which appears as surplus labour or surplus value necessarily falls too. This inability to explain one of the most striking phenomena of modern production is the source of Ricardo's failure to understand his own principle. But the difficulties in which he thereby entangles his disciples may be seen in this quotation among others from Quincey: 'It is the common paralogism, that if upon the same farm you have always kept 5 men, and in 1800 their produce was 25 qrs, but in 1845 50 qrs, you are apt to view the *produce only as variable,* and the *labour as constant:* whereas *virtually* both have varied. In 1800 each qr must have cost 1/5 part of a man; in 1845 each has cost no more than 1/10 part of a man.' (loc. cit. 214.) In both cases the absolute labour time was the same, 2 days; but in 1845 the productive force of labour had doubled in comparison with 1800, and therefore the cost of producing necessary labour was less. The labour bestowed upon 1 quarter was less, but the total labour was the same. Mr Quincey should, however, have learned from Ricardo that the productive force of labour does not determine the value of the product – although it determines the surplus value, albeit not in step with the increase of the productive force. These arguments *against* Ricardo, as well as the desperate sophistries of his disciples (e.g. Mr MacCulloch, who cites surplus labour as the source of the surplus value of old wine compared with new wine). [2] Nor is value to be determined by the labour which the unit cost, i.e. the *price* of the single quarter. *Rather, the price multiplied by the number constitutes the value.* The 50 quarters in 1845 had *the same value* as the 25 in 1800, because they objectified the same amount of labour. The price of each single quarter, the unit, *must* have been different, and the *total price* (expressed in money) may have been different, for very different reasons. (What Quincey says about the machine holds for the worker: 'A machine, as soon as its secret is known, will not sell for the labour produced, but for the labour producing … it will no longer be viewed as a *cause equal to certain effects,* but *as an effect certainly reproducible* by a known cause *at a known cost.'* (84.) De Quincey says about Malthus: 'Malthus in his Political Economy refuses to see, nay he positively denies, that if two men produce a variable result of ten and five, then in one case each unit of the result has cost double the labour which it has cost in the other. On the contrary, because there are always two men, Mr Malthus obstinately insists that the *cost in labour* is constant.' (loc. cit. 215, note.) In fact: *the cost in labour is constant,* because, by presupposition, just as much labour is contained in ten as in five. But the *cost of labour* is not constant, because in the first case, where the productive force of labour [is] double, the time belonging to necessary labour [is] in a certain proportion less. We shall go into Malthus's view immediately after this. Here, before we go further in the development of the circulation time of capital and its relation to labour time, it is proper first to examine Ricardo's whole doctrine about this matter, in order to establish the difference between our own conception and his more sharply. (The quotations from Ricardo in Notebook VIII.) [3]

First presupposition with him, *'competition without restriction',* and unhampered increase of products through industry. (19. R. 5.) [4] This means in other words nothing other than that the laws of capital are completely realized only within *unlimited competition* and *industrial production.* Capital develops adequately on the latter productive basis and in the former relation of production; i.e. its immanent laws enter completely into reality. Since this is so, it would have to be shown how this *unlimited competition* and *industrial production* are conditions of the realization of capital, conditions which it must itself little by little produce (instead of the hypothesis appearing here as merely that of the theoretician, who places free competition and the productive mode of capital's existence externally and arbitrarily into the relation of capital to itself as capital, not as developments of capital itself, but as imaginary presuppositions of capital for the sake of purity.) This by the way the only place in Ricardo where a faint notion of the *historic* nature of the laws of bourgeois economy. With this presupposition, the *relative value* of commodities (this word meaningless, since absolute value is nonsense) is determined by the different quantity which can be produced in the same labour time, or by the quantity of labour relatively realized in different commodities. (p. 4.) (Notebook, 19.) (Henceforth the first number for the page in the notebook; the second for the page in Ricardo.) [5] Now, how one gets from value as equivalent determined by labour to the non-equivalent, i.e. to the value which posits surplus value through exchange, i.e. how one gets from value to capital, from one aspect to its apparent opposite, this does not interest Ricardo. The only question for him: how the *value relation* between the commodities can remain the same and can and must be determined by relative quantities of labour, *although* the owners of accumulated labour ... do not exchange labour *equivalents* in living labour, i.e. despite the relation of capital and labour. It is then a very simple arithmetical proof that commodity A and commodity B can exchange in relation to the labour realized in them, although the producers of A or B *distribute* product A, or the product B exchanged for it, in different ways among themselves. But since all *distribution* here proceeds on the basis of exchange, it appears in fact altogether impossible to explain why one of the exchange values – living labour – is exchanged according to the amount of labour time realized in it, while the other exchange value – accumulated labour, capital – is not exchanged according to the standard of the labour time realized in it. Bray e.g. therefore believes that he is the first to draw the true conclusion from Ricardo with his equal exchange between living and dead labour. [6] That from the standpoint of exchange alone, the *worker's pay* would have to = *the value of the product,* i.e. the amount of labour in objective form which the worker obtains in pay, = the amount of labour in subjective form which he expends in labour, is so necessary a conclusion that A. Smith falls into it. [7] Ricardo, by contrast, avoids this fallacy, but how? 'The *value* of labour, and the quantity of commodities which a specific quantity of labour can buy, are not identical.' Why not? *'Because* the worker's product or an equivalent of this product is not = to the worker's pay.' I.e. the identity does not exist, *because* a difference exists. 'Therefore' (because this is not the case) 'it is not the value of labour which is the measure of value, but the quantity of labour bestowed on the commodity.' (19, 3.) [8] Value of labour is not identical with wages of labour. *Because* they are different. *Therefore* they are not identical. This is a strange logic. There is basically no reason for this other than that it is *not* so in practice. But it ought to be so, according to the theory. For the exchange of values [is] determined by the labour time realized in them. Hence equivalents are exchanged. Thus a specific quantity of labour time in living form would have to exchange for the same quantity of labour time in accumulated form. What would have to be demonstrated is precisely that the law of exchange turns into its precise opposite. Not even a faint suspicion that it does so is expressed here. Or the suspicion would have to lie in the frequently repeated admonition against mixing them up; that the distinction between past and living labour cannot do the job either is readily admitted: 'The comparative quantity of commodities which a given quantity of labour will produce determines their past and present value' (19, 9) where living labour thus even determines the value of past labour retroactively. Why then is capital not also exchanged for living labour in proportion to the labour realized in the capital? Why is it that a quantity of living labour is not itself = the quantity of labour in which it has objectified itself? 'Labour is by nature of different quality, and it is difficult to compare different hours of labour in different branches of business. But this scale is very soon established in practice.' (19, 13.) 'For short periods, at least from year to year, the variation in this inequality is insignificant, and is *therefore* left out of account.' (19, I 5.) This is nothing. If Ricardo had applied his own principle, the amounts of (simple) labour to which the different *labour capacities* are reducible, then the matter would have been simple. Generally, he is concerned straight away with the hours of labour. What the capitalist acquires through exchange is *labour capacity:* this is the exchange value which he pays for. Living labour is the use value which this exchange value has for him, and out of this use value springs the surplus value and the suspension of exchange as such. Because Ricardo allows exchange with living labour – and thus falls straight into the production process – it remains an insoluble antinomy in his system that a certain quantity of living labour does not = the commodity which it creates, in which it objectifies itself, although the value of the commodity = to the amount of labour contained in it. The value of the commodity 'includes also the labour of bringing the commodity to market'. (19, 18.) We shall see that circulation time, in so far as it appears as determining value with Ricardo, is only the labour required to bring the commodities to market. 'The principle of value-determination by the relative amounts of labour contained in the commodity is considerably modified by the employment of machinery and other fixed and durable capital. A rise or fall in wages differently affects two capitals of which one is almost entirely circulating, the other almost entirely fixed; likewise the unequal duration of the fixed capital employed. Namely, there is added the *profit on fixed capital* (interest), as well as the compensation for the greater length of time which must elapse before the more valuable of the two commodities can be brought to market.' (19, 29, 30.) The latter moment concerns only the duration of the production process, i.e. labour time directly employed, at least in Ricardo's example of the farmer and the baker. (If one farmer's wheat becomes ready for the market later than another's, then this so-called *compensation* already presupposes *interest;* thus already something derivative, not an original aspect.)

'Profit and wages are only *portions* in which the two classes, of capitalists and workers, partake in the original commodity, i.e. also in that exchanged for it.' (p. 31.) The very great extent to which the production of *the original commodity,* its origin, is itself determined by these *portions,* the extent to which, therefore, it *precedes* these portions as basic determinant, proves that the *original commodity* [would] not be produced at all, if it did not contain surplus labour for capital. 'Commodities on which the same quantity of labour has been bestowed vary in relative value if they cannot be brought to market in the same amount of time. With a *greater fixed capital,* too, the higher value of a commodity is due to the greater length of time which must elapse before it can be brought to market … The difference arises in both cases from the profits being accumulated as capital, and is only a compensation for the *time during which profits were withheld.'* (34, 35.) This means absolutely nothing other than that capital lying fallow is *reckoned in and up* as if it were not lying fallow, but were being exchanged with surplus labour time. This has nothing to do with the determination of value. It belongs with price. (In the case of fixed capital it [enters] into the determination of value only as *another method* of paying for the objectified labour, abstracted from the profit.)

'There is another principle of labour which nothing points out to the economic inquirer in old countries, but of which every colonial capitalist has been made conscious in his own person. By far the greater part of the operations of industry, and especially those of which the *produce is great in proportion to the capital and labour employed,* require *a considerable time for* [*their*] *completion.* As to most of them, it is not worth while to make a commencement without the certainty of being able to carry them on for several years. A large portion of the capital employed in them is *fixed, inconvertible, durable.* If anything happens to stop the operation, all this capital is lost. *If the harvest cannot be gathered, the whole outlay in making it grow* has been thrown away ... This shows that *constancy* is a no less important principle than combination of labour. The importance of the principle of constancy is not seen here, because rarely indeed does it happen, that the labour which carries on a business, is stopped against the will of the capitalists ... But in the *colonies* just the opposite. Here capitalists are so much afraid of it that they avoid its occurrence as much as they can, by avoiding, as much as possible, operations which require much time for their completion.' (Wakefield, 169, XIV, 71.) [9] 'There are numerous *operations of so simple a kind* as not to admit a *division into parts,* which cannot be performed without the cooperation of many pairs of hands. For example, the lifting of a large tree on to a wain, keeping down weeds in a large field of growing crops, shearing a large flock of sheep at the same time, gathering a harvest of corn at the time when it is ripe enough and not too ripe, moving any great weight; everything, in short, which cannot be done unless a good many pairs of hands help together in the same undivided employment, and at the same time.' (168 loc. cit.) '*Combination and constancy of labour* are provided for in old countries, without an effort or thought on the part of the capitalist, merely by the *abundance of labourers for hire.* The scarcity of labourers for hire is the universal complaint of colonies.'(170 loc. cit.) 'Only the *cheapest land* in a colony is that whose price affects the *labour market. The price of this land, as of all bare land, and of everything else which it costs nothing to produce,* depends of course on the *relation between the demand and supply.'* (p. 332.) ... 'In order that *the price of waste land* should accomplish its objects' (namely of making the worker into a non-landowner), 'it must be *sufficient* for the purpose. Hitherto the price has been everywhere insufficient.' (338 loc. cit.) This 'sufficient' price: 'In founding a colony the price might be so low as to render the quantity of land appropriated by settlers practically unlimited: it might be high enough to occasion a proportion between land and people similar to that of old countries, in which case, if this very high price did not prevent emigration, the cheapest land in the colony might be as dear, and the superabundance of labourers as deplorable as in England: or it might be a just medium between the two, occasioning neither superabundance of people nor superabundance of land, but so limiting the quantity of land as to give the cheapest land a market value that would have the effect of compelling labourers to work some considerable time for wages before they could become landowners.’ (339 loc. cit.) (Notebook XIV, 71.) (These excerpts here quoted from Wakefield’s *Art of Colonization* belong with the ones given above about the necessary separation of the worker from the conditions of property.)

Surplus value and profit. **Example** ***(Malthus). – Profit and surplus value.*** **Malthus** ***– Difference between labour and labour capacity. – The peculiar assertion that the introduction of capital in no way changes the payment of labour. – Carey’s theory of the cheapening of capital for the worker. – (Decline of the profit rate.) – Wakefield on the contradiction between Ricardo’s theories of wage labour and of value***

(The calculation of profit as distinct from the calculation of the real surplus value which capital posits in the exchange with living labour, made clear e.g. in the following example. It is a statement in the *first Report of the Factory Commissioners.* (Malthus’s *Princip. of Polit. Economy,* 1836, 2nd ed. (Notebook X, p. 42).)

Capital sunk in building and machinery	£10,000
Floating capital	£7,000

£500	interest on £10,000 fixed capital
350	floating capital
150	Rents, taxes, rates
650	Sinking fund of 6 1/2% for wear and tear of the fixed capital
£1,650	
£1,100	Contingencies, carriage, coal, oil
2,750	
2,600	Wages and salaries

5,350
10,000 for about 400,000 lb. raw cotton at 6d.

15,350
16,000 for 363,000 lb. twist spun. Value £16,000

The capital laid out in labour is 2,600; the surplus value = 1,650 (850 interest + 150 rents etc., makes 1,000 + 650 profit).

But 2,000:1,650 = 100:63 6/13. Thus the rate of surplus value is 63 6/13%. According to the profit calculation it would have to be 850 interest, 150 rents and 650 profit, or 1,650:15,350; nearly 10.1%.

In the above example, the floating capital turns over 167/70 times per year; the fixed capital turns over once in 15 5/13 years; once in 200/13 year.

Profit: 650 or about 4.2. [10] The wages of the operatives 1/6. The profit is indicated here as 4.2; say it were only 4%. This 4% figured on an outlay of 15,350. But then we also have 5% interest on £10,000 and 5% on 7,000; £850 = 5% of 17,000. From the actual annual advances made, we must deduct (1) the part of the fixed capital which does not figure in the sinking fund; (2) that which is figured as interest. (It is possible that capitalist A does not pocket the interest, but capitalist B. In any case they are revenue, not capital; surplus value.) From the £15,350 outlays thus deduct 850; leaves: £14,500. Of the £2,600 for wages and salaries there were £183 1/3 in the form of salary, since 1/6 of 14,500 is not 2,600 but 2,416 2/3, and 14,500 divided by this is 6.

Thus, he sells the 14,500 at 16,000 or a profit of 1,500; makes 10 2/3%; but let us ignore these 2/3 and say 10%; 1/6 of 100 is 16 2/3. Thus, out of 100, he would give: 83 1/3 for advances, 16 2/3 wages and 10 profit. In detail:

	Advances	*Wages*	*Sum*	*Reproduces*	*Profit*
£ St.:	83 1/3	16 2/3	100	110	10

10 of 16 2/3 or of 50/3 is exactly 60%. Thus, in order that, in the capitalist’s calculation, an annual profit of 10% (it was slightly more) be made on a capital of £17,000, wherein labour makes up only 1/6 of the annual advances of 14,500, the worker (or capital, as you like) has to create a surplus value of 60%. Or, of

the total labour time 40% are for necessary and 60 for surplus labour; they relate as 4:6 or = 2:3 or 1:3/2. If, however, the advances on capital had been 50, the advances on wages also 50, then only 20% surplus value would have to be created in order that the capitalist should have 10%; 50 50 10 = 110. But 10 to 50 = 20:100 or 20%. If necessary labour in the second case posited as much surplus labour as in the first, then the capitalist's profit would amount to £30; on the other hand if the rate of real value-creation, the positing of surplus labour, in the first case, were only as great as in the second, then the profit would amount to only £3 1/3, and if the capitalist had to pay 5% interest to another capitalist, then he would have to carry an actual loss. This much arises simply from the formula, (1) that, in order to determine the size of the real surplus value, one must calculate the profit on the advance made for wages; the percentage which expresses the proportion between the so-called profit and wages; (2) the relatively smaller percentage made up by the proportion between the outlay in living labour and the total outlay presupposes a greater outlay in fixed capital, machinery etc.; greater division of labour. Thus, although the percentage of labour is smaller than in the capital working with more labour, the mass of labour really set in motion must be significantly greater; i.e. a greater capital generally has to be worked with. The proportional part of labour out of the total advance is smaller; but the absolute sum of labour set in motion is larger for the individual capital; i.e. it must itself be larger. (3) If it is a case not of larger machinery etc., but of an instrument which does not set more labour into motion and itself represents no greater fixed capital (e.g. manual lithography) but merely replaces labour, then the profit of the capital working with the machine is absolutely smaller than that of the capital working with living labour. (But the latter can make a percentage profit higher than the former, and thus throw him out of the market.) (etc.) The examination of how far the rate of profit can decrease as capital grows, while the gross profit nevertheless increases, belongs to the doctrine of profit *(competition).*

In his *Principles of Political Economy,* 2nd ed., 1836, Malthus has an inkling that profit, i.e. not profit, but *real surplus value,* has to be calculated not in respect of capital advanced, but of living labour advanced, whose value is expressed objectively in wages; but this leads him into playing games which become absurd if they are to serve as a basis for any determination of value, or for reasoning about the relation of labour to the determination of value.

For example, if I take the total value of the finished product, then I can compare every part of the product advanced with the part of the outlay corresponding to it; and the percentage of profit in relation to the whole product is naturally the same percentage for any fractional part of the product. Say e.g. that 100 thalers brought 110; thus 10% the whole product; 75%, say, for the invariable part of capital, 25 for labour, i.e. 3/4 for the former, 1/4 for living labour. Now if I take 1/4 of the total product, i.e. of 110, then I obtain 27 2/4 or 27 1/2. On an outlay of 25 for labour, the capitalist would have a gain of 2 1/2, i.e. 10%. Likewise Malthus could have said that if I take 3/4 of the total product, i.e. 75, then these 3/4 are represented in the total product by 82 1/2; then 7 1/2 out of 75 is exactly 10%. This obviously means nothing other than that if I gain 10% on 100 then the gain on every part of 100 amounts to as much as, when added together, will be 10% on the total sum. If I have gained 10 on 100, then on 2 × 50 I have gained 5 each time etc. The fact that, if I gain 10 on 100, I gain 2 1/2 on 1/4 of 100 and 7 1/2 on 3/4 takes us not a single step further. If I have gained 10 on 100, how much have I then won on 1/4 of 100 or on 3/4? Malthus's insight can be reduced to this childishness. The advance for labour amounted to 1/4 of the 100, and the gain on it amounted to 10%. 10% of 25 is 2 1/2. Or the capitalist, if he has gained 10 on 100, has gained 1/10 on every part of his capital, i.e. 10%. This gives the parts of the capital no qualitative character whatever, and it therefore holds for fixed capital etc. just as well as for the part advanced in labour. Moreover, this only expresses the illusion that each part of the capital is involved to an equal degree in the newly created value. Nor has the 1/4 of the capital advanced for wages created the surplus value; rather, the unpaid living labour has done so. However, from the relation of the total value – here the 10 thalers – to wages we can see what percentage of labour was not paid, or, how much surplus labour there was. In the above relation, the necessary labour is objectified in 25 thalers, the surplus labour in 10; thus they relate as 25:10 = 100:40; 40% of the labour was surplus labour, or, what is the same, 40% of the value it produced was surplus value. It is quite true that the capitalist can make this reckoning: if I make 10 on 100, then, on wages, = 25, I have made 2 1/2. It is impossible to see what use this calculation is. But what Malthus wants to do with it will be seen shortly when we go into his determination of value. However, it is clear from the following that he indeed believes that his simple arithmetical example contains a real determination:

‘Suppose the capital be expended only for wages, £100 expended in immediate labour. The returns at the end of the year 110, 120, or 130; it is evident that in each case the profits will be determined by the proportion of the *value of the whole produce* which is required to pay the labour employed. If the value of the produce in the market = 110, the proportion required to pay the labourers = 10/11 of the value of the produce, or the profits = 10%.’ (Here Mr Malthus does nothing more than to express the original advance, £100, as a relation to the total product. 100 is 10/11 of 110. Whether I say I gain 10 on 100, i.e. 1/10 of 100, or I say 1/11 of the 110 are gain, it is the same.) ‘If the value of the product is 120, the proportion for labour = 10/12 and the gain 20%; if 130, the proportion required to pay the labour = 10/13 and the gain = 30%.’ (Instead of saying: I gain 10 on 100, I can also say that 10/11 of the 110 were the advances; or, 20 on the 100, the advances amount only to 10/12 of 120 etc. The character of these advances, whether in labour or otherwise, has absolutely nothing to do with this other arithmetic form of expressing the matter. If a capital of 100 has brought in 110, then either I can start with the capital and say I gained 10 on it, or I can start with the product, with 110, and say that I advanced only 10/11 on it beforehand. The relation is, of course, the same.) ‘Now assume that the capitalist’s advances do not consist entirely of labour. The capitalist *expects an equal benefit on all parts of the capital he advances’* (that means simply that he distributes the benefit he has made, and whose origin may be quite obscure to him, among all parts of his outlays equally, entirely abstracting away their qualitative difference). ‘Suppose 1/4 of the advances, for labour’ (direct), ‘3/4 consisting of accumulated labour and profits, with any additions which may arise of rents, taxes and other outgoings. *Then strictly true that the profits of the capitalist will vary with the varying value of this 1/4 of the produce compared with the quantity of labour employed.’* (Not quantity with Mr Malthus, but rather compared with the salary paid.) (Thus strictly true that his profits will vary with the varying value of the 3/4 of his profits compared with the advances in accumulated labour, i.e. the gain relates to the total capital advanced (10:100) as every part of the total product (110) does to the part of the advance corresponding to it.) ‘For example,’ Malthus continues, ‘a farmer employs £2,000 in cultivation, of which 1,500 in seed, keep of horses, wear and tear of his fixed capital, etc., and £500 on immediate labour, and the returns at the end are 2,400. His profit 400, on 2,000 = 20%. And it is immediately obvious that if we took 1/4 of the value of the produce, namely £600, and compared it with the amount paid in the wages of the immediate labour, the result would show exactly the same rate of profits.’ (loc. cit. 267, 268. Notebook X, 41, 42.) (It is equally obvious that if we took 3/4 of the value of the produce, namely 1,800, and compared it with the amount paid in the advances on accumulated labour, namely with 1,500, the result would show exactly the same rate of profits. 1,800:1,500 = 18:15 = 6:5. And 6 is 1/5 more than 5, hence 20%.) (Malthus here has two different arithmetic formulae in mind and gets them mixed up: *firstly,* if I make 10 on 100, then on every part of the 100 my gain is not 10 but 10%: i.e. 5 on 50, 2 1/2 on 25 etc.; to gain 10 on 100 means to gain 1/10 on each part of the 100, and consequently the profit has to show up also as 1/10 profit on wages, and if the profit is distributed evenly among all parts of the capital, then I can say that the rate of profit on the total capital varies with the rate of profit on each of its parts, including e.g. the part advanced as wages; *secondly* if I gained 10% on 100, then the total product 110. Now, if wages formed 1/4 of the advances = 25, then they form only a 4 2/5 part of 110; i.e. they form a fraction that is smaller by 2/5, and it will form an ever smaller part of the total product in proportion as the latter has risen in comparison with the original. This is again only another way of calculating. 10 is 1/10 of 100 but only 1/11 of 110. I can therefore say that as the total product grows larger, each of the fractional parts of the original capital forms a relatively smaller part of it. Tautology.)

In his work *The Measure of Value Stated and Illustrated,* London, 1823 (Notebook IX), Malthus asserts that the *‘value of labour’* is *‘constant’* and is hence the true Measure of Value generally. ‘Any given quantity of labour must be of the *same value* as the wages which command it, or for which it actually exchanges.’ (p. 5, loc. cit.) (IX, 29.) He is speaking here, of course, about wage labour. The truth is rather: any given quantity of labour is = the same quantity of labour expressed in a product; or, each product is only a specific quantity of labour, objectified in the value of the product, which is measured with respect to other products by this quantity. Wages, however, express the value of living labour capacity, but in no way the *value* of living labour, which is expressed, rather, in wages + profit. Wages are the price of *necessary labour.* If the worker had to work 6 hours in order to live, and if he produced for himself as mere worker, then he would daily receive the commodity of 6 hours of labour, say 6d. Now the capitalist makes him work 12 hours, and pays him 6d. He pays him 1/2d. per hour, i.e. a given quantity of 12 hours of labour has the value of 12d., and 12d. is indeed the value for which the product exchanges, when it gets sold. On the other hand, the capitalist commands with this value, if he could re-invest it in mere labour, 24 hours. The wages command, therefore, a much greater quantity of labour than they consist of, and a given quantity of living labour actually exchanges for a much smaller one of accumulated labour. The only thing that is sure is that the price of labour, wages, must always express the quantity of labour which the labourers want in order to keep soul and body together. The wages of any quantity of labour must be equal to the quantity of labour which the labourer must expend upon his own reproduction. In the above instance a man would set to work two men for 12 hours each – together 24 hours – with the quantity of labour afforded by one man. In the case above, the product would be exchanged for another product with a value of 12d., or for 12 hours of labour, and this would be the source of its profit of 6d. (its surplus value for the capitalist). The value of products is determined by the labour contained in them, not by that part of the labour in them which the employer pays for. *The value of the product is constituted by labour done, including that not paid for;* but wages *only* express *paid labour,* never all labour *done.* The measure of this payment itself depends on the productivity of labour, for the latter determines the amount of necessary labour time. And since these wages constitute the *value of labour* (labour itself posited as commodity), this value is constantly variable, and is the opposite of constant. The amount of labour which the worker works is very different from the amount of labour that is worked up into his labour capacity, or which is required to reproduce his labour capacity. But he does not sell as commodity the use made of him, he sells himself not as cause but as effect. Let us listen how Mr Malthus exerts himself to get the matter clear:

'The conditions of the supply of commodities do not require that they should retain always the same relative values, but that each should retain its proper *natural* value, or the means of obtaining those objects which will continue to the producer *the same power of production* AND accumulation … profits are calculated upon the advances necessary to production … *the specific advances of capitalists do not consist of cloth, but of labour;* AND *as no other object whatever can represent a given quantity of labour,* it is clear that it is the *quantity of labour which a commodity will command,* and not the quantity of any other commodity, which can represent the condition of its supply, or its *natural value.'* (17, 18.) (IX, 29.) Already, from the fact that the capitalist's *advances* consist of *labour,* Malthus could have seen that the matter has not become clear. Posit that the necessary labour time is 6 hours; also A, B, two men each of whom works for himself but who exchange with one another. Let A work 6 hours, B 12 hours. Now if A wants to eat up the 6 extra hours worked by B, if he wants to consume the product of B's 6 surplus hours, there is nothing he can give him other than 6 hours of living labour, say the next day. B now has a product of 6 hours of labour more than A. Now posit that under these circumstances he begins to fancy himself a capitalist and stops working altogether. Then on the third day, the only thing he could give in exchange for A's 6 hours is his own accumulated product of 6 hours, and, as soon as this exchange was accomplished, he would have to begin working again himself, or starve. But if he continues to work 12 hours for A, and A continues to work 6 hours for himself and 6 for B, then they exchange exactly 12 hours with one another. The *natural value* of the commodity, says Malthus, consists in its giving back to its possessor through exchange *the same power of production* AND *accumulation.* His commodity consists of 2 quantities of labour, one quantity of accumulated labour + one quantity of immediate labour. Thus if he exchanges his commodity for another which contains exactly the same total quantity of labour, then his power of production and accumulation has remained at least the same, equal. But it grew, because a part of the immediate labour has cost him *nothing,* while he sells it nevertheless. Yet Malthus comes to the conclusion that the quantity of labour of which the product consists is paid labour *only,* hence = to the sum of the wages, or, that *wages* are the measuring rod of the value of the commodity. If every amount of labour contained in the commodity were paid for, then Mr Malthus's doctrine would be correct, but it would be equally true that his capitalist would have no 'advances of labour' to make, and his 'powers of accumulation would become totally forfeited'. Where is the profit to come from, if no unpaid labour is performed? Well, thinks Mr Malthus, [from] the wages for accumulated labour. But since labour *done* has ceased to work, it also ceases to draw wages. True, the product in which it exists could now be again exchanged for living labour, but posit that this product = 6 hours of labour; then the worker would give 6 hours of living labour and would receive the advances, the capitalist's 6 hours of done labour, in return; so that the capitalist would not have budged a single step forward. Living labour would very soon be in possession of his dead labour. The reason Malthus gives, however, is that because 'no other object whatsoever can represent a given quantity of labour', the natural value of a commodity consists of 'the quantity of labour which a commodity will command, and not the quantity of any other commodity'. That means a given quantity of labour can be represented only by a quantity of living (immediate) labour. Not 'no other object whatsoever' but rather 'every object whatsoever' can represent a given quantity of labour, namely every object in which the same quantity of labour is contained. But Malthus wants the quantity of labour contained in the commodity to be measured by, to be equal to, not the *quantity of living labour* which it can set in motion, but the *quantity of paid labour* which it sets in motion. Posit that the commodity contains 24 hours of labour; he thinks, then, that the capitalist can buy 2 working days with it; and if the capitalist paid all of this labour, or if the quantity of labour done = the quantity of paid living labour, then he could buy *only* 24 hours of living labour with his 24 hours of done labour, and his 'powers of accumulation' would have gone to the wall. But the capitalist does not pay the worker the labour time, the amount of labour, but rather pays him only the necessary labour, while forcing him to work the rest free of charge. Thus, with the 24 hours of done labour he may perhaps set 48 hours of living labour into motion. Thus he in fact pays 1 hour of done labour for 2 hours of living labour, and thus gains 100% on the exchange. The value of his commodity now = 48 hours, but is in no way equal to the wages exchanged for them, nor equal to the wages for which it then in turn exchanges. If he continues in the same way, his 48 hours of done labour will buy 96 hours of living labour.

Posit that no capitalists exist at all, but that the independent and mutually exchanging workers worked more than necessary to live, because they want to accumulate too, etc. Call that part of the work which the worker does in order to live, *wages;* and the surplus time he works in order to accumulate, *profit.* Then the value of his commodity would be = to the total amount of labour contained in it, = to the total sum of living labour time; but in no way = to the wages he paid himself, or equal to the part of the commodity which he would have to reproduce in order to live. Because the value of a commodity = a specific quantity of labour, Malthus says it is = to the quantity of necessary labour (i.e. wages) contained in it, and not = to the total sum of labour contained in it; its totality is = to a fraction of it. But the worker's 'powers of accumulation' evidently would arise only because he has worked more than necessary to pay himself his wages. If a specific quantity of living labour time were = to the time required for the worker to live, then a specific quantity of living labour would be = to the wages which he produces, or the wages would be exactly equal to the living labour which they set in motion. If such were the case, capital would of course be impossible. If the worker, in the whole of his working time, can produce not a farthing more than his wages, then with the best of wills he cannot squeeze out a farthing for the capitalist. Property is the offspring of the productivity of labour. 'If one can produce only for one, everyone a worker; there can be no property. If one man's labour can maintain 5, there will be 4 idle men for 1 employed in production.' (Ravenstone.) [11] We saw above how Malthus's fantasizing profundity expressed itself in a purely childish kind of calculation. What lay behind this, by the way, was the doctrine that the value of labour was constant and that wages constituted price. Because the rate of profit on a total capital can be expressed as the same rate on the fraction of the capital made up by wages, he asserts that this fractional part constitutes and determines the price. Exactly the same *profundity* as here. If commodity A = an amount of x commodity, he thinks that this can mean nothing else than that it = x living labour, for only labour can represent labour. From this he concludes that commodity A = the amount of *wage labour* which it can command, and that therefore the value of labour is constant, because always = to the commodity by which it is set in motion. The nub of it is simply that the amount of living labour and the amount of wage labour are identical for him, and that he believes that every fractional part of wage labour is really paid for. But x living labour can be (and, as wage labour, always is) = $x - y$ necessary labour (wages) + y surplus labour. x dead labour can therefore set in motion $x - y$ necessary labour (wages) + y surplus labour time; i.e. it always sets in motion as many additional hours of living labour time as there are hours of surplus labour time over and above necessary labour time contained within x hours of labour.

Wage labour always consists of paid and unpaid labour.

The value of labour is constant, thus means nothing other than that all labour time is necessary, i.e. wage-producing labour time. There is no surplus labour time but – nevertheless – there are ‘powers of accumulation’ and capital. Since wages are always equal to a given quantity of labour, namely the quantity of living labour which they set in motion, and since this is the same quantity of labour contained in the wages, therefore the *value of labour* is constant, for it is always = to the quantity of objectified labour. The rise and fall in the price of commodities, not of the *value of labour.* If a worker gets 8s. silver per week or 16, this comes about only because the price of shillings has risen or fallen, but the value of labour has remained the same. In both cases he obtains a week of done labour for a week of living labour. Mr M. proves this as follows:

‘If labour alone, without capital, were employed in procuring the fruits of the earth, the greater facility of procuring one sort of them compared with another would not, it is acknowledged, alter the value of labour, or the exchangeable value of the whole produce obtained by a given quantity of exertion.’ [12]

This means nothing but that each of the commodities, regardless of their quantity, would be determined by the labour contained in it, despite the fact that, depending on the degree of its productivity, it would express itself in one case in more, in another in fewer, use values. ‘*We should, without hesitation, allow that the difference was in the cheapness or dearness of the produce, not of the labour.’* [13] We would say labour is more productive in one branch than in the other, or, alternatively, the product costs more or less labour. We could not speak of cheapness or dearness of labour, since no *wage labour* existed, and hence an hour of immediate labour would always command an hour of objectified labour, which would naturally not prevent one hour from being more productive than another. But still, to the extent that we distinguish the part of labour necessary for subsistence from the part that is surplus labour – and if any hours of the day are at all worked as surplus time, then it is the same as if every fractional part of labour time consisted of a part necessary and a part surplus labour – done by the immediate labourers, it could still not be said that the *value of labour,* i.e. *wages* (the part of the product exchanged for necessary labour, or the part of the total labour which is employed for the necessary product), are *constant.* The fractional part of labour time which reproduces wages would vary with productivity; thus, with the productivity of labour, the *value of labour,* i.e. wages, would constantly vary. Wages would be measured both before and after by a definite *use value,* and since the latter constantly varies in its exchange value depending on the productivity of labour, wages would change, or [in other words] the *value of labour. Value of labour* presupposes in principle that living labour is *not* equal to its product, or, what is the same, that it is sold not as an acting cause, but as itself a produced effect. 'The value of labour is constant' means nothing further than that it is constantly measured by the quantity of labour contained in it. A product may contain more or less labour. Therefore sometimes a greater, sometimes a lesser portion of product A may exchange for product B. But the quantity of living labour which the product buys can never be greater or smaller than the done labour which it represents, for a given quantity of labour is always a given quantity of labour, whether it exists in the form of objectified or in the form of living labour. Thus if more or less of a product is given for a specific quantity of living labour, i.e. if wages rise and fall, then this comes about not because the value of labour rose or fell, for the value of a specific quantity of labour is always equal to the same specific quantity of labour, but rather because the products have cost more or less labour, because a greater or lesser quantity of the products thus represents the same quantity of labour. *Thus the value of labour remains constant. Only the value of the products changes,* i.e. the productivity of labour changes, not its values. This is the pith of the theory of Malthus, if you can call such a shallow fallacy a theory. First of all, a product which has cost only half a working day may suffice for me to live and work a whole day. Whether or not the product possesses this quality depends not on its *value,* i.e. the labour time bestowed on it, but rather on its *use value,* and the exchange which takes place in this regard between living labour and the product of labour is not an exchange between both as use values, but rather their relation lies on the one side in the use value of the product, on the other side in the conditions of the existence of living labour capacity. Now, if objectified labour were exchanged for living labour, then according to the laws of exchange value the product which = half a day of work could only buy half a day of living labour, even though the worker could live from it for a whole day of work; and if his entire working day were to be bought, then he would have to obtain a whole working day in the product, with which, according to the assumption, he could live for two working days. But on the basis of capital, living labour and done labour do not exchange with one another as exchange values, as identical quantities: the same quantity of labour in objectified form as *value* being equivalent to the same quantity of labour in living form. Rather, what is exchanged is a product, and labour capacity, which is itself a product. Labour capacity is not = to the living labour which it can do, = to the quantity of labour which it can get done – this is its *use value.* It is equal to the quantity of labour by means of which *it must itself be produced* and can be reproduced. The product is thus in fact exchanged not for living labour, but for objectified labour, labour objectified in labour capacity. Living labour itself is a use value possessed by the exchange value [, labour capacity,] which the possessor of the product [, the capitalist,] has acquired in trade, and whether he has acquired less or more of this living labour than he has spent in the form of the product [, wages,] for labour capacity depends on the amount of living labour paid to the worker in the product. If an amount of labour were exchanged for an amount of labour, regardless of whether it were living or objectified, then of course every amount of labour would be equal to itself and its value equal to its amount. The product of half a working day thus could buy only half a working day. But then in fact no *wages* would exist, and no *value of labour.* Labour would have no *value distinct* from that of its product or the equivalent of its product, no *specific* value, and it is precisely the latter which constitutes the *value of labour,* wages.

From the fact, therefore, that a specific quantity of labour = a specific quantity of labour, or also that a specific quantity = itself, from the great discovery that a specific quantity is a specific quantity, Mr Malthus concludes that wages are constant, that the value of labour is constant, namely = to the same amount of labour objectified. This *would be* correct if living labour and stored-up labour were exchanged for one another as *exchange values.* But then there would exist neither *value of labour,* nor *wages,* nor *capital,* nor *wage labour,* nor Malthus's inquiries. All of these are based on the fact that living labour appears as a *use value* and living labour capacity as an *exchange value* opposite the labour stored up in capital. Malthus calmly proceeds: '*The same holds* if *capital and profits enter into the computation of value and the demand for labour varies.'* [14] Here we have the whole profundity. As soon as capital and profits are introduced, living labour capacity begins to be bought, and therefore a smaller portion of stored-up labour is exchanged for a larger portion of living labour. It is a general characteristic of this profundity that the entry of capital, which posits wage labour and which for the first time transforms labour into wage labour and labour capacity into a commodity, introduces no *change* whatever, either into the realization of labour or into the realization of stored-up labour. *Capital, a specific form of the relation of labour to its product and to its value, is, according to Malthus, 'entering' without changing anything.* It is just as if he allowed of no change in the constitution of the Roman Republic other than the introduction, the 'entering of emperors'. He continues: 'If an increased reward of the labourers takes place without an increase in the produce, this is possible only with a fall of profits ... To obtain any given portion of the produce the same quantity of labour is necessary as before, but profit being diminished, the value of the produce is decreased; while this diminution of profits in reference to the value of wages is just counterbalanced by the increased quantity of labour necessary to procure the increased produce awarded to the labourer, leaving the value of labour the same as before.' (p. 33, 34 loc. cit. Notebook IX, 29.) According to the presupposition, the product contains the same quantity of labour. But its value is supposed to have diminished because profits have fallen. However, if the labour time contained in the product has remained the same, how can profits fall? If wages rise while total labour time remains the same – not for momentary causes such as e.g. that competition has become favourable for the workers – then this means nothing other than that the productivity of labour has fallen, that a greater amount of time is necessary to reproduce labour capacity; that, therefore, a larger part of the living labour set in motion by capital falls to necessary labour and a smaller part to surplus labour. Let us leave these trivia for later. Only the following final quotation now for the sake of completeness: ‘Inversely in the opposite case. A smaller quantity of the produce would be awarded to the labourer and profits would rise. A given quantity of produce, which had been obtained by the same quantity of labour as before, would rise in value on account of the rise of profits; while this rise of profits, in reference to the wages of the labourer, would be balanced by the smaller quantity of labour necessary to obtain the diminished produce awarded to the labourer.’ (M. p. 35) (loc. cit. IX, 29.) What he says on this occasion about *money prices in different countries,* proceeding from his principles, to be looked at later. <For example, commodity A can buy one working day; it pays only a half (the necessary half), but it exchanges for the whole. The amount of the total labour purchased by the commodity is then equal to necessary + surplus time. Thus if I know the price of necessary labour = *x,* then the price of the whole labour = 2*x*, and I could in this way appraise the newly created commodity in terms of wages, and thus establish the prices of all commodities in wages. But this would indeed be anything but a *constant value.* Through the confusion that in civilized countries an average time must indeed be worked for wages, say 12 hours, regardless of the wages and regardless of how many of these 12 hours are necessary or surplus labour time, Mr Carey as well – who reduces the amount of labour to working days (and indeed they can be reduced to living work days) – is led to make the assertion that, because the same capital costs constantly less labour time to reproduce, a machine of £100 will, for example, cost after a time only £50 owing to the growth of the productive forces, and hence will be the result of half as much labour time, working days or hours, whichever you like. From this Mr Carey concludes that *the worker* can buy, can obtain *this machine,* with half as many working days as before. [15] He commits the little mistake of regarding the growth of surplus labour time as if it had been gained *for* the worker, whereas the whole matter comes down to just the opposite, namely that the worker spends less of his whole working day working for himself, and more for capital, hence that the objective power of capital grows rapidly over against him, in a specific relation with the increase of the productive forces. Mr Carey lets the worker buy or borrow the machine; in

short, he transforms him into a capitalist. And he is supposed to achieve this increased power over capital precisely because the reproduction of a specific quantity of capital costs less necessary labour, i.e. less paid labour, thus wages fall in relation to profit. In America, as long as the worker there still appropriates a part of his surplus labour for himself, he may accumulate enough to become e.g. a farmer etc. (although that too is already coming to a halt now). In places where wage labour in America can still get somewhere rapidly, this happens through the reproduction of earlier modes of production and property on the foundation of capital (e.g. the independent peasantry). In short, he regards the working days as working days belonging to the worker, and *instead of concluding that he has to produce more capital in order to be employed for the same labour time, he concludes that he has to work less in order to buy the capital* (to appropriate the conditions of production for himself). [16] If he produced 20 machines and can now produce 40 owing to increased productivity, then indeed the single machine becomes cheaper, but, because a smaller part of the working day is necessary in order to produce a given quantity of it, it does not follow that the product of the working day rose for the worker, but rather the reverse, that less living labour is employed for the production of a given quantity of machinery. By the way, Mr Carey, whose aim is *harmony,* himself finds that if the rate of profit declines, then the gross profit rises, because an ever larger capital is required in proportion to employed living labour, and it *therefore* becomes ever more impossible for the worker to appropriate the necessary sum of capital, the minimum of capital required for the productive employment of labour at the new stage of production. A fractional part of the capital requires less labour time for its reproduction, but a larger mass of capital is required in order to realize the lesser labour time. The growth of the productive forces expresses itself in a continuous decline of the part of capital consisting of labour compared with that laid out in advances, machinery etc. Carey’s entire bad joke, which was of course grist to Bastiat’s mill, rests on his transformation of the labour time or working days necessary for production into labour time *belonging* to the worker, whereas this time belongs in fact to capital, and an ever smaller portion of it remains for the worker in proportion to the growth in the productive force of labour. *The less living labour time a given capital has to buy* – or, the greater the total sum of the capital and the less the living labour employed by it relative to its size – the greater, according to Mr Carey, the chance for the worker to become owner of capital, *because* capital is *reproduced by less living labour.* The greater the capital and the smaller the number of workers it employs, relatively, the greater the chance these workers have of becoming capitalists, for has not capital now been reproduced with fewer working days? Cannot it *therefore* also be bought, gained with fewer working days? Take a capital of £100, employing 50 on advances, 50 on labour, and making 50% profit, for the decline of the rate of profit is Carey's chief hobby horse and belongs with his theory. Let each £ in wages be equal to 1 working day = 1 worker. Now take another capital of £16,000, which uses 14,500 in advances, 1,500 in wages (let this also = 1,500 workers) and makes only 20% profit. In the first case the product = 150; in the second (for convenient calculation's sake let the fixed capital turn over in one year) = 19,200 (3,200 profit). Here we have the most advantageous case for Mr Carey. The rate of profit has declined from 50% to 20, i.e. by 3/5 or by 60%. In the one case, a product of 50 is the result of 50 living work days. In the other case, a product of 3,200 by 1,500 workers. In the first case the result of 1 working day a product of 1; in the second the result of 1 working day a product of 2 2/15. In the second case less than half the labour time is necessary to produce a value of 1 as in the first. Now, does this mean that in the second case half the worker's day produces 1/15 for himself, while the other produces only 1 in twice the time, i.e. that he is on the high road to becoming a capitalist? He would first have to acquire a capital of £16,000, and buy alien labour instead of working himself, before this decrease in necessary labour time would aid him in the least. All it has done this way is created an infinite gap between his labour and *the conditions of* its employment, and decreased the rate of *necessary labour,* thus, in proportion to the first relation, thrown more than 6 times as many workers into the street. These workers thrown into the street are now supposed to console themselves with the thought that if they had the conditions to work independently, or rather to work as capitalists, then they themselves would have to hire fewer workers. In the first case the entire capital necessary is £100, and there is more of a chance here for the individual worker in an exceptional case to save up enough, and, with a special combination of luck, himself become a *capitalist* at the same level as capitalist A. The labour time which the worker works is the same with A and B, although the total sum of working days needed by the capitalists is essentially different. For every 6 workers needed by the first capitalist, the second needs not quite 1. The remainder therefore have to work just as much and more surplus time. That capital needs fewer living work days at the stage of production to which it has risen along with the forces of production is the same thing, according to Carey, as that the worker needs fewer working days to appropriate capital for himself; probably with the working days of the un-'occupied' workers.> Because the capitalist needs fewer workers to realize his immense capital, the worker employed by him can, with less labour, make the greater capital his own. Such is the logic of Mr Carey, the harmonizer.

In connection with Ricardo's theory, Wakefield says (Notebook VII, p. 74) loc. cit. p. 231 note:

'Treating labour as a commodity, and capital, the produce of labour, as another, then, if the value of these two commodities were regulated by equal quantities of labour, a given amount of labour would, under all circumstances, exchange for that quantity of capital which had been produced by the same amount of labour; *antecedent* labour would always exchange for the same amount as *present* labour … But the value of labour, in relation to other commodities, in so far, at least, as wages depend upon share, is determined, not by equal quantities of labour, but by the proportion between supply and demand.' [17]

Dormant capital. Increase of production without previous increase of capital. *Bailey*

<Bailey: *Money and its Vicissitudes in Value etc.,* London, 1837 (Notebook V, p. 26 seq.), has remarks about *dormant capital* which can be set in motion through faster circulation (according to him, through a greater volume of currency; he should have said *money)* and tries to demonstrate that if capital were always fully employed in a country, then no increase of demand could bring about an increase of supply. The concept of *dormant capital* belongs within circulation, since capital which is not in circulation is asleep. The relevant quotations are: 'Much capital and productive skill may exist in an inert

state. Those economists are wrong who believe that the number of labourers and the quantity of capital are certain definitive powers who ought inevitably to produce a determinate result in any country where they exist.' (p. 54.) 'Far from the amount of commodities which the existing producers and the existing capital bring to market, being fixed and determined, it is subject to a wide range of variation.' (p. 55.) Thus 'not essential to an increase of production that new capital or new labourers should arise' (e.g. in a country where there is a want of precious metals) ... 'Some commodities or, what is the same, the *power to produce them,* may be in excess at one place, other commodities at another place likewise, and the holder of each wishing to exchange their articles for those held by the other, but kept in a state of non-intercourse for want of a common medium of exchange, and in a state of inaction because they have no motive for production.' (55, 56.) In the circulation of capital, money appears doubly, as the transformation of capital into money as well as realization of the price of the commodity; but here this positing of prices is not a formality. The transformation of the product into money is here the retransformation of capital into *value* as such, independently existing value; capital as money or money as realized capital. Secondly, in the role of mere medium of circulation; this is where it serves merely to retransform capital into the conditions of production. In this second moment, a definite amount of money has to be present at once in the form of wages, as medium of circulation, means of payment. Now the fact that money plays this double role in the circulation of capital makes it appear in all crises as if money were lacking as medium of circulation, whereas capital lacks *value* and hence cannot *monetize* itself. The mass of circulating money may even increase at the same time. A particular section must be made for the new aspects of money when posited as moment of the circulation of capital, partly as the medium of its circulation, partly as *capital's realized value,* as itself *capital;* when we speak of interest etc.> <Bailey continues: 'The labour made active by no means depends on a country's available capital alone. It depends on whether food, tools and raw materials are distributed slowly or rapidly to those parts where it is wanted; whether it circulates with difficulty or not, whether it exists for long intervals in inert masses, and so as a result does not furnish sufficient employment to the population.' (56, 57.) (Gallatin's example, loc. cit. 68, of the western counties of Pennsylvania.) [18] 'Political

economists are inclined to regard a given quantity of capital and a given number of workers as production instruments of a uniform power or operating with a certain uniform intensity … The producer who employs a certain capital may have his products on hand a long time or a short, and while he waits for the occasion to exchange them, his power of producing is stopped or retarded, so that in a given period, such as one year e.g., he may produce only half of what he would, had a prompt demand been present. This remark is equally appropriate to the labourer who is his instrument. The adjustment of the various occupations of men in society to each other must, at least imperfectly, be effected. But there is a wide distance between the stages in which it is realized – every expedient that facilitates traffic is a step towards this adjustment. The more unimpeded and easy the interchange of commodities becomes, the shorter will be those unproductive intervals, in which men, eager for work, seem separated by an impassable barrier from the capital … which, although close at hand, is condemned to barren inertness.' (p. 59–60.) 'General principle, that a new demand will be met by fresh exertions; by the active employment of capital and labour before dormant, and not by the diversion of productive power from other objects. The latter possible only if the employment of capital and labour in a country were capable of no further growth. The exportation of the goods perhaps does not directly set new labour in motion, but it does then absorb commodities on hand as dead stock, and sets at liberty capital tied up in an unproductive state.' (p. 65.) 'Those who assert that an influx of money cannot promote the production of other commodities, since these commodities are the sole agents of production, prove that production cannot be enlarged at all, for it is required for such an enlargement that food, raw materials, and tools should be previously augmented, which in fact is maintaining *that no increase of production can take place without a previous increase'* (but is this not the economic theory of accumulation?) 'or in other words, that an increase is impossible.' (p. 70.) 'Now it is admittedly argued that if the buyer goes to market with an increased quantity of money and if he does not raise the prices of the commodities he finds there, then he gives no additional encouragement to production: if he raises the prices, however, then if prices are proportionally enhanced, the purchasers have no greater power of demand than before.' (73.) 'It is to be denied as a general principle that a purchaser cannot give additional encouragement to production, *unless his demand raise prices ...* Apart from the circumstance that the preparation of a larger quantity admits of a more effective division of labour and the employment of superior machinery, there is in this matter that sort of latitude, arising from a quantity of labour and capital lying unemployed, *and ready to furnish additional commodities at the same rate.* Thus does it happen that a considerable increase of demand often takes place without raising prices.'(73.)>

Wade's *explanation of capital.* [19] *Labour as mere agency of capital.* Capital, collective force. *Civilization, together with my remarks about it. (All social powers of labour as powers of capital. Manufacture. Industry.* Division of labour. *Formal unification of different branches of labour etc. by capital. Accumulation of capital. Transformation of money into capital. Science. Original accumulation and concentration the same. Free and coerced association. Capital as distinct from earlier forms)*

<John Wade: *History of the Middle and Working Classes* etc., 3rd ed., Lond., 1835 (Notebook p. 20) says: 'Labour is the agency by which capital is made *productive of wages, profit, or revenue.*' (p. 161.) 'Capital is stored up industry, provided to develop itself in new and equivalent forms; it is *collective force.*' (p. 162.) 'Capital is only another name for *civilization.*' (164.) Like all productive powers of labour, i.e. those which determine the degree of its intensity and hence of its extensive realization, the association of the workers – the cooperation and division of labour as fundamental conditions of the productivity of labour – appears as the *productive power of capital.* The collective power of labour, its character as social labour, is therefore the *collective power* of capital. Likewise *science.* Likewise the division of labour, as it appears as division of the occupations and of exchange corresponding to them. All social powers of production are productive powers of capital, and it appears as itself their subject. The association of the workers, as it appears in the factory, is therefore not posited by them but by capital. Their combination is not *their* being, but the *being* [*Dasein*] of capital. *Vis-à-vis* the individual

worker, the combination appears accidental. He relates to his own combination and cooperation with other workers as *alien,* as modes of capital's effectiveness. Unless it appears in an inadequate form – e.g. small, self-employed capital – capital already, at a certain greater or lesser stage, presupposes concentration both in objective form, i.e. as concentration in one hand, which here still coincides with accumulation, of the necessaries of life, of raw material and instruments, or, in a word, of money as the general form of wealth; and on the other side, in subjective form, the accumulation of labour powers and their concentration at a single point under the command of the capitalist. There cannot be one capitalist for every worker, but rather there has to be a certain quantity of workers per capitalist, not like one or two journeymen per master. Productive capital, or the mode of production corresponding to capital, can be present in only two forms: manufacture and large-scale industry. In the former, the division of labour is predominant; in the second, the combination of labour powers (with a regular mode of work) and the employment of scientific power, where the combination and, so to speak, the communal spirit of labour is transferred to the machine etc. In the first situation the mass of (accumulated) workers must be large in relation to the amount of capital; in the second the fixed capital must be large in relation to the number of the many cooperating workers. But the concentration of many, and their distribution among the machinery as so many cogs (why it is different in agriculture does not belong here), is, however, already presupposed here. Case II therefore does not need to be specially examined here, but only case I. The development proper to manufacture is the *division of labour.* But this presupposes the (preliminary) gathering-together of many workers under a single command, just as the *process through which money becomes capital presupposes the previous liberation of a certain amount of necessaries of life, raw materials and instruments of labour.* The division of labour is therefore also to be abstracted away here as a later moment. Certain branches of industry, e.g. mining, already presuppose cooperation from the beginning. Thus, so long as capital does not exist, this labour takes place as forced labour (serf or slave labour) under an overseer. Likewise road building etc. In order to take over these works, capital does not create but rather takes over the accumulation and concentration of workers. Nor is this in question.

The simplest form, a form independent of the division of labour, is that capital employs different hand weavers, spinners etc. who live independently and are dispersed over the land. (This form still exists alongside industry.) *Here, then, the mode of production is not yet determined by capital, but rather found on hand by it.* The point of unity of all these scattered workers lies only in their mutual relation with capital, which accumulates the product of their production in its hands and, likewise, the surplus values which they created above and beyond their own revenue. The coordination of their work exists only *in itself,* in so far as each of them works for capital – hence possesses a centre in it – without working together. Their unification by capital is thus merely *formal,* and concerns only the product of labour, not labour itself. Instead of exchanging with many, they exchange only with the one capitalist. This is therefore a *concentration of exchanges* by capital. Capital engages in *exchange* not as an individual, but as representing the consumption and the needs of many. It *no longer exchanges* as individual exchanger, but rather, in the act of exchange, represents society. *Collective exchange* and *concentrative exchange* on the part of capital with the scattered working weavers etc., whose products are collected, united through this exchange, and whose labours are thereby also united, although they proceed independently of one another. The unification of their labours appears as a particular act, alongside which the independent fragmentation of their labours continues. This is the *first condition* necessary for *money* to be exchanged as capital for free labour. The second is the suspension of the independent fragmentation of these many workers., so that the *individual capital* no longer appears towards them merely as *social collective power in the act of exchange,* uniting many exchanges, but rather gathers them in one spot under its command, into one manufactory, and no longer leaves them in the *mode of production found already in existence,* establishing its power on that basis, but rather creates a mode of production corresponding to itself, as its basis. It posits the *concentration* of the workers in production, a unification which will occur initially only in a common location, under overseers, *regimentation, greater discipline, regularity and the* POSITED *dependence in production itself on capital.* Certain *faux frais de production* are thereby saved from the outset. (On this whole process compare Gaskell, where special regard is had to the development of large industry in England.) [20] Now capital appears as the collective force of the workers, their social force, as well as that which ties them together, and hence as the unity which creates this force. Afterwards as before, and at every stage of the development of capital, this all continues to be mediated through the many exchanging with it as the one, so that exchange itself is concentrated in it; the social character of exchange; it exchanges socially with the workers, but they individually with it. With craft production, the main concern is the quality of the product and the particular skill of the individual worker; the master, as master, is supposed to have achieved mastery in this skill. His position as master rests not only on his ownership of the conditions of production, but also on his own skill in the particular work. With the production of capital, and from the very outset, the point is not this half-artistic relation to labour – which corresponds generally with the development of the use value of labour, the development of particular abilities of direct manual work, the formation of the human hand etc. The point from the outset is mass, because the point is exchange value and surplus value. The principle of developed capital is precisely to make special skill superfluous, and to make manual work, directly physical labour, generally superfluous both as skill and as muscular exertion; to transfer skill, rather, into the dead forces of nature. Now, with the presupposition of the rise of manufacture as the rise of the mode of production of capital (slaves are combined in themselves, because under a single master), it is presupposed that the productive force of labour, still to be brought to life by capital, does not yet exist. It is a presupposition, therefore, that necessary labour still takes up a great portion of the entire available labour time in manufacture, hence that surplus labour per individual worker is still relatively small. Now, this is compensated on one side, and the progress of manufactures is correspondingly accelerated, by the fact that the rate of profit is higher, hence that capital accumulates more rapidly in relation to its already existing amount, than it does in big industry. If out of 100 thalers 50 go for labour and surplus time = 1/5, then the value created = 110 or 10%. If out of 100 only 20 went for labour and surplus time = 1/4, then the value created = 105 or 5%. On the other side, manufacture obtains this higher profit rate only through the employment of many workers at once. The greater surplus time can be gained only by collecting together the surplus time of many workers in relation to capital. Absolute, not relative surplus time predominates in manufacture. This is even more the case originally where the scattered, independent workers still realize a part of their own surplus labour for themselves. For capital to exist as capital, to be able to live off profit, as well as to accumulate, its gain must = the sum of the surplus time of many simultaneous living work days. In agriculture, the soil itself with its chemical etc. action is already a machine which makes direct labour more productive, and hence gives a surplus *earlier,* because work is done here at an *earlier* stage with a machine, namely a *natural* one. This the only correct basis of the doctrine of the Physiocrats, which in this respect considers agriculture in comparison with a still quite undeveloped system of manufacture. If the capitalist employed one worker in order to live from that one's surplus time, then he would obviously gain doubly if he himself also worked, with his own funds, for then he would gain, in addition to the surplus time, the wage paid the worker. He would lose in the process. I.e. he would not yet be in the situation of working as a capitalist, or the worker would only be his helper, and thus he would not stand in relation to him as capital.

Thus, in order that money may become transformed into capital, it is necessary not only that it should be able to set surplus labour in motion, but also that there should be a *certain quantity of surplus labour,* the surplus labour of a given mass of necessary labour, i.e. of *many workers* at once, so that their combined sum is sufficient for it not only to lead an existence as *capital,* i.e. to represent wealth in consumption in contrast to the worker's life, but also to set aside surplus labour for accumulation. From the outset, capital does not produce for use value, for immediate subsistence. Surplus labour must therefore be large enough from the beginning to allow a part of it to be re-employed as capital. Thus, whenever the stage is reached where a certain mass of social wealth is already concentrated in one hand, which is objectively capable of appearing as capital, first as the exchange with many workers, later as production by many workers in combination, and is capable of setting a certain quantity of living labour capacities to work simultaneously, then, at that point, production by capital begins, which thus from the outset appears as the *collective force,* the social force, the suspension of individual isolation, first that of exchange with the workers, then that of the workers themselves. The workers' individual isolation still implies their relative independence. Hence their regroupment around the individual capital as the exclusive base of their subsistence implies full dependence on capital, complete dissolution of the ties between the workers and the conditions of production. The result will be the same – or it is the same in another form – when the point of departure is the particular form of exchange which is presupposed for capital to exchange as capital, where money must already *represent many exchangers* or possess a *buying power* surpassing that of the individual and his individual surplus, one which, while belonging to an individual, is already more than individual, and belongs to him as a social function, in his capacity as representative, within exchange, of the social wealth – and it arises on the other side from the conditions of *free labour.* The detachment of the individual from the production conditions of labour = the regroupment of many around one capital. *>

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* Merchant capital also from the outset the concentration of many exchanges in one hand. It already represents a mass of exchangers both as M and as C.

'This continual progression of knowledge and of experience,' says Babbage, 'is our great power.' [21] This progression, this social progress belongs [to] and is exploited by capital. All earlier forms of property condemn the greater part of humanity, the slaves, to be pure instruments of labour. Historical development, political development, art, science etc. take place in higher circles over their heads. But only capital has subjugated historical progress to the service of wealth.

<Before accumulation by capital, there is presupposed an accumulation which constitutes capital, which is a part of its conceptual determination; we can hardly call it *concentration* yet, because this takes place in distinction to many capitals; but if one still speaks only of capital *generally,* then concentration still coincides with accumulation or with the concept of capital. I.e. it does not yet form a particular aspect. However, capital does indeed exist from the outset as One or Unity as opposed to the workers as Many. And it thus appears as the concentration of workers as distinct from that of work, as a unity falling outside them. In this respect, concentration is contained in the concept of capital – the concentration of many living labour capacities for one purpose;

a concentration which does not in any way need to have been established in production, or penetrated production, at the origin. Centralizing effect of capital on labour capacities, or positing of itself as the independent and external unity of these many available existences.>

<Rossi says in his *Cours d’économie politique* [22] (Notebook, p. 26): ‘Social progress cannot consist in the dissolution of all association, but in the replacement of the forced and oppressive associations of times past by voluntary and equitable associations. The highest degree of isolation is the condition of the savage; the highest degree of forced, oppressive association is barbarism. Apart from these extremes, history shows us a great diversity of varieties and shadings. Perfection is found in voluntary associations, which by their union multiply the forces, without taking away the energy, the morality and the responsibility of individual authority.’ (p. 354.) Under capital, the *association* of workers is not compelled through direct physical force, forced labour, statute labour, slave labour; it is compelled by the fact that the conditions of production are alien property and are themselves present as *objective association,* which is the same as accumulation and concentration of the conditions of production.>

Rossi. *What is capital? Is raw material capital? Wages necessary for it? (Approvisionnement, capital?)*

<The way of conceiving capital in its physical attribute only, as instrument of production, while entirely ignoring the economic form which makes the instrument of production into capital, entangles the economists in all manner of difficulties. Thus Rossi asks, loc. cit. (Notebook, 27): ‘Is the raw material truly an instrument of production? Is it not rather the object on which the productive instruments must act?’ (p. 367.) Thus capital is entirely identical for him here with the instrument of production in the technological sense, according to which every savage is a capitalist. (Which Mr Torrens in fact asserts in the case of the savage who throws a *stone* at a bird.) [23] Incidentally, even from the standpoint of the purely physical abstraction – i.e. of abstraction from the economic category itself – Rossi’s remark is one-sided and shows only that he has not understood his teachers in England. Accumulated labour used as

instrument for new production; or produce pure and simple applied to production; the raw material is employed for production, i.e. submitted to transformation, just as well as the instrument, which is also a product. *The finished result of production in turn becomes a moment of the production process.* The statement means nothing more than that. Within the production process it may figure as raw material or as instrument. But it is an instrument of production not in so far as it serves as an instrument within the direct production process, but rather in so far as it is a means of the renewal of the production process itself – one of its presuppositions. More important and more to the point is the question whether the *approvisionnement* forms a part of capital, i.e. wages, and here the entire confusion of the economists is revealed. ‘It is said that the worker’s payment is capital, because the capitalist advances it him. If all workers’ families had enough to live for a year, there would be no wages. The worker could say to the capitalist: you advance the capital for our common project, and I contribute the labour; the product will be divided among us in such-and-such proportions. As soon as it is realized, each will take his share.’ (p. 369.) ‘Then there would be no advance to the workers. They would nevertheless consume even if the work stood still. What they would consume would belong to the consumption fund, and not at all to capital. Therefore: the advances to the workers are not necessary. *Hence wages is not a constituent element of production. It is an accident, a form of our state of society.* Capital, labour, land, by contrast, are necessary in order to produce. *Secondly*: the word wages is used in a double sense: one says that wages are a capital, but what do wages represent? Labour. He who says wages says labour and vice versa. Thus if the wages advanced are a component of capital, then there would be only two instruments of production to speak of: capital and land.’ (p. 370.) And further: *‘Basically the worker consumes not the capitalist’s possessions but his own; what is given to him as reward of labour is his proportional share of the product.’* (p. 370.) ‘The capitalist’s contract with *the worker is not among the phenomena of production …* The entrepreneur lends himself to this agreement, since it may facilitate production. But this agreement is nothing but a *second operation,* an operation of a quite different nature, grafted onto a productive operation. *In another organization of labour it may disappear.* Even today there are kinds of production where it has no place. The part of the fund which the entrepreneur devotes to the payment of wages does not make up a part of capital … It is a separate operation, which undoubtedly may speed the course of production, but which cannot be termed a *direct* instrument of production.' (370.) 'To conceive labour power, while abstracting from the workers' means of subsistence during production, is to conceive a being existing only in the mind. He who says labour, who says labour power, thereby says worker and means of subsistence, labourer and wages … *the same element reappears under the name of capital; as if the same thing could be simultaneously part of two different instruments of production.'* (370, 371.) Now here there is a great deal of confusion, legitimate because Rossi takes the economists at their word and equates the *instrument of production* as such with capital. First of all he is quite right that wage labour is not an absolute form of labour, but he forgets in the process that capital is not an absolute form of the means and materials of labour either, and that these two forms are two different moments of one and the same form, and hence rise and fall together; that it is nonsensical, therefore, for him to speak of capitalists without wage labourers. [Note] his example of the workers' families who can live for a year without the capitalists, hence are owners of their conditions of production, who perform their necessary labour without the permission of Mr Capitalist. The capitalist whom Rossi has approaching the workers with his proposal thus is no other than a producer of instruments of production – the solicitation means nothing more than a division of labour mediated through exchange with the outside. The two then divide up the common product among themselves even without any agreement – through simple exchange. The exchange is the act of division. A further agreement is not necessary. What these worker families would then exchange would be surplus labour, absolute or relative, made possible for them by the instrument – either new secondary labour in addition to their old labour, from which they could live year after year before the appearance of the c[apitalist], or through the application of the instrument in their old branch of work. Here Mr Rossi makes the worker the owner and vendor of his surplus labour, and has thereby happily extinguished the last trace which might brand him a wage labourer, but has also thereby wiped out the last trace which makes the instrument of production into capital. It is true that the worker 'basically does not consume the capitalist's possessions, but his own', but not exactly as Mr Rossi means, because it is only a *proportional* part of *the* product, but rather because it is a *proportional* part of *his* product, and because, if the semblance of exchange is stripped away, the payment consists of the fact that he works a part of the day for himself and another part for the capitalist, but *only so long as he obtains permission to work at all,* as his work permits this division. The *act of exchange* itself, as we have seen, is not a moment of the direct production process, but rather one of its conditions. Within the total production process of capital, which includes the different moments of its exchanges, its circulation, this exchange is, however, posited as a moment of the total process. But, says Rossi: wages appear twice in the account: once as capital, the other time as labour; thus the wage represents two distinct instruments of production. If the wage represents the instrument of production which is labour, then it cannot represent the instrument of production which is capital. Here another muddle, arising because Rossi takes the orthodox economic distinctions seriously. Wages figure only once in production, as a fund destined to be transformed into wages, as *virtual* wages. As soon as they have become real wages, they are paid out, and then only figure in consumption as the worker's revenue. But what is exchanged for wages is labour capacity, and this does not figure in production at all, but only in the use made of it – *labour.* Labour appears as the instrument of the production of value because it is not paid for, hence not represented by wages. As the activity which creates use values, it likewise has nothing to do with itself as paid labour. In the hand of the worker, the wage is no longer a wage, but a consumption fund. It is wages only in the hand of the capitalist, i.e. the part of capital destined to be exchanged for labour capacity. It has reproduced a saleable labour capacity for the capitalist, so that in this regard even the worker's consumption takes place in the service of the capitalist. He does not pay for labour itself at all, only for labour capacity. This he can do, however, only if this capacity is set to work. If the wage appears twice, it is not because it represents two different instruments of production, but because it appears the first time from the viewpoint of production, the second time from the viewpoint of distribution. This specific form of distribution, however, is not an arbitrary arrangement which could be different; it is, rather, posited by the form of production itself, is only one of its own moments considered from another angle. The value of the machine certainly forms a part of the capital laid out in it; but the machine does not produce, as value, although it brings the manufacturer income. The wage does not represent labour as an instrument of production, any more than value represents the machine as instrument of production. It represents only labour capacity, and, since the latter's value exists separately from it as capital, a part of the capital. In so far as the capitalist appropriates *alien* labour and buys new alien *labour* with it, the wage – i.e. the representative of labour – does, if Mr Rossi wishes to put it this way, appear doubly, (1) as the property of capital, (2) as representative of labour. What actually worries Rossi is that the wage appears as the representative of *two instruments of production,* of *capital* and of *labour;* he forgets that labour as a productive force is incorporated in capital, and that, as *labour in esse,* not *in posse,* [24] it is in no way an *instrument of production* distinct from capital, but is, rather, that without which capital would not be an instrument of production. As for the distinction between wages as forming a part of capital and at the same time the worker's revenue, we will come to that in the section on profit, interest, with which we shall conclude this first chapter on capital.>

Malthus. Theory of value and of wages. (*Capital to do with proportion, labour only with portion. See my remarks on* surplus value *and* profit.) Ricardo's *theory. (Carey contra Ricardo.) Malthus: the wage [has] nothing to [do] with proportion. Malthus's theory of value*

<In connection with the above-mentioned work, *The Measure of Value* etc., Malthus returns to the theme again in his *Definitions in Political Economy* etc., London, 1827. He remarks in the latter: 'No writer that I have met with, anterior to Mr Ricardo, ever used the term *wages* or real wages, as implying *proportions.* Profits, indeed, imply proportions; and the *rate of profits* had always justly been estimated by a *percentage upon the value of the advances.* But wages had uniformly been considered as rising and falling, not *according to any proportion* which they might bear to the whole produce obtained by a certain quantity of labour, but by the greater or smaller quantity

of any particular produce received by the labourer, or by the greater or smaller power which such produce would carry of commanding the necessaries and conveniences of life.' (M. 29, 30.) (Notebook X, p. 49.) The only value produced by capital in a given production is that added by the new amount of labour. This value, however, consists of necessary labour, which reproduces wages – the advances made by capital in the form of wages – and of surplus labour, hence surplus value above and beyond the necessary. The advances made in the form of material and machine are merely transposed from one form into another. The instrument passes into the product just as much as does the raw material, and its wearing-out is at the same time the product's formation. If raw material and instrument cost nothing, as in some extractive industries where they are still almost = 0 (the *raw material* always, in every extractive industry, metal and coal mining, fishing, hunting, lumbering in virgin forests etc.), then they also add absolutely nothing to the value of the production. Their value is the result of previous production, not of the immediate production in which they serve as instrument and material. *Surplus value* can therefore be estimated only in proportion to necessary labour. *Profits* is only a secondary, derivative and transformed form of the surplus value, the bourgeois form, in which the traces of its origin are extinguished. Ricardo himself never grasped this, because he (1) always speaks only of the division of an available, *ready* amount, not of the original positing of this difference; (2) because this understanding would have forced him to see that there is a relation between capital and labour which is entirely different from that of exchange; and he was not allowed the insight that the bourgeois system of equivalents turns into appropriation without equivalent and is based on that; (3) his statement about proportionate profits and wages means only that [if] a certain total value is divided into two portions, any quantity at all is divided in two, then the magnitude of the two parts is necessarily in inverse relation. [25] And then his school justly reduced the matter to this triviality. His aim in asserting the proportionality of wages and profits was not to get to the bottom of the creation of surplus value – for since he begins with the presupposition that a given value is to be divided between wages and profit, between labour and capital, he thereby presupposes this division as self-evident – but rather, firstly, it was to counter the common determination of prices by asserting the correct one, of value, in that he showed that the limit of value is itself not affected by its distribution, different division among profits and wages; *secondly*: to explain not the merely transitory, but rather the continuing decline in the rate of profit, which was inexplicable to him on the presupposition that a fixed portion of value goes to labour; *thirdly*: in explaining the decline of profit by the rise of wages, and the latter in turn by the rise in *value* of agricultural products, i.e. the rising difficulty of their production, thereby at the same time to explain *ground rent* as not being in conflict with his determination of value. This at the same time furnished a polemical weapon for industrial capital, against the exploitation of the progress of industry by landed property. But at the same time, driven by simple logic, he had thereby proclaimed the contradictory nature of profit, of labour and of capital, despite his efforts to convince the worker afterwards that this contradictory character of profit and wages does not influence his real income, and that a proportional (*not* absolute) rise of wages is *harmful* to him, because it hinders accumulation, and the development of industry then benefits only the lazy landowner. Still, the contradictory form had been proclaimed, and Carey, who does not understand Ricardo, could therefore abuse him as the father of the communists etc., where he is again right in a sense he himself does not understand. [26] But the other economists, who, like Malthus, want to have absolutely nothing to do with the proportional (and hence contradictory) nature of wages, *desire* on the one hand to hush up the contradiction; on the other hand they cling to the notion that the worker simply exchanges a specific use value, his labour capacity, for capital, and hence gives up the productive force, the power of labour to create new value, and that he *has nothing to do with the product,* and hence the exchange between capitalists and workers, wages, is concerned, like every simple exchange where economic *equivalents* are presupposed, only with *quantity,* the quantity of use value. As correct as this is in one regard, it also introduces the apparent form of barter, of exchange, so that when competition permits the worker to bargain and to argue with the capitalists, he measures his demands against the capitalists' profit and demands a certain share of the surplus value created by him; so that the *proportion* itself becomes a real moment of economic life itself. Further, in the struggle between the two classes – which necessarily arises with the development of the working class – the measurement of the distance between them, which, precisely, is expressed by wages itself as a proportion, becomes decisively important. The *semblance of exchange* vanishes in the course [*Prozess*] of the mode of production founded on capital. This course itself and its repetition posit what is the case in itself, namely that the worker receives as wages from the capitalist what is only a part of his own labour. This then also enters into the consciousness of the workers as well as of the capitalists. The *question for Ricardo is actually only what proportion of the total value do necessary wages form in the course of development?* It always remains only the *necessary wage;* hence its proportional nature does not interest the worker, who always obtains the same minimum, but only the capitalist, whose deductions from the total income vary, without the workers obtaining a greater amount of use values. But the fact that Ricardo formulated the contradictory nature of profit and wages, even if for quite different purposes, already shows by itself that the mode of production founded on capital had, by his time, taken on a form more and more adequate to its nature. In the cited *Definitions* (Notebook IX, p. 49, 50), Malthus remarks in regard to Ricardo's theory of value: 'Ricardo's assertion, that as the value of wages rises, profits proportionally fall and vice versa, is true only on the presupposition that commodities in which the same amount of labour is contained, are always of the same value, and this is true in 1 case out of 500, and necessarily so, because with the progress of civilization and improvement, the quantity of fixed capital employed steadily grows, and makes more various and unequal the times of the returns of the circulating capital.' (loc. cit. 31, 32.) (This concerns *prices,* not *value*.) Malthus remarks in connection with his own discovery of the true standard of value: '*Firstly*: I had nowhere seen it stated, that the ordinary *quantity of labour which a commodity will command* must represent and measure the *quantity of labour worked up in it, with the addition of profits* ... By representing the labour worked up in a commodity, with the addition of profits, labour represents the natural and necessary conditions of its supply, or the elementary costs of its production ... *Secondly*: I had nowhere seen it stated that, however the fertility of the soil might vary, the elementary costs of producing the wages of a given quantity of labour must always necessarily be the same.' (196, 197.) Means only: wages always equal to the labour time necessary for their production, which varies with the productivity of labour. The quantity of commodities remains the same. 'If one regards value as the general power of purchase of a commodity, then this relates to the purchase of all commodities, of the general mass of commodities. But this is quite unmanageable. ... Now, if any one [should] object, it cannot for a moment be denied that labour best represents an average of the general mass of productions.' (205.) 'A large class of commodities, like raw produce, rise with the progress of society, compared with labour, while the manufactured articles fall. Thus not far from truth to say that the average mass of commodities which a given quantity of labour will command in the same country, during the course of some century, may not very essentially vary.' (206.) 'Value must always be value in exchange for labour.' (224, note, loc. cit.) In other words, the doctrine is: the value of a commodity, the labour worked up in it, is represented by the living work days which it commands, for which it may be exchanged, and hence by *wages.* Living work days contain both time and surplus time. Let us do for Malthus the biggest favour we can do for him. Let us namely assume that the relation of surplus labour to necessary labour, hence the relation of wages to profit, always remains constant. To begin with, the fact that Mr Malthus speaks of the labour worked up in the commodity *with the addition of profits* already demonstrates his confusion, since these profits can form nothing other than a part of the labour worked up. What he has in mind with this *is profits above and beyond labour worked up, which* are supposed to come *out of fixed capital* etc. This can only affect the distribution of the total profit among the different shareholders, but not its total quantity, for if everyone obtained for his commodity the labour worked up in it + profits, then where would these latter come from, Mr Malthus? If one person obtains the labour worked up in his commodity + profit, then the other has to obtain labour worked up − profit, profit here regarded as the excess quantity of real surplus value. This is therefore null and void. Now posit that the labour worked up = 3 working days, and, if the proportion of surplus labour time is as 1:2, then these have been obtained in payment for 1 1/2 working days. The workers indeed worked 3 days, but each of them was paid only half a day. Or, the commodity which they obtain for their 3 days of labour had only 1 1/2 days worked up in it. Thus, all other relations being the same, the capitalist would obtain 6 working days for the 3 working days worked up in his commodity. (The matter is correct only because surplus labour time is posited as = to necessary labour time, hence in the second case *only* the first is repeated.) *(Relative surplus value obviously restricted not only by the relation cited earlier, but also by the degree to which the product enters into the worker's consumption.* If the capitalist could obtain twice the number of *cashmere shawls,* owing to an increase in the productive forces, and if he sold them at their *value,* then he would have created no relative surplus value because the workers do not consume such shawls, and thus the time necessary for the reproduction of their labour capacity would remain the same as before. But this not so in practice, because in such cases the price rises above the value. At this point in the theory it does not concern us yet because capital is here regarded in itself, not in a particular branch.) That means, he will pay the wages of 3 days and get 6 days of work; with each 1/2 day he buys a day; hence with 6/2 days, = 3 days, 6 days. To assert, then, that the working days a commodity commands, or the wages it pays, express its value is to understand absolutely nothing of the nature of capital and wage labour. It is the pith of all value-creation and of capital-creation that objectified working days command a greater number of living ones. It would have been correct if Malthus had said that the living labour time a commodity commands expresses the measure of its *realization,* the measure of the *surplus labour* it posits. But this would only be the tautology that it posits more labour to the extent that it posits more, or it would be the expression of the opposite of what Malthus wants, that surplus value arises because the living labour time a commodity commands never represents the labour worked up in it. (Now we have finally done with Malthus.)>

Aim of capitalist production value (money), not commodity, use value etc. Chalmers. [27] – *Economic cycle. – Circulation process.* Chalmers

<We have demonstrated above, in the development of the concept of capital, that it is value as such, *money,* which both preserves itself through circulation and also increases itself through exchange with living labour. That, hence, the aim of producing capital is *never use value,* but rather the general form of wealth as wealth. The cleric Th. Chalmers, in the otherwise in many respects ridiculous and repulsive work: *On Political Economy in Connection with the Moral State and Moral Prospects of Society,* 2nd. ed., Lond., 1832, has correctly struck upon this point, without at the same time falling into the asininity of types like Ferrier etc., who confuse money as the value of capital with the really available metallic money. [28] In crises, capital (as commodity) is not exchangeable, not because *too few* means of circulation are available; but, rather, it does not circulate because it is *not exchangeable.* The importance assumed by cash in times of crisis arises only because, while capital is not exchangeable for its value – and only for that reason does its value appear opposite it in the money form – there are obligations to pay off; alongside the interrupted circulation a *forced circulation* takes place. Chalmers says (Notebook IX, p. 57): 'When a consumer refuses certain commodities, it is not always, as is assumed by the new economists, because he wants to purchase others in preference, but because he wants to reserve entire the general power of purchasing. And when a *merchant* brings commodities to market, it is generally not in quest of other commodities to be given in return for them ... he will extend his *general power of purchase of all commodities.* It is useless to say that money is also a *commodity.* The real metallic money for which a merchant has any use does not amount to more than a small *fraction of his capital,* even of *his monied capital;* all of which, though estimated in money, can be made, on the strength of written contracts, to describe its orbit, and be effective for all its purposes, with the aid *of coin amounting to an insignificant proportion of the whole. The great object of the monied capitalist,* in fact, is to add to the *nominal amount of his fortune.* It is that, if expressed pecuniarily this year by £20,000 e.g., it should be expressed

pecuniarily next year by £24,000. *To advance his capital, as estimated in money,* is the only way in which he can advance his interest as a merchant. The importance of these objects for him is not affected by fluctuations in the currency or by a change in the real value of money. For example, in one year he comes from 20 to 24,000 pounds; through a fall in the value of money he may not have increased his command over the comforts etc. Nevertheless, this is his interest just as much as if money had not fallen; for else his monied fortune would have remained stationary and his real wealth would have declined in the proportion of 24 to 20 … *Commodities'* (i.e. use value, real wealth) 'thus not the terminating object of the trading capitalist.' (The illusion of the Monetary System, however, was that it regarded real metallic money (or paper, would change nothing), in short, the *form* of value, as *real money,* as the *general form of wealth* and of self-enrichment, whereas precisely as *money* increases as the accumulation of general power of purchase, it undergoes a relative decline in its specific form as medium of exchange or also as *realized hoard.)* As *assignation* in real wealth or productive power [the capitalist's money] gains a thousand forms, *'quite apart from expenditure of his revenue in purchases for the sake of consumption.* In the *outlay of his capital,* and *when he purchases for the sake of production,* money is his terminating object' (not *coin, nota bene).* (164–6.)

'Profit,' says the same Chalmers, 'has the effect of attaching the services of the disposable population to other masters, besides the mere landed proprietors, … while their expenditure reaches higher than the necessaries of life.' (78. Notebook IX, p.53.)>

In the book just referred to, Chalmers calls the whole *circulation process* the economic cycle: 'The world of trade may be conceived to revolve in what we shall call an economic cycle, which accomplishes one revolution by business coming round again, through its successive transactions, to the point from which it set out. Its commencement may be dated from the point at which the capitalist has obtained those returns by which his capital is replaced to him: whence he proceeds anew to engage his workmen; to distribute among them, in wages, their maintenance, or rather the power of lifting it; to obtain from them in finished work, the articles in which he specially deals; to bring these articles to market, and there terminate the orbit of one set of movements, by effecting a sale, and receiving in its proceeds, a return for the whole outlays of the period. The intervention of money alters nothing in the real character of this operation … ' (85 loc. cit.) (Notebook, p. 54, 55.)

Difference in return. ***Interruption of the production process (or rather its failure to coincide with the labour process). Total duration of the production process. (Agriculture. Hodgskin.)*** **Unequal periods of production**

The difference in the return, in so far as it depends on the phase of the circulation process which coincides with the direct production process, depends not only on the longer or shorter labour time required to complete the article (e.g. canal building etc.), but also, in certain branches of industry – agriculture – on the interruptions of the work which are due to the nature of the work itself, where on the one hand the capital lies fallow, and, on the other, labour stands still. Thus the example given by A. Smith, that wheat is a crop taking 1 year, the ox a crop taking 5 years, etc. [29] Therefore 5 years of labour are employed on the latter, only 1 on the former. Little labour is employed e.g. on cattle raised on pasture. At the same time, in agriculture, the labour applied e.g. during the winter is also little. In agriculture (and to a greater or lesser degree in many another branch of production) there are interruptions given by the conditions of the production process itself, pauses in labour time, which must be begun anew at the given point in order to continue or to complete the process; the constancy of the production process here does not coincide with the continuity of the labour process. This is one moment of the difference. *Secondly*: the product generally requires a longer time to be *completed,* to be put into its finished state; this is the total duration of the production process, regardless of whether interruptions take place in the operations of labour or not; the different duration of the production phase generally. *Thirdly*: after the product is finished, it may be necessary for it to lie idle for some time, during which it needs relatively little labour, in order to be left in the care of natural processes, e.g. wine. (This will be, conceptually, approximately the same case as I.) *Fourthly*: a longer time to be brought to market, because destined for a more distant market. (This coincides conceptually with case II.) *Fifthly*: The shorter or longer period of the total return of a capital (its total reproduction), in so far as it is determined by the relation of fixed capital and circulating capital, is concerned obviously not with the *immediate production process* and its duration, but rather takes its character from circulation. The total capital's period of reproduction is determined by the total process, circulation included.

'Inequality in the periods necessary for production.' [30]

'The *difference of time* required to complete the products of agriculture, and of other species of labour, is the main cause of the great dependence of the agriculturists. They cannot bring their commodities to market in less time than a year. For that whole period they are obliged to borrow from the shoemaker, the tailor, the smith, the wheelwright and the various other labourers, whose products they need and which are completed in a few days or weeks. Owing to this natural circumstance, and owing to the more rapid increase of the wealth produced by other labour than that of agriculture, the monopolizers of all the land, although they have also monopolized the legislation, are unable to save themselves and their servants, the farmers, from being the most dependent class in the community.' (Thomas Hodgskin, *Popular Polit. Econ.* Four lectures etc. London, 1827, p. 147 note.) (Notebook IX, p. 44.) 'The natural circumstance of all commodities being produced in unequal periods, while the wants of the labourer must be supplied daily ... This inequality in the time necessary to complete different commodities, would in the savage state cause the hunter etc. to have a surplus of game etc., before the maker of bows and arrows etc. had any commodity completed to give for the surplus game. No exchange could be made; the bow-maker must be also a hunter and division of labour impossible. This difficulty contributed to the invention of money.' (179, 180.) (loc. cit.)

The concept of the free labourer contains the pauper. *Population and overpopulation etc.*

<It is already contained in the concept of the *free labourer,* that he is a *pauper:* virtual pauper. According to his economic conditions he is merely a *living labour capacity,* hence equipped with the necessaries of life. Necessity on all sides, without the objectivities necessary to realize himself as labour capacity. If the capitalist has no use for his surplus labour, then the worker may

not perform his necessary labour; not produce his necessaries. Then he cannot obtain them through exchange; rather, if he does obtain them, it is only because alms are thrown to him from revenue. He can live as a worker only in so far as he exchanges his labour capacity for that part of capital which forms the labour fund. This exchange is tied to conditions which are accidental *for him,* and indifferent to his *organic* presence. He is thus a virtual pauper. Since it is further the condition of production based on capital that he produces ever more surplus labour, it follows that ever more *necessary labour* is set free. Thus the chances of his pauperism increase. To the development of surplus labour corresponds that of the surplus population. In different modes of social production there are different laws of the increase of population and of overpopulation; the latter identical with pauperism. These different laws can simply be reduced to the different modes of relating to the conditions of production, or, in respect to the living individual, the conditions of his reproduction as a member of society, since he labours and appropriates only in society. The dissolution of these relations in regard to the single individual, or to part of the population, places them outside the reproductive conditions of this specific basis, and hence posits them as overpopulation, and not only lacking in means but incapable of appropriating the necessaries through labour, hence as paupers. Only in the mode of production based on capital does pauperism appear as the result of labour itself, of the development of the productive force of labour. Thus, what may be overpopulation in one stage of social production may not be so in another, and their effects may be different. E.g. the colonies sent out in antiquity were overpopulation, i.e. their members could not continue to live in the same space with the material basis of property, i.e. conditions of production. The number may appear very small compared with the modern conditions of production. They were, nevertheless, very far from being paupers. Such was, however, the Roman plebs with its bread and circuses. The overpopulation which leads to the great migrations presupposes different conditions again. Since in all previous forms of production the development of the forces of production is not the basis of appropriation, but a specific relation to the conditions of production (forms of property) appears as *presupposed barrier* to the forces of production, and is merely to be reproduced, it follows that the development of population, in which the development of all productive forces is summarized, must even more strongly encounter an *external barrier* and thus appear as something to be restricted. The conditions of the community [were] consistent only with a specific amount of population. On the other side, if the barriers to population posited by the elasticity of the specific form of the conditions of production *change in consequence of the latter, if they contract or expand* – thus overpopulation among hunting peoples was different from that among the Athenians, in turn different among the latter from that among the Germanic tribes – then so does the absolute rate of population increase, and hence the rate of overpopulation and population. The amount of overpopulation posited on the basis of a specific production is thus just as determinate as the adequate population. Overpopulation and population, taken together, are *the* population which a specific production basis can create. The extent to which it goes beyond its barrier is given by the barrier itself, or rather by the same base which posits the barrier. Just as necessary labour and surplus labour together [are] the whole of labour on a given base.

Malthus's theory, which incidentally not his invention, but whose fame he appropriated through the clerical fanaticism with which he propounded it – actually only through the weight he placed on it – is significant in two respects: (1) because he gives brutal expression to the brutal viewpoint of capital; (2) because he *asserted* the fact of overpopulation in all forms of society. Proved it he has not, for there is nothing more uncritical than his motley compilations from historians and travellers' descriptions. His conception is altogether false and childish (1) because he regards *overpopulation* as being *of the same kind* in all the different historic phases of economic development; does not understand their specific difference, and hence stupidly reduces these very complicated and varying relations to a single relation, two equations, in which the natural reproduction of humanity appears on the one side, and the natural reproduction of edible plants (or means of subsistence) on the other, as two natural series, the former geometric and the latter arithmetic in progression. In this way he transforms the historically distinct relations into an abstract numerical relation, which he has fished purely out of thin air, and which rests neither on natural nor on historical laws. There is allegedly a natural difference between the reproduction of mankind and e.g. grain. This baboon thereby implies that the *increase of humanity* is a purely natural process, which requires *external restraints, checks,* to prevent it from proceeding in geometrical progression. This *geometrical reproduction* is the natural reproduction process of mankind. He would find in history that population proceeds in very different relations, and that overpopulation is likewise a historically determined relation, in no way determined by abstract numbers or by the absolute limit of the productivity of the necessaries of life, but by limits posited rather by *specific conditions of production.* As well as restricted numerically. How small do the numbers which meant overpopulation for the Athenians appear to us! Secondly, restricted according to character. An overpopulation of free Athenians who become transformed into colonists is significantly different from an overpopulation of workers who become transformed into workhouse inmates. Similarly the begging overpopulation which consumes the surplus produce of a monastery is different from that which forms in a factory. It is Malthus who abstracts from these specific historic laws of the movement of population, which are indeed the history of the nature of humanity, the *natural* laws, but natural laws of humanity only at a specific historic development, with a development of the forces of production determined by humanity's own process of history. Malthusian man, abstracted from historically determined man, exists only in his brain; hence also the geometric method of reproduction corresponding to this natural Malthusian man. Real history thus appears to him in such a way that the reproduction of his natural humanity is not an abstraction from the historic process of real reproduction, but just the contrary, that real reproduction is an application of the Malthusian theory. Hence the inherent conditions of population as well as of overpopulation at every stage of history appear to him as a series of *external checks* which have *prevented* the population from developing in the Malthusian form. The conditions in which mankind historically produces and reproduces itself appear as *barriers* to the reproduction of the Malthusian natural man, who is a Malthusian creature. On the other hand, the production of the necessaries of life – as it is checked, determined by human action – appears as a *check* which it posits to itself. The ferns would cover the entire earth. Their reproduction would stop only where space for them ceased. They would obey no arithmetic proportion. It is hard to say where Malthus has discovered that the reproduction of voluntary natural products would stop for intrinsic reasons, without *external checks.* He transforms the immanent, historically changing limits of the human reproduction process into *outer barriers;* and the *outer barriers* to natural reproduction into *immanent limits* or *natural laws* of reproduction.

(2) He stupidly relates a specific quantity of people to a specific quantity of necessaries. [31] Ricardo immediately and correctly confronted him with the fact that the quantity of grain available is completely irrelevant to the worker if he has no *employment;* that it is therefore the means of employment and not of subsistence which put him into the category of surplus population. [32] But this should be conceived more generally, and relates to the *social mediation* as such, through which the individual gains access to the means of his reproduction and creates them; hence it relates to the *conditions of production* and his relation to them. There was no barrier to the reproduction of the Athenian slave other than the producible necessaries. And we never hear that there were *surplus slaves* in antiquity. The call for them increased, rather. There was, however, a surplus population of non-workers (in the immediate sense), who were not too many in relation to the necessaries available, but who had lost the conditions under which they could appropriate them. The invention of surplus labourers, i.e. of propertyless people who work, belongs to the period of capital. The beggars who fastened themselves to the monasteries and helped them eat up their surplus product are in the same class as the feudal retainers, and this shows that the surplus produce could not be eaten up by the small number of its owners. It is only another form of the retainers of old, or of the menial servants of today. The overpopulation e.g. among hunting peoples, which shows itself in the warfare between the tribes, proves not that the earth could not support their small numbers, but rather that the condition of their reproduction required a great amount of territory for few people. Never a relation to a *non-existent* absolute mass of means of subsistence, but rather relation to the conditions of reproduction, of the production of these means, including likewise the *conditions of reproduction of human beings,* of the total population, of relative surplus population. This surplus purely relative: in no way related to the *means of subsistence as* such, but rather to the mode of producing them. Hence also only a *surplus* at this state of development.

(3) What is not actually proper to Malthus at all, the introduction of the

theory of rent – at bottom only a formula for saying that in the stage of industry familiar to Ricardo etc., agriculture remained behind industry, which incidentally inherent in bourgeois production although in varying relations – does not belong here.>

Necessary labour. Surplus labour. Surplus population. Surplus capital

<As to production founded on capital, the greatest absolute mass of necessary labour together with the greatest relative mass of surplus labour appears as a condition, regarded absolutely. Hence, as a fundamental condition, maximum growth of population – of living labour capacities. If we further examine the conditions of the development of the productive forces as well as of exchange, division of labour, cooperation, all-sided observation, which can only proceed from many heads, science, as many centres of exchange as possible – all of it identical with growth of population. On another side, it is also inherent in the condition of the appropriation of alien surplus labour that, in addition to the necessary population – i.e. that which represents necessary labour, labour necessary for production – there should be a *surplus population,* which does not work. The further development of capital shows that besides the industrial part of this surplus population – the industrial capitalist – a purely consuming part branches off: idlers, whose business it is to consume alien products and who, since crude consumption has its limits, must have the products furnished to them partly in refined form, as luxury products. This idle surplus population is not what the economists have in mind when they speak of surplus population. On the contrary, it – and its business of consuming – is treated by the population fanatics as precisely the necessary population, and justly (logically) so. The expression, surplus population, concerns exclusively labour capacities, i.e. the *necessary population;* surplus of *labour capacities.* But this arises simply from the nature of capital. Labour capacity can perform its necessary labour only if its surplus labour has value for capital, if it can be realized by capital. Thus, if this realizability is blocked by one or another barrier, then (1) *labour capacity* itself appears *outside the conditions of the reproduction of its existence;* it exists without the *conditions of its existence,* and is therefore a mere encumbrance; needs without the means to satisfy them; (2) necessary

labour appears as superfluous, because the superfluous is not necessary. It is necessary only to the extent that it is the condition for the realization of capital. Thus the relation of necessary and surplus labour, as it is posited by capital, turns into its opposite, so that a part of necessary labour – i.e. of the labour reproducing labour capacity – is superfluous, and this labour capacity itself is therefore used as a *surplus* of the necessary working population, i.e. of the portion of the working population whose necessary labour is not superfluous but necessary for capital. Since the necessary development of the productive forces as posited by capital consists in increasing the relation of surplus labour to necessary labour, or in decreasing the portion of necessary labour required for a given amount of surplus labour, then, if a definite amount of labour capacity is given, the relation of *necessary* labour needed by capital must necessarily continuously decline, i.e. part of these labour capacities must become superfluous, since a portion of them suffices to perform the quantity of surplus labour for which the whole amount was required previously. The positing of a specific portion of labour capacities as superfluous, i.e. of the labour required for their reproduction as superfluous, is therefore a necessary consequence of the growth of surplus labour relative to necessary. The decrease of relatively necessary labour appears as increase of the relatively superfluous labouring capacities – i.e. as the positing of surplus population. If the latter is supported, then this comes not out of the labour fund but out of the revenue of all classes. It takes place not through the labour of the labour capacity itself – no longer through its normal reproduction as worker, but rather the worker is maintained as a living being through the mercy of others; hence becomes a tramp and a pauper; because he no longer sustains himself through his necessary labour; hence, through the exchange with a part of capital; he has fallen out of the conditions of the relation of apparent exchange and apparent independence; secondly: society in its fractional parts undertakes for Mr Capitalist the business of keeping his virtual instrument of labour – its wear and tear – intact as reserve for later use. He shifts a part of the reproduction costs of the working class off his own shoulders and thus pauperizes a part of the remaining population for his own profit. At the same time, capital has the tendency both to posit and equally to suspend this pauperism, because it constantly reproduces itself as surplus capital. It acts in opposite directions, so that sometimes one, sometimes the other is predominant. Finally, the positing of surplus capital contains a double moment: (1) It requires a growing population in order to be set into motion; if the relative population it requires has become smaller, then it has itself become correspondingly larger; (2) it requires a part of the population which is unemployed (at least relatively); i.e. a relative surplus population, in order to find the readily available population for the growth of surplus capital; (3) at a given stage of the productive forces, the surplus value may be present, but not yet in the proportions sufficient to be employed as capital. Not only a minimum of the stage of production, but posited for its expansion. In this case surplus capital and surplus population. Likewise, a surplus population may be present, but not enough, not in the proportions required for more production. In all these investigations, the variations in sales, contraction of the market etc., in short, everything which presupposes the *process of many capitals,* has been intentionally abstracted away.>

A. Smith. *Work as sacrifice. (Senior's theory of the capitalist's sacrifice.) (Proudhon's surplus.)* – A. Smith. Origin of profit. *Original accumulation*. Wakefield. – *Slave and free labour*. – Atkinson. – *Profit*. – *Origin of* profit. MacCulloch.

<A. Smith's view, [is] that *labour never changes its value,* in the sense that a *definite amount of labour* is always a definite *amount of labour for the worker,* i.e., with A. Smith, a sacrifice of the *same quantitative magnitude.* Whether I obtain much or little for an hour of work – which depends on its productivity and other circumstances – I have *worked* one hour. What I have had to pay for the result of my work, my wages, is always the same *hour of work,* let the result vary as it may. 'Equal quantities of labour must at all times and in all places have the same value for the worker. In his normal state of health, strength and activity, and with the common degree of skill and facility which he may possess, he must always give up the *identical portion of his tranquillity, his freedom,* and his *happiness.* Whatever may be the quantity or composition of the commodities he obtains in reward of his work, the *price he pays* is always the same. Of course, this price may buy sometimes a lesser, sometimes a greater quantity of these commodities, but only because their

value changes, not the value of the labour which buys them. Labour alone, therefore, never changes its own value. It is therefore the *real price* of commodities, money is only their nominal value.' (ed. by Garnier, Vol. I, pp. 64–6.) (Notebook, p. 7.) [33] In the sweat of thy brow shalt thou labour! was Jehovah's curse on Adam. [34] And this is labour for Smith, a curse. 'Tranquillity' appears as the adequate state, as identical with 'freedom' and 'happiness'. It seems quite far from Smith's mind that the individual, 'in his normal state of health, strength, activity, skill, facility', also needs a normal portion of work, and of the suspension of tranquillity. Certainly, labour obtains its measure from the outside, through the aim to be attained and the obstacles to be overcome in attaining it. But Smith has no inkling whatever that this overcoming of obstacles is in itself a liberating activity – and that, further, the external aims become stripped of the semblance of merely external natural urgencies, and become posited as aims which the individual himself posits – hence as self-realization, objectification of the subject, hence real freedom, whose action is, precisely, labour. He is right, of course, that, in its historic forms as slave-labour, serf-labour, and wage-labour, labour always appears as repulsive, always as *external forced labour;* and not-labour, by contrast, as 'freedom, and happiness'. This holds doubly: for this contradictory labour; and, relatedly, for labour which has not yet created the subjective and objective conditions for itself (or also, in contrast to the pastoral etc. state, which it has lost), in which labour becomes attractive work, the individual's self-realization, which in no way means that it becomes mere fun, mere amusement, as Fourier, with *grisette*-like [35] naïveté, conceives it. [36] Really free working, e.g. composing, is at the same time precisely the most damned seriousness, the most intense exertion. The work of material production can achieve this character only (1) when its social character is posited, (2) when it is of a scientific and at the same time general character, not merely human exertion as a specifically harnessed natural force, but exertion as subject, which appears in the production process not in a merely natural, spontaneous form, but as an activity regulating all the forces of nature. A. Smith, by the way, has only the slaves of capital in mind. For example, even the semi-artistic worker of the Middle Ages does not fit into his definition. *But* what *we* want *here initially* is not to go into his view on labour, his philosophical view, but into the economic moment. Labour regarded merely as a *sacrifice,* and hence value-positing, as a *price* paid for things and hence giving them price depending on whether they cost more or less labour, is a purely *negative* characterization. This is why Mr Senior, for example, was able to make capital into a source of production in the same sense as labour, a source *sui generis* of the production of *value,* because the capitalist too brings a *sacrifice,* the sacrifice of *abstinence,* in that he grows wealthy instead of eating up his product directly. [37] Something that is merely negative creates nothing. If the worker should, e.g. enjoy his work – as the miser certainly enjoys Senior's *abstinence* – then the product does not lose any of its value. Labour *alone* produces; it is the only *substance* of products as *values.* * Its measure, labour time – presupposing equal intensity – is therefore the measure of values. The qualitative difference between workers, in so far as it is not natural, posited by sex, age, physical strength etc. – and thus basically expresses not the qualitative value of labour, but rather the division and differentiation of labour – is itself only a product of history, and is in turn suspended for the great mass of labour, in that the latter is itself simple; while the qualitatively higher takes its economic measure from the simple. The statement that *labour time,* or the amount of labour, is the measure of values means nothing other than that the measure of labour is the measure of values. Two things are only commensurable if they are of the *same nature.* Products can be measured with the measure of labour – labour time – only because they are, by their nature, *labour.* They are objectified labour. As objects they assume forms in which their being as labour may certainly be apparent in their form (as a purposiveness posited in them from outside; however, this is not at all apparent with e.g. the ox, or with reproduced natural products generally), but in which this being has, apart from itself, no other features in common. They exist as equals as long as they exist as activity. The latter is measured by time, which therefore also becomes the measure of objectified labour. We will examine elsewhere to what extent this *measurement* is linked with exchange, not with organized social labour – a definite stage of the social production process. Use value is not concerned with human activity as the source of the product, with its having been posited by human activity, but with its being for mankind. In so far as the product has a measure for itself, it is its natural measure as natural object, mass, weight, length, volume etc. Measure of utility etc. But as effect, or as static presence of the force which created it, it is measured only by the measure of this force itself. The measure of labour is time. Only because products ARE labour can they be measured by the measure of labour, by labour time, the amount of labour consumed in them. The negation of tranquillity, as mere negation, ascetic sacrifice, creates nothing. *Someone may castigate and flagellate himself all day long like the monks etc., and this quantity of sacrifice he contributes will remain totally worthless.* The *natural price* of things is not the sacrifice made for them. This recalls, rather, the pre-industrial view which wants to achieve wealth by sacrificing to the gods. There has to be something besides sacrifice. The sacrifice of tranquillity can also be called the sacrifice of laziness, unfreedom, unhappiness, i.e. negation of a negative state. A. Smith considers labour psychologically, as to the fun or displeasure it holds for the individual. But it is something else, too, in addition to this *emotional* relation with his activity – firstly, for others, since A's mere sacrifice would be of no use for B; secondly, a definite relation by his own self to the thing he works on, and to his own working capabilities. It is a *positive, creative activity.* The measure of labour – time – of course does not depend on labour's productivity; its measure is precisely nothing but a unit of which the proportional parts of labour express a certain multiple. It certainly does not follow from this that the *value* of labour is constant; or, follows only in so far as equal quantities of labour are of the same measured magnitude. It is then found upon further examination that the values of products are measured not by the labour employed in them, but by the labour necessary for their production. Hence not sacrifice, but labour as a condition of production. The equivalent expresses the condition of the products' reproduction, as given to them through exchange, i.e. the possibility of repeating productive activity anew, as posited by its own product.> <By the way, Smith's view of labour as a *sacrifice,* which incidentally correctly expresses the *subjective relation of the wage worker to his own activity,* still does not lead to what he wants – namely the determination of value by labour time. An hour of work may always be an equal sacrifice for the worker. But the value of commodities in no way depends on his feelings; nor does the value of his hour of work. Since A. Smith admits that one can buy this sacrifice sometimes more cheaply, sometimes more dearly, it becomes distinctly peculiar

that it is supposed always to be *sold* for the same price. And he is indeed inconsistent. Later he makes *wages* the measure of value, not the amount of labour. *The slaughter of the ox is always the same sacrifice, for the ox. But this does not mean that the value of beef is constant.*> <'Now, although equal quantities of labour always have the same value as regards the worker, they appear sometimes of smaller, sometimes of larger value for him who employs the worker. He purchases them sometimes with a smaller, sometimes a larger quantity of commodities. For him, therefore, the price of labour varies like that of any other thing, although in reality it is only the commodities which are sometimes dearer, sometimes cheaper.' (p. 66 A. Smith, loc. cit. Vol. I.) (Notebook, p. 8.)>

[*] Proudhon's lack of understanding of this matter is evident from his axiom that every labour leaves a surplus. [38] What he denies for capital, he transforms into a natural property of labour. The point is, rather, that the labour time necessary to meet absolute needs leaves *free* time (different at the different stages of the development of the productive forces), and that therefore a surplus product can be created if *surplus labour* is worked. The aim is to suspend the relation itself, so that the surplus product itself appears as necessary. Ultimately, material production leaves everyone surplus time for other activity. There is no longer anything mystical in this. Originally, the free gift of nature abundant, or at least merely to be appropriated. From the outset, naturally arisen association (family) and the division of labour and cooperation corresponding to it. For needs are themselves scant at the *beginning*. They too develop only with the forces of production.

<The way in which A. Smith lets profit arise is very naïve. 'In the primitive state, the product of labour belongs wholly to the worker. The quantity' (including also the greater difficulty etc.) 'of labour employed to obtain or to produce an exchangeable object is the *only circumstance* which governs the quantity of labour which this object can on the average buy, command or obtain in exchange ... BUT *as soon as a stock* accumulates in the hands of *private persons, the value which the workers add to the object dissolves into two parts,* of which one pays their wages, the other the profit which the entrepreneur makes on the sum of the stock which has served him to advance these wages and the materials of labour. He would have *no interest* in employing these workers if he did not expect from the sale of their works

something more than is necessary to replace this fund, and he would have no interest in employing a larger in preference over a small amount of funds if his profit did not stand in some proportion to the volume of the funds employed.' (loc. cit. p. 96, 97.) (N., p. 9.) (See A. Smith's peculiar view that *before the division of labour,* 'where every one produced everything necessary, no stock was necessary'. As if, in this state, while he finds no stock in nature, he would not have to find the objective conditions of life, in order to work. Even the savage, even animals, set aside a reserve. Smith can at most have in mind a situation in which the impulse to labour is still a direct, momentary instinct, and then a *stock* still has to be present in nature in one way or another *without labour.* (Notebook, p. 19.) (Smith is confused here. *Concentration of the stock* in a single hand then not necessary.)>

<In Vol. III of his edition of A. Smith, Wakefield remarks: 'The labour of slaves being combined, is more productive than the much divided labour of freemen. The labour of freemen is more productive than that of slaves, only when it comes to be combined *by means of greater dearness of land, and the system of hiring for wages.'* (Note to p. 18.) (Notebook VIII, p. 1.) 'In countries where land remains very cheap, either all the people are in a state of barbarism, or some of them are in a state of slavery.' (Note to p. 20.)>

<*'Profit* is a term signifying the increase of capital or wealth; so, failing to find the laws which govern the rate of profit, is failing to find the laws of the formation of capital.' (p. 55. Atkinson (W.), *Principles of Political Economy,* London, 1840.) (Notebook, p. 2.)>

<'Man is as much the *produce of labour* as any of the machines constructed by his agency; and it appears to us that in all economical investigations he ought to be considered in precisely the same point of view. Every individual who has arrived at maturity ... may, with perfect propriety, be viewed as a machine which it has cost 20 years of assiduous attention and the expenditure of a considerable capital to construct. And if a further sum is laid out for his education or qualification for the exercise of a business etc., his value is proportionally increased, just as a machine is made more valuable through the expenditure of additional capital or labour in its construction, in order to give it new powers.' (McCulloch, *The Principles of Pol. Econ.,* London, 1825, p. 115.) (Notebook, p. 9.)> <'In point of fact, a commodity will

always exchange for more' labour (than it was produced by): 'and it *is this excess that constitutes profits.'* (p. 221, McCulloch loc. cit.) (Notebook, p. 13.) The same gentle McCulloch, about whom Malthus rightly says that he sees it as the proper task of science to equate everything with everything else, [39] says: '*the profits of capital* are only another name for the wages of *accumulated labour*' (p. 291) (loc. cit. Notebook, 14) and hence no doubt the wages of labour are only another name for the profits of living capital. 'Wages … really consist of a *part of the produce of the industry of the labourer;* consequently, they have a high real value if the labourer receives a comparatively high share of the product of his industry, and vice versa.' (295 loc. cit.) (Notebook, p. 15.)>

Surplus labour. Profit. Wages. *Economists. Ramsay. Wade*

The positing of *surplus labour* through capital has on the whole been so little understood by the economists that they present striking phenomena of its occurrence as something *special,* as a curiosity. Thus Ramsay, with night work. Likewise John Wade e.g., in *History of the Middle and Working Classes,* 3rd ed., London, 1835 (p. 241) (Notebook, p. 21) says: 'The standard of wages is *also* connected with the hours of work and rest periods. It was the policy of the masters in recent years' (before 1835) 'to usurp on operatives in this respect, by cutting or abridging holidays and mealtimes and gradually stretching the hours of work; knowing that an increase of 1/4 in the time of work is equivalent to a reduction in wages by the same amount.'

Immovable capital. *Return of capital. Fixed capital.* John St. Mill

John St. Mill: *Essays on Some Unsettled Questions of Political Economy,* London, 1844. (The few original ideas of Mill Junior are contained in this narrow little volume, not in his fat, pedantic *magnum opus.)*

'Whatever is destined to be employed reproductively, be it in its existing form, or indirectly by a previous (or even subsequent) exchange, is *capital.* Suppose I have laid out all my money in wages and machinery, and the article I produce is just finished: in the interval, before I can sell these articles, realize the gain, and lay it out again in wages and tools, will it be said that I have *no capital?* Certainly not: I have the same capital as before, perhaps a larger one, but it is tied down, and is not disposable.' (p. 55.) (Notebook, p. 36.) 'At all times a very large part of the capital in a country lies idle. The annual product of a country never achieves in height what it could, if all resources were devoted to reproduction, if, in short, all the country's capital were in full employment. *If every commodity on the average remained unsold for a length of time equal to that required for its production, then it is clear that at any one time not more than a half of the productive capital of the country would in reality perform the function of capital. The employed half is a fluctuating portion,* composed of various elements; but the result would be that every producer would be capable of producing each year only half the supply of commodities which he could produce if he were sure of selling them at the moment of their completion.' (loc. cit. p. 55, 56.) 'This, or something similar, is, however, the usual state of a very great part of all capitalists in the world.' (p. 56.) 'The number of producers or vendors who turn over their capital in the very shortest time is very small. Few have so rapid a sale of their commodities that all goods which their own or borrowed capital can supply them can be *cleared out* as quickly as supplied. The majority do not have an *extent of business* at all adequate to the amount of capital they dispose of. It is true that in communities where industry and trade are practised with the greatest success, the contrivances of banking enable the owner of a capital greater than he can himself employ, to apply it productively and to derive a revenue from it. Still, even then, there is a great quantity of capital which remains *fixed* in the form of implements, machinery, buildings etc., whether only half employed or in complete employment: and every dealer keeps a *stock in trade,* to be ready for a possible sudden demand, although he may not be able to dispose of it for an indefinite period.' (p. 56.) '*This constant non-employment of a large part of capital* is the *price we pay for the division of labour. The purchase is worth what it costs; but the price is considerable.'* (56.) If I have 1,500 thalers in the shop and take in 10%, while 500 lie idle to ornament the shop, it is the same as if I invest 1,000 thalers at 7 1/2% ... 'In many trades there are a few dealers who sell articles of equal quality at a lower price than other dealers.

This is not a voluntary sacrifice of profits; from the consequent overflow of customers they expect to turn over their capital more rapidly, and to be the winners by keeping the whole of their capital in more constant employment, although on a given operation their gains are smaller.' (p. 56, 57.) 'It is questionable whether there are any dealers for whom one additional buyer is of no use; and for the great majority, this hypothesis altogether inapplicable. An additional customer is for most dealers equivalent to a growth of their productive capital. It enables them to transform a part of their capital, which lay idle (and perhaps would never have become productive in their hands until a customer had been found), into wages and instruments of production ... A country's aggregate product for the following year is hence increased; not through pure exchange, but by *calling into activity* a portion of the national capital which, had it not been for the exchange, would have remained unemployed for some time longer.' (57, 58.) 'The advantages gained from a *new customer* are, for the producer or dealer: (1) say, a part of his capital lies in the form of unsold goods, producing (during a longer or shorter time) nothing at all; then a part thereof is *called into greater activity* and *becomes more constantly productive.* (2) If the additional demand exceeds what can be supplied through liberation of capital existing as unsold goods, and if the dealer has additional resources (e.g. in government bonds), but not in his own trade, then he is enabled to obtain on a portion of these, no longer interest, but profit, and thus to gain the difference between the rate of interest and of profits. (3) If all his capital is employed in his own business and no part stored up as unsold goods, then he can conduct a surplus business with borrowed capital and gain the difference between interest and profit.' (59.)

Turnover of capital. ***Circulation process. Production process. Turnover. Capital circulates. Likewise fixed capital. Circulation costs. Circulation time and labour time. (Capitalist's free time.) (Transport costs)***

Now back to our subject.

The phases through which capital travels, which form one turnover of capital, begin conceptually with the transformation of money into the conditions of production. Now, however, that we begin not with capital in the process of becoming, but capital which has become, [we can see that] it travels through the following phases: (1) Creation of surplus value, or immediate production process. Its result, the product. (2) Bringing the product to market. Transformation of product into commodity. (3) (α) Entry of the commodity into ordinary circulation. Circulation of the commodity. Its result: transformation into money. This appears as the first moment of ordinary circulation. (β) Retransformation of money into the conditions of production: money circulation; in ordinary circulation, the circulation of commodities and the circulation of money always appear distributed among two different subjects. Capital circulates first as a commodity, then as money, and vice versa. (4) Renewal of the production process, which appears here as reproduction of the original capital, and production process of surplus capital.

The costs of circulation break down into costs of movement; costs to bring the product to market; the labour time required to effect the transformation from one state to the other; all of which actually come down to accounting operations and the time they cost (this is the foundation of a special, technical money trade). (Whether the latter costs are to be considered deductions from the surplus value or not will be seen later.)

If we examine this movement, we find that the circulation of capital, through the operation of exchanges, opens up at one point to release the product into general circulation, and to constitute itself out of the latter as equivalent in money. What happens to this product, which has in this way fallen out of the circulation of capital and into ordinary circulation, is here beside the point. On the other side, capital throws its form as money out of its circulation process again (partially, that is, in so far as it is not wages), or, after having realized itself as value in ordinary circulation and at the same time posited itself as the measure of its own realization, it then moves in the money form only as medium of circulation, and thus sucks into itself out of general circulation the commodities necessary for production (conditions of production). As commodity, capital throws itself out of its own circulation into general circulation; and, again as commodity, capital leaves general circulation and enters its own course, issuing into the production process. The circulation of capital thus contains a relation to general circulation, of which its own circulation forms a moment, while the latter likewise appears as posited by capital. This to be examined later.

The total production process of capital includes both the circulation process proper and the actual production process. These form the two great sections of its movement, which appears as the totality of these two processes. On one side, labour time, on the other, circulation time. And the whole of the movement appears as unity of labour time and circulation time, as unity of production and circulation. This unity itself is motion, process. Capital appears as this unity-in-process of production and circulation, a unity which can be regarded both as the totality of the process of its production, as well as the specific completion of *one* turnover of the capital, *one* movement returning into itself.

The condition, for capital, of circulation time is – besides labour time – only the same as the condition of production based on division of labour and exchange, in adequate form, in the highest form. The costs of circulation are costs of the division of labour and of exchange, which are necessarily found in every previous, pre-capitalist form of production resting on this basis.

As the subject predominant [*übergreifend*] over the different phases of this movement, as value sustaining and multiplying itself in it, as the subject of these metamorphoses proceeding in a circular course – as a spiral, as an expanding circle – capital is *circulating capital.* Circulating capital is therefore initially not a *particular* form of capital, but is rather *capital* itself, in a further developed aspect, as subject of the movement just described, which it, itself, is as its own realization process. In this respect, therefore, every capital is *circulating capital.* In simple circulation, circulation itself appears as the subject. One commodity is thrown out of it, another enters into it. But the same commodity is within it only fleetingly. Money itself, in so far as it ceases to be a medium of circulation and posits itself as independent value, withdraws from circulation. Capital, however, exists as the subject of circulation; circulation is posited as its own life’s course. But while capital thus, as the whole of circulation, is *circulating capital,* is the process of going from one phase into the other, it is at the same time, within each phase, posited in a specific aspect, restricted to a particular form, which is the negation of itself as the subject of the whole movement. Therefore, capital in each of its particular phases is the negation of itself as the subject of all the various metamorphoses.

Not-circulating capital. *Fixed capital,* actually *fixated* capital, fixated in one of the different particular aspects, phases, through which it must move. As long as it persists in one of these phases – [as long as] the phase itself does not appear as fluid transition – and each of them has its duration, [then] it is not circulating, [but] fixated. As long as it remains in the production process it is not capable of circulating; and it is virtually devalued. As long as it remains in circulation, it is not capable of producing, not capable of positing surplus value, not capable of engaging in the process as capital. As long as it cannot be brought to market, it is fixated as product. As long as it has to remain on the market, it is fixated as commodity. As long as it cannot be exchanged for conditions of production, it is fixated as money. Finally, if the conditions of production remain in their form as conditions and do not enter into the production process, it is again fixated and devalued. As the subject moving through all phases, as the moving unity, the unity-in-process of circulation and production, capital is *circulating* capital; capital as restricted into any of these phases, as posited in its *divisions,* is *fixated* capital, *tied-down* capital. As circulating capital it fixates itself, and as fixated capital it circulates. The distinction between *circulating capital* and *fixed capital* thus appears initially as a formal characteristic of capital, depending on whether it appears as the unity of the process or as one of its specific moments. The concept of *dormant capital,* capital lying fallow, can refer only to its barren existence in one of these aspects, and it is a condition of capital that part of it always lies fallow. This takes the visible form that a part of the national capital is always stuck in one of the phases through which capital has to move. *Money* itself, to the extent that it forms a particular part of the nation's capital, but always remains in the form of medium of circulation, i.e. never goes through the other phases, is therefore regarded by A. Smith as a subordinate form of fixed capital. [40] Capital can likewise lie fallow, be fixated in the form of money, of value withdrawn from circulation. During crises – *after* the moment of panic – during the standstill of industry, money is immobilized in the hands of bankers, billbrokers etc.; and, just as the stag cries out for fresh water, money cries out for a field of employment where it may be realized as capital.

Much confusion in political economy has been caused by this, that the aspects of circulating and fixed are initially nothing more than capital itself posited in the two aspects, first as the unity of the process, then as a particular one of its phases, itself in *distinction* to itself as unity – not as two particular kinds of capital, not capital of two particular kinds, but rather as different *characteristic forms of the same capital.* While some held fast to the aspect of a material product in which it was supposed to be circulating capital, others had no difficulty in pointing out the opposite aspect, and vice versa. Capital as the unity of circulation and production is at the same time the division between them, and a division whose aspects are separated in space and time, at that. In each moment it has an indifferent form towards the other. For the individual capital, the transition from one into the other appears as chance, as dependent on external, uncontrollable circumstances. *One and the same* capital therefore always appears in both states; this is expressed by the appearance of one part of it in one [phase], another in another; one part tied down, another part circulating; circulating, here, not in the sense that it is in the *circulatory phase proper* as opposed to the *production phase,* but rather in the sense that in the phase in which it finds itself it is in a *fluid* phase, a phase in-process, a phase in transition to the next phase; not stuck in one of them as such and hence delayed in its total process. For example: the industrialist uses only a part of the capital at his disposal (whether borrowed or owned is beside the point here, nor, if we consider capital as a whole, does it affect the economic process) in production, because another part requires a certain amount of time before it comes back out of circulation. The part moving [*prozessierend*] within production is then the circulating part; the part in circulation is the immobilized part. His total productivity is thereby restricted; the reproduced part restricted, hence also the part thrown on to the market restricted. Thus the merchant; a part of his capital is tied down as *stock in trade,* the other part moves. To be sure, sometimes one and sometimes another part is in this phase, as with the industrialist, but his total capital is always posited in both aspects. Then again, since this limit arising out of the nature of the realization process itself is not fixed, but changes with circumstances, and since capital can approach its adequate character as that which circulates, to a greater or lesser degree; since the decomposition into these two aspects, in which the realization process appears at the same time as the devaluation process, contradicts the tendency of capital towards maximum realization, it therefore invents contrivances to abbreviate the phase of fixity; and at the same time also, instead of the simultaneous coexistence of both states, *they alternate.* In one period the process appears as altogether fluid – the period of the maximum realization of capital; in another, a reaction to the first, the other moment asserts itself all the more forcibly – the period of the maximum devaluation of capital and congestion of the production process. The moments in which both aspects appear alongside one another themselves only form interludes between these violent transitions and turnings-over. It is extremely important to grasp these aspects of circulating and fixated capital as *specific characteristic forms* of capital generally, since a great many phenomena of the bourgeois economy – the period of the economic cycle, which is essentially different from the single turnover period of capital; the effect of new demand; even the effect of new gold- and silver-producing countries on general production – [would otherwise be] incomprehensible. It is futile to speak of the stimulus given by Australian gold or a newly discovered market. If it were not in the nature of capital to be never completely occupied, i.e. always partially *fixated,* devalued, unproductive, then no stimuli could drive it to greater production. At the same time, [note] the senseless contradictions into which the economists stray – even Ricardo – when they presuppose that capital is always fully occupied; hence explain an increase of production by referring exclusively to the creation of new capital. Every increase would then presuppose an earlier increase or growth of the productive forces.

These barriers to production based on capital are even more strongly inherent in the earlier modes of production, in so far as they rest on exchange. But they do not form a law of production pure and simple; [and,] as soon as exchange value no longer forms a barrier to material production, as soon as its barrier is rather posited by the total development of the individual, the whole story with its spasms and convulsions is left behind. As we saw earlier that money suspends the barriers of barter only by generalizing them – i.e. separating purchase and sale entirely – so shall we see later that *credit* likewise suspends these barriers to the realization of capital only by raising them to their most general form, positing one period of overproduction and one of underproduction as two periods.

The value which capital posits in one cycle, one revolution, one *turnover,* is

= to the value posited in the production process, i.e. = to the value reproduced + the new value. Whether we regard the turnover as completed at the point where the commodity is transformed into money, or at the point where the money is transformed back into conditions of production, the result, whether expressed in money or in conditions of production, is always absolutely equal to the value posited in the production process. We count the physical bringing of the product to market as = to 0; or, rather, we include it in the direct production process. The economic circulation of the product begins only when it is on the market as a commodity – only then does it circulate. We are dealing here only with the economic differences, aspects, moments of circulation; not with the physical conditions for bringing the finished product into the second phase, that of circulation as commodity; nor are we concerned with the technological process by which the raw material is transformed into product. The greater or lesser distance of the market from the producer etc. does not concern us here yet. What we want to determine here first of all is that the costs arising from the motion through the different economic moments as such, the *costs of circulation* as such, do not add anything to the value of the product, are not value-positing costs, regardless of how much labour they may involve. They are merely *deductions from the created* value. If, of two individuals, each one were the producer of his own product, but their labour rested on division of labour, so that they exchanged with each other, and the realization of their product depended on the satisfaction of their needs through this exchange, then obviously the time which this exchange would cost them, e.g. the mutual bargaining, calculating before closing the deal, would make not the slightest addition either to their products or to the latter's exchange values. If A were to argue that the exchange takes up so much time, then B would respond in kind. Each of them loses just as much time in the exchange as the other. The exchange time is their common time. If A demanded 10 thalers for the product – its equivalent – and 10 thalers for the time it costs him to get the 10 thalers from B, then the latter would declare him a candidate for the madhouse. This loss of time arises from the division of labour and the necessity of exchange. If A produced everything himself, then he would lose no part of his time in exchanging with B, or in transforming his product into money and the money into product again. The *costs of circulation* proper (and they achieve a significant independent development in the money trade) are not reducible to productive labour time. But they are also by nature restricted to the time it necessarily costs to transform the commodity into money and the money back into commodity; i.e. to the time it costs to transpose capital from one form into the other. B and A might now find that they could save time by inserting a third person C as middleman between them, who consumed his time in this *circulation process* – circumstances which would arise e.g. if there were enough exchangers, enough subjects of the circulation processes, so that the time needed by each pair of them alternately over a year = one year; each individual, say, had to spend 1/50 of a year alternately in circulation, and there are 50 of them, then 1 individual could spend his entire time in this occupation. For this individual, if only his necessary labour time were paid him, i.e. if he had to give up his entire time in exchange for the necessaries of life, then the reward which he would obtain would be wages. But if it amounted to his entire time, then the wage he would obtain would be an equivalent, objectified labour time. This individual then, would have added nothing to the value, but would, rather, have obtained a share of the surplus value belonging to capitalists A, B, etc. They would have gained, since, according to the presupposition, a lesser deduction from their surplus value would have taken place. (Capital is not a quantity simply, nor an operation simply; but both at the same time.) *Money* itself, to the extent that it consists of precious metals, or its production generally – e.g. in paper circulation – creates expense, to the extent that it also costs labour time, adds no value to the exchanged objects – to the exchange values; rather, its costs are a deduction from these values, a deduction which must be borne in proportional parts by the exchangers. The preciousness of the instrument of circulation, of the instrument of exchange, expresses only the *costs of exchange.* Instead of adding to value, they subtract from it. Gold money and silver money, e.g., are themselves values, *like others* (not in the sense of money), in so far as labour is objectified in them. But that these values serve as *medium of circulation* is a deduction from disposable wealth. The same relation holds for the production costs of the circulation of capital. This adds nothing to the values. The *costs of circulation* as such *do not posit value,* they are *costs of the realization of values* – deductions from them. *Circulation as a series of transformations,* in which capital posits itself; but, as regards value, circulation does not add to it, but posits it, rather, in the *form* of value. The potential value which is transformed into money through circulation is presupposed as a result of the production process. In so far as this series of processes takes place in time and involves costs, costs labour time, or objectified labour time, these *circulation costs* are deductions from the sum of value. When circulation costs are posited = 0, then the result of *one* turnover of capital, as regards value, = the value posited in the production process. That is, the value presupposed to circulation is the same as emerges from it. The most that can happen is that – owing to the circulation costs – a smaller value can come out than went in. In this respect, circulation time adds nothing to value; circulation time does not appear as value-positing time, the same as labour time. If production has created a commodity = to the value of £10, then circulation is necessary in order to equate this commodity to the £10, its value, which exists as money. The costs involved in this process, caused by this change of form, are a deduction from the value of the commodity. *The circulation of capital is the change of forms by means of which value passes through different phases.* The *time* which this process lasts or costs to bring about belongs among the *production costs of circulation, of the division of labour, of production based on exchange.*

This holds for *one turnover of capital,* i.e. for the single course of capital through this, its different moments. The process of capital as value has its point of departure in money and ends in money, but in a greater quantity of money. The difference is only quantitative. M–C–C–M has thus obtained a content. If we examine the cycle up to this point, we stand at the point of departure again. Capital has become money again. But it is now at the same time posited, it has now become a condition for this money that it becomes capital again, money which preserves and multiplies itself through the purchase of labour, by passing through the production process. Its form as money is posited as mere form; one of the many forms through which it moves in its metamorphosis. If we regard this point now not as a terminal point, but rather – as we must now regard it – as transition point, or new point of departure, itself posited by the production process as a vanishing terminal point and only a seeming point of departure, then it is clear that the retransformation of value, posited as money, into value-in-process, into value entering into the production process, can only proceed –

that the *renewal of the production process* can only take place – when the part of the circulation process which is distinct from the production process has been completed. The *second turnover* of capital – the retransformation of money into capital as such, or the renewal of the production process – depends on the time capital requires to complete its circulation; i.e. on its *circulation time,* the latter here as distinct from production time. But since we have seen that the total value created by capital (reproduced value as well as newly created), which is realized in circulation as such, is exclusively determined by the production process, it follows that the sum of values which can be created in a given period of time depends on the number of repetitions of the production process within this period. The repetition of the production process, however, is determined by circulation time, which is equal to the velocity of circulation. The more rapid the circulation, the shorter the circulation time, the more often can the same capital repeat the production process. Hence, in a specific cycle of turnovers of capital, the sum of values created by it (hence surplus values as well, for it posits necessary labour always merely as labour necessary for surplus labour) is *directly proportional to the labour time and inversely proportional to the circulation time.* In a given cycle, the total value (consequently also the sum of newly posited surplus values) = labour time multiplied by the number of turnovers of the capital. Or, the surplus value posited by capital now no longer appears as simply determined by the surplus labour appropriated by it in the production process, but rather [it is determined] by the coefficient of the production process; i.e. the number which expresses how often it is repeated in a given period of time. This coefficient, in turn, is determined by the circulation time required by the capital for one turnover. The sum of values (surplus values) is thus determined by the value posited in one turnover multiplied by the number of turnovers in a given period of time. One turnover of capital is = to the production time + the circulation time. If circulation time is presupposed as given, then the total time required for one turnover depends on the production time. If production time is given, the duration of the turnover depends on the circulation time. Hence, to the extent that circulation time determines the total mass of production time in a given period of time, and to the extent that the repetition of the production process, its renewal in a given period depends on the circulation time, to that extent is it itself a moment of production, or rather appears as a limit of production. This is the nature of capital, of production founded on capital, that circulation time becomes a determinant moment for labour time, for the creation of value. The independence of labour time is thereby negated, and the production process is itself posited as determined by exchange, so that immediate production is socially linked to it and dependent on this link – not only as a material moment, but also as an *economic* moment, a determinant, characteristic form. The maximum of circulation – the limit of the renewal of the production process through it – is obviously determined by the duration of production time during one turnover. Suppose the production process of a specific capital, i.e. the time it needs to reproduce its value and to posit surplus value, lasts 3 months. (Or, the time required to complete a quantity of product = to the total value of the producing capital + the surplus value.) Then this capital could under no circumstances renew the production or realization process more often than 4 times a year. The maximum turnover of this capital would be 4 turnovers per year; i.e. if no interruptions took place between the completion of one production phase and the renewal. The maximum number of turnovers would be = to the continuity of the production process, so that, as soon as the product was finished, new raw material would be worked up into product again. This continuity would extend not only to the continuity within a single production phase, but to the *continuity of these phases themselves.* But supposing now that this capital required one month of circulation time at the end of each phase – time to return to the form of conditions of production – then it could effect only 3 turnovers. In the first case the number of turnovers was = 1 phase × 4; or 12 months divided by 3. The maximum value-creation by capital in a given space of time is this space of time divide d by the duration of the production process (by production time). In the second case, the capital would effect only 3 turnovers a year; it would repeat the realization process only 3 times. The sum of its realization process would be, then, = 12/4 = 3. The divisor here is the total circulation time it requires: 4 months; or the circulation time required for one circulation phase, multiplied by the number of times this circulation time is contained in a year. In the first case, the number of turnovers = 12 months, a year, a given time, divided by the time of one production phase, or by the duration of production time itself; in the second case, it equals the same time divided by circulation time. The maximum realization of capital, as also the maximum continuity of the production process, is circulation time posited as = 0; i.e. then, the conditions under which capital produces, its restriction by circulation time, the necessity of going through the different phases of its metamorphosis, are suspended. It is the necessary tendency of capital to strive to equate circulation time to 0; i.e. to suspend itself, since it is capital itself alone which posits circulation time as a determinant moment of production time. It is the same as to suspend the necessity of exchange, of money, and of the division of labour resting on them, hence capital itself. If we ignore for a moment the transformation of surplus value into surplus capital, then a capital of 100 thalers, which produced a surplus value of 4% on the total capital in the production process, would, in the first case, reproduce itself 4 times and would at the end of the year have posited a surplus value of 16. At the end of the year, the capital would be = 116. It would be the same as if a capital of 400 had turned over once a year, likewise with a surplus value of 4%. As regards the total production of commodities and values, these would have quadrupled. In the other case, a capital of 100 thalers only created a surplus value of 12; the total capital at the end of the year = 112. As regards total production – in respect of either values or use values – the difference still more significant. In the first case e.g. a capital of 100 transformed 400 thalers of leather into boots, in the second only 300 thalers of leather.

The total realization of capital is hence determined by the duration of the production phase – which we posit as identical with labour time, for the moment – multiplied by the number of turnovers, or renewals of this production phase in a given period of time. If the turnovers were determined only by the duration of one production phase, then the total realization would be simply determined by the number of production phases contained in a given period of time; or, the turnovers would be absolutely determined by production time itself. This would be the *maximum of realization.* It is clear, therefore, that circulation time, regarded absolutely, is a deduction from the maximum of realization, is < absolute realization. It is therefore impossible for any velocity of circulation or any abbreviation of circulation to create a realization > that posited by the production phase itself. The maximum that the velocity of circulation could effect, if it rose to ∞, would be to posit circulation time = 0, i.e. to abolish itself.

It can therefore not be a positive, value-creating moment, since its abolition – circulation without circulation time – would be the maximum of realization; its negation = to the highest position of the productivity of capital. * The total productivity of capital is = the duration of one production phase multiplied by the number of times it is repeated in a certain period of time. But this number is determined by circulation time.

* The productivity of capital as capital is not the productive force which increases use values; but rather its capacity to create value; the degree to which it produces value.

Let us assume a capital of 100 turned over 4 times a year; posited the production process 4 times; then, if the surplus value = 5% each time, at the end of the year the surplus value created by the capital of 100 would = 20; then, for a capital of 400, which turned over once a year at the same percentage, would likewise = 20. So that a capital of 100, circulating 4 times, would give a gain of 20% a year, while a 4 times greater capital with a single turnover would give a profit of only 5%. (We shall see shortly, in more detail, that the surplus value is exactly the same.) It seems, therefore, that the magnitude of the capital can be replaced by the velocity of turnover, and the velocity of turnover by the magnitude of the capital. This is how it comes to appear as though circulation time were in itself productive. We must therefore clarify the matter by discussing this case.

Another question which arises: If the turnover of 100 thalers 4 times a year brings 5% each time, say, then at the beginning of the second turnover, the production process could be begun with 105 thalers, and the product would be 110 1/4; at the beginning of the third *turnover,* 110 1/4, of which the product would be 115 61/80 at the beginning of the fourth turnover, 115 61/80, and at its end, 121 881/1600. The number itself here is beside the point. The point is that, in the case of a capital of 400 which turns over once a year at 5%, the total gain can only be 20; while, by contrast, a 4 times smaller capital turning over 4 times at the same percentage makes a gain of 1 + 881/1600 more. In this way it appears as if the mere moment of turnover – repetition – i.e. a moment determined by circulation time, or rather a moment determined by *circulation,* not only realized value, but brought about an absolute growth of value. This also to be examined.

Circulation time only expresses the velocity of circulation; the velocity of circulation only the barrier to circulation. *Circulation without circulation time* – i.e. the transition of capital from one phase to the next at the speed of thought – would be the maximum, i.e. the identity of the renewal of the production process with its termination.

The act of exchange – and the economic operations through which circulation proceeds are reducible to a succession of acts of exchange – up to the point at which capital does not relate as commodity to money or as money to commodity, but as value to its specific use value, labour – the act of the exchange of value in one form for value in the other, money for commodity, commodity for money (and these are the moments of simple circulation), posits the value of one commodity in the other, and thus realizes it as exchange; or, also, posits the commodities as equivalents. The act of exchange is thus *value-positing* in so far as values are presupposed to it; it realizes the value-*character* of the subjects of exchange. [41] But an act which posits a commodity as *value,* or, what is the same, which posits another commodity as its *equivalent* – or, again the same, posits the *equivalence* of both commodities, obviously for its part adds nothing to value, as little as the sign ± increases or decreases the number coming after it. If I posit 4 as plus or as minus – through this operation, 4, independently of the sign, remains equal to itself, 4, becomes neither 3 nor 5. Likewise, if I exchange a lb. of cotton with an exchange value of 6d. for 6d., then it is posited as value; and it can equally be said that the 6d, are posited as value in the lb. of cotton; i.e. the labour time contained in the 6d. (here 6d. regarded as *value)* is now expressed in another materialization of the same amount of labour time. But, since through this act of exchange the lb. of cotton as well as the 6d. of copper are each posited at = to their value, it is impossible that through this exchange the value either of the cotton, or of the 6d. or of the sum of both values should increase quantitatively. As the positing of equivalents, exchange only changes the form; realizes the potentially existing values; realizes the prices, if you like. To posit equivalents, e.g. A and B as equivalents, cannot raise the value of A, for it is the act in which A is posited as = to its own value, hence not as unequal to it; unequal only where the form is concerned, in so far as it was previously not posited as value; it is at the same time the act by means of which the value of A is posited as = to the value of B, and the value of B as = the value of A. The sum of the values transposed in the exchange = value A + value B. Each remains = to its own value; hence their sum remains equal to the sum of their values. Exchange as the *positing of equivalents* cannot therefore by its nature increase the sum of values, nor the value of the commodities exchanged. (The fact that it is different with the exchange with labour arises because the use value of labour is itself *value-positing,* but is not directly connected with its exchange value.) And if a single operation of exchange cannot increase the value of the thing exchanged, neither can a sum of exchanges do it. * Whether I repeat an act which creates no value once or an infinite number of times, the repetition cannot change its nature. The repetition of a non-value-creating act can never become an act of value-creation. E.g. 1/4 expresses a specific proportion. If I transform this 1/4 into a decimal fraction, i.e. posit it = 0.25, then its form has been changed. This transformation leaves the value the same. Similarly, when I transform a commodity into the form of money, or money into the form of the commodity, then the value remains the same, but the form is changed. It is clear, therefore, that circulation – since it consists of a series of exchange operations with equivalents – cannot increase the value of circulating commodities. Therefore, if labour time is required to undertake this operation, i.e. if values have to be consumed, for all consumption of values reduces itself to the consumption of labour time or of objectified labour time, products; i.e. if circulation entails costs, and if circulation time costs labour time, then this is a deduction from, a relative suspension of the circulating values; their devaluation by the amount of the circulation costs. If one imagines two workers who exchange with each other, a fisherman and a hunter; then the time which both lose in exchanging would create neither fish nor game, but would be rather a deduction from the time in which both of them can create values, the one fish, the other hunt, objectify their labour time in a use value. If the fisherman wanted to get compensation for this loss from the hunter: demand more game, or give him fewer fish, then the latter would have the same right to compensation. The loss would be common to both of them. These costs of circulation, costs of exchange, could appear only as a deduction from the total production and value-creation of both of them. If they commissioned a third, C, with these exchanges, and thus lost no labour time directly, then each of them would have to cede a proportional share of his product to C. What they could gain thereby would only be a greater or lesser loss. But if they worked as joint proprietors, then no exchange would take place, only communal consumption. The costs of exchange would therefore vanish. Not the division of labour; but the division of labour founded on exchange. It is wrong, therefore, for J. St. Mill to regard the cost of circulation as *necessary price of the division of labour.* [42] It is the cost only of the [not-] spontaneous division of labour resting not on community of property, but on private property.

> * It is altogether necessary to make this clear; because the distribution of the surplus value among the capitals, the *calculation* of the total surplus value among the individual capitals – this *secondary* economic operation – gives rise to phenomena which are confused, in the ordinary economics books, with the primary ones.

Circulation costs as such, i.e. the consumption of labour time or of objectified labour time, of values, in connection with the operation of exchange and a series of exchange operations, are therefore a deduction either from the time employed on production, or from the values posited by production. They can never increase the value. They belong among the *faux frais de production,* and these *faux frais de production* belong to the inherent costs of production resting on capital. The merchant’s trade and still more the money trade proper – in so far as they do nothing but carry on the operations of circulation as such, e.g. the determination of prices (measurement of values and their calculation), these exchange operations generally, as a function which has gained independence through the division of labour, in so far as they represent this function of the total process of capital – represent merely the *faux frais de production* of capital. In so far as they reduce these *faux frais,* they add to production, not by creating value, but by reducing the negation of created values. If they operate purely as such a function, then they would always only represent the minimum of *faux frais de production.* If they enable the producers to create more values than they could without this division of labour, and, more precisely, so much more that a surplus remains after the payment of this function, then they have in fact increased production. Values are then increased, however, not because the operations of circulation have created value, but because they have absorbed less value than they would have done otherwise. But they are a necessary condition for capital's production.

The time a capitalist loses during exchange is as such not a deduction from labour time. He is a capitalist – i.e. representative of capital, personified capital, only by virtue of the fact that he relates to labour as alien labour, and appropriates and posits alien labour for himself. The costs of circulation therefore do not exist in so far as they *take away the capitalist's time.* His time is posited as *superfluous time: not-labour time, not-value-creating time,* although it is capital which realizes the created value. The fact that the worker must work surplus labour time is identical with the fact that the capitalist does not need to work, and his time is thus posited as not-labour time; that he does not work the *necessary* time, either. The worker must work surplus time in order to be allowed to objectify, to realize the labour time necessary for his reproduction. On the other side, therefore, the *capitalist's necessary labour time* is *free* time, not time required for direct subsistence. Since all *free time* is time for free development, the capitalist usurps the *free time* created by the workers for society, i.e. civilization, and Wade is again correct in this sense, in so far as he posits capital = civilization. [43]

Circulation time – to the extent that it takes up the time of the capitalist as such – concerns us here exactly as much as the time he spends with his mistress. If time is money, then from the standpoint of capital it is only alien labour time, which is of course in the most literal sense the capitalist's money. In regard to capital as such, circulation time can coincide with labour time only in so far as it interrupts the time during which capital can appropriate alien labour time, and it is clear that this relative devaluation of capital cannot add to its realization, but can only detract from it; or, in so far as circulation costs capital objectified alien labour time, values. (For example because it has to pay someone who takes over this function.) In both cases, circulation time is of interest only in so far as it is the suspension, the negation of alien labour time; either because it interrupts capital in the process of its appropriation; or because it forces it to consume a part of the created value, to consume it in order to accomplish the operations of circulation, i.e. to posit itself as capital. (Very much to be distinguished from the private consumption of the capitalist.) Circulation time is of interest only in its relation – as barrier, negation – to the production time of capital; this production time, however, is the time during which it appropriates alien labour, the alien labour time posited by it. To regard the time the capitalist spends in circulation as value-creating time or even surplus-value-creating time is to fall into the greatest confusion. Capital as such has no labour time apart from its production time. The capitalist absolutely does not concern us here except as capital. And he functions as such only in the total process we are examining. Otherwise, it could still be imagined that the *capitalist draws compensation for the time during which he does not earn money as another capitalist's wage labourer* – or that he *loses this time.* [Or] that it belongs together with the costs of production. The time which he employs or loses as capitalist is *lost time* altogether, sunk and unrecoverable from this standpoint. We will later look at the *capitalist's* so-called *labour time* as distinct from the worker's labour time, which former is alleged to form the basis of his *profits,* as a wage of its own type.

Nothing is more common than to bring transport etc., to the extent that they are connected with trade, into the pure circulation costs. In so far as trade brings a product to market, it gives it a new form. True, all it does is change the location. But the mode of the transformation does not concern us. It gives the product a new use value (and this holds right down to and including the retail grocer, who weighs, measures, wraps the product and thus gives it a form for consumption), and this new use value costs labour time, is therefore at the same time exchange value. Bringing to market is part of the production process itself. The product is a commodity, is in circulation only when it is on the market.

Circulation.* Storch. – *Metamorphosis of capital and metamorphosis of the commodity. – Capital's change of form and of substance. Different forms of capital. – Turnover in a given period. – Circulating capital as general character of capital.* – Year *the measure of turnovers of circulating capital.* Day *the measure of labour time

<'In every species of industry, the entrepreneurs become sellers of products, while the entire remainder of the nation and often even other nations are the buyers of these products ... the constant and incessantly repeated path which

circulating capital describes in order to take leave of the entrepreneur and in order to return to him in the first form is comparable to a circle; hence the name *circulant* given to this capital, and the use of the word circulation for its movement.' (p. [404,] 405.) (Storch. *Cours d'économie politique,* Paris, 1823, Vol. I, p. 405, Notebook, p. 34.) 'In the broad sense, circulation includes the motion of every commodity exchanged.' (p. 405, loc. cit.) 'Circulation proceeds by exchanges … from the instant of [the introduction of] currency, they [the commodities] are no longer exchanged but sold.' (p. 406, loc. cit.) 'For a commodity to be in circulation, it is sufficient that it be in supply … Wealth in circulation: *commodity.'* (p. 407, loc. cit.) 'Commerce only a part of circulation; the former includes only merchants' purchases and sales; the latter, those of all entrepreneurs and even of all … inhabitants.' (p. 408, loc. cit.) 'Only so long as the *costs* of circulation are indispensable to allow the *commodities to reach the consumers* is circulation real, and does *its value* increase the annual product. From the instant when it exceeds this degree, circulation is artificial and no longer contributes anything to the wealth of the nation.' (p. 409.) 'In recent years we saw examples of artificial circulation in St Petersburg in Russia. The slack state of foreign trade had led the merchants to realize their unemployed capitals in another way; no longer being able to employ them to bring in foreign commodities and to export domestic ones, they decided to take advantage of this by buying and reselling the commodities on hand. Monstrous quantities of sugar, coffee, hemp, iron etc. rapidly passed from one hand to the other, and a commodity often changed proprietors twenty times, without leaving the warehouse. This kind of circulation offers the dealers all manner of speculative opportunities; but while it enriches some, it ruins the others, and the nation's wealth gains nothing thereby. Likewise with the circulation of money … This kind of artificial circulation, based simply on a variation of prices, is termed *agiotage.'* (p. 410, 411.) 'Circulation brings no profit for society except in so far as it is indispensable to bring the commodity to the consumer. Every detour, delay, intermediate exchange which is not absolutely necessary for this purpose, or which does not contribute *to diminishing the circulation costs,* harms the national wealth, by uselessly raising the prices of commodities.' (p. 411.) 'Circulation is the more productive the more rapid it is; i.e. the less time it requires to relieve the entrepreneur of the finished product and bring it to market, and to bring the capital back to him in its first form.' (p. 411.) 'The entrepreneur can begin production again only after he has sold the completed product and has employed the price in purchasing new materials and new wages: hence, the more promptly circulation acts to bring about these two effects, the sooner is he in a position to begin his production anew, and the more profits does his capital bring in a given period of time.' (p. 412.) 'The nation whose capital circulates with a proper speed, so as to return several times a year to him who set it into motion, is in the same situation as the labourer of the happy climates who can raise three or four harvests in succession from the same soil in one year.' (p. 412, 413.) 'A slow circulation makes the objects of consumption more expensive (1) indirectly, through diminution of the mass of commodities which can exist; (2) directly because, as long as a product is in circulation, *its value progressively* increases by the interest of capital employed on its production; the slower the production, the more do these interest charges accumulate, which uselessly elevates the price of commodities.' 'Means for the abbreviation and acceleration of circulation: (1) the separating-out of a class of workers occupied exclusively with trade; (2) ease of transport; (3) currency; (4) credit.' (p. 413.)>

Simple circulation consisted of a great number of simultaneous or successive exchanges. Their unity, regarded as circulation, was actually present only from the observer's standpoint. (The exchange can be accidental, and it more or less has this character where it is restricted to the exchange of the excess product, and has not seized upon the totality of the production process.) In the circulation of capital we have a series of exchange operations, acts of exchange, each of which represents a qualitatively different moment towards the other, a moment in the reproduction and growth of capital. A system of exchanges, changes of substance, from the standpoint of value as such. Changes of form, from the standpoint of use value. The product relates to the commodity as use value to exchange value; thus the commodity to money. Here one series attains its peak. Money relates to the commodity into which it is retransformed as exchange value to use value; even more so, money to labour.

In so far as capital in every moment of the process is itself the possibility of going over into its other, next phase, and is thus the possibility of the whole process, which expresses capital's act of life, to that extent each of the moments appears potentially as capital – hence commodity capital, money capital – along with the value positing itself in the production process as capital. The commodity can represent money as long as it can transform itself into money, i.e. can buy wage labour (surplus labour); this in respect of the *formal side,* which emerges from the circulation of capital. On the material, physical side, it remains capital as long as it consists of raw material (proper or semi-fabricated), instrument, or necessaries for the workers. Each of these forms is potential capital. Money is in one respect the realized capital, capital as realized value. In this respect (regarded as a terminal point of circulation, where it then has to be regarded as a point of departure as well), it is capital, κατ᾽ ἐξοχήν. It is then especially capital again in regard to the part of the production process in which it exchanges itself for living labour. By contrast, in its exchange for the commodity (new purchase of raw material etc.) by the capitalist, it appears not as capital, but as medium of circulation; merely a vanishing mediation, through which the capitalist exchanges his product for the latter's original elements.

Circulation is not merely an external operation for capital. Just as it only becomes capital through the production process, in that value immortalizes and increases itself through that process, so does it become retransformed into the pure *form* of value – in which the traces of its becoming, as well as its specific presence in use value, have been extinguished —only through the first act of circulation; while the repetition of this act, i.e. the life process [of capital] is made possible only through the second act of circulation, which consists of the exchange of money for the conditions of production and forms the introduction to the act of production. Circulation therefore belongs *within* the concept of capital. Just as, originally, money or stockpiled labour appeared as presupposition *before* the exchange with free labour; the seeming independence of the objective moment of capital towards labour, however, was suspended, and objectified labour, become independent as value, appeared on all sides as the *product of alien labour,* the *alienated product* of labour itself; so does capital only now appear as presupposed to its circulation (capital as money was presupposed to its becoming capital; but capital as the result of value which has absorbed and assimilated living labour appeared as the point of departure not of circulation generally, but of the *circulation* of capital), so that it would exist independently and indifferently, even *without* this process. *However, the movement of the metamorphoses through which it must pass now appears as a condition of the production process* itself; just as much as its result. Capital, in its reality, therefore appears as a series of turnovers in a given *period.* It is no longer merely *one turnover,* one circulation; but rather the positing of turnovers; positing of the whole process. Its value-positing therefore appears as conditioned (and value is capital only as self-immortalizing and self-multiplying value) (1) *qualitatively;* in that it cannot renew the production phase without passing through the phases of circulation; (2) *quantitatively;* in that the mass of the values it posits depends on the number of its turnovers in a given period; (3) in that circulation time appears in both respects as limiting principle, as barrier of production time, and vice versa. Capital is therefore essentially *circulating capital.* While in the workshop of the production process capital appears as proprietor and master, in respect of circulation it appears as dependent and determined by social connections, which, from our present standpoint, make it enter into and figure in simple circulation alternately as C towards M and M towards C. But this circulation is a haze under which yet another whole world conceals itself, the world of the interconnections of capital, which binds this quality originating in circulation – in social intercourse – to itself, and robs it of the independence of self-sustaining property, as well as of its character. Two vistas into this presently still distant world have already opened up, at the two points at which the circulation of capital pushes the value posited and circulated by it in the form of the product out of its path, and, secondly, the point at which it pulls another product out of circulation into its own orbit; transforms this product itself into one of the moments of its presence *[Dasein].* At the second point it presupposes production; not its own immediate production; at the first point it may presuppose production, if its product is itself raw material for other production; or consumption if it has obtained the final form for consumption. This much is clear, that consumption need not enter into its circle *directly.* The actual circulation of capital, as we shall see later, is still circulation between dealers and dealers. The circulation between dealers and consumers, identical with the retail trade, is a second circle which does not fall within the immediate circulation sphere of capital. An orbit which it describes after the first is described, and simultaneously alongside it. *The simultaneity of the different orbits of capital,* like that of its different aspects, becomes clear only after many capitals are presupposed. Likewise, the course of human life consists of passing through different ages. But at the same time all ages exist side by side, distributed among different individuals.

Considering that the production process of capital is at the same time a technological process – production process absolutely – namely [the process] of the production of specific use values through specific labour, in short, in a manner determined by this aim itself; considering that the most fundamental of these production processes is that through which the body reproduces its necessary metabolism, i.e. creates the necessaries of life in the physiological sense; considering that this production process coincides with agriculture; and the latter also at the same time directly (as with cotton, flax etc.) or indirectly, through the animals it feeds (silk, wool, etc.), furnishes a large part of the raw materials for industry (actually all except those belonging to the extractive industries); considering that reproduction in agriculture in the temperate zone (the home of capital) is bound up with general terrestrial circulation; i.e. harvests are mostly *annual;* it follows that the *year* (except that it is figured differently for various productions) has been adopted as the general period of time by which the sum of the turnovers of capital is calculated and measured; just as the *natural working day* provided such a natural unit as measure of labour time. In the calculation of profit, and even more of interest, we consequently see the unity of circulation time and production time – capital – posited as such, and as its own measure. Capital itself as *in process* – hence, as accomplishing one turnover – is regarded as *working capital,* and the fruits, which it is supposed to yield, are calculated according to its working time – the total circulation time of one turnover. The mystification which thereby takes place lies in the nature of capital.

Fixed *(tied down) capital and circulating capital. – (Surplus. Proudhon. Bastiat.) – Mill. Anderson. Say. Quincey. Ramsay. – Difficulty with interest on interest. – Creating market through trade.* – Fixed and circulating capital. Ricardo. Money and capital. *Eternity of value. – Necessity of rapid or less rapid reproduction.*

Sismondi. ***Cherbuliez. Storch. – Capital's advance to labour***

Now, before we go more closely into the above-mentioned considerations, we want to see what distinctions the economists draw between *fixed capital* and *circulating capital.* We have already found, above, a new moment which enters with the calculation of profit as distinct from surplus value. Likewise already at this point a new moment has to arise between profit and interest. Surplus value in connection with *circulating capital* obviously appears as profit, in distinction to *interest* as the surplus value in connection with *fixed capital.* Profit and interest are both forms of the surplus value. Profit contained in the *price.* Hence, profit comes to an end and is realized as soon as capital has come to the point of its circulation where it is retransformed into money or passes from its form as commodity into the form of money. The striking ignorance on which Proudhon's polemic against interest rests, later. (Here one more time, so as not to forget, in regard to Proudhon: the surplus value which causes all Ricardians and anti-Ricardians so much worry is solved by this fearless thinker simply by mystifying it, 'all work leaves a surplus', 'I posit it as an axiom ... ' [44] The actual formulation to be looked up in the notebook. The fact that *work goes on beyond* necessary labour is transformed by Proudhon into a mystical quality of labour. This not to be explained by the mere growth of the productive force of labour; this may increase the products of a given labour time; but it cannot give a surplus value. It enters only in so far as it liberates surplus time, time for labour beyond the necessary. The only *extra-economic* fact in this is that the human being does not need his entire time for the production of the necessaries, that he has free time at his disposal above and beyond the labour time necessary for subsistence, and hence can also employ it for surplus labour. But this is in no way something mystical, since his necessaries are small to the same degree that his labour power is in a primitive state. But wage labour as such enters only where the development of the productive force has already advanced so far that a significant amount of time has become free; this liberation is here already a historic product. Proudhon's ignorance only equalled by Bastiat's decreasing rate of profit which is supposed to be the equivalent of a rising rate of wages. [45] Bastiat expresses this nonsense, borrowed from Carey, in a double way: first, the *rate* of profit falls (i.e. the proportion of surplus value in relation to the employed capital); secondly: prices decline, but value, i.e. the total sum of prices, rises, which is only another way of saying that the gross profit rises, not the rate of profit.)

Firstly, in the sense used by us above, of *fixated* capital, John St. Mill *(Essays on some Unsettled Questions of Political Econ.,* Lond., 1844, p. 55), [speaks of it] as tied-down, not disposable, not available capital. Stuck in one phase of its total circulation process. In this sense he says correctly, like Bailey in the above quotations, that a great part of the capital of a nation always lies idle.

'The difference between fixed and circulating capital is more apparent than real; e.g. gold is fixed capital; floating only in so far as it is consumed for gilding etc. Ships are fixed capital, although literally floating. Foreign railway shares are articles of commerce in our markets; so may our railways be in the markets of the world; and so far they are floating capital, on a par with gold.' (Anderson, *The Recent Commercial Distress etc.,* London, 1847, p. 4.) (Notebook I, 27.) [46]

According to Say: capital 'so much involved in one *kind of production* that it can no longer be diverted from it to be devoted to *another kind of production'.* [47] The identification of capital with a specific use value, use value for the production process. This quality of capital, *being tied down* as value to a particular use value – use value within production – is, however, an important aspect. This expresses more than the inability to circulate, which actually only says that fixed capital is the opposite of circulating capital.

In his *Logic of Political Economy* (p. 114) (Notebook X, 4), de Quincey says: *'Circulating capital,* in its normal idea, means *any agent whatever'* (beautiful logician) 'used productively which perishes in the very act of being used.' (According to this, coal would be *circulating capital,* and *oil,* but not cotton etc. It cannot be said that cotton perishes by being transformed into twist or calico, and such transformation certainly means using it productively); 'capital is *fixed* when the thing serves repeatedly always for the same operation, and by how much larger has been the range of iterations, by so much more intensely is the *tool, engine,* or *machinery* entitled to the denomination of fixed.' (p. 114.) (Notebook X, 4.) According to this, the circulating capital would die out, be consumed in the act of production; the fixed capital – which, for greater clarity, is characterized as *tool, engine,* or *machinery* (thus improvements incorporated in the soil are, for instance, excluded) – would serve repeatedly, always for the same operation. The distinction here concerns only technological differences in the act of production, not in the least the form-relation; circulating and fixed capital, in the differences here indicated, do have distinguishing features by means of which one particular agent is fixed and the other circulating, but neither of them any qualification which would entitle it to the *'denomination'* of *capital.*

According to Ramsay (IX, 84) [48] only 'the *approvisionnement* is *circulating capital,* because the capitalist must part with it immediately, and it *does not enter into the reproduction process at all,* but is rather exchanged directly for living labour, for consumption. All other capital (including raw material) remains in the possession of its owner or employer until the *produce is completed.'* (loc. cit. p. 21.) *'Circulating capital* consists only of subsistence and other necessaries advanced to the workman, previous to the completion of the produce of his labour.' (loc. cit. p. 23.) In regard to *approvisionnement* he is correct in so far as it is the only part of capital which circulates during the production phase itself, and which is in this respect circulating capital *par excellence.* In another respect it is false to say that fixed capital remains in the possession of its owner or employer 'until the produce is completed' and no longer than that. He consequently also later explains fixed capital as 'any portion of that labour (bestowed upon any commodity) *in a form* in which, though assisting to raise the future commodity, it does not *maintain labour*'. (But how many commodities do not maintain labour! I.e. do not belong among the workers' articles of consumption. These, according to Ramsay, are all *fixed capital.)*

(If the interest on £100 at the end of the first year or of the first 3 months is £5, then the capital at the end of the first year 105 or 100(1 + 0.05); at the end of the 4th year = $100(1 + 0.05)^4$ = £121. £55/100 and £1/1600 = £121 11s. 3/20 farthing or £121 11s. 0.15 farthing. Hence £1 11s. 3/20 farthing more than 20.)

(In the question posed above, assume that a first capital of 400 turns over only once a year, a second [capital of 100,] 4 times, both at 5%. In the first case the capital would make 5% once a year, = 20 on 400; in the second case 4 × 5%, likewise = 20 per year on 100. The velocity of turnover would substitute for the size of the capital; just as in simple money circulation 100,000 thalers which circulate 3 times a year = 300,000, while 3,000 which circulate 100 times = 300,000 also. But if the capital circulates 4 times a year, then it is *possible* that the surplus gain itself is ploughed into the capital for the second turnover, and turned over with it, producing thereby the difference of £1 11s. 0.15 farthing. But this difference in no way follows from the presupposition. All that is there is the *abstract* possibility. What would follow, rather, from the presupposition is that 3 months are required for the turnover of a capital of £100. E.g. therefore, if the month = 30 days, then for £105 – with the same turnover relation, with the same relation between the turnover time and the size of the capital – not 3 months are required, * but rather 105:x = 100:90; x = (90 × 105)/100 = 9450/100 = 94 5/10 days = 3 months, 4 1/2 days. With that, the first difficulty is completely solved.)

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* Otherwise it could also be assumed, alternatively, that, if the production process is continuous, the obtained surplus is re-transformed into capital every 3 months.

(From the fact that a larger capital with a slower turnover does not create more surplus value than a smaller with a relatively more rapid turnover, it does not in the least automatically follow that a smaller capital turns over more rapidly than a larger. This is indeed the case in so far as the larger capital consists of more fixed capital and in so far as it has to search out more distant markets. The size of the market and the velocity of turnover are not necessarily inversely related. This occurs only as soon as the present, physical market is not the economic market; i.e. as the economic market becomes more and more distant from the place of production. To the extent, by the way, that [this relation] does not arise purely from the distinction between fixed and circulating capital, the moments which determine the circulation of different capitals cannot be at all developed yet here. An incidental remark: to the extent that trade posits new points of circulation, i.e. brings different countries into intercourse, discovers new markets etc., this is something entirely different from the mere costs of circulation required to carry out a given mass of exchange operations; it is the positing not of the operations of exchange, but of the exchange itself. Creation of markets. This point will have to be examined in particular before we have done with circulation.)

Now let us continue with our review of the opinions about ‘fixed’ and ‘circulating capital’. ‘Depending on whether *capital* is more or less *transitory, hence must be more or less frequently reproduced in a given time,* it is called *circulating or fixed capital.* Furthermore, capital circulates or returns to its employer in *very* unequal times; e.g. wheat which the farmer buys to sow is *relatively fixed* capital compared to the wheat a baker buys to make bread.’ (Ricardo VIII, 19.) Then he remarks also: ‘Different *proportions of fixed capital and circulating capital* in different trades; different *durability of fixed capital* itself.’ (Ricardo, loc. cit.) [49] ‘Two kinds of commerce can employ a capital of equal value, but which may be divided in a very different way as regards the fixed part and the circulating part. They may even employ an equal value of fixed capital and circulating capital, but the durability of the fixed capital may be very unequal. For example, one a steam engine of £10,000, the other, ships.’ (This out of Say’s translation of Ricardo, Vol. I, p. 29, 30.) The error from the outset is that, according to Ricardo, capital is supposed to be *‘more or less transitory’.* Capital as capital – *value* – is not transitory. But the use value in which the value is fixated, in which it exists, is ‘more or less transitory’, and must therefore be *‘more or less frequently reproduced* in a *given time’.* The difference between fixed capital and circulating capital is therefore reduced here to the *greater or lesser necessity for reproducing the given capital in a given time.* This is one distinction made by Ricardo. The other distinction concerns the different *degrees of durability,* or *different degrees of fixed capital,* i.e. *different degrees, relative durability of the relatively fixed.* So that fixed capital is itself more or less fixed. *The same capital* appears in the same business in the two different forms, the *particular modes of existence* of *fixed and circulating,* hence exists doubly. To be fixed or circulating appears as a *particular* aspect of capital apart from that of being capital. It must, however, proceed to this particularization. Finally, as for the third distinction, ‘that capital circulates or returns in very *unequal times’,* what Ricardo means by this, as his example of the baker and the farmer shows, is nothing more than the difference in the time during which capital is *fixed, tied up* in the *production phase* as distinct from the circulation phase, in different branches of business. Hence, *fixed capital* occurs here in the same way as we had it previously, as being fixated in each phase; except that the specifically longer or shorter fixation in the production phase, this phase in particular, is regarded as a peculiarity, particularity of capital [as value-] positing. Money attempted to posit itself as *imperishable value,* as eternal value, by relating negatively towards circulation, i.e. towards the exchange with real wealth, with transitory commodities, which, as Petty describes very prettily and very naïvely, dissolve in fleeting pleasures. [50] Capital posits the permanence of value (to a certain degree) by incarnating itself in fleeting commodities and taking on their form, but at the same time changing them just as constantly; alternates between its eternal form in money and its passing form in commodities; permanence is posited as the only thing it can be, a passing passage – process – life. But capital obtains this ability only by constantly sucking in living labour as its soul, vampire-like. The permanence – the duration of value in its form as capital – is posited only through reproduction, which is itself double, reproduction as commodity, reproduction as money, and unity of both these reproduction processes. In its reproduction as commodity, capital is fixated in a particular form of use value, and is thus not *general exchange value,* even less realized *value,* as it is supposed to be. The fact that it has posited itself as such in the act of reproduction, the production phase, is proved only through circulation. The greater or lesser perishability of the commodity in which value exists requires a slower or faster reproduction; i.e. repetition of the labour process. The *particular nature of use value,* in which the value exists, or which now appears as capital’s body, here appears as itself a *determinant* of the *form* and of the action of capital; as giving one capital a particular property as against another; as particularizing it. As we have already seen in several instances, nothing is therefore more erroneous than to assert [51] that the distinction between use value and exchange value, which falls outside the characteristic economic form in simple circulation, to the extent that it is *realized* there, falls outside it in general. We found, rather, that in the different stages of the development of economic relations, exchange value and use value were determined in different relations, and that this determination itself appeared as a different determination of value as such. Use value itself plays a role as an economic category. Where it plays this role is given by the development itself. Ricardo, e.g., who believes that the bourgeois economy deals only with exchange value, and is concerned with use value only exoterically, derives the most important determinations of exchange value precisely from use value, from the relation between the two of them: for instance, *ground rent, wage minimum, distinction between fixed capital and circulating capital,* to which he imputes precisely the most significant influence on the determination of prices (through the different reaction produced upon them by a rise or fall in the rate of wages); likewise in the relation of demand and supply etc. One and the same relation appears sometimes in the form of use value and sometimes in that of exchange value, but at different stages and with a different meaning. To use is to consume, whether for production or consumption. Exchange is the mediation of this act through a social process. Use can be posited as, and be, a mere consequence of exchange; then again, exchange can appear as merely a moment of use, etc. From the standpoint of capital (in circulation), exchange appears as the positing of its use value, while on the other side its use (in the act of production) appears as positing for exchange, as positing its exchange value. Likewise with production and consumption. In the bourgeois economy (as in every economy), they are posited in specific distinctions and specific unities. The point is to understand precisely these specific, distinguishing characteristics. Nothing is accomplished by the [assertions of] Mr Proudhon or of the social sentimentalists that they are *the same.*

The good thing in Ricardo's explanation is that it begins by emphasizing the moment of the necessity of *quicker or slower reproduction;* hence that the greater or lesser durability – consumption (in the sense of self-consumption), slower or more rapid – is regarded in connection with *capital* itself. Hence a relation of use value for *capital* itself. Sismondi by contrast immediately introduces a determinant initially exoteric to capital; *direct or indirect human consumption:* whether the article is a direct or an indirect necessary of life for the human consumer; he thereby joins this with the *quicker or slower consumption of the object itself.* The objects which serve directly as necessaries of life are more perishable, because designed to perish, than those which help to produce the necessaries of life. With the latter, their duration is their character; their transitoriness – fate. He says: 'Fixed, indirect capital is *slowly consumed,* in order to assist in consuming that which man destines for his use; circulating capital does not cease to be directly applied to the use of man ... Whenever a thing is consumed, it *never returns* for him who consumes it; while a thing consumed for reproduction is there for him at the same time.' (Sismondi VI.) He also presents the relation in such a way that: 'the *first transformation* of annual consumption into durable foundations, suitable for *increasing the productive powers of future labour – fixed capital;* this first labour always accomplished by labour, represented by a wage, exchanged for necessaries which the worker consumes during labour. *Fixed capital is consumed slowly'* (i.e. is slowly worn out). *Second transformation: 'Circulating capital* consists of *labour-seeds* (raw material) and of the *worker's consumption.'* (loc. cit.) [52] This is more concerned with the origin. Firstly the *transformation,* that fixed capital is itself only circulating capital which has assumed a stationary form, *fixated* circulating capital; second, the *destination:* the one destined to be consumed as means of production, the other as product; or the different mode of its *consumption,* determined by its role among the conditions of production in the production process. Cherbuliez simplifies the matter to the point where circulating capital is the *consumable, fixed capital* the not consumable part of capital. [53] (One you can eat, the other not. A very easy method of taking the thing.) In a quotation already given above [54] (29 in the Notebook), Storch vindicates for circulating capital generally the circulating nature of capital. He contradicts himself by saying: 'all fixed capital comes originally from a circulating capital, and needs continually to be maintained at the latter's expense' (hence comes out of circulation, or is itself circulating in its first moment and constantly renews itself *through* circulation; thus although *it* does not go *into circulation,* circulation goes into *it). As* for what Storch adds further: 'NO *fixed capital can give a revenue* EXCEPT *by means of a circulating capital'* (26a. Notebook), [55] we shall return to that later.

<'Reproductive consumption is not properly an expense, but only an *advance,* because it is reimbursed to its agent'; p. 54 in Storch's polemic against Say [56] (p. 5b. *Second* notebook on Storch). (The capitalist gives the worker a part of the latter's own surplus labour in the form of *advance,* as something for which he must reimburse the capitalist not merely with an equivalent, but with surplus labour as well.)>

(The formula for *computing compound interest* is: $S = c(1 + i)^n$. (S, the total magnitude of capital c after n years at an interest rate i.)

The formula for *computing an annuity* is:

$$x \text{ (the annuity)} = \frac{c(1+i)^n}{1 + (1+i) + (1+i)^2 + (1+i)^{n-1}}$$

Constant and variable capital

We divided capital above into *constant* and *variable value;* this is always correct as regards capital within the production phase, i.e. in its immediate realization process. How it is that capital itself, as presupposed value, can change its value as its reproduction costs rise or fall, or as a consequence of a decline in props also etc., evidently belongs to the section where capital is regarded as real capital, as the interaction of many capitals on one another, not here in its general concept.

Competition

<Because competition appears historically as the dissolution of compulsory guild membership, government regulation, internal tariffs and the like within a country, as the lifting of blockades, prohibitions, protection on the world market – because it appears historically, in short, as the negation of the limits and barriers peculiar to the stages of production preceding capital; because it was quite correctly, from the historical standpoint, designated and promoted by the Physiocrats as *laissez faire, laissez passer;* it has [therefore] never been examined even for this merely negative side, this, its merely historical side, and this has led at the same time to the even greater absurdity of regarding it as the collision of unfettered individuals who are determined only by their own interests – as the mutual repulsion and attraction of free individuals, and hence as the absolute mode of existence of free individuality in the sphere of consumption and of exchange. Nothing can be more mistaken. While free competition has dissolved the barriers of earlier relations and modes of

production, it is necessary to observe first of all that the things which were a barrier to it were the inherent limits of earlier modes of production, within which they spontaneously developed and moved. These limits became barriers only after the forces of production and the relations of intercourse had developed sufficiently to enable capital as such to emerge as the dominant principle of production. The limits which it tore down were barriers to its motion, its development and realization. It is by no means the case that it thereby suspended all limits, nor all barriers, but rather only the limits not corresponding to it, which were barriers to it. Within its own limits – however much they may appear as barriers from a higher standpoint, and are posited as such by its own historic development – it feels free, and free of barriers, i.e. as limited only by itself, only by its own conditions of life. Exactly as guild industry, in its heyday, found in the guild organization all the fullness of freedom it required, i.e. the relations of production corresponding to it. After all, it posited these out of itself, and developed them as *its* inherent conditions, and hence in no way as external and constricting barriers. The historical side of the negation of the guild system etc. by capital through free competition signifies nothing more than that capital, having become sufficiently strong, by means of the mode of intercourse adequate to itself, tore down the historic barriers which hindered and blocked the movement adequate to it. But competition is very far from having only this historic significance, or merely being *this negative* force. *Free competition* is the relation of capital to itself as another capital, i.e. the real conduct of capital as capital. The inner laws of capital – which appear merely as tendencies in the preliminary historic stages of its development – are for the first time posited as laws; production founded on capital for the first time posits itself in the forms adequate to it only in so far as and to the extent that free competition develops, for it is the free development of the mode of production founded on capital; the free development of its conditions and of itself as the process which constantly reproduces these conditions. It is not individuals who are set free by free competition; it is, rather, capital which is set free. As long as production resting on capital is the necessary, hence the fittest form for the development of the force of social production, the movement of individuals within the pure conditions of capital appears as their freedom; which is then also again dogmatically propounded as such through constant reflection back on the barriers torn down by free competition. Free competition is the real development of capital. By its means, what corresponds to the nature of capital is posited as external necessity for the individual capital; what corresponds to the concept of capital, is posited as external necessity for the mode of production founded on capital. The reciprocal compulsion which the capitals within it practice upon one another, on labour etc. (the competition among workers is only another form of the competition among capitals), is the *free,* at the same time the *real* development of wealth as capital. So much is this the case that the most profound economic thinkers, such as e.g. Ricardo, *presuppose* the absolute predominance of free competition [57] in order to be able to study and to formulate the adequate laws of capital – which appear at the same time as the vital tendencies governing over it. But free competition is the adequate form of the productive process of capital. The further it is developed, the purer the forms in which its motion appear. What Ricardo has thereby admitted, despite himself, is the *historic nature* of capital, and the limited character of free competition, which is just the free movement of capitals and nothing else, i.e. their movement within conditions which belong to no previous, dissolved stages, but are its own conditions. The predominance of capital is the presupposition of free competition, just as the despotism of the Roman Caesars was the presupposition of the free Roman 'private law'. As long as capital is weak, it still itself relies on the crutches of past modes of production, or of those which will pass with its rise. As soon as it feels strong, it throws away the crutches, and moves in accordance with its own laws. As soon as it begins to sense itself and become conscious of itself as a barrier to development, it seeks refuge in forms which, by restricting free competition, seem to make the rule of capital more perfect, but are at the same time the heralds of its dissolution and of the dissolution of the mode of production resting on it. Competition merely *expresses* as real, posits as an external necessity, that which lies within the nature of capital; competition is nothing more than the way in which the many capitals force the inherent determinants of capital upon one another and upon themselves. Hence not a single category of the bourgeois economy, not even the most basic, e.g. the determination of value, becomes real through free competition alone; i.e. through the real process of capital, which appears as the interaction of capitals and of all other relations of production and intercourse determined by capital. Hence, on the other side, the insipidity of the view that free competition is the ultimate development of human freedom; and that the negation of free competition = negation of individual freedom and of social production founded on individual freedom. It is nothing more than free development on a limited basis – the basis of the rule of capital. This kind of individual freedom is therefore at the same time the most complete suspension of all individual freedom, and the most complete subjugation of individuality under social conditions which assume the form of objective powers, even of overpowering objects – of things independent of the relations among individuals themselves. The analysis of what free competition really is, is the only rational reply to the middle-class [58] prophets who laud it to the skies or to the socialists who damn it to hell. The statement that, within free competition, the individuals, in following purely their private interest, realize the communal or rather the *general* interest means nothing other than that they collide with one another under the conditions of capitalist production, and hence that the impact between them is itself nothing more than the recreation of the conditions under which this interaction takes place. By the way, when the illusion about competition as the so-called absolute form of free individuality vanishes, this is evidence that the conditions of competition, i.e. of production founded on capital, are already felt and thought of as *barriers,* and hence already *are* such, and more and more become such. The assertion that free competition = the ultimate form of the development of the forces of production and hence of human freedom means nothing other than that middle-class rule is the culmination of world history – certainly an agreeable thought for the parvenus of the day before yesterday.>

Surplus value. Production time. Circulation time. **Turnover** *time*

<Before we go further with the review of opinions about fixed capital and circulating capital, we return for a moment to something developed earlier.

We assume for the time being that production time and labour time coincide. The case where interruptions take place within the production phase itself, owing to the technological process, will be looked at later.

Suppose the production phase of a capital equal to 60 working days; of which 40 are necessary labour time. Then, according to the law developed earlier, the surplus value, or the value newly posited by capital, i.e. appropriated alien labour time = 60 − 40; = 20. Let us call this surplus value (=20) S; the production phase – or the labour time employed in production – p. In a period of time which we shall call T – e.g. 360 days – the total value can never be greater than the number of production phases contained in, say, 360. The highest coefficient of S – i.e. the maximum of surplus value which capital can create on the given presuppositions – equals the number of times the creation of S is repeated in 360 days. The outer limit of this reproduction – the reproduction of capital, or rather, now, the reproduction of its production process – is determined by the relation of the production period to the total period of time in which the former can be repeated. If the given period = 360 days, and the duration of production = 60 days, then 360/60, or T/p, i.e. 6, is the coefficient indicating how many times p is contained in T, or how often, given its own inherent limits, the reproduction process of the capital can be repeated within 360 days. It goes without saying that the maximum of the creation of S, i.e. the positing of surplus value, is given by the number of processes in which S can be produced, in a given period of time. This relation is expressed by T/p. The quotient of T/p, or q, is the highest coefficient of S in the period of 360 days, in T generally. ST/p or Sq is the maximum of value. If $T/p = q$, then $T = pq$; i.e. the entire duration of T would be production time; the production phase, p, would be repeated as often as it is contained in T. The total value created by capital in a certain time would be = to the surplus labour it appropriates in one production phase, multiplied by the number of times this production phase is contained in the given time. Thus in the above example, = 20 × 360/60 = 20 × 6 = 120 days. q, i.e. T/p, would express the number of *turnovers* of the capital; but since $T = pq$, therefore $p = T/q$; i.e. the duration of one production phase would be equal to the total time divided by the number of turnovers. Thus one production phase of capital would be equal to one of its turnovers. Turnover time and production time would be completely identical; the number of turnovers therefore [would be] exclusively determined by the relation of one production phase to the total time.

However, on this assumption, circulation time is posited as = 0. Yet circulation time has a definite magnitude, which can never become = 0. Now assume additionally that there are 30 days for circulation for every 60 days of production time; call this circulation time added to p, c. In this case, one turnover of capital, i.e. the total time it requires before it can repeat the realization process – the positing of surplus value – would be = 30 + 60 = 90 days ($= p + c$) (1R (turnover) $= p + c$). One turnover of 90 days can be repeated in 360 days only 360/90 times, i.e. 4 times. The surplus value of 20 could therefore be posited only 4 times; 20 × 4 = 80. In 60 days the capital produces 20 surplus days; but it has to circulate for 30 days; i.e. during these 30 days it can posit no surplus labour, no surplus value. This is the same for it (as regards the result) as if it had posited a surplus value of only 20 in the period of 90 days. While previously the number of turnovers was determined by T/p, it is now determined by $T/(p + c)$ or T/R; the maximum of value was $ST/(p + c)$; (20 × (300/(60 + 30)) = 20 × (360/90) = 20 × 4 = 80). The number of turnovers hence = the total time divided by the sum of production time and circulation time, and the total value = S multiplied by the number of turnovers. But this formulation does not yet suffice for us to express the relations of surplus value, production time and circulation time.

The maximum of value creation contained in the formula ST/p; value creation restricted by circulation, $ST/(p + c)$ (or ST/R); when we subtract the second amount from the first, then

$$\frac{ST}{p} - \frac{ST}{p + c} =$$

$$\frac{ST(p + c) - STp}{p(p + c)} = \frac{STp + STc - STp}{p(p + c)} = \frac{STc}{p(p + c)}$$

As difference we then obtain $STc / p(p + c)$ or $ST/p \times c/(p + c)$; $ST/(p + c)$ or S', as we may call this value in the second form, $S' = ST/p - (ST/p \times c/(p + c))$. But before we develop this formula further, there are still others to be introduced.

If we call the quotient of $T/(p + c)$ q', then q' expresses the number of times $R = (p + c)$ is contained in T, the number of turnovers. $T/(p + c) = q'$; hence $T = pq' + cq'$. pq' then expresses the total production time and cq' the total circulation time.

Let us call total circulation time C (hence $cq' = C$). ($T(360) = 4 \times 60\ (240) + 4 \times 30\ (120)$.) With our presupposition, $q' = 4$, $C = cq' = 4c$; 4 being = to the number of turnovers. We saw previously that the maximum of value-creation = ST/p; but in this case T was posited as = to production time. But the real production time is now $T - q$; as indeed follows from the equation. $T = pq'$ (total production time) + cq' (total circulation time, or C). Hence $T - C = cq'$. Hence $S(T - C) / p$ the maximum value creation. Because production time not 360 days, but $360 - cq'$, i.e. – 4 × 30 [=] 120; hence $20((360 - 120)/60)$; $(20 \times 240)/60 = 80$.

Now, finally, as regards the formula

$S' = ST/p - (ST/p \times c/(c + p)) = (360 \times 20)/60 - 20(360/60 \times 30/(30 + 60))$

$= 120 - (120 \times 30/90) = 6 \times 20 - (6 \times 20 \times 3/9)$

$= 20 \times 6 - (20 \times 6 \times 1/3)$ or

$= 120 - (120 \times 1/3) = 120 - 40 = 80$,

it signifies that value is equal to the maximum of value, i.e. to value determined only by the relation of production time to total time, minus the number which expresses how often the circulation time is contained in this maximum, plus $c/(c + p) = c/R$; c/R expresses the relation of circulation time to one turnover of capital. If we multiply numerator and denominator by q' then $cq' / (c + p)q' = C/T$; $c/(c + p) = 30/(30 + 60) = 1/3$. $c/(c + p)$ or 1/3 expresses the relation of circulation time to total time, for 360/3 = 120. The turnover $(c + p)$ is contained in C, $c/(c + p)$ or 1/3 times (or c/T times), and this number is the maximum itself multiplied by the number of times a turnover is contained in c, in the circulation time added to one turnover, or divided by the number which expresses how often c is contained in $c + p$ or C in T. If $c =$

0, then S' would be ST/p and would be at its maximum. S' becomes smaller in the same degree as C grows, is inversely related to it, for the factor $c/(c + p)$ and ST/p grows to the same degree. The number to be subtracted [from] the maximum value, $ST/p \times c/(c + p)$ or $ST/p \times c/R$.

We have, then, the three equations: (1) $S' = ST/(p + c) = ST/R$; (2) $S' = S(T - C) / p$; (3) $S' = ST/p - (ST/p \times c/(c + p)) = S[T/p - (T/p \times c/(c + p))]$.

Hence: $S:S' = ST/p: S(T - C) / p$; or $S:S' = T:(T - C)$. The maximum of value is to the real value as a given period of time is to this period of time minus total circulation time. Or, as well, $S:S' = pq':(pq' - q'c)$, i.e. $= p:(p - c)$.

On (3) $S' = ST/p - (ST/p \times c/(c + p)) = S[T/p - (T/p \times c/(c + p))]$ or, since $T/p = q$,

$S' = S\ (q - q \cdot c/(c + p)) = S(q - qc/R)$. The total surplus value, therefore, = to the surplus value posited in one production phase, whose coefficient is the number of times the production time is contained in the total time minus the number of times the circulation time of one turnover is contained in this latter number.

$S(q - qc/R) = Sq(1 - 1c/R) = Sq((R - c)/R) = Sqp/R = ST/(p + c)$, which is the first equation. Thus equation 3 means ... *equation* 1: the total surplus value equals the surplus value of one production phase multiplied by the total time, divided by turnover time or multiplied by the number of times the sum of production time and circulation time is contained in total time.

Equation 2: The total value equals surplus value multiplied by total time minus the total circulation time, divided by the duration of one production phase.>

Competition

(The fundamental law in competition, as distinct from that advanced about value and surplus value, is that it is determined not by the labour contained in it, or by the labour time in which it is produced, but rather by the labour time in which it can be produced, or, the labour time necessary for reproduction. By this means, the individual capital is in reality only placed within the conditions of capital as such, although it seems as if the original law were overturned.

Necessary labour time as determined by the movement of capital itself; but only in this way is it posited. This is the fundamental law of competition. Demand, supply, price (production costs) are further specific forms; price as market price; or general price. Then the positing of a general rate of profit. As a consequence of the market price, the capitals then distribute themselves among different branches. Reduction of production costs etc. In short, here all determinants appear in a position which is the *inverse* of their position in capital in general. There price determined by labour, here labour determined by price etc. etc. The influence of individual capitals on one another has the effect precisely that they must conduct themselves as *capital*; the seemingly independent influence of the individuals, and their chaotic collisions, are precisely the positing of their general law. Market here obtains yet another significance. The influence of capitals as individuals on each other thus becomes precisely their positing as general beings, and the suspension of the seeming independence and independent survival of the individuals. This suspension takes place even more in credit. And the most extreme form to which the suspension proceeds, which is however at the same time the *ultimate positing* of capital in the form adequate to it – is joint-stock capital.) (Demand, supply, price, production costs, contradiction of profit and interest, different relations of exchange value and use value, consumption and production.)

Surplus value. Production time. Circulation time. **Turnover time.** ***Part of capital in production time, part in circulation time. – Circulation time. – Surplus value and production phase. Number of reproductions of capital = number of turnovers. – Total surplus value etc.***

We have seen, then, that the surplus value a capital can posit in a given period of time is determined by the number of times the realization process can be repeated, or the capital can be reproduced in a given period of time; and that the number of these reproductions is determined by the relation of the duration of the production phase not to the total period of time, but rather to this total time minus circulation time. Circulation time thus appears as time during which the ability of capital to reproduce itself, and hence to reproduce surplus value, is suspended. Its productivity – i.e. its creation of surplus values – is therefore inversely related to circulation time, and would reach its maximum if the latter declined to 0. Circulation is an inescapable condition for capital, a condition posited by its own nature, since circulation is the passing of capital through the various conceptually determined moments of its necessary metamorphosis – its life process. In so far as it costs time for capital to run through this course, in this time capital cannot *increase* its value, because it is not-production time, time in which it does *not* appropriate living labour. Hence this circulation time can never increase the value created by capital, but can only posit *not-value-positing* time, hence appear as barrier to the increase of value, in the same relation as it stands towards labour time. This circulation time cannot be counted as part of value-creating time, for the latter is labour time which objectifies itself in value, and nothing else. It does not belong to the production costs of value, nor to the production costs of capital; but it is a condition which makes its self-reproduction more difficult. The obstacles which capital encounters in the path of its realization – i.e. its appropriation of living labour – do not, of course, form a moment of its realization, of its value-creation. Hence it is ridiculous to take *production costs* here in the original sense. Or we have to distinguish production costs as a particular form from the labour time which objectifies itself in value (as we must distinguish profit from surplus value). But even then, circulation time does not belong among capital's production costs in the same sense as wages etc.; but rather it is an item which comes into consideration as part of the capitalists' settling of accounts with one another, because they distribute the surplus value among themselves according to certain general proportions. Circulation time is not time during which capital creates value, but rather during which it realizes the value created in the production process. It does not increase its quantity, but rather transposes it into another form, from the form of product into that of commodity, from commodity to that of money etc.; the fact that the price which previously existed ideally in the commodity is now really posited, that it is now really exchanged for its price – money – does not, of course, increase this price. Thus circulation time appears as time which does not determine the price; and the number of turnovers, in so far as it is determined by circulation time, appears not in such a way that capital brings in a new value-determining element, an element proper to it, *sui generis*, as distinct from labour; but rather as a limiting, negative principle. The necessary tendency of capital is therefore *circulation without circulation time,* and this tendency is the fundamental determinant of credit and of capital's credit contrivances. At the same time, credit is then also a form in which capital tries to posit itself as distinct from the individual capitals, or the individual capital [tries to posit] itself as capital as distinct from its quantitative barrier. But the highest result it achieves in this line is, on one side, *fictitious capital;* on the other side, credit only appears as a new element of *concentration*, of the destruction of capitals by individual, centralizing capitals. Circulation time is in one respect objectified in *money*. Attempt by credit to posit money as a merely formal moment; so that it mediates the formal transformation without itself being *capital*, i.e. value. This is one form, of circulation without circulation time. Money is itself a product of circulation. It will be shown how capital, in credit, creates new products of circulation. But if the striving of capital in one direction is *circulation without circulation time*, it strives in the other direction to give *circulation time value*, the value of *production time,* in the various organs which mediate the process of circulation time and of circulation; to posit them all as money, and, more broadly, as capital. This is another side of credit. All this springs from the same source. All the requirements of circulation, money, transformation of commodity into money, transformation of money into commodity etc. – although they take on different and seemingly quite heterogeneous forms, are all derived from *circulation time*. The machinery for abbreviating it is itself a part of it. *Circulation time* is that part of capital which may be regarded as the time it takes to perform its specific motion as capital, as distinct from production time, in which it reproduces itself; and in which it lives not as finished capital which must merely pass through formal metamorphoses, but as capital-in-process, creative capital, sucking its living soul out of labour.

The contradiction of labour time and circulation time contains the entire doctrine of credit, to the extent, namely, that the history of currency etc. enters here. Now, of course, later, where circulation time is not the only deduction from possible production time, there also appear real costs of circulation, i.e. values which have already been really posited must be spent on circulation. But these are all in fact only costs – deductions from already created surplus values – which capital undertakes in order to increase the sum of surplus values possible e.g. in a year, i.e. to increase the proportion of production time out of a given total time – i.e. to abbreviate circulation time. Of course, in practice, production time does not really appear interrupted by circulation time (except in crises and depressions of trade). But this is only because every capital is divided into parts, one part in the production phase, the other in the circulation phase. Thus, for example, it is not the entire capital that is active (depending on the relation of circulation time to production time), but only 1/3, 1/*x* of it; the other is engaged in circulation. Or the matter can further take the form that a given capital doubles (through credit, e.g.). For this capital – the original capital – it is then the same as if circulation time did not exist at all. But then the capital borrowed by it is in this plight. And if ownership is disregarded, again exactly the same as if one capital were divided in two. Instead of *a* dividing into two and *b* dividing into two, *a* absorbs *b* and divides into *a* and *b*. Illusions about this process frequent among credit-mystics [59] (who are rarely creditors, but rather debtors).

We already pointed out above that the double and contradictory condition of capital, the continuity of production and the necessity of circulation time, and also the continuity of circulation (not circulation time) and the necessity of production time, can be mediated only by capital dividing itself into parts, of which one *circulates as finished* product, and the other *reproduces itself in the production process.* These parts alternate; when one part returns into phase *P* (production process), the other departs. This process takes place daily, as well as at longer intervals (dimensions of time). The whole capital and the total value are reproduced as soon as both parts have passed through the production process and circulation process, or as soon as the second part enters anew into circulation. The point of departure is thereby the terminal point. The turnover therefore depends on the size of the capital, or rather, here, still on the *total sum* of these two parts. Only when the total sum is reproduced has the entire *turnover* been completed; otherwise only 1/2, 1/3, 1/*x*, depending on the relation of the constantly circulating part.

It has further been emphasized that each part can be regarded as fixed or as circulating in contrast to the other, and that they really relate to each other in this alternating way. The simultaneity of the process of capital in different phases of the process is possible only through its division and break-up into parts, each of which is capital, but capital in a different aspect. This change of form and matter is like that in the organic body. If one says e.g. the body reproduces itself in 24 hours, this does not mean it does it all at once, but rather the shedding in one form and renewal in the other is distributed, takes place simultaneously. Incidentally, in the body the skeleton is the fixed capital; it does not renew itself in the same period of time as flesh, blood. There are different degrees of speed of consumption (self-consumption) and hence of reproduction. (Here, then, already *transition to* many capitals.) The important thing here above all is to examine capital as such for itself first of all; since the aspects being developed here are those which make value in general into capital; which constitute the specific distinguishing characteristics of capital as such.

Before we go further, let us call attention once more to the important point that circulation time – i.e. the time during which capital is separated from the process in which it absorbs labour, i.e. the labour time of capital as capital – is only the transposition of *previously created* value from one form into the other, but not a *value-creating*, value-*increasing* element. The transformation of a value of 4 working days existing in the form of twist into the form of 4 working days existing as money, or of a symbol recognized as the representative of 4 working days as such, 4 working days in general, transposes the *previously created* and *measured* value from one form into another, but that value is not increased. The exchange of equivalents leaves the working days *after* the exchange just as they were *before, qua* amounts of value. If one thinks of one capital, or one thinks of the various capitals of a country as one capital (national capital) as distinct from that of other countries, then it is clear that the time during which this capital does not act as productive capital, i.e. posits no surplus value, is a deduction from the realization time available to this capital. In this abstract conception, still without any regard to the costs of circulation itself, it appears as the negation not of the really posited realization time, but of the *possible* realization time, i.e. possible if circulation time = 0. It is clear, now, that the national capital cannot regard the time during which it does not multiply itself as time in which it does multiply itself, no more than e.g.

an isolated peasant can regard the time during which he can neither harvest nor sow, during which his labour generally is interrupted, as time which makes him rich. The fact that capital regards itself, and necessarily so, as productive and fruit-bearing independently of labour, of the absorption of labour, assumes itself as fertile at all times, and calculates its circulation time as value-creating time – as production cost – is quite another thing. In this way one can see what is wrong when e.g. Ramsay says: ‘the use of fixed capital modifies to a considerable extent the principle that value depends on quantity of labour. For some commodities on which the same quantity of labour has been expended require very different periods before they are fit for consumption. But as during this time the capital brings no return, *in order that the employment in question should not be less lucrative than others in which the produce is sooner ready for use,* it is necessary that the commodity, when at last brought to market, should be increased in value *by all the amount of profit withheld.’* (This already assumes that capital as such regularly brings profit, like a healthy tree brings fruit.) *‘This shews ... how capital may regulate value independently of labour.’* [60] E.g. wine in the cellar. (Ramsay, IX, 84.) Here as if circulation time as well as labour time – or on the same level with it – produced *value.* Capital, of course, contains both moments in itself. (1) *Labour time* as a value-creating moment. (2) *Circulation time* as a moment which restricts labour time and thus restricts the total value creation of capital; as necessary, because value, or capital, as an immediate result of the production process, is indeed *value,* but value not posited in its adequate form. The time which is required for these changes of form – i.e. which elapses between production and reproduction – is time which devalues capital. Thus, like *continuity,* so is the *interruption* of continuity contained in the character of capital as circulating, in process.

The economists who correctly characterize circulation, the revolution which capital must go through to fire itself up for new production, as a series of exchanges thereby admit that this circulation time is not time which increases the quantity of values – hence it cannot be time which posits new values – because a series of exchanges, no matter how many exchanges it may include, and how much time the completion of these operations may cost, is merely the exchange of equivalents. The positing of values – the extremes of the mediation

– as equivalents naturally cannot posit them as non-equivalents. Regarded quantitatively, they can have neither increased nor diminished through the exchange.

The surplus value of a production phase is determined by the surplus labour set in motion (appropriated) by capital during it; the sum of the surplus values a capital can create in a given period of time is determined by the repetition of the production phase in this period of time; or by the *turnover* of capital. The turnover, however, equals the duration of the production phase plus the duration of circulation, equals the sum of circulation time and production time. The turnover approaches production time as circulation time diminishes, i.e. the time which elapses between capital's departure from production and its return to it.

Surplus value is in fact determined by the labour time objectified during one production phase. The more frequent the reproduction of capital, the more often does the production of surplus value take place. The number of reproductions = the number of turnovers. Hence the total surplus value = $S \times nR$ (if n is the number of turnovers). $S' = S \times nR;$ hence $S = S'/nR$. If the production time required by a capital of £100 in a certain branch of industry equals 3 months, then it could turn over 4 times a year, and if the S-value created each time = 5, then the total surplus value = 5 (the S created in one production phase) × 4 (the number of turnovers, determined by the relation of production time to the year) = 20. But if circulation time = e.g. 1/4 of production time, then 1 turnover would = 3 + 1 months, equals 4 months, and the capital of 100 could turn over only 3 times a year = 15. Hence, although the capital posits an S-value of £5 in 3 months, it is the same for it as if it posited a value of 5 in only 4 months, because it can only posit 5 × 3 per year. It is the same for it as if it produced an S of 5 every 4 months; hence produced only 15/4 or 3 3/4 in 3 months, and in the one circulation month, 1 1/4. In so far as turnover is distinct from the duration posited by the conditions of production, it is = to circulation time. The latter, however, is not determined by labour time. In this way the sum of surplus values which capital posits in a given period of time appears determined not simply by labour time, but by labour time as well as circulation time, in the relations indicated above. But, as shown above, the determination which capital here brings into the positing of value is *negative,* *limiting.*

If e.g. a capital of £100 needs 3 months for production, say 90 days, then, if circulation time = 0, the capital could turn over 4 times a year; and it would be *entirely* active as capital the whole time, i.e. positing surplus labour, multiplying its value. If 80 of the 90 days represented necessary labour, then 10, surplus labour. Now posit that circulation time amounts to 33 1/3% of production time, or 1/3 of it. Hence 1 month for every 3. Circulation time then = 90/3; a third of production time = 30 days, $c = 1/3\ p$; ($c = p/3$). Well. The question is, what part of the capital can now continuously be occupied in production (during the whole year)? If the capital of 100 had worked 90 days, and then circulated as a product of 105 for one month, then during this month it could employ no labour at all. (The 90 working days can of course equal 3, 4, 5, x times 90, depending on the number of workers employed during the 90 days. These would be = to only 90 days if only 1 worker were employed. But this is beside the point for now.) (In all these calculations it is presupposed that the surplus value is not in turn capitalized, but that capital rather continues to work with the same number of workers; but at the same time as the surplus is realized, the entire capital is only then realized as money.) That is, during one month the capital could not be employed at all. (The capital of 100 employs e.g. 5 workers continuously; this contains their surplus labour, and the product which is circulated is never the original capital, but rather that which has absorbed this surplus labour and hence has a surplus value. Hence the circulation of a capital of 100 actually means e.g. circulation of the capital of 105; i.e. of capital together with the profit posited in one act of production. But this error irrelevant here, particularly in the above question.)

(Posit that at the end of 3 months £100 worth of twist have been produced.) Now it will be 1 month before the money comes in and I can begin production again. Now, in order to set the same number of workers to work during the I month while the capital is circulating, I would have to have a surplus capital of £33 1/3; for if £100 set a given quantity of labour in motion for 3 months, then 1/3 of £100 would set it in motion for 1 month. At the end of the fourth month, the capital of 100 would return to the production phase, and that of 33 1/3 would enter the circulation phase. The latter would require 1/3 of a month for circulation, given the same relations; would hence return into production after

10 days. The first capital could enter into circulation again only at the end of the seventh month. The second, which entered into circulation at the beginning of the fifth month, would have returned say on the 10th of the fifth month, would re-enter circulation on the 10th of the sixth month and would return on the 20th of the sixth month, to re-enter circulation on the 20th of the seventh month; at the end of the seventh month it would be back again, at which time the first capital would just be beginning its course again at the same moment when the second was returning. Beginning of the eighth month, and return on the etc. Beginning of the ninth etc. In a word: if the capital were 1/3 larger – just the amount the circulation time adds up to – then it could continuously employ the same number of workers. Or, alternately, it could continuously remain in the production phase if it continuously employed 1/3 less labour. If the capitalist began with a capital of only 75, then production would finish at the end of the third month; then the capital would circulate for one month; but during this month he could continue production because he would have retained a capital of 25, and, if he needs 75 to set a given mass of labour in motion during 3 months, he needs 25 to set the same in motion for 1 month. He would continuously have the same number of workers at work. Each of his commodities requires 1/12 of a year before it is sold.

If he always needs 1/3 of the production time to sell his commodities, then etc. This matter must be reducible to a very simple equation, to which we shall return later. It does not actually belong here. But the question is important because of the credit questions later. This much is clear, however. Call production time pt, circulation time ct. Capital, C. C cannot be in its production phase and its circulation phase at the same time. If it is to continue to produce while it circulates, then it must break into two parts, of which one in the production phase, while the other in the circulation phase, and the continuity of the process is maintained by part a being posited in the former aspect, part b in the latter. Let the portion which is always in production be x; then $x = C - b$ (let b be the part of the capital always in circulation). $C = b + x$. If ct, circulation time, were = 0, then b likewise would be = 0, and $x = C$. b (the part of the capital in circulation):C (the total capital) = ct (circulation time):pt (production time); $b:C = ct:pt$; i.e. the relation of circulation time to production time is the relation of the part of capital in circulation to the total capital.

If a capital of 100 at a profit of 5% turns over every 4 months, so that there is 1 month of circulation time for every 3 months of production time, then the total surplus value, as we saw, will be $= (5 \times 12)/4\ M$ (month) $= 5 \times 3 = 15$; instead of 20 as when $c = 0$; for then $S' = (5 \times 12)/3 = 20$. But now 15 is the gain on a capital of 75 at 5% whose circulation time = 0; which turned over 4 times a year; was continuously occupied. At the end of the first quarter 3 3/4; at the end of the year 15. (But only a total capital of 300 would turn over; while one of 400 if in the above case $ct = 0$.) Hence a capital of 100, with respect to which circulation time amounts to 1 month on every 3 M production time, can constantly employ productively a capital of 75; a capital of 25 is constantly circulating and unproductive. $75{:}25 = 3\ M{:}1\ M$, or, if we call the part of the capital occupied in production p, the part in circulation c, and the corresponding times c' and p', then $p{:}c = p'{:}c'$ ($p{:}c = 1{:}1/3$). The part of the C in production constantly relates to the part in circulation as 1:1/3; this 1/3 constantly represented by changing component parts. But $p{:}C = 75{:}100 = 3/4$; $c = 1/4$; $p{:}C = 1{:}4/3$ and $c{:}C = 1{:}4$. The total turnover $= 4\ M$, $p{:}R = 3\ M{:}4\ M = 1{:}4/3$.

Change of form and of matter in the circulation of capital. – C–M–C. M–C–M.

A change of form [*Formwechsel*] and a change of matter [*Stoffwechsel*] take place simultaneously in the circulation of capital. We must begin here not with the presupposition of M, but with the production process. In production, as regards the material side, the instrument is used up and the raw material is worked up. The result is the product – a newly created use value, different from its elemental presuppositions. As regards the material side, a product is created only in the production process. This is the first and essential material change. On the market, in the exchange for money, the product is expelled from the circulation of capital and falls prey to consumption, becomes object of consumption, whether for the final satisfaction of an individual need or as raw material for another capital. In the exchange of the commodity for money, the material and the formal changes coincide; for, in money, precisely the content itself is part of the economic form. The retransformation of money into commodity is here, however, at the same time present in the retransformation of capital into the material conditions of production. The reproduction of a specific use value takes place, just as well as of value as such. But, just as the material element here was posited, from the outset, at its entry into circulation, as a product, so the commodity in turn was posited as a condition of production at the end of it. To the extent that money figures here as medium of circulation, it does so indeed only as mediation of production, on one side with consumption, in the exchange where capital discharges value in the form of the product, and as mediation, on the other side, between production and production, where capital discharges itself in the form of money and draws the commodity in the form of the condition of production into its circulation. Regarded from the material side of capital, money appears merely as a medium of circulation; from the formal side, as the nominal measure of its realization, and, for a specific phase, as value-for-itself; capital is therefore C–M–M–C just as much as it is M–C–C–M, and this in such a way, specifically, that both forms of simple circulation here continue to be determinants, since M–M is money, which creates money, and C–C a commodity whose use value is both reproduced and increased. In regard to money circulation, which appears here as being absorbed into and determined by the circulation of capital, we want only to remark in passing – for the matter can be thoroughly treated only after the many capitals have been examined in their action and reaction upon one another – that money is obviously posited in different aspects here.

Difference between production time and labour time. **– Storch.** ***Money. Mercantile estate. Credit. Circulation***

Until now it has been assumed that production time coincides with labour time. But now there take place, e.g. in agriculture, interruptions of work within the production process itself, before the product is finished. The same labour time may be applied and the duration of the production phase may differ, because work is interrupted. If the difference is only that the product in one case requires a longer working time in order to be finished than in another case, then no case at all is constituted, because it is then clear according to the general law that the product in which a greater quantity of labour is contained is of that much greater value, and if the reproduction is less frequent in a given period of time, then the reproduced value is all the greater. And 2 × 100 is just as much as 4 × 50. As with the total value, then, so with the surplus value. The question is constituted by the unequal duration required by different products, although the same amount of labour time (namely stored-up and living labour together) is employed upon them. The fixed capital here allegedly acts quite by itself, without human labour, like e.g. the seed entrusted to the earth's womb. In so far as additional labour is required, this is to be deducted. The question to be posed in pure form. If circulation time here the same, then the turnover is less frequent because the production phase longer. Hence production time + turnover time = 1*R*, larger than in the case where production time coincides with labour time. The time required here for the product to reach maturity, the interruptions of work, here constitute conditions of production. Not-labour time constitutes a condition for labour time, in order to turn the latter really into production time. The question obviously belongs only with the equalization of the rate of profit. Still, the ground must be cleared here. The slower return – this is the essential part – here arises not from circulation time, but rather from the conditions themselves in which labour becomes productive; it belongs with the technological conditions of the production process. It must absolutely be denied, it is downright nonsensical to claim, that a natural circumstance which hinders a capital in a specific branch of production from exchanging with the same amount of labour time in the same amount of time as another capital in another branch of production can in any way contribute to *increasing* the former's value. Value, hence also surplus value, is not = to the time which the production phase lasts, but rather to the labour time, objectified and living, employed during this production phase. The living labour time alone – and, indeed, in the proportion in which it is employed relative to objectified labour time – can create surplus value, because [it creates] surplus labour time. * It has therefore correctly been asserted that in this regard agriculture for instance is less productive (productivity is concerned here with the production of values) than other industries. Just as in another respect – *in so far as a growth of productivity in it* DIRECTLY *reduces necessary labour time – it is more productive than all the others.* But this circumstance can accrue to its advantage only where *capital* already rules, together with the general form of production corresponding to it. This interruption in the production phase already signifies that agriculture can never be the sphere in which capital starts; the sphere in which it takes up its original residence. This contradicts the primary fundamental conditions of industrial labour. Hence agriculture is claimed for capital and becomes industrial only retroactively. Requires a high development of competition on one side, on the other a great development of chemistry, mechanics etc., i.e. of manufacturing industry. History shows, consequently, that agriculture never *appears in pure form* in the modes of production preceding capital, or which correspond to its own undeveloped stages. A rural secondary industry, such as spinning, weaving etc. must make up for the limit on the employment of labour time posited here – and located in these interruptions. The non-identity of production time with labour time can be due generally only to natural conditions, which stand directly in the path of the realization of labour, i.e. the appropriation of surplus labour by capital. These obstacles in its path do not of course constitute advantages, but rather, from its point of view, losses. The whole case is worth mentioning here actually only as an example of fixated capital, capital fixated in one phase. The point to remember here is only that capital creates no surplus value as long as it employs no living labour. The reproduction of the employed fixed capital itself is of course not the positing of surplus value.

* It is clear that other aspects also enter in with the equalization of the rate of profit. Here, however, the issue is not the distribution of surplus value but its creation.

(In the human body, as with capital, the different elements are not exchanged at the same rate of reproduction, blood renews itself more rapidly than muscle, muscle than bone, which in this respect may be regarded as the fixed capital of the human body.)

As means of speeding up circulation, Storch lists: (1) formation of a class of ‘workers’ who busy themselves only with trade; (2) easy means of transport; (3) money; (4) credit. (See above.) [61]

This motley combination reveals the whole confusion of the political economists. Money and money circulation – what we called simple circulation – is the presupposition, condition, of capital itself, as well as of the circulation of capital. Money as it exists, hence, as a relation of intercourse belonging to a stage of production preceding capital, money as money, in its immediate form, can therefore not be said to speed up the circulation of capital, but is rather its presupposition. When we speak of capital and of its circulation, we stand on a stage of social development where the introduction of money does not enter as a discovery etc., but is rather a *presupposition.* To the extent that money in its immediate form itself has value, and is not merely the value of other commodities, the symbol of their value – for, if something which is itself immediate is supposed to be something else which is also immediate, then it can only *represent* the latter, in one way or another, as symbol – but rather, itself has value, is itself objectified labour in a specific use value, to that extent, money, so far from speeding up the circulation of capital, rather delays it. Regarded in both of the aspects in which it occurs in the circulation of capital, both as medium of circulation and as the realized value of capital, money belongs among the costs of circulation in so far as it is itself labour time employed to abbreviate circulation time on the one hand, and, on the other hand, to represent a qualitative moment of circulation – the retransformation of capital into itself as value-for-itself. In neither aspect does it increase the value. In one aspect it is a precious form of representing value, i.e. a costly form, costing labour time, hence representing a deduction from surplus value. In the other aspect it can be regarded as a machine which saves circulation time, and hence frees time for production. But, in so far as it itself, as such a machine, costs labour and is a product of labour, it represents for capital *faux frais de production.* It figures among the costs of circulation. The original cost of circulation is circulation time itself as opposed to labour time. The real costs of circulation are themselves objectified labour time – machinery for the purpose of abbreviating the original costs of circulation. Money in its immediate form, as it belongs to a historic stage of production preceding capital, thus appears to capital as a cost of circulation, and the efforts of capital hence tend in the direction of transforming it into a form adequate for its own ends; hence attempting to make it into a representative of one moment of circulation which does not itself cost labour, and has itself no value. Capital hence tends in the direction of suspending money in its inherited, immediate reality, and transforming it into something merely *posited* and at the same time suspended by capital, into something purely *ideal.* It cannot be said, therefore, as does Storch, that money as such is a means of speeding up the circulation of capital; it must rather be said to the contrary that capital attempts to transform money into a merely *ideal* moment of its circulation, and first to raise it into the adequate form corresponding to it. Suspension of money in its immediate form appears as a demand made by money circulation once it has become a moment of the circulation of capital; because in its immediate, presupposed form it is a *barrier* to the circulation of capital. The tendency of capital is *circulation without circulation time;* hence also the positing of the instruments which merely serve to abbreviate circulation time as mere *formal aspects* posited by it, just as the different moments through which capital passes in its circulation are qualitative aspects of its own metamorphosis.

As regards the formation of a special mercantile estate – i.e. a development of the division of labour which has transformed the business of exchanging into a particular kind of work – for which, of course, the sum of exchange operations must already have reached a certain height – (if the exchange among 100 people occupied the 100th part of their labour time, then each man is 1/100 of an exchanger; 100/100 exchangers would represent one single man. Then one merchant could arise per 100. The separation of commerce from production itself, or the development of exchange itself as a representation opposite the exchangers, requires as such that exchange and intercourse have developed to a certain degree. The merchant represents all buyers to the seller, all sellers to the buyer and vice versa, hence he is not an extreme, but rather the middle of the exchange itself; appears hence as mediator, middleman) – the formation of the merchant estate, which presupposes that of money, even if not developed in all its moments, is likewise a presupposition for capital, and hence cannot be listed as being a mediator of its specific circulation. Since commerce is both historically as well as conceptually a presupposition for the rise of capital, we shall have to return to it before concluding this chapter, since it belongs before or in the section on the origin of capital.

The facilitation of the means of transport, to the extent that it means facilitation of the physical circulation of commodities, does not belong here, where we are examining merely the characteristic forms of the circulation of capital. The product becomes a commodity, leaves the production phase, only when it is on the *market.* On the other side, the means of transportation do belong here in so far as the *returns* of capital – i.e. circulation time – must grow with the distance of the market from the point of production. Its abbreviation by means of transport thus appears as belonging directly, in this respect directly, to the examination of the circulation of capital. But this actually belongs to the doctrine of the market, which itself belongs to the section on capital.

Finally, *credit.* This form of circulation etc. directly posited by capital – which arises, hence, specifically from the nature of capital, this specific characteristic of capital – is mixed up here by Storch etc. together with money, mercantile estate, etc., which belong generally with the development of exchange and of the production more or less founded on it. The presentation of the specific, distinguishing characteristics is here both the *logical* development and the key to the understanding of the *historical* development. Thus we find in history, too, e.g. in England (likewise in France), [attempts] to replace money by paper; then also to give capital, in so far as it exists in the form of *value,* a form purely posited by itself; finally attempts to found credit directly with the rise of capital. (E.g. Petty, Boisguillebert.)

Small-scale circulation. The process of exchange between capital and labour capacity generally. Capital in the reproduction of labour capacities

Within circulation as the total process, we can distinguish between large-scale and small-scale circulation. The former spans the entire period from the moment when capital exits from the production process until it enters it again. The second is continuous and constantly proceeds simultaneously with the production process. It is the part of capital which is paid out as wages, exchanged for labouring capacity. The circulation process of capital, which is posited in the form of an exchange of equivalents, but is in fact suspended as such, and posited as such only formally (the transition from value to capital, where the exchange of equivalents turns into its opposite, and where, on the basis of exchange, exchange becomes purely formal, and the mutuality is all on one side), is to be developed in this way: Values which become exchanged are always objectified labour time, an objectively available, *reciprocally* presupposed quantity of labour (present in a use value). Value as such is always an effect, never a cause. It expresses the amount of labour by which an object is produced, hence – presupposing the same stage of the productive forces – the amount of labour by which it can be reproduced. The capitalist does not exchange capital directly for labour or labour time; but rather time contained, worked up in commodities, for time contained, worked up in living labour capacity. The living labour time he gets in exchange is not the exchange value, but the use value of labour capacity. Just as a machine is not exchanged, paid for as cause of effects, but as itself an effect; not according to its use value in the production process, but rather as product – definite amount of objectified labour. The labour time contained in labour capacity, i.e. the time required to produce living labour capacity, is the same as is required – presupposing the same stage of the productive forces – to reproduce it, i.e. to maintain it. Hence, the exchange which proceeds between capitalist and worker thus corresponds completely to the laws of exchange; it not only corresponds to them, but also is their highest development. For, as long as labour capacity does not itself exchange itself, the foundation of production does not yet rest on exchange, but exchange is rather merely a narrow circle resting on a foundation of non-exchange, as in all stages preceding bourgeois production. But the use value of the value the capitalist has acquired through exchange is itself the element of realization and its measure, living labour and labour time, and, specifically, more labour time than is objectified in labour capacity, i.e. more labour time than the reproduction of the living worker costs. Hence, by virtue of having acquired labour capacity in exchange as an equivalent, capital has acquired labour time – to the extent that it exceeds the labour time contained in labour capacity – in exchange *without equivalent;* it has appropriated alien labour time *without exchange* by means of the *form* of exchange. This is why exchange becomes merely formal, and, as we saw, in the further development of capital even the semblance is suspended that capital exchanges for labour capacity anything other than the latter's own objectified labour; i.e. that it exchanges anything at all for it. The turn into its opposite [*Umschlag*] therefore comes about because the ultimate stage of free exchange is the exchange of labour capacity as a commodity, as value, for a commodity, for value; because it is given in exchange as objectified labour, while its use value, by contrast, consists of living labour, i.e. of the positing of exchange value. The turn into its opposite arises from the fact that the use value of labour capacity, as value, is itself the value-creating force; the substance of value, and the value-increasing substance. In this exchange, then, the worker receives the equivalent of the labour time objectified in him, and gives his value-creating, value-increasing living labour time. He sells himself as an effect. He is absorbed into the body of capital as a cause, as activity. Thus the exchange turns into its opposite, and the laws of private property – liberty, equality, property – property in one's own labour, and free disposition over it – turn into the worker's propertylessness, and the dispossession [*Entäusserung*] of his labour, [i.e.] the fact that he relates to it as alien property and vice versa.

The circulation of the part of capital which is posited as wages accompanies the production process, appears as an economic form-relation alongside it, and is simultaneous and interwoven with it. This circulation alone posits capital as such; is the condition of its realization process, and posits not only the latter's characteristic form, but also its substance. This is the constantly circulating part of capital, which at no time enters into the production process itself, [but] constantly accompanies it. It is the part of capital which does not even for a single instant enter into its reproduction process, which is not the case with raw material. The worker's *approvisionnement* arises out of the production process, as product, as result; but it never enters as such into the production process, because it is a finished product for individual consumption, enters directly into the worker's consumption, and is directly exchanged for it. This, therefore, as distinct from raw material as well as instrument, is the circulating capital κατ᾽ ἐξοχήν. Here is the only moment in the circulation of capital where consumption enters directly. At the point where the commodity becomes exchanged for money, it may be acquired by another capital as raw material for new production. Further, given the presuppositions, capital encounters not the individual consumer but rather the merchant; someone who buys the commodity itself in order to sell it for money. (This presupposition is to be developed in connection with the merchant estate in general. The circulation among dealers thereby different from that between dealers and consumers.) Thus the circulating capital here appears directly as that which is specified for the workers' individual consumption; specified for direct consumption generally, and hence existing in the form of finished product. Thus, while in one respect capital appears as the presupposition of the product, the finished product also at the same time appears as the presupposition of capital – which means, historically, that capital did not begin the world from the beginning, but rather encountered production and products already present, before it subjugated them beneath its process. Once in motion, proceeding from itself as basis, it constantly posits itself ahead of itself in its various forms as consumable product, raw material and instrument of labour, in order constantly to reproduce itself in these forms. They appear initially as the conditions presupposed by it, and then as its result. In its reproduction it produces its own conditions. Here, then – through the relation of capital to living labour capacity and to the natural conditions of the latter's maintenance – we find circulating capital specified in respect of its use value as well, as that which enters directly into individual consumption, to be directly used up by the latter. It is a mistake to conclude from this, as has been done, [62] that circulating capital is therefore *consumable* capital generally, as if coal, oil, dye etc., instruments etc., improvements of the land etc. factories etc. were not all consumed likewise, if by consumption is meant the suspension of their use value and of their form; however, one could just as well say that none of them is consumed, if this is taken to mean individual consumption, i.e. consumption in the proper sense. In this circulation, capital constantly expels itself as objectified labour, in order to assimilate living labour power, its life's breath. Now, as regards the worker's consumption, this reproduces one thing – namely himself, as living labour capacity. *Because this, his reproduction, is itself a condition for capital, therefore the worker's consumption also appears as the reproduction not of capital directly, but of the relations under which alone it is capital. Living labour capacity belongs just as much among capital's conditions of existence as do raw material and instrument. Thus it reproduces itself doubly, in its own form, [and] in the worker's consumption, but only to the extent that it reproduces him as living labour capacity.* Capital therefore calls this consumption productive consumption – productive not in so far as it reproduces the individual, but rather individuals as labour capacities. If Rossi is offended that wages are allegedly counted twice, first as the worker's revenue, then as reproductive consumption of capital, [63] then the objection holds only against those who let wages enter directly into the production process of capital as value. For the payment of wages is an act of circulation which proceeds simultaneously with and alongside the act of production. Or, as Sismondi says from this perspective – the worker consumes his wages unreproductively; but the capitalist consumes them productively, since he gets labour in the exchange, which reproduces the wages and more than the wages. This concerns capital itself regarded merely as an object. But in so far as capital is a relation, and, specifically, a relation to living labour capacity, [to that extent] the worker's consumption reproduces this relation; or, capital reproduces itself doubly, as value through purchase of labour – as a possibility of beginning the realization process anew, of acting as capital anew – and as a relation through the worker's consumption, which reproduces him as labour capacity exchangeable for capital – wages as part of capital.

This circulation between capital and labour, then, yields the characterization of one part of capital as constantly circulating, the *approvisionnement;* constantly consumed; constantly to reproduce. This circulation strikingly reveals the difference between capital and money; the circulation of capital and the circulation of money. Capital pays wages e.g. weekly; the worker takes his wages to the grocer etc.; the latter directly or indirectly deposits them with the banker; and the following week the manufacturer takes them from the banker again, in order to distribute them among the same workers again, etc. and so forth. The same sum of money constantly circulates new portions of capital. The sum of money itself, however, does not determine the portions of capital which are thus circulated. If the money value of wages rises, then the circulating medium will increase, but the mass of the medium does not determine the rise. If the production costs of money did not fall, then no increase of money would exercise an influence on the portion of it entering into this circulation. Here money appears as mere medium of circulation. Since many workers are to be paid at the same time, a certain sum of money is required at one time, which grows with the number of workers. Then, however, the velocity of the circulation of the money makes a lesser sum necessary than in situations where there are fewer workers but the machinery of monetary circulation is not so arranged. This circulation is a condition of the production process and thereby of the circulation process as well. On the other hand, if capital does not return from circulation, then this circulation between worker and capital could not begin anew; hence it is itself conditional upon capital passing through the various moments of its metamorphosis *outside* the production process. If this did not happen, it would be not because there was not enough *money* as *medium of circulation,* but rather either because capital was not available in the form of products, because this part of *circulating* capital was lacking, or because capital did not posit itself in the *form of money,* i.e. did not realize itself as capital, which in turn, however, would arise not from the quantity of the medium of circulation, but because capital did not posit itself in the *qualitative aspect* of money, which in no way requires that it posit itself in the form of hard cash, in the immediate money form; and whether or not it posited itself in that form would again depend not on the quantity of money circulating as medium of circulation, but rather on the exchange of capital for value as such; again a qualitative, not a quantitative, moment, as we shall point out in more detail when we speak of capital as money. (Interest etc.)

Threefold character, or mode, of circulation. – *Fixed capital and circulating capital. – Turnover time of the total capital divided into circulating and fixed capital. – Average turnover time of such a capital. – Influence of fixed capital on the total turnover time of capital. – Circulating fixed capital.* Say. Smith. Lauderdale. *(Lauderdale on the origin of* profit)

Regarded as a whole, circulation thus appears threefold: (1) the total process – the course of capital through its different moments; accordingly, it is posited as being in flow; as circulating; in so far as the continuity is virtually interrupted, and may resist the passage into the next phase, capital here likewise appears as fixated in different relations, and the various modes of this fixation constitute different capitals, commodity capital, money capital, capital as conditions of production.

(2) Small-scale circulation between capital and labour capacity. This accompanies the production process and appears as contract, exchange, form of

intercourse; these things are presupposed before the production process can be set going. The part of capital entering into this circulation – the approvisionnement – is circulating capital κατ᾽ ἐξοχήν. It is specified not only in respect to its form; in addition to this, its use value, i.e. its material character as a consumable product entering directly into individual consumption, itself constitutes a part of its form.

(3) Large-scale circulation; the movement of capital outside the production phase, where its time appears in antithesis to labour time, as circulation time. The distinction between *fluid* and *fixed capital* is the product of this opposition between the capital engaged in the production phase and the capital which issues from it. Fixed is that which is fixated in the production process and is consumed within it; comes out of large-scale circulation, certainly, but does not return into it, and, in so far as it circulates, circulates only in order to be consumed in, confined to, the consumption process.

The three different distinctions in the circulation of capital yield the three distinctions between circulating and fixated capital; they posit one part of capital as circulating κατ᾽ ἐξοχήν, because it never enters into the production process, but constantly accompanies it; and thirdly, [they yield] the distinction between *fluid* and *fixed* capital. Circulating capital in form No. 3 also includes No. 2, since the latter is also in antithesis to the fixed; but No. 2 does not include No. 3. The part of capital which belongs as such to the production process is the part of it which serves, materially, only as *means of production;* forms the link between living labour and the material to be worked on. A part of the liquid capital, such as coal, oil etc., also serves merely as means of production. Everything which serves merely as a means to keep the machine, or the engine, running. This distinction will have to be examined yet more closely. First of all, this does not contradict aspect 1, since the fixed capital as *value* also circulates in proportion as it is worn out. Precisely in this aspect as *fixed* capital – i.e. in the character in which capital has lost its fluidity and become identified with a *specific* use value, which robs it of its ability to transform itself – does *developed capital* – to the extent we know it so far, as productive capital – most strikingly manifest itself, and it is precisely in this seemingly inadequate form, and in the latter’s increasing relation to the form of circulating capital in No. 2, that the development of capital as capital is measured. This contradiction pretty. To be developed.

The different kinds of capital, which, in economics, fall out of the sky, here appear as so many precipitates of the movements arising out of the nature of capital itself, or rather of this movement itself in its different moments.

Circulating capital constantly ‘parts’ from the capitalist, in order to return to him in the first form. *Fixed capital* does not (Storch). [64] *‘Circulating capital* is that portion of the capital which does not yield profit *till it is parted with;* fixed etc. yields such profit, *while it remains in the possession of the owner.’* (Malthus.) [65] ‘Circulating capital gives its master no revenue or profit, *so long as it remains in his possession; fixed capital* gives this profit without changing masters, and without requiring circulation.’ (A. Smith.) [66]

In this respect, since capital’s departure on a voyage away from its owner (*‘partir de son possesseur’*) [67] means nothing more than the *sale* of property or possessions which takes place in the act of exchange, and since it is the nature of all exchange value, hence all capital, to become value for its owner by means of sale, the definition in its above formulation cannot be correct. If fixed capital were [capital] for its owner without the mediation of exchange and of the use value [68] included in it, then, in fact, fixed capital would be a mere use value, hence not capital. But the basis of the above definition is this: fixed capital circulates as *value* (even if only in portions, successively, as we shall see). It does not circulate as *use value.* As far as its material aspect is concerned, as a moment of the production process, *fixed capital* never leaves its boundaries; is not sold by its possessor; remains in his hand. It circulates as capital only in its *formal aspect,* as self-eternalizing value. This distinction between form and content, use value and exchange value, does not take place in circulating capital. In order to circulate, to exist, as the latter, it has to step into circulation as the former, must be sold. Use value for *capital* as such is only value itself. Circulating capital realizes itself as value for capital as such only when it is sold. As long as it remains in its hand, it only has value *in itself;* but it is not *posited;* only in potency – but not in act. Fixed capital, by contrast, realizes itself as value only as long as it remains in the capitalist’s hand as a use value, or, expressed as an objective relation, as long as it remains in the production process, which may be regarded as the inner organic movement of capital, its relation to itself, as opposed to its animal movement, its presence for another. Hence, since *fixed capital,* once it has entered the production process, remains in it, it also passes away in it, is consumed in it. The duration of this consumption does not yet concern us here. In this respect, then, *fixed capital* also includes what Cherbuliez calls the *matières instrumentales,* [69] such as coal, oil, wood, grease etc., which are completely destroyed in the production process, which only have a *use value* for the process of production itself. The same materials, however, also have a use value outside production, and can also be consumed in another way, just as buildings, houses, etc. are not necessarily specified for production. They are *fixed capital* not because of the specific mode of their being, but rather because of their use. They become fixed capital as soon as they step into the production process. They are *fixed capital,* as soon as they are posited as moments of the production process of capital; because they then lose their property of being potentially circulating capital.

Therefore, just as the part of capital entering into the small-scale circulation of capital – or capital, in so far as it enters into this movement – circulation between capital and labour capacity, the part of capital circulating as wages – *never leaves the circulation process and never enters into the production process of capital,* as regards its material aspect, as use value, but rather is always ejected from a previous production process as its product, result, so, inversely, does the part of capital specified as *fixed capital,* as a use value, as regards its material presence, never leave the *production process* and *never go back into circulation.* While the latter only enters into circulation as *value* (as part of the value of the finished product), the former only enters into the production process as *value,* in that necessary labour is the reproduction of wages, of the part of the capital's value which circulates as wages. This, then, is the *first* characteristic of fixed capital, and in this respect it also includes the *matières instrumentales.*

Secondly: Fixed capital can enter into circulation as value, however, only to the extent that it passes away as use value in the production process. It passes, as value, into the product – i.e. as labour time worked up or stored up in it – in so far as it passes away in its independent form as use value. In being used, it is used up, but in such a way that its value is carried over from its form into the form of the product. If it is not used, not consumed in the production process itself – if the machinery stands still, the iron rusts, the wood rots – then of course its value passes away together with its transitory presence as use value. Its circulation as value corresponds to its consumption in the production process as use value. Its total value is completely reproduced, i.e. is fully returned via circulation only when it has been completely consumed as use value in the production process. As soon as it is completely dissolved into value, and hence completely absorbed into circulation, it has completely passed away as use value and hence must be replaced, as a necessary moment of production, by a new use value of the same kind, i.e. must be reproduced. The necessity of reproducing it, i.e. its reproduction time, is determined by the time in which it is used up, consumed within the production process. With circulating capital, reproduction is determined by circulation time; with fixed capital, circulation is determined by the time in which it is consumed as use value, in its material presence, within the act of production, i.e. by the period of time within which it must be reproduced. A thousand pounds of twist can be reproduced as soon as they are sold and the money obtained for them is again exchanged for cotton, in short, for the elements of the production of twist. Their reproduction is determined, hence, by circulation time. A machine of a value of £1,000 which lasts 5 years, which is used up in 5 years and then becomes nothing more than scrap iron, is used up, say, by 1/5 per year, if we take the average consumption in the production process. Hence every year only 1/5 of its value enters into circulation, and only with the passing of the 5 years has it completely gone into circulation and returned from it. Its entry into circulation is thus purely determined by the time of its wearing out; and the time which its value needs to enter totally into circulation and to return from it is determined by its total reproduction time, the time in which it must be reproduced. Fixed capital enters into the product only as value; while the use value of circulating capital has remained in the product as the latter’s substance, and has merely obtained another form. This distinction essentially modifies the *turnover time* of a total capital divided into circulating and fixed capital. Let total capital = S; its circulating part = c; its fixed part = f; let the fixed capital form $1/x\ S$; the circulating capital S/y. Let the circulating capital turn over 3 times a year, the fixed capital only twice every 10 years. In 10 years, f or S/x will turn over twice; while in the same 10 years S/y will turn over $3 \times 10 = 30$ times. If S were =

S/y, i.e. circulating capital only, then R, its turnover, would be = 30; and the total capital turned over = 30 × S/y; the total capital turned over in 10 years. But the fixed capital turns over only twice in 10 years. Its $R' = 2$; and the total fixed capital turned over = $2S/x$. But $S = S/y + S/x$ and its total turnover time = the total turnover time of both these parts. If the fixed capital turns over twice in 10 years, then in one year 2/10 or 1/5 of it turns over; while in one year the circulating capital turns over 3 times. $S/5x$ turns over once a year.

The question simply this: if a capital of 1,000 thalers = 600 circulating capital and 400 fixed capital; thus 3/5 circulating and 2/5 fixed capital; if the fixed capital lasts 5 years, hence turns over once in 5 years and the circulating turns over 3 times a year, then what is the average turnover or turnover time of the total capital? If it were circulating capital only, then it would turn over 5 × 3, 15 times; the total capital turned over in the 5 years would be 15,000. But 2/5 of it turn over only once in 5 years. Hence, of the 400 thalers, 400/5 = 80 thalers turn over in one year. Of the 1,000 thalers, 600 annually turn over 3 times, 80 once; or, in one year, only 1,880 would turn over; hence in 5 years 5 ×1,880 = 9,400 turn over; i.e. 5,600 less than if the total capital consisted only of circulating capital. If the entire capital consisted only of circulating capital, then it would turn over once in 1/3 of a year.

If the capital = 1,000; $c = 600$, turns over twice a year; $f = 400$, turns over once a year; then 600 (3/5 S) turns over in half a year; 400/2 or $2S/(5 \times 2)$ likewise in half a year. Hence in half a year, 600 + 200 = 800 (i.e. $c + f/2$) turns over. IN A WHOLE YEAR, hence, 2 × 800 or 1,600 turn over; 1,600 thalers in 1 year; hence 100 in 12/16 months, hence 1,000 in 120/16 months = 7 1/2 months. The total capital of 1,000 thus turns over in 7 1/2 months, while it would turn over in 6 months if it consisted of circulating capital only. 7 1/2: 6 = 1:1 1/4 or as 1:5/4. If the capital = 100, circulating = 50, fixed = 50; the former turns over twice a year, the latter once; then 1/2 100 turns over once in 6 months; and 1/4 100 likewise once in 6 months; hence in 6 months 3/4 of the capital turns over, 3/4 100 in 6 months; or 75 in 6 months, and 100 in 8 months. If 2/4 100 turn over in 6 months, and in the same 6 months 1/4 100 (1/2 of the fixed capital), then 3/4 100 turn over in 6 months. Hence 1/4 in 6/3 = 2 [months]; hence 4/4 100 or 100 in 6 + 2, in 8 months. The total turnover time of the capital = 6 (the turnover time of the entire circulating capital and 1/2; of the fixed capital or 1/4 of the total capital) + 6/3 i.e. + this turnover time divided by the number expressing the ratio of the remaining fixed capital to the capital turned over in the turnover time of circulating capital. Thus in the above example: 3/5 100 turns over in 6 months; ditto 1/5 100; hence 4/5 100 in 6 months; hence the remaining 1/5 100 in 6/4 months; hence the total capital in 6 + 6/4 months = 6 + 1 1/2 or 7 1/2 months. Thus, expressed in general terms:

Average turnover time = the turnover time of circulating capital + this turnover time divided by the number which expresses how often the remaining part of the fixed capital is contained in the total sum of the capital which was circulated in this turnover time.

If there are two capitals of 100 thalers, one of them entirely composed of circulating capital, the other half fixed capital, each at 5% profit, the one turning over twice a year, and in the other the circulating capital likewise twice, but the fixed capital only once; then the total capital turning over would be = 200 in the first case, and the profit = 10; in the second = 3 turnovers in 8 months, 1 1/2 in 4; or 150 would turn over in 12 months; profit then = 7 1/2. This kind of calculation has strengthened the common prejudice that circulating capital or fixed capital through some mysterious innate power brings a gain, as even in Malthus's phrase 'the circulating capital brings a gain when its possessors part with it etc.'; [70] likewise, in the above-quoted lines from his *Measure of Value* etc., the way in which he makes fixed capital accumulate profits. [71] The greatest confusion and mystification has arisen because the doctrine of surplus profit has not been examined in its pure form by previous economists, but rather mixed in together with the doctrine of real profit, which leads up to distribution, where the various capitals participate in the general rate of profit. The profit of the capitalists as a class, or the profit of *capital* as such, has to exist before it can be distributed, and it is extremely absurd to try to explain its origin by its distribution. According to the above, profit declines because the turnover time of capital increases * in proportion as the component part of it which is called fixed capital increases. A capital of the same size, 100 in the above case, would turn over entirely twice a year if it consisted only of a circulating capital. But it turns over only twice in 16 months, or only 150 thalers are turned over in one year, because half of it consists of fixed capital. As the number of its reproductions in a given period declines, or the amount of it reproduced in this given time declines, so does the production of surplus time or surplus value decline, since capital posits value at all only in so far as it posits surplus value. (This at least is its tendency, its adequate action.)

> * Its size posited as permanent – this does not concern us here at all, since the statement is true for a capital of any size. Capitals have different sizes. But the size of each individual capital is *equal to itself,* hence, in so far as only its quality as capital is concerned, any size. But if we examine two capitals in comparison to each other, then the difference in their size introduces a relation of a qualitative characters. Size becomes itself a distinguishing quality. *This is an essential aspect,* of which size is only one single instance, of how the study of capital as such differs from the study of one capital in relation to another capital, or the study of capital in its reality.

Fixed capital, as we saw, circulates as value only to the degree that it is used up or consumed as use value in the production process. But the time in which it is consumed and in which it must be reproduced in its form as use value depends on its relative durability. Hence its durability, or its greater or lesser perishability – the greater or smaller amount of time during which it can continue to perform its function within the repeated production processes of capital – this aspect of its use value here becomes a form-determining moment, i.e. a determinant for capital as regards its form, not as regards its matter. The necessary reproduction time of fixed capital, together with the proportion of the total capital consisting of it, here modify, therefore, the turnover time of the total capital, and thereby its realization. The greater durability of capital (the diminution (duration) of its necessary reproduction time) and the proportion of fixed capital to the total capital, then, here influence realization just as does a slower turnover due either to a greater distance in space of the market from which the capital returns as money, so that a longer time is required to complete the path of circulation (as e.g. capitals working in England for the East India market return more slowly than those working for nearer foreign markets or for the domestic market), or to the production phase being itself interrupted by natural conditions, as in agriculture. Ricardo, who was the first to emphasize the influence of fixed capital on the realization process, throws all these aspects into one motley heap, as one can see from the excerpts quoted above. [72]

In the first case (fixed capital), the turnover of capital is reduced because the fixed capital is consumed slowly within the production process; or the cause lies in the duration of the time required for its reproduction. In the second case the reduced turnover arises from the prolongation of *circulation time* (in the first case the fixed capital necessarily always circulates as rapidly as the product, *in so far as* it circulates, enters circulation at all, because it circulates not in its material existence, but only as value, i.e. as an ideal component part of the total value of the product) and, specifically, from the circulation time of the second half of the circulation process proper, the retransformation into money; in the third case the reduced turnover arises from the longer time the capital requires, not, as in the first case, to pass away in the production process, but rather to emerge from it as product. The first case is peculiar specifically to fixed capital; the other belongs to the category of capital which is not liquid, but fixated, fixated in one or another phase of the total circulation process (fixed capital of a considerable degree of durability, *or* circulating capital returnable at distant periods. McCulloch, *Principles of Political Economy.* Notebook, p. 15.) [73]

Thirdly: We have regarded fixed capital so far only from the aspect in which its particular relation, its specific relation, distinguishes it from the circulation process proper. Still further distinctions will arise in this respect. Firstly, the return of its value in successive parts, whereas each part of circulating capital is exchanged in its entirety; this because in the former, the existence of the value coincides with that of the use value. Secondly, not merely [because of] its influence on the average turnover time of a given capital, as we have indicated up to now, but also [because of] its own turnover time. The latter circumstance becomes important where the fixed capital appears not as a mere instrument of production within the production process, but rather as an independent form of capital, e.g. in the form of railways, canals, roads, aqueducts, improvements of the land, etc. This latter aspect becomes notably important for the proportion in which the total capital of a country is divided into these two forms. Then, the way in which it is renewed and maintained; which the economists formulate in the form that it can bring revenue only by means of circulating capital etc. This last is basically nothing but the examination of the moment where it appears, not as a particular independent existence *alongside* and *outside* circulating capital, but rather as circulating capital transformed into fixed capital. But what we want to examine here first of all is the relation of fixed capital not towards the outside, but rather the extent to which the relation is given through its continued enclosure within the production process. It is thereby posited that it is a definite moment of the production process itself.

<It is not necessarily the case that *fixed capital* is capital which in all its aspects serves not for individual consumption, but only for production. A house can serve for production as well as for consumption; likewise all vehicles, a ship and a wagon, for pleasure outings as well as a means of transport; a street as a means of communication for production proper, as well as for taking walks etc. *Fixed capital* in this second aspect does not concern us here at all, since we regard capital here only as process of realization and process of production. The second aspect will enter when we study interest. Ricardo can have only this aspect in mind when he says: 'Depending on whether the capital is more or less perishable, hence must be more or less frequently reproduced in a given time, it is called circulating or fixed capital.' (Ricardo, VIII, 19.) [74] According to this, a coffee-pot would be fixed capital, but coffee circulating capital. The crude materialism of the economists who regard as the *natural properties* of things what are social relations of production among people, and qualities which things obtain because they are subsumed under these relations, is at the same time just as crude an idealism, even fetishism, since it imputes social relations to things as inherent characteristics, and thus mystifies them. (The difficulty of defining a thing as fixed capital or circulating capital on the basis of its natural qualities has here, by way of exception, led the economists to the discovery that things in themselves are neither fixed nor circulating, hence not capital at all, any more than it is a natural quality of gold to be money.)>

(Also included in the points listed above, so that it is not forgotten, is the circulation of fixed capital as circulating capital, i.e. transactions through which it changes its owners.)

'Fixed capital – *tied up:* capital so *tied up in one kind of production* that it can no longer be diverted to *another kind of production.*' (Say, 24.) [75] 'Fixed capital is consumed in order to help produce the things useful to man … it consists of *durable foundations which increase the productive powers of future labour.*' (Sismondi, VI) [76] *'Fixed capital* the capital necessary to maintain the instruments, machines etc. of labour.' (Smith, Vol. II, p. 226.)

‘Floating capital is consumed, fixed capital merely used in the great work of production.’ (*Economist,* Notebook VI, p. 1.) [77] ‘We shall show that the first stick or the first stone which he took in his hand to assist him in the pursuit of these objects, by accomplishing a part of his labour, performed precisely the function of the capitals presently employed by the commercial nations.’ (Lauderdale, p. 120. Notebook, 8a.) ‘It is one of the characteristic and distinguishing traits of the human species to *replace labour in this way* with a capital transformed into machines.’ (p. 120.) (p. 9, Notebook Lauderdale.) ‘It may now be seen that the profit of capitals always arises either because they replace a portion of the work which man must do by hand, or because they accomplish a portion of work which is beyond the personal effort of man, and which he could not perform by himself.’ (p. 119 loc. cit.) Lauderdale polemicizes against Smith and Locke, whose view that labour is the creator of profit, has the following result, according to him: ‘if this idea of capital’s benefits were rigorously correct, then it would follow that it would not be an *original source* of wealth, but rather a derived one; and one could not consider capital as one of the principles of wealth, its *profit being nothing more than a transfer from the worker’s pocket to that of the capitalist.’* (loc. cit. 116, 117.) ‘The profit of capitals always arises either because they *replace* a portion of the work which man must do by hand, or because they accomplish a portion of work which is beyond the personal effort of man, and which he could not perform by himself.’ (p. 119, loc. cit., p. 9b.) ‘It is well to remark that while the capitalist, with the use he makes of his money, saves the class of consumers a certain amount of labour, *he does not substitute for it an equal portion of his own;* which proves that *his capital* performs it, and not he himself.’ (10, Notebook, loc. cit., p. 132.) ‘If Adam Smith, instead of imagining that the effect of a machine is to facilitate labour, or, as he expresses it, to increase the productive power of labour (it is only through a strange confusion of ideas that Mr Smith has been able to assert that the effect of capital is to increase the productive power of labour. With the same logic one could very well claim that *to shorten by half a roundabout path between two points is to double the walker’s speed)* had perceived that the money spent on machinery brings a profit by replacing labour, he would have attributed the origin of profit to the same circumstance.’ (p. 11, p. 137.) ‘Capitals in domestic commerce, whether fixed or circulating, far from serving to set labour in motion, far from increasing its productive power, are, on the contrary, useful and profitable only in two circumstances, either when they obviate the necessity of a portion of the work which man would otherwise have to do with his hands; or when they perform a particular piece of work which man does not have the power to do unaided.' This, says Lauderdale, is not merely a semantic difference. 'The idea that capital sets labour into action, and adds to its productive power, gives rise to the opinion that labour is everywhere proportional to the quantity of existing capitals; that a country's industry is always in proportion to the funds employed: from which it would follow that the increase of capital is the sovereign and unlimited means of increasing wealth. Instead of that, if one admits that capital can have no profitable or useful employment other than to replace a certain work, or to perform it, then one will draw the natural conclusion that the State would gain no benefit whatever from the possession of more capitals than it can employ in doing the work or in substituting for it in the production and fabrication of the things the consumer demands.' (p. 151, 152, pp. 11, 12.) To prove his view that capital is a source *sui generis* of profit and hence of wealth, independently of labour, he points to the surplus profits which the owner of a newly invented machine has before his patent runs out and competition presses down the prices, and concludes then with the words: 'This change of rule for the price does not prevent the benefit' (as regards use value) 'of the machine from coming from a fund of the same nature as that from which it came before the expiration of the patent: *this fund is always that part of a country's revenues which was formerly destined to pay the wages of the labour which the new invention replaces.'* (loc. cit. 125, p. 10b.) By contrast, Ravenstone (IX, 32): 'Machinery can seldom be applied with success to abridge the labours of an individual; more time would be lost in its construction than could be saved by its application. It is only really useful when it acts on great masses, when a single machine can assist the labours of thousands. It is accordingly in the most populous countries where there are most idle men that it is always most abundant. It is not called into action by a scarcity of men, but by the facility with which they are brought together.' (loc. cit.) [78]

'Division of machines into (1) machines employed to produce power; (2)

machines whose purpose is simply to transmit power and to perform the work.' (Babbage, Notebook, p. 10.) [79] '*Factory* signifies the cooperation of several classes of workers, adults and non-adults, watching attentively and assiduously over a system of productive mechanisms, continually kept in action by a central force ... excludes any workshop whose mechanism does not form a continuous system, or which does not depend on a single source of power. Examples of this latter class among textile factories, copper foundries etc. ... In its most rigorous sense, this term conveys the idea of a vast automaton, composed of numerous *mechanical and intellectual organs* operating in concert and without interruption, towards one and the same aim, all these organs being subordinated to a motive force which moves itself.' (Ure, 13.) [80]

The labour process. – Fixed capital. Means of labour. Machine. – *Fixed capital. Transposition of powers of labour into powers of capital both in fixed and in circulating capital. – To what extent* fixed capital (machine) *creates* value. – *Lauderdale. Machine presupposes a mass of workers.*

Capital which consumes itself in the production process, or fixed capital, is the *means of production* in the strict sense. In a broader sense the entire production process and each of its moments, such as circulation – as regards its material side – is only a means of production for capital, for which value alone is the end in itself. Regarded as a physical substance, the raw material itself is a means of production for the product etc.

But the determination that the use value of fixed capital is that which eats itself up in the production process is identical to the proposition that it is used in this process only as a means, and itself exists merely as an agency for the transformation of the raw material into the product. As such a means of production, its use value can be that it is merely the technological condition for the occurrence of the process (the site where the production process proceeds), as with buildings etc., or that it is a direct condition of the action of the means of production proper, like all *matières instrumentales.* Both are in turn only the material presuppositions for the production process generally, or for the employment and maintenance of the means of labour. The latter, however, in the proper sense, serves only within production and for production, and has no other use value.

Originally, when we examined the development of value into capital, the labour process was simply included within capital, and, as regards its physical conditions, its material presence, capital appeared as the totality of the conditions of this process, and correspondingly sorted itself out into certain qualitatively different parts, *material of labour* (this, not raw material, is the correct expression of the concept), *means of labour* and *living labour.* On one side, capital was divided into these three elements in accordance with its material composition; on the other, the *labour process* (or the merging of these elements into each other within the process) was their moving unity, the product their static unity. In this form, the material elements – material of labour, means of labour and living labour – appeared merely as the essential moments of the labour process itself, which capital appropriates. But this material side – or, its character as use value and as real process – did not at all coincide with its formal side. In the latter,

(1) the three elements in which it appears before the exchange with labour capacity, before the real process, appeared merely as quantitatively different portions of itself, as quantities of value of which it, itself, as sum, forms the unity. The physical form, the use value, in which these different portions existed did not in any way alter their formal identity from this side. As far as their formal side was concerned, they appeared only as quantitative subdivisions of capital;

(2) within the process itself, as regards the form, the elements of labour and the two others were distinct only in so far as the latter were specified as constant values, and the former as value-positing. But as far as their distinctness as use values, their material side was concerned, this fell entirely outside the capital’s specific character as form. Now, however, with the distinction between circulating capital (raw material and product) and *fixed capital* (means of labour), the distinctness of the elements as use values is posited simultaneously as a distinction within capital as capital, on its formal side. The relation between the factors, which had been merely quantitative, now appears as a qualitative division within capital itself, and as a determinant of its total movement (turnover). Likewise, the material of labour and the product of

labour, this neutral precipitate of the labour process, are already, as *raw material* and *product,* materially specified no longer as material and product of labour, but rather as the use value of capital itself in different phases.

As long as the means of labour remains a means of labour in the proper sense of the term, such as it is directly, historically, adopted by capital and included in its realization process, it undergoes a merely formal modification, by appearing now as a means of labour not only in regard to its material side, but also at the same time as a particular mode of the presence of capital, determined by its total process – as *fixed capital.* But, once adopted into the production process of capital, the means of labour passes through different metamorphoses, whose culmination is the *machine,* or rather, an *automatic system of machinery* (system of machinery: the *automatic* one is merely its most complete, most adequate form, and alone transforms machinery into a system), set in motion by an automaton, a moving power that moves itself; this automaton consisting of numerous mechanical and intellectual organs, so that the workers themselves are cast merely as its conscious linkages. In the machine, and even more in machinery as an automatic system, the use value, i.e. the material quality of the means of labour, is transformed into an existence adequate to fixed capital and to capital as such; and the form in which it was adopted into the production process of capital, the direct means of labour, is superseded by a form posited by capital itself and corresponding to it. In no way does the machine appear as the individual worker's means of labour. Its distinguishing characteristic is not in the least, as with the means of labour, to transmit the worker's activity to the object; this activity, rather, is posited in such a way that it merely transmits the machine's work, the machine's action, on to the raw material – supervises it and guards against interruptions. Not as with the instrument, which the worker animates and makes into his organ with his skill and strength, and whose handling therefore depends on his virtuosity. Rather, it is the machine which possesses skill and strength in place of the worker, is itself the virtuoso, with a soul of its own in the mechanical laws acting through it; and it consumes coal, oil etc. *(matières instrumentales),* just as the worker consumes food, to keep up its perpetual motion. The worker's activity, reduced to a mere abstraction of activity, is determined and regulated on all sides by the movement of the machinery, and not the opposite. The science which compels the inanimate limbs of the machinery, by their construction, to act purposefully, as an automaton, does not exist in the worker's consciousness, but rather acts upon him through the machine as an alien power, as the power of the machine itself. The appropriation of living labour by objectified labour – of the power or activity which creates value by value existing for-itself – which lies in the concept of capital, is posited, in production resting on machinery, as the character of the production process itself, including its material elements and its material motion. The production process has ceased to be a labour process in the sense of a process dominated by labour as its governing unity. Labour appears, rather, merely as a conscious organ, scattered among the individual living workers at numerous points of the mechanical system; subsumed under the total process of the machinery itself, as itself only a link of the system, whose unity exists not in the living workers, but rather in the living (active) machinery, which confronts his individual, insignificant doings as a mighty organism. In machinery, objectified labour confronts living labour within the labour process itself as the power which rules it; a power which, as the appropriation of living labour, is the form of capital. The transformation of the means of labour into machinery, and of living labour into a mere living accessory of this machinery, as the means of its action, also posits the absorption of the labour process in its material character as a mere moment of the realization process of capital. The increase of the productive force of labour and the greatest possible negation of necessary labour is the necessary tendency of capital, as we have seen. The transformation of the means of labour into machinery is the realization of this tendency. In machinery, objectified labour materially confronts living labour as a ruling power and as an active subsumption of the latter under itself, not only by appropriating it, but in the real production process itself; the relation of capital as value which appropriates value-creating activity is, in fixed capital existing as machinery, posited at the same time as the relation of the use value of capital to the use value of labour capacity; further, the value objectified in machinery appears as a presupposition against which the value-creating power of the individual labour capacity is an infinitesimal, vanishing magnitude; the production in enormous mass quantities which is posited with machinery destroys every connection of the product with the direct need of the producer, and hence with direct use value; it is already posited in the form of the product's production and in the relations in which it is produced that it is produced only as a conveyor of value, and its use value only as condition to that end. In machinery, objectified labour itself appears not only in the form of product or of the product employed as means of labour, but in the form of the force of production itself. The development of the means of labour into machinery is not an accidental moment of capital, but is rather the historical reshaping of the traditional, inherited means of labour into a form adequate to capital. The accumulation of knowledge and of skill, of the general productive forces of the social brain, is thus absorbed into capital, as opposed to labour, and hence appears as an attribute of capital, and more specifically of *fixed capital,* in so far as it enters into the production process as a means of production proper. *Machinery* appears, then, as the most adequate form of *fixed capital,* and fixed capital, in so far as capital's relations with itself are concerned, appears as *the most adequate form of capital* as such. In another respect, however, in so far as fixed capital is condemned to an existence within the confines of a specific use value, it does not correspond to the concept of capital, which, as value, is indifferent to every specific form of use value, and can adopt or shed any of them as equivalent incarnations. In this respect, as regards capital's external relations, it is *circulating capital* which appears as the adequate form of capital, and not fixed capital.

Further, in so far as machinery develops with the accumulation of society's science, of productive force generally, general social labour presents itself not in labour but in capital. The productive force of society is measured in *fixed capital,* exists there in its objective form; and, inversely, the productive force of capital grows with this general progress, which capital appropriates free of charge. This is not the place to go into the development of machinery in detail; rather only in its general aspect; in so far as the *means of labour,* as a physical thing, loses its direct form, becomes *fixed capital,* and confronts the worker physically as *capital.* In machinery, knowledge appears as alien, external to him; and living labour [as] subsumed under self-activating objectified labour. The worker appears as superfluous to the extent that his action is not determined by [capital's] requirements.

NOTEBOOK VII

End of February. March. End of May – Beginning of June 1858

The Chapter on Capital (continuation)

The full development of capital, therefore, takes place – or capital has posited the mode of production corresponding to it – only when the means of labour has not only taken the economic form of *fixed capital,* but has also been suspended in its immediate form, and when *fixed capital* appears as a machine within the production process, opposite labour; and the entire production process appears as not subsumed under the direct skilfulness of the worker, but rather as the technological application of science. [It is,] hence, the tendency of capital to give production a scientific character; direct labour [is] reduced to a mere moment of this process. As with the transformation of value into capital, so does it appear in the further development of capital, that it presupposes a certain given historical development of the productive forces on one side – science too [is] among these productive forces – and, on the other, drives and forces them further onwards.

Thus the quantitative extent and the effectiveness (intensity) to which capital is developed as fixed capital indicate the general degree to which capital is developed as capital, as power over living labour, and to which it has conquered the production process as such. Also, in the sense that it expresses the accumulation of objectified productive forces, and likewise of objectified labour. However, while capital gives itself its adequate form as use value within the production process only in the form of machinery and other material manifestations of fixed capital, such as railways etc. (to which we shall return later), this in no way means that this use value – machinery as such – is capital, or that its existence as machinery is identical with its existence as capital; any more than gold would cease to have use value as gold if it were no longer *money.* Machinery does not lose its use value as soon as it ceases to be capital. While machinery is the most appropriate form of the use value of fixed capital, it does not at all follow that therefore subsumption under the social relation of capital is the most appropriate and ultimate social relation of production for the application of machinery.

To the degree that labour time – the mere quantity of labour – is posited by capital as the sole determinant element, to that degree does direct labour and its quantity disappear as the determinant principle of production – of the creation of use values – and is reduced both quantitatively, to a smaller proportion, and qualitatively, as an, of course, indispensable but subordinate moment, compared to general scientific labour, technological application of natural sciences, on one side, and to the general productive force arising from social combination [*Gliederung*] in total production on the other side – a combination which appears as a natural fruit of social labour (although it is a historic product). Capital thus works towards its own dissolution as the form dominating production.

While, then, in one respect the transformation of the production process from the simple labour process into a scientific process, which subjugates the forces of nature and compels them to work in the service of human needs, appears as a quality of *fixed capital* in contrast to living labour; while individual labour as such has ceased altogether to appear as productive, is productive, rather, only in these common labours which subordinate the forces of nature to themselves, and while this elevation of direct labour into social labour appears as a reduction of individual labour to the level of helplessness in face of the communality [*Gemeinsamkeit*] represented by and concentrated in capital; so does it now appear, in another respect, as a quality of *circulating capital,* to maintain labour in one branch of production by means of *co-existing labour* in another. In small-scale circulation, capital advances the worker the wages which the latter exchanges for products necessary for his consumption. The money he obtains has this power only because others are working alongside him at the same time; and capital can give him claims on alien labour, in the form of money, only because it has appropriated his own labour. This exchange of one's own labour with alien labour appears here not as mediated and determined by the simultaneous existence of the labour of others, but rather by the advance which capital makes. The worker's ability to engage in the exchange of substances necessary for his consumption during production appears as due to an attribute of the part of *circulating capital* which is paid to the worker, and of circulating capital generally. It appears not as an exchange of substances between the simultaneous labour powers, but as the metabolism [*Stoffwechsel*] of capital; as the existence of circulating capital. Thus all powers of labour are transposed into powers of capital; the productive power of labour into fixed capital (posited as external to labour and as existing independently of it (as object [*sachlich*]); and, in circulating capital, the fact that the worker himself has created the conditions for the repetition of his labour, and that the exchange of this, his labour, is mediated by the co-existing labour of others, appears in such a way that capital gives him an advance and posits the simultaneity of the branches of labour. (These last two aspects actually belong to accumulation.) Capital in the form of circulating capital posits itself as mediator between the different workers.

Fixed capital, in its character as means of production, whose most adequate form [is] machinery, produces value, i.e. increases the value of the product, in only two respects: (1) in so far as it *has* value; i.e. is itself the product of labour, a certain quantity of labour in objectified form; (2) in so far as it increases the relation of surplus labour to necessary labour, by enabling labour, through an increase of its productive power, to create a greater mass of the products required for the maintenance of living labour capacity in a shorter time. It is therefore a highly absurd bourgeois assertion that the worker shares with the capitalist, because the latter, with fixed capital (which is, as far as that goes, itself a product of labour, and of *alien labour* merely appropriated by capital) makes labour easier for him (rather, he robs it of all independence and attractive character, by means of the machine), or makes his labour shorter. Capital employs machinery, rather, only to the extent that it enables the worker to work a larger part of his time for capital, to relate to a larger part of his time as time which does not belong to him, to work longer for another. Through this process, the amount of labour necessary for the production of a given object is indeed reduced to a minimum, but only in order to realize a maximum of labour in the maximum number of such objects. The first aspect is important, because capital here – quite unintentionally – reduces human labour, expenditure of energy, to a minimum. This will redound to the benefit of emancipated labour, and is the condition of its emancipation. From what has been said, it is clear how absurd Lauderdale is when he wants to make fixed capital into an independent source of value, independent of labour time. It is such a source only in so far as it is itself objectified labour time, and in so far as it posits surplus labour time. The employment of machinery itself historically presupposes – see above, Ravenstone – superfluous hands. Machinery inserts itself to replace labour only where there is an overflow of labour powers. Only in the imagination of economists does it leap to the aid of the individual worker. It can be effective only with masses of workers, whose concentration relative to capital is one of its historic presuppositions, as we have seen. It enters not in order to replace labour power where this is lacking, but rather in order to reduce massively available labour power to its necessary measure. Machinery enters only where labour capacity is on hand in masses. (Return to this.)

Lauderdale believes himself to have made the great discovery that machinery does not increase the productive power of labour, because it rather replaces the latter, or does what labour cannot do with its own power. It belongs to the concept of capital that the increased productive force of labour is posited rather as the increase of a force [*Kraft*] outside itself, and as labour's own debilitation [*Entkräftung*]. The hand tool makes the worker independent – posits him as proprietor. Machinery – as fixed capital – posits him as dependent, posits him as appropriated. This effect of machinery holds only in so far as it is cast into the role of fixed capital, and this it is only because the worker relates to it as wage-worker, and the active individual generally, as mere worker.

Fixed capital and circulating capital *as two particular kinds of capital. Fixed capital and continuity of the production process. – Machinery and living labour. (Business of inventing)*

While, up to now, fixed capital and circulating capital appeared merely as different passing aspects of capital, they have now hardened into two particular modes of its existence, and fixed capital appears separately alongside circulating capital. They are now two particular kinds of capital. In so far as a capital is examined in a particular branch of production, it appears as divided into these two portions, or splits into these two kinds of capital in certain p[rop]ortions.

The division within the production process, originally between means of labour and material of labour, and finally product of labour, now appears as circulating capital (the last two) and fixed capital [the first]. [1] The split within capital as regards its merely physical aspect has now entered into its form itself, and appears as differentiating it.

From a viewpoint such as Lauderdale's etc., who would like to have capital as such, separately from labour, create *value* and hence also *surplus value* (or profit), fixed capital – namely that whose physical presence or use value is machinery – is the form which gives their superficial fallacies still the greatest semblance of validity. The answer to them, e.g. in *Labour Defended,* [is] that the road-builder may share [profits] with the road-user, but the 'road' itself cannot do so. [2]

Circulating capital – presupposing that it really passes through its different phases – brings about the decrease or increase, the brevity or length of circulation time, the easier or more troublesome completion of the different stages of circulation, a decrease of the surplus value which could be created in a given period of time without these interruptions – either *because the number of reproductions grows smaller,* or because the quantity of *capital continuously engaged in the production process* is reduced. In both cases this is not a reduction of the initial value, but rather a reduction of the rate of its growth. From the moment, however, when fixed capital has developed to a certain extent – and this extent, as we indicated, is the measure of the development of large industry generally – hence fixed capital increases in proportion to the development of large industry's productive forces – it is itself the objectification of these productive forces, as presupposed product – from this instant on, every interruption of the production process acts as a direct reduction of capital itself, of its initial value. The value of fixed capital is reproduced only in so far as it is used up in the production process. Through disuse it loses its use value without its value passing on to the product. Hence, the greater the scale on which fixed capital develops, in the sense in which we regard it here, the more does the *continuity of the production process* or the constant flow of reproduction become an externally compelling condition for the mode of production founded on capital.

In machinery, the appropriation of living labour by capital achieves a direct reality in this respect as well: It is, firstly, the analysis and application of mechanical and chemical laws, arising directly out of science, which enables the machine to perform the same labour as that previously performed by the worker. However, the development of machinery along this path occurs only when large industry has already reached a higher stage, and all the sciences have been pressed into the service of capital; and when, secondly, the available machinery itself already provides great capabilities. Invention then becomes a business, and the application of science to direct production itself becomes a prospect which determines and solicits it. But this is not the road along which machinery, by and large, arose, and even less the road on which it progresses in detail. This road is, rather, dissection [*Analyse*] – through the division of labour, which gradually transforms the workers' operations into more and more mechanical ones, so that at a certain point a mechanism can step into their places. (*See under economy of power.*) Thus, the specific mode of working here appears directly as becoming transferred from the worker to capital in the form of the machine, and his own labour capacity devalued thereby. Hence the workers' struggle against machinery. What was the living worker's activity becomes the activity of the machine. Thus the appropriation of labour by capital confronts the worker in a coarsely sensuous form; capital absorbs labour into itself – 'as though its body were by love possessed'. [3]

Contradiction between the foundation of bourgeois production* (value as measure) *and its development. Machines etc.

The exchange of living labour for objectified labour – i.e. the positing of social labour in the form of the contradiction of capital and wage labour – is the ultimate development of the *value-relation* and of production resting on value. Its presupposition is – and remains – the mass of direct labour time, the quantity of labour employed, as the determinant factor in the production of wealth. But to the degree that large industry develops, the creation of real wealth comes to depend less on labour time and on the amount of labour employed than on the power of the agencies set in motion during labour time, whose 'powerful effectiveness' is itself in turn out of all proportion to the direct labour time spent on their production, but depends rather on the general state of science and on the progress of technology, or the application of this science to production. (The development of this science, especially natural science, and all others with the latter, is itself in turn related to the development of material production.) Agriculture, e.g., becomes merely the application of the science of material metabolism, its regulation for the greatest advantage of the entire body of society. Real wealth manifests itself, rather – and large industry reveals this – in the monstrous disproportion between the labour time applied, and its product, as well as in the qualitative imbalance between labour, reduced to a pure abstraction, and the power of the production process it superintends. Labour no longer appears so much to be included within the production process; rather, the human being comes to relate more as watchman and regulator to the production process itself. (What holds for machinery holds likewise for the combination of human activities and the development of human intercourse.) No longer does the worker insert a modified natural thing [*Naturgegenstand*] as middle link between the object [*Objekt*] and himself; rather, he inserts the process of nature, transformed into an industrial process, as a means between himself and inorganic nature, mastering it. He steps to the side of the production process instead of being its chief actor. In this transformation, it is neither the direct human labour he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body – it is, in a word, the development of the social individual which appears as the great foundation-stone of production and of wealth. The *theft of alien labour time, on which the present wealth is* *based,* appears a miserable foundation in face of this new one, created by large-scale industry itself. As soon as labour in the direct form has ceased to be the great well-spring of wealth, labour time ceases and must cease to be its measure, and hence exchange value [must cease to be the measure] of use value. The *surplus labour of the mass* has ceased to be the condition for the development of general wealth, just as the *non-labour of the few,* for the development of the general powers of the human head. With that, production based on exchange value breaks down, and the direct, material production process is stripped of the form of penury and antithesis. The free development of individualities, and hence not the reduction of necessary labour time so as to posit surplus labour, but rather the general reduction of the necessary labour of society to a minimum, which then corresponds to the artistic, scientific etc. development of the individuals in the time set free, and with the means created, for all of them. Capital itself is the moving contradiction, [in] that it presses to reduce labour time to a minimum, while it posits labour time, on the other side, as sole measure and source of wealth. Hence it diminishes labour time in the necessary form so as to increase it in the superfluous form; hence posits the superfluous in growing measure as a condition – question of life or death – for the necessary. On the one side, then, it calls to life all the powers of science and of nature, as of social combination and of social intercourse, in order to make the creation of wealth independent (relatively) of the labour time employed on it. On the other side, it wants to use labour time as the measuring rod for the giant social forces thereby created, and to confine them within the limits required to maintain the already created value as value. Forces of production and social relations – two different sides of the development of the social individual – appear to capital as mere means, and are merely means for it to produce on its limited foundation. In fact, however, they are the material conditions to blow this foundation sky-high. 'Truly wealthy a nation, when the working day is 6 rather than 12 hours. *Wealth* is not command over surplus labour time' (real wealth), 'but rather, *disposable time* outside that needed in direct production, for *every individual* and the whole society.' (*The Source and Remedy* etc. 1821, p. 6.)

Nature builds no machines, no locomotives, railways, electric telegraphs, self-acting mules etc. These are products of human industry; natural material transformed into organs of the human will over nature, or of human participation in nature. They are *organs of the human brain, created by the human hand;* the power of knowledge, objectified. The development of fixed capital indicates to what degree general social knowledge has become a *direct force of production,* and to what degree, hence, the conditions of the process of social life itself have come under the control of the general intellect and been transformed in accordance with it. To what degree the powers of social production have been produced, not only in the form of knowledge, but also as immediate organs of social practice, of the real life process.

Significance of the development of fixed capital *(for the development of capital generally). Relation between the creation of fixed capital and circulating capital. Disposable time. To create it, chief role of capital. Contradictory form of the same in capital. – Productivity of labour and production of fixed capital.* (The Source and Remedy.) – *Use and consume:* Economist. *Durability of fixed capital*

The development of fixed capital indicates in still another respect the degree of development of wealth generally, or of capital. The aim of production oriented directly towards use value, as well as of that directly oriented towards exchange value, is the product itself, destined for consumption. The part of production which is oriented towards the production of fixed capital does not produce direct objects of individual gratification, nor direct exchange values; at least not directly realizable exchange values. *Hence, only when a certain degree of productivity has already been reached – so that a part of production time is sufficient for immediate production – can an increasingly large part be applied to the production of the means of production.* This requires that society be able to wait; that a large part of the wealth already created can be withdrawn both from immediate consumption and from production for immediate consumption, in order to employ this part for labour which is *not immediately productive* (within the material production process itself). This requires a certain level of productivity and of relative overabundance, and, more specifically, a level directly related to the transformation of circulating capital into fixed capital. As the *magnitude of relative surplus labour depends on the productivity of necessary labour, so does the magnitude of labour time* – living as well as objectified – *employed on the production of fixed capital depend on the productivity of the labour time spent in the direct production of products. Surplus population* (from this standpoint), as well as *surplus production,* is a condition for this. That is, the output of the time employed in direct production must be larger, relatively, than is directly required for the reproduction of the capital employed in these branches of industry. The *smaller* the direct fruits borne by *fixed capital,* the less it intervenes in the *direct production process,* the greater must be this relative *surplus population and surplus production;* thus, more to build railways, canals, aqueducts, telegraphs etc. than to build the machinery directly active in the direct production process. Hence – a subject to which we will return later – in the constant under- and over-production of modern industry – constant fluctuations and convulsions arise from the disproportion, when sometimes too little, then again too much circulating capital is transformed into fixed capital.

<*The creation of a large quantity of disposable time* apart from necessary labour time for society generally and each of its members (i.e. room for the development of the individuals' full productive forces, hence those of society also), this creation of not-labour time appears in the stage of capital, as of all earlier ones, as not-labour time, free time, for a few. What capital adds is that it increases the surplus labour time of the mass by all the means of art and science, because its wealth consists directly in the appropriation of surplus labour time; since *value directly its purpose,* not use value. It is thus, despite itself, instrumental in creating the means of social disposable time, in order to reduce labour time for the whole society to a diminishing minimum, and thus to free everyone's time for their own development. But its tendency always, on the one side, *to create disposable time, on the other, to convert it into surplus labour.* If it succeeds too well at the first, then it suffers from surplus production, and then necessary labour is interrupted, because *no surplus labour can be realized by capital.* The more this contradiction develops, the more does it become evident that the growth of the forces of production can no longer be bound up with the appropriation of alien labour, but that the mass of

workers must themselves appropriate their own surplus labour. Once they have done so – and *disposable time* thereby ceases to have an *antithetical* existence – then, on one side, necessary labour time will be measured by the needs of the social individual, and, on the other, the development of the power of social production will grow so rapidly that, even though production is now calculated for the wealth of all, *disposable time* will grow for all. For real wealth is the developed productive power of all individuals. The measure of wealth is then not any longer, in any way, labour time, but rather disposable time. *Labour time as the measure of value* posits wealth itself as founded on poverty, and disposable time as existing *in and because of the antithesis to surplus labour time;* or, the positing of an individual's entire time as labour time, and his degradation therefore to mere worker, subsumption under labour. *The most developed machinery thus forces the worker to work longer than the savage does, or than he himself did with the simplest, crudest tools.>*

'If the entire labour of a country were sufficient only to raise the support of the whole population, there would be no *surplus labour,* consequently nothing that could be allowed to accumulate as capital. If in one year the people raises enough for the support of two years, one year's consumption must perish, or for one year men must cease from productive labour. But the *possessors of [the] surplus produce or capital …* employ people upon *something not directly and immediately productive,* e.g. in the erection of machinery. So it goes on.' (*The Source and Remedy of the National Difficulties,* p. 4.)

<As the basis on which large industry rests, the appropriation of alien labour time, ceases, with its development, to make up or to create wealth, so does *direct labour* as such cease to be the basis of production, since, in one respect, it is transformed more into a supervisory and regulatory activity; but then also because the product ceases to be the product of isolated direct labour, and the *combination* of social activity appears, rather, as the producer. 'As soon as the division of labour is developed, almost every piece of work done by a single individual is a part of a whole, *having no value or utility of itself. There is nothing on which the labourer can seize: this is my produce, this I will keep to myself.'* (*Labour Defended,* p. 25, 1, 2, XI.) In direct exchange, individual direct labour appears as realized in a particular product or

part of the product, and its communal, social character – its character as objectification of general labour and satisfaction of the general need – as posited through exchange alone. In the production process of large-scale industry, by contrast, just as the conquest of the forces of nature by the social intellect is the precondition of the productive power of the means of labour as developed into the automatic process, on one side, so, on the other, is *the labour of the individual in its direct presence posited as suspended individual, i.e. as social, labour. Thus the other basis of this mode of production falls away.>*

The labour time employed in the production of fixed capital relates to that employed in the production of circulating capital, within the production process of capital itself, as does *surplus labour time to necessary* labour time. To the degree that production aimed at the satisfaction of immediate need becomes more productive, a greater part of production can be directed towards the need of production itself, or the production of means of production. In so far as the production of *fixed capital,* even in its physical aspect, is directed immediately not towards the production of direct use values, or towards the production of values required for the direct reproduction of capital – i.e. those which themselves in turn represent use value in the value-creation process – but rather towards the production of the means of value creation, that is, not towards value as an immediate object, but rather towards value creation, towards the means of realization, as an immediate object of production – the production of value posited physically in the object of production itself, as the aim of production, the objectification of productive force, the value-producing power of capital – to that extent, it is in the production of *fixed capital that capital posits itself as end-in-itself* and appears active as capital, *to a higher power than it does in the production of circulating capital.* Hence, in this respect as well, the dimension already possessed by fixed capital, which its production occupies within total production, is the measuring rod *of the development* of wealth founded on the mode of production of capital.

‘The number of workers depends as much on *circulating capital* as it depends on the quantity *of products of co-existing labour,* which labourers are allowed to consume.’ *(Labour Defended,* p. 20.)

In all the excerpts cited above from various economists fixed capital is regarded as the part of capital which is locked into the production process. ‘Floating capital is consumed; fixed capital is merely used in the great process of production.’ *(Economist,* VI, 1.) [4] This wrong, and holds only for the part of circulating capital which is itself consumed by the fixed capital, the *matières instrumentales.* The only thing consumed ‘in the great process of production’, if this means the immediate production process, is *fixed capital.* Consumption within the production process is, however, in fact *use, wearing-out.* Furthermore, the *greater durability of fixed capital* must not be conceived as a purely physical quality. The iron and the wood which make up the bed I sleep in, or the stones making up the house I live in, or the marble statue which decorates a palace, are just as durable as iron and wood etc. used for machinery. But *durability* is a condition for the instrument, the means of production, not only on the technical ground that metals etc. are the chief material of all machinery, but rather because the instrument is destined to play the same role constantly in repeated processes of production. Its durability as means of production is a required quality of its use value. The more often it must be replaced, the costlier it is; the larger the part of capital which would have to be spent on it uselessly. Its durability is its existence as means of production. Its duration is an increase of its productive force. With circulating capital, by contrast, in so far as it is not transformed into fixed capital, durability is in no way connected with the act of production itself and is therefore not a conceptually posited moment. The fact that among the articles thrown into the consumption fund there are some which are in turn characterized as *fixed capital* because they are consumed slowly, and can be consumed by many individuals in series, is connected with further determinations (renting rather than buying, interest etc.) with which we are not yet here concerned.

‘Since the general introduction of soulless mechanism in British manufactures, people have with rare exceptions been treated as a secondary and subordinate machine, and far more attention has been given to the perfection of the raw materials of wood and metals than to those of body and spirit.’ (p. 31. Robert Owen: *Essays on the Formation of the Human Character,* 1840, London.)

Real saving – economy – = saving of labour time = development of productive force. Suspension of the contradiction between free time and labour time. – True conception of the process of social production

<Real economy – saving – consists of the saving of labour time (minimum (and minimization) of production costs); but this saving identical with development of the productive force. Hence in no way *abstinence from consumption,* but rather the development of power, of capabilities of production, and hence both of the capabilities as well as the means of consumption. The capability to consume is a condition of consumption, hence its primary means, and this capability is the development of an individual potential, a force of production. The saving of labour time [is] equal to an increase of free time, i.e. time for the full development of the individual, which in turn reacts back upon the productive power of labour as itself the greatest productive power. From the standpoint of the direct production process it can be regarded as the production of *fixed capital,* this fixed capital being man himself. It goes without saying, by the way, that direct labour time itself cannot remain in the abstract antithesis to free time in which it appears from the perspective of bourgeois economy. Labour cannot become play, as Fourier would like, [5] although it remains his great contribution to have expressed the suspension not of distribution, but of the mode of production itself, in a higher form, as the ultimate object. Free time – which is both idle time and time for higher activity – has naturally transformed its possessor into a different subject, and he then enters into the direct production process as this different subject. This process is then both discipline, as regards the human being in the process of becoming; and, at the same time, practice [*Ausübung*], experimental science, materially creative and objectifying science, as regards the human being who has become, in whose head exists the accumulated knowledge of society. For both, in so far as labour requires practical use of the hands and free bodily movement, as in agriculture, at the same time exercise.

As the system of bourgeois economy has developed for us only by degrees, so too its negation, which is its ultimate result. We are still concerned now with the direct production process. When we consider bourgeois society in the long view and as a whole, then the final result of the process of social production always appears as the society itself, i.e. the human being itself in its social relations. Everything that has a fixed form, such as the product etc., appears as merely a moment, a vanishing moment, in this movement. The direct production process itself here appears only as a moment. The conditions and objectifications of the process are themselves equally moments of it, and its only subjects are the individuals, but individuals in mutual relationships, which they equally reproduce and produce anew. The constant process of their own movement, in which they renew themselves even as they renew the world of wealth they create.>

Owen's *historical conception of industrial* (capitalist) *production*

(In his *Six Lectures Delivered at Manchester,* 1837, Owen speaks about the difference which capital, by its very growth (and widespread appearance, and it obtains the latter only with large-scale industry, which is connected with the development of fixed capital), creates between workers and capitalists; but formulates the development of capital as a *necessary condition* for the recreation of society, and recounts about himself: 'It was by being gradually trained to create and conduct some of these large' (manufacturing) 'establishments, that your lecturer' (Owen himself) 'was taught to understand the great errors and disadvantages of the past and present attempts to ameliorate the character and situation of his fellow beings.' (p. 58.) We here put down the entire excerpt, to be used on another occasion.

'The producers of developed wealth can be divided into workers in soft and workers in hard materials, under the immediate direction generally of masters whose object it is to make money through the labour of those they employ. Before the introduction of the chemical and mechanical manufacturing system, operations were carried out on a limited scale; there were many small masters, each with a few day-labourers, who expected in due time to become small masters themselves. They usually ate at the same table and lived together; a spirit and feeling of equality reigned among them. Since the period when scientific power began by and large to be employed in the business of manufacturing, a gradual change has taken place in this regard. Almost all manufactures, to be successful, must now be carried out extensively and with a great capital; small masters with small capitals have only little chance of success, particularly in the manufactures of soft materials, such as cotton, wool, flax etc.; and it is indeed evident now, that so long as the present classification of society and the mode of directing business life should endure, the small masters will be increasingly displaced by those who possess great capitals, and that the former relatively happier equality among the producers must give way to the greatest inequality between master and worker, such as has never before occurred in the history of mankind. The large capitalist is now elevated to the position of a commanding lord, treating the health, the life and death, indirectly, of his slaves, as he likes. He obtains this power through combination with other great capitalists, engaged in the same interest with himself, and thus effectively bends to his purpose those he employs. The large capitalist now swims in wealth, whose proper use he has not been taught and does not know. Through his wealth, he has gained power. His wealth and his power blind his reason; and when he oppresses altogether grievously, he believes he is bestowing favours ... His servants, as they are called, his slaves in fact, are reduced to the most hopeless degradation; the majority robbed of health, of domestic comfort, of the leisure and healthy open-air pleasures of earlier days. Through excessive exhaustion of their powers, brought about by lengthy, drawn-out monotonous occupations, they are seduced into habits of intemperance, and made unfit for thinking or reflection. They can have no physical, intellectual or moral amusements other than of the worst sort; all real pleasures of life are far distant from them. The life which a very large part of the workers lead under the present system is, in a word, not worth having. But the individuals are not to blame for the changes of which these are the result; *they proceed in the regular order of nature and are preparatory and necessary stages towards the great and important social revolution* now in progress. Without great capitals no great establishments can be founded; men cannot be brought to understand the practicability of effecting new combinations, in order to ensure a superior character to all and the production of more annual wealth than can be consumed by all; and that wealth, too, should be of a higher kind than that hitherto generally produced.' (loc. cit. 56, 57.) 'It is this new chemical and mechanical manufacturing system which now expands human abilities, and prepares men to understand and to adopt other principles and practices, and thus to effect the most beneficial change in affairs which the world has yet known. And it is this new manufacturing system which now creates the necessity for another and higher classification of society.’ (loc. cit. 58.))

Capital and value of natural agencies. – Scope of fixed capital indicates the level of capitalist production. – Determination of raw material, product, instrument of production, consumption. – Is money fixed capital or circulating capital? – Fixed capital and circulating capital in regard to individual consumption

We remarked earlier that the force of production (fixed capital) only has value, hence only imparts value, in so far as it is itself produced, itself a given quantity of objectified labour time. But now natural agencies enter in, such as water, land (this notably), mines etc., which are appropriated, hence possess exchange value, and hence come as values into the calculation of production costs. This is, in a word, the entry of landed property (which includes earth, mines, water). The value of means of production which are not the product of labour does not belong here yet, since it does not arise out of the examination of capital itself. They appear for capital, initially, as given, historic presupposition. And we leave them as such, here. Only the form of landed property – or of natural agencies as value-determining magnitudes – modified to correspond to capital belongs within the examination of the system of bourgeois economy. It does not affect the examination of capital at the point we have so far reached, to regard land etc. as a form of fixed capital.

Since *fixed capital,* in the sense of a produced production force, as agency of production, increases the mass of use values created in a given time, it cannot grow without the raw material it works on also growing (in manufacturing industry. In the extractive industries, such as fishery, mining, labour merely consists in overpowering the obstacles in the way of the seizure and appropriation of the raw products or primary products. There is no raw material to be worked up for production; rather, the existing raw product is appropriated. By contrast, in agriculture the raw material is the earth itself; seed the circulating capital etc.). Its employment on a larger scale thus presupposes expansion of the part of circulating capital consisting of raw materials; hence growth of capital generally. It likewise presupposes (relative) decrease of the portion of capital exchanged for living labour.

In *fixed capital,* capital exists materially, too, not only as objectified labour, destined to serve as the means of new labour, but rather as value, whose use value is to create new values. The existence of fixed capital is therefore κατ᾽ ἐξοχήν its existence as productive capital. Hence the stage of development reached by the mode of production based on capital – or the extent to which capital itself is already presupposed as the condition of its own production, has presupposed itself – is measured by the existing scope of fixed capital; not only by its quantity, but just as much by its quality.

Finally: in *fixed capital,* the social productivity of labour [is] posited as a property inherent in capital; *including the scientific power as well as the combination of social powers within the production process, and finally, the skill transposed from direct labour into the machine, into the dead productive force. In circulating capital,* by contrast, it is the exchange of labours, of the different branches of labour, their interlacing and system-forming quality, the co-existence of productive labour, which appear as *property of capital.* *

* The determinations of raw material, product, instrument of production, change according to the role which the use values play in the production process itself. What may be regarded as a mere raw material (certainly not agricultural products, which are all reproduced, and not only reproduced in their original form, but also modified in their natural being itself to correspond to human needs. Quote from Hodges etc. [6] The products of purely extractive industry such as e.g. coal, metals, are themselves the result of labour, not only to bring them to light, but also in order to give them the form, as with metals, in which they can serve as raw materials for industry. But they are not reproduced, since we do not yet know how to create metals) is itself the product of labour. The product of one industry is the raw material for another and vice versa. The instrument of production itself is the product of one industry, and serves as instrument of production only in the other. One industry's waste is the raw material of the other. In agriculture, a part of the product (seed, cattle etc.) itself appears as raw material for the same industry; hence, like fixed capital, it never leaves the production process; the portion of the agricultural products destined for animal feed can be regarded as *matière instrumentale;* but seed is reproduced in the production process, while the instrument as such is consumed in it. Could not seed, considering that it always

> remains within the production process, like draught animals, be regarded as fixed capital, like draught animals? No; otherwise all raw materials would have to be so regarded. As raw material it is always comprised within the production process. Finally, products entering into direct consumption in turn come out of consumption as raw materials for production, fertilizer in the process of nature etc., paper out of rags etc.; but secondly, their consumption reproduces the individual himself in a specific mode of being, not only in his immediate quality of being alive, and in specific social relations. So that the ultimate appropriation by individuals taking place in the consumption process reproduces them in the original relations in which they move within the production process and towards each other; reproduces them in their social being, and hence reproduces their social being – society – which appears as much the subject as the result of this great total process.

Fourthly:

We have now to examine the other relations of fixed capital and circulating capital.

We said above that the social relation between different labours is posited as a property of capital in *circulating capital,* as the social productive power of labour in fixed capital.

'The circulating capital of a nation is: money, necessaries of life, raw materials, and finished products.' (Adam Smith, tome II, p. 218.) Smith is in a quandary whether he should call money circulating or fixed capital. In so far as it always serves merely as instrument of circulation, which is itself a moment of the total reproduction process, it is *fixed capital* – as instrument of circulation. But its use value itself is only to circulate and never to be absorbed either into the production process proper nor into individual consumption. It is the part of capital constantly fixed in the circulation phase, and in this respect it is the most perfect form of circulating capital; in the other respect, because it is fixed as an instrument, it is *fixed capital.*

In so far as a distinction between *fixed capital and circulating capital* enters in from the perspective of individual consumption, this is already given in the fact that *fixed capital* does not enter into circulation as use value. (A part of the seed in agriculture does enter into circulation as use value, because it multiplies itself.) This non-entry-into-circulation supposes that it does not become the object of individual consumption.

Turnover time of capital consisting of fixed capital and circulating capital. Reproduction time of fixed capital. With circulating capital, the only requirement is that the interruption should be not so great as to ruin its use value. With fixed capital, continuity of production absolutely necessary etc. – Unit of labour time the day; for circulating capital, the year. Longer total period as unit with the entry of fixed capital. – Industrial cycle. – Circulation of fixed capital. – The so-called risk. – All parts of capital yield an equal profit – false. **Ricardo** ***etc. – The same commodity sometimes fixed capital, sometimes circulating capital. – Sale of capital as capital. – Fixed capital which enters into circulation as use value.*** **– Every moment which a presupposition of production, at the same time its result. Reproduction of its own conditions.** ***Reproduction of capital as fixed capital and circulating capital***

‘*Fixed capital’* serves over and over again for the same operation, ‘and by how much larger has been the range of these iterations, by so much [the] more intensely is the tool, engine, or machinery, entitled to the denomination of fixed’. (De Quincey, X, 4.) [7] If a capital consists of £10,000, of which 5,000 is fixed and 5,000 circulating; the latter turns over 1 time in 1 year, the former 1 time in 5 years; then 5,000 turn over, or 1/2 of the total capital, 1 time in one year. During the same year, 1/5 of the fixed capital or £1,000 turn over; hence in 1 year £6,000 or 3/5 of the total capital turn over. Hence 1/5 of the total capital turns over in 12/3 months and the total capital, in (12 × 5)/3 months, in 60/3 = 20 months = 1 year and 8 months. In 20 months the total capital of £10,000 is turned over, although the fixed capital is replaced only in 5 years. This turnover time holds, however, only for the repetition of the production process and thus for the creation of surplus value; not for the reproduction of the capital itself. If the capital begins the process anew less frequently – returns from circulation into the form of fixed capital – then it returns all the more often into the form of circulating capital. But the capital itself is not replaced thereby. So with the circulating capital itself. If a capital of 100 returns 4 times a year and hence brings in 20%, like a capital of 400 which circulates only once, then the capital remains 100 at the end of the year as at the beginning, and the other capital remains 400, although it has effected a production of use values and a positing of surplus value equal to a 4 times larger capital. The fact that the velocity of turnover here substitutes for the magnitude of the capital shows strikingly that it is only the amount of surplus labour set into motion, and of labour generally, which determines the creation of value as well as the creation of surplus value, and not the magnitude of the capital for itself. The capital of 100 has, during the year, set in motion successively as much labour as one of 400, and hence created the same surplus value.

But the issue here is this. In the above example, the circulating capital of 5,000 first returns in the middle of the first year; then at the end of the second half; in the middle of the second; in the second half of the second (in the first 4 months) £3,333 2/6 of it have returned and the rest will have come back at the end of this half year.

But, of the fixed capital, only 1/5 was returned in the first year, 1/5 in the second. At the end of the first year, the owner has on hand £6,000; at the end of the second, 7,000; the third, 8,000; the fourth, 9,000; the fifth, 10,000. Only at the end of the fifth is he again in possession of his total capital, with which he began the production process; although *in the creation of surplus value his capital acted as if it had wholly turned over in 20 months; thus the total capital itself is only reproduced in 5 years. The former aspect of turnover important for the relation of its realization;* the latter, however, brings in a new relation which does not take place with circulating capital at all. *Since circulating capital is completely absorbed into circulation and returns from it as a whole, it follows that it is reproduced as capital* as *many times as it is realized as surplus value* or as surplus capital. But since fixed capital never enters circulation as a use value, and enters it as value only to the extent that it is consumed as a use value, it follows that it is by no means reproduced as soon as the *surplus value determined by the average turnover time of the total capital is posited.* The turnover of the circulating capital must take place 10 times in the 5 years before the fixed capital is reproduced; i.e. the period of the revulsions of circulating capital must be repeated 10 times while that of fixed capital is repeated once, and the *total average turnover of the capital – 20 months – has to be repeated 2 times before the fixed capital is reproduced.* Hence, the larger is the part of the capital consisting of fixed capital – i.e. the more capital acts in the mode of production corresponding to it, with great employment of produced productive force – and the more durable the fixed capital is, i.e. the longer its reproduction time, the more its use value corresponds to its specific economic role – the more often must the part of capital which is determined as circulating *repeat the period of its turnover, and the longer is the total time the capital requires for the achievement of its total circulation.* Hence the *continuity* of production becomes an external necessity for capital with the development of that portion of it which is determined as fixed capital. For circulating capital, *an interruption, if it does not last so long as to ruin its use value, is only an interruption in the creation of surplus value. But with fixed capital, the interruption,* in so far as in the meantime its use value is necessarily destroyed relatively unproductively, i.e. without replacing itself as value, is the destruction of its original value itself. Hence the continuity of the production process which corresponds to the concept of capital is posited as *conditio sine qua [non]* for its maintenance only with the development of fixed capital; hence likewise the continuity and the constant growth of consumption.

This is No. I. But No. II, the formal side, even more important. The total time in which we measured the return of capital was the year, while the time unit in which we measure labour is the day. We did [so] firstly because the year is more or less the natural reproduction time, or duration of the production phase, for the reproduction of the largest part of the vegetable raw materials used in industry. The turnover of circulating capital was determined, therefore, by the number of turnovers in the total time of a year. In fact, the circulating capital begins its reproduction at the end of each turnover, and while the number of turnovers during the year affects the total value, and the fate it encounters during each turnover appears as a determinant of the conditions under which it begins reproduction anew, yet each of them for itself is a complete lifespan for the circulating capital. As soon as capital is transformed back into money, it can transform itself e.g. into conditions of production other than the original ones, throw itself from one branch of production into another one, so that *reproduction, regarded materially, is not repeated in the same form.*

The introduction of fixed capital changes this; and neither the turnover time of capital, nor the unit in which their number is measured, the year, henceforth appear as the measure of time for the motion of capital. This unit is now determined, rather, by the *reproduction time* required for fixed capital, and hence the total circulation time it needs to enter into circulation as value, and to come back from it in the totality of its value. The reproduction of the circulating capital must *also proceed in the same material form* during this whole time, and the number of its necessary turnovers, i.e. *the turnovers necessary for the reproduction of the original capital, is distributed over a longer or shorter series of years.* Hence a longer *total period* is posited as the unit in which its turnovers are measured, and their *repetition* is now not merely externally, but rather necessarily connected with this unit. According to Babbage, the average reproduction of machinery in England 5 years; [8] the real one hence perhaps 10 years. There can be no doubt whatever that the cycle which industry has passed through since the development of fixed capital on a large scale, at more or less 10-yearly intervals, is connected with this *total reproduction phase of capital.* We shall find other determinant causes as well. But this is one of them. There were good and bad times for industry before, too, as well as for harvests (agriculture). But the industrial cycle of a number of years, divided into characteristic periods, epochs, is peculiar to large-scale industry.

Now the new distinction, No. III, appears.

Circulating capital was ejected from the production process in the form of the product, of the newly created use value, and thrown wholly into circulation; when transformed back into money, the entire value of the product (the entire labour time objectified in it, necessary and surplus labour time) was realized, and thereby the surplus value realized and all conditions of reproduction fulfilled. With the realization of the price of the commodity, all these conditions were fulfilled, and the process could begin anew. This holds, however, only for that part of the circulating capital which entered into large-scale circulation. As to the other portion of it, which continuously accompanies the process of production itself, the circulation of that part of it which is transformed into wages, it naturally depends on whether the labour is used for the production of fixed capital or of circulating capital whether these wages themselves are replaced by a use value entering into circulation or not.

Fixed capital, by contrast, does not itself circulate as a use value, but rather enters as value into the manufactured raw material (in manufactures and agriculture) or into the directly extracted raw material (mining industry etc.) only to the extent that it is used up as use value in the production process. Fixed capital in its developed form hence only returns in a cycle of years which embraces a series of turnovers of circulating capital. It is not at once exchanged as product for money, in such a way that its reproduction process might coincide with the turnovers of circulating capital. It enters into the price of the product only in successive bits, and hence returns as value only successively. *It returns fragmentarily over longer periods, while circulating capital circulates wholly in shorter periods.* To the extent that fixed capital remains as such, [it] does not return, because it does not enter into circulation; to the extent that it enters into circulation, it no longer remains as fixed capital, but rather forms an ideal value-component of the circulating capital. It returns in principle only to the extent that it *transposes itself directly or indirectly into the product, hence into circulating capital.* Because it is not a direct use value for consumption, it does not enter into circulation as use value.

This different kind of return of fixed and circulating capital will appear significant later as the difference between selling and renting, annuity, interest and profit, rent in its different forms, and profit; and the incomprehension of this *merely formal* distinction has led Proudhon and his gang to the most confused conclusions; as we shall see. [9] In its observations on the last crisis, the *Economist* reduces the whole difference between fixed capital and circulating capital to the 'resale of articles within *a short period and at a profit'* (*Economist* No. 754, 6 Feb. 1858) and 'production of a revenue large enough to provide for *expenses,* risk, *wear and tear,* and the market rate of interest'. * The shorter return through the sale of the whole article, and the merely annual return of a part of the fixed capital, analysed above. As to profit – merchant's profit does not concern us here – each part of the circulating capital which leaves and returns to the production process, i.e. contains objectified labour (the value of the advances), necessary labour (the value of wages) and surplus labour – brings profit as soon as it passes fully through circulation, because the surplus labour which the product contains is realized with it. But it is neither the circulating capital nor the fixed capital which create the profit, but rather the appropriation of alien labour which both of them mediate, hence at bottom only the part of circulating capital which enters into small-scale circulation. This profit is realized in practice, however, only through the entry of capital into circulation, hence only in its form as circulating capital, never in its form as fixed capital. But what the economist here understands by fixed capital is – as far as revenues from it are concerned – the form of fixed capital in which it does not directly enter into the production process as machinery, but rather in railways, buildings, agricultural improvements, drainings etc., † where, hence, the realization of the value and surplus value contained in it appears in the form of an annuity, where interest represents the surplus value and the annuity the successive return of the value advanced. This is therefore not in fact a case (although it is the case with agricultural improvements) of fixed capital entering into circulation as value by forming a part of the product, but rather of the sale of fixed capital in the form of its use value. It is here sold not all at once, but as an annuity. Now, it is clear, firstly, that some forms of fixed capital figure initially as circulating capital, and become fixed capital only when they become fixed in the production process; e.g. the circulating products of a machine-maker are machines just as those of a cotton-weaver are calico, and they enter into circulation in just the same way, for him. For him they are circulating capital; for the manufacturer who uses them in the production process, fixed capital; because product for the former, and instrument of production only for the latter. Likewise even houses, despite their immovability, are circulating capital for the building-trade; for him who buys them to rent them out again, or to use them as buildings for production, they are fixed capital. Now in so far as fixed capital itself circulates as use value, i.e. is sold, changes hands, we shall speak of it further, below.

* Risk, which plays a role for the economists in the determination of profit – it can obviously play none in the surplus gain, because the creation of surplus value is not increased thereby, and possible that capital incurs risk in the *realization* of this surplus value – is the danger that the capital does not pass through the different phases of circulation, or remains fixated in one of them. We have seen that the surplus gain is part of the production costs, not of the capital, but of the product. The necessity for capital to realize this surplus gain or a part of it confronts it as a double external compulsion. As soon as profit and interest become separated, so that the industrial capitalist must pay interest, a portion of the surplus gain is *cost of production* from capital's viewpoint, i.e. belongs itself among his outlays. In another respect, it is the

> average assecurance which it gives itself in order to cover the risk of devaluation which it runs in the metamorphoses of the total process. A part of the surplus gain appears to the capitalist only as a compensation for the risk he runs so as to make more money; a risk which can lead to the loss of the presupposed value itself. In this form, the necessity of realizing the surplus gain appears to him as means to ensure its reproduction. Both relations, of course, do not determine the surplus value, but rather make its positing appear as an external necessity for capital, and not only as the satisfaction of its tendency to seek riches.
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> ‡ We are not concerned here with the illusion that *all parts of capital equally bring a profit,* an illusion arising out of the division of the surplus value into average portions, independently of the relations of the component parts of capital as circulating and fixed, and the part of it transformed into living labour. Because Ricardo half shares this illusion, he considers the influence of the proportions of fixed and circulating capital from the start of his determination of value as such, and the reverend parson Malthus stupidly and simple-mindedly speaks of the profits accruing to fixed capital, as if capital grew organically by some power of nature.

But the viewpoint that capital is sold as capital – whether as money or in the form of fixed capital – is obviously not relevant here, where we are considering circulation as the movement of capital in which it posits itself in its various conceptually specific moments. Productive capital becomes product, commodity, money, and is transformed back into the conditions of production. It remains capital in each of these forms, and it becomes capital only by realizing itself as such. So long as it remains in one of these phases, it is fixed as commodity capital, money capital, or industrial capital. But each of these phases forms only one moment of its movement, and in the form from which it must propel itself to pass over into another phase it ceases to be capital. If it rejects itself as commodity and becomes money, or vice versa, then it does not exist as capital in the rejected form, but rather in the newly reached one. Of course, the rejected form can in turn become the form of another capital, or it can be the direct form of the consumable product. But this does not concern us and does not concern capital as far as the course it traces out in its internal circulation is concerned. Rather, it rejects each of the forms as its not-capital-being, so as to assume them again later. But if capital is lent out as money, as land and soil, house etc., then it becomes a commodity *as capital,* or, the commodity put into circulation is *capital as capital.* This to be further pursued in the next section.

What is paid for in the transposition of the commodity into money, as far as the part of the price which is the value of part of the fixed capital is concerned, is the part required for its partial reproduction, the part worn out and used up in the production process. What the buyer pays, then, is the use or wear of the fixed capital, in so far as it is itself value, objectified labour. Since this wear takes place successively, he pays it in portions in the product, whereas in the price he pays for the product he replaces the whole value of the fractional part of the raw material contained in the product. The worn-out, used-up fractional part of fixed capital is paid for not only successively, but also by a mass of buyers simultaneously, in relation as they buy products. Since capital appears in the first half of its circulation as C and the buyer as M, since its aim is value while the buyer's is use (whether in turn productive, no matter here, where we are examining only the formal aspect such as it appears towards capital in its circulation), it follows that the relation of the buyer to the product is that of the consumer generally. Indirectly, then, in all commodities the buyer successively and bit by bit pays for the wear and use of fixed capital, even though the latter does not enter into circulation as use value. But there are forms of fixed capital where he pays directly for its use value – as with means of communication, transport etc. In all these cases the fixed capital in fact never leaves the production process, as with railways etc. But while it serves for some as means of communication within the production process itself, to bring the product to market, and for the producers themselves [as] means of circulation, it can serve others as means of consumption, as use value, for holiday travel, etc. Regarded as a means of production, it distinguishes itself from machinery etc. here in that it is used up by various capitals at the same time, as a common condition for their production and circulation. (We are not yet concerned with consumption as such here.) It does not appear as locked within a particular production process, but rather as the connecting artery of a mass of such production processes of particular capitals, who use it up only in portions. In contrast to all these particular capitals and their particular production processes, then, fixed capital is here cast as the product of a particular branch of production separate from them, in which, however, it is not sold by one producer as circulating capital and bought by another as fixed capital, as with machinery, but, rather, in which it can be sold only in the form of fixed capital itself. Then its successive return, hidden in the commodity, becomes apparent. But this fixed capital then also includes the surplus value, since it is itself a sold product (for the industrialist, the machine he uses is not a product), hence the return of interest and profit, if any. Since it can be consumed in the same common and successive form, can be use value for direct consumption, it follows that its sale – not as an instrument of production but as a commodity generally – also appears in the same form. But in so far as it is sold as an instrument of production – a machine is *sold* as a mere commodity and only becomes an instrument of production in the industrial process – i.e. as its sale directly coincides with its use in the general social production process, this is a determination which has no place within the examination of the simple circulation of capital. In the latter, fixed capital, in so far as it enters as an agency of production, appears as a presupposition of the production process, not as its result. It can therefore only be a matter of the replacement of its value, in which no surplus value for the user is included. What is rather the case is that *he* has paid this surplus value to the machine-maker. Railways, however, or buildings rented for production, are *simultaneously* instruments of production, and are simultaneously realized by their seller as product, as capital.

Since each moment which appears as presupposition of production is at the same time its result – in that it reproduces its own conditions – the original division of the capital within the production process now appears in such a way that the production process divides into three production processes, in which different portions of the capital – which now also appear as particular capitals – are at work. (Here we can still assume a form in which one capital is at work, because we are examining capital *as such,* and this way of looking at it simplifies what needs to be said about the proportion of these different kinds.) The capital is annually reproduced in different and changing portions as raw material, as product, and as means of production; in a word, as fixed capital and as circulating capital. The minimum presupposition which appears in all of these production processes is the part of circulating capital destined for exchange with labouring capacity and for the maintenance and consumption of the machinery or the instrument, and the means of production. In purely extractive industries, e.g. mining, the mine itself exists as the material of labour, but not as raw material passing over into product, which latter must, in the manufacturing industry, by contrast, have a particular existence in all forms. In agriculture, seed, fertilizer, cattle etc., may be regarded as raw material as well as *matières instrumentales.* Agriculture forms a mode of production *sui generis,* because the organic process is involved, in addition to the mechanical and chemical process, and the natural reproduction process is merely controlled and guided; extractive industry (mining the most important) is likewise an industry *sui generis,* because no reproduction process whatever takes place in it, at least not one under our control or known to us. (Fishery, hunting etc. can involve a reproduction process; likewise forestry; this is therefore not necessarily purely extractive industry.) Now, in so far as the means of production, fixed capital as the product of capital and hence containing objectified surplus time, is itself constituted in such a way that it can be ejected by its producer as circulating capital, e.g. like machinery by the machine builder, before it becomes fixed capital, i.e. first enters into circulation as use value, [to that extent] its circulation contains no new aspect whatever. But in so far as it can never be sold while it serves at the same time as instrument of production, as e.g. railways, or in proportion as it is used up as such, it shares with fixed capital generally the quality that its value returns only successively; but there is also the addition that this return of its value includes the return of its surplus value, of the surplus labour objectified in it. It then has a special form of return.

The important thing now is that the production of capital thus appears as the production in definite portions of circulating capital and fixed capital, so that capital itself produces its double way of circulating as fixed capital and circulating capital.

Fixed capital and circulating capital. **Economist. Smith.** ***Counter-value of circulating capital must be produced within the year. Not so for fixed capital. It engages the production of subsequent years***

Before we settle the last point, first a few secondary matters. ‘Floating capital is consumed, fixed capital merely used, in the great work of production.’ (*Economist,* VI, p. 1.) The distinction between *consume* and *use* dissolves into gradual or rapid destruction. We need dwell on this point no further.

'Floating capital assumes an *infinite variety of forms,* fixed capital *has only one.'* (*Economist,* VI, p. 1.) [10] This 'infinite variety of forms', as regards the production process of capital itself, is much more correctly reduced by Adam Smith to a mere change of form. Fixed capital is of use to its master 'so long as it continues to remain in the same form'. That means it remains within the production process as use value, in a specific material presence. Circulating capital, by contrast (A. Smith, tome II, p. 197, 198) 'constantly passes out of his hands in a specific form' (as product) 'to return in another' (as condition of production) 'and brings profit only by means of this circulation and successive changes'. Smith does not speak here of the 'infinite variety of forms' in which circulating capital appears. Regarded materially, 'fixed capital' also assumes 'an infinite variety of forms'; but this proceeds from the metamorphoses which circulating capital passes through as itself a use value, and the 'infinite variety of forms' reduces itself, therefore, to the qualitative differences of the various phases of circulation. Regarded within a specific production process, circulating capital always returns in the same form of raw materials and money for wages., The material presence is the same at the end of the process as at the beginning. Incidentally, elsewhere the *Economist* itself reduces the 'infinite variety of forms' to the conceptually determined change of forms in circulation. 'The commodity is wholly consumed in the shape in which it is produced' (i.e. enters into circulation as use value and is ejected from it) 'and replaced in his hands in a *new shape'* (as raw material and wages), 'ready to repeat a *similar* operation' (rather, the same operation). (loc. cit. VI, p. 1.) [11] Smith also says explicitly that fixed capital 'requires no circulation'. (tome II, 197, 198.) With *fixed capital,* the value is imprisoned within a specific use value; with circulating capital, value takes the form of various different use values, likewise assumes as well as rejects the independent form distinct from every particular use value (as money); hence constant change of matter and form goes on.

'Circulating capital supplies him' (the entrepreneur) 'with the materials and wages of the workers, and sets industry into activity.' (A. Smith, tome II, p. 226.) *'Every fixed capital comes originally from a circulating capital,* and needs to be continually maintained *by means of a circulating capital.'* (loc. cit. p. 207.) 'Since so great a part of the circulating capital is being withdrawn continuously to be spent in the other two branches of the general social fund, this capital needs in turn to be renewed by continual replenishment, otherwise it would soon be reduced to nothing. These replenishments are drawn from three principal sources: the produce of the soil, of mines, and of fisheries.' (loc. cit. p. 208.)

<We have already developed one distinction emphasized by the *Economist:* 'Every production the whole cost of which is returned to the producer out of the *current income* of the country *is floating capital;* but every production, in respect of which only *an annual sum is paid for the use, is – fixed capital.'* (Notebook VI, p. 1.) [12] 'In the first case, the producer is entirely dependent on the country's current income.' (loc. cit.) We have seen that only part of the fixed capital returns in the time determined by circulating capital, which serves as the unit of its turnovers because it is the natural unit for the reproduction of the greatest part of food products and raw materials, just as, and because, it appears as the natural epoch in the life process (cosmic process) of the earth. This unit is the year, whose bourgeois calculation deviates more or less, but insignificantly, from its natural magnitude. The more the material presence of fixed capital corresponds to its concept, the more adequate its material mode of existence is, the more does its turnover time span a cycle of years. Since circulating capital is wholly exchanged first for money, secondly for its elements, it presupposes that a *countervalue has been produced* equal to its whole value (including the surplus value). It cannot be said that it enters or can enter into consumption entirely; since it must also in part serve in turn as raw material, or as an element for fixed capital; in short itself, in turn, as an element of production – a counter-production. A part of the use value ejected by capital as the product, as the result of the production process, becomes an object of consumption and thus drops out of the circulation of capital altogether; another part enters into another capital as a condition of production. This is itself posited in the circulation of capital *as such,* since it ejects itself from itself in the first half of circulation, as commodity, i.e. as use value; i.e. dismisses itself *with respect to itself* in this form from its own circulation as use value, article of consumption; but exchanges itself as money for commodity as condition of production, in the second half of its circulation. Thus, as circulating use value itself, it posits its material presence both as an article of consumption and as a

new element of production, or rather an element of reproduction. But in both cases the whole of its countervalue must be on hand; i.e. it must have been wholly produced during the year. For example, the sum of manufactured products which can be exchanged during a year for agricultural products is determined by the mass of the raw products produced in a year, counted from harvest to harvest. Since we speak here of capital *as such,* capital in the process of becoming, we are not yet concerned with anything else in addition – in that the many capitals are not yet present for us – nothing but it itself and simple circulation, out of which it absorbs value in the double form of money and commodity and into which it throws it in the double form of money and commodity. When an industrial people producing on the foundation of capital, such as the English, e.g., exchange with the Chinese, and absorb value in the form of money and commodity from out of their production process, or rather absorb value by drawing the latter within the sphere of the circulation of their capital, then one sees right away that the Chinese do not therefore need to produce as capitalists. Within a single society, such as the English, the mode of production of capital develops in one branch of industry, while in another, e.g. agriculture, modes of production predominate which more or less antedate capital. Nevertheless, it is (1) its necessary tendency to conquer the mode of production in all respects, to bring them under the rule of capital. Within a given national society this already necessarily arises from the transformation, by this means, of all labour into wage labour; (2) as to external markets, capital imposes this propagation of its mode of production through international competition. Competition is the mode generally in which capital secures the victory of its mode of production. Still, this much is clear: quite regardless of whether it is another capital or whether it is capital itself as another which stands on both sides of the successive exchanges, each time in the opposite aspect, both aspects are already posited before we proceed to examine this double movement from the circulation of capital *as such* itself. In the first phase it ejects itself out of the movement of capital as use value, as commodity, and exchanges itself for money. The commodity expelled from the circulation of capital is no longer the commodity as a moment of self-perpetuating value, as the presence of value. It is, thus, its presence as use value, its being for consumption. Capital is transposed out of the form of commodity into the form of money only because an exchanger appears *opposite it* in ordinary circulation as consumer, who transposes M into C; [completes] this transposition in its material aspect, so that he relates to the use value as use value, as consumer, and only in this way is the use value replaced for capital as *value.* Thus, capital creates articles of consumption, but ejects them from itself in this form, ejects them from its circulation. On the basis of the aspect developed so far, no other relations exist. The commodity which is ejected as such from the circulation of capital loses its character as value and fulfills the role of use value for consumption, as distinct from fulfilling it for production. But in the second phase of circulation, capital exchanges money for commodity, and its transformation into commodity now itself appears as a moment of value-positing, because the commodity is accepted as such into the circulation process of capital. While it presupposes consumption in the first phase, in the second it presupposes production, production for production; for value in the form of the commodity is here taken into the circulation of capital from the outside, or, the inverse process is undertaken in the first phase. The commodity, as use value for capital itself, can only be the commodity as an element, use value, for its production process. In its double form, the process presents itself in this way: capital *a* exchanges its product as C for capital *b*'s M in the first phase; in the second, capital *b* as C exchanges for capital *a*'s M. Or, in the first phase, capital *b* as M exchanges for capital *a*'s C, in the second, *a* as M for capital *b*'s C. That is, capital is simultaneously posited in each of the two circulation phases as M and C; but in two different capitals, which are always in the opposite phase of their circulation process. In the simple circulation process, the acts of exchange, C–M or M–C appear either as directly coinciding or as directly divided. Circulation is not only the succession of both forms of exchange, but it is at the same time each of them distributed to two different sides. But we are not yet concerned here with exchange among many capitals. This belongs to the theory of competition or to that of the circulation of capitals (of credit). What concerns us here is the presupposition of consumption on one side – of the commodity ejected from the movement of value as use value – and the presupposition of production for production – of value, posited as use value, as a condition of its reproduction posited externally to the circulation of capital on the other side – so that these two sides arise out of the examination of the simple form of the circulation of capital. This much is clear: Since the entire circulating capital exchanges as C for M in the first phase, and as M for C in the second, then, if we regard the year as the unit of time of its evolutions, its transformations are limited both by the annual reproduction of raw materials etc. (the commodity for which it exchanges as money must have been produced, a simultaneous production must correspond to it), and by the constant creation of an annual revenue (the part of M which exchanges for commodity as use value) to consume the product of capital which is ejected as use value. Since further-developed relations are not present yet, such revenues are only those of the capitalists themselves and those of the workers. The examination of the exchange of capital and revenue, by the way, another form of the relation of production and consumption, does not belong here yet. In another respect, since fixed capital is exchanged only to the extent it enters as value into circulating capital, since it is, thus, realized only in part during the year, it presupposes only a *partial counter-value,* i.e. only the partial production of this counter-value during the course of the year. It is paid for only in proportion to its wear. This much clear, then, which already follows from the difference introduced by fixed capital into the industrial cycle, namely that *it engages the production of subsequent years,* and, just as it contributes to the creation of a large revenue, it anticipates further labour as a counter-value. The anticipation of future fruits of labour is therefore in no way a consequence of the state debt etc., in short, not an invention of the credit system. It has *its roots in the specific mode of realization, mode of turnover, mode of reproduction of fixed capital.>*

Since we are essentially concerned here with grasping the pure, specific economic forms, hence with not joining together things that do not belong, it has thus become clear from the above that the different forms in which circulating capital and fixed capital bring revenue – as well as the examination of revenue generally – do not yet belong here at all; but only the different ways in which they return and affect the total turnover of capital, the movement of its reproduction generally. Nevertheless, the incidental points made here are important – in that they reject the economists' motley compilations, which have no place yet in the examination of the simple distinction between fixed capital and circulating capital – and because they showed us that the differences in revenue etc. have their basis in the difference of form between the reproduction of fixed and circulating capital. The issue here is still only the simple return of the value. Only later will it be found how the latter becomes the return of revenue, and that in turn becomes the difference in the determination of revenue.

Maintenance costs

We have said nothing so far about the *maintenance costs,* the *frais d'entretien* of fixed capital. These are partly the *matières instrumentales* it consumes in its action. They make up fixed capital in the first sense, as we have regarded it within the production process. These are circulating capital and may just as well serve for consumption. They become fixed capital only in so far as they are consumed in the production process, but do not have, like fixed capital proper, a material substance determined purely by their formal presence. The second part of these maintenance costs consists of the labour necessary for repairs.

Revenue of fixed capital and circulating capital

A. Smith's determination that every fixed capital comes originally from a circulating capital and must be constantly maintained by a circulating capital: 'Every fixed capital originally comes from a circulating capital and must be continually kept up at the latter's expense. *No fixed capital can yield revenue except at the expense of a circulating capital.'* (Storch, 26a.) [13] As to Storch's remark about revenue – an aspect which does not belong here – it is clear: fixed capital returns as value only in proportion as it becomes extinguished as use value, as fixed capital, and enters into circulating capital as value. Hence it can return in the form of a circulating capital only in so far as its *value* is concerned. But it does not circulate at all as use value. Further, since it has a use value only for production, it can return for individual use, for consumption, also only in the form of circulating capital. Improvements of the soil can directly enter chemically into the reproduction process and in this way be directly transformed into use values. But then they are consumed in their form as fixed capital. *A capital can bring revenue at all only in the form in which it enters into and returns from circulation, because the production of revenue in direct use values, use values not mediated through circulation, contradicts the nature of capital. Hence, since fixed capital returns as value only in the form of circulating capital, it can bring revenue only in this form.* Revenue is nothing whatsoever other than the part of the surplus value destined for immediate consumption. Its returns thus depend on the mode of return of value itself. Hence the different forms in which fixed capital and circulating capital bring revenue. Likewise, since fixed capital as such never enters circulation as use value, hence is never thrown out of the realization process as use value, it never serves for immediate consumption.

Now as to Smith, his view becomes clearer for us when he says that circulating capital must be annually replaced and constantly renewed by constantly drawing it from the sea, the soil, and from mines. Here, then, circulating capital becomes purely material for him; it is fished out by the hairs, chipped out, harvested; they are the movable primary products which are released from their connection with the earth, isolated, made movable thereby, or separated from their element in their ready-made individuality, like fish etc. Still regarded as pure material, it is further certain that, if Smith presupposes the production of capital and does not suppose himself at the beginning of the world, then every circulating capital likewise comes originally from a fixed capital. Without nets he can catch no fish; without a plough, till no fields; and without a hammer, etc., drive no mines. If he uses even so little as a stone for a hammer etc., then this stone is certainly no circulating capital, no capital of any sort, but rather a means of labour. As soon as he has to produce, man possesses the resolve to use a part of the available natural objects directly as means of labour, and, as Hegel correctly said it, subsumes them under his activity without further process of mediation. [14] The place where all capital, circulating as well as fixed, not only originally but continually comes from is the appropriation of alien labour. But this process presupposes, as we have seen, a continuous small-scale circulation, the exchange of wages for labour capacity, or *approvisionnement*. Assuming the production process of capital: *All capital* *returns only in the form of a circulating capital;* hence fixed capital can be renewed only by a process in which a part of circulating capital becomes fixed; hence, by the employment of part of the raw materials produced, and a part of labour consumed (hence also a part of the *approvisionnement* exchanged for living labour) for the production of fixed capital. In agriculture, e.g., part of the product is consumed by labour to build irrigation systems or a part of the grain is exchanged for guano, chemical substances etc., which are incorporated into the earth, but also in fact have no use value except in so far as they are surrendered to the chemical process of the soil. A part of the circulating capital has a use value only for the reproduction of the fixed capital, and is produced (even if its production consisted only of the labour time spent in changing its location) only for fixed capital. But fixed capital itself can be renewed as capital only by becoming a value-component of circulating capital, and its *elements are thus reproduced through the transformation of circulating capital* into fixed capital. *Fixed capital is as much a presupposition for the production of circulating capital as circulating capital is for the production of fixed capital.* Or, the reproduction of fixed capital requires: (1) the return of its value in the form of a circulating capital, for only in this way can it in turn be exchanged for the conditions of its production; (2) that a part of living labour and of the raw material be used to produce instruments of production, direct or indirect ones, instead of producing exchangeable products. Circulating capital enters as use value into fixed capital, just as does labour, while fixed capital enters as value into circulating capital; and, as movement (where it is direct machinery), as static motion, as form, into the use value.

Free labour = latent pauperism. Eden [15]

<In connection with our statements developed above, that pauperism latent in free labour, the following statements by Sir Fr. Morton Eden, Bt: *The State of the Poor, or an History of the Labouring Classes in England from the Conquest etc., 3* vols., 4º, London, 1797. (The quotations from Vol. I, bk I.) (In book I, chapter I, it says: ‘Our zone requires labour for the satisfaction of needs, and *therefore* at least *one part* of society must *always tirelessly* labour;

others labour in the arts etc., and some, who do not work, still have the products of diligence at their disposal. For this, these proprietors have only *civilization and order* to thank; they are purely the creatures of *civilized institutions.* For these have recognized that one can also obtain the fruits of labour through ways other than labour; the men of independent fortune owe their *wealth almost entirely to the labour of others,* not to their own ability, which is not at all better. What divides the rich from the poorer is not the ownership of land or of money, but rather the command of labour.' *Poverty* as such begins with the tiller's freedom – the feudal fetters to the soil, or at least the locality, had until then spared the legislature the task of occupying itself with the vagrants, poor etc. Eden believes that the various commercial guilds etc. also fed their own poor. He said: 'Without the most distant idea, then, of disparaging the numberless benefits derived for the country from manufactures and commerce, the result of this investigation seems to lead *to this inevitable conclusion that manufactures and commerce'* (i.e. the first sphere of production in which capital became predominant) 'are *the true parents of our national poor.'* In the same place: Beginning with Henry VII (where at the same time there began the clearing of the land of superfluous mouths through transformation of the tilled fields into pasture, continuing for more than 150 years, at least the litigation and legislative interference; hence the number of hands made available for industry grew), wages in industry were no longer fixed, only in agriculture. 11, Henry VII. (With free labour, wage labour is not yet completely posited. The labourers still have support in the feudal relations; their supply is still too small; capital hence still unable to reduce them to the minimum. Hence statutory determination of wages. So long as wages are still regulated by statute, it cannot yet be said either that capital has subsumed production under itself as capital, or that wage labour has attained the mode of existence adequate to it.) The act cited also mentions linen weavers, building craftsmen, shipwrights. The same act also fixes the hours of labour: 'Because many day labourers waste half the day, arrive late, leave early, take a long afternoon nap, spend a long time at breakfast, lunch and dinner, etc. etc.,' it ordains the following hours: 'from 15 March to 15 September, from 5 a.m., 1/2 hour breakfast, 1 1/2 dinner and siesta, 1/2 hour for noon meal, and work until between 7 and 8 p.m. In winter, however, no siesta during daylight; this permitted only from 15 May to 15 August.'>

<Wages again regulated in 1514, almost like the previous time. Hours of work again fixed. Whoever will not work upon application, arrested. Hence still *compulsory labour* by free workers at the given wages. They must first be *forced* to work within the conditions posited by capital. The propertyless are more inclined to become vagabonds and robbers and beggars than workers. The last becomes normal only in the developed mode of capital's production. In the prehistory of capital, state coercion to transform the propertyless into *workers* at conditions advantageous for capital, which are not yet here forced upon the workers by competition among one another.> (Very bloody means of coercion of this sort employed under Henry VIII et. al.) (Suppression of the *monasteries* under Henry VIII likewise frees many hands.) (Under Edward VI still sharper laws against able-bodied labourers who do not want to work. '1 Edw. VI, 3: Who is able to work, refuses to labour, and lives idle for 3 days, shall be branded with redhot iron on the breast with the letter V – and shall be adjudged the slave for two years of the person who should inform against such idler etc.' 'If he runs away from his master for 14 days he shall become his slave for life and be branded on forehead or cheek with letter S, and if he runs away a second time and shall be convicted thereof by two sufficient witnesses, he shall be taken as a felon and suffer pains of death.' (1376 first mention of the vagrants, sturdy rogues, 1388 the paupers.) (Similar cruel statute 1572 under Elizabeth.) [16]

The smaller the value of fixed capital in relation to its product, the more useful. – Movable, immovable, fixed and circulating. – Connection of circulation and reproduction. Necessity of reproducing use value in* definite *time

Circulating capital and fixed capital, which appeared earlier as changing forms of the same capital in the different phases of its turnover, are now, when fixed capital is developed to its highest form, posited at the same time as two different modes of the existence of capital. They become such through the difference in kind of their return. Circulating capital which returns slowly has a quality in common with fixed capital. But it distinguishes itself from it because its use value itself – its material presence – enters into circulation and is at the same time shed by it, thrown beyond the bounds of the turnover process; while fixed capital – to the extent that it has been developed at this point – enters into circulation only as value, and, as long as it is still in circulation as a use value, such as e.g. the machine in circulation, it is fixed capital only δυνάμει. However, this distinction between fixed capital and circulating capital, resting initially on the relation of the material presence of the capital, or of its presence as use value, towards circulation, must, with reproduction, be posited at the same time as the reproduction of the capital in the double form of fixed capital and circulating capital. In so far as the reproduction of capital in every form is the positing not only of objectified labour time, but rather of surplus labour time, not only reproduction of its value but of a surplus value, the production of fixed capital cannot therefore be different in this regard from the production of circulating capital. Hence, in the manufacture of instruments or machines – in all the forms where fixed capital appears first as circulating capital in its material presence, in its presence as use value before becoming fixed as fixed capital, i.e. before it is consumed, for it is precisely its consumption which binds it to the production phase and distinguishes it as fixed capital – there is no difference at all, as to the realization of capital, whether it reproduces itself in the form of fixed or of circulating capital. Hence no new economic determination enters here, either. But where fixed capital as such is thrown into circulation by its producer – and not as circulating capital – hence where *its proportionate use is sold, either for production* or for consumption – for in the transformation of C into M, which takes place in the first section of the circulation of capital, it is irrelevant to the latter whether the commodity in turn enters into the circulation sphere of another productive capital, or whether it serves the purpose of direct consumption; for the first capital, it is rather *always determined as a use value* whenever it ejects it from itself, exchanges it for M – there the mode of return must be different for the producer of fixed capital from that for the producer of circulating capital. The surplus value created by him can return only proportionately and successively with the value itself. This to be looked at in the next section. Finally, although circulating capital and fixed capital now appear as two different kinds, circulating capital is still posited through the consumption, the wear of fixed capital; while fixed capital, for its part, exists only as a circulating capital transformed into this specific form. All capital transformed into objectified productive power – all fixed capital – is a use value fixated in this form, and hence a use value snatched away from consumption as well as from circulation. The transformation of wood, iron, coal and living labour (hence also indirectly that of the products consumed by the worker) into the specific use values of a machine or a railway would not by itself turn them into fixed capital if the other determinants developed above were absent. When circulating capital is transformed into fixed capital, then a part of the use values in whose form capital circulated, as well as indirectly the part of the capital which exchanges for living labour, are transformed into capital whose counter-value is created only over a longer cycle; which enters into circulation as value only proportionately and successively; and which can be realized as value only through being used up in production. The transformation of circulating capital into fixed capital presupposes relative surplus capital, since it is capital employed not for direct production but rather for new means of production. Fixed capital itself can in turn serve as a direct instrument of production – as a means within the immediate production process. In this case its value enters into the product and is replaced by the successive return of the products. Or it does not enter into the immediate production process – appears rather as a general condition for production processes, such as buildings, railways etc., and its value can be replaced only through circulating capital, to whose creation it indirectly contributed. Questions of greater detail about the proportion in the production of fixed capital and circulating capital belong to the following section. If valuable machinery were employed to supply a small quantity of products, then it would not act as a force of production, but rather make the product infinitely more expensive than if the work had been done without machinery. It creates value not in so far as it has value – for the latter is simply replaced – but rather only in so far as it increases relative surplus time, or decreases necessary labour time. In the same proportion, then, as that in which its scope grows, the mass of products must increase, and the living labour employed relatively decrease. *The less the value of the fixed capital in relation to its effectiveness, the more does it correspond to its purpose.* All unnecessary fixed capital appears as *faux frais de production,* like all unnecessary circulation costs. If capital could possess the machinery without employing labour for the purpose, then it would raise the productive power of labour and diminish necessary labour without having to buy labour. The value of the fixed capital is therefore never an end in itself in the production of capital.

Circulating capital, then, is transformed into fixed capital, and fixed capital reproduces itself in circulating capital; both, only in so far as capital appropriates living labour.

‘Every saving in fixed capital is an increase in the net revenue of society.’ (A. Smith.) [17]

The final and last distinction cited by economists is that between *movable and immovable;* not in the sense that the former enters into the movement of circulation, the latter does not; rather in the sense that the former is physically fixed, immovable, in the same way as movable and immovable property is distinguished. For example, improvements sunk in the soil, aqueducts, buildings; and machinery itself in great part, since it must be physically fixed, to act; railways; in short, every form in which the product of industry is welded fast to the surface of the earth. This basically adds nothing to the determination of fixed capital; but it is indeed part of this character that it becomes fixed capital in a more eminent sense the more its use value, its material presence, corresponds to its specific economic form. The immovable use value, such as house, railway etc., is therefore the most tangible form of fixed capital. Of course, it can then still circulate in the same sense as immovable property generally – as title; but not as use value; it cannot circulate in the physical sense. Originally, the growth of movable property, its increase as against immovable, indicates the ascendant movement of capital as against landed property. But once the mode of production of capital is presupposed, the level to which it has conquered the conditions of production is indicated in the transformation of capital into immovable property. It thereby establishes its residence on the land itself, and the seemingly solid presuppositions given by nature, themselves [appear], in landed property, as merely posited by industry.

(Originally, life in the community and, through its mediation, the relationship to the earth as property, are basic presuppositions of the reproduction both of the individual and of the community. Among pastoral peoples, land and soil appear merely as precondition of the migratory life, hence appropriation does not take place. Fixed settlements with soil cultivation follow – thus landed property is initially held in common, and even where it advances to private property the individuals' connection to it appears as posited by his relation to the community. It appears as a mere fief of the community; etc. etc. The transformation of the latter into mere exchangeable value – its mobilization – is the product of capital and of the complete subordination of the state organism to it. Land and soil, even where they have become private property, are therefore exchange value only in a restricted sense. Exchange value begins in the isolated natural product, separated from the earth and individualized through industry (or mere appropriation). Individual labour first arises here too. Exchange as such does not begin within the original communes, but on their boundaries, where they cease to be. Of course, to exchange the land, their residence, to pawn it to alien communes, would be treason. Exchange can expand only little by little from its original realm, movable property, to immovable property. Only through expansion of the former does it little by little gain control over the latter. Money is the chief agent in this process.)

A. Smith at first distinguishes circulating capital and fixed capital by their role in the *production process.* Only later does he adopt the expression: 'One can gainfully lay out a capital in different ways, (1) as circulating capital, (2) as fixed capital.' [18] This second expression obviously does not belong to the examination of this distinction as such, since fixed capital and circulating capital first have to be presupposed as two kinds of capital before we can speak about how to lay out capital gainfully in both forms.

'The total capital of each entrepreneur is necessarily divided into his fixed capital and his circulating capital. If the sum is equal, then the one becomes larger as the other diminishes.' (A. Smith, tome II, p. 226.)

Since capitals are (1) divided into fixed and circulating capital in unequal portions; (2) [have] an interrupted or uninterrupted production phase and return from more distant or nearer markets, hence, unequal circulation time; it follows that the determination of the surplus value created in a given time, e.g. annually, must be unequal because the number of reproduction processes in the given period is unequal. The amount of value created appears determined not simply by the labour employed during the immediate production process, but by the degree to which this exploitation of labour can be repeated within a given period of time.

Finally, then: While, in the examination of the simple production process, capital appeared to realize itself as value only in connection with wage labour, and circulation lay alongside, without connection to it, here, in its reproduction process, circulation is included in it in both the moments of circulation, C–M–M–C (as a system of exchanges through which it must pass, and to which the same number of qualitative changes within it correspond). In so far as its form as money is the point of departure and hence of return, circulation appears included in it as M–C–C–M. It contains both circular courses, and not merely as either change of form or change of substance, but rather as both of them included within the determination of value itself. The production process, as containing within itself the conditions of its renewal, is a reproduction process whose speed is determined by various relations developed above, which all arise from differences of circulation. The reproduction of capital also contains the reproduction of the use values in which it is realized – or the constant renewal and reproduction by human labour of the use values which enter human consumption and are themselves perishable. The change of substance and of form subordinated to human need through human labour appears from the viewpoint of capital as its own reproduction. It is at bottom the constant reproduction of labour itself. 'Capital values perpetuate themselves by reproduction: the products which compose a capital are consumed just like any others; but their value, at the same time as it is destroyed by consumption, is reproduced in other materials or in the same one.' (Say, 14.) [19] Exchange and a system of exchanges, and, included in that, the transformation into money as independent value, appears as condition and barrier for the reproduction of capital. With capital, production itself is on all sides subordinate to exchange. These exchange operations, circulation as such, produce no surplus value, but are conditions for its realization. They are conditions of the *production of capital itself,* in so far as its *form as capital* is posited only to the extent that it passes through them. The reproduction of capital is at the same time the production of specific formal conditions; of specific modes of relationship in which personified objectified labour is posited. Circulation is thus not merely the exchange of the product for the conditions of production – i.e. of produced wheat, e.g., for seed, new labour etc. The worker must exchange his product for the conditions of production, so as to begin anew, in every form of production. The peasant producing for immediate consumption also transforms part of the product into seed, instrument of labour, beasts of burden, fertilizer etc., and begins his labour anew. The transformation into money is necessary for the reproduction of capital as such, and its reproduction is necessarily the production of surplus value. * Although labour must merely maintain the value of what we earlier called constant capital in one production process, it must constantly reproduce it in another, since what appears as presupposition of material and instrument in one production process is product in the other, and this renewal, reproduction, must constantly proceed simultaneously.

* In regard to the reproduction phase (especially circulation time), note that use value itself places limits upon it. Wheat must be reproduced in a year. Perishable things like milk etc. must be reproduced more often. Meat on the hoof does not need to be reproduced quite so often, since the animal is alive and hence resists time; but slaughtered meat on the market has to be reproduced in the form of money in the very short term, or it rots. The reproduction of value and of use value partly coincide, partly not.

Capital as Fructiferous. Transformation of Surplus Value into Profit

We now come to the

THIRD SECTION. CAPITAL AS FRUCTIFEROUS. INTEREST. PROFIT. (PRODUCTION COSTS ETC.)

Rate of profit. – Fall of the rate of profit. – Rate of profit. – Sum of profit. – Atkinson. A. Smith. Ramsay. Ricardo. – Surplus value as profit *always expresses a lesser proportion. – Wakefield. Carey. Bastiat*

Capital is now posited as the unity of production and circulation; and the surplus value it creates in a given period of time, e.g. in one year, is $= ST/(p + c) = ST/R$ or $= S(T/p - T/p \times c/(c + p))$. Capital is now realized not only as value which reproduces itself and is hence perennial, but also as value which posits value. Through the absorption of living labour time and through the movement of its own circulation (in which the movement of exchange is posited as its own, as the inherent process of objectified labour), it relates to itself as positing new value, as producer of value. It relates as the foundation to surplus value as that which it founded. Its movement consists of relating to itself, while it produces itself, at the same time as the foundation of what it has founded, as value presupposed to itself as surplus value, or to the surplus value as posited by it. In a definite period of time which is posited as the unit measure of its turnovers because it is the natural measure of its reproduction in agriculture, capital produces a definite surplus value, which is determined not only by the surplus value it posits in one production process, but rather by the number of repetitions of the production process, or of its reproductions in a specified period of time. Because of the inclusion of circulation, of its movement outside the immediate production process, within the reproduction process, surplus value *appears* no longer to be posited by its simple, direct relation to living labour; this relation appears, rather, as merely a moment of its total movement. Proceeding from itself as the active subject, the subject of the process – and, in the turnover, the direct production process indeed appears determined by its movement as capital, independent of its relation to labour – capital relates to itself as self-increasing value; i.e. it relates to surplus value as something posited and founded by it; it relates as well-spring of production, to itself as product; it relates as producing value to itself as produced value. It therefore no longer measures the newly produced value by its real measure, the relation of surplus labour to necessary labour, but rather by itself as its presupposition. A capital of a certain value produces in a certain period of time a certain surplus value. Surplus value thus measured by the value of the presupposed capital, capital thus posited as self-realizing value – is *profit;* regarded not *sub specie aeternitatis,* but *sub specie – capitalis,* the surplus value is profit; and capital as capital, the producing and reproducing value, distinguishes itself within itself from itself as profit, the newly produced value. The product of capital is *profit.* The magnitude, surplus value, is therefore measured by the value-magnitude of the capital, and the *rate of profit* is therefore determined by the proportion between its value and the value of capital. A very large part of what belongs here has been developed above. [20] But the anticipated material is to be put here. In so far as the newly posited value, which is of the same nature as the capital, is itself in turn taken up into the production process, itself in turn maintains itself as capital, to that extent the capital itself has grown, and now acts as a capital of greater value. After it has distinguished the profit, as newly reproduced value, from itself as presupposed, self-realizing value, and has posited profit as the measure of its realization, it suspends the separation again, and posits it in its identity to itself as capital which, grown by the amount of the profit, now begins the same process anew in larger dimensions. By describing its circle it expands itself as the subject of the circle and thus describes a self-expanding circle, a spiral.

The general laws developed previously here briefly summarized thus: The real surplus value is determined by the relation of surplus labour to necessary labour, or by the portion of the capital, the portion of objectified labour, which exchanges for living labour, relative to the portion of objectified labour by which it is replaced. But surplus value in the form of profit is measured by the total value of the capital presupposed to the production process. Presupposing the same surplus value, *the same surplus labour in proportion to necessary* *labour,* then, the *rate of profit* depends on the relation between the part of capital exchanged for living labour and the part existing in the form of raw material and means of production. Hence, the smaller the portion exchanged for living labour becomes, the smaller becomes the rate of profit. Thus, in the same proportion as capital takes up a larger place as capital in the production process relative to immediate labour, i.e. the more the relative surplus value grows – the value-creating power of capital – the more *does the rate of profit fall.* We have seen that the magnitude of the capital already presupposed, presupposed to reproduction, is specifically expressed in the growth of fixed capital, as the produced productive force, objectified labour endowed with apparent life. The total value of the producing capital will express itself in each of its portions as a diminished proportion of the capital exchanged for living labour relative to the part of capital existing as constant value. Take e.g. manufacturing industry. In the same proportion as fixed capital grows here, machinery etc., the part of capital existing in raw materials must grow, while the part exchanged for living labour decreases. Hence, the rate of profit falls relative to the total value of the capital presupposed to production – and of the part of capital acting as capital in production. The wider the existence already achieved by capital, the narrower the relation of newly created value to presupposed value (reproduced value). *Presupposing equal surplus value, i.e. equal relation of surplus labour and necessary labour,* there can therefore be an unequal profit, and it must be unequal relative to the size of the capitals. The rate of profit can rise although real surplus value falls. Indeed, the capital can grow and the rate of profit can grow in the same relation if the relation of the part of capital presupposed as value and existing in the form of raw materials and fixed capital rises at an equal rate relative to the part of the capital exchanged for living labour. But this equality of rates presupposes growth of the capital without growth and development of the productive power of labour. One presupposition suspends the other. This contradicts the law of the development of capital, and especially of the development of fixed capital. Such a progression can take place only at stages where the mode of production of capital is not yet adequate to it, or in spheres of production where it has assumed predominance only formally, e.g. in agriculture. Here, natural fertility of the soil can act like an increase of fixed capital – i.e. relative surplus labour can grow – without the amount of necessary labour diminishing. (E.g. in the *United States.)* The *gross profit,* i.e. the surplus value, regarded apart from its formal relation, not as a proportion but rather as a simple magnitude of value without connection with any other, will grow on the average *not as does the rate of profit, but as does the size of the capital.* Thus, while the rate of profit will be inversely related to the value of the capital, the *sum of profit* will be directly related to it. However, even this statement is true only for a restricted stage of the development of the productive power of capital or of labour. A capital of 100 with a profit of 10% yields a smaller sum of profit than a capital of 1,000 with a profit of 2%. In the first case the sum is 10, in the second 20, i.e. the gross profit of the larger capital is twice as large as that of the 10 times smaller capital, although the rate of the smaller capital's profit is 5 times greater than that of the larger. But if the larger capital's profit were only 1%, then the sum of its profit would be 10, like that for the 10 times smaller capital, because the rate of profit would have declined in the same relation as its size. If the rate of profit of the capital of 1,000 were only 1/2%, then the sum of its profit would be only half as large as that of the smaller capital, only 5, because the rate of profit would be 20 times smaller. Thus, expressed in general terms: if the rate of profit declines for the larger capital, but not in relation with its size, then the gross profit rises although the rate of profit declines. If the profit rate declines relative to its size, then the gross profit remains the same as that of the smaller capital; remains stationary. If the profit rate declines more than its size increases, then the gross profit of the larger capital decreases relative to the smaller one in proportion as its rate of profit declines. This is in every respect the most important law of modern political economy, and the most essential for understanding the most difficult relations. It is the most important law from the historical standpoint. It is a law which, despite its simplicity, has never before been grasped and, even less, consciously articulated. Since this decline in the rate of profit is identical in meaning (1) with the productive power already produced, and the foundation formed by it for new production; this simultaneously presupposing an enormous development of scientific powers; (2) with the decline of the part of the capital already produced which must be exchanged for immediate labour, i.e. with the decline in the immediate labour required for the reproduction of an immense value, expressing itself in a great mass of products, great mass of products with low prices, because the total sum of prices is = to the reproduced capital + profit; (3) [with] the dimension of capital generally, including the portion of it which is not fixed capital; hence intercourse on a magnificent scale, immense sum of exchange operations, large size of the market and all-sidedness of simultaneous labour; means of communication etc., presence of the necessary consumption fund to undertake this gigantic process (workers' food, housing etc.); hence it is evident that the material productive power already present, already worked out, existing in the form of fixed capital, together with the population etc., in short all conditions of wealth, that the greatest conditions for the reproduction of wealth, i.e. the abundant development of the social individual – that the development of the productive forces brought about by the historical development of capital itself, when it reaches a certain point, suspends the self-realization of capital, instead of positing it. Beyond a certain point, the development of the powers of production becomes a barrier for capital; hence the capital relation a barrier for the development of the productive powers of labour. When it has reached this point, capital, i.e. wage labour, enters into the same relation towards the development of social wealth and of the forces of production as the guild system, serfdom, slavery, and is necessarily stripped off as a fetter. The last form of servitude assumed by human activity, that of wage labour on one side, capital on the other, is thereby cast off like a skin, and this casting-off itself is the result of the mode of production corresponding to capital; the material and mental conditions of the negation of wage labour and of capital, themselves already the negation of earlier forms of unfree social production, are themselves results of its production process. The growing incompatibility between the productive development of society and its hitherto existing relations of production expresses itself in bitter contradictions, crises, spasms. The violent destruction of capital not by relations external to it, but rather as a condition of its self-preservation, is the most striking form in which advice is given it to be gone and to give room to a higher state of social production. It is not only the growth of scientific power, but the measure in which it is already posited as fixed capital, the scope and width in which it is realized and has conquered the totality of production. It is, likewise, the development of the population etc., in short, of all moments of production; in that the productive power of labour, like the application of machinery, is related to the population; whose growth in and for itself already the presupposition as well as the result of the growth of the use values to be reproduced and hence also to be consumed. Since this decline of profit signifies the same as the decrease of immediate labour relative to the size of the objectified labour which it reproduces and newly posits, capital will attempt every means of checking the smallness of the relation of living labour to the size of the capital generally, hence also of the surplus value, if expressed as profit, relative to the presupposed capital, by reducing the allotment made to necessary labour and by still more expanding the quantity of surplus labour with regard to the whole labour employed. Hence the highest development of productive power together with the greatest expansion of existing wealth will coincide with depreciation of capital, degradation of the labourer, and a most straitened exhaustion of his vital powers. These contradictions lead to explosions, cataclysms, crises, in which by momentaneous suspension of labour and annihilation of a great portion of capital the latter is violently reduced to the point where it can go on. These contradictions, of course, lead to explosions, crises, in which momentary suspension of all labour and annihilation of a great part of the capital violently lead it back to the point where it is enabled [to go on] fully employing its productive powers without committing suicide. [21] Yet, these regularly recurring catastrophes lead to their repetition on a higher scale, and finally to its violent overthrow. There are moments in the developed movement of capital which delay this movement other than by crises; such as e.g. the constant devaluation of a part of the existing capital: the transformation of a great part of capital into fixed capital which does not serve as agency of direct production; unproductive waste of a great portion of capital etc. (Productively employed capital is always replaced doubly, as we have seen, in that the positing of value by a productive capital presupposes a counter-value. The unproductive consumption of capital replaces it on one side, annihilates it on the other. * That the fall of the rate of profit can further be delayed by the omission of existing deductions from profit, e.g. by a lowering of taxes, reduction of ground rent etc., is actually not our concern here, although of importance in practice, for these are themselves portions of the profit under another name, and are appropriated by persons other than the capitalists themselves. † The fall [in the rate of profit] likewise delayed by creation of new branches of production in which more direct labour in relation to capital is needed, or where the productive power of labour is not yet developed, i.e. the productive power of capital.) (Likewise, monopolies.) 'Profit is a term signifying the increase of capital or wealth; so failing to find the laws which govern the rate of profit, is failing to find the laws of the formation of capital.' (William Atkinson, *Principles of Political Economy etc.,* London, 1840, p. 55.) He has however failed to understand even what the rate of profit is. A. Smith explained the fall of the rate of profit, as capital grows, by the competition among capitals. [22] To which Ricardo replied that competition can indeed reduce profits in the various branches of business to an average level, can equalize the rate, but cannot depress this average rate itself. [23] A. Smith's phrase is correct to the extent that only in competition – the action of capital upon capital – are the inherent laws of capital, its tendencies, realized. But it is false in the sense in which he understands it, as if competition imposed laws on capital from the outside, laws not its own. Competition can permanently depress the rate of profit in all branches of industry, i.e. the average rate of profit, only if and in so far as a general and permanent fall of the rate of profit, having the force of a law, is conceivable *prior to* competition and regardless of competition. Competition executes the inner laws of capital; makes them into compulsory laws towards the individual capital, but it does not invent them. It realizes them. To try to explain them simply as results of competition therefore means to concede that one does not understand them. Ricardo, for his part, says: 'No accumulation of capitals can *permanently* reduce profits unless an equally permanent cause raises wages.' (p. 92, tome II, Paris 1835, translated by Constancio.) He finds this cause in the growing, relatively growing unproductivity of agriculture, 'the growing difficulty of increasing the quantity of subsistence', i.e. in the growth of proportionate wages, so that labour's real wage is no greater, but the product obtains more labour; in a word, a greater portion of necessary labour is required for the production of agricultural products. The falling rate of profit hence corresponds, with him, to the nominal growth of wages and real growth of ground rent. His one-sided mode of conceiving it, which seizes on only one single case, just as the rate of profit can fall because wages momentarily rise etc., and which elevates a historical relation holding for a period of 50 years and reversed in the following 50 years to the level of a general law, and rests generally on the historical disproportion between the developments of industry and agriculture – in and for itself it was strange that Ricardo, Malthus, etc. constructed general and eternal laws about physiological chemistry at a time where the latter hardly existed – this method that Ricardo has of conceiving the matter has therefore been attacked from all sides, partly because of an instinct that it is wrong and unsatisfactory; but mostly for its true rather than for its false aspects.

> * The same law expresses itself simply – but this expression to be looked at later in the theory of population – as the relation of the growth of population – namely its labouring part – to the capital already presupposed.

> † The other way in which this same law also expresses itself, in the relation among many capitals, i.e. in competition, likewise belongs in another section. It can also be formulated as a law of the accumulation of capitals; as e.g. by Fullarton. We shall come to this in the next section. It is important to call attention to the point that this law deals not simply with the development of productive power δυνάμει, but at the same time with the scope in which this productive power acts as capital, and is realized as fixed capital above all in one respect, and as population in the other.

‘A. Smith thought that accumulation or increase of stock in general lowered the rate of profits in general, on the same principle which makes the increase of stock in any particular trade lower the profits of that trade. But such increase of stock in a particular trade *means* an increase in a greater *proportion* than stock is at the same time increased in other trades. It is relative.’ (p. 9, *An Inquiry into those Principles respecting the Nature of Demand and the Necessity of Consumption, lately advocated by Mr Malthus.* London, 1821.) ‘The competition among the industrial capitalists can level profits which rise particularly above the level, but cannot lower this ordinary level.’ (Ramsay, IX, 88.) [24] (Ramsay and other economists correctly distinguish between whether productivity grows in the branches of industry which make fixed capital, and naturally wages, or in other industries, e.g. luxury-goods industries. The latter cannot diminish necessary labour time. This they can do only through exchange for agricultural products of other countries, which is then the same as if productivity had increased in agriculture. Hence the importance of free trade in grain for the industrial capitalists.) Ricardo says (English edition *On the Principles of Political Economy and Taxation.* 3rd edition, London, 1821): ‘The farmer and manufacturer can no more live without profits, than the labourer without wages.’ (p. 23 loc. cit.) ‘There is a natural tendency for profits to fall, because in the progress of society and of wealth, the additional food requires more and more labour. This tendency, this gravitation of profits, is delayed in repeated intervals by improvement of the machinery involved in the production of necessaries, as well as by discoveries in the science of agriculture, which reduce the costs of production.’ (loc. cit. p. 121.) Ricardo at once identifies profit directly with surplus value; he did not make this distinction at all. *But whereas the rate of surplus value is determined by the relation of surplus labour employed by the capital to necessary labour, the rate of profit is nothing but the relation of the surplus value to the total value of the capital presupposed to production.* Its proportion falls and rises, hence, in relation with the part of the capital exchanged for living labour relative to the part existing as material and fixed capital. *Under* ALL *circumstances, the surplus value regarded as profit must express a smaller proportion of the gain than the real proportion of the surplus value.* For, under all circumstances, it is measured by the total capital, which is always larger than that employed for wages and exchanged for living labour. Since Ricardo simply mixes surplus value and profit together in this way, and since the surplus value can constantly decline, can *tendentially* decline only if the relation of surplus labour to necessary labour, i.e. to the labour required for the reproduction of labouring capacity, declines, but since the latter is possible only if the productive force of labour declines, Ricardo assumes that the productive force of labour decreases in agriculture, although it grows in industry, with the accumulation of capital. He flees from economics to seek refuge in organic chemistry. We have demonstrated the necessity of this tendency without any reference to ground rent, nor did we have to refer e.g. to rising demand for labour etc. The connection between ground rent and profit is to be treated only in the examination of ground rent itself, does not belong here. But modern chemistry has demonstrated that Ricardo’s physiological postulate, expressed as a general law, is false. [25] As for Ricardo’s disciples, in so far as they are more than his pious echoes, they have quietly let drop whatever is unpleasant to them in their master's principles, as has the newer economics generally. To drop the problem is their general method of solving it. Other economists, such as e.g. Wakefield, seek refuge in the examination of the *field of employment* for the growing capital. This belongs in the examination of competition, and is rather the *difficulty for capital to realize the growing profit, hence denial of the inherent tendency towards the fall of the rate of profit.* But the need for capital to seek a constantly more extensive field of employment is itself again a consequence. One cannot count Wakefield and similar people among those who have posed the question itself. (Is in certain respects a reproduction of A. Smith's view.) Finally, the harmonists among the most modern economists, at their head the American, Carey, whose most obnoxious adherent was the Frenchman Bastiat (by the way, it is the nicest irony of history that the Continental free-traders worship Mr Bastiat, who, for his part, gets his wisdom from the protectionist, Carey), accept the fact of the tendency of the rate of profit to fall in measure as productive capital grows. But they explain it simply and entirely as due to growth in the value of labour's share; growth of the proportion of the total product obtained by the worker, while the capital is allegedly compensated for this by the growth of gross profits. The unpleasant contradictions, antagonisms within which classical economics moves, and which Ricardo emphasizes with scientific ruthlessness, are thus watered down into well-to-do harmonies. In Carey's development, it sometimes seems as if he still had a mind of his own. This concerns a law which we need look at only in the doctrine of competition, where we will then settle accounts with him. We can finish up here with the witlessness of Bastiat, who expresses commonplaces in a paradoxical way, grinds and polishes them into facets, and hides an utter poverty of ideas under a cover of formal logic. * In the *Gratuité du Crédit.* Discussion entre M. Fr. Bastiat et M. Proudhon, Paris, 1850 (Proudhon, by the way, cuts a highly ridiculous figure in this polemic, where he hides his dialectical feebleness under a great show of rhetoric), it says in Bastiat's letter No. VIII (where this noble spirit, by the way, simply transforms, with his conciliatory dialectic, the gain resulting from the simple division of labour both for the road-builder and for the road-user into a gain owed to the 'road' (i.e. to capital) itself): 'To the degree that capitals increase (and the products with them), the absolute part returning to capital increases, and its proportional part diminishes. To the degree that capitals increase (and the products with them), labour's proportional part and its absolute part increase ... Since capital's absolute part grows even while it successively obtains only 1/2, 1/3, 1/4, 1/5 of the total product, it follows that labour, which successively obtains 1/2, 2/3, 3/4, 4/5, evidently receives a progressively increasing share of the whole, both in the proportional and in the absolute sense.' He gives as *illustration*:

Total product		*Capital's share*	*Labour's share*
1st period	1,000	1/2 or 500	1/2 or 500
2nd	1,800	1/3 or 600	2/3 or 1,200
3rd	2,800	1/4 or 700	3/4 or 2,100
4th	4,000	1/5 or 800	4/5 or 3,200

(p. 130, 131.)

* Some things from Notebook III about the antithesis of Carey and Bastiat can be included at this point. [26]

The same joke is repeated (p. 288) in the form of increasing gross profit with declining rate of profit, but increasing mass of products sold at lower prices, and weighty words are spoken on that occasion about 'the law of unlimited decline which never reaches zero, a law well known to mathematicians'. (p. 288.) 'Here we have' (hawking his wares) 'an endlessly decreasing multiplier, because the multiplicand is ever growing.' (p. 288 loc. cit.)

Ricardo had anticipated his Bastiat. Emphasizing that the sum of profit grows as capital grows despite the decline of the rate of profit – thus anticipating Bastiat's whole profundity – he does not fail to note that this progression 'is true only for a certain time'. He says, word for word: 'Regardless of how the rate of profit on stock may decline in consequence of the accumulation of capital on the land and of a rise of wages' (by which Ricardo understands, N.B., the rise of the cost of production of the agricultural products necessary for the maintenance of labour capacity), 'the aggregate amount of profits must nevertheless grow. Supposing, then, that in repeated accumulations of £100,000 the rate of profits fell from 20 to 19, 18, 17%, we should expect that the whole amount of profits received by the successive owners of capital would be always progressive; that it would be greater with the capital of £200,000 than with that of 100,000; yet greater with 300,000; and so on, increasing, although at a decreasing rate, with every increase of capital. *However, this progress is true only for a certain time:* thus 19% on £200,000 is more than 20 on 100,000; 18% on 300,000 more than 19% on 200,000; but after capital has accumulated to a large amount and profits have fallen, further accumulation diminishes the sum of profits. Thus, supposing the accumulation of 1,000,000 and profits of 7%, then the total amount of profit will be £70,000; now if an addition of 100,000 is made to the million, and profits fall to 6%, then £66,000 or a decrease of £4,000 will be received by the owners of the stock, although the amount of capital will be increased from 1,000,000 to 1,100,000.' (loc. cit. p. 124, 125.) Of course this does not prevent Mr Bastiat from undertaking the operation of making a growing multiplicand grow in such a way that, with the declining multiplier, it produces a growing product, in true elementary-school pupil style, just as the laws of production did not prevent Dr Price from constructing his compound interest calculations. Because the rate of profit declines, it declines relative to wages, which must consequently grow proportionally and absolutely. So reasons Bastiat. (Ricardo observed this tendency towards the decline of the profit rate with the growth of capital; and since he confuses profit with surplus value, he was forced to make wages rise in order to let profits fall. But since he saw at the same time that wages really declined more than they rose, he let the value of wages grow, i.e. the quantity of necessary labour, without letting its use value grow. Thus in fact he only let ground rent increase. The harmonic Mr Bastiat discovers, however, that, with the accumulation of capitals, wages rise proportionally and absolutely.) He assumes what he has to prove, that the decline of the profit rate is identical with the increase in the rate of wages, and then 'illustrates' his presupposition with an arithmetical example which appears to have amused him greatly. If the decline of the profit rate expresses nothing more than the decline of the relation in which the total capital requires living labour for its reproduction, then it is another matter. Mr Bastiat overlooks the trifling circumstance that, in his presupposition, while the profit rate on capital declines, the capital itself increases, the capital presupposed to production. Now even Mr Bastiat ought to have had an inkling that the value of the capital cannot grow without appropriating surplus labour. The misery of agricultural overproduction, recorded in French history, could have shown him that the mere increase of products does not increase their value. The question would then revolve simply around an investigation of whether the fall of the profit rate is identical with the growth of the rate of surplus labour relative to necessary labour, or, instead, with the fall of the total rate of living labour employed relative to the reproduced capital. Mr Bastiat also therefore divides the product simply between capitalist and worker, instead of dividing it into raw material, instrument of production and labour, and asking himself in what proportional parts its value in exchange is applied against these different portions. The part of the product exchanged for raw material and instrument of production is obviously none of the workers' business. What they divide with capital, as wages and profit, is nothing other than the newly added living labour itself. But what particularly worries Bastiat is who, after all, is to eat up the increased product? Since the capitalist eats up a relatively small part, does not the worker have to eat up a relatively large one? Particularly in France, whose total production is sufficient only in Bastiat's fantasy to give anyone at all very much to eat, Mr Bastiat could have found convincing testimony that a mass of parasitic bodies come to cluster around capital, and, under one or another title, they lay hands on so much of the total production as to leave little danger of the workers being overwhelmed by abundance. It is clear, of course, that with large-scale production the total mass of labour employed can increase although the proportion of labour employed relative to capital decreases, and that there is no obstacle, therefore, which prevents an increasing working population from requiring a greater mass of products as capital increases. Incidentally, Bastiat – in whose harmonic brain all cows are grey – (see above, wages), [27] confuses the decline of interest with the increase of wages, since this is rather an increase of industrial profit, which concerns the workers not at all, but concerns only the relation in which different species of capitalists divide up the total profit among themselves.

Capital and revenue (profit). Production and distribution. Sismondi. – Production costs from capital's viewpoint. Profit,

ditto. – Inequality of profits. Equalization and communal rate of profit. – Transformation of surplus value into profit. – Laws

Back to our topic. The product of capital, then, is profit. By relating to itself as profit, it relates to itself as the *source of the production of value, and the rate of profit expresses the proportion to which it has increased its own value.* But the capitalist is not merely capital. He has to live, and since he does not live by working he must live from profit, i.e. from the alien labour he appropriates. Thus capital is posited as the source of wealth. Since capital has incorporated productivity into itself as its inherent quality, capital relates to profit as *revenue.* It can consume a part of it (seemingly all of it, but this will prove to be false) without ceasing to be capital. After consumption of this fruit it can bear new fruit. It can represent consumption wealth without ceasing to represent the general form of wealth, something which money in simple circulation could not possibly do. The latter had to *abstain in order to remain the general form* of wealth; or, if it exchanged for real wealth, for consumer gratifications, it ceased to be the general form of wealth. Thus profit appears as a *form of distribution,* like wages. But since capital can grow only through the retransformation of profit into capital – into surplus capital – profit is at the same time a *form of production for capital;* just exactly as wages are a mere *relation of production* from the standpoint of capital, a relation of distribution from the worker's standpoint. This shows that the relations of distribution are themselves produced by the relations of production, and represent the latter themselves from another point of view. It shows further that the relation of production to consumption is posited by production itself. Note the fatuousness of all bourgeois economists, including e.g. J. St. Mill, who considers the bourgeois relations of production as eternal, but their forms of distribution as historical, and thereby shows that he understands neither the one nor the other. As to simple exchange, Sismondi correctly remarks: 'An exchange always presupposes two values; each may have a different share; but the *quality of capital and revenue* does not follow from the object exchanged; it attaches to the person who is its owner.' (Sismondi, VI.) [29] Hence the simple exchange relation provides no basis for the explanation of revenue. The quality of a value obtained in exchange, whether it represents capital or revenue, is determined by relations lying outside simple exchange. Absurd, therefore, to want to reduce these more complex forms to the earlier, simpler exchange relations, as do the harmonic freetraders. From the standpoint of simple exchange, and considering accumulation as the mere accumulation of money (exchange value), capital's profit and revenue are impossible. 'If the rich spend the accumulated wealth for luxury products – and they can obtain commodities only through exchange – then their funds would soon be exhausted ... But, in the social order, wealth has achieved the quality of reproducing itself through *alien labour.* Wealth, like labour, and *through labour,* yields an annual fruit which may be *destroyed* each year without the rich man thereby becoming poorer. This fruit is the revenue springing from capital.' (Sismondi, IV.) [30] While profit thus appears in one respect as the result of capital, it appears in the other as the *presupposition of capital formation.* Thus is posited anew the circular movement in which the result appears as presupposition. 'Thus a part of the revenue became transformed into capital, into a permanent, self-multiplying value, which did not perish; this value tore itself free from the commodity which created it; like a metaphysical, insubstantial quality it always remained in possession of the same *cultivateur*' (capitalist), 'assuming various forms for him.' (Sismondi, VI) [31]

When capital is posited as profit-creating, as a source of wealth independently of labour, each part of the capital is thereby assumed to be equally productive. Just as surplus value in the form of profit is measured against the total value of the capital, so does it appear to be created by its different components to an equal degree. Thus its circulating part (the part consisting of raw materials and *approvisionnement)* brings no more profit than the component which consists of the fixed capital, and, more particularly, profit accrues to these component parts in proportion to their magnitude.

Since the profit of capital is realized only in the price which is paid for it, for the use value created by it, profit is determined by the *excess of the price obtained over the price which covers outlays.* Since, furthermore, this realization proceeds only through *exchange,* the individual capital's *profit is not necessarily restricted by its surplus value,* by the surplus labour contained in it; but is relative, rather, to the excess of price obtained in exchange. It can exchange more than its *equivalent, and then its profit is* *greater than its surplus value.* This can be the case only to the extent that the other party to the exchange does not obtain an equivalent. The total surplus value, as well as the *total profit,* which is only *surplus value itself, computed differently,* can neither grow nor decrease through this operation, ever; what is *modified thereby* is not it, but only *its distribution among the different capitals.* However, this examination belongs only with that of the many capitals, it does not yet belong here. In relation to profit, the value of the capital presupposed in production appears as *advances – production costs* which must be replaced in the product. After deduction of the part of the price which replaces them, the excess forms the profit. Since surplus labour – of which profit and interest are, both, only portions – costs capital nothing, hence does not figure as part of the value advanced by it – not as part of the value which it possessed before the production process and the realization of the product – it follows that this surplus labour, which is included in the production costs of the product and forms the source of surplus value and hence of profit as well, does not figure as part of the production costs of capital. The latter are equal only to the values actually advanced by it, not including the surplus value appropriated in production and realized in circulation. The production costs from the standpoint of capital are therefore not the real production costs, precisely because surplus labour does not cost *it* anything. The excess of the price of the product over the price of the production costs gives it its profit. Thus profit can exist for capital even without the realization of the real production costs – i.e. the whole surplus labour set to work by capital. Profit – the excess over the advances made by capital – may be smaller than surplus value – the surplus of living labour gained in exchange by capital in excess of the objectified labour it has given in exchange for labour capacity. However, through the separation of interest from profit – which we will look at immediately – a part of the surplus value is posited as production cost even for productive capital itself. The confusion of *production costs* from the standpoint of capital with the amount of labour objectified in capital's product, surplus labour included, has given rise to statements such as that 'profit is not included in the natural price'. It is allegedly 'absurd to call the excess, or profit, a part of the expenditure'. (Torrens, IX, 30.) [32] This then leads to a mass of confusion; either by having profit not realized in, but rather arising from, exchange (which can always be the case only relatively, if one of the parties to the exchange does not obtain his equivalent), or by ascribing to capital some magic power which makes something out of nothing. Since the value posited in the production process realizes its price through exchange, the price of the product appears in fact determined by the sum of money which expresses an equivalent for the total quantity of labour contained in raw material, machinery, wages and in unpaid surplus labour. Thus price still appears here merely as a formal modification of value; as value expressed in money; but the magnitude of this price is presupposed in the production process of capital. Capital thereby appears as a determinant of price, so that price is determined by the advances made by capital + the surplus labour realized by it in the product. We shall see later that price, on the contrary, appears as determining profit. And, while here the total *real* production costs appear as determining price, price appears later as determining the production costs. So as to impose the inherent laws of capital upon it as external necessity, competition seemingly turns all of them over. *Inverts them.*

To repeat once more: the profit of capital does not depend on its magnitude; but rather, given an equal magnitude, on the relation between its component parts (the constant and the variable part); and then on the productivity of labour (which is expressed, however, in the above proportion, since, with diminished productivity, the same capital could not work up the same material with the same portion of living labour); on the turnover time, which is determined by the different proportions between fixed and circulating capital, different durability of fixed capital, etc. etc. (see above). The inequality of profit in different branches of industry with capitals of equal magnitudes is the condition and presupposition for their equalization through competition.

In so far as capital obtains raw material, instrument, labour, through exchange, buys them, its elements are themselves already present in the form of prices; already posited as prices; presupposed to it. The comparison of the market price of its product with the prices of its elements then becomes decisive for it. But this belongs only in the chapter on competition.

Thus the surplus value which capital posits in a given turnover period obtains the form of *profit* in so far as it is measured against the total value of the capital presupposed to production. While surplus value is measured directly by the surplus labour time which capital gains in the exchange with living labour. Profit is nothing but another form of surplus value, a form developed further in the sense of capital. Surplus value no longer regarded here as exchanged for capital itself in the production process; not for labour. Hence capital appears as capital, as presupposed value relating to itself, through the mediation of its own process, as posited, produced value, and the value posited by it is called *profit.*

The two immediate laws which this transformation of surplus value into the shape of profit yields for us are these: (1) *Surplus value expressed as profit always appears as a smaller proportion than surplus value in its immediate reality actually amounts to.* For, instead of being measured by a part of the capital, the part exchanged for living labour (a relation which turns out to be that of necessary to surplus labour), it is measured against the whole. Whatever may be the surplus value which a capital A posits, and whatever may be the proportion within A of c and v, the constant and the variable part of the capital, the surplus value s must appear smaller when measured against $c + v$ than when measured against its real measure, v. Profit, or – if it is regarded not as an absolute sum but rather, as is usually done, as a *proportion* (the rate of profit is profit expressed as the *relation in which* capital has posited surplus value) – the rate of profit never expresses the real rate at which capital exploits labour, but always a much smaller relation, and the larger the capital, the more false is the relation it expresses. The rate of profit could express the real rate of surplus value only if the entire capital were transformed solely into wages; if the entire capital were exchanged for living labour, i.e. if the *approvisionnement* alone existed, and if it not only existed not in the form of already produced raw material (which has happened in extractive industry), hence if not only the raw material were = 0, but if the means of production, also, whether in the form of instruments or in the form of developed fixed capital, were = 0. The latter case cannot occur on the basis of the mode of production corresponding to capital. If A = $c + v$, whatever the numerical value of s, then $s/(c + v) < s/v$. [33]

(2) The second great law is that the rate of profit declines to the degree that capital has already appropriated living labour in the form of objectified labour, hence to the degree that labour is already capitalized and hence also acts

increasingly in the form of fixed capital in the production process, or to the degree that the productive power of labour grows. The growth of the productive power of labour is identical in meaning with (a) the growth of relative surplus value or of the relative surplus labour time which the worker gives to capital; (b) the decline of the labour time necessary for the reproduction of labour capacity; (c) the decline of the part of capital which exchanges at all for living labour relative to the parts of it which participate in the production process as objectified labour and as presupposed value. The profit rate is therefore inversely related to the growth of relative surplus value or of relative surplus labour, to the development of the powers of production, and to the magnitude of the capital employed as [constant] capital within production. In other words, the second law is the *tendency of the profit rate to decline* with the development of capital, both of its productive power and of the extent in which it has already posited itself as objectified value; of the extent within which labour as well as productive power is capitalized.

Other causes which additionally act upon the rate of profit, which can depress it for longer or shorter periods, do not yet belong here. It is quite correct, as regards the production process as a whole, that the capital acting as material and as fixed capital not only is objectified labour, but must also be reproduced, and continuously reproduced, by new labour. Its presence assumes, therefore – the extent which its presence has attained assumes, therefore, the extent of the labouring population, population on a large scale, which in and for itself is the condition of all productive power – but this reproduction everywhere proceeds on the presupposition of the action of fixed capital and of raw material and of scientific power, both as such, and as appropriated within production and already realized within it. This point is to be developed in more detail only in the examination of accumulation.

It is clear, further, that although the part of capital exchanged for living labour declines in relation to the total capital, the total mass of living labour employed can increase or remain the same if capital grows in the same or a larger relation. Hence a constant growth in the population may accompany a relative decline in necessary labour. If capital A lays out 1/2 in c and 1/2 in v, while capital A′ lays out 3/4 in c and 1/4 in v, then capital A′ could employ 2/4 v for 6/4 c. But if it was originally = 3/4 c + 1/4 v, then it is now = 6/4 c + 2/4 v, or it grew by 4/4; i.e. it doubled. However, this relation also is to be examined more closely only in connection with the theory of accumulation and population. All in all we must not at this point be sidetracked by drawing the consequences which follow from the laws, and by turning them over in the mind from one angle or another.

The rate of profit is determined, then, not only by the relation of surplus labour to necessary labour, or by the relation in which objectified labour is exchanged for living labour, but by the overall relation of living labour employed to objective labour; by the portion of capital exchanged for living labour relative to the part which participates in the production process as objectified labour. This portion, however, declines in the same relation as surplus labour increases in relation to necessary labour.

Surplus value = *relation of surplus labour to necessary labour*

(Since the worker must reproduce the part of the capital which is exchanged for his labour capacity just as much as he must reproduce the other parts of the capital, the relation in which the capitalist gains from the exchange with labour capacity appears as determined by the relation of surplus labour to necessary labour. Originally this appears in such a way that the necessary labour only replaces his outlay. But since he lays out nothing other than labour itself – as is shown in reproduction – the relation can be expressed simply in this way – the relation of surplus value as the relation of surplus labour to necessary labour.)

Value of fixed capital *and its* productive power. *Durability of fixed capital, ditto. – The powers of society, division of labour etc.* cost *capital nothing. – Distinction between this and machinery (capitalist's* economy *in the employment of machinery). – Profit and surplus value*

<We have still to note in regard to fixed capital – and its durability, as one of its conditions which does not enter in from the outside: To the extent that the instrument of production is itself a value, objectified labour, *it does not contribute as a productive force.* If a machine which cost 100 working days

to make replaced only 100 working days, then it would in no way increase the productive power of labour and in no way decrease the cost of the product. The more durable the machine, the more often can the same quantity of product be created with it, or the more often can the circulating capital be renewed, its reproduction be repeated, and the smaller is the value-share (that required to replace the depreciation, the wear and tear of the machine); i.e. the more is the price of the product and its unit production cost decreased. However, we may not introduce the price relation at this point in the development. The reduction of the price as condition for conquest of the market belongs only to competition. It must therefore be developed in a different way. If capital could obtain the instrument of production at no cost, for 0, what would be the consequence? The same as if the cost of circulation = 0. That is, the labour necessary for the maintenance of labour capacity would be diminished, and thus surplus labour, i.e. surplus value, [increased], without the slightest cost to capital. Such an increase of the force of production, a piece of machinery which costs capital nothing, is the division of labour and the combination of labour within the production process. This assumes, however, work proceeding on a large scale, i.e. development of capital and wage labour. Another productive force which costs it nothing is scientific power. (It goes without saying that it must always pay a certain contribution for parsons, schoolmasters and scholars, whether the scientific power they develop is great or small.) But it can appropriate the latter only through the employment of machinery (and in part through the chemical process). The growth of population is a productive force of this kind, and it costs it nothing. In short, all the social powers developing with the growth of population and with the historic development of society cost it nothing. To the extent, however, that a substratum which itself exists in the form of objectified labour, i.e. is itself produced by labour, is required to employ them within the direct production process, hence to the extent that they are themselves values, it can appropriate them only through equivalents. Well. Fixed capital whose employment required more labour for its production or maintenance than it replaced would be a nuisance. The kind that would cost nothing, but merely needed to be appropriated by capital, would have the maximum value for capital. It follows from the simple proposition that machinery is most valuable for capital when its value = 0, that every reduction of its cost is a gain for capital. *While it is the tendency of capital, on one side, to increase the total value of the fixed capital,* [so], *at the same time,* [is its tendency] *to decrease the value of each of its fractional parts.* To the extent that fixed capital enters into circulation as value, it ceases to act as use value within the production process. Its use value is precisely that it increases the productive power of labour, decreases necessary labour, and increases relative surplus labour and hence surplus value. To the extent that it enters into circulation, its value is merely replaced, not increased. By contrast, the product, the circulating capital, is the vehicle of the surplus value, which is realized only when it steps outside the production process and into circulation. If machinery lasted for ever, if it did not itself consist of transitory material which must be reproduced (quite apart from the invention of more perfect machines which would rob it of the character of being a machine), if it were a *perpetuum mobile,* then it would most completely correspond to its concept. Its value would not need to be replaced because it would continue to last in an indestructible materiality. Since fixed capital is employed only to the extent that its value is smaller than the value it posits, it follows that, even if it never itself entered into circulation as value, the surplus value realized in the circulating capital would nevertheless soon replace the advances, and it would thus act to posit value after its costs for the capitalist, as well as the cost of the surplus labour he appropriates, were = 0. It would continue to act as a productive power of labour and at the same time be money in the third sense, constant value for-itself. Take a capital of £1,000. Let one-fourth be machinery; the sum of surplus value = 50. The value of the machinery then equal to 200. After 4 turnovers the machinery would be paid for. And, in addition, since the capital would continue to possess, in the machine, objectified labour to the amount of 200, then, beginning with the fifth turnover, it would be the same as if it made 50 on a capital which only costs it 800; hence 6 1/4% instead of 5%. As soon as fixed capital enters into circulation as value, its use value for the capital realization process ceases, or, it enters into it only as soon as the latter ceases. Hence, the more durable, the less it requires repair, total or partial reproduction, the longer its circulation time, the more does it act as productive power of labour, as capital; i.e. as objectified labour, which posits living surplus labour. The durability of fixed capital, which is identical with the circulation time of its value, or with the time required for its reproduction, arises from its concept itself, as its value-moment. (That in and for itself, as regards its *material* side only, it lies in the concept of the means of production is something which needs no elucidation.) The rate of surplus value is determined simply by the relation of surplus labour to necessary labour; the rate of profit is determined not only by the relation of surplus to necessary labour, but by the relation of the part of capital exchanged for living labour to the total capital entering into production.>

Profit as we still regard it here, i.e. as the profit of capital *as such,* not of an individual capital at the expense of another, but rather as the *profit of the capitalist class,* concretely expressed, *can never be greater than the sum of the surplus value.* As a sum, it is the sum of the surplus value, but it is this same sum of values as a proportion relative to the total value of the capital, instead of to that part of it whose value really grows, i.e. is exchanged for living labour. *In its immediate form, profit is nothing but the sum of the surplus value expressed as a proportion of the total value of the capital.*

Machinery and surplus labour. Recapitulation of the doctrine of surplus value generally

The transformation of surplus value into the form of profit, this method by which capital calculates surplus value, is necessary from the standpoint of capital, regardless of how much it rests on an illusion about the nature of surplus value, or rather veils this nature. *

> * It is easy to form the notion that machinery as such posits value, because it acts as a productive power of labour. But if machinery required no labour, then it would be able to increase the use value; but the exchange value which it would create would never be greater than its own costs of production, its own value, the labour objectified in it. It creates value not because it replaces labour; rather, only in so far as it is a means to increase surplus labour, and only the latter itself is both the measure and the substance of the surplus value posited with the aid of the machine; hence of labour generally.

If we look at a single worker's day, then the decrease of necessary labour relative to surplus labour expresses itself in the appropriation of a larger part of the working day by capital. The living labour employed here remains the same. Suppose that an increase of the force of production, e.g. employment of machinery, made 3 workers superfluous out of 6, each of whom worked 6 days a week. If these 6 workers themselves possessed the machinery, then each of them would thereafter work only half a day. Now, instead, 3 continue to work a whole day every day of the week. If capital were to continue to employ the 6, then each of them would work only half a day, but perform no surplus labour. Suppose that necessary labour amounted to 10 hours previously, the surplus labour to 2 hours per day, then the total surplus labour of the 6 workers was 2 × 6 daily, equal to a whole day, and was equal to 6 days a week = 72 hours. Each one worked one day a week for nothing. Or it would be the same as if the sixth worker had worked the whole week long for nothing. The 5 workers represent necessary labour, and if they could be reduced to 4, and if the one worker worked for nothing as before – then the relative surplus value would have grown. Its relation previously was = 1:6, and would now be 1:5. *The previous law, of an increase in the number of hours of surplus labour, thus now obtains the form of a reduction in the number of necessary workers.* If it were possible for this same capital to employ the 6 workers at this new rate, then the surplus value would have increased not only relatively, but absolutely as well. Surplus labour time would amount to 14 2/5 hours. 2 2/5 hours [each] performed by 6 workers is of course more than 2 2/5 performed by 5.

If we look at absolute surplus value, it appears determined by the absolute lengthening of the working day above and beyond necessary labour time. Necessary labour time works for mere use value, for subsistence. Surplus labour time is work for exchange value, for wealth. It is the first moment of industrial labour. The natural limit is posited – presupposing that the conditions of labour are on hand, raw material and instrument of labour, or one of them, depending on whether the work is merely extractive or formative, whether it merely isolates the use value from nature or whether it shapes it – the natural limit is posited by the number of simultaneous work days or of living labour capacities, i.e. by the labouring population. At this stage the difference between the production of capital and earlier stages of production is still merely formal. With kidnapping, slavery, the slave trade and forced labour, the increase of these labouring machines, machines producing surplus product, is posited directly by force; with capital, it is mediated through exchange.

Use values grow here in the same simple relation as exchange values, and for that reason this form of surplus labour appears in the slave and serf modes of production etc., where use value is the chief and predominant concern, as well as in the mode of production of capital, which is oriented directly towards exchange value, and only indirectly towards use value. This use value may be purely imaginary, as e.g. with the Egyptian pyramids, in short, with the works of religious ostentation which the mass of the nation in Egypt, India etc. was forced [to undertake]; or may be directed at immediate utility as e.g. with the ancient Etruscans.

In the second form of surplus value, however, as relative surplus value, which appears as the development of the workers' productive power, *as the reduction of necessary labour time relative to the working day,* and *as the reduction of the necessary labouring population* relative to the population (this is the antithetical form), in this form there directly appears the industrial and the distinguishing historic character of the mode of production founded on capital.

The forcible transformation of the greater part of the population into wage labourers, and the discipline which transforms their existence into that of mere labourers, correspond to the first form. Throughout a period of 150 years, e.g. from Henry VII on, the annals of English legislation contain the bloody handwriting of coercive measures employed to transform the mass of the population, after they had become propertyless and free, into free wage labourers. The dissolution of the monastic orders, the confiscation of church lands, the abolition of the guilds and confiscation of their property, the forcible ejection of the population from the land through the transformation of tillage into pasture, enclosures of commons etc., had posited the labourers as mere labour capacities. But they now of course preferred vagabondage, beggary etc. to wage labour, and had still to be accustomed forcibly to the latter. This is repeated in a similar fashion with the introduction of large industry, of factories operating with machines. Cf. Owen. [34]

Only at a certain stage of the development of capital does *the exchange of capital and labour become in fact formally free.* One can say that wage labour is completely realized in form in England only at the end of the eighteenth century, with the repeal of the law of apprenticeship.

The tendency of capital is, of course, to link up absolute with relative surplus value; hence *greatest stretching of the working day with greatest number of simultaneous working days, together with reduction of necessary labour time to the minimum, on one side, and of the number of necessary workers to the minimum, on the other.* This contradictory requirement, whose development will show itself in different forms as overproduction, over-population etc., asserts itself in the form of a process in which the contradictory aspects follow closely upon each other in time. A necessary consequence of them is the *greatest possible diversification of the use value of labour – or of the branches of production*—so that the production of capital constantly and necessarily creates, on one side, the *development of the intensity of the productive power of labour,* on the other side, the *unlimited diversity of the branches of labour,* i.e. thus the most universal wealth, in form and content, of production, bringing all sides of nature under its domination.

Capital pays nothing for the increase of the productive force arising by itself, in large-scale production, from division and combination of labour, from savings on certain expenses – conditions for the labour process – which *remain the same or diminish when labour is done in common, such as heating* etc., *industrial buildings* etc.; it obtains this increased productive power of labour free of charge. If the force of production increased simultaneously in the production of the different conditions of production, raw material, means of production and means of subsistence, and in the [branches of production] determined [by them], then their growth would bring about no change in the relation between the different component parts of the capital. If e.g. the productive force of labour grows simultaneously in the production of flax and of looms and of weaving itself (by division of labour), then a greater quantity of raw material etc. would correspond to the greater quantity woven in a day. In extractive work, e.g. the mining industry, it is not necessary for raw materials to increase when labour becomes more productive, since no raw material is used. To make harvests more productive, it is not even necessary for the number of instruments to have grown, but rather merely for them to be *concentrated* and for the work, *previously done fragmentarily by hundreds,* to be done *communally.* However, what is required for all forms of surplus labour is *growth of population;* of the labouring population for the first form; of population generally for the second, since it requires the development of science etc. Population, however, appears here as the basic source of wealth.

Relation between the objective conditions of production. Change in the proportion of the component parts of capital

But as we regard capital originally, raw material and instrument appear to come out of circulation, not to be produced by capital itself; just as, in reality, the individual capital obtains the condition of its production from circulation, although they are in turn produced by capital, but by another capital. From this follows, on one side, capital’s necessary tendency to subjugate production to itself on all sides; its tendency to posit the production of labour materials and of raw materials, as well as instruments, as likewise produced by capital, even if it is a different capital; the propagandistic tendency of capital. Secondly, however, it is clear that if *the objective conditions of production which it obtains from circulation remain unchanged in value,* i.e. if the same amount of labour objectifies itself in the same amount of use value, then a lesser part of the capital can be laid out for living labour, or, there is a *change in the proportion of the component parts of capital.* If the capital amounts to e.g. 100, raw material 2/5, the instrument 1/5, labour 2/5, and if, owing to a doubling of the productive force (division of labour), the same labour using the same instrument could work up double the raw material, then the capital would have to grow by 40; hence a capital of 140 would have to work; of which 80 in raw material, 20 in instrument, 40 for labour. Labour would now relate 40:140 (previously = 40:100); labour previously related as 4:10; now only as 4:14. Or, of the same capital of 100, now 3/5 would go for raw material, 1/5 for the instrument, and 1/5 for labour. The gain would be 20, as before. But surplus labour would be 60%, whereas it was 50 earlier. It now only takes 20 in labour for 60 in raw material and 20 in instrument. 80/20/100. A capital of 80 gives the capitalist a profit of 20. Now if the capital were to employ all the labour at this stage of production, it would have to grow to 160; namely 80 for raw material, instrument 40, and 40 for labour. This would give a surplus value of 40. At the earlier stage, where the capital of 100 gives a surplus value of only 20, a capital of 160 would give a surplus value of only 32, i.e. 8 less, and the capital would have to grow to 200 in order to produce the same surplus value of 40.

The following distinctions must be drawn: (1) Labour, increasing (or *intensity, speed of labour*), requires no greater advance in material or instrument of labour. E.g. the same 100 workers with instruments of the same value catch more fish, or till the soil better, or draw more ores from the mines or coal from the pits, or beat more leaf from the same amount of gold as a result of greater skill, better combination and division of labour etc., or waste less raw material, hence get further with the same value of raw materials. In this case then, if we assume either that their products enter into their own consumption, then their necessary labour time diminishes; they perform a greater amount of work at the same maintenance costs. Or, a smaller part of their labour is necessary for the reproduction of labour capacity. The necessary part of labour time diminishes relative to surplus labour time, and, although the value of the product remains the same 100 working days, the part going to capital, the surplus value, increases. If the total surplus worker was = 1/10, i.e. = 10 working days, and if it is now 1/5, then surplus labour time has grown by 10 days. The workers work 80 days for themselves and 20 for the capitalists, whereas in the first case 90 for themselves and only 10 for the capitalist. (This calculation by working days, and labour time as the only substance of value, shows itself in this open way where relations of bondage exist. With capital, covered up by money.) Of the newly created value, a greater portion accrues to capital. But the relations between the various component parts of the invariable capital remain the same, on this presupposition. That is, although the capitalist employs a greater mass of surplus labour, because he pays less wages, he does not employ more capital in raw materials and instruments. He gives a smaller part of objectified labour in exchange for the same amount of living labour, or the same amount of objectified for a greater amount of living labour. This possible only in extractive industry; in manufacturing, only in so far as there is greater economy in use of raw materials; further, where chemical processes increase the material, in agriculture; in the transporting industry.

(2) Productivity increases at the same time not only in the given branch of

production, but also in its conditions; in the case, namely, where raw material or instrument or both must be increased along with an increase in the intensity of labour, the increase of the number of products produced by labour in the same time. (The raw material need not cost anything, e.g. reeds for basket-making; free wood etc.) In this case the relation of capital remains the same. That is, with the growing productivity of labour the capital need not lay out a greater value in raw material and instruments.

(3) The increased productivity of labour requires a greater outlay of capital for raw material and instrument. If an unchanged number of workers has become more productive merely through division of labour etc., then the instrument remains the same; the raw material alone must grow; since the same labour time processes a greater amount of it in the same time; and, according to the presupposition, the productivity arose only from greater skill on the part of the workers, division and combination of labour etc. In this case the part of the capital exchanged for living labour not only diminishes (it remains the same if absolute labour time alone increases; decreases, if relative time grows) relative to the other component parts of capital, which remain the same, by an amount equal to its own decline, but likewise by an amount equal to their growth.

If it was

	Raw Material:	*Instrument:*	*Labour:*	*Surplus:*
Working days:	180	90	80	10
	411 3/7	90	70	20

in the first case: so that out of 90 working days, 10 are surplus working days; surplus labour 12 1/2%. In the second case, the relation of the raw material rose in the same proportion as the relation of surplus labour rose, compared to the first case.

While the growth of the surplus value in all cases presupposes growth of the population, in this case [it presupposes] additionally accumulation, or a greater capital entering into production. (This ultimately comes down to a larger population of workers occupied in the production of raw material.) In the first case the total part of the capital employed for labour forms 1/4 of the total capital, and relates to the constant part of the capital as = 1:3; in the second case capital employed for labour forms less than 1/6 of the total capital, and the total part of the capital employed for labour relates as less than 1:5 to the constant part of the capital. Hence, although *the increase of productive power resting on division and combination of labour rests on absolute increase of the labour power employed, it is necessarily linked with a decrease of the latter, relative to the capital which sets it in motion.* And while, in the first form, the form of *absolute surplus labour, the mass of labour employed must grow in the same relation as the capital employed,* in the *second case it grows in a lesser relation,* and, more precisely, *in inverse relation to the growth of the force of production.*

If the productivity of the soil doubled owing to employment of the latter method of agricultural labour, if the same amount of labour yielded 1 quarter of wheat instead of 1/2, then necessary labour would fall by 1/2, and capital could employ twice the number for the same wages. (This, if expressed in grain only.) But the capitalist would not need additional workers to work his land. Hence he will employ the same labour with half the previous wages; a part of his capital, the part earlier laid out in money, becomes free; the labour time employed has remained the same relative to the capital employed, but its surplus part has risen relative to the necessary part. If the relation of necessary labour to the total working day was = 3/4 of the working day or 9 hours, before, then it will now be equal to 3/8 or = 4 1/2 hours. In the first case the surplus value was 3 hours; in the second = 7 1/2.

The course of the process is this: With a given population of workers and length of the working day, i.e. length of the working day multiplied by the number of simultaneous working days, surplus labour can be increased only relatively, by means of greater productive power of labour, the possibility of which is already posited in the presupposed growth of the population and [its] training for labour (including thereby also a certain amount of free time for non-labouring, not directly labouring population, hence development of mental capacities etc.; mental appropriation of nature). Given a certain stage of the development of the productive forces, surplus labour can be absolutely increased only through transformation of a greater part of the population into workers, and increase of the number of simultaneous working days. The first process is *decrease of the relative working population, although it remains the same in absolute terms;* the second is *its increase.* Both tendencies necessary tendencies of capital. The unity of these contradictory tendencies, hence the living contradiction, only with machinery, which we will discuss in a moment. The first form obviously allows only a *small non-labouring population relative to the labouring one.* The second, since the quota of living labour required in it increases more slowly than the quota of capital employed, allows *a larger non-labouring population relative to the labouring one.*

During the formative stages of capital, where it obtains raw material and instrument, the conditions of the product, from circulation, it relates to these component parts and to their relations as given presuppositions. Although this appearance vanishes on closer examination, since all these moments appear as equally the products of capital, and since it would otherwise not have conquered the total conditions of its production, they nevertheless remain always in the same relation for the individual capital. Hence, one part of it can always be regarded as constant value, and only the part laid out in labour varies. These component parts do not develop evenly, but, as will be seen in competition, [it is] the tendency of capital to distribute the force of production evenly.

Since the growing productivity of labour would lead capital to encounter a barrier in the not-growing mass of raw material and machinery, industrial development takes the following course: the introduction of labour on a large scale, as well as the employment of machinery, begins in the branches which are closest to being production of raw materials for industry, raw material both for the material of labour and [for the] instrument, where the material of labour most closely approaches mere raw material. Thus, in spinning before in weaving, in weaving before printing etc. First of all in the production of metals, which are the chief raw material for the instruments of labour themselves. If the actual raw product which makes up the raw material for industry at the lowest stage cannot itself be rapidly increased – then refuge is sought in more rapidly increasable substitutes. (*Cotton* for linen, wool and silk.) The same happens for the necessaries of life in the substitution of potatoes for grain. The higher productivity in the latter case through production of a worse article containing fewer nourishing substances and hence cheaper organic conditions of the worker’s reproduction. The latter belongs in the examination of wages. In the discussion of the minimum wage, not to forget Rumford. [35]

Now we come to the third case of relative surplus labour as it presents itself in the employment of machinery.

<It has become apparent in the course of our presentation that value, which appeared as an abstraction, is possible only as such an abstraction, as soon as money is posited; this circulation of money in turn leads to capital, hence can be fully developed only on the foundation of capital, just as, generally, only on this foundation can circulation seize hold of all moments of production. This development, therefore, not only makes visible the historic character of forms, such as capital, which belong to a specific epoch of history; but also, [in its course] categories such as value, which appear as purely abstract, show the historic foundation from which they are abstracted, and on whose basis alone they can appear, therefore, in this abstraction; and categories which belong more or less to all epochs, such as e.g. money, show the historic modifications which they undergo. The economic concept of value does not occur in antiquity. Value distinguished only juridically from *pretium,* against fraud etc. The concept of value is entirely peculiar to the most modern economy, since it is the most abstract expression of capital itself and of the production resting on it. In the concept of value, its secret betrayed.>

What distinguishes surplus labour founded on machinery is the reduction of necessary labour time, which takes the form that fewer simultaneous working days are employed, fewer workers. The second moment, that the increase in productive power must be paid for by capital itself, is not free of charge. The means by which this increase in the force of production is set to work is itself objectified direct labour time, value, and, in order to lay hands upon it, capital must exchange a part of its value for it. It is easy to develop the introduction of machinery out of competition and out of the law of the reduction of production costs which is triggered [36] by competition. We are concerned here with developing it out of the relation of capital to living labour, without reference to other capitals.

If a capitalist annually employed 100 workers at spinning cotton, which annually cost him £2,400, and if he replaced 50 workers with a machine costing

£1,200, but in such a way that the machine would likewise be worn out within the year and have to be replaced again at the beginning of the second year, then he would obviously have gained nothing; nor could he sell his product more cheaply. The remaining 50 workers would do the same work as 100 did earlier; each individual worker's surplus labour would have increased in the same relation as their number had diminished, hence would have remained the same. If previously it was = 200 hours of work daily, i.e. 2 hours for each of the 100 working days, then it would now likewise be = 200 hours of work, i.e. = 4 for each of the 50 working days. Relative to the worker, his surplus time would have increased; for capital the matter would be unchanged, since it would now have to exchange 50 working days (necessary and surplus time together) for the machine. The 50 days of objectified labour which it exchanged for machinery would only give him an equivalent, hence no surplus time, as if it had exchanged 50 days of objectified labour for 50 living ones. This would be replaced, however, by the surplus labour time of the remaining 50 workers. If the form of exchange is stripped off, the matter would be the same as if the capitalist employed 50 workers whose entire working day were necessary labour only, and 50 additional ones whose working day made good this 'loss'. But posit now that the machine cost only £960, i.e. only 40 working days, and that the remaining workers produce 4 hours of surplus labour time each, as before, i.e. 200 hours or 16 days, 4 hours (16 1/3 days), then the capitalist would have saved £240 on outlays. While he gained only 16 days 4 hours with his previous outlay of 2,400, he would now likewise gain 200 hours of work on an outlay of 960. 200 is to 2,400 as 1:12; while 200:2,160 = 20:216 = 1:10 4/5. Expressed in days of work, in the first case he would gain 16 days 4 hours per 100 working days, in the second, the same amount on 90; in the first, on 1,200 hours of work daily, 200; in the second, on 1,080. 200:1,200 = 1:6, 200:1,080 = 1:5 2/3. In the first case the individual worker's surplus time = 1/6 working day = 2 hours. In the second case = 2 6/27 hours per worker. Furthermore, with the employment of machinery, the part of the capital which was previously employed in instruments must be deducted from the additional cost caused by the machinery.

Money and fixed capital: *presupposes certain amount of wealth.*

(Economist.) – *Relation of fixed capital and circulating capital. Cotton-spinner* (Economist)

<The money circulating in a country is a *certain portion of the capital* of the country, absolutely withdrawn from productive purposes, in order to facilitate *or increase the productiveness of the remainder.* A certain amount of wealth is, therefore, as necessary, in order to adopt gold as a circulating medium, *as it is to make a machine, in order to facilitate any other production.' (Economist,* Vol. V, p. 520.)> <'What is the practice? A manufacturer obtains £500 from his banker on Saturday, for wages; he distributes these among his workers. On the same day the majority of money is brought to the shopkeepers, and through them returned to their various bankers.' (loc. cit. p. 575.)>

<'A cotton spinner, with a capital of £100,000, who laid out £95,000 for his mill and machinery, would soon find he wanted means to buy cotton and pay wages. His trade would be hampered and his finances deranged. And yet men expect that a nation, which has recklessly sunk the bulk of its available means in railways, should nevertheless be able to conduct the infinite operations of manufacture and commerce.' (loc. cit. p. 1271.)>

Slavery and wage labour (Steuart). – Profit upon alienation. *Steuart*

'Money ... *an adequate equivalent for any thing alienable.'* (J. Steuart.) (p. 13) (Vol. I, p. 32, ed. Dublin, 1770.)

<'In the old times to make mankind labour beyond their wants, to make one part of a state work, to maintain the other gratuitously, to be brought about only through slavery ... If mankind be not forced to labour, they will only labour for themselves; and if they have few wants, there will be few [who] labour. But when states come to be formed and have occasion for idle hands to defend them against the violence of their enemies, food at any rate must be procured for those who do not labour; and as, by the supposition, the wants of the labourers are small, a method must be found to increase their labour above the proportion of their wants. For this purpose slavery was calculated ... Here then was a violent method of making men laborious in raising food; ... men were then

forced to labour because they were slaves of others; men are now forced to labour because they are slaves to their own wants.’ (Steuart, Vol. I, p. 38–40.) ‘It is the *infinite variety of wants,* and of the *kinds of commodities* necessary to their gratification, which alone renders the passion for wealth indefinite and insatiable.’ (Wakefield *on* A. Smith, p. 64 note.)> [37]

‘Machines I consider as a method of augmenting (virtually) the number of industrious, without the expense of feeding an additional number.’ (Steuart, Vol. I, p. 123.) ‘When manufacturers get together in bodies, they depend not directly upon *consumers,* but upon *merchants.’* (Steuart, Vol. I, p. 154.) ‘The abusive agriculture is no *trade,* because it applies no *alienation,* but is purely a method of subsisting.’ (loc. cit. p. 156.) *‘Trade* is an operation, by which the wealth, or work, either of individuals, or of societies, may be exchanged, by a set of men called *merchants,* for an equivalent, proper for supplying every want, without any interruption to industry, or any check upon consumption.’ (Steuart, I, p. 166.) ‘While wants continue simple and few, a workman finds time enough to distribute all his work; when wants become more multiplied, men must work harder: *time becomes precious;* hence trade is introduced. The merchant as mediator between the workman and consumer.’ (loc. cit. p. 171.) ‘Money the *common* price of all things.’ (loc. cit. p. 177.) ‘Money represented by the merchant. To the consumers, the merchant represents the totality of manufacturers, towards the latter, the totality of consumers, and to both classes his credit supplies the use of money. He represents wants, manufacturers and money by turns.’ (loc. cit. p. 177, 178.) (Steuart, see Vol. I, p. 181–3, regards profit as distinct from *real value,* which he defines very confusedly (has production costs in mind) as the amount of objectified labour (what a workman can perform in a day etc.), necessary expense of the workmen, price of the raw material, as *profit upon alienation* fluctuating with demand.) (With Steuart the categories still vary greatly; they have not yet become fixed, as with A. Smith. We just saw that *real value* identical with production costs, in which, besides the labour of the workmen and the value of the material, wages, also, confusingly, figure as a separate component part. At another point he takes the *intrinsic value* of a commodity to mean the value of its raw material or the raw material itself, while, by *useful value,* he understands the labour time employed on it. ‘The first is something real in itself; e.g. the silver in a silver

lattice-work. The *intrinsic worth* of a silk, woollen or linen manufacture is less than the primitive value employed, because it is rendered almost unserviceable for any other use but that for which the manufacture is intended; the *useful value by contrast must be estimated according to the labour it has cost to produce it. The labour employed in the modification represents a portion of a man's time,* which having been usefully employed, *has given a form to some substance* which has rendered it useful, ornamental, or in short, fit for man, mediately or immediately.' (p. 361, 362, Vol. I loc. cit.) (The real use value is the form given to the substance. But this form itself is only static labour.) 'When we suppose a common standard on the price of any thing, we must suppose the alienation of it to be frequent and familiar. In countries where simplicity reigns, ... it is hardly possible to determine any standard for the price of articles of first necessity ... in such states of society the articles of food and necessaries are hardly found in commerce: no person purchases them; because the principal occupation of everybody is to procure them for himself ... Sale alone can determine prices, and frequent sale can only fix a standard. Now the frequent sale of articles of the first necessity marks a distribution of inhabitants in labourers and free hands' etc. (Vol. I, p. 395 seq. loc. cit.) (The doctrine of the determination of prices by the mass of the circulating medium first advanced by Locke, repeated in the *Spectator,* 19 October 1711, developed and elegantly formulated by Hume and Montesquieu, its basis raised to its formal peak by Ricardo, and with all its absurdities in practical application to the banking system, by Loyd, Colonel Torrens etc.). Steuart polemicizes against it, and his development materially anticipates more or less everything later advanced by Bosanquet, Tooke, Wilson. (Notebook, p. 26.) [38] (He says among other things as historic illustration: 'It is a fact that at the time when Greece and Rome abounded in wealth, when every rarity and the work of choicest artists was carried to an excessive price, an ox was bought for a mere trifle and grain was cheaper perhaps than ever it was in Scotland ... The demand is proportioned, not to the number of those who consume, but of those who buy; now those who consume are all the inhabitants, but those who buy are only the few industrious who are free ... In Greece and Rome, slavery: Those who were fed by the labour of their own slaves, the slaves of the state, or by grain distributed free of charge among the people, had no occasion to go to the market: they did not enter into competition with the buyers … The few manufacturers then known made wants in general less extensive; consequently, the number of the industrious free was small, and *they* were the only persons who *could* have occasion to purchase food and necessaries: consequently, the competition of the buyers must have been small in proportion, and price low; further the markets were supplied partly from the surplus produced on the lands of the great men, laboured by slaves; who being fed from the lands, the surplus cost in a manner nothing to the proprietors; and since the number of those who had occasion to buy, very small, this surplus was sold cheap. Also, the grain distributed to the people free of charge must necessarily have held the market down, etc. By contrast, for a fine mullet or an artist, etc. great competition and hence prices rising extraordinarily. The luxury of those times, though excessive, was confined to a few, and as money, in general, circulated but slowly through the hands of the multitude, it was constantly stagnating in those of the rich who found no measure, but their own caprice, in regulating the prices of what they wished to possess.') (26, 27, Notebook. Steuart.) [39] '*Money of account* is nothing but an arbitrary scale of equal parts, invented for measuring the respective value of things vendible. Money of account quite different from *money-coin,* which is price, and could exist, even if there were no substance in the world which was the proportional equivalent for all commodities.' (Vol. II, p. 102.) 'Money of account does the same service for value as things like minutes, seconds etc. do for angles, or scales for geographical maps etc. In all these inventions some denomination is always taken for the unit.' (loc. cit.) 'The usefulness of all those inventions being solely confined to the marking of *proportion.* Just so, the unit in money can have no invariable determinate proportion to any part of value, i.e. it cannot be fixed to any particular quantity of gold, silver or any other commodity whatsoever. The unit once fixed, we can, by multiplying it, ascend to the greatest value' etc. (p. 103.) 'So money a scale for measuring value.' (p. 102.) 'The value of commodities, therefore, depending upon a general combination of circumstances relative to themselves and to the fancies of men, their value ought to be considered as changing only with respect to one another; consequently, any thing which troubles or perplexes the ascertaining those *changes of proportion by the means of a general, determinate and* *invariable scale,* must be hurtful to trade and a clog upon alienation.' (loc. cit.) 'It is absolutely necessary to distinguish between *price* (i.e. coin) considered as a measure and *price* considered as an equivalent for value. The metals do not perform both functions equally well ... *Money is an ideal scale of equal parts.* If it be demanded what ought to be the standard of value of one part? I answer by putting another question: What is the standard length of a degree, a minute, a second? It has none – but so soon as one part becomes determined, by the nature of a scale, all the rest must follow in proportion.' (p. 105.) 'Examples of this ideal money are the bank money of Amsterdam and the Angola money on the African coast. – The bank money stands invariable like a rock in the sea. According to this ideal standard are the prices of all things regulated.' (p. 106, 107 seq.)

In Custodi's anthology of the Italian economists, *Parte Antica, Tomo III:* Montanari (Geminiano), *Della moneta,* written about 1683, [40] says of the 'invention' of money: 'Intercourse between nations spans the whole globe to such an extent that one may almost say all the world is but a single city in which a permanent fair comprising all commodities is held, so that by means of money all the things produced by the land, the animals and human industry can be acquired and enjoyed by any person in his own home. A wonderful invention!' (p. 40.) 'But, since it is another peculiarity of measures that they enter into such a relation with the things measured that in a certain manner the thing measured becomes the measure of the measuring unit, it follows that, just as motion is the measure of time, time may be the measure of the motion itself; hence it occurs that not only are the coins measures of our wants, but also our wants are, reciprocally, the measure of the coins themselves and of value.' (p. 41, 42.) 'It is quite clear that the greater the number of coins circulating in commerce within the confines of a given district, in proportion to the marketable goods there are in that place, the more expensive will they be. Can a thing be said to be expensive because it is worth a large quantity of gold in countries where gold is abundant? Should not the gold itself, which is estimated as of the same quantity as another thing which comes to be considered elsewhere as cheap, be rather described as cheap in that case?' (p. 48.)

'100 years earlier the chief feature in the commercial policy of nations was the *amassing* of gold and silver, as a kind of wealth par excellence.' (p. 67.)

(Gouge, Wm. *A Short History of Paper Money and Banking in the United States. Philadelphia,* 1833.) *(Barter in United States (see* Gouge Notebook VIII, p. 81 seq.): ‘In Pennsylvania as in the other colonies, significant traffic was carried on by barter … as late as 1723 in Maryland, an act was passed making tobacco a legal tender at one penny a pound, and Indian corn at 20d. a bushel.’ (p. 5.) (Part II.) Soon however, ‘their trade with the West-Indies and a clandestine commerce with the Spanish made silver so plentiful, that in 1652 a mint was established in New England for coining shillings, sixpences and threepenny pieces.’ (p. 5.) (loc. cit.) ‘Virginia in 1645 forbade dealings by barter, and established the Spanish piece of 8 to 6s. as the standard currency of the colony (the Spanish dollar) … The other colonies affixed different denominations to the dollar … The money in account was everywhere nominally the same as in England. The coin of the realm was especially Spanish and Portuguese’ etc. cf. p. 81 Notebook VIII). (p. 6. By an act of Queen Anne an attempt was made to put an end to this confusion.)

Wool industry in England since Elizabeth* (Tuckett). – *Silk-manufacture (Same). Ditto Iron. Cotton

Tuckett: *A History of the Past and Present State of the Labouring Population* etc., 2 vols., London, 1846.

‘Wool manufactures: During Elizabeth’s time the *clothier* occupied the place of the *mill-owner or manufacturer;* he was the capitalist who brought the wool, and delivered it to the weaver, in portions of about 12 pounds, to be made into cloth. At the beginning, manufacture was *confined to cities* and *corporate and market-towns,* the inhabitants of the villages making little more than [sufficed] for the use of their families. Later, in non-corporate towns favoured by local advantages, and also in country places by farmers, graziers and husbandmen, who commenced making cloth for sale, as well as for domestic use.’ (The cruder sorts.) ‘In 1551 a statute was passed, restricting the number of looms and apprentices which might be held by clothiers and weavers residing out of cities; and that no country weaver should have a tucking mill, nor any tucker a loom. By a law of the same year, all weavers of broad cloth had to undergo an apprenticeship of 7 years. Nevertheless, *village manufacture,*

as an *object of mercantile profit,* took firm root. 5 and 6 *Edward VI,* c. 22, a statute, prohibits the use of *machinery* … The Flemish and Dutch thus maintained superiority in this manufacture until the end of the seventeenth century … In 1668 the Dutch loom was introduced from Holland.' (p. 138–41.) *'Owing to the introduction of machinery, in 1800 one person could do as much work as 45 in the year 1785.* In the year 1800 the capital invested in mills, machinery etc. appropriate for the woollen trade was not less than *6 million pounds sterling and the total number of persons of all ages occupied in England in this branch was 1,500,000.'* (p. 142–3.) Thus the productive power of labour grew 4,600%. But, firstly, this number only about 1/6 of the fixed capital alone; relative to the total capital (raw material etc.) perhaps only 1/20. 'Hardly any manufacture had such an advantage from the improvements in science as the art of dyeing cloth through the application of the *laws of chemistry.'* (loc. cit. p. 144.)

Silk manufacture. Until the beginning of the eighteenth century, 'the art of *silk throwing* most successful in Italy, where machinery of a particular description adopted to this purpose. In 1715 John Lombe, one of three brothers who had a business as throwers and silk-merchants, travelled to Italy and was able to obtain a model in one of the mills … A silk mill, with the improved machinery, erected in 1719 in Derby by Lombe and his brothers. This mill contained 26,586 wheels, all turned by one water wheel … Parliament gave him £14,000 for throwing open the secret to the trade. This mill came nearer to the idea of a modern factory than any previous establishment of the kind. The machine had 97,746 wheels, movements, and individual parts working day and night, all of which were moved by one large water wheel and were governed by one regulator: and it employed 300 persons to attend and supply it with work.' (133–4.) (No spirit of invention showed itself in the English silk trade; first introduced by the weavers of Antwerp, who fled after the sacking of the town by the Duke of Parma; then different branches by the French refugees 1685–92.)

In 1740, 1,700 tons of iron were produced by 59 high furnaces; 1827: 690,000 by 284. Furnaces thus increased = 1:4 48/49; less than quintupled; the tons = 1:405 15/17. (Comp. on the relation over a series of years loc. cit. Notebook p. 12.) [41]

Glass manufacturing, among other things, best shows how dependent [is] the progress of science on manufactures. On the other side e.g. the invention of quadrants arose from the needs of navigation, parliament offered a prize for inventions.

8 cotton machines, which cost £5,000 in 1825, were sold in 1833 for £300. (On cotton spinning, see loc. cit. p. 13, Notebook.) [42]

'A first rate cotton spinning factory cannot be built, filled with machinery, and fitted with gas work and steam engine, under £100,000. A steam engine of one hundred horse power will turn 50,000 spindles, which will produce 62,500 miles of fine cotton-thread per day. In such a factory, 1,000 persons will spin as much thread as 250,000 persons could without machinery. McCulloch estimates the number in Britain at 130,000.' (p. 218, loc. cit.)

Origin of free wage labour. *Vagabondage.* Tuckett

'Where there are no regular roads, there can hardly be said to be a community; the people could have nothing in common.' (p. 270. Tuckett loc. cit.)

'Of the produce of the earth, useful to men, 99/100 are the produce of men.' (loc. cit. p. 348.)

'When slavery or life-apprenticeship was abolished, the labourer became his own master and was left to his own resources. But if without sufficient employment etc., men will not starve whilst they can beg or steal; consequently the first character the poor assumed was that of thieves and mendicants.' (p. 637 note, Vol. II, loc. cit.) 'One remarkable distinction of the present state of society, since Elizabeth, is that her poor law was especially a law for the enforcement of industry, intended to meet the mass of vagrancy that grew out of the suppression of the monasteries and the transition from slavery to free labour. As example, the 5th act of Elizabeth, directing households using half a plough of land in tillage, to require any person they might find unemployed, to become their apprentice in husbandry, or in any art or mystery; and, if unwilling, to bring him before a justice, who was almost compelled to commit him to ward until he consented to be bound. Under Elizabeth, out of every 100 people, 85 were required for the production of food. At present, not a lack of industry, but a profitable employment ... *The great difficulty then was* to overcome the propensity of idleness and vagabondage, not to procure them remunerative occupation. During this reign there were several acts of the legislature to enforce the idle to labour.’ (p. 643, 644. Vol. II, loc. cit.)

‘Fixed capital, when once formed, ceases to affect the demand for labour, but during its formation it gives employment to just as many hands as an equal amount would employ, either of circulating capital, or of revenue.’ (p. 56. John Barton, *Observations on the Circumstances which Influence the Condition of the Labouring Classes of Society,* London, 1817.)

Blake *on accumulation and rate of profit. (Shows that prices etc. not indifferent because a class of mere consumers does not at the same time consume and reproduce.) – Dormant capital*

‘The community consists *of two classes of persons,* one, which consumes and reproduces, the other, which consumes without reproduction. If the entire society consisted of producers, then of little consequence at what price they exchanged their commodities among one another; but those who are only consumers form too numerous a class to be overlooked. Their power of demanding arises from seats, mortgages, annuities, professions and services of various descriptions rendered to the community. The higher the price at which the class of consumers can be made to buy, the greater will be the profit of the producers upon the mass of commodities which they sell to them. Among these purely consuming classes, the government takes up the most prominent station.’ (W. Blake, *Observations on the Effects Produced by the Expenditure of Government during the Restriction of Cash Payments,* London, 1823, p. 42, 43.) In order to show that the capital lent to the state is not necessarily such as was previously employed productively – and we are concerned here only with the admission that a part of capital is always dormant – Blake says: ‘The error lies in the supposition (1) that the whole capital of the country is fully employed; (2) *that there is immediate employment for successive accumulations of capital as it accrues from saving.* I believe there are at all times some portions of capital devoted to undertakings that yield very slow returns and slender profits, and some portions lying wholly dormant in the form of goods, for which there is no sufficient demand … Now, if these dormant portions and savings could be transferred into the hands of government in exchange for its annuities, they would become sources of new demand, without encroaching upon existing capital.' (p. 54, 55 loc. cit.) '*Whatever amount of produce is withdrawn from market by the demand of the saving capitalist, is poured back again, with addition, in the goods that he reproduces.* The government, by contrast, takes it away from consumption without reproduction ... Where savings are made from revenue, it is clear that the person entitled to enjoy the portion saved is satisfied without consuming it. It proves that the industry of the country is capable of raising more produce than the wants of the community require. If the quantity saved is employed as capital in reproducing a value equivalent to itself, together with a profit, this new creation, when added to the general fund, can be drawn out by that person alone who made the savings, i.e. by the very person who has already shown his disinclination to consume ... If everyone consumes what he has a right to consume, there must of necessity be a market. Whoever saves from his revenues, foregoes this right, and his share remains undisposed of. Should this spirit of economy be general, the market is necessarily overstocked, and it must depend on the degree, to which this surplus accumulates, whether it can find new employments as capital.' (56, 57.) (Cf. this work generally in the section on *accumulation.)* (Cf. Notebook p. 68 and p. 70, where it is shown that the rate of profits and wages rose owing to *prices,* caused by war demand, without any respect 'to the quantity of land taken last into cultivation'.) 'During the revolutionary war the market rate of interest rose to 7, 8, 9 and even 10%, although during the whole time lands of the lowest quality were cultivated.' (loc. cit. p. 64–6.) 'The rise of interest to 6, 8, 10 and even 12% proves the rise of profit. The depreciation of money, supposing it to exist, could not change the relation of capital and interest. If £200 are worth only £100; £10 interest worth only £5, whatever affected the value of the principal would equally affect the value of profits. It could not alter the relation between the two.' (p. 73.) 'Ricardo's reasoning, that the price of wages cannot make the prices of commodities rise, does not apply to a society *where a large class are not producers.'* (loc. cit.) 'More than the just share is obtained by the producers at the expense of that portion, which of right belongs to the class who are only consumers.' (74.) This of course important, since capital exchanges not only for capital, but also for revenue, and each capital can itself be eaten up as revenue.

Still, this does not affect the determination of profit in general. Under the various forms of profit, interest, rent, pensions, taxes etc., it may be distributed (like a part of wages even) under different titles among different classes of the population. They can never divide up among them more than the total surplus value of the total surplus product. The ratio in which they distribute it is of course economically important; [but] does not affect the question before us.

‘If the circulation of commodities of 400 million required a currency of 40 million, and this proportion of 1/10 were the due level, then, if the value of the commodities to be circulated grows to 450 million, from natural causes, the currency, in order to continue at its level, would have to grow to 45 million, or the 40 million must be made to circulate with such increased rapidity, by banking or other improvements, as to perform the functions of 45 million ... such an augmentation, or such rapidity, the consequence and not the cause of the increase of prices.’ (W. Blake. loc. cit., p. 80 seq. cf. Notebook p. 70.)

‘The upper and middle class of Rome gained great wealth by Asiatic conquest, but not being created by commerce or manufactures, it resembled that obtained by Spain from her American colonies.’ (p. 66 Vol. I, Mackinnon, *History of Civilisation,* London, 1846, Vol. I.)

Domestic agriculture at the beginning of the sixteenth century. **Tuckett**

‘In the fifteenth century, Harrison asserts’ (see also Eden), [43] ‘that the farmers are barely able to pay their rents without selling a cow, or a horse, or some of their produce, although they paid at the most £4 for a farm ... The farmer in these times consumed the chief part of the produce to be raised, his servants taking their seats with him at his table ... *The principal materials for clothing were not bought, but were obtained by the industry of each family. The instruments of husbandry* were so simple that many of them were made, or at least kept in repair, by the farmer himself. Every yeoman was expected to know how to make yokes or bows, and plough gear; *such work* employed their winter evenings.’ (p. 324, 325 loc. cit. Tuckett, Vol. II.)

Profit. Interest. Influence of machinery on the wage fund.

Westminster Review

Interest and Profit: 'Where an individual employs his own savings productively, the remuneration of his time and skill – *agency for superintendence (profit* further includes the risk to which his capital may have been exposed in his particular business); and the remuneration for the productive employment of his savings, *Interest.* The whole of this remuneration, *Gross Profit;* where an individual employs the savings of another, he obtains the agency only. Where one individual lends his savings to another, only the *interest* or the *net profit.' (Westminster Review,* January 1826, p. 107, 108.) Thus here interest = *net profit = remuneration for the productive employments of savings;* the actual profit the remuneration for the *agency for superintendence* during his productive employment. The same philistine says: 'Every improvement in the arts of production, that does not disturb the proportion between the portions devoted to capital and not devoted to the payment for wages, is attended with an increase of employment to the labouring classes: every fresh application of machinery and horse labour is *attended with an increase of produce and consequently of capital;* to whatever extent it may diminish the *ratio* which that part of the national capital forming the fund for the payment of wages bears to that which is otherwise employed, its tendency is not to diminish but to increase the *absolute amount of that fund* and hence to increase the quantity of employment.' (loc. cit. p. 123.)

[*Money as measure of values and yardstick of prices. Critique of theories of the standard measure of money.*]

The role of money as *measure,* as well as, secondly, the fundamental law that the mass of the circulating medium, at a definite velocity of circulation, is determined by the prices of the commodities and by the mass of commodities circulating at definite prices, or by the total price, the aggregate amount of commodities, which is itself in turn determined by two circumstances: (1) the level of the commodity price; (2) the mass of circulating commodities at definite prices; further, (3) the law that money as medium of circulation becomes coin, mere vanishing moment, mere *symbol* of the values it exchanges – all this leads to more particular aspects which we shall develop only when and in so far as they coincide with more complicated economic relations, credit circulation, exchange rate etc. It is necessary to avoid all detail, and where detail must be brought in, it is to be brought in only at the point where it loses the elementary character.

First of all, money circulation, as the most superficial (in the sense of: driven out onto the surface) and the most abstract form of the entire production process, is in itself quite without content, except in so far as its own formal distinctions, precisely the simple aspects developed in section II, make up its content. It is clear that simple money circulation, regarded in itself, is not bent back into itself, [but] consists of an infinite number of indifferent and accidentally adjacent movements. The coin, e.g., may be regarded as the point of departure of money circulation, but there is no law of any reflux back to the coin except for depreciation through wear and tear, which necessitates melting-down and new issue of coins. This concerns only the material side and does not at all form a moment of circulation itself. Within circulation itself, the point of return may be different from the point of departure; in so far as it bends back into itself, money circulation appears as the mere appearance of a circulation going on behind it and determining it, e.g. when we look at the money circulation between manufacturer, worker, shopkeeper and banker. Furthermore, the factors which affect the mass of commodities thrown into circulation, the rise and fall of prices, the velocity of circulation, the amount of simultaneous payments etc., are all circumstances which lie *outside* simple money circulation itself. They are relations which express themselves in it; it provides the names for them, as it were; but they are not to be explained by its own differentiation. Different metals serve as money, and they have a different and changing value relation to one another. Thus the question of the double standard etc. enters, which takes on world-historical forms. But it takes them on, and the double standard itself enters, only through external trade, hence, to be usefully examined, supposes the development of much higher relations than that of the simple money relation.

Money as the *measure* of value is not expressed in amounts of bullion, but rather in accounting money, arbitrary names for fractional parts of a specific amount of the money-substance. These names can be changed, the relation of the coin to its metallic substance can be changed, while the name remains the same. Hence counterfeiting, which plays a great role in the history of states. Further, the different kinds of money in various countries. This question [is of] interest only in exchange rate. [44]

Money is a *measure* only because it is labour time materialized in a specific substance, hence itself *value,* and, more particularly, because this specific materiality counts as its general objective one [*allgemeingegenständliche*], as the materiality of labour time as such, as distinct from its merely particular incarnations; hence because it is an *equivalent.* But since, in its function as *measure,* money is only an imagined point of comparison, only needs to exist ideally – only the ideal transposition of commodities into their general value-presence takes place –; since, further, in this quality as measure it figures first as accounting coin, and I say a commodity is worth so many shillings, francs etc., when I transpose it into money; this has given rise to the confused notion of an *ideal measure,* developed by Steuart and refurbished at various periods, even recently, in England, as a profound discovery. Namely in this sense, that the names, pound, shillings, guinea, dollar etc., which count as accounting units are not specific names for specific quantities of gold, silver etc., but merely arbitrary points of comparison which do not themselves express value, no definite quantity of objectified labour time. Hence the whole nonsense about fixing the price of gold and silver – price understood here as the name by which fractional parts are called. An ounce of gold now divided into £3 17s. 10d. This is called fixing the price; it is, as Locke correctly remarks, only fixing the name of fractional parts of gold and silver etc. Expressed in itself, gold, silver is naturally equal to itself. An ounce is an ounce, whether I call it £3 or £20. In short, this *ideal measure* in Steuart's sense means this: if I say commodity A is worth £12, commodity B 6, commodity C 3, then their relation to one another = 12:6:3. Prices express only the relations in which they are exchanged for one another. 2B are exchanged for 1A and 1 1/2B for 3C. Now, instead of expressing the relation of A, B, C in real money, money which itself has value, is value, could I not, instead of the £ which expresses a specific mass of gold, just as well take any name you like, without content (this means, here, *ideally*), e.g. mackerels? A = 12 mackerels; B = 6M, C = 3M. This word M is here only a name, without any relation to a content belonging to itself. Steuart's example with a degree, line, second, proves nothing; for although degree, line, second have changing magnitudes, they are not merely names, but rather always express the fractional part of a specific magnitude of space or of time. They thus have in fact a substance. The fact that money in the role of measure functions only as something *imagined* is here transformed into it supposedly being any imagined thing you like, a mere *name,* namely a name for the numerical value-relation. In that case, however, it would be correct to express no names at all, but merely a numerical relation, for the whole affair comes down to this: I obtain 6B for 12A, 3C for 6B; this relation can also be expressed in this way, A = 12x, B = 6x, C = 3x, where the x is itself only a name for the relation of A:B and B:C. The mere, unnamed numerical relation would not do. For A:B = 12:6 = 2:1, and B:C = 6:3 = 2:1. Hence C = 1/2. Hence B = 1/2, hence B = C. Hence A = 2 and B = 2; hence A = B.

Let me take any price list, e.g. potash, 35s. the ton; cocoa, lb., 60s.; iron (bars) (p. ton) 145s. etc. In order to have the relation of these commodities to one another, not only can I forget the silver in the shilling; the numbers alone, 35, 60, 145 suffice to define the reciprocal value relations of potash, cocoa, iron bars. Undenominated numbers now suffice; and not only can I give their unit, 1, any name, regardless of any value; I need not give it any name at all. Steuart insists that I must give it one or another name, but that this name then, as mere arbitrary name of the unit, as mere *marking of proportion* itself, cannot be fixed to any portion of the quantity of gold, silver or any other commodity.

With every measure, as soon as it serves as point of comparison, i.e. as soon as the different entities to be compared are put into a numerical relation to the measure as unit, and are now related to one another, the nature of the measure becomes irrelevant and vanishes in the act of comparison itself; the unit of measure has become a mere unit of numbers; the quality of this unit has vanished, e.g. that it is itself a specific magnitude of length or of time or of an angle. But is it only when the different entities are already presupposed as measured that the unit of measure *marks only proportion between them,* thus e.g. in our case the proportion of their values. The accounting unit not only has different names in different countries; but is the name for different fractional parts of an ounce of gold, e.g. But the exchange rate reduces all of them to the same unit of weight of gold or silver. Thus if I presuppose the various magnitudes of commodities, e.g. as above, = 35s., 60s., 145s., then, to compare them, since the 1 is presupposed as equal in all of them, since they have been made commensurable, it is wholly superfluous to bring in the observation that s. is a specific quantity of silver, the name for a specific amount of silver. But, as mere numerical magnitudes, as amounts of any unit of the same name, they only become comparable to one another, and only express proportions towards one another, when each individual commodity is measured with the one which serves as unit, as measure. But I can only measure them against one another, only make them commensurable, if they have a unit – the latter is the labour time contained in both. The measuring unit must therefore [be] a certain quantity of a commodity in which a quantity of labour is objectified. Since the same quantity of labour is not always expressed in the same quantity of e.g. gold, it follows that the value of this measuring unit itself variable. But, in so far as money is regarded only as measure, this variability is no obstacle. Even in barter, to the extent that it is somewhat developed as barter, i.e. is a repeated, normal operation, not merely an isolated act of exchange, some other commodity appears as measuring unit, e.g. cattle with Homer. Among the savage Papuans of the coast, who, in order 'to obtain a foreign article, barter 1 or 2 of their children, and if they are not to hand, borrow those of their neighbours, promising to give their own in exchange, when they come to hand, this request being rarely refused', there exists no measure for exchange. The only side of exchange which exists for the Papuan is that he can obtain the alien thing only by dispossessing himself of something he possesses. This dispossession [*Entäusserung*] itself is regulated for him by nothing but his fancy on one side, and the scope of his movable possessions on the other. In the *Economist* of 13 March 1858, we read, in a letter addressed to the editor: 'As the substitution in France of gold for silver in the coinage (which has been the principal means hitherto of absorbing the new discoveries of gold) must be approaching its completion, particularly as less coinage will be wanted for a stagnant trade and reduced prices, we may expect ere long that our fixed price of £3 17s. 10 1/2d. an ounce will attract the gold here.' [45] Now what does this, our 'fixed price of an ounce' of gold, mean? Nothing other than that a certain aliquot part of an ounce is called pence, a certain multiple of this pennyweight of gold a shilling, and a certain multiple of this shilling-weight of gold a pound? Does the gentleman imagine that in other countries the golden Guilder, the Louis d’or etc. do not likewise signify a specific quantity of gold, i.e. that a specific quantity has a fixed name? and that this is an English privilege? or a speciality? That, in England, a monetary coin expressed in gold is more than a monetary coin, and in other countries, less? It would be interesting to know what this noble spirit imagines the exchange rate to be.

What leads Steuart astray is this: the prices of commodities express nothing but the relations in which they are exchangeable for one another, the *proportions* in which they exchange for one another. These proportions given, I can call the unit any name whatever, because the undenominated abstract number would suffice, and instead of saying that this commodity = 6 stivers, the other = 3 etc., I could say this one = 6 ones, the other = 3; I would not have to give the unit any name at all. Since the numerical relation is all that matters at that point, I can give it any name whatever. But it is already presupposed here that these proportions are *given,* that the commodities have previously become commensurable magnitudes. As soon as magnitudes have once been posited as commensurable, their relations become simple numerical relations. Money appears as measure, and a specific quantity of the commodity in which it represents itself appears as measuring unit, precisely in order to find the *proportions,* and to articulate and to handle commodities as commensurable ones. This real unit is the labour time relatively objectified in them. However, it is labour time itself posited as general. The process by which values within the money system are determined by labour time does not belong in the examination of money itself, and falls outside circulation; proceeds behind it as its effective base and presupposition. The question here could only be this: instead of saying this commodity is = to one ounce of gold, why does one not say directly it is = to *x* labour time, objectified in the ounce of gold? Why is labour time, the substance and measure of value, not at the same time the measure of prices, or, in other words, why are price and value different at all? Proudhon’s school believe it a great deed to demand that this identity be posited and that the price of commodities be expressed in labour time. The coincidence of price and value presupposes the equality of demand and supply, exchange solely of equivalents (hence not of capital for labour) etc.; in short, formulated economically, it reveals at once that this demand is the negation of the entire foundation of the relations of production based on exchange value. But if we suppose this basis suspended, then on the other side the problem disappears again, which exists only of it and with it. That the commodity in its unmediated presence as use value is not value, is not the adequate form of value = that it is [the adequate form of value] as an objective other, or that it is this as equated to another object; or, that value possesses its adequate form in a specific object as distinct from another. Commodities, as values, are objectified labour; the adequate value must therefore itself appear in the form of a specific thing, as a specific form of objectified labour.

Steuart illustrates this drivel about an ideal standard with two historic examples, of which the first, the bank money of Amsterdam, shows just the opposite, since it is nothing but the reduction of circulating coins to their bullion content (metal content); the second one has been repeated after him by all the moderns who follow the same tendency. For example, Urquhart cites the example of the Barbary Coast, where an ideal bar, an iron bar, a merely imaginary iron bar, counts as standard which neither rises nor falls. If e.g. the real iron bar falls, say by 100%, then the bar is worth 2 iron bars; if it rises again by 100%, then only one. Mr Urquhart claims to have observed at the same time that the Barbary Coast knows neither commercial nor industrial crises, but least of all monetary crises, and ascribes this to the magical effects of this ideal standard of value. [46] This ‘ideal’ imaginary standard is nothing but an imagined real value; an imagined notion, however, which, because the monetary system has not developed its further determinants – a development depending on quite different relations – achieves no objective reality. It is the same as if, in mythology, one were to consider as the higher religions those whose god-figures are not worked out in visible form but remain stuck in the imagination, i.e. where they obtain at most an oral, but not a graphic presence; The bar rests on a real iron bar, which was later transformed into a fantasy-creature and fixated as such. An ounce of gold, expressed in English accounting money, = £3 17s. 10 1/2d. Well. Well. Say a pound of silk had had exactly this price; but that it had later fallen to where Milanese raw silk stood on 12 March ’58 in London, the lb. at £1 8s. It is the imaginary conception of an amount of iron, an iron bar, which keeps the same value (1) relative to all other commodities, (2) relative to the labour contained in it. This iron bar is of course purely imaginary, but it is not so fixed and 'standing like a rock in the sea' [47] as Steuart, and nearly a 100 years later Urquhart, believes. The only thing fixed in the iron bar is the name; in one case the real iron bar contains 2 ideal ones, in the other, only 1. This is expressed in such a way that the same, unchangeable ideal one is first = 2, then = 1 real bar. Thus, this posited, only the relation of the real iron bar has changed, not the ideal one. But in fact the ideal iron bar is twice as long in one case as in the other, and only its name is unchanged. In one case 100 lb. of iron are called e.g. a bar, in the other, 200 a bar. Suppose money were issued which represented labour time, e.g. time-chits; this time-chit itself could be baptized any name one wished, e.g. one pound, a twentieth of an hour 1s., 1/240th of an hour 1d. Gold and silver, like all other commodities, depending on the production time they cost, would express different multiples or fractional parts of pounds, shillings, pence etc., and an ounce of gold could just as well be = £8 6s. 3d. as £3 17s. 10 1/2d. These numbers would always be the expression of the proportion in which a specific quantity of labour is contained in the ounce. Instead of saying that £3 17s. 10 1/2d. = one ounce of gold, now cost only 1/2 lb. of silk, one can imagine that the ounce is now = £7 15s. 9d. or that £3 17s. 10 1/2d. are now only equal to half an ounce, because they are now only half the value. If we compare prices in England in e.g. the fifteenth century with those of the eighteenth, then we may find that two commodities had e.g. entirely the same nominal money value, e.g. 1 pound sterling. In this case the pound sterling is the standard, but expresses four or five times as much value in the first case as in the second, and we could say that, if the value of this commodity is = 1 ounce in the fifteenth century, then it was = 1/4 ounce of gold in the eighteenth; because in the eighteenth, 1 ounce of gold expresses the same labour time as 1/4 ounce in the fifteenth century. It could be said, therefore, that the measure, the pound, had remained the same, but in one case = four times as much gold as in the other. This is the *ideal standard.* The comparison we make here could have been made by the people of the fifteenth century themselves, if they had lived on into the eighteenth; they would say that 1 ounce of gold, which is now worth £1, was only worth 1/4 before. 4 pounds of gold now worth no more than 1 in the fifteenth century. If this pound previously had the name of *livre,* then I can imagine that one *livre* had been = 4 pounds at that time, and is now = to only 1; the value of gold had changed but that the standard, the *livre,* had remained the same. In fact, one *livre* in France and England originally meant 1 pound of silver, and now only 1/*x*. It can be said, therefore, that the name, *livre,* the standard, had remained nominally the same always, but that silver had changed its value in comparison to it. A Frenchman who had lived from the time of Charlemagne until today could say that the *livre* of silver had always remained the standard of value, unchanged; it had once been worth 1 pound of silver, but, owing to a variety of misfortunes, had finished up being worth only 1/*x* of a pennyweight. The ell is the same; only its length is different in different countries. It is in fact the same as if the product of one working day, the gold brought to light in one day of work, were given the name *livre;* this *livre* would always remain the same, although it would express very different amounts of gold in different periods.

What do we do in fact when we compare £1 of the fifteenth century with £1 of the eighteenth? Both are the same mass of metal (each = 20s.), but of a different value; since the metal was then worth 4 times as much as now. We say therefore that, compared with today, the *livre* was = 4 times the mass of metal it contains today. And one could imagine that the *livre* had remained unchanged, but had been = 4 real *livres* of gold then, only = 1 today. The matter would be correctly comparable not in regard to the quantity of metal contained in a *livre,* but rather in regard to its value; this value, however, in turn expresses itself quantitatively in such a way that 1/4 *livre* gold, then, = 1 *livre* gold today. Well; the *livre* identical, but at that time = 4 real *livres* of gold (by today's value) and now only = 1. If gold falls in value, and its relative fall or rise as regards other articles is expressed in their price, then, instead of saying that an object which cost £1 of gold before now costs 2, it could be said that it still costs 1 pound, but 1 pound is now worth 2 real *livres* of gold etc.; i.e. 1 *livre* of 2 real gold *livres* etc. Instead of saying: I sold this commodity yesterday at £1, today I sell it at £4, I might say that I sell it at £1, but yesterday at 1 pound of 1 real pound, today at 1 pound of 4 real pounds. The remaining prices all follow by themselves as soon as the relation of the real bar to the imaginary one is established; but this simply the comparison between the past value of the bar and its present one. The same as if we calculated everything in the £ of the fifteenth century for instance. This Berber or Negro does the same thing that every historian must do who pursues one kind of coin, one accounting name for a coin of the same metallic content, from one century to the next; if he computes it in contemporary money, he must equate it to more or less gold depending on its changing value in different centuries. [49] It is semi-civilized man's effort to establish an unchanging value for the unit of money, for the mass of metal which counts as measure; to fix this value, also, as a constant measure. But at the same time, the cleverness to know that the bar has changed its real value. With the small number of commodities which this Berber has to measure, and with the vigour of tradition among the uncivilized, this complicated method of calculating is not as difficult as it looks.

1 ounce is = £3 17s. 10 1/2d., i.e. not quite = £4. But for convenience's sake let us assume it to be exactly = £4. Then 1/4 of an ounce of gold therefore obtains the name pound, and serves under this name as accounting coin. But this pound changes its value, partly relative to the value of other commodities which change their value, partly in so far as it is itself the product of more or less labour time. The only firm thing about it is the name, and the quantity, the fractional part of the ounce, of the weight-unit of gold, whose baptismal name it is; which is contained, thus, in one piece of money, called one pound.

The savage wants to hold it constant as unchangeable value, and thus the quantity of metal it contains changes for him. If the value of gold falls by 100%, then the pound is the measure of value for him as before; but a pound of 2/4 ounces of gold etc. The pound for him always equals a mass of gold (iron) which has the same value. But since this value changes, it sometimes equals a greater, sometimes a smaller quantity of real gold or iron, depending on whether more or less of them must be given in exchange for other commodities. He compares the contemporary value with the past value, which latter counts as standard for him, and survives only in his imagination. Thus, instead of calculating in 1/4 ounce of gold, whose value changes, he calculates in the value which 1/4 ounce of gold previously had, hence in an imaginary unchanged 1/4 ounce-value, which expresses itself, however, in varying quantities. On one side the effort to establish a fixed value for the value-standard; on the other side, the cleverness of nevertheless avoiding trouble by making a detour. But it is altogether absurd to take this accidental displacement, this way in which semi-savages have assimilated the measurement of values in money, forced on them from the outside, by first displacing it and then getting themselves straight again in the displacement, and to regard this as an organic historical form, or even to erect it as a higher form compared to more developed relations. These savages also take a quantity, the iron bar, as point of departure; but they hold fast to the value which this traditionally had, as accounting unit etc.

This question achieved significance in the modern economy chiefly owing to two circumstances: (1) It has been experienced at various times, e.g. in England during the Revolutionary War [50] that the price of raw gold rose above the price of minted gold. This historic phenomenon thus seemed irrefutably to prove that the names which are given to certain fractional weight-parts of gold (precious metal), pound, shilling, pence etc., by some inexplicable process act in an independent way towards the substance of which they are the name. How else could an ounce of gold be worth more than the same ounce of gold minted in £3 17s. 10 1/2d.? Or how could an ounce of gold be worth more than 4 *livres* of gold, if *livre* is merely the name for 1/4 ounce? On closer inspection it was found, however, that the coins which circulated under the name pound in fact no longer contained the normal metallic content, so that, for instance, 5 circulating pounds in fact weighed only 1 ounce of gold (of the same refinement). Since a coin which allegedly represented 1/4 ounce of gold (thereabouts) in fact represented only 1/5, it was very simple that the ounce = 5 of this kind of circulating £; hence that the value of the bullion price rose above the mint price, in that in fact no longer 1/4 but merely 1/5 of an ounce of gold was called pound, represented money, had that name; was merely the name, now, for 1/5 of an ounce. The same phenomenon took place when, although the metal content of the circulating coins had not fallen below their normal measure, they circulated at the same time as depreciated paper money, while to melt them down and to export them was prohibited. In that case, the 1/4 ounce of gold circulating in the form of £ shared in the depreciation of the notes; a fate from which gold in bars was exempt. * The fact was again the same; the accounting name, pound, had ceased to be the name for 1/4 ounce, became the name for a lesser amount. Thus the ounce equalled e.g. 5 of such pounds. This means, then, that the bullion price rose above the mint price. These or analogous historical phenomena, all capable of equally simple solution and all belonging to the same series, led therefore to the notion of the *ideal measure,* or, that money as measure was only a point of comparison, not a specific quantity. Hundreds of volumes have been written about this case in England in the past 150 years.

* The mint price can also be raised above the bullion price within a country by the mintage.

That a specific sort of coin should rise above its bullion content is not in itself something strange, since new labour (to give it form) is added to the coin. But regardless of that, it happens that the value of a specific sort of coin rises above its bullion content. This is of no economic interest whatever, and has as yet led to no economic studies. It means nothing more than that, for certain purposes, gold and silver was requisite in precisely this form, say of British pounds or of Spanish dollars. The directors of the Bank had, of course, a particular interest in proving that the value of notes had not fallen, but rather that of gold had risen. As to the last question, this can be treated only later.

(2) But the theory of the *ideal measure* was first brought up at the beginning of the eighteenth century and again in the second decade of the nineteenth, where questions were at issue in which money figures not as measure, nor as medium of exchange, but rather as constantly self-identical equivalent, as value for-itself (in the third aspect) and hence as the universal material of contracts. The issue both times was whether or not debts of state, and other debts, contracted in a depreciated money, should be acknowledged and paid back in full-valued money. It was a question simply between the creditors of the state and the mass of the nation. This question itself does not concern us here. Those who demanded a readjustment of claims on the one side, and of payments (obligations) on the other, chose the wrong battlefield in asking whether or not the *standard of money* ought to be changed. On this occasion, then, crude theories of this type were brought forward about the standard of money, fixing of the price of money, etc. ('Altering the standard like altering the national measures or weights.' Steuart. It is clear at the first glance that the mass of grain in a nation does not change by the unit measure of e.g. the bushel being doubled or halved. But the change would be very important for e.g. farmers who had to pay grain rent in a specific number of bushels, if, were

the measure doubled, they then had to supply the same number of bushels as before.) In this case, it was the creditors of the state who clung to the name ‘pound’, regardless of the fractional weight-unit of gold which it expressed, i.e. to the ‘ideal standard’ – for the latter is in fact only the accounting name for the weight-unit of metal which serves as measure. Strangely enough, however, it was precisely their opponents who advanced this theory of the ‘ideal standard’, and they themselves who combated it. Instead of simply demanding a readjustment, or that the creditors of the state ought to be paid back only the amount, in gold, which they had in fact advanced, they demanded that the standard be reduced in accordance with depreciation; thus e.g. if the pound sterling had fallen to 1/5 of an ounce of gold, that this 1/5 ounce should henceforth carry the name pound, or that the pound ought perhaps to be minted in 21 shillings instead of in 20. This reduction of the *standard* was called raising the value of money; in that the ounce now = £5 instead of = 4 as previously. Thus, they did not say that those who had advanced e.g. 1 ounce of gold in 5 depreciated pounds now ought to get 4 full-valued pounds back; they said, rather, that they should be repaid 5 pounds, but that the pound ought henceforth to express 1/20 of an ounce less than before. When they raised this demand in England after the resumption of cash-payment, the accounting coin had regained its old metal value. On this occasion yet further crude theories about money as the measure of value were constructed, and, on the pretense of refuting these theories, whose falsity was simple to prove, the interests of the creditors of the state were smuggled through. The first battle of this sort between Locke and Lowndes. From 1688 to 1695 the state contracted debts in depreciated money – depreciated owing to all full-weighted money having been melted down, and only the light-weight being in circulation. The guinea had risen to 30s. Lowndes (mintmaster?) (secretary to the treasury) wanted to have the £ reduced by 20%; Locke stood by the old standard of Elizabeth. In 1695 the general recoinage. Locke won the day. Debts contracted at 10 and 14s. the guinea, paid back at the rate of 20s. This equally advantageous for the state and for the landed proprietors. ‘Lowndes posed the question on the wrong basis. First he asserted that his scheme was not a debasement of the old standard. Then he ascribed the rise of the bullion price to the inherent value of silver and not to the lightness of the coin with which it was bought. He always supposed that it was the stamp and not the substance which made the currency … For his part, Locke only asked himself whether or not Lowndes's scheme included a debasement, but never inquired into the interests of those who are engaged by permanent contracts. Mr Lowndes's great argument for reducing the standard was that silver bullion was risen to 6s. 5d. per ounce (i.e. that it might have been bought with 77 pence of shillings of 1/77 part of a pound troy) and was therefore of the opinion that the pound troy should be coined into 77s., which was a diminution of the value of the £ by 20% or 1/5. Locke replied to him that the 77s. were paid in clipped money and that they were not more than 62 pence standard coin, by weight … But ought a man who had borrowed £1,000 in this clipped money to be obliged to pay back £1,000 in standard weight? Both Lowndes and Locke developed only quite superficially the influence of a change of standard on the relation of debtors and creditors, … the credit system then still little developed in England … the landed interest and the interest of the crown, were only attended to. Trade at that time was almost at a stop, and had been raised at a piratical war … Restoring the standard was the most favourable, both for the landed interest and the exchequer; and so it was gone in for.' (Steuart loc. cit. Vol. II. p. 178, 179.) Steuart ironically remarks on the whole transaction: 'By this raising of the standard the government gained significantly as regards taxes, and creditors on their capital and interest; and the nation, which was the principal loser, was satisfied (pleased) (quite joyful) because *its* standard' (i.e. the measure of its own value) 'was not debased; so were all the three parties satisfied.' (loc. cit. Vol. II, p. 156.) Compare John Locke. *Works.* 4 vols. 7th ed., London, 1768; as well as the essay 'Some Considerations on the Lowering of Interest and Raising the Value of Money' (1691); and also: 'Further Considerations Concerning Raising the Value of Money, wherein Mr Lowndes's arguments for it, in his late Report concerning "An Essay for the amendment of the silver coins", are particularly examined', both in Vol. II. In the first monograph it says, among other things:

'The *raising of money,* about which so much nonsense is now being uttered, is either *raising value of our money,* and that you cannot do; or *raising the denomination of our coin.'* (p. 53.) 'For example, term a crown what previously was called 1/2 a crown. The value remains determined by the metal content. If the abating 1/20 of the quantity of the silver of any coin, does not lessen its value, the abating 19/20 of the quantity of the silver of any coin, will not abate its value. Thus, according to this theory, a single three pence or a single farthing, being called a crown, will buy as much spice or silk, or any other commodity, as a crown-piece which contains 20 or 60 times as much silver.' (p. 54.) 'The raising of money is thus nothing but giving a less quantity of silver the stamp and denomination of a greater.' (loc. cit.) 'The stamp of the coin a guarantee to the public; it must contain so much silver under such a denomination.' (57.) 'It is silver, and not names, that pays debts and purchases commodities.' (p. 58.) 'The mint stamp suffices as guarantee for the weight and the fineness of the piece of money, but lets the thus-coined gold money, find its own rate, like other commodities.' (p. 66.) In general one can do nothing with the raising of money but make 'more money in tale', but not more 'money in weight and worth'. (p. 73.) 'Silver is altogether a different standard from the others. The ell or the quart with which people measure may remain in the hands of the seller, of the buyer or of a third person: it matters not whose it is. But silver is not only the measure of bargains, it is the thing bargained for, and passes in trade from the buyer to the seller, as being in such a quantity equivalent to the thing sold: and so it not only *reassumes* the value of the commodity it is applied to, but is given in exchange for it, as of equal value. But this it does only by its quantity, and nothing else.' (p. 92.) 'The raising being but giving of names at pleasure to aliquot parts of any piece, viz. that now the sixtieth part of an ounce still be called a penny, may be done with what increase you please.' (118.) 'The privilege that bullion has, to be exported freely, will give it a little advance above our coin, let the denomination of that be raised, or fall as you please, whilst there is need of its exportation, and the exportation of our coin is prohibited by law.' (p. 119, 120.)

The same position adopted by Lowndes against Locke, in that the former believed the rise of the bullion price to be due to a rise in the value of bullion, as a result of which the value of the accounting coin had declined (i.e. because the value of bullion rose, the value of a fractional part of it, called £, fell), was adopted by the little-shilling-men – Attwood and the others of the Birmingham school 1819 seq. (Cobbett had posed the question on the correct ground: non-adjustments of national debts, rents etc.; but spoiled it all by his false theory which condemned paper money as such. [51] (Strangely enough, he came to this conclusion by beginning, like Ricardo, who comes to the opposite conclusion, from the same false premise, the determination of price by the quantity of the medium of circulation).) Their entire wisdom in the following phrases: ‘In his dispute with the Birmingham Chamber of Commerce, Sir R. Peel asks: “What will *your* pound note represent”’ (p. 266. ‘The Currency Question’, *The Gemini Letters,* London, 1844) (namely, the pound note if not paid in gold). ‘Now what is meant by the present standard of value? … £3 17s. 10 1/2d., do they signify one *ounce of gold* or its *value?* If the ounce itself, why not call things by their names and say, instead of pound, shilling, pence, ounces, pennyweights and grains? Then we go back to a *direct system of barter.’* (p. 269. Not quite. But what would Mr Attwood have gained if people said ounce instead of £3 17s. 10 1/2d., and so many pennyweight instead of shillings? That, for convenience in calculating, the fractional parts are given names – which apart from that, also indicates that the metal is here given a social quality alien to itself – what witness does it bear either for or against Attwood’s doctrine?) ‘Or the *value?* If an ounce = £3 17s. 10 1/2d., why at different periods money £5 4s., and then again 3,17, 9? … the expression pound has reference to *value,* but not *a fixed standard value … Labour* is the parent of cost, and gives the relative value to gold or iron.’ (And that is in fact why the value of one ounce and of £3 17s. 10 1/2d. changes.) ‘*Whatever denomination or words are used to express the daily or weekly labour of a man,* such words express the cost of commodity produced.’ (p. 270.) The word ‘one pound is the *ideal* unit’. (p. 272.) The last sentence important because it shows how this doctrine of the ‘ideal unit’ dissolves into the demand for a money which is supposed directly to represent labour. Pound then e.g. the expression for 12 days’ work. The demand is this, that the determination of value should not lead to that of money as a distinct quantity, or that labour as the measure of values should not compel the labour objectified in a specific commodity to be made the measure of the other values. The important thing is that this demand is here made from the standpoint of the bourgeois economy (thus also by Gray, who actually works out this matter to perfection, and of whom we will speak in a moment), not from the standpoint of the negation of the bourgeois economy, as e.g. with Bray. The Proudhonists (see e.g. Mr Darimon) have indeed succeeded in raising this demand both as one corresponding to the present relations of production and also as a demand which totally revolutionizes them, and a great innovation, since, as *crapauds*, [52] they are of course not required to know anything of what has been written or thought on the other side of the Channel. At all events, already the simple fact that this demand was raised more than 50 years ago in England by a fraction of bourgeois economists shows to what extent the socialists who pretend thereby to advance something new and anti-bourgeois are on the wrong track. About the demand itself, see above. (Only a few things from Gray can be added here. As to the rest, the matter can be gone into in detail only in the banking system.)

[More on the critique of theories about medium of circulation and money. – *Transformation of the medium of circulation into money. – Formation of treasures. – Means of payment. – Prices of commodities and quantity of circulating money. – Value of money*]

As regards money as constantly self-identical equivalent, i.e. as *value* as such, and thus as the material of all contracts, it is clear that the changes in the value of the material in which it represents itself (directly, as in gold, silver, or indirectly, as claims, in notes, on specific quantity of gold, silver etc.) must bring about great revolutions between the different classes of a state. This not to be examined here, since these relations presuppose knowledge of the various economic relations. Only something by way of illustration. In the sixteenth and seventeenth centuries, it is well known that the depreciation of gold and silver, due to the discovery of America, depreciated the labouring class and that of the landed proprietors; raised that of the capitalists (specially of the industrial capitalists). In the Roman republic, the appreciation of copper turned the plebeians into the slaves of the patricians. 'Since one was forced to pay the largest sums in copper, one had to hold this money in masses or in stamped fragments which were tendered and received by weight. Copper in this state was *aes grave.* Metal money weighed. [53] <Originally copper without stamp among the Romans; then stamping of external coins. *Servius rex ovium boumque effigie primus aes signavit.* [54] (Pliny, *Historia naturalis* I. 18, c. 3.)> After the patricians had stockpiled a mass of this dark and ugly metal … they tried to free themselves from it, either by buying from the plebeians all the land which the latter would sell, or by lending at long term. This value had cost them nothing to acquire, and was a hindrance to them, so they were forced to rid themselves of it unsparingly. The competition of all who had the same desire of getting rid of it necessarily brought about, in a short time, a considerable reduction of the price of copper in Rome. At the beginning of the fourth century after the foundation of Rome, as one may see from the Lex Menenia (302 A.U.C.), the relation of copper to silver = 1:960 … This metal, so depreciated in Rome, at the same time one of the most sought-after articles of trade (since the

Greeks made their works of art out of bronze etc.) ... The precious metals came to be exchanged in Rome for copper, with enormous profits, and so lucrative a commerce stimulated new imports each day ... Little by little the patricians exchanged their treasure for ingots of gold and of silver, *aurum infectum, argentum infectum,* [55] in place of these piles of old copper, so troublesome to dispose of and so disagreeable to look at. After the defeat of Pyrrhus and particularly after the conquests in Asia ... the *aes grave* had already quite vanished, and the requirements of circulation had necessitated the introduction of the Greek victoria, and the name *victoriatus ...* of a weight of 1 1/2 scruples of silver, like the Attic coin, the drachma; in the *seventh century* A.U.C. the lex Clodia made Roman coin of it. It was usually exchanged for the pound of copper or the *as of 12 ounces.* Thus between silver and copper the relation of 192:1, i.e. a 5 times weaker relation than during the time of the greatest depreciation of copper due to export; still, copper cheaper in Rome than in Greece and Asia. This great revolution in the exchange value of the monetary substance, to the measure it proceeded, most cruelly worsened the lot of the unfortunate plebeians, who had obtained the depreciated copper as a loan, and, having spent or used it at the rate it then had, now owed, by the letter of their contracts, a five times greater sum than they had borrowed in reality. They had no means to buy their way out of servitude ... Whoever had borrowed 3,000 *as* during the time when this sum = 300 oxen or 900 *scruples* of silver, could then obtain these only for 4,500 *scruples* of silver, when the *as* was represented by 1 1/2 *scruples* of this metal ... If the plebeian gave back 1/5 of the copper he had obtained, then he had in reality paid off his debt, for 1/5 now the same value as 1 at the time the contract was made. Copper had risen 5 times in value compared to silver ... The plebeians demanded a revision of the debt, a new appraisal of the sum due, and a change in the title of their original obligation ... While the creditors did not demand the restitution of the capital, the payment of interest was itself unbearable, because the interest, originally stipulated as 12%, had, owing to the excessive rise in cost of the specie, become as onerous as if it had been fixed at 60% of the principal. By way of concession, the debtors obtained a law that deducted the accumulated interest from the capital ... The senators resisted letting go of the means by which they held the people in the most abject dependence. The masters of nearly all landed property, armed with legal titles which authorized them to throw their debtors into irons and to sentence them to corporal punishment, suppressed the uprisings and persecuted the most mutinous. Every patrician's home was a prison. Finally wars were got up which gave the debtor some payment, with a suspension of obligations, and which opened to the creditor new sources of wealth and of power. This the internal situation in Rome at the time of the defeat of Pyrrhus, the capture of Taranto and important victories over the Samnians, Lucanians and other South-Italian peoples etc. ... 483 or 485 the first Roman silver coin, the *libella; ...* was called *libella* because of small weight = *libra* of 12 ounces of copper.' (Garnier, Germain, *Histoire de la Monnaie* etc., 2 vols., Paris, 1819. Vol. II. p. 14–24.)

<Assignats. 'National Property. Assignat of 100 *frs.'* legal tender ... They are distinguished from all other notes in not *even professing to represent any specified thing.* The words 'national property' meant that their value could be obtained by buying confiscated properties with them at the continuous auctions of the latter. But no reason why this value called 100 fr. It depended on the comparative quality of the property so purchasable and the number of assignats issued.' (78, 79, Nassau W. Senior, *'Three Lectures on the Cost of Obtaining Money'* etc., London, 1830.)

'The *livre de compte,* introduced by Charlemagne, almost never represented by a real equivalent coin, retained its name, as well as its divisions into *sous* and *deniers,* until the end of the eighteenth century, while real coins have varied infinitely in form, size, value, not only with every change of government, but even under the same reign. The value of the *livre de compte* nevertheless underwent enormous diminutions ... but this always an act of force.' (p. 76, Vol. I. Garnier, loc. cit.) All coins in antiquity originally weights. (loc. cit. p. 125.)

'Money is in the first place the universally marketable commodity, or that in which every one deals for the purpose of procuring other commodities.' (Bailey: *'Money and its Vicissitudes'* etc., London, 1837, p. 1.) 'It is the great *medial* commodity.' (loc. cit. p. 2.) It is the *general commodity of contracts,* or that in which the majority of bargains about property, to be completed at a future time, are made. (p. 3.) Finally, it is the *'measure of value ...* Now, as all articles are exchanged for money, the mutual values of A and B are necessarily shown by their values in money or their prices … as the comparative weight of substances are seen by their weight in relation to water, or their specific gravities.’ (p. 4.) ‘The first essential requisite is that money should be uniform in its physical qualities, so that equal quantities should be so far identical as to present no ground for preferring one to the other … For example, grain and cattle already for this reason not useful, because an equal quantity of grain and equal numbers of cattle are not always alike in the qualities for which they are preferred.’ (p. 5, 6.) ‘The *steadiness of value* is so desirable in money as medial commodity and a commodity of contract; it is quite unessential to it in its capacity of the measure of value.’ (p. 9.) ‘Money may continually vary in value, and yet be as good a measure of value as if it remained perfectly stationary. Suppose e.g., it is reduced in value and the reduction in value implies a reduction of value in relation to some one or more commodities, suppose it is reduced in value in relation to corn and labour. Before the reduction, a guinea would purchase three bushels of wheat, or six days’ labour; subsequently, it would purchase only two bushels of wheat or four days’ labour. In both cases, the relations of wheat and labour to money being given, their mutual relations can be inferred; in other words, we can ascertain that a bushel of wheat is worth two days’ labour. This, which is all that measuring value implies, is as readily done after the reduction as before. The excellence of any thing as a measure of value is altogether independent of its own variableness in value … One confuses invariableness of value with invariableness in fineness and weight … The command of *quantity* being that which constitutes value, a *definite quantity* of a substance of some uniform commodity must be used as a unit to measure value; and it is this definite *quantity* of a substance of uniform quality which must be invariable.’ (p. 11.) In all money contracts the issue at stake is the *quantity* of the gold and silver to be lent, not its value. (p. 103.) ‘If someone were to insist that it be a contract for a specified *value,* he is bound to show in relation to what commodity: thus, he would be maintaining that a pecuniary contract does not relate to a quantity of money as expressed on the face of it, but to a quantity of some commodity of which no mention is made.’ (p. 104.) ‘It is not necessary to restrict this to contracts where actual *money* is lent. It holds for all obligations for the future payment of money, whether for articles of any kind sold on credit, or for services, or as rent of land or houses; they are precisely in the same condition as pure loans of the medial commodity. If A sells a ton of iron to B for ten pounds, at twelve months' credit, it is just the same in effect as lending the ten pounds for a year and the intents of both contracting parties will in the same way be affected by changes in currency.' (p. 110, 111.)

The confusion of giving names to specified and unchangeable fractional parts of the money substance which is to serve as unit of measure – confusing the denomination of it with fixing the *price* of money – is also displayed, among others, by the high-flown romanticist of political economy, Mr Adam Müller. He says, among other things: 'Every one can see how much depends on the true *determination* of the *mint price,* above all in a country like England, where the government, with generous liberality' (i.e. at the country's expense and the profit of the Bank of England bullion dealers) 'mints without charge, collects no mintage etc., and thus, if it set the mint price significantly higher than the market price, if, instead of paying an ounce of gold at £3 17s. 10 1/2d., as now, it set £3 19s. as the mint price of one ounce of gold, then all gold would flow towards the mint, all the silver there would be changed into the cheap gold here, and thus be brought to the mint anew, and the currency system would become disordered.' (p. 280, 281, Vol. II. *Die Elemente der Staatskunst,* Berlin, 1809.) Herr Müller does not know, then, that pence and shillings here are only names for fractional parts of a gold ounce. Because silver and copper coins – which, notabene, are not minted according to the proportion of silver and copper to gold, but are issued as markers for the equivalent parts of gold, and hence need be accepted in payment only in very small amounts – circulate under the names of shillings and pence, he imagines that an ounce of gold is divided into pieces of gold, of silver, and of copper (thus triple standard of value). A couple of steps later he suddenly remembers again that there is no double standard in England, hence even less a triple one. Herr Müller's lack of clarity about the 'common' economic relations is the real foundation of his 'higher' conception.

From the general law that the total price of commodities in circulation determines the mass of the circulating medium at a given stage of the velocity of circulation, it follows that at a given stage of growth of the values thrown into circulation, the more precious metal – the metal of greater specific value, i.e. which contains more labour time in a smaller amount – takes the place of the less precious as the predominant medium of circulation; hence, copper, silver, gold, each one replacing the previous one as the predominant medium of circulation. The same aggregate sum of prices can be circulated e.g. with 14 times as few gold coins as silver coins. Copper or even iron coin as predominant medium of circulation supposes weak circulation. Just as the more powerful but more valuable means of transport and means of circulation takes the place of the less valuable to the degree that the mass of circulating commodities, and circulation generally, grows.

On the other side it is clear that the small retail traffic of everyday life requires exchange on a very diminutive scale – the smaller, the poorer the country and the weaker is circulation as such. It is in this retail traffic, where very small amounts of commodities on the one side, hence also very small values circulate, that money appears in the most proper sense of the word merely as vanishing medium of circulation, and does not congeal as realized price. Consequently, a subsidiary medium of circulation enters for this traffic, which is merely the symbol of the fractional parts of the predominant media of circulation. These are silver and copper markers, which are therefore not minted in the relation of the value of their substance to the value of e.g. gold. Here money appears still only as symbol, even if itself still in a relatively valuable substance. Gold e.g. would have to be divided into excessively small fractions to serve as equivalent of the division of commodities required by this retail traffic.

This is why these subsidiary media of circulation need be accepted in payment, by law, in only very small amounts, so that they can never solidify as realization of price. For example, in England, copper in the amount of 6d., silver in the amount of 20s. The more developed circulation is generally, the greater the mass of prices of the commodities entering into circulation, the more does their wholesale exchange separate off from their retail exchange, and they require different sorts of coin for their circulation. The velocity of the circulation of these markers is inversely related to the magnitude of their value.

‘In the early stage of society, when nations are poor, and their payments trifling, copper has frequently been known to answer all the purposes of currency and it is coined into pieces of very low denominations in order to facilitate the inconsiderable exchanges which then take place. So in the early age of the Roman Republic and of Scotland.' (p. 3.) (David Buchanan, '*Observations on the Subjects, treated of in Dr Smith's Inquiry*' etc., Edinburgh, 1814.) 'The general wealth of a country is very accurately measured by the nature of its payments and the state of its coin; and the decided prevalence of a coarse metal in its currency, joined to the use of coins of very low denomination, marks a rude state of society.' (p. 4.) Later 'the business of currency becomes divided into two distinct departments; the duty of effecting the main payments … for the more precious metals; the inferior metals by contrast retained for some trivial exchanges, and thus purely subservient to the main currency. Between the first introduction of a precious metal into the currency of a country, and its exclusive use in the main payments, a wide interval; and the payments of the retail trade must in the interval have become so considerable, owing to the increase of wealth, that at least in part they could be conveniently managed by the new and more valuable coin; since no coin can be used for the main payments' (this is false, as the notes show) 'which is not suited, at the same time, to the transactions of the retail trade, since every trade ultimately obtains from the consumer … the return of its capital … Silver has maintained itself everywhere on the continent in the main payments … In Britain the quantity of silver in circulation does not exceed what is necessary for the smaller payments … in fact few payments to the amount of 20s. made in silver … Before the reign of William III silver was brought in large bags to the treasury in payment of the national revenue. At this period the great change took place … The exclusive introduction of gold in the main payments of England was a clear proof that the *returns of the retail trade at this time were made mainly in gold;* this possible without a single payment ever exceeding or even equalling any of the gold coins; because, in the general abundance of gold, and scarcity of silver, gold coins naturally offered for small sums and a balance of silver demanded in return; so that gold, by thus assisting in the retail trade and in economizing the use of silver, even for the small payments, would prevent its *accumulation* by the retail trader … At the same time, as in England gold was substituted for silver' (1695) 'for the main payments, silver for copper in Sweden … *Clear, that the coin used for the larger payments can only pass current at its intrinsic worth …* But intrinsic worth *not necessary for a subsidiary currency …* In Rome, so long as copper the prevailing coin, current only for its intrinsic value … 5 years before the beginning of the first Punic war, silver introduced, little by little displaced copper in the main payments … 62 years after the silver, gold, but it never seems to have excluded silver from the main payments … In India, copper not a subsidiary currency; passes therefore for its intrinsic worth. The rupee, a silver coin of 2s. 3d., is the money of account; in relation to which the mohour, a gold coin, and the pice, a copper coin, are allowed to find their value in the market; the number of pice currently exchanged for a rupee constantly varies with the weight and value of the coin, while here 24 halfpence always = 1s. without reference to their weight. In India the retail dealer must still take considerable quantities of copper for his goods, and he cannot afford to take it therefore but for its intrinsic value … In the currencies of Europe, copper passes for whatever value is fixed upon it, without examination of its weight and fineness.' (p. 4–18.) In England 'an excess of copper spent 1798 by private traders; and although copper only legal payment for 6d., found its way (the surplus) to the retail traders; they sought to put it in circulation again; but ultimately returned to them. When this currency was stopped, copper accumulated with the retail traders in sums of £20, £30, even £50, which they finally had to sell at their intrinsic value.' (p. 31.)

In the subsidiary currency, the medium of circulation takes on a particular form as such, as a merely vanishing medium, alongside the medium of circulation which is at the same time equivalent, which realizes prices, and accumulates as independent value. Thus, here, pure symbol. Thus it may be issued only in the quantity absolutely required for the small retail trade, so that it can never thereby accumulate. The quantity must be determined by the mass of prices which it circulates, divided by its velocity. Because the mass of the circulating medium, of a certain value, is determined by prices, it follows automatically that if a greater quantity than required by circulation itself were artificially thrown into it and could not run off (which is not the case here, because, as medium of circulation, it is above its intrinsic worth), then it would be depreciated; not because the quantity determines prices, but because prices determine the quantity, and hence only a specific amount can remain in circulation at a specific value. Thus, if there are no openings by which circulation can throw out the superfluous quantity, if the circulating medium cannot change from that form into the form of value for itself, then the value of the medium of circulation must fall. But this can only take place, apart from artificial hindrances, prohibition of melting-down, of export etc., if the circulating medium is merely a symbol, and does not itself possess a real value corresponding to its nominal value, hence cannot make the transition from the form of circulating medium into that of the commodity in general, and shed its stamp; if it is imprisoned in its existence as coin. It follows on the other side that the symbol, the money marker, can circulate at the nominal value of the gold it represents – without possessing any value whatever of its own – in so far as it represents the medium of circulation only in that quantity in which it would itself circulate. But then [it becomes] at the same time a condition either that it is itself then on hand only in such a small quantity that it circulates only in the subsidiary form, hence does not cease for an instant to be a medium of circulation (where it constantly serves partly in the exchange with small amounts of commodities, partly merely to make exchange for the real medium of circulation), hence can never accumulate; or it must possess no value whatever, so that its nominal value can never be compared with its intrinsic value. In the latter case it is posited as mere *symbol,* which, by means of itself, points to value as something existing outside itself. In the other case it never comes to a comparison between its intrinsic value and its nominal value.

Which is why counterfeits of money show an effect immediately; while total destruction of its value does not damage it. It might otherwise appear paradoxical that money can be replaced by worthless paper; but that the slightest alloying of its metallic content depreciates it.

The double function of money in circulation contradicts itself as such; to serve as mere medium of circulation, where it is a vanishing mediation; and at the same time as realization of prices, in which form it accumulates and turns into its third character as money. As medium of circulation it is worn out; thus does not contain the metal content which makes it into objectified labour in a fixed amount. Its correspondence to its value hence always more or less illusory. One example to be presented. It is important to bring in the determination of quantity already at this point in the chapter on money, but deduced in just the opposite way to the usual doctrine. Money can be replaced because its quantity is determined by the prices it circulates. In so far as it, itself, has value – as in the subsidiary medium of circulation – its quantity must be so determined that it can never accumulate as an equivalent, and in fact always figures as an auxiliary cog of the medium of circulation proper. In so far, however, as it is to replace the latter, it must have no value whatsoever, i.e. its value must exist apart from itself. The variations in circulation determined by the amount and number of transactions. (*Economist.*) Circulation may rise, prices remaining equal, by increase in the amount of commodities; if the amount remains constant, by increase of their prices; by both together.

With the proposition that prices regulate the quantity of currency and not the quantity of currency prices, or in other words that trade regulates currency (the quantity of the medium of circulation), and currency does not regulate trade, [it] is, of course, as our deduction has shown, supposed that price is only value translated into another language. Value, and value determined by labour time, is the presupposition. It is clear, therefore, that this law is not equally applicable to the fluctuations of prices in all epochs; e.g. in antiquity, e.g. in Rome, where the circulating medium does not itself arise from circulation, from exchange, but from pillage, plunder etc.

‘No country may consequently have more than one standard; more than one standard for the *measure of value;* for this standard must be uniform and unchanging. No article has a uniform and unchanging value relative to others: it only has such with itself. A piece of gold is constantly of the same value as the other, of exactly the same fineness, the same weight and in the same place; but this cannot be said of gold *and* any other article, e.g. silver.’ (*Econ.* Vol. I p. 771.) [56] *‘Pound* is nothing but a denomination in account, which has reference to a given and fixed quantity of gold of standard quality.’ (loc. cit.) ‘To speak of making one ounce of gold worth £5 instead of £3 17s. 10 1/2d. is to say only that it ought henceforth to be minted in 5 sovereigns instead of in 3 420/480 sovereigns. We would not thereby alter the *value of the gold,* but only the *weight* and hence the *value of* the *pound* or *sovereign.* An ounce of gold would have the same value relative to wheat and all other commodities as before, but since a pound, although bearing the same name as before, would represent a smaller part of an ounce of gold, it would represent a correspondingly smaller quantity of wheat and other commodities. Just as if we had said that a *quarter of wheat* should *no longer be divided into 8, but* *rather into 12 bushels;* we could not thereby change the value of wheat, but merely diminish the quantity contained in a bushel, and hence the latter's value.' (p. 772 loc. cit.) 'Whatever temporary or permanent change might take place, its *price* is always expressed in the same amount of money; an ounce of gold will remain £3 17s. 10 1/2d. of our money. The change in its value indicated by the greater or lesser quantity of the commodities it can purchase.' (loc. cit. p. 890.) [57]

The ideal bar to be compared e.g. with the *ideal milrea* in Buenos Aires (likewise the pound in England during the depreciation of notes etc.). What is fixed here is the name *milrea;* what fluctuates is the quantity of gold or silver it expresses. In Buenos Aires the currency is inconvertible paper money (paper dollars); these dollars originally = 4s. 6d. each; now approximately 3 3/4d. and has been as low as 1 1/2d. An ell of cloth formerly worth 2 dollars, now *nominally* 28 dollars in consequence of the depreciated paper.

'In Scotland, the *medium of exchange,* not to be confused with the standard of value, in the amount of £1 and upwards may be said to be exclusively paper, and gold does not circulate at all; yet gold is as much the standard of value as if nothing else circulated, because the paper is convertible into the *same fixed quantity* of that metal; and it circulates only on the faith of being so convertible.' (p. 1275.) [58]

'Guineas are *hoarded* in times of distrust.' (Thornton, p. 48.) [59] The *hoarding principle,* in which money functions as independent value, is, apart from the striking forms in which it appears, necessary as *one moment* of exchange resting on money circulation; since everyone, as A. Smith says, needs, beside his own commodity, the medial quantity, a certain proportion of the 'general commodity'. *'The man in trade has property in trade.'* (loc. cit. p. 21.)>

Capital, not labour, *determines the value of the commodity. Torrens*

'Equal capitals or in other words equal quantities of accumulated labour will often put in motion different quantities of immediate labour, but that does not alter the matter.' (p. 31. Torrens, 'An Essay on the Production of Wealth', London, 1821.) ‘In the early period of society … it is the total quantity of labour, accumulated and immediate, expended on production … which *determines the relative value of commodities.* But as soon as stock is accumulated and a class of capitalists distinguishes itself from another class, of workers, when the person who undertakes any branch of industry does not perform his own work, but advances subsistence and materials to others, then it is the amount of capital, or the quantity of accumulated labour expended in production, which determines the exchangeable power of commodities.’ (p. 33, 34.) ‘So long as two capitals are equal … their products are of *equal value,* however we may vary the quantity of immediate labour which they put in motion, or which their products may require. If they are unequal, … their products are of unequal value, though the total quantity of labour expended upon each should be precisely equal.’ (p. 39.) Thus ‘after this separation of capitalists and labourers, it is the amount of capital, the quantity of accumulated labour, and not, as before this separation, the sum of accumulated *and* immediate labour, expended on production, which determines the exchange value.’ (loc. cit.) Mr Torrens’s confusion correct compared to the abstract way of the Ricardians. In itself, fundamentally wrong. Firstly, the determination of value by pure labour time takes place only on the foundation of the production of capital, hence the separation of the two classes. The positing of *prices* as equal, in consequence of the same average rate of profit – and even this with a grain of salt – has *nothing* to do with the determination of value, rather *supposes* the latter. This point important so as to show the Ricardians’ confusion.

The minimum of wages

The rate of surplus value as profit is determined (1) by the magnitude of the surplus value itself; (2) by the relation of living labour to accumulated (the ratio of the capital expended as wages to the capital employed as such). Both the causes which determine (1) and (2), to be examined separately. The law of rent, e.g., belongs to (1). For the time being, necessary labour supposed as such; i.e. that the worker always obtains only the minimum of wages. This supposition is necessary, of course, so as to establish the laws of profit in so far as they are not determined by the rise and fall of wages or by the influence of landed property.

All of these fixed suppositions themselves become fluid in the further course of development. But only by holding them fast at the beginning is their development possible without confounding everything. Besides it is practically sure that, for instance, however the standard of necessary labour may differ at various epochs and in various countries, or how much, in consequence of the demand and supply of labour, its amount and ratio may change, at any given epoch the standard is to be considered and acted upon as a fixed one by capital. To consider those changes themselves belongs altogether to the chapter treating of wage labour.

‘Exchangeable value is determined not by the absolute, but by the relative cost of production. If the cost of producing gold remained the same, while the cost of producing all other things doubled, then would gold have a less power of purchasing all other things than before; and its exchangeable value would fall one half; and this diminution in its exchange value precisely the same in effect as if the cost of producing all other things remained unaltered, while that of producing gold had been reduced one half.’ (p. 56, 57. Torrens, loc. cit.) This important for prices. For determination of value, absolutely not; mere tautology. The value of a commodity is determined by the amount of labour it contains; this means that it exchanges for the same quantity of labour in every other form of use value. It is therefore clear that, if the labour time necessary for the production of object A doubles, then now only 1/2 of it = its earlier equivalent, B. Since equivalence is determined by the equality of labour time or of the amount of labour, the difference of value is of course determined by the inequality of labour time, or, labour time is the measure of value.

1826 cotton machinery and workmen. Hodgskin

‘In 1826, the various machinery used in manufacturing cotton employed 1 man to perform the work of 150. Now suppose that only 280,000 men are employed in it at present; then, half a century earlier, 42,000,000 would have had to be in it.’ (p. 72.) (Hodgskin.) ‘The relative value of the precious metals to other commodities determines how much of them must be given for other things; and the number of sales to be made, within a given period, determines, as far as money is the instrument for effecting sales, the quantity of money required.’

(loc. cit. p. 188.)

'Abundant reason to believe that the practice of coining originated with individuals and carried on by them before it was seized on and monopolized by governments. Such long the case in Russia.' (See Storch.) (loc. cit. p. 195 note.)

Hodgskin is of a different opinion from the romantic Müller: 'The mint stamps only what individuals bring, most injudiciously charging them nothing for the labour of coining; and taxing the nation for the benefit of those who deal in money.' (p. 194. *Popular Polit. Econ.* etc., London, 1827.)

How the machine creates raw material. Linen industry. Tow yarn. **Economist**

After all these digressions about money – and we will occasionally have to take them up again, before ending this chapter – we return to the point of departure. As example of how, in manufacturing industry also, the improvement of machinery and the consequent increase of the force of production creates (relatively) *raw material,* instead of demanding an absolute increase of it: 'The factory system in the linen trade is very recent. Before 1828 the great mass of linen yarn in Ireland and England spun by hand. About this time the flax spinning machine so much improved, especially through the persistence of Mr Peter Fairbairn in Leeds, that it came into very general use. From this time on, spinning mills erected very intensively at Belfast and other parts of Northern Ireland, as in different parts of Yorkshire, Lancashire and Scotland, for spinning fine yarns, and in a few years, spinning by hand given up ... Fine tow yarn now manufactured from what, 20 years earlier, was thrown away as waste.' (*Economist,* 31 Aug. 1850.)

Machinery and surplus labour

With all application of machinery – let us initially look at the case such as it arises directly, that a capitalist puts a part of his capital into machinery rather than into immediate labour – a part of the capital is taken away from its variable and self-multiplying portion, i.e. that which exchanges for living labour, so as to add it to the constant part, whose value is merely reproduced or maintained in the product. But the purpose of this is to make the remaining portion more productive. *First case: the value of the machinery equal to the value of the labour capacity it replaces.* In this case the newly produced value would be diminished, not increased, if the surplus labour time of the remaining part of labour capacity did not grow at the same rate as its amount is diminished. If 50 out of 100 workers are let go and replaced by machinery, then the remaining 50 have to accomplish as much surplus labour time as the 100 did before. If the 100 worked 200 hours' surplus labour time every day out of 1,200 hours' work, then the 50 must now create the same quantity of surplus labour time; hence 4 hours per day, if the former only 2. In that case the surplus labour time remains 50 × 4 = 200, the same as before, 100 × 2 = 200, although the absolute labour time has decreased. In this case, the situation for capital is the same; it is concerned only with the production of surplus labour. In this case, the raw material worked up would remain the same; hence the outlay for it; that for instrument of labour would have increased; that for labour decreased. The value of the total product would be the same, because = to the same sum of objectified and surplus labour time. Such a case would be altogether no incentive for capital. What it would gain in surplus labour time on one side, it would lose on the part of capital which would enter production as objectified labour, i.e. as invariable value. It is also to be kept in mind that the machinery takes the place of more imperfect instruments of production, which possessed a specific value; i.e. had been exchanged for a definite sum of money. The part of the capital employed at a developed stage of the productive force is deducted from the cost of the machinery for the capitalist who sets up a new business, although not for the capitalist who is already in business.

Thus e.g. if, as soon as the machine is introduced for £1,200 (50 labour capacities), an earlier expenditure of, say, 240 pounds for instruments of production ceases to be necessary, then the additional expenditure of capital amounts to only £960; the price of 40 workers a year. In this case then, if the remaining 50 workers together produce exactly as much surplus labour as did the 100 previously, then now 200 hours of surplus labour are produced with a capital of £2,160; before, with a capital of £2,400. The number of workers has decreased by half, absolute surplus labour has remained the same, 200 hours of labour as before; the capital invested in material of labour is also the same; but the relation of surplus labour to the invariable part of the capital has increased absolutely. Altogether £9,240. The relationship is this:

Since the capital laid out in raw material has remained the same, and that laid out in machinery increased, but not in the same relation as that laid out in labour diminished; it follows that the *total outlay of capital diminished;* surplus labour remained the same, hence grown relative to the capital, not only at the rate at which surplus labour time must grow to remain the same with half as many workers, but by more than that; namely by the rate at which the [outlay] for the old means of production is deducted from the costs of the new.

The introduction of machinery or a general increase in the force of production has objectified labour as its substratum, hence costs something; therefore, if a part of the capital previously laid out for labour is laid out as a component part of the part of the capital which enters into the production process as constant value, then the introduction of machinery can take place only if the rate of surplus labour time does not merely remain the same, i.e. grow relative to the living labour employed, but if it grows at a greater rate than the relation between the value of the machinery and the value of the dismissed workers. This can happen either because the entire expenditure incurred for the previous instrument of production must be deducted. In this case the *total sum of the capital laid out diminishes,* and, although the relation of the total sum of employed labour relative to the constant part of the capital has diminished, the surplus labour time has remained the same, and has hence grown not only relative to the capital laid out for labour, for necessary labour time, but also relative to the total capital, to the total value of the capital, because the latter has diminished. Or, the value for machinery may be as great as that previously laid out for living labour, which has now become superfluous; but the rate of surplus labour of the remaining capital has increased so that the 50 workers supply not only as much surplus labour as the 100 did before, but a greater amount. Say, e.g. instead of 4 hours each, 4 1/4 hours. But in this case a greater part of the capital is required for raw materials etc., in short, a greater total capital is required. If a capitalist who previously employed 100 workers for £2,400 annually, lets 50 go, and puts a machine costing £1,200 in their place, then this machine – although it costs him as much as 50 workers did before – is the product of fewer workers, because he pays the capitalist from whom he buys the machine not only the necessary labour, but also the surplus labour. Or, if he had his own workers build the machine, he would have used a part of them for necessary labour only. In the case of machinery, thus, increase of surplus labour with absolute decrease of necessary labour time. It may be accompanied both by absolute diminution of the employed capital, and by its growth.

Capital and profit. ***Value makes the product.*** **– Relation of the worker to the conditions of labour in** ***capitalist production. – All parts of capital bring a profit. – Relation of fixed and circulating capital in the cotton mill. Senior's surplus labour and profit. Tendency of the machine to prolong labour. – Influence of transport on circulation etc. – Transport increasingly suspends hoarding. –*** **Absolute surplus labour and machinery. Senior**

Surplus value, as posited by capital itself and measured by its quantitative relation to the total value of the capital, is *profit.* Living labour, as appropriated and absorbed by capital, appears as capital's own vital power; its self-reproducing power, additionally modified by its own movement, by circulation, and by the time belonging to its own movement, circulation time. Only by distinguishing itself as presupposed value from itself as posited value is capital posited as self-perenniating and multiplying value. Since capital enters wholly into production, and since, as capital, its various component parts are only formally distinct from one another, are equally sums of value, it follows that the positing of value appears to be equally inherent in them. Furthermore, since the part of the capital which exchanges for labour acts productively *only insofar as the other parts of capital are posited together with it* – and since the relation of this productivity is conditioned by the magnitude of the value etc., the various relations of these parts to one another (as fixed capital etc.) – it follows that the positing of surplus value, of profit, appears to be determined by all parts of capital equally. Because on one side the conditions of labour are posited as objective component parts of the capital, on the other side labour itself is posited as activity incorporated in it, the entire labour process appears as capital's own process and the positing of surplus value as its own product, whose magnitude is therefore also not measured by the surplus labour which it compels the worker to do, but rather as a magnified productivity which it lends to labour. The product proper of capital is profit. To that extent, it is now posited as the source of wealth. But in so far as it creates use values, it produces use values, but *use values determined by value:* 'Value makes the product.' (Say.) [60] Accordingly, it produces for consumption. In so far as it eternalizes itself through the constant renewal of labour, it appears as permanent value, a presupposition for production, which latter depends on its preservation. To the extent that it constantly exchanges itself anew for labour, it appears as labour fund. The worker can naturally not produce without the objective conditions of labour. Now, in capital, the latter are separated from him, confront him as independent. He can relate to them as conditions of labour only in so far as his labour itself has previously been appropriated by capital. From the standpoint of capital, the objective conditions of labour do not appear as necessary for the worker; what rather appears as necessary is that *they exist independently opposite him – his separation from them, their ownership by the capitalist* – and that the suspension of this separation takes place only when he cedes his producing power to capital, in exchange for which the latter maintains him as abstract labour capacity, i.e. precisely as the mere capacity of reproducing wealth opposite himself as capital, as the power which rules him.

Thus all parts of the capital bear profit simultaneously, both the circulating part (laid out in wages and raw material etc.) and the part laid out in fixed capital. The capital can now reproduce itself either in the form of circulating capital or in the form of fixed capital. Since we saw earlier, in the examination of circulation, that its value returns in a different form depending on in which of these two forms it is presupposed, and since, from the standpoint of profit-producing capital, what returns is not simply the value, but rather the value of the capital plus the profit, value as itself and value as self-realizing, it follows that the capital will be posited as profit-bearing in a different form corresponding to each of these two forms. The circulating capital enters wholly into circulation, with its use value as vehicle of its exchange value; and thus exchanges for money. I.e. then, it is sold, entirely, although each time only a part of it enters into circulation. In one turnover, however, it has entirely gone over into consumption (whether this be merely individual, or in turn productive) as product, and has completely reproduced itself as value. This value includes the surplus value, which now appears as profit. It is sold as use value, in order to be realized as exchange value. This, then, is *sale at a profit.* On the other side, we have seen that the fixed capital returns only in portions over the course of several years, of several cycles of the circulating capital, and, more specifically, enters into circulation as exchange value and returns as such only to the degree that it is used up (at that time, in the immediate act of production). However, the entry as well as the return of the exchange value is now posited as the entry and return not only of the value of the capital, but also at the same time of the profit, so that a fractional part of profit corresponds to the fractional part of capital.

'The capitalist expects an equal benefit from all parts of the capital he advances.' (Malthus, *Principles of Political Economy,* 2nd ed. Lond., 1836, p. 267.)

'Where Wealth and Value are perhaps the most nearly connected, is in the necessity of the latter to the production of the former.' (loc. cit. p. 301.)

<'The *fixed capital*' (in the cotton factories) 'usually = 1:4 to the circulating, so that if a manufacturer has £50,000, he spends £40,000 in erecting his mill and filling it with machinery, and only £10,000 in the purchase of raw material (cotton, coals etc.) and the payment of wages.' (Nassau W. Senior, *Letters on the Factory Act* etc., 1837, p. 12.) 'The fixed capital is subject to incessant deterioration, not only through wear and tear, but also through constant mechanical improvements ...' (loc. cit.) 'Under present laws, no mill in which persons under 18 years of age are employed can be worked more than 11 1/2 hours by day, i.e. 12 hours for 5 days and 9 on Saturday. Now, the following analysis shows that, in a mill so worked, the whole *net profit* is derived from the *last hour.* Let a manufacturer invest £100,000 – 80,000 in his mill and machinery, and 20,000 in raw material and wages. As to the annual return of the mill, supposing the capital to be turned once a year, and gross profits to be 15%, his goods must be worth £115,000, produced by the constant conversion and reconversion of the £20,000 circulating capital, from money into goods and from goods into money' (in fact the conversion and reconversion of surplus labour first into commodity and then again into necessary labour etc.) 'in periods of rather more than two months. Of these £115,000, each of the 23

half hours of work produces 5/115th or 1/23rd. Of the 23/23, constituting the whole 115,000, 20/23, i.e. £100,000 out of the 115,000, only replace the capital; 1/23 (or 5,000 out of the 115,000) makes up for deterioration of the mill and machinery. The remaining 2/23, i.e. the last 2 of the 23 half hours of every day, produce the net profit of 10%. If, therefore (prices remaining the same), the factory could be kept at work for 13 hours instead of 11 1/2, by an addition of about £2,600 to the circulating capital, the net profit would be more than doubled.' (I.e. 2,600 would be worked up, without requiring relatively more fixed capital, and without payment to *labour at all.* The gross and net profit is = to the material which is worked up for the capitalist *free of charge,* and then of course one hour is = 100% more, if the surplus labour, as Mr Shit [61] falsely presupposes, is only = 1/12 day or only 2/23, as Senior says. 'On the other side, if the daily hours of work were reduced by 1 hour per day (prices remaining the same), *net* profit would be destroyed; if reduced by 1 1/2 hours, gross profit as well. The circulating capital would be replaced, but there would be no fund to compensate the progressive deterioration of the fixed capital.' (12, 13.) (As false as Mr Senior's data, so important his illustration for our theory.) 'The relation of fixed capital to circulating grows constantly for two reasons: (1) the tendency of mechanical improvement to throw on machinery more and more the work of production ... (2) the improvement of the means of transport and the consequent diminution of the stock of raw material in the manufacturer's hands waiting for use. Formerly, when coals and cotton came by water, the incertainty and irregularity of supply forced him to keep on hand 2 or 3 months' consumption. Now, a railway brings it to him week by week, or rather day by day, from the port or the mine. Under such circumstances, I fully anticipate that, in a very few years, the fixed capital, instead of its present proportion, will be as 6 or 7 or even 10 to 1 to the circulating; and, *consequently, that the motives to long hours of work will become greater, as the only means by which a large proportion of fixed capital can be made profitable.* "When a labourer", said Mr Ashworth to me, "lays down his spade, he renders useless, for that period, a capital worth 18d. When one of our people leaves the mill, he renders useless a capital that has cost £100."' (13, 14.)> <This a very nice proof that, under the rule of capital, the application of machinery does not shorten labour; but rather prolongs it. What

it abbreviates is necessary labour, not the labour necessary for the capitalist. Since fixed capital becomes devalued to the extent it is not used in production, its growth is linked with the tendency to make labour *perpetual.* As for the other point raised by Senior, the diminution of the circulating capital relative to the fixed capital would be as great as he assumes if prices remained constant. But if e.g. cotton, on the average, has fallen below its average price, then the manufacturer will purchase as great a supply as his floating capital permits, and vice versa. With coal, however, where production regular and no special circumstances give grounds for anticipating an extraordinary rise in demand, Senior's remark correct. We have seen that transport (and hence means of communication) do not determine circulation, in so far as they concern bringing the product to market or its transformation into commodity. For in this respect they are themselves included as part of the production phase. But they determine circulation in so far as they determine (1) the return; (2) the retransformation of the capital from the money form into that of the conditions of production. The more rapid and uninterrupted the supply of material and *matières instrumentales,* the smaller a supply does the capitalist need to buy. He can therefore all the more often turn over or reproduce the same circulating capital in this form, instead of having it lie around as dormant capital. On the other side, as Sismondi already noted, this also has the effect that the retail merchant, the shopkeeper, can all the more rapidly restore his stock, thus also has less need to keep commodities in stock, because he can renew the supply at any instant. All this shows how with the development of production there is a relative decline of accumulation in the sense of hoarding; increases only in the form of fixed capital, while however continuous simultaneous labour (production) increases in regularity, in intensity, and in scope. The speed of the means of transport, together with their all-sidedness, increasingly transforms (with the exception of agriculture) the necessity of antecedent labour, as far as circulating capital is concerned, into that of simultaneous, mutually dependent, differentiated production. This observation important for the section on accumulation.> *'Our cotton factories, at their commencement, were kept going the whole* 24 *hours.* The difficulty of cleaning and repairing the machinery, and the divided responsibility, arising from the necessity of employing a double staff of overlookers, book-keepers etc. have nearly put an end to this practice, but until Hobhouse's Act reduced them to 69, our factories generally worked from 70 to 80 hours per week.' (p. 15, loc cit.)

Cotton factories in England. Workers. Example for machinery and surplus labour. – Example from Symons. [62] *Glasgow. Power-loom factory etc.* (These examples for the rate of profit.) – Different ways in which machinery *diminishes necessary labour. Gaskell. – Labour the immediate market for capital*

'According to Baines a first-rate cotton-spinning factory cannot be built, filled with machinery, and fitted with steam engines and gas works, under £100,000. A steam-engine of 100 horse-power will turn 50,000 spindles, which will produce 62,500 miles of fine cotton thread per day. In such a factory 1,000 persons will spin as much thread as 250,000 persons could without machinery.' (p. 75. S. Laing, *National Distress etc.,* London, 1844.)

'When *profits fall,* circulating capital is disposed to become to some extent *fixed capital.* When interest 5%, capital not used in making new roads, canals or railways, until these works yield a corresponding large percentage; but when interest only 4 or 3%, capital would be advanced for such improvements, if it obtained but a proportional lower percentage. *Joint-stock companies,* to accomplish great improvements, are the natural offspring of a falling rate of profit. It also induces individuals to *fix* their capital in the form of buildings and machinery.' (p. 232. Hopkins (Th.), *Great Britain for the last 40 Years* etc., London, 1834.) 'McCulloch thus estimates the numbers and incomes of those engaged in the cotton manufacture:

833,000 weavers, spinners, blackers etc. at £24 each a year	£20,000,000
111,000 joiners, engineers, machine makers etc. at £30 each	£3,330,000
Profits, superintendence, coal and materials of machines	£6,670,000
944,000	£30,000,000

'Of the 6 2/3 millions, 2 millions are supposed to go for coal, iron and other materials, for machinery and other outgoings, which would give employment at £30 a year each, to 666,666, making a total population employed of 1,010,666; add to these 1/2 the number of children, aged etc., dependent on those who work, or an additional 505,330; so a total, supported on wages, of 1,515,996 persons. Added to these, those who are supported, directly or indirectly, by the 4 2/3 millions of profit etc.' (Hopkins loc. cit. 336, 337.) According to this calculation, then, 833,000 directly engaged in production; 176,666 in the production of the machinery and the *matières instrumentales* which are required only because of the employment of machinery. The latter are reckoned, however, at £30 per head; thus, so as to resolve their labour into labour of the same quality as that of the 833,000, this must be calculated at £24 per head; thereby, £5,333,000 would give about 222,208 workers; this would give about 1 occupied in the production of machinery and *matières instrumentales* per 3 3/4 occupied in the production of the cotton fabric. Less than 1 to 4, but say 1 to 4. Now, if the 4 remaining workers worked only as much as 5 did earlier, thus each of them 1/4 more surplus labour time, then no profit for capital. The remaining 4 have to supply more surplus labour than the 5 did before; or the number of workers employed for machinery must be smaller than the number of workers displaced by the machinery. Machinery profitable for capital only in relation as it increases the surplus labour time of the workers employed in machinery (not in so far as it reduces it; only in so far as it reduces the relation of surplus labour time to necessary, so that the latter has not only relatively declined, while the number of simultaneous working days has remained the same, but has diminished absolutely).

The increase of absolute labour time supposes the same or an increasing number of simultaneous working days; ditto the increase of the force of production by division of labour etc. In both cases the aggregate labour time remains the same or grows. With the employment of machinery, relative surplus labour time grows not only relative to necessary labour time and hence correlative with aggregate labour time; but rather the relation to necessary labour time grows while aggregate labour diminishes, i.e. the number of simultaneous working days diminishes (relative to surplus labour time).

A Glasgow manufacturer gave Symons (J.C.), author of *Arts and Artisans at Home and Abroad,* Edinb., 1839, the following pieces of information (we cite several of them here in order to have examples for the relation of fixed capital, circulating, the part of the capital laid out in wages, etc.):

Glasgow: 'Expense of *erecting a power-loom factory* of 500 looms, calculated to weave a good fabric of calico, or shirting, such as is generally made in Glasgow, would be about	£18,000
Annual produce, say 150,000 pieces of 24 yards, at 6s.	£45,000
Which cost as under:	
Interest on sunk capital, and for depreciation of value of machinery	1,800
Steam power, oil, tallow, etc. keeping up machinery, utensils, etc.	2,000
Yarns and flax	32,000
Wages to workmen	7,500
Suppose profit	1,700
	£45,000'
	(p. 233)

Thus if we take 5% interest on machinery, then the gross profit 1,700 + 900 = 2,600. The capital laid out in wages amounts, however, to only 7,500. Thus profit relates to wages = 26:75 = 5 1/5:15, hence = 34 2/3%.

'Probable expense of erecting a [spinning] *cotton-mill* with hand mules, calculated to produce No. 40 of [a] fair average quality	£23,000
If patent self-actors, £2,000 additional.	
Produce annually to the present prices of cottons and the rates at which yarns could be sold	25,000
Cost of which as follows:	
Interest of sunk capital, allowance for depreciation of value of the machinery by 10%	2,300
Cotton	14,000
Steam power, oil, tallow, gas, and general expense of keeping up utensils and machinery in repair	1,800
Wages to workers	5,400
Profit	1,500

£25,000’
(p. 234)

(Thus assuming floating capital of £7,000, since 1,500 5% on 30,000.)

‘The produce of the mill taken at 10,000 lb. weekly.’ (234 loc. cit.) Here, then, profit = 1,150 + 1,500 = 2,650:5,400 (wages) = 1:2 2/53, = 49 8/108%.

‘Cost of a *cotton spinning mill of 10,000 throstles*, calculated to produce a fair quality of No. 24	£20,000
Taking present value of produce, the amount would annually be costing	£23,000
Interest on sunk capital, depreciation of value of machinery at 10%	2,000
Cotton	13,300
Steam power, tallow, oil, gas, keeping machinery in repair etc.	2,500
Wages to workers	3,800
Profit	1,400
	£23,000’
	(p. 235)

Hence gross profit = 2,400; wages 3,800; 2,400:3,800 = 24:38 = 12:19 = 63 3/19%.

In the first case 34 2/3%; in the second 49 8/108% and in the last 63 3/19%.

In the first case, wages 1/6 of the total price of the product; in the second more than 1/4; in the last, more than 1/6. But in the first case wages related to the value of the capital as = 1:4 8/15; in the second case = 1:5 15/27; in the third = 1:7 2/19. At the same rate as the total ratio of the part of the capital laid out in wages declines relative to the part laid out in machinery and circulating capital (this, together, 34,000 in the first case; 30,000 in the second; 28,000 in the third), the profit on the part laid out in wages must naturally rise, to allow the percentage of profit to remain the same.

The absolute decrease of aggregate labour, i.e. of the working day multiplied by the number of simultaneous working days, can appear doubly. In the first-cited form, that one part of the hitherto employed workers is dismissed in consequence of the use of fixed capital (machinery). Or, that the introduction of machinery will diminish the *increase* of the working days employed, even though productivity grows and, indeed, at a greater rate (of course) than it diminishes in consequence of the *'value'* of the newly introduced machinery. In so far as the fixed capital has *value,* it does not magnify, but rather diminishes the productivity of labour. 'The surplus hands would enable the manufacturers to lessen the rate of wages; but the certainty that any considerable reduction would be followed by immediate immense losses from turnouts, extended stoppages, and various other impediments which would be thrown in their way, makes them prefer the slower process of mechanical improvement, by which, though they may triple production, they require no new men.' (Gaskell, *Artisans and Machinery,* London, 1836.) (p. 314.) 'When the improvements not quite displace the workmen, they will render one man capable of producing, or rather superintending, the production of quantity now requiring ten or twenty labourers.' (315, loc. cit.) 'Machines have been invented which enable 1 man to produce as much yarn as 250, or 300 even, could have produced 70 years ago: which enable 1 man and 1 boy to print as many goods as a 100 men and a 100 boys could have printed formerly. The 150,000 workmen in the spinning mills produce as much yarn as 40 millions with the one-thread wheel could have produced.' (316, loc. cit.)

'The immediate market for capital, or field for capital, may be said to be labour. The amount of capital which can be invested at a given moment, in a given country, or the world, so as to return not less than a given rate of profits, seems principally to depend on the quantity of labour, which it is possible, by laying out that capital, to induce the then existing number of human beings to perform.' (p. 20. *An Inquiry into those Principles respecting the Nature of Demand* etc., London, 1821.) (By a Ricardian against Malthus's *Principles* etc.)

Alienation of the conditions of labour with the development of capital. (Inversion.) The inversion is the foundation of the capitalist mode of production, not only of its distribution.

The fact that in the development of the productive powers of labour the objective conditions of labour, objectified labour, must grow relative to living labour – this is actually a tautological statement, for what else does growing productive power of labour mean than that less immediate labour is required to create a greater product, and that therefore social wealth expresses itself more and more in the conditions of labour created by labour itself? – this fact appears from the standpoint of capital not in such a way that one of the moments of social activity – objective labour – becomes the ever more powerful body of the other moment, of subjective, living labour, but rather – and this is important for wage labour – that the objective conditions of labour assume an ever more colossal independence, represented by its very extent, opposite living labour, and that social wealth confronts labour in more powerful portions as an alien and dominant power. The emphasis comes to be placed not on the state of being *objectified,* but on the state of being *alienated,* dispossessed, sold [Der Ton wird gelegt nicht auf das *Vergegenständlichtsein,* sondern das *Entfremdet-,* Entäussert-, Veräussertsein]; on the condition that the monstrous objective power which social labour itself erected opposite itself as one of its moments belongs not to the worker, but to the personified conditions of production, i.e. to capital. To the extent that, from the standpoint of capital and wage labour, the creation of the objective body of activity happens in antithesis to the immediate labour capacity – that this process of objectification in fact appears as a process of dispossession from the standpoint of labour or as appropriation of alien labour from the standpoint of capital – to that extent, this twisting and inversion [*Verdrehung und Verkehrung*] is a *real* [*phenomenon*], not a merely *supposed one* existing merely in the imagination of the workers and the capitalists. But obviously this process of inversion is a merely *historical* necessity, a necessity for the development of the forces of production solely from a specific historic point of departure, or basis, but in no way an *absolute* necessity of production; rather, a vanishing one, and the result and the inherent purpose of this process is to suspend this basis itself, together with this form of the process. The bourgeois economists are so much cooped up within the notions belonging to a specific historic stage of social development that the necessity of the *objectification* of the powers of social labour appears to them as inseparable from the necessity of their *alienation vis-à-vis* living labour. But with the suspension of the *immediate* character of living labour, as merely *individual,* or as general merely internally or merely externally, with the positing of the activity of individuals as immediately general or *social* activity, the objective moments of production are stripped of this form of alienation; they are thereby posited as property, as the organic social body within which the individuals reproduce themselves as individuals, but as social individuals. The conditions which allow them to exist in this way in the reproduction of their life, in their productive life's process, have been posited only by the historic economic process itself; both the objective and the subjective conditions, which are only the two distinct forms of the same conditions.

The worker's propertylessness, and the ownership of living labour by objectified labour, or the appropriation of alien labour by capital – both merely expressions of the same relation from opposite poles – are fundamental conditions of the bourgeois mode of production, in no way accidents irrelevant to it. These modes of distribution are the relations of production themselves, but *sub specie distributionis.* It is therefore highly absurd when e.g. J. St. Mill says *(Principles of Political Economy,* 2nd ed., London, 1849, Vol. I, p. 240): 'The laws and conditions of the production of wealth partake of the character of physical truths ... It is not so with the distribution of wealth. That is a matter of human institutions solely.' (p. 239, 240.) The 'laws and conditions' of the production of wealth and the laws of the 'distribution of wealth' are the same laws under different forms, and both change, undergo the same historic process; are as such only moments of a historic process.

It requires no great penetration to grasp that, where e.g. free labour or wage labour arising out of the dissolution of bondage is the point of departure, there machines can only *arise* in antithesis to living labour, as property alien to it, and as power hostile to it; i.e. that they must confront it as capital. But it is just as easy to perceive that machines will not cease to be agencies of social production when they become e.g. property of the associated workers. In the first case, however, their distribution, i.e. that they *do not belong* to the worker, is just as much a condition of the mode of production founded on wage labour. In the second case the changed distribution would start from a *changed* foundation of production, a new foundation first created by the process of history.

Merivale. *Natural dependence of the worker in colonies to be*

replaced by artificial *restrictions*

Gold, in the figurative language of the Peruvians, ‘the tears wept by the sun’. (Prescott.) ‘Without the use of the tools or the machinery familiar to the European, each individual’ (in Peru) ‘could have done but little; but acting in large masses and under a common direction, they were enabled by indefatigable perseverance to achieve results etc.’ (loc. cit.) [63]

<The money prevalent among the Mexicans (more with barter and oriental landed property), ‘a regulated currency of different values. This consisted of transparent quills of gold dust; of bits of tin, cut in the form of a T; and of bags of cocoa, containing a specified number of grains. *“O felicem monetam”*, says Peter Martyr (*de Orbe novo*), *“quae suavem utilemque praebet humano generi potum, et a tartarea peste avaritiae suos immunes servat possessores, quod suffodi aut diu servari nequeat”.’* (Prescott.) [64] ‘Eschwege (1823) estimates the total value of the diamond workings in 80 years at a sum hardly exceeding 18 months’ produce of sugar or coffee in Brazil.’ (Merivale.) [65] ‘The first’ (British) ‘settlers’ (in North America) ‘cultivated the cleared ground about their villages in common … this custom prevails until 1619 in Virginia’ etc. (Merivale, Vol. I. p. 91.) (Notebook, p. 52.) (‘In 1593 the Cortes made the following representation to Philip II: “The Cortes of Valladolid of the year ’48 begged Your Majesty to cease to permit the entry into the kingdom of candles, mirrors, jewellery, knives and similar things from the exterior, these articles, so useless to human life, being exchanged *for gold, as if Spaniards were Indians”.’* (Sempéré.)) [66]

‘In densely peopled colonies the labourer, although free, is naturally dependent on the capitalist; in thinly peopled ones the want of this natural dependence must be supplied by artificial restrictions.’ (Merivale, 314, Vol. II. *Lectures on Colonization* etc., London, 1841, 1842.)>

How the machine etc. saves material. [67] Bread. Dureau de la Malle

Roman money: aes grave pound copper *(emere per aes et libram).* This the *as.* * 485 A.U.C., *deniers d’argent* = 10 *as* (these *denarii* 40 per pound:

in 510, 75 *deniers* per pound; each *denarius* still = 10 *as,* but 10 *as* of 4 ounces each). In 513, the *as* reduced to 2 ounces; the denarius still = 10 *as,* but only 1/84 of the pound of silver. The latter figure, 1/84, held firm until the end of the Republic, but in 537 the denier was 16 *as* to the ounce, and in 665 only 16 *as* the half ounce … The silver *denarius anno* 485 of the Republic = 1 franc 63; 510 = 87 *centimes;* 513 – 707 = 78 *centimes.* From Galba to the Antonines, 1 franc. (Dureau de la Malle, Vol. 1.) At the time of the first silver *denarius,* 1 pound silver to 1 pound copper = 400:1. Beginning of the second Punic war = 112:1. (loc. cit., Vol. I, pp. 82–4.) 'The Greek colonies in the south of Italy drew the silver from which they had fabricated coins since the sixth and fifth century B.C. from Greece and Asia, directly or by way of Tyre and Carthage. Despite this proximity, for political reasons the Romans prohibited the use of gold and silver. The People and the Senate felt that so *easy a medium of circulation* would lead to *concentration,* to decay of the old mores and of agriculture.' (loc. cit. p. 64, 65.) 'According to Varro, the slave an *instrumentum vocale,* the animal *instrumentum semi-mutum,* the plough *instrumentum mutum.'* (loc. cit. p. 253, 254.) (A Roman city-dweller's daily consumption somewhat more than 2 French *livres;* of a countryman, more than 3 *livres.* A Parisian eats 0.93 of bread; a countryman in the 20 departments where wheat the chief staple, 1.70. (loc. cit.) In Italy (today) 1 lb. 8 ounces, where wheat the main food. Why did the Romans eat relatively more? Originally they ate wheat raw or just softened in water; afterwards they decided to roast it … Later they discovered the art of milling, and at first the paste made with this flour was eaten raw. To mill the grain, they used a pestle, or two stones beaten and turned against one another … The Roman soldier prepared a several days' supply of this raw paste, *puls.* Then they invented the winnowing-basket, to clean the grain, and a means was found to separate the bran from the flour; finally they added yeast, and at first they ate the bread raw, until an accident taught them that, by cooking it, one could prevent it from going sour and one could store it much longer. Only after the war against Perseus, 580, did Rome have bakers. (p. 279 loc. cit.) 'In pre-Christian times, the Romans were unacquainted with windmills.' (280 loc. cit.)) 'Parmentier has demonstrated that the art of milling has made great progress in France since Louis XIV, and that the difference between the old and the new millage amounts to 1/2 the bread supplied by the same grain. At first 4, then 3, then 2, then finally 1 1/3 *setiers* of wheat were allotted for the annual consumption of an inhabitant of Paris ... Thus the enormous disproportion between the daily consumption of wheat among the Romans and among us is easily explained by the imperfections of the processes of milling and baking.' (p. 281 loc. cit.) 'The agrarian law was a limitation of landed property among active citizens. The limitation of property formed the foundation of the existence and prosperity of the old republics.' (loc. cit. p. 256, 257.) 'The state's revenue consisted of the estates, of contributions in kind, of forced labour, and of some taxes in silver payable at the entry and exit of merchandise, or levied on the sale of certain goods. This mode ... still exists almost without change in the Ottoman Empire ... At the time of Sulla's dictatorship and even at the end of the seventh century A.U.C., the Roman Republic took in only 40 million francs annually, *anno* 697 ... In 1780, the revenue of the Turkish Sultan, in coined piastres, only 35,000,000 piastres or 70 million francs ... The Romans and the Turks levied the bulk of their revenue in kind. Among the Romans ... 1/10 of the grain, 1/5 of the fruit, among the Turks, varying from 1/2 to 1/10 of the product ... Since the Roman Empire was only an immense agglomeration of independent municipalities, the greater part of the costs and expenditures remained communal.' (pp. 402–7.) (The Rome of Augustus and Nero, without the suburbs, only 266,684 inhabitants. Assumes that in the fourth century of the Christian era the suburbs had 120,000 inhabitants, the Aurelian belt 382,695, altogether 502,695, 30,000 soldiers, 30,000 aliens; altogether 562,000 heads, in round numbers. *Madrid,* during a period of 1 1/2 centuries after Charles V, capital of a part of Europe and of half the new world, many resemblances to Rome. Its population also did not grow in proportion to its political importance. (405, 406, loc. cit.)) 'The social condition of the Romans at the time resembled much more that of Russia or of the Ottoman Empire than that of France or of England: little commerce or industry; immense fortunes side by side with extreme misery.' (p. 214, loc. cit.) (Luxury only in the capital and in the residences of the Roman satraps.) 'From the destruction of Carthage to the foundation of Constantinople, Roman Italy had existed in the same condition, *vis-à-vis* Greece and the Orient, as was Spain during the eighteenth century *vis-à-vis* the rest of Europe. Alberoni said: "Spain is to Europe what the mouth is to the body: everything enters, nothing stays”.’ (loc. cit. p. 385 seq.)

[*] *as* or *libra* = 12 ounces; 1 ounce = 24 *scrupula;* 288 *scrupula* per pound.

Usury originally unrestricted in Rome. The law of the 12 tables (303 A.U.C.) had fixed the interest on money at 1% per year (Niebuhr says 10). [68] These laws promptly violated. Duilius (398 A.U.C.) again reduced the interest on money to 1%, *unciario faenore.* [69] Reduced to 1/2% in 408; in 413, lending at interest was absolutely forbidden by a plebiscite engineered by the tribune, Genucius. It is not surprising that, in a republic where industry, where commerce either wholesale or retail were prohibited to citizens, there was also a prohibition against *commerce in money.* (p. 260, 261 Vol. II, loc. cit.) This situation lasted 3 years, until the capture of Carthage. 12%, then: 6% the average annual rate of interest. (261 loc. cit.) Justinian fixed interest at 4%; ... *usura quincunx* [70] under Trajan the legal interest is 5%. Commercial interest in Egypt, 146 years B.C., was 12%. (loc. cit. p. 263.)

The involuntary alienation of feudal landed property develops with usury and with money: ‘The introduction of money which buys all things, and hence the advantage for the creditor, who lends money to the land owner, brings in the necessity of legal alienation for the advance.’ (124. John Dalrymple, *An Essay towards a General History of Feudal Property in Great Britain,* 4th ed., Lond., 1759.)

In medieval Europe: ‘Payments in gold customary with only a few articles of commerce, mostly with precious goods. Most prevalent outside the mercantile sphere, with gifts by the great, certain high obligations, heavy fines, purchase of landed estates. *Unminted* gold was not infrequently measured to suit in pounds or marks (half pounds) ... 8 ounces = 1 mark; one [ounce] hence = 2 pennyweight or 3 carats. Of *minted gold* until the Crusades, familiar only with the Byzantine *solidus,* the Italian *Tari* and the Arabian *maurabotini*’ (afterwards *maravedi*). (Hüllmann, *Städtewesen des Mittelalters,* 1st Part, Bonn, 1826.) (p. 402–4.) ‘In Frankish laws, the *solidus* also as *mere money of account,* in which the value of agricultural products to be paid as fines was expressed. E.g. among the Saxons, a *solidus* a yearling ox in usual autumn condition ... In Ripuarian law, a healthy cow represented one *solidus* ... 12 *denars* = 1 gold *solidus.*’ (405, 406.) 4 *Tari* = 1 Byzantine *solidus* ... Since the thirteenth century, various gold coins minted in Europe. *Augustales* (of the emperor *Frederick II* in Sicily: Brundisium and Messina); *florentini* or *floreni* (Florence 1252); … *ducats* or *zecchini* (Venice since 1285). (409–11, loc. cit.) 'Larger gold coins minted also in Hungary, Germany and the Netherlands since the fourteenth century; in Germany, were simply called *Gulden*.' (loc. cit. 413.) '*With payments in silver,* the prevailing custom in all larger payments was weighing, usually in marks … Even minted silver weighed for such payments, since the coin still of almost wholly pure silver, hence weight the only question. Hence the name *pound (livre, lire)* * and mark, partly the name of imaginary or accounting coins, partly passed over to real silver coins. *Silver coins: denari* or *kreuzer …* In Germany these denari were called *Pfennige* (Penig, Penning, Phennig) … since as early as the ninth century. Originally Pending, Penthing, Pfentini … from pfündig, in the old form pfünding … the same as full-weighted: hence pfündige denari, abbreviated pfündinge … Another name for the denari, from the beginning of the twelfth century in France, Germany, Netherlands, England, from the star pictured on them in place of the cross: *sternlinge, sterlinge, starlinge …* Denari sterlings = pfennig sterlings … In the fourteenth century, 320 of the Netherlands sterlings made a pound, 20 to the ounce … *In the earlier Middle Ages, silver solidi not real coins, but rather inclusive name for 12 denari …* 1 gold solidus = 12 sterling denari, for this was the median relation of gold and silver … Oboli, half pfennigs, having circulated as *small change …* With the increasing spread of petty trade, more and more of the small commercial cities and petty princes obtained the right to strike their own local coin, thus for the most part small change. Alloyed it with copper, in increasing proportions … Thick pennies, gros deniers, grossi, groschen, groten, first minted in Tours before the middle of the thirteenth century. These groschen originally double pfennigs.' (415–33.)

* *Notabene*: In Mexico we found money but no weights; in Peru weights but no money.

'The ecclesiastical assessments levied by the popes on nearly all Catholic countries contributed in no small measure, firstly, to the development of the entire money system in commercially active Europe, and then, as a consequence, to the rise of a variety of efforts to circumvent the ecclesiastical prohibition (of interest). The pope made use of the Lombards in the collection of official dues and other obligations from the archbishoprics. These, the chief usurers and pawnbrokers, under papal protection. Already generally known since the middle of the twelfth century. Especially from Siena. "Public *usurarii*." In England they called themselves "Roman Pontifical Money-Dealers". Some bishops in Basle and elsewhere pawned the episcopal ring, silken robes, all the ecclesiastical vessels at low rates with Jews, and paid interest. But bishops, abbots, priests themselves also practised usury with the church vessels by lending them for a share of the gain to Tuscan money dealers from Florence, Siena and other cities.' etc. (see loc. cit. Notebook, p. 39.) [71]

Because money is the *general equivalent, the general power of purchasing,* everything can be bought, everything may be transformed into money. But it can be transformed into money only by being alienated [*alieniert*], by its owner divesting himself of it. Everything is therefore alienable, or indifferent for the individual, external to him. Thus the so-called *inalienable, eternal* possessions, and the immovable, solid property relations corresponding to them, break down in the face of money. Furthermore, since money itself exists only in circulation, and exchanges in turn for articles of consumption etc. – for values which may all ultimately be reduced to purely individual pleasures, it follows that everything is valuable only in so far as it exists for the individual. With that, the independent value of things, except in so far as it consists in their mere being for others, in their relativity, exchangeability, the absolute value of all things and relations, is dissolved. Everything sacrificed to egotistic pleasure. For, just as everything is alienable for money, everything is also obtainable by money. Everything is to be had for 'hard cash', which, as itself something existing external to the individual, is to be catched [sic] by fraud, violence etc. Thus everything is appropriable by everyone, and it depends on chance what the individual can appropriate and what not, since it depends on the money in his possession. With that, the individual is posited, as such, as lord of all things. There are no absolute values, since, for money, value as such is relative. There is nothing inalienable, since everything alienable for money. There is no higher or holier, since everything appropriable by money. The *'res sacrae'* and *'religiosae',* which may be *'in nullius bonis', 'nec aestimationem recipere, nec obligari alienarique posse',* which are exempt from the '*commercio hominum',* [72] do not exist for money – just as all men are equal before God. Beautiful that the Roman church in the Middle Ages itself the chief propagandist of money.

‘Since the ecclesiastical law against usury had long lost all significance, in 1425 Martin formally annulled it.’ (Hüllmann, part II, loc. cit. Bonn, 1827, p. 55.) ‘No country in the Middle Ages a general rate of interest. Firstly, the priests strict. Uncertainty of the juridical arrangements for securing the loan. Accordingly higher rates in individual cases. The small circulation of money, the necessity to make most payments in cash, since the brokerage business still undeveloped. Hence great variety of views about interest and concepts of usury. In Charlemagne’s time it was considered usurious only when 100% was taken. At Lindau on Lake Constance, in 1344, local citizens took 216 2/3%. In Zurich the Council fixed the legal interest at 43 1/3% … In Italy, 40% had to be paid during some periods, although from the twelfth to the fourteenth century the usual rate does not exceed 20% … Frederick II in his decree … 10%, but this only for Jews. He did not wish to speak for the Christians … 10% was already usual in the thirteenth century in the Rhineland of Germany.’ (55–7 loc. cit.)

Productive consumption. Newman. – Transformations of capital. Economic cycle. (*Newman*)

‘*Productive consumption,* where the consumption of a commodity is *a part of the process of production.*’ (Newman etc. Notebook XVII, 10.) [73] ‘It will be noticed, that in these instances *there is no consumption of value,* the same value existing under a new form.’ (loc. cit.) ‘Further *consumption* … the appropriation of individual revenue to its different uses.’ (p. 297.) (loc. cit.)

‘*To sell for money* shall at all times be made so easy as it is now *to buy with money,* and production would become the uniform and never failing cause of demand.’ (John Gray, *The Social System* etc., Edinburgh, 1831.) (p. 16.) ‘After land, capital, labour, the fourth necessary condition of production is: *instant power of exchanging.*’ (loc. cit. 18.) ‘To be able to *exchange* is’ for the man in society ‘as important as it was to Robinson Crusoe to be able to *produce.*’ (loc. cit. 21.)

‘According to Say, credit only transfers capital, but does not create any. This true only in the one case of a loan to an industrialist by a capitalist … but not of credit between producers in their mutual advances. What one producer advances to another is not capital; it is products, commodities. These products, these commodities, can and undoubtedly will become active capital in the hands of the borrower, i.e. instruments of labour, but at the time they are nothing but products for sale in the hands of their owner, and everywhere inactive … One must distinguish … between product and commodity … and instrument of labour and productive capital … As long as a product remains in the hands of its producer, it is only a commodity, or, if you like, inactive, inert capital. Far from being of benefit for the industrialist who holds it, it is a burden for him, a ceaseless cause of trouble, of *faux frais* and of losses: storage costs, maintenance costs, protection costs, interest on capital etc., without counting the waste and spoiling which nearly all commodities suffer when they are inactive for long … Thus, if he sells this, his commodity, on credit, to another industrialist who can use the commodities for the kind of work for which they are fit, then, from having been inert commodities, they have become, for the latter, active capital. In this case, therefore, there will be an increase of productive capital on one side without any diminution on the other. Even more: if one takes note that the seller, while furnishing his commodity on credit, has received in exchange a bill which he has the right to negotiate on the spot, is it not clear that by that very fact he too has obtained the means to renew his raw materials and his instruments of labour so as to begin work again? Thus there is here a double growth of productive capital, in other words, a power acquired on both sides.' (Charles Coquelin, 'Du Crédit et des Banques dans l'Industrie', *Revue des deux mondes,* Vol. 31, 1842, p. 799 *seq.)* 'Let the whole mass of commodities for sale pass rapidly from the state of inert product into that of active capital, without delays and obstacles: the country will be filled with so much new activity! … this rapid transformation is precisely the advantage which credit allows to be realized … This is the *activity of circulation …* Thus credit may increase the industrialists' business tenfold … In a given period of time, the dealer or producer renews his materials and his products ten times instead of once … Credit brings this about by increasing everyone's purchasing power. Instead of reserving this power to those who presently have the ability to pay, it gives it to all those people … whose position and whose morality provide the guarantee of a future payment; it gives it to any person who is capable of utilizing these products through labour … Hence the first benefit of credit is to increase, if not the sum of values a country possesses, yet at least the sum of active values. This is the immediate effect. Flowing out of it … is the increase of the productive powers, hence also of the sum of values etc.' (loc. cit.)

Letting is a conditional sale, or sale of the use of a thing for a limited time. (Corbet, Th., *'An Inquiry into the Causes and Modes of the Wealth of Individuals'* etc., Lond., 1841, p. 81.)

'Transformations to which capital is subjected in the work of production. Capital, to become productive, must be consumed.' (p. 80. S. P. Newman, *Elements of Political Economy,* Andover and New York, 1835.) *'Economic cycle …* the whole course of production, from the time that outlays are made, till returns are received. In agriculture, seed time is its commencement, and harvesting its ending'. (81). *The basis of the difference between fixed and circulating* capital is that during every economic cycle, a part is partially, and another part totally consumed. (loc. cit.) *Capital as directed to different employments.* (loc. cit.) Belongs in the doctrine of competition. *'A Medium of Exchange:* In undeveloped nations, whatever commodity constitutes the larger share of the wealth of the community, or from any cause becomes more frequently than others an object of exchange, is wont to be used as a circulating medium. So cattle a medium of exchange among pastoral tribes, dried fish in Newfoundland, sugar in the West Indies, tobacco in Virginia. *Precious metals …* advantage … : (a) sameness of quality in all parts of the world … (b) admit of minute division and exact apportionment; (c) rarity and difficulty of attainment, (d) they admit of coinage.' (100 loc. cit.)

Dr Price. *Innate power of capital*

The notion of capital as a self-reproducing being – as a value perenniating and increasing by virtue of an innate quality – has led to the marvellous inventions of Dr Price, which leaves the fantasies of the alchemists far behind, and which Pitt earnestly believed and made into the pillars of his financial sagacity in his sinking fund laws (see Lauderdale). [74] The following, a few striking excerpts from the man:

'Money bearing compound interest increases at first slowly. But, the rate of increase being continually accelerated, it becomes in some time so rapid, as to mock all the powers of the imagination. One penny, put out at our Saviour's birth to 5% compound interest, would, before this time, have increased to a greater sum than would be obtained in a 150 millions of Earths, all solid gold. But if put out to simple interest, it would, in the same time, have amounted to no more than 7 shillings 4 1/2d. Our government has hitherto chosen to improve money in the *last,* rather than the first of these ways.' (18, 19. Price, Richard, *An Appeal to the Public on the Subject of the National Debt,* London, 1772, 2nd ed.) (His secret: the government should borrow at simple interest, and lend out the borrowed money at compound interest.) In his *Observations on Reversionary Payments* etc., London, 1772, he flies even higher: 'A shilling put out to 6% compound interest at our Saviour's birth would ... have increased to a greater sum than the whole solar system could hold, supposing it a sphere equal in diameter to the diameter of Saturn's orbit.' (loc. cit. XIII, note.) 'A state need never, therefore, be under any difficulties; for, with the *smallest* savings, it may, in as little time as its interest can require, pay off the largest debts.' (p. xiv.) The good Price was simply dazzled by the enormous quantities resulting from geometrical progression of numbers. Since he regards capital as a self-acting thing, without any regard to the conditions of reproduction of labour, as a mere self-increasing number, he was able to believe that he had found the laws of its growth in that formula (see below). Pitt, 1792, in a speech where he proposed to increase the sum devoted to the sinking fund, takes Dr Price's mystification quite seriously. ($S = C\,(1 + i)^n$.)

McCulloch, in his *Dictionary of Commerce,* 1847, cites, as properties of metallic money: 'The material must be: (1) divisible into the smallest portions; (2) capable of being stored for an indefinite period without deterioration; (3) easily transportable from place to place owing to great value in small bulk; (4) a piece of money, of a certain denomination, always equal in size and quality to every other piece of the same denomination; (5) its value comparatively steady.' (581.) [75]

Proudhon. Capital and simple exchange. Surplus. – *Necessity of workers' propertylessness. Townsend. Galiani. – The* infinito *in process.* Galiani

In the whole polemic by Mr Proudhon against Bastiat in *Gratuité du crédit. Discussion entre M. Fr. Bastiat et M. Proudhon,* Paris, 1850, Proudhon's argument revolves around the fact that lending appears as something quite different to him from selling. To lend at interest 'is the ability of selling the same object again and again, and always receiving its price anew, without ever giving up ownership of what one sells'. (9, in the first letter [to] Chevé, one of the editors of *La Voix du Peuple*.) [76] The different form in which the reproduction of capital appears here deceives him into thinking that this constant reproduction of the capital – whose price is always obtained back again, and which is always exchanged anew for labour at a profit, a profit which is realized again and again in purchase and sale – constitutes its concept. What leads him astray is that the 'object' does not change owners, as with purchase and sale; thus basically only the form of capital lent at interest with the form of reproduction peculiar to fixed capital. With house rent, about which Chevé speaks, it is directly the form of fixed capital. If the circulating capital is regarded in its whole process, then it may be seen that, although *the same object* (this specific pound of sugar, e.g.) is not always sold anew, the same value does always reproduce itself anew, and the sale concerns only the form, not the substance. People who are capable of making such objections are obviously still unclear about the first elementary concepts of political economy. Proudhon grasps neither how profit, nor, therefore, how interest, arises from the laws of the exchange of values. 'House', money etc. should therefore not be exchanged as 'capital', but rather as 'commodity … at cost price'. (44.) (The good fellow does not understand that the whole point is that value is exchanged for labour, according to the law of values; that, hence, to abolish interest, he would have to abolish *capital* itself, the mode of production founded on exchange value, hence wage labour as well. Mr Proudhon's inability to find even one difference between loan and sale: 'In effect, the hatter who sells hats … obtains their value in return, neither more nor less. But the lending capitalist … not only gets back the whole of his capital; he receives more than the capital, more than he brings into the exchange; he receives an interest above the capital.' (69.) Thus Mr Proudhon's hatters reckon neither profit nor interest as part of their cost price. He does not grasp that, precisely by receiving the *value* of their hats, they obtain more than these cost them, because a part of this value is appropriated in the exchange, without equivalent, with labour. Here also his great thesis mentioned above: ‘Since in commerce, the interest on capital is added to the worker’s wages to make up the price of the commodity, it is impossible for the worker to buy back what he has himself produced. To live by working is a principle which, under the reign of interest, implies a contradiction.’ (105.) In letter IX (p. 144–52), the good Proudhon confuses money as medium of circulation with capital, and therefore concludes that the ‘capital’ existing in France bears 160% (namely 1,600 millions annual interest in the state debt, mortgage etc. for a capital of a thousand millions, … the sum of currency … circulating in France). How little he understands about capital in general and its continual reproduction [is shown by] the following, which he imputes as specific to money-capital, i.e. to money lent out as capital: ‘Since, with the accumulation of interest, money-capital, exchange after exchange, always comes back to its source, it follows that this re-lending, always done by the same hand, always profits the same person.’ (154.) *‘All labour must leave a surplus.’* (Everything ought to be *sold,* nothing *lent.* This the simple secret. Inability to see how the exchange of commodities rests on the exchange between capital and labour, and profit and interest in the latter. Proudhon wants to cling to the simplest, most abstract form of exchange.)

The following pretty demonstration by Mr Proudhon: ‘Since value is nothing more than a proportion, and since all products are necessarily proportional to one another, it follows that from the social viewpoint products are always values and produced values: for society, the difference between capital and product does not exist. This difference is entirely subjective to individuals.’ (250.)

The antithetical nature of capital, and the necessity for it of the propertyless worker, is naïvely expressed in some earlier English economists, e.g. the Reverend Mr J. Townsend, [77] the father of population theory, by the fraudulent appropriation of which Malthus (a shameless plagiarist generally; thus e.g. his theory of rent is borrowed from the farmer, Anderson) made himself into a great man. Townsend says: ‘It seems to be a *law of nature* that the poor should be to a certain degree improvident, that there may be always some to fulfil the most servile, the most sordid, and the most ignoble offices in the community. The stock of human happiness is thereby much increased. The more delicate ones are thereby freed from drudgery, and can pursue higher callings etc. undisturbed.' (A *Dissertation on the Poor-laws,* edition of 1817, p. 39.) 'Legal constraint to labour is attended with too much trouble, violence, and noise, creates ill will etc., whereas hunger is not only a peaceable, silent, unremitted pressure, but, as the most natural motive to industry and labour, it calls forth the most powerful exertions.' (15.) (This the answer to what labour is in fact more productive, the slave's or the free worker's. A. Smith could not raise the question, since the mode of production of capital presupposes free labour. On the other side, the developed relation of capital and labour confirms A. Smith in his distinction between productive and unproductive labours. Lord Brougham's stale jokes against it, and the objections, supposed to be serious, by Say, Storch, MacCulloch and *tutti quanti* do not make any impact on it. A. Smith misses the mark only by somewhat too crudely conceiving the objectification of labour as labour which fixates itself in a tangible [*handgreiflich*] object. But this is a secondary thing with him, a clumsiness in expression.)

With Galiani, too, the workmen are supplied by a law of nature. Galiani published the book in 1750. 'God makes sure that the men who exercise occupations of primary utility are born in abundant numbers.' (78. *Della Moneta,* Vol. III, Scrittori Classici Italiani di Economia Politica. Parte Moderna. Milano, 1803.) But he already has the correct concept of value: 'It is only toil which gives value to things.' (74.) Of course, labour is distinct qualitatively as well, not only in so far as it [is performed] in different branches of production, but also more or less intensive etc. The way in which the equalization of these differences takes place, and all labour is reduced to unskilled simple labour, cannot of course be examined yet at this point. Suffice it that this reduction is in fact *accomplished* with the positing of products of all kinds of labour as values. As values, they are equivalents in certain proportions; the higher kinds of labour are themselves appraised in simple labour. This becomes clear at once if one considers that e.g. Californian gold is a product of simple labour. Nevertheless, every sort of labour is paid with it. Hence the qualitative difference is suspended, and the product of a higher sort of labour is in fact reduced to an amount of simple labour. Hence these computations of the different qualities of labour are completely a matter of indifference here, and do not violate the principle. 'Metals ... are used for money because they are valuable, … they are not valuable because they are used for money.' (loc. cit. 95.) 'It is the velocity of circulation of money, and not the quantity of metal, which makes more or less money appear.' (99.) 'Money is of two kinds, *ideal and real;* and is adapted to two uses, to *evaluate* things and to *purchase* them. Ideal money is as good as, sometimes better than, real money for evaluating things … the other use of money is to buy those things to which its value may be equal … prices and contracts are valued in ideal money and executed in real.' (p. 112 seq.) *'The metals have the peculiar and singular quality that in them alone all relations reduce themselves to one only, which is their quantity; nature did not endow them with a varying quality either in their internal constitution or in their external form and shape.'* (126, 127.) This is very important observation. Value supposes a common substance, and all differences, proportions etc. reduced to merely quantitative ones. This the case with precious metals, which thus appear as the natural substance of value. 'Money … like a law which reduces all things to their necessary proportions is that which articulates all things in a single voice: *price.'* (152.) 'Only this same ideal money is *of account,* which is to say, all things are stipulated, contracted and evaluated in it; which came about for the same reason that the moneys which are ideal today are the most ancient moneys of a nation, and all of them were once real, and, because they were real, they were used in accounting.' (152.) (This also the formal clarification of Urquhart's ideal money etc. For the blacks etc. the iron bar was originally real money, then changed into ideal; but they tried at the same time to hold onto its previous value. Now, since the value of iron, as becomes apparent to them in commerce, fluctuates relative to gold etc., therefore the ideal bar, so as to preserve its original value, expresses varying proportions of real amounts of iron, a laborious calculation which does honour to these gentlemen's power of abstraction.) (In the debates caused by the Bullion Committee 1810, Castlereagh advanced similar confused notions.) A beautiful statement by Galiani: 'The infinity which' (things) 'lack in progression, they find in circulation.' (156.)

About use value, Galiani nicely says: 'Price is a relation … the price of things is their proportion relative to our need, which has as yet no fixed measure. But this will be found. I myself believe it to be *man himself.'* ([159,] 162.) 'Spain, during the same period when it was the greatest as well as the richest power, counted in reales and in the tiniest maravedis.’ (172, 173.) ‘It is, rather, he’ (man) ‘who is the sole and true wealth.’ (188.) *‘Wealth is a relation between two persons.’* (221.) ‘When the price of a thing, or rather its proportion relative to others, changes proportionately to all of them, it is a clear sign that it is its value alone, and not that of all the others, which has changed.’ (154.) (The costs of preserving the capital, of repairing it, also have to be taken into account.)

‘The *positive limitation of quantity in paper* money would accomplish the only useful purpose that cost of production does in the other.’ (Opdyke.) [78] The merely quantitative difference in the material of money: ‘Money is returned *in kind only*’ (with loans); ‘which fact distinguishes this agent from all other machinery ... indicates the nature of its service ... clearly proves the singleness of its office.’ (267.) ‘With money in possession, we have but one exchange to make in order to secure the object of desire, while with other surplus products we have two, the first of which (securing the money) is infinitely more difficult than the second.’ (287, 288.)

‘Banker ... differs from the old *usurer ...* that he lends to the rich and seldom or never to the poor. Hence he lends with less risk, and can afford to do it on cheaper terms; and for both reasons, he avoids the popular odium which attended the usurer.’ (44.) (Newman, F. W., *Lectures on Political Economy,* London, 1851.)

Advances. *Storch.* – Theory of savings. *Storch.* – MacCulloch. *Surplus.* – *Profit.* – Periodical destruction of capital. *Fullarton.* – Arnd. *Natural interest*

Everyone hides and buries his money quite secretly and deeply, but especially the *Gentiles,* who are the almost exclusive masters of commerce and of money, and who are infatuated with this belief that the gold and silver they hide during their lifetime will be of use to them after death. (314.) (François Bernier, Vol. I, *Voyages contenant la description des états du Grand Mogol* etc., Paris, 1830.)

Matter in its natural state ... is always *without value ...* Only through labour does it obtain exchange value, become element of wealth. (MacCulloch, *Discours sur l'origine de l'économie politique* etc. transl. by Prévost. Geneva and Paris, 1825. p. 57.)

Commodities in exchange are each other's *measure.* (Storch. *Cours d'Économie Politique* avec des notes etc. par J. B. Say, Paris, 1823, Vol. I, p. 81.) 'In the trade between Russia and China, silver is used to evaluate all commodities; nevertheless, this commerce is carried on by barter.' (p. 88.) 'Just as labour is not the *source …* of wealth, so is it not its *measure.'* (p. 123 loc. cit.) 'Smith … let himself be misled into the opinion that the same cause which made material things *exist* was also the source and the measure of value.' (p. 124.) 'Interest the price one pays for the use of a capital.' (p. 336.) Currency must have a direct value, but be founded on an artificial need. Its material must not be indispensable for human existence; because the whole amount of it which is used for currency cannot be used individually, and must always circulate. (Vol. II, p. 113, 114.) 'Money takes the place of anything.' (p. 133.) T.V. [79] *Considérations sur la nature du revenu national,* Paris, 1824: 'Reproductive consumption is not properly an expense, but only an *advance,* because it is reimbursed to him who makes it.' (p. 54.) 'Is there not a manifest contradiction in this proposition that a people grows wealthy by its savings, or its *privations,* that is to say, by voluntarily condemning itself to poverty?' (p. 176.) 'At the time when hides and pelts served as money in Russia, the inconvenience involved in circulating so voluminous and perishable a currency gave rise to the idea of replacing them by small pieces of stamped leather, which thereby became symbols payable in hides and pelts … They kept up this usage until 1700' (namely, later, of representing the fractions of silver kopecks), 'at least in the city of Kaluga and its environs, until Peter I' (1700) 'ordered them to be turned in and exchanged for small copper coins.' (Vol. IV, p. 79.)

An indication of the marvels of compound interest is already found in the great seventeenth-century champion of the fight against usury: in Jos. Child. *Traités sur le commerce* etc. trad. de l'anglois (English publication 1669, Amsterdam and Berlin, 1754.) (pp. 115–17.)

'In point of fact a commodity will always exchange for more labour than has produced it; *and it is this excess that constitutes profits.'* (p. 221. McCulloch, *The Principles of Political Economy,* London, 1830.) Shows how well Mr McCulloch has understood the Ricardian principle. He distinguishes between *exchange value* and *real value;* the former (1) quantity of labour expended in its appropriation or production; (2) the second, *buying power* of certain quantities of labour of the other commodities. (p. 211.) Man is as much the *produce of labour* as any [of] the machines constructed by his agency; and it appears to us that in all economical investigations he ought to be considered in precisely the same point of view. (115 loc. cit.) Wages ... really consist of a part of the produce of the industry of the labourer. (p. 295.) The profits of capital are only another name for the wages of accumulated labour. (p. 291.)

‘A periodical destruction of capital has become a necessary condition of any market rate of interest at all, and, considered in that point of view, these awful visitations, to which we are accustomed to look forward with so much disquiet and apprehension and which we are so anxious to avert, may be nothing more than the natural and necessary corrective of an overgrown and bloated opulence, the *vis medicatrix* by which our social system, as at present constituted, is enabled to relieve itself from time to time of an ever-recurring plethora which menaces its existence, and to regain a sound and wholesome state.’ (p. 165. Fullarton (John): *On the Regulation of Currency* etc. Lond., 1844.)

Money – *General Power of Purchasing.* (Chalmers.) [80]

‘*Capital ...* services and commodities used in production. *Money:* the measure of value, the medium of exchange, and the universal equivalent; more practically: the *means of obtaining capital; the only means of paying for capital* previously obtained for credit; virtually – security for obtaining its equivalent value in capital: *Commerce* is the exchange of capital for capital through the medium of money, and the contract being for the medium, money alone can satisfy the contract and discharge the debt. In selling, one kind of capital is disposed for money for obtaining its equivalent value in any kind of capital. *Interest* – the consideration given for the loan of money. If the money is borrowed for the purpose of *procuring capital,* then the consideration given is a remuneration for the use of capital (raw materials, labour, merchandise etc.), which it obtains. If borrowed for the purpose of discharging a debt, for paying for capital previously obtained and used (contracted to be paid for in money), then the consideration given is for the use of money itself, and in this respect interest and discount are similar. *Discount* solely the remuneration for money itself, for converting credit money into real money. A good bill gives the same command over capital as bank notes, minus the charge for discount; and bills are discounted for the purpose of obtaining money of a more convenient denomination for wages and small cash payments, or to meet larger engagements falling due; and also for the advantage to be gained when ready money can be had by discounting at a lower rate than 5%, the usual allowance made for cash. The main object, however, in discounting depends fundamentally upon the supply and demand of legal tender money … The rate of interest depends mainly on the demand and supply of capital, and the rate of discount entirely on the supply and demand of money.' (13 March '58, *Economist,* letter to the editor.)

Mr K. Arnd, quite in his proper place where he reasons about the 'dog tax', [81] has made the following interesting discovery:

'In the natural course of the production of goods, there is only *one* phenomenon, which – in wholly settled and cultivated countries – seems destined to regulate the rate of interest to some extent; – this is the rate at which the amount of timber in the European forests increases with their annual new growth – this growth proceeds, quite independently of its exchange value, at the rate of 3 to 4 per cent.' (p. 124, 125. *Die naturgemässe Volkswirtschaft* etc., Hanau, 1845.) This deserves to be called the forest-primeval [*waldursprüngliche*] rate of interest.

Interest and profit. – Carey. *Pawning in England*

‘The remaining value or overplus will in each trade be in proportion to the value of the capital employed.’ (Ricardo.) [82]

In regard to *interest,* two things are to be examined: *Firstly,* the division of *profit* into interest and profit. (As the unity of both of these the English call it *gross profit.*) The difference becomes perceptible, tangible as soon as a class of monied capitalists comes to confront a class of industrial capitalists. *Secondly: Capital* itself becomes a commodity, or the commodity (money) is sold as capital. Thus it is said e.g. that capital, like any other commodity, varies in price according to demand and supply. These then determine the rate of interest. Thus here capital as such enters into circulation.

Monied capitalists and industrial capitalists can form two particular classes only because profit is capable of separating off into two branches of revenue. The two kinds of capitalists only express this fact; but the split has to be there, the separation of profit into two particular forms of revenue, for two particular classes of capitalists to be able to grow up on it.

The form of interest is older than that of profit. The level of interest in India for communal agriculturists in no way indicates the level of profit. But rather that profit as well as part of wages itself is appropriated in the form of interest by the usurer. It requires a sense of history like that of Mr Carey to compare this interest with that prevailing on the English money market, which the English capitalist pays, and to conclude therefrom how much higher the ‘labour share’ (the share of labour in the product) is in England than in India. He ought to have compared the interest which English handloom-weavers, e.g. in Derbyshire, pay, whose material and instrument is advanced (lent) by the capitalist. He would have found that the interest is here so high that, after settlement of all items, the worker ends up being the debtor, after not only having made restitution of the capitalist’s advance, but also having added his own labour to it free of charge. Historically, the form of industrial profit arises only after capital no longer appears alongside the independent worker. Profit thus appears originally determined by interest. But in the bourgeois economy, interest determined by profit, and only one of the latter’s parts. Hence profit must be large enough to allow of a part of it branching off as interest.

Historically, the inverse. Interest must have become so depressed that a part of the surplus gain could achieve independence as profit. There is a natural relation between wages and profit – necessary labour and surplus labour; but is there any between profit and interest, same [as] that which is determined by the competition between these two classes arranged under these different forms of revenues? But in order that this competition exist, the [existence of the] two classes, the division of the surplus value into profits and interest, is already presupposed. To examine capital in general is not a mere abstraction. If I regard the total capital of e.g. a nation as distinct from total wage labour (or, as distinct from landed property), or if I regard capital as the general economic basis of a class as distinct from another class, then I regard it in general. Just as if I regard man e.g. as physiologically distinct from the animals. The real difference between profit and interest exists as the difference between a moneyed class of capitalists and an industrial class of capitalists. But in order that two such classes may come to confront one another, their double existence presupposes a divergence within the surplus value posited by capital.

(Political economy has to do with the specific social forms of wealth or rather of the production of wealth. The material of wealth, whether subjective, like labour, or objective, like objects for the satisfaction of natural or historical needs, initially appears as common to all epochs of production. This material therefore appears initially as mere presupposition, lying quite outside the scope of political economy, and falls within its purview only when it is modified by the formal relations, or appears as modifying them. What it is customary to say about this in general terms is restricted to abstractions which had a historic value in the first tentative steps of political economy, when the forms still had to be laboriously peeled out of the material, and were, at the cost of great effort, fixed upon as a proper object of study. Later, they become leathery commonplaces, the more nauseating, the more they parade their scientific pretensions. This holds for everything which the German economists are in the habit of rattling off under the category ‘goods’.)

The important thing is that both interest and profit express relations of *capital.* As a particular form, interest-bearing capital stands opposite, not labour, but rather opposite profit-bearing capital. The relation in which on one side the worker still appears as independent, i.e. not as wage labourer, but on the other side his objective conditions already possess an independent existence alongside him, forming the property of a particular class of usurers, this relation necessarily develops in all modes of production resting more or less on exchange – with the development of merchant wealth or money wealth in antithesis to the particular and restricted forms of agricultural or handicraft wealth. The development of this mercantile wealth may itself be regarded as the development of exchange value and hence of circulation and of money relations in the former spheres. Of course, this relation shows us, on one side, the growing independence, the unbinding of the conditions of labour – which more and more come out of circulation and depend on it – from the worker's economic being. On the other side, the latter is not yet subsumed into the process of capital. The mode of production therefore does not yet undergo essential change. Where this relation repeats itself within the bourgeois economy, it does so in the backward branches of industry, or in such branches as still struggle against their extinction and absorption into the modern mode of production. The most odious exploitation of labour still takes place in them, without the relation of capital and labour here carrying within itself any basis whatever for the development of new forces of production, and the germ of newer historic forms. In the mode of production itself, capital still here appears materially subsumed under the individual workers or the family of workers – whether in a handicraft business or in small-scale agriculture. What takes place is exploitation by capital without the mode of production of capital. The rate of interest appears very high, because it includes profit and even a part of wages. This form of usury, in which capital does not seize possession of production, hence is capital only formally, presupposes the predominance of pre-bourgeois forms of production; but reproduces itself again in subordinate spheres within the bourgeois economy itself.

Second historic form of interest: Lending of capital to wealth which is engaged in consumption. Appears historically important here as itself a moment in the original rise of capital, in that the income (and often the land, too) of the landed proprietors accumulates and becomes capitalized in the pockets of the usurer. This is one of the processes by which circulating capital or capital in the form of money comes to be concentrated in a class independent of the landed proprietors.

The form of realized capital as well as of its realized surplus value is money. Profit (not only interest) thus expresses itself in money; because in that value is realized and measured.

The necessity of payments in money – not only of money for the purchase of commodities etc. – develops wherever exchange relations and money circulation take place. It is by no means necessary that exchange should be simultaneous. With money, the possibility is present that one party cedes his commodity and the other makes his payment only later. The need for money for this purpose (later developed in loans and discounts) a chief historic source of interest. This source does not concern us at all yet at this point; is to be looked at only along with credit relations.

Difference between *buying* (M–C) and *selling* (C–M): 'when I sell, I have (1) added the profit to the commodity and obtained it; (2) an article universally representative or convertible, money, for which, money being always saleable, I can always command every other commodity; the superior saleableness of money being the exact effect or natural consequence of the less saleableness of commodities ... With buying, different. If he buys to sell again or supply customers, whatever may be the probability, there is no absolute certainty of his selling at a remunerative price ... But not all buy so as to sell again, but rather for their own use or consumption' etc. (p. 117 seq. Corbet, Th. *An Inquiry into the Causes and Modes of the Wealth of Individuals,* London, 1841.)

Economist, 10 April [1858]: 'A parliamentary return moved for by Mr James Wilson, shows that the mint coined in 1857 gold to the value of £4,859,000, of which £364,000 was in half sovereigns. The silver coinage of the year amounted to £373,000, the cost of the metal used being £363,000 ... The total amount coined in the ten years ending the 31st of December, 1857, was £55,239,000 in gold, and 2,434,000 in silver ... The copper coinage last year amounted in value to £6,720 – the value of the copper being £3,492; of this 3,163 was in pence, 2,464 in half-pence, and 1,120 in farthings ... The total value of the copper coinage of the last ten years was £141,477, the copper of which it was composed being purchased for £73,503.'

'According to Thomas Culpeper (1641), Josiah Child (1670), Paterson (1694), Locke (1700), wealth depends on the self-enforced reduction of the interest rate of gold and silver. Accepted in England during nearly two centuries.' (Ganilh.)

[83] When Hume, in antithesis to Locke, developed the determination of the interest rate by the rate of profit, he already had before his eyes a far greater development of capital; even more so Bentham when, towards the end of the eighteenth century, he wrote his defence of usury. (From Henry VIII to Anne, statutory reduction of interest.)

‘In every country: (1) a producing class and (2) a monied class, which lives from the interest on its capital.’ (p. 110.) (J. St. Mill, *Some Unsettled Questions of Political Economy,* London, 1844.)

‘It is by frequent fluctuation in a month, and by pawning one article to relieve another, where a small sum is obtained, that the premium for money becomes so excessive. 240 licensed pawn-brokers in London and about 1450 in the country … The capital employed is estimated at about 1 million. Turned over at least three times annually … Each time on the average for 33 1/3% profit; so that the inferior orders of England pay 1 million annually for a temporary loan of one million, exclusive of what they lose by goods being forfeited.’ (p. 114.) (Vol. I. J. D. Tuckett, *A History of the Past and Present State of the Labouring Population* etc., London, 1846.)

How merchant takes the place of master

‘Some works cannot be operated on other than a large scale, e.g. porcelain making, glass making etc. Hence are never handicrafts. Already in the thirteenth and fourteenth centuries, some works, like weaving, were carried on on a large scale.’ (Poppe, p. 32.)

‘In earlier times all factories belonged to the crafts, and the *merchant* remained merely the distributor and promoter of the handicrafts. This was still most strictly observed in the manufacture of cloth and textiles. But, by and by, in many localities the merchants began to set themselves up as masters’ (of course without the old masters’ guild prejudices, traditions, relations to the journeymen), ‘and to take journeymen into their employ for day-wages.’ (Poppe. p. 92, Vol. 1. *Geschichte der Technologie,* Göttingen, 1807–11.) This was a chief reason why, in England, industry proper struck root and arose in non-incorporated cities.

Merchant wealth

Mercantile capital, or money as it presents itself as merchant wealth, is the first form of capital, i.e. of value which comes exclusively from circulation (from exchange), maintains, reproduces and increases itself within it, and thus the exclusive aim of this movement and activity is exchange value. There are two movements, to buy so as to sell, and to sell so as to buy; but the form M–C–C–M predominates. Money and its increase appear as the exclusive purpose of the operation. The merchant neither buys the commodity for his own needs, for the sake of its use value, nor does he sell it so as to e.g. pay off contracts written in money, or so as to obtain another commodity for his own needs. His direct aim is increase of value, and namely in its direct form as money. Mercantile wealth is, firstly, money as medium of exchange; money as the mediating movement of circulation; it exchanges commodity for money, money for commodity and vice versa. Money likewise appears here as an end-in-itself, but without therefore existing in its metallic existence. It is here the living transformation of value into the two forms of commodity and money: the indifference of value towards the particular form of use value which it assumes, and at the same time its metamorphosis into all of these forms, which appear, however, merely as disguises. Thus, while the action of commerce concentrates the movements of circulation, hence money as merchant wealth is in one respect the first existence of capital, still appears as such historically, this form appears on the other side as directly contradictory to the *concept of value.* To buy cheap and sell dear is the law of trade. *Hence not the exchange of equivalents, with which trade, rather, would be impossible as a particular way of gaining wealth.*

Nevertheless, money as trading wealth – as it appears in the most various forms of society and at the most various stages of the development of the forces of social production – is merely the mediating movement between two extremes, which it does not dominate, and presuppositions which it does not create.

A. Smith, Vol. II (ed. Garnier): 'The great *trade* of every civilized society is that which is established between the inhabitants of the town and those of the countryside ... it consists in the *exchange of the raw product* for the *manufactured product ...* either directly, or by the intervention of money.' (p.

403.) Trade always concentrates; production originally on a small scale. ‘The town is a continual fair or marketplace where the inhabitants of the countryside go to exchange their raw product for manufactured products. It is this trade which supplies the inhabitants of the town both with the material of their labour and with the means of their subsistence. The quantity of *manufactured goods* which they sell to the inhabitants of the countryside necessarily determines the quantity of materials and subsistence they buy.’ (p. 408 [409].)

So long as ‘means of subsistence and of pleasure’ the chief aim, use value predominates.

It is part of the concept of value that it maintains itself and increases only through exchange. But the existing value, initially, money.

‘This industry, whose aim was something beyond absolute necessity, established itself in the towns long before it could be commonly practised by the cultivators of the countryside.’ (p. 452.)

‘Although the inhabitants of a town ultimately draw their subsistence and all the means and materials of their industry from the countryside, yet those of a town lying near the shores of the sea or of a navigable river may draw them also from the farthest corners of the world, either in exchange for the manufactured product of their own industry, or by performing the service of carriers alternately between distant countries and exchanging the products of these countries among them. Thus a city may become very wealthy, while not only the land in its immediate environs, but also all lands where it trades, are poor. Each of these countries, taken separately, can offer it only a very small part of subsistence and for business; but all of these countries, taken collectively, can supply it with a great quantity of subsistence and a great variety of employment.’ (p. [452,] 453.) (Italian cities were the first in Europe to rise by trade; during the crusades – Venice, Genoa, Pisa – partly by the transport of people and always by that of the supplies which had to be delivered to them. These republics were, in a manner of speaking, the supply commissaries of these armies.) (loc. cit.)

Merchant wealth, as constantly engaged in exchange and exchanging for the sake of exchange value, is in fact living money.

‘The inhabitants of mercantile towns imported refined objects and luxury articles from wealthier countries at a high price, thus furnishing new food for the vanity of the great landed proprietors, who bought them with alacrity, by paying great quantities of the raw produce of their estates for them. Thus the commerce of a great part of Europe at this time consisted in exchange of the raw produce of one country for the manufactured produce of a country more advanced in industry.' (p. [454,] 455.) 'When this taste had become sufficiently general to create a considerable demand, the merchants sought, so as to save the costs of transport, to establish similar manufactures in their own country. This the origin of the first manufactures for distant markets.' Luxury manufactures, arisen out of foreign commerce, established by merchants (p. [456–] 458) (worked up foreign materials). Ad. Smith speaks of a second sort, which 'arose naturally and by itself through successive refinement of the crude and domestic employments'. Worked up home-grown materials. (p. 459.)

The trading peoples of antiquity like the gods of Epicurus in the spaces between the worlds, or rather like the Jews in the pores of Polish society. Most of the independent trading peoples or cities attained the magnificent development of their independence through the *carrying trade,* which rested on the barbarity of the producing peoples, between whom they played the role of money (the mediators).

In the preliminary stages of bourgeois society, trade dominates industry; in modern society, the opposite.

Trade will naturally react back to varying degrees upon the communities between which it is carried on. It will subjugate production more and more to exchange value; push direct use value more and more into the background; in that it makes subsistence more dependent on the sale than on the immediate use of the product. Dissolves the old relations. Thereby increases money circulation. First seizes hold of the overflow of production; little by little lays hands on the latter itself. However, the dissolving effect depends very much on the nature of the producing communities between which it operates. For example, hardly shook the old Indian communities and Asiatic relations generally. Fraud in exchange is the basis of trade such as it appears independently.

But capital arises only where trade has seized possession of production itself, and where the merchant becomes producer, or the producer mere merchant. Opposed to this, the medieval guild system, the caste system etc. But the rise of capital in its adequate form presupposes it as commercial capital, so that production is no longer for use, more or less mediated by money, but for wholesale trade.

Commercial wealth as an independent economic form and as the foundation of commercial cities and commercial peoples exists and has existed between peoples on the most diverse stages of economic development, and within the commercial city itself (e.g. the old Asian, the Greek, and the Italian etc. of the Middle Ages) production can continue on in the form of guilds etc.

Steuart. ‘Trade is an operation, by which the wealth, or work, either of individuals, or of societies, may be exchanged by a set of men called merchants, for an equivalent, proper for supplying every want, without any interruption to industry, or any check to consumption. *Industry* is the application to ingenious labour in a free man, in order to procure, by the *means of trade,* an equivalent, fit for supplying every want.’ (Vol. I, p. 166.)

‘While wants continue simple and few, a workman finds time enough to distribute all his work; when wants become more multiplied, men must work harder; *time becomes precious;* hence trade is introduced ... The merchant as mediator between workmen and consumers.’ (p. 171.)

The collection (of products) into a few hands is the introduction of trade. (loc. cit.) The consumer does not buy so as to sell again. If the merchant buys and sells solely with a view to a gain (p. 174) (i.e. for value). ‘The simplest of all trades is that which is executed by *bartering of the most necessary means of subsistence’* (between the surplus food of the farmers and the free hands). ‘Progress chiefly to be ascribed to the introduction of money.’ (p. 176.) As long as mutual needs are supplied by barter, there is not the least occasion for money. This the simplest combination. When needs have multiplied, bartering becomes more difficult: upon this, *money* is introduced. This is the common price of all things. A proper equivalent in the hands of those who want. This operation of buying and selling is somewhat more complex than the first. Thus (1) *barter;* (2) *sale;* (3) *commerce.* The merchant must intervene. What was earlier called wants is now represented by the consumer; industry by the manufacturer, money by the merchant. The merchant represents money by substituting credit in its place; and as money invented for the facilitation of barter, so the merchant, with credit, a new refinement upon the use of money.

This operation of buying and selling is now trade; it relieves both parts of the whole trouble of transportation and adjusting wants to needs, or wants to money; the merchant represents by turns the consumer, the manufacturer, and money. Towards the consumer he represents the totality of manufacturers, to the latter the totality of consumers, and to both classes his credit supplies the use of money. (p. 177, 178.) *Merchants are supposed to buy and sell not out of necessity, but rather with a view to profit.* (p. 203.)

'First the industrialist produces for others' not for his own use; these goods begin to be of use to him only from the moment he exchanges them away. They thus make trade and the art of exchange necessary. They are only appraised by their exchangeable value.' (p. 161.) (Sismondi, *Études sur l'économie politique,* Vol. II, Brussels, 1837.) Trade has robbed things, pieces of wealth, of their primitive character of usefulness: *it is the antithesis between their use value and their exchangeable value to which commerce has reduced all things.* (p. 162.) At the beginning, utility is the true measure of values; ... trade exists then, in the patriarchal state of society; but it has not entirely absorbed the society; it is practised only upon the surplus of each one's production, and not on what constitutes its existence. (p. 162, 163.) By contrast, the character of our economic progress is that *trade* has taken on the burden of the *distribution* of the totality of the annually produced wealth and it has consequently suppressed absolutely its character of use value, letting only that of exchangeable value remain. (163.) Before the introduction of trade ... the increase in the quantity of the product was a direct increase of wealth. Less significant at that time was the quantity of labour by means of which this useful thing was obtained ... And really, the thing demanded loses none of its usefulness even if no labour at all were needed to obtain it; grain and linen would not be less necessary to their owners ... even if they fell to them from heaven. This is without a doubt the true estimate of wealth, enjoyment, and usefulness. But from the moment when men ... made their subsistence dependent on the exchanges they could make, or on commerce, they were forced to adhere to a different estimation, to exchange value, to value which results not from usefulness but rather from *the relation between the needs of the whole society and the quantity of labour which was sufficient to satisfy this need,* or as well the quantity of labour which might satisfy it in the future. (p. 266, loc. cit.) In the estimation of values, which people endeavoured to measure with the introduction of currency, the concept of usefulness is quite displaced. It is *labour,* the exertion necessary to procure oneself the two things exchanged for one another, which has alone been regarded. (p. 267.)

Gilbart (J. W.): *The History and Principles of Banking,* London, 1834, has this to say about interest:

'That a man who borrows money with *the intention of making a profit on it,* should give a portion of the profit to the lender, is a self-evident principle of natural justice. A man makes a profit usually by means of traffic. But in the Middle Ages the population purely agricultural. And there, like under the feudal government, there can be only little traffic and hence little profit ... Hence the usury laws in the Middle Ages justified ... Furthermore: in an agricultural country a person seldom wants to borrow money except he be reduced to poverty or distress by misery.' (p. 163.) Henry VIII limited interest to 10%, James I to 8, Charles II to 6, Anne to 5. (164, 165.) In those days, the lenders were, if not legal, still actual monopolists, and thus it was necessary to place them under restraint like other monopolists. (p. 165.) In our time the rate of profit governs the rate of interest; in those days the rate of interest governed the rate of profit. If the money-lender burdened the merchant with a higher rate of interest, then the merchant had to put a higher rate of profit on his goods, hence a greater sum of money taken out of the pockets of the buyers so as to bring it into the pockets of the money-lenders. This additional price put on the goods made capital less able and less inclined to buy them. (p. 165.) (loc. cit.)

Commerce with equivalents impossible. Opdyke

'Under the rule of invariable equivalents *commerce* etc. would be impossible.' (G. Opdyke, *A Treatise on Political Economy,* New York, 1851, p. 67.)

'The positive limitation of quantity on this instrument' (i.e. paper money) 'would accomplish the only useful purpose that cost of production does in the other' (metal money). (loc. cit. 300.)

Principal and interest

Interest. ‘If a fixed sum of precious metal falls, then this no reason that a smaller quantity of money should be taken for its use, for if the principal worth less for the borrower, so the interest in the same measure less difficult for him to pay … In California 3% per month, 36% per annum because of the unsettled state … In Hindustan, where borrowing by Indian princes for *unproductive expenses,* in order to balance the losses of capital on the average, very high interest, 30%, *having no relation to profit* which might be gained in industrial operations.’ (*Economist,* 22 January 1853.) (The lender ‘here charges interest so high as to be sufficient to replace the principal in a short time, or at least as on the average of all his lending transactions, might serve to counterbalance his losses in particular instances, by the apparently exorbitant gains acquired in others.’ (loc. cit.))

The rate of interest depends: (1) on the rate of profit; (2) on the proportion in which the entire profit divided between lender and borrower. (loc. cit.)

Abundance or scarcity of the precious metals, the high or low scale of general prices prevailing, determines only whether a greater or less amount of money will be required in effecting the exchanges between borrowers and lenders, as well as every other species of exchange … Difference only, that a greater sum of money would be needed to represent and transfer capital lent … the relation between the sum paid for the use of capital and the capital expresses the rate of interest as measured in money. (loc. cit.)

Double Standard. Previously, in countries where gold and silver legal standard, silver circulated almost exclusively, because from 1800 to 1850 the tendency was for gold to become dearer than silver … The gold was somewhat risen against silver, bore a premium in France on its relation to silver as fixed in 1802 … so in the United States; … in India. (In the latter now silver standard, as in Holland etc.) … The circulation of the United States the first affected. Great import of gold from California, premium on silver in Europe … extensive shipment of silver coins and replacement by gold. The United States government struck silver coins as low as 1 dollar … Substitution of silver for gold in France. (*Economist,* 15 November 1851.) Let the ‘standard of value’ be what it will, ‘and let the current money represent *any* fixed portion of that standard, that may be determined upon, the two can only have a fixed and permanent value in relation to each other, by being convertible at the will of the holder.’ (*Economist.*) [84]

The only way in which any class of coins can command a premium is that no one is obliged to pay them, while every one is obliged to take them as a legal tender. (*Economist.*) [85]

No country may consequently have more than one standard (more than *one* standard of the measure of value); for this standard must be uniform and unchanging. No article has a uniform, unchanging value relative to another; it only has such with itself. A gold piece is always of the same value as another, of exactly the same fineness, the same weight, and the same value in the same place; but this cannot be said of gold *and* any other article, e.g. silver. (*Economist,* 1844.) [86]

The English £ somewhat less than 1/3 of its original value, the German florin = 1/6, Scotland before the union [reduced] its pound 1/36, to the French *livre* 1/74, the Spanish *maravedi* = less than 1/1,000, the Portuguese *re* still lower. (p. 13, Morrison.) [87]

Before the law of 1819, causes in existence in determinating the bullion price apart from the circulation of bank notes: (1) the more or less perfect condition of the coin. If the circulating metallic coin is debased below its standard weight, then the slightest turn of exchange causing a demand for exportation must raise the price of the uncoined bullion by at least the degradation of the coin. (2) penal laws which forbade the melting and exporting of coin, and permitted the traffic in bullion. With intensive demand for export, this gave latitude for variation of bullion price against coin even at times when paper completely convertible. In 1783, 1792, 1795, 1796 … 1816, the bullion price rose above the mint price, because the bank-creditors, in their anxiety to prepare for the resumption of cash payment, accepted gold considerably above the mint price. (Fullarton.) [88]

The standard may be for gold, without one ounce of gold circulating. (*Economist.*)

Under George III (1774) silver legal tender only for £25. And the bank, by statute, now paid only in gold. (Morrison.) Lord Liverpool (beginning of the nineteenth century) made silver and copper into purely representative coins. (loc. cit.) [89]

Dissolving effect of money. *Money a means of cutting up property*

Urquhart's nonsense about the standard of money: 'The value of gold is to be measured by itself; how can any substance be the measure of its own worth in other things? The worth of gold is to be established by its own *weight,* under a false denomination of that weight – and an *ounce* is to be worth so many *pounds* and fractions of pounds. This is – falsifying a *measure,* not establishing a *standard*!' (*Familiar Words*.) [90]

Ad. Smith calls labour the *real* and money the *nominal measure of value;* presents the former as the original. [91]

Value of money. J. St. Mill. 'If the quantity of goods sold is given, and the number of sales and resales of these goods, then the value of money depends on its quantity, together with the number of times that each piece of money changes hands in this process.' 'The quantity of money in circulation = the money value of all commodities sold, divided by the number which expresses the velocity of circulation.' 'If the amount of commodities and transactions be given, then the value of money is the inverse of its quantity multiplied by its velocity of circulation.' But all these statements to be understood only in the sense 'that we speak only of the quantity of money which really circulates and is factually exchanged for commodities'. 'The necessary quantity of money determined partly by its production costs, partly by the velocity of its circulation. If the velocity of circulation is given, then the costs of production are determinant; if the production costs are given, then the quantity of money depends on the velocity of circulation.' [92]

Money has no equivalent other than itself or commodities. Hence degrades everything. At the beginning of the fifteenth century in France even the sacred vessels of the church (chalices) etc. pawned to the Jews. (Augier.) [93]

Money not a direct object of consumption: the currency never becomes an object of consumption, always remains a commodity, never becomes a good. Has a direct intrinsic value only for society; an exchangeable one for each individual. Its material must therefore have value, but founded on an artificial need, must not be indispensable for human existence; for the whole quantity of it which is used as currency can never be employed individually; it must always circulate. (Storch.) [94]

John Gray: *The Social System. A Treatise on the Principle of Exchange,* Edinburgh, 1831.

'To sell for money ought at all times to be made as easy as to buy with money; production would then become the uniform and never failing cause of demand.' (16.) It is the quantity that can be sold at a profit, not the quantity that can be made, that is the present limit to production. (59.)

Money should be merely a *receipt,* an evidence that the holder of it has either contributed a certain value to the national stock of wealth, or that he has acquired a right to the said value from some one who has contributed to it ... Money should be nothing more or less than portable, transferable, divisible, and inimitable evidences of the existence of wealth in store. (63, 64.) *An estimated value being previously put upon produce,* let it be lodged in a bank, and drawn out again whenever it is required; merely stipulating, by common consent, that he who lodges any kind of property in the proposed National Bank may take out of it an equal value of whatever it may contain, instead of being obliged to draw out the selfsame thing that he put in ... The proposed national banker should receive and take charge of *every* description of valuable, and give back *any* description of valuable again. (loc. cit. 68.)

'If money,' says Gray, 'be of *equal value* with that which it represents, it ceases to be a *representative* at all. It is one of the chief desideratums in money, that the holder of it should be compelled at one time or other to present it for payment at the place 'from whence he received it. But if money be of the same *intrinsic value* as that which is given for it, no such necessity exists.' (74.)

'Depreciation of stock ... should form an item of national charge.' (p. [115,] 116.) 'The business of every country is to be conducted ... on a national capital.' (171.) 'All land to be transformed into national property.' (298.)

Gray (John), *Lectures on the nature and use of Money* (Edinburgh, 1848): 'Man collectively *should* know no limit to his physical means of enjoyment, save those of the exhaustion either of *his industry or* [of] *his productive powers:* whilst we, by the adoption of a monetary system, false in principle, and destructive in practice, have consented to restrict the amount of our physical means of *enjoyment to that precise quantity which can be profitably exchanged for a commodity, one of the least capable of multiplication by the exercise of human industry* of any upon the face of the earth.' (29.) What will be required for a good system, is (1) a bank system through whose operations the *national* relationship of supply and demand would be restored; (2) a *true* standard of value, instead of the existing fiction. (108.) (In this book the idea of the exchange-bank developed in still more detail and with preservation of the present mode of production.) 'There must be a minimum price of labour payable in standard money.' (p. 160.) Let us call e.g. the lowest rate of wages per week for 60–72 hours that may by law be given, 20s. or £1 standard. (161.) 'Shall we retain our *fictitious* standard of value, *gold,* and thus keep the productive resources of the country in bondage, or shall we resort to the *natural* standard of value, *labour,* and thereby set our productive resources free?' (p. 169.) The amount of this minimum wage being once fixed ... it should remain the same for ever. (174.) 'Merely let gold and silver take their proper place in the market beside butter and eggs and cloth and calico, and then the value of the precious metals will interest us no more than that of the diamond' etc. (182 [, 183].) No objection to make to gold and silver used *as instruments of exchange, ...* but only as *measures of value ...* In a short time one would see how many ounces of gold or silver were obtainable in London, Edinburgh or Dublin in exchange for a hundred pound standard note. (p. 188.)

Interest. As the class of rentiers increases, so also does that of lenders of capital, for they are one and the same. From this cause alone, interest must have had a tendency to fall in old countries. (201, 202 Ramsay.) 'It is probable that in all ages the precious metals cost more in their production than their value ever repaid.' (101, II. Jacob, W. *An Historical Enquiry into the Production and Consumption of Precious Metals,* London, 1831.)

Value of money. The value of all things, divided by the number of transactions of which they were the object, from product[ion] to the produc[er],

= the value of the *écus* used to buy them, divided by the number of times that these thalers have been transferred in the same space of time. (Sismondi, *Nouveaux Principes d'Économie Politique,* etc.)

The most formal development of the false theory of prices is by James Mill (quoted from the translation by J. T. Parisot, Paris, 1823. *Éléments d'Économie Politique*).

The chief passages in Mill are:

'*Value* of money = the proportion in which one exchanges it for other articles, or the quantity of money which one gives in exchange for a specific quantity of other things.' (p. 128.) This relation is determined by the *total quantity* of money existing in a country. If one supposes all the commodities of a country brought together on one side, and all the money on the other, then it is evident that in the exchange between both sides, the value of money, i.e. the quantity of the commodities for which it has been exchanged, entirely depends on its own quantity. (loc. cit.) The case is wholly the same in the actual state of things. The total mass of the commodities of a country is *not* exchanged *at once* for the total mass of the money, but rather the commodities are exchanged in portions, and often very small portions, at various periods in the course of the year. The same piece of money which has served today for one exchange may serve tomorrow for another. A part of the money is used for a very great number of exchanges, another part for a very small number, a third is stockpiled and serves for no exchange. Among these variations there will be a median rate, based on the number of exchanges for which each piece of money would be used if all had effected an equal number of exchanges. Let this rate be fixed at some convenient number, e.g. 10. If every piece of money in the country has served for 10 purchases, then it is the same as if the total number of pieces of money had increased tenfold, and each had served for only a single exchange. In this case the value of all commodities is equal to 10 times the value of the money etc. (p. 129, 130.) If, instead of each coin serving for 10 purchases a year, the total mass of money had increased tenfold, and the coin served for only one exchange, then it is evident that every increase of this mass would cause a relative diminution in the value of each of these coins taken separately. Since *it is supposed* that the mass of all commodities for which the money may exchange remains *the same,* therefore the value of the total mass of the money has become no greater after the increase of its quantity than before. If *one supposes* an increase of one-tenth, then the value of each of its parts, e.g. an ounce, must have diminished by one-tenth. (p. 130, 131.) ‘Thus, whatever may be the degree of the increase or decrease of the total mass of money, if the quantity of the other things remains the same, then this total mass and each of its parts experiences inversely a relative diminution or increase. It is clear that this thesis is of absolute truth. Whenever the *value of money* has experienced a rise or fall, and whenever the quantity of the commodities for which it could be exchanged, and the movement of circulation, remained the same, this change must have had as cause a relative increase or diminution of money, and can be ascribed to no other cause. If the mass of commodities decreases while the quantity of money remains the same, then it is as if the totality of money had increased, and vice versa. Similar changes are the result of every alteration in the *movement of circulation.* Every increase of the number of purchases produces the same effect as a total increase of money; a decrease of this number produces directly the *opposite* effect.’ (p. 131, 132.) If a portion of the annual product has not been exchanged at all, like that which the producers consume, or is not exchanged for money, then this portion must not be put on the account, because whatever does not exchange for money is in the same situation relative to money as if it did not exist. (p. 131, 132.) Whenever the increase or diminution of money can proceed freely, this quantity is governed by the value of the metal ... Gold and silver, however, are commodities, products ... The *costs of production* govern the value of gold and silver, like that of all other products. (p. 136.)

The insipidness of this reasoning is quite evident.

(1) *If one supposes* that the mass of commodities remains the same, and the velocity of circulation as well, but that nevertheless a great mass of gold or silver exchanges for this same mass of commodities (without the value, i.e. the amount of labour contained in gold and silver, having changed), then one supposes exactly what one wanted to prove, namely that the prices of commodities are determined by the quantity of the circulating medium and not vice versa.

(2) Mill concedes that the commodities not thrown into circulation do not

exist for money. It is equally clear that the money not thrown into circulation does not exist for the commodities. Thereby there exists no fixed relation between the value of money generally and the mass of it which enters into circulation. That the mass actually in circulation, divided by the number of its turnovers, is equal to the value of money is merely a tautological circumlocution for saying that the value of the commodity expressed in money is its price; since the money in circulation expresses the value of the commodities it circulates – it follows that the value of these commodities is determined by the *mass* of the circulating money.

(3) The confusion of Mill's view is clearly shown in his thesis that the value of money diminishes or increases with 'every alteration in the movement of circulation'. Whether one pound sterling circulates 1 time or 10 times a day, in each exchange it expresses an equivalent for the commodity, exchanges for the same value in commodities. Its own value remains the same in every exchange, and is hence altered neither by slower nor by rapid circulation. The mass of the circulating money is altered; but neither the value of the commodity, nor the value of the money. 'If it is said: a piece of cloth is worth £5, then it means: it possesses the value of 616,370 grains of standard gold. The reason assigned above may be paraphrased thus: "prices must fall because commodities are estimated as being worth so many ounces of gold; and the amount of gold in this country is diminished".' (Hubbard, J. G., *The Currency and the Country,* London, 1843, p. 44.)

(4) Mill at first supposes, in theory, that the whole mass of the money in a country is exchanged *at once* for the whole mass of the commodities which are to be found in it. Says, then, that this is so in reality, namely for the main reason that in practice just the opposite takes place, and only portions of money are exchanged for portions of commodities, the fewest payments arranged by payment on the spot – time bargains. Follows, therefore, that the total amount of transactions or purchases, made in a day, is entirely independent of the money circulating on this day, and that the mass of money circulating on any given day is not the cause but the effect of a mass of previous transactions, each of them wholly independent of the money supply at the time.

(5) Finally, Mill himself admits that with free circulation of money, and this is our only concern, the value of money is determined by its cost of production,

i.e., according to his own admission, by the labour time contained in it.

Monetary affairs. In Ricardo's pamphlet: *Proposals for an Economical and Secure Currency with Observations on the Profits of the Bank of England,* London, 1816, there is a passage where he makes a shambles of his whole viewpoint. It says, namely: 'The amount of notes in circulation depends ... on the amount required for the circulation of the country, and this is governed by the *value* of the standard, the amount of payments, and the economy applied to accomplish them'. (p. 8 loc. cit.)

Under Louis XIV, XV, XVI France still had, for its state taxes, taxes in kind levied on the rural people. (Augier.) [95]

Prices and mass of the circulating medium. Mere rise of prices not sufficient to create demand for additional currency. This only the case if production and consumption rise simultaneously. E.g. the price of grain rises, but its supply declines. Can thus be governed with the same quantity of currency ... but if rise of prices due to rising demand, new markets, enlarged scale of production, in a word, *rise of prices and of the general sum of transactions,* then it is necessary for the intervention of money to be multiplied in number and enlarged in magnitude. (Fullarton.) [96]

Trade governs money, not money trade. The servant of trade must follow the variations (in the prices) of the other commodities. (D'Avenant.) [97]

(Under the feudal kings, the few articles bought in mass quantities by the people fell so much that no gold or silver coin small enough to correspond to the daily requirement of the labourer ... current money thus like in ancient Rome only the inferior metals, copper, tin, iron.) (Jacob.) [98]

Jacob assumes that in this century, 2/3 of the gold and silver in Europe in other articles, utensils and ornament, not in coin. (In another passage he calculates the precious metal so used in Europe and America at £400 million.) [99]

Prices and mass of the circulating medium. Locke, *Spectator* (19 Oct. 1711), Hume, Montesquieu – their doctrine rests on three theses:

(1) Prices of commodities proportionate to the mass of money in the country; (2) the coin and current money of a country representative of all its labour and commodities, so that the more or less representation, the more or less quantity of the thing represented goes to the same quantity of it; (3) increase commodities, they become cheaper; increase money, they rise in their value. (Steuart.)

Markers (small copper money or silver money, *counters*) in antithesis to money of intrinsic worth. (loc. cit.)

Dissolving effect of money. Money a means of cutting up property (houses, other capital) into countless fragments and consuming it piece by piece through exchange. (Bray.) [100] (Without money, a mass of inexchangeable, inalienable objects.) 'As immobile and immutable things came into human commerce just as well as movable things made for exchange, money came into use as rule and measure (square), by which these things obtained appraisal and value.' (*Free Trade,* London, 1622.) [101]

Coin. The silver and copper markers are *representatives* of fractional parts of the pound sterling. (*Thus in a recent answer of the Lord of the Treasury*.)

Exchange value. F. Vidal says (likewise, Lauderdale) (and in certain respects Ricardo): 'The true social value is use or consumption value; exchangeable value serves only to characterize the *relative wealth* of each of the members of a society in comparison to the others.' (70. *De la Répartition des Richesses* etc., Paris, 1846.) On the other side, exchange value expresses the *social form* of value, while use value no economic form of it whatever, rather, merely the being of the product, etc. for mankind generally.

Two nations may exchange according to the law of profit in such a way that both gain, but one is always defrauded

<From the possibility that profit may be *less than* surplus value, hence that capital [may] exchange profitably without realizing itself in the strict sense, it

follows that not only individual capitalists, but also nations may continually exchange with one another, may even continually repeat the exchange on an ever-expanding scale, without for that reason necessarily gaining in equal degrees. One of the nations may continually appropriate for itself a part of the surplus labour of the other, giving back nothing for it in the exchange, except that the measure here [is] not as in the exchange between capitalist and worker.>

Money in the third role, as money. (Value for-itself, equivalent etc.) How important a role money still plays in this role – even in its immediate form – is revealed in time of crises, harvest failures etc., in short, whenever one nation must *suddenly* liquidate its account with another. Money in its immediate, metallic form then appears as the sole absolute *means of payment,* i.e. as the sole *counter-value,* acceptable equivalent. And consequently it pursues a moving course which directly contradicts that of all other commodities. Commodities are transported as means of payment etc. from the country where they are cheapest to the country where they are most expensive. Money, the opposite; in all periods where it brings out its specific inner nature, where, hence, money is called for, in antithesis to all other commodities, as value for-itself, as absolute equivalent, as general form of wealth, in the specific form of gold and silver – and such moments are always more or less moments of crisis, whether a general one, or a grain crisis – then gold and silver are always transmitted from the country where they are most expensive – i.e. where all commodity prices have fallen by the relatively greatest amount – to the country where they are cheapest, i.e. where the prices of commodities are relatively higher. ‘It is a singular anomaly in the economy of the exchanges, and one particularly deserving of remark, that … the course of transit (of gold between two nations equally employing gold as a circulating medium) is always *from* the country where for the moment the metal is *dearest,* to the country where it is *cheapest,* a rise of the market price of the metal to its highest limit in the home market, and a fall of the premium in the foreign market, being the certain results of that tendency to an efflux of gold which follows a depression of the exchanges.’ (J. Fullarton, *On the Regulation of Currencies* etc. 2nd ed., London, 1845, p. 119.)

Just as exchange as such begins where the communities end, and as money, as the measure, medium of exchange and general equivalent created by exchange itself, arose not in internal traffic but rather in that between different communities, peoples, etc., and there obtains its specific importance, so it was also κατʾ ἐξοχήν as medium of international payments – for the liquidation of international debts – that money cast its spell, in the sixteenth century, the period of bourgeois society's infancy, holding the exclusive interest of states and of incipient political economy. The important role which money (gold and silver) in this third form still plays in international traffic has only become fully clear and been again recognized by the economists since the regular succession of money crises in 1825, 1839, 1847 and 1857. The economists try to extricate themselves by pointing out that money is called for here not as medium of circulation, but as *capital.* This is correct. Only it should not be forgotten that capital is being called for in the specific form of gold and silver, and not in that of any other commodity. Gold and silver appear in the role of absolute medium of international payments, because they are money as value-for-itself, as independent equivalent. 'This, in fact, is not a question of *currency* but of *capital*.' (It is rather a question of money, not of currency, nor of capital, because it is not *capital* which is indifferent to the special form in which it exists, but value in the specific form of money which is requested) '... all those various causes which, in the existing condition of monetary affairs, are capable ... of directing the stream of bullion from one country to another' (i.e. giving origin to a *drain of bullion),* 'resolve themselves under a single head, namely the state of the balance of foreign payments, and the continually recurring necessity of transferring *capital'* (but *notabene!* capital in the form of money) 'from one country to another to discharge it. For example failure of crops ... Whether that capital is *transmitted in merchandise or in specie* is a point which in no way affects the nature of the transaction' *(affects it very materially!).* Further, war-expenditure. (The case of transmission of capital in order to place it out to greater advantage at interest does not concern us here; nor does that of a surplus quantity of foreign goods imported, which Mr Fullarton cites, although this case certainly belongs here if this surplus importation coincides with crises.) (Fullarton, loc. cit. 130, 131.) 'Gold is preferred for this transmission of capital' (but in cases of violent drains of bullion it is absolutely not a question of preference) 'only in those cases where it is likely to effect the payment more conveniently, promptly, or profitably, *than any other description of stock or capital.'* (Mr Fullarton falsely treats the transmission of gold or another form of capital as a matter of preference, whereas the question is precisely those cases when *gold* must be transmitted in the international trade, just as at the same time bills in the domestic trade must be acquitted in the legal money, and not in any substitute.) 'Gold and silver … can always be conveyed to the spot where it is wanted with precision and celerity, and may be counted upon to realize on its arrival nearly the exact sum required to be provided, rather than incur the hazard of sending it in tea, coffee, sugar, or indigo. *Gold and silver possess an infinite advantage over all other descriptions of merchandise for such occasions,* from the circumstance of their being universally in use as money. It is not in tea, coffee, sugar, or indigo that debts, whether foreign or domestic, are *usually contracted to be paid, but in coin;* and a remittance, therefore, either in the identical coin designated, or in bullion which can be promptly turned into that coin through the Mint or Market of the country to which it is sent, must always afford to the remitter the most certain, immediate, and accurate means of effecting this object, without risk of disappointment from the failure of demand or fluctuation of price.' (132, 133.) Thus he cites precisely its property of being money, general commodity of contracts, standard of values, and with the possibility of being immediately converted at liberty in medium of circulation. The English have the apt expression *currency* for money as medium of circulation (*Münze,* coin, does not correspond to this, because it is itself the medium of circulation in a particular form again) and *money* for it in its third attribute. But since they have not particularly developed the latter, they declare this money to be *capital,* although they are then in practice forced to distinguish again between this particular form of capital, and capital generally.

'Ricardo appears to have entertained very peculiar and extreme opinions as to the limited extent of the offices performed by gold and silver in the adjustment of foreign balances. Mr Ricardo had passed his life amid the controversies which grew out of the Restriction Act,' [102] and had accustomed himself so long to consider all the great fluctuations of exchange and of the price of gold as the result of the excessive issues of the Bank of England, that at one time he seemed scarcely willing to allow that such a thing could exist as an adverse balance of commercial payments … And so slight an account did he set on the functions performed by gold in such adjustments, as to have even anticipated that *drains* for *exportation* would cease altogether so soon as cash payments should be resumed, and the currency restored to the metallic level … (See *Ricardo's Evidence before the Lords' Committee of 1819 on the Bank of England,* p. 186.) … But since 1800, when paper quite displaced gold in England, our merchants did not really want it; for, owing to the unsettled state of continental Europe, and the increased consumption there of imported manufactures, in consequence of the interruption given to industry and to all domestic improvement by the incessant movement of invading armies, together with the complete monopoly of the colonial trade which England had obtained through her naval superiority, the export of commodities from Great Britain to the Continent continued greatly to exceed her imports from thence, so long as the intercourse remained open; and after that intercourse was interrupted by the Berlin and Milan decrees, the transactions of trade became much too insignificant to affect exchanges in one way or the other. It was the foreign military expenditures and the subsidies, and not the necessities of commerce, that contributed in so extraordinary a manner to derange the exchanges and enhance the price of bullion in the latter years of the war. The distinguished economists of that period, therefore, had few or no real opportunities of practically estimating the range of which foreign *commercial* balances are susceptible.' (Believed that with war and over-issue, the international transmission of bullion would cease.) 'Had Mr Ricardo lived to witness the drains of 1825 and 1839, he would no doubt have seen reason to alter his views.' (loc. cit. 133–6.)

Price is the *money value* of commodities. (Hubbard.) [103] Money has the quality of being always exchangeable for what it measures, and the quantity required for the purposes of exchange must vary, of course, according to the quantity of property to be exchanged. (100. J. W. Bosanquet. *Metallic, Paper, and Credit Currency* etc., London, 1842.) 'I am ready to admit that gold is a commodity in such general demand that it may always command a market, that it can always buy [all] other commodities; whereas, other commodities cannot always buy gold. The markets of the world are open to it as merchandise at less sacrifice upon an emergency than would attend an export of any other article, which might in quantity or kind be beyond the usual demand in the country to which it is sent.' (Th. Tooke. *An Enquiry into the Currency Principle* etc., 2nd ed., London, 1844, p. 10.) 'There must be a very considerable amount of the precious metals applicable and applied as the most convenient mode of adjustment of international balances, being a commodity more generally in demand, and less liable to fluctuations in market value than any other.' (p. 12, 13.)

(Causes, according to Fullarton, of the rise of bullion price above the mint price: 'Coin debased by wear to the extent of 3 or 4% below its standard weight; ... penal laws which prohibited the melting and exportation of the coin, while the traffic in the metal of which that coin was composed remained perfectly free. These causes themselves, however, acted only during periods of unfavourable rate of exchange ... [The market price of money] fell, however, from 1816 to 1821 always to the *bank price* of bullion, when the exchange in favour of England; never rose higher, when the exchange unfavourable, than to such a rate as would indemnify the melters of the coin for its degradation by wear and for the penal consequences of melting it, but rose no higher.' (Fullarton, see his book, p. 8, 9.) 'From 1819 to the present time, amid all the vicissitudes which the money has undergone during that eventful period, the market-price of gold has on no occasion risen above 78s. per oz., nor fallen below 77s. 6d., an extreme range of only 6 in the ounce. Nor would even that extent of fluctuation be now possible; for it was solely owing to the renewed deterioration of the coin that even so trivial a rise occurred as 1 1/2d. in the ounce, or about 1/6% above the Mint-price; and the fall to 77s. 6d. is entirely accounted for by the circumstance of the Bank having at one time thought proper to establish that rate as the limit for its purchases. Those circumstances, however, exist no longer. For many years the Bank has been in the practice of allowing 77s. 9d. for all the gold brought to it for coinage' (i.e. the bank pockets 1 1/2d. mintage, which the coin gives it free of charge); 'and as soon as the recoinage of sovereigns now in progress shall be completed, there will be an effectual bar, until the coin shall again become deteriorated, to any future fluctuation of the price of gold bullion in our market beyond the small fractional difference between 77s. 9d. allowed by the Bank, and the Mint-price of 77s. 10

1/2d.’ (loc. cit. p. 9, 10.)

Contradiction between money as measure and equivalent on one side and as medium of circulation. In the latter, abrasion, loss of metallic weight. Garnier already remarks that ‘if a somewhat worn *écu* were taken as being worth somewhat less than a quite new one, then circulation would be constantly hampered, and every payment would give rise to disputes.’ [104]

(The material designed for accumulation naturally sought for and chosen from the realm of *minerals.* Garnier.) [105]

‘It being obvious that the coinage, in the very nature of things, must be forever, unit by unit, falling under depreciation by the mere action of ordinary and unavoidable abrasion (to say nothing of the inducement which a very restoration of the coinage holds out to the whole legion of ‘players’ and ‘sweaters’), it is a physical impossibility at any time, even for a single day, utterly to exterminate light coins from circulation.’ (*The Currency Theory reviewed* etc. By a Banker in England. Edinburgh, 1845, p. 69.) This written December 1844 commenting upon the operation of the then recent proclamations respecting the light gold in circulation in a letter to *The Times.* (Hence difficulty: If the light money is refused, then all standards insecure. If it is accepted, then door is opened to fraud and the same result.) That is why he says, in regard to the above-cited proclamations: ‘The effect ... has virtually been to denounce the whole of the current gold coin as an unsafe and illegal medium for monetary transactions.’ (p. 68, 69, loc. cit.) ‘In English law, when a gold sovereign is more than 0.774 grains deficient in weight, it may no longer pass as current. No such law for silver money.’ (54. Wm H. Morrison, *Observations on the System of Metallic Currency Adopted in this Country,* London, 1837.)

Assertion by the currency people that the value of a currency depends on its quantity. (Fullarton, p. 13.) If the value of the currency is given, and prices and the mass of transactions likewise (as well as the velocity of circulation), then of course only a *specific quantity* can circulate. Given prices and the mass of transactions as well as the velocity of circulation, then this quantity depends exclusively on the *value* of the currency. Given this value and the velocity of circulation, it depends exclusively on prices and on the mass of transactions. In this way is the quantity determined. If, however, the money in circulation is representative money – mere value-symbols – then it depends on the standard they represent what quantity of them can circulate. From this it has been wrongly concluded that quantity alone determines its value. For example, paper chits representing pounds cannot circulate in the same quantity as those which represent shillings.

Profit-bearing capital is the real capital, value posited as simultaneously self-reproducing and multiplying, and as constantly self-equivalent presupposition, distinguished from itself as surplus value posited by itself. Interest-bearing capital is in turn the purely abstract form of profit-bearing capital.

Since capital is posited as profit-bearing, in accordance with its value (presupposing a specific stage of the force of production), the commodity – or the commodity posited in its form as money (in its corresponding form as independent value, or, as we may now say, as realized capital) – may enter into circulation as *capital;* it may become a commodity, *as capital.* In this case, it is capital lent out at interest. The form of its circulation – or of the exchange it undergoes – then appears as specifically distinct from that examined hitherto. We have seen that capital posits itself both in the role of the commodity and in the role of money; but this happens only in so far as both appear as moments of the circulation of capital, in which it alternately realizes itself. These are only its vanishing and constantly re-created modes of existence, moments of its life's process. But capital as capital, capital itself as commodity, has not itself become a moment of circulation. The commodity has not been sold as capital; nor money as capital. In a word, neither commodity nor money – and we need actually regard only the latter as the adequate form – have entered into circulation as *profit-bearing values.*

Maclaren says:

' "Mr Tooke, Mr Fullarton, and Mr Wilson consider money as possessing intrinsic value as a commodity, and exchanging with goods according to that value, and not merely in accordance with the supply of pieces at the time; and they suppose with Dr Smith that exports of bullion are made quite irrespective of the state of the currency, to discharge balances of international debt, and to pay for commodities such as corn, for which there is a sudden demand, and that they are taken from a fund which forms no part of the internal circulation, nor affects prices, but is set apart for these purposes … Difficulty in explaining in what manner the bullion they say is set apart for this purpose, and has no effect on prices, can escape the laws of supply and demand, and though existing in the shape of money lying unemployed and known for the making of purchases, is neither applied for that purpose nor affects prices by the possibility of its being so applied.” The reply to this is, that the stock of bullion in question represents surplus-capital, not surplus-income, and is not available, therefore, merely to increase the demand for commodities, except on condition of increasing also the supply. Capital in search of employment is not a pure addition to the demanding power of the community. It cannot be lost in the currency. If it tends to raise prices by a demand, it tends to lower them by a corresponding supply. Money, as the security for capital, is not a mere purchasing power – it purchases only in order to sell, and finally goes abroad in exchange for foreign commodities rather than disburse itself in merely adding to the currency at home. Money, as the security for capital, never comes into the market so as to be set off against commodities, because its purpose is to produce commodities; it is only the money which represents *consumption* that can finally affect prices.’ (*Economist,* 15 May ’58.) [106]

‘Mr Ricardo maintained that prices depend on the relative amount of the circulating medium and of commodities respectively, and that prices rise only through a depreciation of the currency, that is, from a too great abundance of it in proportion to commodities, that they fall either from a reduction in the amount of the currency, or from a relative increase in the stock of general commodities which it circulates. *All* the bullion and gold coin in the country is, according to Mr Ricardo, to be reckoned currency, and if this increases without a corresponding increase in commodities, the currency is depreciated, and it becomes profitable to export bullion rather than commodities. On the other hand, if a bad harvest or any other calamity cause a great destruction of commodities, without any corresponding change in the amount of the circulation, the currency, whose amount was proportioned to the estimated rather than to the suddenly reduced market of commodities, again becomes redundant or ‘depreciated’, and must be diminished by exportation before its value can be restored. According to this view of the circulation, which is at the root of Lord Overstone’s theory, the supply of circulating medium or currency is always capable of being indefinitely increased in amount, and diminishes in value according to that increase; and can be restored to its proper value only by exportation of the superabundant portion. Any issue, therefore, of paper money which might supply the gap caused by the exportation of the bullion, and so prevent the ‘natural’ fall of prices otherwise certain to ensue, is held by Mr Ricardo’s school to be an interference with the economical laws of price, and a departure from the principles which would necessarily regulate a purely metallic currency.’ (loc. cit.)

(1) Value

This section to be brought forward.

The first category in which bourgeois wealth presents itself is that of the *commodity.* The commodity itself appears as unity of two aspects. It is *use value,* i.e. object of the satisfaction of any system whatever of human needs. This is its material side, which the most disparate epochs of production may have in common, and whose examination therefore lies beyond political economy. Use value falls within the realm of political economy as soon as it becomes modified by the modern relations of production, or as it, in turn, intervenes to modify them. What it is customary to say about it in general terms, for the sake of good form, is confined to commonplaces which had a historic value in the first beginnings of the science, when the social forms of bourgeois production had still laboriously to be peeled out of the material, and, at great effort, to be established as independent objects of study. In fact, however, the use value of the commodity is a given presupposition – the material basis in which a specific economic relation presents itself. It is only this specific relation which stamps the use value as a commodity. Wheat, e.g., possesses the same use value, whether cultivated by slaves, serfs or free labourers. It would not lose its use value if it fell from the sky like snow. Now how does use value become transformed into commodity? Vehicle of *exchange value.* Although directly united in the commodity, use value and exchange value just as directly split apart. Not only does the exchange value not appear as determined by the use value, but rather, furthermore, the commodity only becomes a commodity, only realizes itself as exchange value, in so far as its owner does not relate to it as use value. He appropriates use values only through their sale [*Entäusserung*], their exchange for other commodities. Appropriation through sale is the fundamental form of the social system of production, of which exchange value appears as the simplest, most abstract expression. The use value of the commodity is presupposed, not for its owner, but rather for the society generally. (Just as a Manchester family of factory workers, where the children stand in the exchange relation towards their parents and pay them room and board, does not represent the traditional economic organization of the family, so is the system of modern private exchange not the spontaneous economy of societies. Exchange begins not between the individuals within a community, but rather at the point where the communities end – at their boundary, at the point of contact between different communities. Communal property has recently been rediscovered as a special Slavonic curiosity. But, in fact, India offers us a sample chart of the most diverse forms of such economic communities, more or less dissolved, but still completely recognizable; and a more thorough research into history uncovers it as the point of departure of all cultured peoples. The system of production founded on private exchange is, to begin with, the historic dissolution of this naturally arisen communism. However, a whole series of economic systems lies in turn between the modern world, where exchange value dominates production to its whole depth and extent, and the social formations whose foundation is already formed by the dissolution of communal property, without

[Here the manuscript breaks off.]

[BASTIAT AND CAREY][107]

Bastiat. Harmonies économiques. *2 édition Paris, 1851*

Foreword

The history of modern political economy ends with Ricardo and Sismondi: antitheses, one speaking English, the other French – just as it begins at the end of the seventeenth century with Petty and Boisguillebert. Subsequent political-economic literature loses its way, moving either towards eclectic, syncretistic compendia, such as e.g. the work of J. St. Mill, or into deeper elaboration of individual branches, such as e.g. Tooke's *History of Prices* and, in general, the newer English writings about circulation – the only branch in which real new discoveries have been made, since the works about colonization, landed property (in its various forms), population etc. actually differ from the older ones only in the greater completeness of their material – or the reproduction of old economic disputes for a wider public, and the practical solution of questions of the day, such as the writings on free trade and protection – or, finally, into tendentious exaggerations of the classical tendencies, a relation which e.g. Chalmers occupies toward Malthus and Gülich to Sismondi, as well as in certain respects the older writings of MacCulloch and Senior to Ricardo. It is altogether a literature of epigones; reproduction, greater elaboration of form, wider appropriation of material, exaggeration, popularization, synopsis, elaboration of details; lack of decisive leaps in the phases of development, incorporation of the inventory on one side, new growth at individual points on the other. The only exceptions seem to be the writings of Carey, the Yankee, and Bastiat, the Frenchman, the latter of whom confesses that he leans on the former. [108] Both grasp that the antithesis to political economy – namely socialism and communism – finds its theoretical presupposition in the works of classical political economy itself, especially in Ricardo, who must be regarded as its complete and final expression. Both of them therefore find it necessary to attack, as a misunderstanding, the theoretical expression which the bourgeois economy has achieved historically in modern economics, and to demonstrate the harmony of the relations of production at the points where the classical economists naïvely described this antagonism. Notwithstanding the altogether different, even contradictory national environment from within which each of them writes, they are driven to identical endeavours. Carey is the only original economist among the North Americans. Belongs to a country where bourgeois society did not develop on the foundation of the feudal system, but developed rather from itself; where this society appears not as the surviving result of a centuries-old movement, but rather as the starting-point of a new movement; where the state, in contrast to all earlier national formations, was from the beginning subordinate to bourgeois society, to its production, and never could make the pretence of being an end-in-itself; where, finally, bourgeois society itself, linking up the productive forces of an old world with the enormous natural terrain of a new one, has developed to hitherto unheard-of dimensions and with unheard-of freedom of movement, has far outstripped all previous work in the conquest of the forces of nature, and where, finally, even the antitheses of bourgeois society itself appear only as vanishing moments. That the relations of production within which this enormous new world has developed so quickly, so surprisingly and so happily should be regarded by Carey as the eternal, normal relations of social production and intercourse, that these should seem to him as hampered and damaged by the inherited barriers of the feudal period, in Europe, especially England, which actually represents Europe to him, and that the English economists should appear to him to give a distorted, falsified reflection, generalization of these relations, that they should seem to him to confuse accidental distortions of the latter with their intrinsic character – what could be more natural? American relations against English ones: to this his critique of the English theory of landed property, wages, population, class antitheses etc. may be reduced. In England, bourgeois society does not exist in pure form, not corresponding to its concept, not adequate to itself. How then could the English economists' concepts of bourgeois society be the true, undimmed expression of a reality, since that reality was unknown to them? In the last analysis, the disturbing effect which traditional influences, influences not arising from the womb of bourgeois society itself, exercise upon its *natural* relations reduces itself for Carey to the influence, to the excesses and interferences of the state in bourgeois society. It is in the nature of wages, e.g., to rise with the productivity of labour. If we find that reality contradicts this law, then, whether in Hindustan or in England, we have only to abstract from the influence of the government, taxes, monopolies etc. If the bourgeois relations are regarded in themselves, i.e. after deduction of state influences, they will indeed always confirm the harmonic laws of the bourgeois economy. The question to what extent these state influences, public debt, taxes etc., grow out of the bourgeois relations themselves – and hence, e.g. in England, in no way appear as results of feudalism, but rather as results of its dissolution and defeat, and in North America itself the power of the central government grows with the centralization of capital – is one which Carey naturally does not raise. While Carey thus brings the higher power to which bourgeois society is developed in North America to bear against the English economists, Bastiat brings to bear the lower power of bourgeois society in France, against the French socialists. You believe yourselves to be rebelling against the laws of bourgeois society, in a land where these laws were never allowed to realize themselves! You only know them in the stunted French form, and regard as their inherent form what is merely its French national distortion. Look across, at England. Here, in our own country, the task is to free bourgeois society from the fetters which the state imposes on it. You want to multiply these fetters. First work out the bourgeois relations in their pure form, and then we may talk again. (Bastiat has a point, in so far as in France, owing to its peculiar social formation, many a thing is considered socialism that counts in England as political economy.)

Carey, however, whose point of departure is the American emancipation of bourgeois society from the state, ends with the call for state intervention, so that the pure development of bourgeois relations is not disturbed by external forces, as in fact happened in America. He is a protectionist, while Bastiat is a freetrader. All over the world, the harmony of economic laws appears as disharmony, and even Carey himself is struck by the beginnings of this disharmony in the United States. What is the source of this strange phenomenon? Carey explains it with the destructive influence of England, with its striving for industrial monopoly, upon the world market. Originally, the English relations were distorted by the false theories of her economists, internally. Now, externally, as the commanding power of the world market, England distorts the harmony of economic relations in all the countries of the world. This disharmony is a real one, not one merely based on the subjective conceptions of the economists. What Russia is, politically, for Urquhart, England is, economically, for Carey. The harmony of economic relations rests, according to Carey, on the harmonious cooperation of town and countryside, industry and agriculture. Having dissolved this fundamental harmony in its own interior, England, by its competition, proceeds to destroy it throughout the world market, and is thus the destructive element of the general harmony. The only defence lies in protective tariffs – the forcible, national barricade against the destructive power of large-scale English industry. Hence, the state, which was at first branded the sole disturber of these *'harmonies économiques',* is now these harmonies' last refuge. On the one side, Carey here again articulates the specific national development of the United States, their antithesis to and competition with England. This takes place in the naïve form of suggesting to the United States that they destroy the industrialism propagated by England, so as, by protective tariffs, to develop the same more rapidly themselves. This naïveté apart, with Carey the harmony of the bourgeois relations of production ends with the most complete disharmony of these relations on the grandest terrain where they appear, the world market, and in their grandest development, as the relations of producing nations. All the relations which appear harmonious to him within specific national boundaries or, in addition, in the abstract form of general relations of bourgeois society – e.g. concentration of capital, division of labour, wage labour etc. – appear as disharmonious to him where they appear in their most developed form – in their world market form – as the internal relations which produce English domination on the world market, and which, as destructive influences, are the consequence of this domination. If patriarchal gives way to industrial production within a country, this is harmonious, and the process of dissolution which accompanies this development is conceived in its positive aspect alone. But it becomes disharmonious when large-scale English industry dissolves the patriarchal or petty-bourgeois or other lower stages of production in a foreign country. The concentration of capital within a country and the dissolving effect of this concentration present nothing but positive sides to him. But the monopoly of concentrated English capital and its dissolving effect on the smaller national capitals of other countries is disharmonious. What Carey has not grasped is that these world-market disharmonies are merely the ultimate adequate expressions of the disharmonies which have become fixed as abstract relations within the economic categories or which have a local existence on the smallest scale. No wonder, then, that he in turn forgets the positive content of these processes of dissolution – the only side he recognizes in the economic categories in their abstract form, or in the real relations within the specific countries from which they are abstracted – when he comes to their full appearance, the world market. Hence, where the economic relations confront him in their truth, i.e. in their universal reality, his principled optimism turns into a denunciatory, irritated pessimism. This contradiction forms the originality of his writings and gives them their significance. He is equally an American in his assertion of the harmony within bourgeois society, as in his assertion of the disharmony of the same relations in their world-market form. In Bastiat, none of this. The harmony of these relations is a world beyond, which begins just at the point where the boundaries of France end; which exists in England and America. This is merely the imaginary, ideal form of the un-French, the Anglo-American relations, not the real form such as he confronts it on his own land and soil. Hence, as with him the harmony in no way arises out of the abundance of living observation, but is rather the *flat*, stilted product of a thin, drawn, antithetical reflection, hence the only moment of reality with him is the demand that the French state should give up its economic boundaries. Carey sees the contradictions in the economic relations as soon as they appear on the world market as *English* relations. Bastiat, who merely imagines the harmony, begins to see its realization only at the point where France ceases, and where all nationally separate component parts of bourgeois society compete among one another liberated from the supervision of the state. This ultimate among his harmonies – and the presupposition of all his earlier, imaginary ones – is however itself in turn merely a postulate, which is supposed to be realized through free-trade legislation. Thus, while Carey, quite apart from the scientific value of his researches, has at least the merit of articulating in abstract form the large-scale American relations, and, what is more, of doing so in antithesis to the old world, the only real background in Bastiat would be the small scale of the French relations, which everywhere poke their long ears through his harmonies. Still, this meritorious contribution is superfluous, because the relations of so old a country are sufficiently known and least of all require to become known by so negative a detour. Carey is rich, therefore, in, so to speak, *bonafide* research in economic science, such as about credit, rent, etc. Bastiat is preoccupied merely with pacifying paraphrases of researches ending in contrasts; hypocrisy of contentment. Carey's generality is Yankee universality. France and China are equally close to him. Always the man who lives on the Pacific and the Atlantic. Bastiat's generality is to ignore all countries. As a genuine Yankee, Carey absorbs from all directions the massive material furnished him by the old world, not so as to recognize the inherent soul of this material, and thus to concede to it the right to its peculiar life, but rather so as to work it up for his purposes, as indifferent raw material, as inanimate documentation for his theses, abstracted from his Yankee standpoint. Hence his strayings and wanderings through all countries, massive and uncritical use of statistics, a catalogue-like erudition. Bastiat, by contrast, presents fantasy history, his abstractions sometimes in the form of arguments, another time in the form of supposed events, which however have never and nowhere happened, just as a theologian treats sin sometimes as the law of human existence, then at other times as the story of the fall from grace. Hence both are equally unhistorical and anti-historical. But the unhistoric moment in Carey is the contemporary historic principle of North America, while the unhistoric element in Bastiat is a mere reminiscence of the French eighteenth-century manner of generalizing. Hence Carey is formless and diffuse, Bastiat affected and formally-logical. The most he achieves is commonplaces, expressed paradoxically, ground and polished into facets. With Carey, a couple of general theses, advanced in schoolmasterly form. Following them, a shapeless material, compendium, as documentation – the substance of his theses in no way digested. With Bastiat, the only material – abstracting from a few local examples, or whimsically refashioned English trivia – consists in the general theses of the economists. Carey's chief antithesis, Ricardo, in short, the modern English economists; Bastiat's, the French socialists.

XIV. On Wages

The following are Bastiat's main theses: All men strive for constancy of income, *fixed revenue.* <Truly French example: (1) All men want to be civil servants or

make their sons civil servants. (p. 371.)> Wages are a fixed form of remuneration (p. 376) and hence a very perfect form of association, in whose original form 'the aleatory' predominates, in so far as 'all the associated' are subject to 'all the risks of the enterprise'. <If capital takes the risk on its own account, the remuneration of labour becomes established under the name *wages.* If labour wants to take the consequences, good and bad, then the remuneration of capital splits off and establishes itself under the name *interest* (382).> (On this juxtaposition, see further p. 382, 383.) However, while the aleatory originally predominates in the worker's condition, the stability of wage labour is not yet sufficiently secured. There is an 'intermediate degree which separates the aleatory from stability'. This last stage is reached by 'saving, during days of work, the means to provide for the needs of days of old age and illness'. (p. 388.) The final stage develops by means of 'mutual aid societies' (loc. cit.) and in the final instance by means of the 'workers' *retirement fund'.* (p. 393.) (As man began with the need to become a civil servant, so he ends with the satisfaction of drawing a pension.)

As to 1. Suppose everything Bastiat says about the fixity of wages to be correct. Then we would still not know the *proper character* of wages, its characteristic specificity, simply because wages are subsumed under the fixed revenues. One of its relations – which it has in common with other sources of income – would be emphasized. Nothing more. This would already be something, admittedly, for the advocate who wishes to plead the advantages of wage labour. It would still be nothing for the economist who wishes to understand the peculiarity of this relation in its entire scope. A one-sided characterization of a relation, of an economic form, so as to make it the object of panegyrics in contrast to the opposite form; this cheap practice of lawyers and apologists is what distinguishes the logician, Bastiat. Thus, in place of wages, put: fixed income. Is a fixed income not a good thing? Does not everyone love to count on a sure thing? Especially every petty-bourgeois, narrow-minded Frenchman? the 'ever-needy' man? Human bondage has been defended in the same way, perhaps on better grounds. The opposite could also be asserted, and has been asserted. Equate wages to non-fixedness, i.e. progression past a certain point. Who does not love to get ahead, instead of standing still? Can a relation be bad which makes possible an infinite bourgeois progress? Naturally, Bastiat himself in another passage asserts wages as non-fixedness. How else, apart from non-fixedness, would it be possible for the worker to stop working, to become a capitalist, as Bastiat wishes? Thus wage labour is good because it is fixedness; it is good because it is non-fixedness; it is good because it is neither one nor the other, but both at the same time. What relation is not good, if it is reduced to a one-sided characterization and the latter is regarded as position, not as negation? All opportunist chattering, all apologetics, all philistine sophistry rests on this sort of abstraction.

After this general preface, we come to Bastiat's actual construction. Only, be it noted in passing that his rural sharecropper, [109] this type who combines in himself the misfortune of the wage labourer with the bad luck of the small capitalist, might indeed consider himself fortunate if he were put on fixed wages. Proudhon's 'descriptive and philosophical history' hardly holds a candle to that of his opponent Bastiat. The original form of association, wherein all the associates share all the risks of chance, is followed, as a higher stage of association entered into voluntarily by both sides, by a form in which the worker's remuneration is fixed. We will not call attention here to the genius of a procedure which begins by presupposing a capitalist on one side and a worker on the other, so as then, afterwards, to let the relation of capital and wage labour arise between them by their mutual agreement.

The form of association in which the worker is exposed to all the chance risks of the business – in which all producers are equally exposed to these risks – and which immediately precedes the form of wages, where the remuneration of labour gains fixity, becomes stable, as thesis precedes antithesis – is, as Bastiat tells us, the state in which fishing, hunting and herding form the dominant forms of production and society. First the wandering fisherman, hunter, herdsman – and then the wage labourer. Where and when has this *historic* transition from the semi-savage state into the modern taken place? If at all, then only in the burlesque. In real history, wage labour arises out of the dissolution of slavery and serfdom – or of the decay of communal property, as with oriental and Slavonic peoples – and, in its adequate, epoch-making form, the form which takes possession of the entire social being of labour, out of the decline and fall of the guild economy, of the system of Estates, of labour and income in kind, of industry carried on as rural subsidiary occupation, of small-scale feudal agriculture etc. In all these real historic transitions, wage labour appears as the dissolution, the annihilation of relations in which labour was fixed on all sides, in its income, its content, its location, its scope etc. *Hence as negation of the stability of labour and of its remuneration.* The direct transition from the African's fetish to Voltaire's supreme being, or from the hunting gear of a North American savage to the capital of the Bank of England, is not so absurdly contrary to history as is the transition from Bastiat's fisherman to the wage labourer. (Furthermore, in all these developments there is no sign of voluntary changes arising from mutual agreement.) This construction – in which Bastiat dishonestly conjures up his flat abstraction in the form of a historic event – is quite of the same rank as the synthesis in which the English friendly societies and the savings banks appear as the last word of wage labour and as the suspension of all social antinomies.

Thus the historic character of wage labour is non-fixity: the opposite of Bastiat's construction. But how did he come at all to construe fixity as the all-compensating aspect of wage labour? What led him to the wish to present wage labour in this form historically in other forms of society and of association, as a higher form of the remuneration of labour?

All economists, when they come to discuss the prevailing relation of capital and wage labour, of profit and wages, and when they demonstrate to the worker that he has no legitimate claim to share in the risks of gain, when they wish to pacify him generally about his subordinate role *vis-à-vis* the capitalist, lay stress on pointing out to him that, in contrast to the capitalist, he possesses a certain fixity of income more or less independent of the great adventures of capital. Just as Don Quixote consoles Sancho Panza with the thought that, although of course he takes all the beatings, at least he is not required to be brave. Thus an attribute which the economists attach to wage labour in antithesis to profit is transformed by Bastiat into an attribute of wage labour in antithesis to earlier forms of labour, and as progress relative to the remuneration of labour in these earlier relationships. A commonplace which takes up the standpoint of the prevailing relation, which consoles one of its sides towards the other, is taken out of this relation by Mr Bastiat and turned into the historic foundation of this relation's origin. In the relation of wages to profit, wage labour to capital, say the economists, wages have the advantage of fixity. Mr Bastiat says this fixity, i.e. one of the aspects of the relation of wages to profit, is the historical foundation on which wage labour arose (or, is an attribute of wages in antithesis not to profit, but rather to the earlier forms of the remuneration of labour), hence on which profit, hence the whole relation arose likewise. Thus a truism about one facet of the relation of wages and profit is surreptitiously transformed for him into the historic basis of this whole relation. This happens because he is constantly preoccupied by reflections upon socialism, which latter is then dreamed to be everywhere the first form of association. This an example of the importance assumed in Bastiat's hands by the apologetic commonplaces which accompany the course of development in the economists' writings.

To return to the economists. Of what does this fixity of wages consist? Are wages immutably fixed? This would altogether contradict the law of demand and supply, the basis of the determination of wages. No economist denies the fluctuations, the rise and fall of wages. Or are wages independent of crises? Or of machines which make wage labour redundant? Or of divisions of labour, which displace it? To assert any of this would be heterodox, and it is not asserted. What is meant is that in a certain average, wages realize a fair average level, i.e. the minimum wage for the whole class, a concept so hateful to Bastiat, and that a certain average continuity of labour takes place, e.g. that wages may continue on even in cases where profit falls or momentarily disappears entirely. Now, what does this mean other than that, if wage labour is presupposed as the dominant form of labour, as the foundation of production, then the working class exists from wages, and that labour individually possesses, on the average, the fixity of working for wages? In other words, a tautology. Where capital and wage labour is the dominant relation of production, there exists an average continuity of wage labour, and, to that extent, a fixity of wages for the worker. Where wage labour exists, it exists. And this is regarded by Bastiat as its all-compensating attribute. Furthermore, that in the state of society where capital is developed, social production as a whole is more regular, continuous, all-sided – hence, also, the income of the elements employed in it 'more fixed' – than where capital, i.e. production, is not yet developed to this stage, is yet another tautology which is given with the concept of capital itself and of production resting on it. In other words: that the general presence of wage labour presupposes a higher development of the productive forces than in the stages preceding wage labour, who denies this? And what would lead the socialists to the idea of raising higher demands if they did not presuppose this higher development of the forces of social production, brought about by wage labour? The latter is rather the presupposition of their demands.

Note. The first form in which wages make their general appearance – military pay [*Sold*], which arises with the decline and fall of national armies and of citizens' militias. First, the citizens themselves are paid as soldiers. Soon after that, their place is taken by mercenaries who have ceased to be citizens.

(2) *(It is impossible to pursue this nonsense any further. We, therefore, drop Mr Bastiat.)*

Editorial Notes

Page numbers in these notes refer to the printed edition of this translation. ‘MELI’ refers to the German edition edited by the Marx-Engels-Lenin Institute.

Introduction

1. Utopias on the lines of Defoe’s *Robinson Crusoe*.

2. Sir James Steuart (1712–80), ‘the rational exponent of the Monetary and Mercantile System’ (Marx), an adherent of the Stuart cause who went into exile in 1745 and pursued economic studies on the Continent. Author of *An Inquiry into the Principles of Political Economy,* London, 1767 (2 vols), Dublin, 1770 (3 vols – the edition used by Marx).

3. *A political animal.*

4. Frédéric Bastiat (1801–50), French economist, and ‘modern bagman of Free Trade’ (Marx). A believer in *laissez-faire* and the natural harmony of interests between labour and capital; a fierce opponent of socialism in theory and in practice (as deputy in the Constituent and Legislative Assemblies of 1848 to 1851).

5. Henry Charles Carey (1793–1879), American economist, opponent of Ricardian pessimism (‘Carey, who does not understand Ricardo’ – Marx), believed in state intervention to establish harmony between the interests of labour and of capital, and in the tendency of real wages to rise.

6. Of a commonplace (mind). Marx refers here to Bastiat’s *Harmonies économiques,* Paris, 1851, pp. 16–19, and Carey’s *Principles of Political Economy,* Pt I, Philadelphia, 1837, pp. 7–8.

7. John Stuart Mill (1806–73), English political theorist and economist; radical in politics, confusedly and eclectically Ricardian in economics. His *Principles of Political Economy,* London, 1848, begin in Bk I, Ch. 1, with the analysis of production.

8. *MEW* XIII omits ‘more’.

9. *MEW* XIII substitutes ‘in consumption’.

10. *MEW* XIII substitutes ‘products’.

11. ‘Determination is negation’, i.e., given the undifferentiated self-identity of the universal world substance, to attempt to introduce particular determinations is to negate this self-identity. (Spinoza, *Letters*, No. 50, to J. Jelles, 2 June 1674.)

12. [Translator advised this note should be removed.]

13. ‘Potentially’. Cf. Aristotle, *Metaphysics* Bk VIII, Ch. 6, 2.

14. The manuscript has: ‘for the product is production not only as … ‘. *MEW* XIII substitutes: ‘for the product is a product not as … ‘.

15. The manuscript has ‘for production’.

16. Jean-Baptiste Say (1767–1832), ‘the inane Say’, who ‘superficially condensed political economy into a textbook’ (Marx), a businessman who popularized and vulgarized the doctrines of Adam Smith in his *Traité d’économie politique*, Paris, 1803.

17. Heinrich Friedrich Storch (1766–1835), Professor of Political Economy in the Russian Academy of Sciences at St Petersburg. Say issued Storch’s work *Cours d’économie politique* with critical notes in 1823; he attacked Say’s interpretation of his views in *Considérations sur la nature du revenu national*, Paris, 1824, pp. 144–59.

18. David Ricardo, *On the Principles of Political Economy and Taxation*, 3rd edn, London, 1821, preface, p.v.

19. Marx considered that the Monetary System, as defined here, covered economists from the sixteenth century to the Physiocrats. However, within the Monetary System there arose what he calls here the ‘commercial, or

manufacture system' but elsewhere the Mercantile System (known to economics textbooks as Mercantilism). He distinguishes between the two systems on pp. 327–8, but his normal practice is to link them together, since 'the Mercantile System is merely a variant of the Monetary System' (A *Contribution to the Critique of Political Economy,* London, 1971, p. 158).

20. 'Potentially'. Cf. Aristotle, *Metaphysics* Bk VIII, Ch. 6, 2.

21. Pierre Joseph Proudhon, *Système des contradictions économiques ou philosophie de la misère,* Paris, 1846, Vol. I, p. 146.

22. *Capital* III (International Publishers edn), p. 110.

NOTEBOOK I: The Chapter on Money

1. Alfred Darimon (1819–1902), a follower of Proudhon. He edited Proudhonist newspapers in 1848, wrote on financial questions in the 1850s and was a democratic opponent of Napoleon III until 1864 when he went over to the Bonapartists.

2. In French in the original. Throughout this edition, passages in French, Italian and Spanish have been translated in the main body of the text; English has been left; Greek and Latin have been left in the text and translated in the notes.

3. Should read: ‘ … while the amount of securities decreases by 12,159,388; i.e. the decline of securities exceeds the decline of metal … ’. The correction of these and similar errors would in no way touch the substance of Marx’s conclusions concerning Darimon’s statistical ideas.

4. Isaac Péreire (1806–80), French banker and railway king who, together with his brother Émile, founded the Crédit Mobilier in 1852. A close associate of Napoleon III.

5. Michel Chevalier (1806–79), follower of Saint-Simon up to 1833; later Bonapartist. From 1850 he was Professor of Political Economy at the Collège de France, and a supporter in the 1850s of Bonaparte’s move towards free trade.

6. Ricardo’s pamphlet, *Proposals for an Economical and Secure Currency,* London, 1816.

7. A reference to the period during which the Bank Restriction Act was in operation (1797–1819).

8. A play on the two meanings of the French word *‘espèces’*: (1) sorts; (2) specie.

9. The Currency Act of 1844, which stringently limited the number of banknotes the country banks could issue, and also limited the fiduciary issue of the Bank of England to £14,000,000; any further issue had to be backed by coin or bullion.

10. Émile de Girardin (1806–81), French journalist, who edited *La Presse* from 1830 to 1857 and wrote the introduction to Darimon's book. A politician entirely lacking in scruples, he was a moderate republican in 1848, a Montagnard deputy to the Legislative Assembly in 1850 and a Bonapartist in 1852.

11. Potentially. Cf. Aristotle, *Metaphysics,* Bk VIII, Ch. 6, 2.

12. John Francis Bray (1809–95), economic pamphleteer and political activist in the England of the 1830s. In 1837 he became treasurer of the Leeds Working Men's Association. He advocated utopian socialist ideas in the pamphlet *Labour's Wrongs and Labour's Remedy,* Leeds, 1839, and was described by Marx as an 'English Communist' (*The Poverty of Philosophy,* Moscow, 1966, p. 60).

13. John Gray (1799–1850), economic pamphleteer and utopian socialist, author of *The Social System,* Edinburgh, 1831, and *Lectures on the Nature and Use of Money,* Edinburgh, 1848.

14. See below, pp. 153–60.

15. Hegel, *Science of Logic,* tr. A. V. Miller, London, 1969, p. 416.

16. Cf. Marx, *The Poverty of Philosophy,* pp. 52–68.

17. *Kaufmannsstand:* This refers above all to the merchants of the sixteenth and seventeenth centuries, who formed an 'estate' rather than a 'class'.

18. The following two paragraphs are directed specifically against the scheme outlined by John Gray in *The Social System,* pp. 62–86.

19. This note refers to an unknown manuscript by Marx, which must be older than his work of 1851 on ‘The Completed Money System’. Possibly it refers to one of the missing parts of the manuscript of 1845–7 on the ‘Critique of Politics and Political Economy’, fragments of which are reprinted in *Marx-Engels Gesamtausgabe* (MEGA) 1/3, pp. 33–172, 437–583 and 592–6. The 1851 manuscript,’The Completed Money System’, is not extant in full, and remains unpublished. [MELI note.]

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21. Atistotle, *Nicomachean Ethics,* Bk V, Ch. 5, para. 14.

22. This is directed against the doctrines of the Romantic reaction, as put forward by such people as Adam Müller (*Die Elemente der Staatskunst,* Berlin, 1809) and Thomas Carlyle (*Chartism,* London, 1840).

23. Menenius Agrippa (c. 530–493 B.C.) was a Roman patrician who is said to have persuaded the plebeians to return to Rome by comparing the patricians to the stomach and the plebeians to the limbs without which the stomach could not survive.

24. ‘ … Thou visible God! / That solder’st close impossibilities, / And mak’st them kiss! … ’ (*Timon of Athens,* Act 4, Scene 3).

25. ‘that accursed hunger for gold’ (Virgil, *Aeneid,* Bk 3, line 57).

26. *par excellence.*

27. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations,* new edition, London, 1843, Vol. I, pp. 100–101.

28. Steuart, *An Inquiry,* Vol. I, p. 88.

29. The discovery of gold in California and Australia in the 1850s.

30. Sir William Petty (1623–87), the 'founder of political economy' (Marx, *Theories of Surplus Value,* p. 1) and an advocate of the labour theory of value. Author of *A Treatise of Taxes,* London, 1667, and *Several Essays in Political Arithmetick,* London, 1699.

31. 'And the pre-eminence of the land (Attica) is not only in the things that bloom and wither annually: she has other good things that last for ever. Nature has put in her abundance of stone etc. ... Again, there is land that yields no fruit if sown, and yet, when quarried, feeds many times the number it could support if it grew corn' (Xenophon, *On Revenues,* Ch. 1, printed in Xenophon, *Scripta minora,* London, 1925, pp. 193–4).

32. See pp. 171–87.

33. See pp. 187–95.

34. 'The inhabitants of this country are unusually handsome and large. And they are frank in their dealings and not mercenary; for they do not in general use coined money nor do they know any number greater than one hundred, but carry on business by means of barter ... They are also unacquainted with accurate measures and weights' (Strabo, *Geography*, Bk XI, Ch. 4, section 4, London, 1917; Loeb edn, Vol. V, pp. 226–7).

35. There is no heading (1) in the original text.

36. *par excellence.*

37. Hegel, *Philosophy of Nature,* Glockner edn, Vol. IX, pp. 413–24.

38. See *Government School of Mines and Science Applied to the Arts.*

Lectures on Gold for the Instruction of Emigrants about to Proceed to Australia. Delivered at the Museum of Practical Geology, London, 1852. Marx’s page reference is incorrect. The last sentence comes from p. 12, but the rest of the paragraph is from p. 10. The two preceding paragraphs come from pp. 171–2 and p. 8 of this work, and the two following ones from pp. 93–5 and 95–7 respectively.

39. Jacob Grimm, *Geschichte der deutschen Sprache,* Vol. I, Leipzig, 1848, pp. 13–14.

40. A reference to Marx’s own excerpt-book, No. XIV (1851), p. 2 of which contains the excerpt mentioned, from pp. 48–9 of Dureau de la Malle, *Économie politique des Romains,* Paris, 1840, Vol. I. In general pp. 180–84 are based on excerpts from Dureau de la Malle’s work.

41. J.-A. Letronne, *Considérations générales sur l’évaluation des monnaies grecques et romaines, et sur la valeur de l’or et de l’argent avant la découverte de l’Amérique,* Paris, 1817; W. Jacob, *An Historical Inquiry into the Production and Consumption of the Precious Metals,* London, 1831; A. Böckh, *The Public Economy of Athens,* London, 1842.

42. ‘Sandy desert rich in gold’.

43. ‘Of bronze were their implements; there was no black iron’ (Hesiod, *Works and Days,* line 151; Leob edn, London, 1914, p. 12).

44. ‘The use of bronze was known before iron’ (Lucretius, *De rerum natura*, Bk V, line 1,287).

45. ‘Mining is prohibited by an old resolution of the Senate forbidding the exploitation of Italy’ (Pliny, *Historia naturalis,* Bk III, Ch. 20, section 138).

46. G. Garnier, *Histoire de la monnaie depuis les temps de la plus haute antiquité jusqu’au règne de Charlemagne,* Paris, 1819, Vol. I, p. 7.

47. J. F. Reitemeier, *Geschichte des Bergbaues und Hüttenwesens bey den alten Völkern,* Göttingen, 1785, pp. 14, 15–16, 32.

48. Jacob, *An Historical Inquiry,* Vol. I, p. 142.

49. Dureau de la Malle, *Économie politique des Romains,* Vol. I, pp. 62–3.

50. The treasury.

51. Nassau Senior, *Three Lectures on the Cost of Obtaining Money,* London, 1830, p. 15.

52. Garnier, *Histoire de la monnaie*, Vol. I, pp. 72, 73, 77, 78.

53. Marx discusses James Mill's theory more fully later on.

54. Storch, *Cours d'économie politique*, Vol. I, pp. 81, 83, 84, 87, 88.

55. J.C-L. Simonde de Sismondi (1773–1842), Swiss political economist and historian, who held that the value of a product was determined by the quantity of labour needed to produce it, not by its cost. He was the father of the romantic-reactionary opposition to capitalism. The reference here is to *Études sur l'économie politique,* Vol. II, Brussels, 1838, pp. 264–5.

56. Jacob, *An Historical Inquiry,* Vol. I, pp. 109, 351.

57. Steuart, *An Inquiry,* Vol. I, pp. 395–6.

58. J. G. Hubbard (1805–89), English financier, a director of the Bank of England in 1838, later a Conservative M.P. *The Currency and the Country,* London, 1843, pp. 44–6. Marx's reference (VIII, 45) is to his own excerpt-book.

59. Jacob, *An Historical Inquiry,* Vol. II, p. 326.

60. Steuart, *An Inquiry,* Vol. II, p. 389.

61. Marx may also be alluding to Hegel's concept of *schlechte Unendlichkeit* ('bad' or 'spurious' infinity), an infinity of connections merely piled on top of one another (*Science of Logic,* Glockner edn, Vol IV, pp. 165–83).

62. Pierre le Pesant Boisguillebert (1646–1714). French judge and precursor of

the Physiocrats who opposed Mercantilism, upheld free competition, and denounced the misery of the French agricultural population, which, under Louis XIV, earned him exile to the Auvergne.

63. Boisguillebert, *Dissertation sur la nature des richesses, de l'argent, et des tributs,* printed in *Éonomistes Financiers du XVIIIe siècle,* ed. E. Daire, Paris, 1843, pp. 395 and 417.

64. *Kaufmannsstand:* This refers above all to the merchants of the sixteenth and seventeenth centuries, who formed an 'estate' rather than a 'class'.

65. See above, p. 146; money is ‘(3) representative of commodities (hence object of contracts)’, and see below section c, ‘money as material representative of wealth’, p. 203.

66. Steuart, *An Inquiry,* Vol. I, pp. 395–6.

67. F.-L.-A. Ferrier, *Du gouvernement considéré dans ses rapports avec le commerce,* Paris, 1805, p. 35. Ferrier (1777–1861) was a high French customs official who both operated and wrote in favour of Napoleon I’s protective system.

68. Louis Say (1774–1840), brother of Jean-Baptiste Say, issued a number of economic pamphlets criticizing the latter’s opinions. The reference here is to *Principales Causes de la richesse ou de la misère des peuples et des particuliers,* Paris, 1818, pp. 31–2.

69. Adam Smith, *Wealth of Nations,* Vol. II, Bk 2, pp. 270–77.

70. Edward Solly, *The Present Distress in Relation to the Theory of Money,* London, 1830, p. 5.

71. James Maitland, Earl of Lauderdale (1759–1839), Whig, then Tory, politician, author of economic works attacking Smith’s distinction between productive and unproductive labour. Marx refers here to the French translation of one of his books, entitled *Recherches sur la nature et l’origine de la richesse publique, et sur les moyens et les causes qui concourent à son accroissement,* Paris, 1808, p. 140.

72. James Taylor, *A View to the Money System of England, from the Conquest; with Proposals for Establishing a Secure and Equitable Credit Currency,* London, 1828, pp. 18–19.

73. Sismondi, *Études,* Vol. II, p. 278.

74. ibid., p. 300.

75. ‘The epitome of all things’ (Boisguillebert, *Dissertation,* p. 399).

NOTEBOOK II: The Chapter on Money (continuation)

1. ‘that accursed hunger for gold’ (Virgil, *Aeneid,* Bk 3, line 57).

2. The term *Gemeinwesen* also carries the nuances ‘common essence’, ‘common system’ and ‘common being’.

3. Steuart, *An Inquiry,* Vol. I, p. 327.

4. T. R. Malthus, *Principles of Political Economy,* London, 1836, p. 391.

5. Edward Misselden (seventeenth-century Mercantilist writer, active in the Merchant Adventurers’ Company, d. 1654), *Free Trade, or the Meanes to Make Trade Flourish,* London, 1622, pp. 19–24.

6. German: *Akkumulation.* But Marx presumably intended this word to have the sense *Anhäufung* (piling-up), as on the previous page, rather than the more technical economic sense he usually gives to the word.

7. Jacob, *An Historical Inquiry,* Vol. II, pp. 271–323.

8. Petty, *Political Arithmetick,* pp. 178–9.

9. Misselden, *Free Trade,* pp. 7, 12–13.

10. The notes on Boisguillebert are in an unnumbered excerpt-book compiled in June and July 1845 and printed in *MEGA*, 1/3, pp. 568–79. Marx discussed Boisguillebert’s polemic against the power of money in *A Contribution to the Critique of Political Economy*, London, 1971, pp. 54–5 and 124–6.

11. Nassau Senior, *Principes fondamentaux de l’économie politique, tirés de leçons édites et inédites,* Paris, 1836, pp. 116–17. (This is the translation by J. Arrivabene of Senior’s *Outline of the Science of Political Economy,* London, 1836). Senior himself (1790–1864) was an English political economist, a member of numerous mid-nineteenth-century government commissions, Professor of Political Economy in Oxford from 1847 to 1852, and noted for his two theories, that the profit of capital is the product of the last hour of the

working day, and that the accumulation of capital results from the abstinence of the capitalist from consumption.

12. Samuel Bailey (1791–1870, successful Sheffield businessman, ‘coarse practical bourgeois’ (Marx), and author of several economic pamphlets against Ricardo’s theory of value), *Money and its Vicissitudes in Value; as They Affect National Industry and Pecuniary Contracts; with a Postscript on Joint-Stock Banks,* published anonymously, London, 1837, p. 3.

13. Storch, *Cours d’économie politique,* Vol. II, p. 135.

14. Bailey, *Money and its Vicissitudes,* pp. 9–11.

15. Piercy Ravenstone, *Thoughts on the Funding System and its Effects* London, 1824, p. 20.

16. ‘These have one mind, and shall give their power and strength unto the beast’ (Revelation xvii, 13); ‘And that no man might buy or sell, save that he had the mark, or the name of the beast, or the number of his name’ (Revelation xiii, 17).

17. Storch, *Cours d’économie politique*, Vol. I, pp. 72–3.

NOTEBOOK II: The Chapter on Capital

18. The first few pages of the Chapter on Capital (pp. 239–50) were entitled by Marx ‘Chapter on Money as Capital’.

19. Charles Ganilh (1758–1836, French neo-Mercantilist economist, an advocate of the Napoleonic Continental System), *Des systèmes d’économie politique, de leurs inconvéniences, de leurs avantages, et de la doctrine la plus favorable aux progrès de la richesse des nations,* Paris, 1809. Vol. II. pp. 64–5.

20. Say, *Traité d’économie politique*, Vol. II, pp. 480–82.

21. *Sein für andres* is a basic concept of Hegel’s logic, described in the *Science of Logic* (p. 119 of the translation by A. V. Miller, London, 1969) as ‘a negation of the simple relation of being to itself which is supposed to be determinate being’. However, it is paired, not with *Sein für sich*, but with *Sein in sich* (being in itself, described as ‘something returned into itself out of the being for other’). In any case, it is difficult to detect any relation between Marx’s use of *Sein für andres* and Hegel’s use. The situation is different with the concept of *Sein für sich*, since Hegel described being for self in the *Lesser Logic* (p. 179 of the translation by W. Wallace, Oxford, 1892) in the following way: ‘Being for self is a self-subsistent, the One’, and added ‘The readiest instance of being for self is found in the “I”.’ This comes close to Marx’s ‘each individual ... as an end in himself’.

22. *Institutes*, Bk II, Title IX, para. 3 ‘A slave, who is in the power of another person, can have nothing of his own’ (*The Institutes of Justinian*, tr. J. B. Moyle, Oxford, 1906, p. 58).

23. See Marx’s critique of Proudhon’s doctrine of exchange value in *Poverty of Philosophy*, pp. 37–8.

24. The socialist opponents of Bastiat, in particular Proudhon. This passage is in fact a critique of the discussion between Bastiat and Proudhon, printed as F. Bastiat et P.-J. Proudhon, *Gratuité du crédit*, Paris, 1850, pp. 1–20, 32–47 and

285–6.

25. Say, *Traité d’économie politique*, Vol. II, pp. 428–30 and 478–80.

26. The German text has here ‘the other’, but since the reference back is to ‘landed property itself’ this has been replaced with ‘the latter’.

27. The German reads ‘as’, the sense seems to require ‘the’.

28. Cf. Hegel, *Science of Logic* (tr. A. V. Miller), p. 71: ‘That into which the movement returns as into its *ground* is (also) *result.*’

29. Adam Smith, *Wealth of Nations*, Vol. II, pp. 355–6.

30. The reference is to Marx’s own excerpt-book; the quotation is from Ganilh, *Des systèmes d’économie politique*, Vol. II, pp. 11–12.

31. Cf. Hegel, *Science of Logic*, pp. 106–8, 129–31.

32. The reference is to Marx’s own excerpt-book; the quotation is from Say, *Traité d’économie politique,* Vol. II, p. 185.

33. Sismondi, *Nouveaux Principes d’économie politique*, Paris, 1827, Vol. I, p. 89.

34. Marx used brackets (shown here by < and >) to indicate a digression.

35. Bastiat et Proudhon, *Gratuité du crédit*, p. 250.

36. ibid., pp. 177–80.

37. Constituted value is ‘*valeur faite*’; most perfect value is ‘valeur la plus parfaite’, ibid., p. 183.

38. For Ricardo’s discussion of the effects of difficulties of cultivation on rent, see *On the Principles of Political Economy,* pp 55–75.

39. Say, *Traité d’économie politique*, Vol. I, pp.2–6.

40. The ‘Misère’: Proudhon’s *Système des contradictions économiques, ou philosophie de la misère.* His doctrine of exchange value is put forward in Vol. I, pp 39–50.

41. See above, pp. 260–61.

42. ‘The epitome of all things’ (Boisguillebert, *Dissertation,* p. 399).

43. Storch, *Cours d’économie politique*, Vol. I, p. 154.

44. As in Adam Smith, *Wealth of Nations*, Vol. I, pp. 131–2.

45. Adam Smith, *Wealth of Nations*, Vol. II, pp. 355–85.

46. Storch’s views in *Considérations*, pp. 38–50; Senior’s in *Principes fondamentaux*, pp. 284–308.

47. Steuart, *An Inquiry*, Vol. I, p. 45.

48. Edward Gibbon Wakefield (1796–1862) was an English diplomat and economist, who put forward his views on the colonies in *A View of the Art of Colonization, with Present Reference to the British Empire,* London, 1849. He proposed that the government should reserve land in the colonies and put a higher price on it than prevailed in the open market.

49. Cf. Adam Smith, *Wealth of Nations*, Vol. I, pp. 104–5.

50. A reference to the abstinence theory advanced by Nassau Senior (*Principes fondamentaux*, pp. 307–8).

51. As in Charles Babbage, *Traité sur l’économie des machines et des manufactures.* Traduit de l’anglais sur la troisième édition, Paris, 1833, pp. 329–51.

52. Simon Linguet, (1736–94) was a French lawyer and historian, a conservative critic of the Enlightenment and of the economics of the Physiocrats, an opponent of the French Revolution. He was guillotined during the Terror. The reference here is to his book *Théorie des lois civiles, ou principes*

fondamentaux de la société, published anonymously in London, 1767, Vol. II, pp. 462–8.

53. The manuscript breaks off here, and the following page (page 29) is missing. Marx noted its contents as follows: ‘Capital a merely objective power *vis-à-vis* the worker. Without personal value. Distinction from the performance of service. Purpose of the worker in the exchange with capital – consumption. Must always begin anew. *Labour* as the *capital* of the *worker*’ (*Grundrisse* (MELI), p. 953).

NOTEBOOK III: The Chapter on Capital (continuation)

1. This is the continuation from the missing final page of the previous notebook. The first seven pages of the present (third) notebook are taken up by the section ‘Bastiat and Carey’ (see pp. 883–93), which was written in July 1857. The present text begins, then, on the eighth page of the third notebook, which carries the date *‘29th, 30th November, December’* in Marx’s hand. See *Grundrisse* (MELI), pp. 200 n., 842 n.

2. Cf. Hegel, *Philosophy of Right*, para. 67: ‘I can give to someone else the use of my abilities for a restricted period … but by alienating the whole of my time I would be making the substance of my being into another’s property.’

3. As in P. Gaskell, *Artisans and Machinery,* London, 1836, pp. 261–2.

4. Potentially.

5. Antoine Cherbuliez (1797–1869, Swiss lawyer and economist, follower of Sismondi, although he added some elements of Ricardian theory), *Richesse ou pauvreté: Exposition des causes et des effets de la distribution actuelle des richesses sociales*, Paris, 1841, p. 16.

6. Cf. Hegel, *Science of Logic*, p. 753: ‘The third relation, mechanism … is a sublating (*aufheben*) of the means, of the object already posited as sublated, and is therefore a second sublating and a reflection-into-self.’

7. For example John Gray, *The Social System*, p. 36, and J. F. Bray, *Labour’s Wrongs*, pp. 157–76.

8. See below, pp. 316–18 and pp. 461–71.

9. See below, pp. 310–12.

10. Adam Smith, *Wealth of Nations*, Vol. II, pp. 355–85.

11. Senior, *Principes fondamentaux*, pp. 197–206.

12. Malthus, *Principles of Political Economy*, p. 47, footnote by the editor,

William Otter, Bp of Chichester.

13. Sismondi, *Nouveaux Principes*, Vol. I, p. 90.

14. ibid., p. 105.

15. Cherbuliez, *Richesse ou pauvreté*, pp. 58, 64.

16. For example John Gray, *The Social System*, p. 36, and J. F. Bray, *Labour's Wrongs*, pp. 157–76.

17. In Ricardo: *On the Principles of Political Economy*, pp. 320–37. In Sismondi: *Études*, Vol. I, p. 22.

18. The MELI edition gives *lassen* (let, leave) rather than *fassen* (grasp, conceive, formulate); this is almost certainly either a misprint (the first of two on that page) or a misreading.

19. Say, *Traité d'économie politique*, Vol. II, p. 429 n.

20. Sismondi, *Études*, Vol. II, p. 273.

21. This is Adam Smith's phrase, not Ricardo's (Smith, *Wealth of Nations,* Vol. II, p. 355).

22. Say, *Traité d'économie politique*, Vol II, p. 425.

23. 'Capital has value, labour produces.' Proudhon, *Système des contradictions économiques,* Vol. I, p. 61.

24. Cf. Hegel, *Science of Logic*, p. 633: 'In the judgement the subject is determined by the predicate … the predicate is determined in the subject.'

25. 'The act of producing'.

26. Incidental 'false' expenses of production: the category into which the political economists from Adam Smith onwards relegated the cost of maintaining necessary but unproductive workers, e.g. soldiers, doctors etc.

27. Bastiat et Proudhon, *Gratuité du credit*, p. 180.

28. Cf. Hegel, *Science of Logic*, pp. 717–18; ‘The action passes over into *rest*. It shows itself to be a merely *superficial*, transient alteration in the self-enclosed indifferent totality of the object. This return constitutes the *product* of the mechanical process.’

29. Sir George Ramsay (1800–1871, philosopher and political economist, the first to distinguish between constant and variable capital), *An Essay on the Distribution of Wealth*, Edinburgh, 1836, p. 184.

30. Ricardo, *On the Principles of Political Economy*, p. 131.

31. Incidental ‘false’ expenses of production: the category into which the political economists from Adam Smith onwards relegated the cost of maintaining necessary but unproductive workers, e.g. soldiers, doctors etc.

32. As in Carey, *Principles of Political Economy*, Pt I, p. 338.

33. Bastiat et Proudhon, *Gratuité du crédit*, pp. 65–74. For Marx’s later discussions of the polemic between Bastiat and Proudhon, see pp. 640–41, 754–8, 843–5.

34. ‘A distinction is to be drawn between this, on one side, and the accumulation of capitals, on the other; the latter presupposes its relations to labour, prices (fixed capital and circulating capital), interest and profit.’ Our reconstruction is based on a comparison with the passage on p. 310 where a distinction is drawn between ‘capital in the process of its becoming’ and ‘the later relations’ or ‘the specific form in which capital is posited at a *certain* point’. Marx is repeating this distinction here, but in a different manner.

35. Ricardo, *On the Principles of Political Economy*, pp. 1–3.

36. See above, pp. 297–303.

37. The expression in full is *‘travailler pour le roi de Prusse’* (‘to work for the king of Prussia’), i.e. to work for the purposes of another without recompense.

38. See below, pp. 883–5.

39. *The Times*, London, Saturday, 21 November 1857, No. 22,844, p. 9. ‘Negroes and the Slave Trade. To the Editor of *The Times.* By Expertus.’ Marx’s English in this sentence has been changed to conform to modern usage.

40. See below, pp. 419–20, 464–9, 471–514, 547–8.

41. This is a generalized reference to Malthus’s numerous discussions of value, e.g. in *Principles of Political Economy*, London, 1836, pp. 50–135, *The Measure of Value*, London, 1823, and *Definitions in Political Economy,* London, 1827, pp. 23–36.

42. Ricardo’s polemic against Smith, in *On the Principles of Political Economy*, pp. 4–12; Ricardo on the effect on value of difficulties of production, pp. 60–67; the essential difference between value and wealth, p. 320; the theory of ground rent, pp. 53–75; the theory of international trade, pp. 131–61.

43. Adam Smith, *Wealth of Nations*, Vol. II, p. 356.

44. Victor, Marquis de Mirabeau (1715–89), was an eccentric French aristocrat converted by Quesnay to the cause of Physiocracy in the 1750s, who subsequently wrote two of the main Physiocratic works, the *Théorie de l’impôt* (1760) and the *Philosophie rurale* (1763).

45. A reference back to the brief discussion of Ricardo on pp. 326–7.

46. Ricardo, *On the Principles of Political Economy*, pp. 120–25.

47. pp. 326–7.

48. Cf. Hegel, *Science of Logic*, pp. 131–7, especially p. 132: ‘Something’s own boundary posited by it as a negative which is at the same time essential, is not merely boundary as such but barrier.’ Also, p. 135: ‘The sentient creature, in the limitation of hunger, thirst, etc., is the drive to go beyond its limiting barrier, and it does overcome it.’

49. Leonard Horner (1785–1864) was originally a geologist, and from 1833 to 1860 Chief Factory Inspector in Lancashire. His many reports on factory conditions there were an important source for Marx in the writing of *Capital*; the reference here would be to one of Horner’s reports on the breaches of the Ten Hours’ Act committed by manufacturers during the 1850s.

50. This is a slip of the pen on Marx’s part. The ‘previous relation’ was 6/8 = 12/16, not 5/8 = 10/16. Therefore the total surplus value was higher by 3/16 not 5/16.

51. This should read 999/1,000,000 = 1/(1,001 + 1/999).

52. In English in the original.

53. This seems to refer back to the value of the capital rather than the material production (the latter would still be 26s.).

54. Babbage, *Traité sur l’économie des machines et des manufactures*, pp. 218–19.

55. The ‘perceptive’ publisher was the editor of Eugène Daire (1798–1847), who issued the works of the Physiocrats during the 1840s. The comments on Boisguillebert are in *Économistes financiers du XVIIIe siècle,* Paris, 1843, p. 419, notes 1 and 2.

56. Ricardo, *On the Principles of Political Economy*, pp. 88–92.

57. Ricardo, *On the Principles of Political Economy*, pp. 327–8.

58. Ricardo, *On the Principles of Political Economy*, pp. 29–35

59. This refers to Marx's notebooks of excerpts from the works of Ricardo, with Marx's critical commentary. A section of one of the excerpt-books in this series is published in *Grundrisse* (MELI), pp. 787–839. Marx wrote these notebooks, which contain, additionally, excerpts from ten works by other authors, as well as from various volumes of *The Economist*, in early 1851. See *Grundrisse* (MELI), p. 782 n.

60. The following sentence appears in the upper margin of this page of the manuscript, without indication of the place in the text where it might be inserted: '(*Money* for itself has to be termed neither use value nor exchange value, but *value*.)'

61. Ricardo, *On the Principles of Political Economy*, pp. 327–8.

62. A reference to Marx's own excerpt-book VIII. Ricardo's doctrine of foreign trade (*On the Principles of Political Economy*, pp. 131–8) is covered in *Grundrisse* (MELI), pp. 808–11.

63. Ricardo, *On the Principles of Political Economy*, pp. 416–17.

64. See above, n. 41.

65. Cf. Hegel, *Science of Logic*, pp. 450–56, e.g. p. 451: 'Matter is that which is indifferent to form.'

66. This should be 32, not 16, since 2/5 of 40 is itself already 16.

67. This should be 40%. In these passages, the use of the term 'interest' (*Zins*) is, strictly speaking, incorrect; it should read 'surplus value'. Similarly, in some passages further on, the terminology does not correspond in every case with Marx's later usage.

NOTEBOOK IV: The Chapter on Capital (continuation)

1. Carey, *Principles of Political Economy*, pp. 15–16, 27–48.

2. Dr Richard Price (1723–91; Nonconformist minister and writer on political and financial subjects), *An Appeal to the Public on the Subject of the National Debt*, London, 1772, p. 19. See below, pp. 842–3.

3. In 1786 William Pitt the Younger established a sinking fund of £1,000,000 in accordance with Dr Price’s proposals.

4. 50: material of labour; 10: instrument of labour; 40: wages of labour.

5. The numerical examples above and below contained occasional, always trivial, errors of arithmetic. The corrections, as indicated by MELI, have been implicitly substituted here, unless noted.

6. In the following table the quantity of value is always expressed in thalers.

7. C. Babbage, *Traité sur l’économie des machines et des manufactures*, p. 29.

8. Bastiat et Proudhon, *Gratuité du crédit,* pp. 127–32, 135–7, 288.

9. Ricardo, *On the Principles of Political Economy,* pp. 117–19.

10. This is a continuation of the critique of Ricardo, broken off on p. 353.

11. See below, pp. 765–71.

12. Lauderdale, *Recherches sur la nature et l’origine de la richesse publique*, p. 137.

13. See above, pp. 373–8.

14. Quotations taken from pp. 4–6 of an anonymous pamphlet published in London in 1821 and entitled *The Source and Remedy of the National Difficulties, deduced from principles of political economy in a letter to*

Lord John Russell.

15. Ravenstone, *Thoughts on the Funding System and its Effects,* pp. 11, 13, 45–6.

16. The original text has ‘more productive’ here.

17. See below, pp. 459–515.

18. Cf. Hegel, *Science of Logic*, pp. 546–7.

19. Cf. Hegel, *Science of Logic* (tr. A. V. Miller), p. 71: ‘That into which the movement returns as into its *ground* is (also) *result.*’

20. See above, p. 401.

21. Marx wrote this sentence in English. The word ‘spurred’ is a suggested emendation in place of the word ‘occurred’ which appears in the original text.

22. J. R. MacCulloch (1789–1864), statistician and economist, editor of the *Scotsman* from 1818 to 1828, Professor of Political Economy in London from 1828 to 1832, ‘past master in pretentious cretinism’, ‘at once the vulgarizer of Ricardian economics and the most pitiful image of its dissolution’ (Marx).

23. MacCulloch, The *Principles of Political Economy,* Edinburgh, 1825, pp. 166–90.

24. James Mill, *Éléments d’économie politique,* Paris, 1823, pp. 250–60.

25. Bastiat et Proudhon, *Gratuité du crédit*, pp. 65–74. For Marx’s later discussions of the polemic between Bastiat and Proudhon, see pp. 640–41, 754–8, 843–5.

26. A reference to the pamphlet *The Currency Question. The Gemini Letters,* London, 1844, written by two upholders of the currency doctrines of the Birmingham banker Thomas Attwood, T. B. Wright and J. Harlow. See below, pp. 804–5.

27. Heinrich Friedrich Storch (1766–1835), Professor of Political Economy in the Russian Academy of Sciences at St Petersburg. Say issued Storch’s work *Cours d’économie politique* with critical notes in 1823; he attacked Say’s interpretation of his views in *Considérations sur la nature du revenu national*, Paris, 1824, pp. 144–59.

28. Malthus, *Principles,* p. 405; *Definitions,* pp. 258–9. Sismondi, *Études,* Vol. I, p. 61 n.

29. *‘Socialistically’:* in the manner of the early utopian socialists, in particular

John Gray; see above, pp. 153–6.

30. Ricardo, *On the Principles of Political Economy,* pp. 80–85.

31. Adam Smith, *Wealth of Nations,* pp. 244–6.

32. Thomas Hodgskin (1787–1869) was a socialist journalist and agitator active in the 1820s. In his economic works he developed the socialist implications in Ricardo's theory of value, in particular in *Labour Defended against the Claims of Capital* (1825) and *Popular Political Economy* (1827).

33. Hodgskin, *Popular Political Economy,* pp. 245–6.

34. *The Source and Remedy of the National Difficulties,* London, 1821, pp. 17–18.

35. *An Inquiry into those Principles Respecting the Nature of Demand and the Necessity of Consumption Lately Advocated by Mr Malthus,* anonymous pamphlet, London, 1821, p. 59.

36. Hodgskin, *Popular Political Economy,* p. 238.

37. ibid., p. 246.

38. Malthus, *Principles of Political Economy,* pp. 266, 301, 302, 315, 372–82, in part paraphrased by Marx.

39. ibid., p. 405, note by the editor, William Otter.

40. ibid., p. 414, note by Malthus.

41. See above, p. 411, and note 24.

42. Say, *Traité d'économie politique,* pp. 142–56.

43. Marx wrote 'not else' in English here.

44. Bastiat et Proudhon, *Gratuité du crédit,* pp. 207–8.

45. For Bastiat’s view, see *Gratuité du* crédit, pp. 127–32.

46. Marx wrote 4 9/20 thalers when he meant to write 4 10/20 thalers. This naturally affects the subsequent calculations, which should be amended as follows: 80 lb. at 4 10/20 thalers a pound = 360 thalers. 360 thalers + 90 = 270. 270 − 216 = 54. 360 − 54 = 306. 54 represents 15% profit on 360 thalers.

47. The substitution of ‘wheat’ for ‘grain’ here and at subsequent points has no bearing on Marx’s argument. He uses the two words interchangeably.

48. Samuel Jones Loyd (1796–1883, banker and economist, expert witness before the Parliamentary Commissions of 1833, 1840, 1848, and 1857, author of numerous pamphlets on money and banking, leading theorist of the Currency School in the controversy over Peel’s Act of 1844, created Baron Overstone in 1860). The source of this quotation has not been found; it is most probably from the *Evidence Presented to the House of Commons Select Committee of 1857,* ed. J. R. MacCulloch, London, 1858.

49. Cf. Hegel, *Science of Logic,* pp. 344–7.

50. This sentence is in English in the original.

51. Ricardo, *On the Principles of Political Economy,* p. 139.

52. Cf. Hegel, *Science of Logic,* p. 600: ‘This universal Notion contains the three moments: universality, particularity, and individuality.’

53. The original text has ‘personifications’, evidently referring back to ‘conditions’.

54. *Sein für andres* is a basic concept of Hegel’s logic, described in the *Science of Logic* (p. 119 of the translation by A. V. Miller, London, 1969) as ‘a negation of the simple relation of being to itself which is supposed to be determinate being’. However, it is paired, not with *Sein für sich*, but with *Sein in sich* (being in itself, described as ‘something returned into itself out of the being for other’). In any case, it is difficult to detect any relation between Marx’s use of *Sein für andres* and Hegel’s use. The situation is different with the concept of *Sein für sich*, since Hegel described being for self in the *Lesser Logic* (p. 179 of the translation by W. Wallace, Oxford, 1892) in the following way: ‘Being for self is a self-subsistent, the One’, and added ‘The readiest instance of being for self is found in the “I”.’ This comes close to Marx’s ‘each individual … as an end in himself’.

55. Having themselves become = having themselves undergone the process of becoming, as indicated on pp. 459–60.

56. On 22 February 1858, Marx wrote to Lassalle that he was planning three works: (1) a critique of the economic categories or the system of bourgeois economy critically presented, (2) a critique and history of political economy and socialism, and (3) a short historical sketch of the development of economic relations or categories (*Marx-Engels Selected Correspondence,* Moscow n.d., p. 125). Marx referred here to the third work, which he never produced in a completed form. Pages 459–514 of the present edition would no doubt have formed part of it.

57. *Do ut facias:* I give that you may do; *facio ut des:* I do that you may give; *do ut des:* I give that you may give. (Roman law.)

58. That is, with the free workers in manufactures (hand crafts).

59. Steuart, *An Inquiry,* Vol. I, p. 40.

60. Marx did not in fact mention this in the Chapter on Money but rather on pp.

272–3, in the Chapter on Capital.

61. Adam Smith, *Wealth of Nations,* Vol. I, pp. 104–5.

62. State property.

63. The word *Stamm* here refers broadly to any extended kinship grouping; e.g. clan, tribe, *gens,* etc.

64. *Geschlechter* may also refer to the sexes, linguistic groups, generations, etc. It is not entirely certain which of these distinctions Marx had foremost in mind here.

65. This is one possible reconstruction of the sentence beginning ‘The commune’, which has a number of grammatical loose ends in the original. Two other possible variants are presented in *Pre-Capitalist Economic Formations,* tr. J. Cohen, London, 1964, p. 73.

66. Craftsmen, workers.

67. Georg Niebuhr, *Römische Geschichte. Erster Theil. Zweyte, völlig umgearbeitete, Ausgabe,* Berlin, 1827, p. 245.

68. The property of the *quirites,* i.e. the Romans.

69. ‘No Roman citizen was permitted to earn a livelihood as a tradesman or artisan’ (Dionysius of Halicarnassus. *Roman Antiquities*, Bk IV, Ch. 25).

70. The passages in pointed brackets, on pp. 477–8, are taken from Niebuhr’s *Römische Geschichte. Erster Theil,* and in this order: (1) p. 148; (2) pp. 435–6; (3) pp. 614–15 and footnotes 1224 and 1225; (4) pp. 317–18; (5) pp. 326–35.

NOTEBOOK V: The Chapter on Capital (continuation)

1. Cicero, *Letters to Atticus,* Vol. V, 21, lines 10–13; Vol. VI, 1, lines 3–7; Vol. VI, 2, lines 7–10.

2. P.-J. Proudhon, *Système des contradictions économiques,* Vol. II, p. 265.

3. Latin plural of *iugerum,* a Roman measure of land.

4. Political animal; literally, city-dweller.

5. The term *Gemeinwesen* also carries the nuances ‘common essence’, ‘common system’ and ‘common being’.

6. Aliens who resided in Athens but were not classed as citizens.

7. According to Roman tradition, Numa Pompilius was the second king of Rome.

8. Citizens of one Greek city-state who were granted full citizenship in another.

9. Antoine Cherbuliez (1797–1869, Swiss lawyer and economist, follower of Sismondi, although he added some elements of Ricardian theory), *Richesse ou pauvreté: Exposition des causes et des effets de la distribution actuelle des richesses sociales*, Paris, 1841, p. 16.

10. Bastiat et Proudhon, *Gratuité du crédit*, pp. 65–74. For Marx's later discussions of the polemic between Bastiat and Proudhon, see pp. 640–41, 754–8, 843–5.

11. Adam Smith, *Wealth of Nations,* Vol. III, Bk III, Ch. 4.

12. 'This' refers back to 'manufacture'. See the definition of 'factory' given by Ure, cited by Marx on p. 690.

13. This statement is taken directly from Du Cange, *Glossarium mediae et infimae Latinitatis,* ed. G. A. L. Henschel, Paris, 1842, Vol. 2, p. 139, article entitled '2. Capitale'. However, Du Cange was wrong. The word ἀρχεῖα means 'government buildings', never 'loan' or 'principal sum of money owed' as suggested there; the Greek word for loan, which Du Cange probably had in mind, is χρέος.

14. *métairie:* share-cropping, the modern *métayage. Bail de bestes à cheptel:* lease with livestock as capital. Cf. Du Cange, *Glossarium,* Vol. 2, p. 139.

15. 'Those who have to pay a head tax'.

16. Adam H. Müller (1774–1829, leading advocate of the Romantic reaction in history and economics during the early nineteenth century; Austrian state official under Metternich, ennobled for his propagandistic activities), *Die Elemente der Staatskunst, Erster Theil,* Berlin, 1809, pp. 226–41.

17. ‘I shall grant a tenth part of my own to God both in livestock and in dead fruits of the earth’, quoted by Du Cange, *Glossarium*, p. 140, from Athelstan’s Ordinance of 925 on tithes.

18. See above, pp. 457–8.

19. ‘(false!)’ was inserted afterwards, above the line. [MELI note]

20. In English in the original.

21. Marx’s distinction between *Rohstoff* and *Rohmaterial* has no English equivalent. *Rohstoff* is the raw material in its pristine state, before being subjected to human labour; *Rohmaterial* is the raw material which has been formed by human labour but has yet to enter into the final product. Cf. *Capital,* Vol. I, Moscow, 1954, pp. 178–82.

22. See above, p. 402.

23. See above, pp. 256–7.

24. *par excellence.*

25. Cf. Hegel, *System of Philosophy,* I, *Logic,* para. 161: ‘The concept remains at home with itself in its process; no new content is posited by the process, only an alteration of form is produced.’

26. Sismondi, *Nouveaux Principes d’économie politique,* Vol. I, p. 89. See above, p. 261.

27. ibid., Vol. I, pp. 91–2.

28. Cherbuliez, *Richesse ou pauvreté,* p. 64.

29. In Cherbuliez; raw material, instrument of labour, and supply of articles of consumption. See above, p. 299.

30. Cherbuliez, *Richesse ou pauvreté,* pp. 25–6.

31. William Thompson (1783–1833) was an Irish landowner who embraced Owenism, and criticized political economy from a utopian socialist position, but on the basis of Ricardo’s doctrines.

32. ‘That’, i.e. ‘that situation’.

33. ‘Of the same’ (*desselben*) probably refers back to ‘recognition of nature ([and] practical power over nature)’. The contraction is ambiguous.

34. Storch, *Cours d’économie politique,* Vol. I, pp. 411–12.

35. Malthus, *The Measure of Value Stated and Illustrated, with an Application of it to the Alterations in the Value of the English Currency since 1790,* London, 1823, p. 17.

36. William Thompson, *An Inquiry into the Principles of the Distribution of Wealth, Most Conducive to Human Happiness, Applied to the Newly Proposed System of Voluntary Equality of Wealth,* London, 1824, p. 176.

37. Ramsay, *An Essay on the Distribution of Wealth,* p. 55.

38. Incidental ‘false’ expenses of production: the category into which the political economists from Adam Smith onwards relegated the cost of maintaining necessary but unproductive workers, e.g. soldiers, doctors etc.

39. Thomas de Quincey (1785–1859), the essayist, author of *Confessions of an Opium Eater,* was also a writer on political economy, and a follower of Ricardo.

40. Ramsay, *An Essay on the Distribution of Wealth,* p. 43. The references are to the page numbers of Ramsay’s book. The quotations themselves are as usual in a mixture of English and German.

41. ibid., p. 55.

42. Misunderstandings on *Ramsay's* part (cf. Ramsay, *An Essay,* p. 22 n.) in which he followed Ricardo's own misunderstandings (cf. Ricardo, *On the Principles of Political Economy,* pp. 5, 7–8, 9).

43. Adam Smith, *Wealth of Nations,* Vol. I, pp. 101–2, 131–4.

44. Ricardo, *On the Principles of Political Economy,* pp. 338–9.

45. ibid., p. 3: 'In speaking of commodities … we mean commodities … on the production of which competition operates without restraint.'

46. ibid., p. 86.

47. De Quincey, *The Logic of Political Economy,* Edinburgh, 1844, p. 204.

48. De Quincey, *Logic of Political Economy,* p. 204.

NOTEBOOK VI: The Chapter on Capital (continuation)

1. Carey, *Principles of Political Economy,* Part I, p. 99.

2. J. R. MacCulloch, *The Principles of Political Economy,* London, 1825, pp. 313–18.

3. The extracts from Ricardo appear in a 'Notebook VIII' of an earlier series of notebooks dated 1851. Excerpts are printed in *Grundrisse* (MELI) as an appendix, omitted in the present edition.

4. R.5: Ricardo, *On the Principles of Political Economy,* p. 5 (in fact p. 3).

5. The page numbers in Ricardo refer to the third edition (1821).

6. Bray, *Labour's Wrongs,* p. 48.

7. Adam Smith, *Wealth of Nations,* Vol. I, pp. 100–102, 130–31.

8. Marx, here as elsewhere, quotes in his own abbreviated German. The text therefore differs slightly from Ricardo's original. Compare Ricardo, *Principles,* p. 5.

9. Wakefield, *A View of the Art of Colonization,* p. 169.

10. Should read 4.7%, but the error has been taken over from Malthus himself. Cf. Malthus, *Principles of Political Economy,* pp. 269–70. Two other petty errors of arithmetic in these passages have been corrected as indicated by the MELI editors.

11. Ravenstone, *Thoughts on the Funding System,* p. 11.

12. Malthus, *The Measure of Value,* p. 33.

13. ibid.

14. Malthus, The *Measure of Value,* p. 29.

15. Carey, *Principles of Political Economy,* Part I, pp. 76–8.

16. ibid., p. 99.

17. Adam Smith, *Wealth of Nations,* Vol. I, pp. 230–31, note by Wakefield the editor.

18. Albert Gallatin (1761–1849; American public figure of Swiss origin, academic, diplomat, and banker, author of many books on financial questions), *Considerations on the Currency and Banking System of the United States,* Philadelphia, 1831, p. 68.

19. John Wade (1788–1875) was a journalist and historian, and parliamentary reformer, who worked for a long time with the *Spectator,* and whose *History of the Middle and Working Classes* was described by Marx as ‘theoretically … original in some parts … historically … a shameless plagiarism from Sir F. M. Eden’.

20. Gaskell, *Artisans and Machinery,* pp. 111–14.

21. Babbage, *Traité sur l’économie,* p. 485.

22. Pellegrino Rossi (1787–1848; Italian political economist, supporter of

Napoleon I, in exile from 1815, first in Geneva then in France, professor of political economy at the Collège de France 1833–40, created a peer in 1844, returned to Italy as French ambassador, became prime minister of the Pope's government in 1848, finally assassinated in the course of a speech in favour of moderation), *Cours d'économie politique,* Brussels, 1843.

23. R. Torrens, *An Essay on the Production of Wealth,* London, 1821, pp. 70–71.

24. Labour in being, not in potency.

25. Cf. Ricardo, *On the Principles of Political Economy,* pp. 31–2, 'There can be no rise in the value of labour without a fall of profits … If cloth … be divided between the workman and his employer, the larger the proportion given to the former, the less remains for the latter.'

26. H. C. Carey, *The Past, the Present, and the Future,* Philadelphia, 1848, pp. 74–5.

27. The Reverend Thomas Chalmers (1780–1847) was a Scottish Presbyterian minister who taught moral philosophy and divinity, as well as political economy; 'one of the most fanatical Malthusians' (Marx).

28. F.-L.-A. Ferrier, *Du gouvernement considéré dans ses rapports avec le commerce,* Paris, 1805, p. 35. Ferrier (1777–1861) was a high French customs official who both operated and wrote in favour of Napoleon I's protective system.

29. Adam Smith, *Wealth of Nations,* Vol. II, p. 10.

30. Hodgskin, *Popular Political Economy,* p. 140.

31. T. R. Malthus, *An Inquiry into the Nature and Progress of Rent,* London, 1815, p. 7.

32. Ricardo, *On the Principles of Political Economy,* p. 493.

33. *Recherches sur la nature et les causes de la richesse des nations;* traduction nouvelle, avec des notes et observations; par Germain Garnier, Paris, 1802, 2 volumes. The French edition of Adam Smith, excerpted by Marx already in 1844; see *MEGA.* 1/3, pp. 457–93.

34. Genesis iii, 19.

35. *grisette:* young shop-girl.

36. Fourier, *Le Nouveau Monde industriel et sociétaire,* in *OEuvres complets,* Paris, 1848, Vol. VI, pp. 245–52.

37. Nassau Senior, *Principes fondamentaux,* pp. 309–35.

38. Bastiat et Proudhon, *Gratuité du crédit,* p. 200.

39. Malthus, *Definitions in Political Economy,* pp. 69–70.

40. Adam Smith, *Wealth of Nations,* Vol. II, Bk II, Ch. 2, pp. 270–77.

41. ‘Subjects of exchange’ should clearly read ‘objects of exchange’. [MELI note]

42. See above, p. 617.

43. See above, p. 585.

44. Bastiat and Proudhon, *Gratuité du crédit*, p. 200.

45. ibid., p. 288.

46. A. Anderson (Scottish chemical manufacturer, not to be confused with James Anderson, Scottish farmer, and eighteenth-century originator of the theory of ground rent), *The Recent Commercial Distress; or, the Panic, Analysed: Showing the Cause and Cure,* London, 1847.

47. Say, *Traité d'économie politique*, Vol. II, p. 430.

48. Ramsay, *An Essay on the Distribution of Wealth.*

49. Ricardo, *On the Principles of Political Economy*, pp. 26–7. The passage is sometimes compressed, sometimes expanded, in the quoting, in line with Marx's usual method in the notebooks.

50. Petty, *Political Arithmetic,* pp. 178–9.

51. 'Assert' is a suggested emendation for 'overlook' as found in the original text.

52. Sismondi, *Nouveaux Principes d'économie politique*, Vol. I, pp. 94–8.

53. Cherbuliez, *Richesse ou pauvreté*, pp. 16–19.

54. The number 29 refers to Notebook V, p. 29. See above, p. 543, and Storch, *Cours d'économie politique,* Vol. I, pp. 411–12.

55. Storch, *Cours d'économie politique*, Vol. I, p. 246. The number 26a refers to an excerpt-book.

56. Storch, *Considérations sur la nature du revenu national*, Paris, 1824.

57. Ricardo, *On the Principles of Political Economy,* p. 3.

58. ‘Middle-class’: in English in the original text.

59. A reference to the pamphlet *The Currency Question. The Gemini Letters,* London, 1844, written by two upholders of the currency doctrines of the Birmingham banker Thomas Attwood, T. B. Wright and J. Harlow. See below, pp. 804–5.

60. Ramsay, *An Essay on the Distribution of Wealth,* p. 43.

61. The quotation from Storch is on p. 637.

62. By de Quincey and Ramsay; see above, pp. 642–3.

63. See above, p. 592, and Rossi, *Cours d’économie politique,* p. 370.

64. Storch, *Cours d’économie politique,* Vol. I, p. 405.

65. Malthus, *Definitions in Political Economy,* pp. 237–8.

66. Adam Smith, *Recherches sur la nature et les causes de la richesse des nations,* Vol. II, pp. 197–8.

67. *‘partir de son possesseur’.* Storch, *Cours d’économie politique,* Vol. I, p. 405.

68. ‘Use value’: this ought to read ‘exchange value’.

69. Cherbuliez, *Richesse au pauvreté,* pp. 14–15.

70. Malthus, *Definitions in Political Economy,* pp. 237–8.

71. See above, p. 574, and Malthus, *The Measure of Value,* p. 33.

72. See above, pp. 644–5.

73. MacCulloch, *The Principles of Political Economy,* p. 300.

74. Ricardo, *On the Principles of Political Economy,* p. 26.

75. J.-B. Say, *Traité d’économie politique,* Vol. II, p. 430.

76. Sismondi, *Nouveaux Principes d’économie politique,* Vol. I, pp. 94–8.

77. *The Economist,* Vol. V, No. 219, 6 November 1847, p. 1271.

78. Ravenstone, *Thoughts on the Funding System,* p. 45.

79. Babbage, *Traité sur l’économie des machines et des manufactures,* pp. 20–21.

80. Andrew Ure (1778–1857; Scottish doctor, chemist, astronomer, apologist for the factory system of the early nineteenth century and opponent of the Factory Acts), *Philosophie des manufactures,* Brussels, 1836 (French translation of the 2nd edition, London, 1835), Vol. I, pp. 18–19.

NOTEBOOK VII: The Chapter on Capital (continuation)

1. The manuscript has: '… now appears as circulating capital (the first two) and fixed capital'.

2. Hodgskin, *Labour Defended,* p. 16.

3. *'als hätt es Lieb im Leibe',* Goethe, *Faust,* Pt I, Act 5, Auerbach's Cellar in Leipzig.

4. See p. 688, n. 77.

5. Fourier, *Le Nouveau Monde industriel et sociétaire,* Vol. VI, pp. 242–52.

6. The author referred to here may be J. F. Hodges, who wrote *Lessons on Agricultural Chemistry* (1849), and *First Steps to Practical Chemistry for Agricultural Students* (1857); or Marx may have intended to write 'Hodgskin'.

7. De Quincey, *The Logic of Political Economy,* p. 114.

8. Babbage, *Traité sur l'économie des machines et des manufactures,* pp. 375–6.

9. See below pp. 843–5.

10. *The Economist,* Vol. V, No. 219, 6 November 1847, p.1271.

11. *The Economist,* Vol. V, No. 219, 6 November 1847, p. 1271.

12. ibid

13. The first part of this quotation is taken over by Storch from the French edition of Adam Smith, Vol. II, p. 207 (see above, p. 728); the whole quotation, with the addition of Storch's remark about revenue, is to be found in Storch, *Cours d'économie politique,* Vol. I, p. 246.

14. Cf. Hegel, *Science of Logic*, p. 746: 'The relation of the activity of the end through the means to the external object is … an immediate relation of the

middle term to the other extreme. It is immediate because the middle term has an external object in it and the other extreme is another such object.'

15. Sir Frederick Morton Eden, Bt (1766–1809) was inspired by the high prices of 1794 and 1795 to make the first ever investigation into working-class history. 'The only disciple of Adam Smith throughout the eighteenth century who produced anything of importance' (Marx).

16. The passages from Eden's book (Vol. I, Bk 1) are as follows, beginning with the passage on p. 735 of the present edition: pp. 1–2; pp. 57–61; pp. 75–6; p. 100; p. 101.

17. Adam Smith, *Recherches sur la nature et les causes de la richesse des nations,* Vol. II, p. 226.

18. Adam Smith, *Recherches sur la nature et les causes de la richesse des nations,* Vol. II, pp. 197–8.

19. Say, *Traité d'économie politique,* Vol. II, p. 185.

20. See above, pp. 333–53.

21. The sentence preceding this one was inserted by Marx, above the line, in English; thus the apparent virtual repetition. (The sentence following also appears in English in the original.)

22. Adam Smith, *Recherches sur la nature et les causes de la richesse des nations,* Vol. I, p. 193.

23. Ricardo, *On the Principles of Political Economy,* pp. 338–9.

24. Ramsay, *An Essay,* pp. 179–80.

25. Marx made extracts from these works on organic chemistry: J. von Liebig, *Die organische Chemie,* 4th edn, Brunswick, 1842; J. F. W. Johnston, *Lectures on Agricultural Chemistry and Geology,* 2nd edn, London, 1847; and J. F. W. Johnston, *Catechism of Agricultural Chemistry and Geology,* Edinburgh, 1849.

26. See the section on Bastiat and Carey, pp. 883–93.

27. In fact, see below pp. 889–90.

28. See p. 86, n. 7.

29. Sismondi, *Nouveaux Principes,* Vol. I, p. 90.

30. op. cit., Vol. I, p. 82.

31. op. cit., Vol. I, p. 89.

32. Torrens, *An Essay on the Production of Wealth,* p. 52.

33. $s/(c + v) < s/v$ is the correct expression; but the manuscript has: $(c + v)/s < v/s$, struck out but not replaced by anything else. [MELI note]

34. Robert Owen, *Six Lectures Delivered in Manchester,* Manchester, 1837, p. 58; see above, pp. 712–14.

35. Benjamin Thompson (1753–1814), American adventurer, who entered the service of George III, was created Count of Rumford in 1784, issued *Essays, Political, Economical, and Philosophical,* in London, 1796–1802, in which he recommended various inferior forms of food for labourers; discussed by Marx in *Capital,* Vol I, Moscow 1954, p. 601.

36. The MELI edition gives *aufgelöst* (dissolved) rather than *ausgelöst* (triggered, released). This is in all probability a misreading of the handwritten manuscript. (The *f* and one form of the *s* are virtually indistinguishable in the old-style German script Marx used at that time.)

37. Wakefield’s note on p. 64 of Vol. I of his edition of Adam Smith (London, 1835–9).

38. Steuart, *An Inquiry into the Principles of Political Economy,* Vol. I, p. 399.

39. ibid., pp. 403–5.

40. Geminiano Montanari, *Della moneta, trattato mercantile,* in Custodi (ed.), Scrittori Classici Italiani di Economia Politica, Parte Antica, Tomo III, Milan, 1804.

41. Tuckett, *A History,* Vol. I, p. 157 n.

42. ibid., p. 204.

43. Eden, *The State of the Poor,* Vol. I., pp. 119–20.

44. Marx collected and annotated an immense amount of material on the various theories of the exchange rate: he included this in a draft of 1854–5 entitled ‘Money System, Credit System, and Crises’. This manuscript remains unpublished.

45. *The Economist,* Vol. XVI, No. 759, 13 March 1858, p. 290, article entitled ‘Will the Low Rate of Interest Last?’.

46. David Urquhart, *Familiar Words as Affecting England and the English* London, 1856, p. 112.

47. See above, p. 782, quotation from Steuart.

48. ‘Sterlings’ in the original text.

49. Marx’s English in the above sentence has been altered to conform to modern usage. His use, in these and other passages, of terms which today have an offensive ring (e.g. ‘semi-civilized’, ‘uncivilized’, ‘savage’, ‘semi-savage’, where what is meant is simply ‘pre-capitalist’) reflects the general blindness of European scholarship towards non-European civilizations, and indicates the relative weakness of anti-colonial political movements at the time. This did not prevent Marx from being an enemy of colonialism and of great-power chauvinism in every form.

50. The wars of the Revolutionary and Napoleonic periods, 1793–1815.

51. Cobbett, *Paper against Gold,* London, 1828, p. 2.

52. Literally, ‘toads’. A French term of abuse.

53. Garnier, *Histoire de la monnaie,* Vol. II, p. 11.

54. ‘King Servius first stamped money with the image of sheep and oxen.’

55. ‘Unwrought gold, unwrought silver’.

56. *The Economist,* Vol. I, No. 37, 11 May 1844, p. 771, article entitled ‘The First Step in the Currency Question – Sir Robert Peel’.

57. *The Economist,* Vol. I, No. 42, 15 June 1844, p. 890, article entitled ‘The Action of Money on Prices’.

58. *The Economist,* Vol. I, No. 58, 5 October 1844, p. 1,275.

59. H. Thornton, *An Enquiry into the Nature and Effects of the Paper Credit of Great Britain,* London, 1802, p. 48.

60. Say, *Cours complet d’économie politique pratique,* Vol. I, p. 510.

61. *sic.*

62. Jelinger Cookson Symons (1809–60) was a lawyer who was appointed in 1835 by the government to draw up a report on the situation of the hand-loom weavers; later he reported on the miners, and the educational system in Wales; author of many books on economic and educational questions.

63. W. H. Prescott, *History of the Conquest of Peru,* 4th edn, London, 1850, Vol. I. p. 127.

64. ‘O blessed money, which furnishes mankind with a sweet and nutritious beverage, and protects its innocent possessors from the infernal disease of avarice, because it cannot be long hoarded, nor hidden underground!’, quoted in ibid., p. 123 n.

65. H. A. M. Merivale, *Lectures on Colonization,* London, 1841, Vol. I, p. 52 n.

66. J. Sempéré y Guarinos, *Considérations sur les causes de la grandeur et de la décadence de la monarchie espagnole,* Paris, 1826, Vol. I, pp. 275–6.

67. This heading, though taken from Marx's own index to his notebooks (*Grundrisse* (MELI), p. 966), seems to be out of place here.

68. Niebuhr, *Römische Geschichte, Erster Theil,* p. 608.

69. At an interest of one-twelfth.

70. At an interest of five-twelfths.

71. Hüllmann, op. cit., Teil II, pp. 36–45.

72. 'Things sacred and religious, which cannot be in the possession of anyone, and cannot either receive a valuation or be mortgaged or alienated, which are exempt from the commerce of men' (Justinian, *Institutes,* II, 1).

73. S. P. Newman, *Elements of Political Economy,* Andover and New York, 1835, p. 296.

74. Lauderdale, *Recherches,* pp. 173–82.

75. J. R. MacCulloch, *A Dictionary, Practical, Theoretical, and Historical, of Commerce and Commercial Navigation,* London, 1847, p. 836.

76. C.-F. Chevé (1813–75) was a Catholic socialist, who supported Proudhon between 1848 and 1850, and edited the Proudhonist journal *La Voix du Peuple,* in which the discussion between Bastiat and Proudhon first appeared (1849).

77. The Reverend Joseph Townsend (1739–1816) was a Methodist clergyman who originally studied medicine; he opposed the Poor Law legislation, and (among others) invented the theory of population later taken over by Malthus; he issued the pamphlet *A Dissertation on the Poor Laws, By a Well-Wisher*

to Mankind anonymously in 1786.

78. G. Opdyke, *A Treatise on Political Economy,* New York, 1851, p. 300.

79. Volume 5, which Storch issued separately, under the title mentioned, as a counter-blast to the four-volume edition of his *Cours d’économie politique,* produced and annotated by J.-B. Say.

80. See above pp. 600–602.

81. Karl Arnd (1788–1877) was a state official in the small German principality of Electoral Hesse, as well as a prolific compiler of economics textbooks; hence his familiarity with the dog tax.

82. Ricardo, *On the Principles of Political Economy,* p. 84.

83. Charles Ganilh, *Des systèmes d'économie politique,* Paris, 1809, Vol. I, pp. 76–7.

84. *The Economist,* Vol. V, No. 215, 9 October 1847, p. 1158.

85. *The Economist,* Vol. IX, No. 386, 18 January 1851, p. 59.

86. *The Economist,* Vol. I, No. 37, 11 May 1844, p. 771.

87. William Hampson Morrison, *Observations on the System of Metallic Currency Accepted in this Country,* London, 1837, p. 13.

88. John Fullarton, *On the Regulation of Currencies,* 2nd edn, London, 1845, pp. 7–10.

89. Morrison, *Observations,* pp. 21–5.

90. Urquhart, *Familiar Words,* pp. 104–5.

91. Adam Smith, *Wealth of Nations,* Vol. I, pp. 100–101.

92. J. S. Mill, *On the Principles of Political Economy,* London, 1848, Vol. II, pp. 17–30.

93. M. Augier, *Du crédit public,* Paris, 1842, pp. 95, 101.

94. Storch, *Cours d'économie politique,* Vol. II, pp. 109–14.

95. Augier, *Du crédit public,* p. 128.

96. Fullarton, *On the Regulation of Currencies,* pp. 102–4.

97. D'Avenant, *Discourses on the Publick Revenues, and on the Trade of England,* Pt II, London, 1698, p. 16.

98. Jacob, *An Historical Inquiry,* Vol. I., p.302

99. ibid., Vol. II, pp. 214–15.

100. Bray, *Labour's Wrongs,* pp. 140–41.

101. *Free Trade, or the Meanes to Make Trade Flourish,* anonymously published in London (1622) by Edward Misselden, p. 21.

102. The Bank Restriction Act of 1797, under which the Bank of England was allowed to suspend cash payments.

103. J. G. Hubbard, *The Currency and the Country,* London, 1843, p. 33.

104. Garnier, *Histoire de la monnaie,* Vol. I, p. 24.

105. ibid., p. 7.

106. *The Economist,* Vol. XVI, No. 768, 15 May 1858, pp. 536–7, article by James Maclaren, entitled 'Literature. A Sketch of the *History of the Currency, comprising a Brief Review of the Opinions of the Most Eminent Writers on the Subject'.*

107. This is the earliest part of the manuscript of 1857–8; it was written in July 1857. It occupies the first seven pages of a notebook which, when it became part of the *Grundrisse* manuscript, obtained the designation 'Notebook III'.

108. Bastiat, *Harmonies économiques,* p. 364 n.

109. Bastiat, *Harmonies économiques,* p. 388.

PENGUIN CLASSICS

KARL MARX

Capital Volume 1

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Capital

A Critique of Political Economy

Volume One

Introduced by
Ernest Mandel

Translated by
Ben Fowkes

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Introduction

When Volume 1 of *Capital* was first published, capitalist industry, though predominant in a few Western European countries, still appeared as an isolated island encircled by a sea of independent farmers and handicraftsmen which covered the whole world, including the greater part even of Europe. What Marx's *Capital* explained, however, was above all the ruthless and irresistible impulse to growth which characterizes production for private profit and the predominant use of profit for capital accumulation. Since Marx wrote, capitalist technology and industry have indeed spread all over the world. As they have done so, moreover, not only have material wealth and the possibilities for freeing mankind definitively from the burden of meaningless, repetitive and mechanical work increased, but so too has the polarization of society between fewer and fewer owners of capital and more and more workers of hand and brain, forced to sell their labour-power to these owners. The concentration of wealth and power in a small number of giant industrial and financial corporations has brought with it an increasingly universal struggle between Capital and Labour.

Periodically the bourgeois class and its ideologues have thought they have found the stone of wisdom; have felt able, accordingly, to announce the end of crises and socio-economic contradictions in the capitalist system. But despite Keynesian techniques, notwithstanding all the various attempts to integrate the working class into late capitalism, for over a decade now the system has appeared if anything more crisis-ridden than when Marx wrote *Capital*. From the Vietnam war to the turmoil of the world monetary system; from the upsurge of radical workers' struggles in Western Europe since 1968 to the rejection of bourgeois values and culture by large numbers of young people throughout the world; from the ecology and energy crises to the recurrent economic recessions: there is no need to look very far for indications that capitalism's heyday is over. *Capital* explains why the sharpening contradictions of the system were as inevitable as its impetuous growth. In that sense, contrary to a generally accepted belief, Marx is much more an economist of the twentieth century than of the nineteenth. Today's Western world is much nearer to the 'pure' model of *Capital* than was the world in which it was composed.

I. THE PURPOSE OF *CAPITAL*

In *Capital* Marx's fundamental aim was to lay bare the laws of motion which govern the origins, the rise, the development, the decline and the disappearance of a given social form of economic organization: the capitalist mode of production. He was not seeking *universal* laws of economic organization. Indeed, one of the essential theses of *Capital* is that no such laws exist. For Marx, there are no economic laws valid for each and every basically different form of society (aside from trivialities like the formula which points out that no society can consume more than it produces without reducing its stock of wealth – whether the natural fertility of the land, the total population, the mass of means of production, or several of these). Each specific social form of economic organization has its own specific economic laws. *Capital* limits itself to examining those which govern the capitalist mode of production.

Capital is therefore not 'pure' economic theory at all. For Marx, 'pure' economic theory, that is economic theory which abstracts from a specific social structure, is impossible. It would be similar to 'pure' anatomy, abstracted from the specific species which is to be examined. We can push the analogy further. Although, of course, *comparative anatomy* is a branch of natural science, useful for increasing our knowledge of human and animal physiology, it can be only a by-product of the development of the anatomical understanding of specific given species. In the same way, Marx's theory of historical materialism does indeed include comparative economic analysis – for example an examination of the evolution of human labour, human labour productivity, social surplus product and economic growth, from slave society through feudalism to capitalism. But such comparison can result only from the analysis of specific modes of production, each with its own economic logic and its own laws of motion. These cannot be superseded by or subsumed under 'eternal' economic laws. We can even push the analogy to its final conclusion. If one tries to find some basic common kernel in 'all' anatomy, one leaves the realm of that specific science and enters another: biology or biochemistry. In the same way, if one tries to discover basic working hypotheses valid for 'all' economic systems, one passes from the realm of economic theory to that of the science of social structures: historical materialism.

In this way, Marx's economic theory and its crowning work *Capital* are based upon an understanding of the *relativity, social determination and historical limitation* of all economic laws. In the socio-economic development of mankind, commodity production, market economy or the distribution of social resources among different branches of production by 'objective economic laws' operating 'behind the back of the producers' do not correspond to 'human nature', have not always existed and will not always exist. *Capital*, explaining the origins of the capitalist mode of production, points towards the inevitable historical decline and fall of this same social system. An economic theory based upon the historical relativity of every economic system, its strict limitation in time, tactlessly reminds Messrs the capitalists, their hangers-on and their apologists that capitalism itself is a product of history. It will perish in due course as it once was born. A new social form of economic organization will then take the place of the capitalist one: it will function according to other laws than those which govern the capitalist economy.

Nevertheless, *Capital* does not deal exclusively with the capitalist mode of production, although the discovery of the laws which govern this mode of production is its fundamental objective. Capitalist production is generalized commodity production. Generalized commodity production fully unfolds trends and contradictions which are latent in every one of its basic 'cells', the commodities. It is no accident that Marx starts *Capital* Volume 1 with an analysis neither of 'the capitalist mode of production', nor of capital, nor of wage-labour, nor even of the relations between wage-labour and capital. For it is impossible to analyse any of these basic concepts or categories – which correspond to the basic structure of capitalist society – scientifically, totally and adequately without a previous analysis of value, exchange-value and surplus-value. But these latter categories in turn hinge upon an analysis of the commodity and of commodity-producing labour.

Just as surplus-value and capital emerge *logically* from an analysis of value and exchange-value, so too does the capitalist mode of production emerge *historically* from the growth of commodity production: without simple commodity production no capitalism can come into existence. *Capital*, the *Grundrisse* and the other basic economic writings of Karl Marx therefore include many analyses of simple commodity production, a form of production which existed in manifold ways for nearly 10,000 years before modern capitalism was born, but which found its fullest flowering only between the thirteenth and sixteenth centuries A.D. in the Low Countries, northern Italy, and later Britain (and to a lesser degree in Japan before the Meiji revolution).

Objections have been advanced – by early Russian Marxist authors like Bogdanov, by later commentators like Rubin and by contemporary Marxists like Lucio Colletti and Louis Althusser[1] – to the view, originating with Engels and held by Rosa Luxemburg, to which I subscribe,[2] that Marx's *Capital* provides not only a basic analysis of the capitalist mode of production, but also significant comments upon the whole historical period which includes essential phenomena of petty commodity production. These objections, however, are based upon a double confusion. It is true that the capitalist mode of production is the only social organization of the economy which implies *generalized* commodity production. It would thus be completely mistaken to consider, for example, Hellenistic slave society or the classical Islamic Empire – two forms of society with strongly developed petty commodity production, money economy and international trade – as being *ruled* by the 'law of value'. Commodity production in these precapitalist modes of production is intertwined with, and in the last analysis subordinated to, organizations of production (in the first place agricultural production) of a clearly non-capitalist nature, which follow a different economic logic from that which governs exchanges between commodities or the accumulation of capital.

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[1] I. I. Rubin, *Essays on Marx's Theory of Value*, Detroit, 1972, pp. 254–6; Lucio Colletti, *Marxism and Hegel*, NLB, London, 1973, pp. 131–2; Louis Althusser, 'The Object of *Capital*', in *Reading Capital*, NLB, London, 1970, pp. 113–17, 124–6. There is also a very illuminating remark by Marx himself, from 'Chapter 6' of *Capital*, Vol. 1 (see Appendix to this volume): 'Nevertheless, within certain limits both goods and money were circulated and hence there was a certain evolution of trade: this was the *premiss* and *point of departure for the formation of capital* and the capitalist mode of production' (pp. 1059–60 below).

[2] Karl Marx, *Capital*, Moscow, 1962, Vol. 3, pp. 172–4; Friedrich Engels, 'Law of Value and Rate of Profit', ibid. (appendix), pp. 873–6; Rosa Luxemburg, *Einführung in die Nationalökonomie*, Berlin, 1925, pp. 199–232; Ernest Mandel, *Marxist Economic Theory*, London, 1969, Vol. 1, pp. 65–8.

But this in no way implies that in societies in which petty commodity production has already become the *predominant* mode of production (that is where the majority of the producers are free peasants and free handicraftsmen who own and exchange the products of their labour), the laws governing the exchange of commodities and the circulation of money do not strongly influence the economic dynamic. Indeed, it is precisely the *unfolding* of the law of value which leads in such societies to the separation of the direct producers from their means of production, although a whole series of social and political developments influences this birth-process of modern capitalism, hastening it, slowing it down, or combining it with trends going in different directions.

On the other hand, if it is true that fully-fledged 'economic accounting based upon quantities of socially equalized labour' comes into its own only under capitalism, and this only as an objective economic law and not as conscious decisions of owners of commodities, it does not follow at all from this statement that 'labour quantities accounting' cannot *begin* to appear in pre-capitalist societies, in which commodity production becomes a regular institution. Indeed, it is precisely when petty commodity production is already largely developed, but at the same time still intertwined with traditional forms of 'natural' economic organization, which imply conscious allocations of economic resources and social labour between different forms of production (through customs, habits, rites, religion, deliberation of elders, assemblies of participants etc.), that the need for a conscious accounting of 'labour quantities' can and must appear, in order to avoid basic injustices and inequalities in social organizations still based upon a high degree of social equality and coherence. I have tried to prove by empirical data that this has in fact been the case, at different historical periods, in different parts of the world.[3]

This does not mean that the 'law of value' is a 'product of pre-capitalist history'. Nor does it mean that such still relatively primitive societies were burdened with the same manic pursuit of material rewards, and measurement of labour-time expenditure down to fractions of seconds, as our own; for these are, indeed, 'pure' products of bourgeois society. It only means that the embryonic forms of the 'law of value' can be discovered in the embryonic developments of commodity production, just as the 'elementary cell' of capital, the commodity, contains in an embryonic way all the inner qualities and contradictions of that social category. To deny this historical dimension of Marx's analysis is to transform the origins of capitalism into an insoluble mystery.

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[3] Mandel, op. cit., pp. 59–65.

One could argue that this is rather a moot point for economists, interesting only for anthropologists, ethnologists or historians. But its implications are in fact extremely far-reaching. By stating that the analysis of the laws of motion governing the capitalist mode of production necessarily includes at least some essential elements of an analysis of economic phenomena valid for the whole historical epoch encompassing economic organizations in which commodity production exists, one extends the validity of parts of Marx's *Capital* not only into the past but also into the future. For phenomena of commodity production obviously survive, at least partially, in those societies in which the rule of capital has already been overthrown, but which are not yet fully-fledged classless, that is socialist, societies: the USSR and the People's Republics of Eastern Europe, China, North Vietnam, North Korea and Cuba. *Capital* is no more a guide to understanding the laws of motion of these societies than it is a guide to understanding the laws of motion of developed late medieval society based upon petty commodity production. But it can tell us a lot about the dynamics (and disintegrating logic) of commodity production and money economy in such non-capitalist societies, and the contradictions which these introduce into the specific and 'pure' laws of motion of the latter.

If *Capital* is not a treatise on eternal economic laws, does it at least contain a science of the capitalist economy? Some Marxists, in the first place the German Karl Korsch, have denied this.[4] For them – as for so many bourgeois critics of Marx – *Capital* is essentially an instrument for the revolutionary overthrow of capitalism by the proletariat. According to them, it is impossible to separate the 'scientific' content of *Capital* from its 'revolutionary' intention, as the Austro-German Marxist Rudolf Hilferding tried to do.[5] This contention overlooks a basic distinction which Marx and Engels introduced between utopian and scientific socialism. Marx remained indeed a revolutionary during the whole of his adult life after 1843. But he considered it essential to base socialism (communism) upon a scientific foundation. The scientific analysis of the capitalist mode of production was to be the cornerstone of that foundation, showing why and how capitalism created, through its own development, the economic, material and social preconditions for a society of associated producers. In that sense, Marx strove, not indeed in contradiction to, but precisely as a function of this intention, to analyse capitalism in an objective and strictly scientific way. In other words, he did not simply give vent to an aggressive hostility towards a particular form of economic organization, for reasons of revolutionary passion and compassion for the downtrodden and oppressed; nor, it hardly needs to be said, was he motivated by personal spite, material failure or psychotic imbalance. Marx sought to discover objective laws of motion. There was nobody – not even the typical bourgeois *Spiesser* – whom he despised more than the man with scientific pretensions who nevertheless deliberately twists empirical data or falsifies research results to suit some subjective purpose. Precisely because Marx was convinced that the cause of the proletariat was of decisive importance for the whole future of mankind, he wanted to create for that cause not a flimsy platform of rhetorical invective or wishful thinking, but the rock-like foundation of scientific truth.

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[4] Karl Korsch, *Marxism and Philosophy*, NLB, London, 1970, pp. 54–60.

[5] Rudolf Hilferding, *Das Finanzkapital*, Vienna, 1923, p. x.

2. THE METHOD OF *CAPITAL*

The purpose of *Capital* is itself a clear reminder of the method of knowledge applied by Marx to his main work: the method of the materialist dialectic. Marx left no doubt that this was indeed how he himself understood his labours. In a letter sent to Maurice Lachâtre, the editor of the first French edition of *Capital* Volume 1, he insisted on the fact that he was the first person to have applied this method to the study of economic problems.[6] Again in his own postface to the second German edition of *Capital* Volume 1, Marx specified this use of the dialectical method as the *differentia specifica* of *Capital*, which distinguished it from all other economic analyses.[7]

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[6] Marx, letter to Maurice Lachâtre of 18 March 1872; see 'Preface to the French Edition', p. 104 below.

[7] See below, pp. 102–3.

When the dialectical method is applied to the study of economic problems, economic phenomena are not viewed separately from each other, by bits and pieces, but in their inner connection as an integrated totality, structured around, and by, a basic predominant mode of production. This totality is analysed in all its aspects and manifestations, as determined by certain given laws of motion, which relate also to its origins and its inevitable disappearance. These laws of motion of the given mode of production are discovered to be nothing but the unfolding of the inner contradictions of that structure, which define its very nature. The given economic structure is seen to be characterized at one and the same time by the unity of these contradictions and by their struggle, both of which determine the constant changes which it undergoes. The (quantitative) changes which constantly occur in the given mode of production, through adaptation, integration of reforms and self-defence (evolution), are distinguished from those (qualitative) changes which, by sudden leaps, produce a different structure, a new mode of production (revolution).

Marx clearly opposes his own dialectical method of investigation and knowledge to that of Hegel, although he never hesitates to recognize his debt of gratitude to the German philosopher who, spurred on by the French Revolution, catapulted dialectical thought back into the modern world. Hegel's dialectics were idealist: the basic motion was that of the Absolute Idea; material reality was only the outward appearance of ideal essence. For Marx, on the contrary, the dialectic is materialist, 'the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought'.[8] The basic laws of motion of history are those of real men, themselves producing their own material existence in a given social framework. The development of thought corresponds in the final analysis to that basic movement, and reflects it, albeit through many mediations. Thus the scientific thought process through which Marx came to understand the operations of the capitalist mode of production was itself a product of that mode of production, of bourgeois society and its contradictions. Only secondarily can it be seen as a product of the development of many human sciences and ideologies: classical German philosophy; English political economy; French historiography and political science; pre-Marxian socialism. Only the growth of bourgeois society and its contradictions, above all the struggle between capital and labour, enabled Marx to assimilate, combine and transform these sciences in the specific way and the specific direction he did. Nevertheless, while the materialist dialectic is Hegel's (idealist) dialectic 'turned right side up again', both have basic common traits. Dialectics as the logic of motion presupposes that *all* motion, *all* evolution, whether of nature, society or human thought, adopts certain general forms which are called 'dialectical'.[9] Engels and Lenin both saw, in the very way in which *Capital* Volume 1 was constructed, a striking application of this general dialectical method; thus Lenin wrote that although Marx had never written his projected short treatise on dialectics, he had nevertheless left us *Capital*, which is the application of the materialist dialectic in the field of economic phenomena.[10]

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[8] ibid., p. 102.

Precisely because Marx's dialectic is a materialist one, however, it does not start from intuition, preconceptions or mystifying schemes, but from a full assimilation of scientific data. The method of investigation must differ from the method of exposition. Empirical facts have to be gathered first, the given state of knowledge has to be fully grasped. Only when this is achieved can a dialectical reorganization of the material be undertaken in order to understand the given totality. If this is successful, the result is a 'reproduction' in man's thought of this material totality: the capitalist mode of production.

The main danger for any scientist involved in the study of social phenomena is that of taking anything for granted, of 'problem-blindness'. The distinction between appearance and essence, which Marx inherited from Hegel[11] and which is part and parcel of the dialectical method of investigation, is nothing but a constant attempt to pierce farther and farther through successive layers of phenomena, towards laws of motion which *explain* why these phenomena evolve in a certain direction and in certain ways. Constantly searching for questions – calling into question! – where others only see ready-made answers and vulgar 'evidence': this is certainly one of Marx's main merits as a revolutionary innovator in economic science.

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[9] Engels, letter to Conrad Schmidt of 1 November 1891, in Marx/Engels, *Selected Correspondence*, Moscow, 1965, p. 439.

[10] Lenin, 'Plan of Hegel's Dialectics (Logic)', *Collected Works*, Vol. 38, p. 319.

[11] 'There it will be seen what the philistine's and vulgar economist's *way of looking at things* stems from, namely, from the fact that it is only the direct *form of manifestation* of relations that is reflected in their brains and not their *inner connection*. Incidentally, if the latter were the case what need would there be of *science*?' (letter from Marx to Engels, 27 June 1867, *Selected Correspondence*, p. 191). See also *Capital*, Vol. 3, p. 307.

But for Marx, the materialist dialectician, the distinction between 'essence' and 'appearance' in no sense implies that 'appearance' is less 'real' then 'essence'. Movements of value determine in the last analysis movements of prices; but Marx the materialist would have laughed at any 'Marxist' who suggested that prices were 'unreal', because in the last analysis *determined* by value movements. The distinction between 'essence' and 'appearance' refers to different levels of determination, that is in the last analysis to the process of cognition, not to different degrees of reality. To explain the capitalist mode of production in its totality it is wholly insufficient to understand simply the 'basic essence', the 'law of value'. It is necessary to integrate 'essence' and 'appearance' through all their intermediate mediating links, to explain how and why a given 'essence' appears in given concrete forms and not in others. For these 'appearances' themselves are neither accidental nor self-evident. They pose problems, they have to be explained in their turn, and this very explanation helps to pierce through new layers of mystery and brings us again nearer to a full understanding of the specific form of economic organization which we want to understand. To deny this need to reintegrate 'essence' and 'appearance' is as un-dialectical and as mystifying as to accept 'appearances' as they are, without looking for the basic forces and contradictions which they tend to hide from the superficial and empiricist observer.

The way in which *Capital* starts with an analysis of the basic categories of commodity production, with the 'basic unit' (fundamental cell) of capitalist economic life, the commodity, has often been cited as a model application of this materialist dialectic. Marx himself makes it clear that he does not start from a basic concept – value – but from an elementary material phenomenon – the commodity – which is at the basis of capitalism, as the only economic organization based upon generalized commodity production.[12] It is therefore correct but incomplete, strictly speaking, to say that Marx's method consists of 'rising from the abstract to the concrete'.[13] In fact, he starts from elements of the material concrete to go to the theoretical abstract, which helps him then to reproduce the concrete totality in his theoretical analysis. In its full richness and deployment, the concrete is always a combination of innumerable theoretical 'abstractions'. But the material concrete, that is, real bourgeois society, exists before this whole scientific endeavour, determines it in the last instance, and remains a constant practical point of reference to test the validity of the theory. Only if the reproduction of this concrete totality in man's thought comes nearer to the real material totality is thought really scientific. At first sight, the movement which dominates *Capital* Volume 1 appears as a movement of economic 'categories', from the commodity and its inner contradictions to the accumulation of capital and its breakdown. The question has often been asked: is this movement just an abstract synopsis of the 'essence' of capitalism, or is it a greatly simplified reflection of real economic development, that is, the real history leading from the first appearance of commodity production up to full-scale capitalist production in the West, purified of all secondary and combined forms which would only obscure the basic nature of this movement?

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[12] Karl Marx, 'Randglossen zu A. Wagners "Lehrbuch der politischen Oekonomie"', *MEW* 19, pp. 364, 368–9 (English translation in *Theoretical Practice*, No. 5, London, 1972).

It is impossible to answer this question simply with a 'yes' or a 'no'. Commodities produced accidentally in pre-capitalist societies, at the very margin of the basic processes of production and consumption, obviously cannot trigger off the striking and terrifying logic of the 'law of value' which Marx majestically unfolds in *Capital.* Commodity production as a basic and dominant feature of economic life presupposes capitalism, that is a society in which labour-power and instruments of labour have themselves become commodities. In that sense it is true that the analysis of Volume 1 of *Capital* is logical (based upon dialectical logic) and not historical.

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[13] Marx, *Grundrisse*, Pelican Marx Library, p. 101. See on the contrary Lenin (op. cit., p. 171): 'Thought proceeding from the concrete to the abstract ... does not get away *from* the truth but comes closer to it.' In his comments on the three volumes of *Capital* written in the early thirties, D. I. Rosenberg makes the interesting point that Marx's abstractions are in their turn concrete, inasmuch as they are related to a concrete economic formation and as they are historically determined. They are neither arbitrary nor *a priori* abstractions. (See the Spanish translation of the original Russian text, published by *Seminario de 'El Capital'*, Escuela Nacional de Economia, UNAM, Mexico, Cuaderno I, p. 46.)

But dialectics imply that every phenomenon has an origin and an end, that nothing is either eternal or finished once and for all. Hence the historical cell of capital is at the same time the key to the logical analysis of capital: phylogenesis and embryology cannot be completely separated. Within capital accumulation in contemporary everyday capitalist life, some aspects of primitive capital accumulation are reproduced: without that primitive capital accumulation, there would be no capitalist mode of production. So the logical analysis does reflect some basic trends of historical development after all. The simplest forms of appearance of the 'economic categories' (which are just forms of material existence, of material reality as perceived and simplified by the human mind) are often also their primitive, that is their original, form. However controversial this interpretation may be, it is difficult to deny that this unity of historical and logical analysis is the way in which Marx and Engels understood their own method.[14]

A whole literature has been produced, from Bernstein to Popper and on to contemporary academic economists, on the subject of the 'useless', 'metaphysical' or even 'mystifying' nature of the dialectical method which Marx borrowed from Hegel.[15] The positivist narrowness of outlook of these critics themselves generally bears eloquent testimony to the contrary, that is to the broad historical vision and the piercing lucidity which the dialectical method helped Marx to achieve. Thanks to that method, Marx's *Capital* appears as a giant compared to any subsequent or contemporary work of economic analysis. It was never intended as a handbook to help governments to solve such problems as balance-of-payments deficits, nor yet as a learned, if somewhat trite, explanation of all the exciting happenings in the market place when

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[14] See on this and related subjects, among others: Otto Morf, *Geschichte und Dialektik in der politischen Oekonomie*, Frankfurt, 1970; Evald Vasiljevic Iljenkov, *La dialettica dell' astratto e del concreto nel Capitale di Marx*, Milan, 1961; Karel Kosik, *Die Dialektik des Konkreten*, Frankfurt, 1967; Jindřich Zelený, *Die Wissenschaftslogik und 'Das Kapital'*, Frankfurt, 1969; Leo Kofler, *Geschichte und Dialektik*, Hamburg, 1955, etc.

[15] For example, Eugen von Böhm-Bawerk, *Karl Marx and the Close of his System*, New York, 1949, p. 117; Eduard Bernstein, *Die Voraussetzungen des Sozialismus und die Aufgaben der Sozialdemokratie*, Stuttgart, 1899, pp. 51–71; Karl Popper, *The Open Society and its Enemies*, London, 1962, Vol. 2, p. 82; Vassily Leontief, 'The Significance of Marxian Economics for Present-Day Economic Theory', *American Economic Review Supplement*, March 1938, reprinted in Horowitz, *Marx and Modern Economics*, London, 1968, p. 95, etc.

Mr Smith finds no buyer for the last of his 1,000 tons of iron. It was intended as an explanation of what would happen to labour, machinery, technology, the size of enterprises, the social structure of the population, the discontinuity of economic growth, and the relations between workers and work, as the capitalist mode of production unfolded all its terrifying potential. From that point of view, the achievement is truly impressive. It is precisely because of Marx's capacity to discover the long-term laws of motion of the capitalist mode of production in its essence, irrespective of thousands of 'impurities' and of secondary aspects, that his long-term predictions – the laws of accumulation of capital, stepped-up technological progress, accelerated increase in the productivity and intensity of labour, growing concentration and centralization of capital, transformation of the great majority of economically active people into sellers of labour-power, declining rate of profit, increased rate of surplus value, periodically recurrent recessions, inevitable class struggle between Capital and Labour, increasing revolutionary attempts to overthrow capitalism – have been so strikingly confirmed by history.[16]

This judgement has generally been challenged on two grounds. The easiest way out for critics of Marx is simply to deny that the laws of motion of the capitalist mode of production which he discovered have been verified at all. This is generally done by reducing them to a couple of misstated and oversimplified formulae (see below): 'progressive immiseration of the working class' and 'ever-worsening economic crisis'.[17] A more sophisticated objection was advanced by Karl Popper, who denied the very possibility, or rather the scientific nature, of such 'laws', calling them 'unconditional historical prophecies' to be clearly distinguished from 'scientific predictions'. 'Ordinary predictions in science,' says Popper, 'are conditional. They assert that certain changes (say, of the temperature of water in a kettle) will be accompanied by other changes (say the boiling of the water).'[18] Popper denies the scientific nature of *Capital* by asserting that, unlike scientific theories, its hypotheses cannot be scientifically tested.[19]

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[16] 'However important these technical contributions to the progress of economic theory in the present-day appraisal of Marxian achievements, they are overshadowed by his brilliant analysis of the long-term tendencies of the capitalist system. The record is indeed impressive: increasing concentration of wealth, rapid elimination of small and medium-sized enterprise, progressive limitation of competition, incessant technological progress accompanied by the ever-growing importance of fixed capital, and, last but not least, the undiminishing amplitude of recurrent business cycles – an unsurpassed series of prognostications fulfilled, against which modern economic theory with all its refinements has little to show indeed.' (Leontief, op. cit., p. 94.)

[17] A classical example of such over simplification is given by Paul Samuelson. He reduces the laws of motion of the capitalist mode of production to two (!): 'the i miseration of the working class', and 'the growing monopolization under capitalism', and concludes on the first that 'it simply never took place', while declaring on the second that 'for thirty years Marx seemed to have been right in this prophecy, even though for the next seventy years he does not seem to be borne out by the most careful researches on industrial

This is obviously based upon a misunderstanding of the very nature of the materialist dialectic, which, as Lenin pointed out, requires constant verification through praxis to increase its cognition content.[20] In fact, it would be very easy to 'prove' Marx's analysis to have been wrong, if experience had shown, for example, that the more capitalist industry develops, the smaller and smaller the average factory becomes, the less it depends upon new technology, the more its capital is supplied by the workers themselves, the more workers become owners of their factories, the less the part of wages taken by consumer goods becomes (and the greater becomes the part of wages used for buying the workers' own means of production). If, in addition, there had been decades without economic fluctuations and a full-scale disappearance of trade unions and employers' associations (all flowing from the disappearance of contradictions between Capital and Labour, inasmuch as workers increasingly become the controllers of their own means and conditions of production), then one could indeed say that *Capital* was so much rubbish and had dismally failed to predict what would happen in the real capitalist world a century after its publication. It is sufficient to compare the real history of the

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concentration'. Everything is then capped by the final statement that Marx thought there was an 'inevitable law of capitalist development that the business cycle should be getting worse and worse' and that this was not true either (Paul A. Samuelson, 'Marxian Economics as Economics', *American Economic Review*, Vol. 57 (1967), pp. 622-3).

[18] Karl K. Popper, 'Predictions and Prophecy in the Social Sciences', in *Conjectures and Refutations – The Growth of Scientific Knowledge*, London, 1963, p. 339.

[19] Popper, *The Open Society and its Enemies*, Vol. 2, the whole of Chapter 23, especially p. 210.

[20] Lenin, op. cit., p. 319: 'All these moments (steps, stages, processes) of cognition move in the direction from the subject to the object, being tested in practice and arriving through this test at truth . . .'

period since 1867 on the one hand with what Marx predicted it would be, and on the other with any such alternative 'laws of motion', to understand how remarkable indeed was Marx's theoretical achievement and how strongly it stands up against the experimental test of history.[21]

3. THE PLAN OF *CAPITAL*

Capital was not the result of spontaneous generation nor was it the product of a sudden interest of Marx in economic problems. Ever since this doctor in philosophy (Jena, 1841) had become a communist in the course of the eighteen-forties under the pressure of current experience with social problems (the treatment of wood-thieves in the Rhine provinces of Prussia; the uprising of the Silesian textile workers; the strikes in England; the class struggle in France), he had turned towards economic studies. But his first encounter with modern political economy (which left its main results in the *Economic and Philosophical Manuscripts, The Poverty of Philosophy, Wage Labour and Capital* and *The Communist Manifesto*) was roughly interrupted by the pressure of external events. Participating actively in politics, Marx returned from Paris to Germany at the outbreak of the revolutionary movement in 1848. There he founded and directed a daily paper. When counter-revolutionary reaction submerged Europe after the revolutions collapsed, he emigrated to London and had to struggle for his livelihood as a journalist. These current pressures, together with the burden of émigré politics in London, delayed the possibility of a systematic presentation of his economic theory for a whole decade.

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[21] An amusing aside to this seemingly absurd hypothesis of 'other' imaginable laws of motion is provided by Vilfredo Pareto's 'critique' of Marx's theory of value. In order to prove that Marx had a built-in *petitio principis* in the labour theory of value, Pareto stated that we might as well assume that the seamstress hires her machine, and her own subsistence, which would then lead to the conclusion that the machine has 'produced' the surplus-value ('Introduction à K. Marx *Le Capital*, extraits faits par P. Lafargue', in *Marxisme et économie pure*, Geneva, 1966, pp. 47–8). Leaving aside the fact that his example 'proves' nothing of the kind, it is significant what this counter-model implies: that workers hire their own means of production and, as a result of this, *own the products of their labour*, sell them on the market, and thereby appropriate the profits (surplus-value) produced in the course of the process of production. Now it is evident that this has in no way been the predominant trend of industrial development in the last 150 years. But, even at the end of the nineteenth century, the question seemed so 'open' in Pareto's mind that he could advance such an hypothesis without being struck by its evident absurdity. This all the more underlines the profundity of Marx's insight into the operations of capitalism.

Only when, through Lassalle, a publisher pressed him to explain his economic ideas in a fully-fledged way did he return to a full-scale encounter with Adam Smith and Malthus, Ricardo and J.-B. Say, Simonde de Sismondi and Tooke, together with the famous British government *Blue Books* which were to become an invaluable source of factual material about the conditions of British industry, trade, finance and working-class life. The systematic study of economic facts and thoughts about capitalism, resumed by Marx around 1857, produced the following works:

(a) a first rough draft of *Capital*, published posthumously under the title *Grundrisse der Kritik der politischen Oekonomie* (Foundations of the Critique of Political Economy), written in 1857–8;
(b) the uncompleted book *Zur Kritik der politischen Oekonomie* (A Contribution to the Critique of Political Economy), published in 1859;
(c) the 1861–3 manuscripts, twenty-three enormous notebooks, from which Kautsky extracted *Theories of Surplus-Value* (also known as Volume 4 of *Capital*). This however encompasses only notebooks VI–XV inclusive. Notebooks I–V deal with matters generally encompassed in *Capital* Volume 1; notebooks XVI, XVII and XVIII deal with matters in *Capital* Volume 3; notebooks XIX–XXIII again deal with matters related to *Capital* Volume 1, and include a lengthy treatment of the history of techniques and the use of machines under capitalism;
(d) a manuscript of 1864–5, mostly dealing with matters taken up in *Capital* Volume 3;
(e) four manuscripts written between 1865 and 1870, from which Engels extracted most of the material for *Capital* Volume 2;
(f) the final version of *Capital* Volume 1, written in 1866–7.

Of the six basic economic writings of the mature Marx, Volume 1 is therefore the only one which the author completed and edited himself, and of which he even made available corrected editions in German and in French.[22] Volumes 2 and 3 of *Capital*, left unfinished, were posthumously and laboriously published by Marx's life-long friend Friedrich Engels. *Theories of Surplus-Value* was rearranged and published by Kautsky. The *Grundrisse* was presented to the public for the first time only in 1939. A considerable part of the 1861–3 manuscripts still remains unpublished.

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[22] The two most accurate, scientific editions of *Capital* Vol. 1 are that of the Institute for Marxism-Leninism of the Central Committee of the SED (*MEW* 23) and that of H. J. Lieber and Benedikt Kautsky (Stuttgart, 1962), both of which indicate the variations of the text between the various German editions and the French edition edited by Marx and Engels themselves. The

The initial plan of *Capital* was drawn up in 1857; the final plan dates from 1865–6. Between these two dates there lay nine years of intense study, especially in the British Museum, realized under very difficult circumstances. Marx was burdened by constant financial troubles; by the illness and death of three of his children, among them his beloved son Edgar; and by his growing re-involvement in current political and social studies, especially through his activity in the International Working Men's Association (the so-called First International). The need to answer a sharp and slanderous attack by a German political opponent, a certain Herr Vogt, cost Marx nearly half a year's delay in the production of *Capital* Volume 1. Finally, illness and bad health became increasing obstacles. He himself spoke sarcastically of his 'carbuncles', the effects of which the bourgeoisie would not forget for a long time. But in fact it is his strikingly stoical attitude towards all the miseries surrounding him, rather than any special bitterness born from material hardship, that permeates his mature work.

From the beginning, Marx wanted to present an all-round analysis of capitalism in its totality. The initial plan of *Capital* already bears witness to this intention and reads as follows:

1. *Volume on Capital*
   (a) Capital in general
      (1) Process of production of capital
      (2) Process of circulation of capital
      (3) Profit and interest
   (b) On competition
   (c) On credit
   (d) On joint stock companies
2. *Volume on landed property*

Lieber edition is somewhat more complete, because it indicates all these variations in the text itself. I have counted at least one hundred textual variations in the Lieber edition, some of which are important, but only a few sufficiently so to be mentioned in this introduction. [The present translation was made from *MEW* 23. Significant divergences between this and the earlier editions in German and French are indicated in the text.]

3. *Volume on wage labour*
4. *Volume on the State*
5. *Volume on international trade*
6. *Volume on the world market and crises*[23]

The 1865–6 version of *Capital*, however, falls into four volumes:

Volume 1: Process of production of capital
Volume 2: Process of circulation of capital
Volume 3: Forms of the process in its totality
Volume 4: History of the theory

Roman Rosdolsky, who has made the most extensive study to date of this problem, has isolated no less than fourteen different versions of the plan for *Capital* between September 1857 and April 1868.[24]

Two questions are raised by these changes. First, why did Marx modify his initial plan, and what implications do the modifications have for an understanding of Marx's method and for the content of *Capital*? Second, does the 1865–6 version imply that the four volumes which we possess today represent the full – although in the case of all save the first volume unedited – work as finally intended by Marx? The answer to each of those questions has many interesting implications both for the discussion of Marx's economic theory itself and for the light it throws on the contributions made by some of his gifted followers and disciples.

In fact, what we today call *Capital* is the third attempt by Marx to present his views on the capitalist mode of production in its totality. The first attempt, the *Grundrisse* of 1857–8, follows exactly the initial plan of *Capital*, but stops at point 1 (a) (3) of that plan. The second attempt, dating from 1861–3, is still unpublished, except for the part on *Theories of Surplus-Value*. The third attempt is the 1865–6 one, of which we have Volumes 1–4. We know that, as early as January 1863, Marx had already decided to deal with land rent as an element of distribution of total surplus-value among different sectors of the ruling classes. However, he still seemed to stick at that time to a separate volume on wage-labour, a separate volume on landed property, and separate volumes on credit, competition and joint-stock companies.[25] The logic of this plan implied the desire to deal with the basic social classes of bourgeois society in a separate way: first the industrial capitalists; then the landowners; finally the proletariat. It implied also the desire to separate sharply the problems of production of value, surplus-value and capital from the problems of capitalist competition, which can only be understood as arising out of processes of redistribution of previously produced surplus-value.

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[23] Karl Marx, letter to Engels of 2 April 1858, in *Selected Correspondence*, p. 104.

[24] Roman Rosdolsky, *Zur Entstehungsgeschichte des Marx'schen Kapital*, Frankfurt, 1968, Vol. 1, p. 78.

However, if this original plan was clearly a necessary stepping stone towards the final analysis of the capitalist mode of production, as Marx's analysis progressed it proved itself increasingly an obstacle to a rigorous and consistent *exposé* of the laws of motion of that mode of production. It had therefore to be discarded in the end. The volume on wage-labour became integrated into Volume 1, 'The Process of Production of Capital'. It appeared impossible to deal with wage-labour separately and apart from the production of surplus-value, that is from the capitalist process of production (Marx probably intended to deal with the fluctuations of wages in Volume 6 on the world market and crises). The volume on landed property became integrated, together with those on profit and interest, on competition and on joint-stock companies, into the new Volume 3, which examines key forms of the capitalist mode of production in its totality, from the point of view of redistribution of the total surplus-value produced among various sectors of the propertied class.

Looking at this transformation of the initial plan of *Capital*, we can, however, also understand what did *not* change. Volumes 1 and 2 of *Capital* can still be subsumed under the heading of 'Capital in General'. Only Volume 3, like the originally planned 4, 5 and 6, which were never written, falls under the heading of 'many capitals'. This means concretely that a certain number of problems, such as, for instance, the problem of the origin and mechanics of the 'trade cycle' (of capitalist crises of overproduction), have no place in Volumes 1 and 2 and can be dealt with only when one descends from the highest level of abstraction, where capital is dealt with in its global relationship to wage-labour, to an examination of the interactions of various capitals upon each other. Because she did not take this specific structure of the successive volumes of *Capital* into account, Rosa Luxemburg was methodologically mistaken in accusing Marx of having constructed his reproduction schemes of Volume 2 without solving the 'realization problem' or without formulating a theory of crises.[26] I shall return to this interesting problem in my introduction to *Capital* Volume 2.

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[25] Karl Marx, letter to Kugelmann of 28 December 1862, *MEW* 30, pp. 639–40; *Theories of Surplus-Value*, London, 1969, Part One, p. 404.

A similar mistake is made by Joan Robinson, in her Preface to the second edition of *An Essay on Marxian Economics*, where she construes a contradiction between the assumptions regarding real wages of *Capital* Volume 1 and those of Volume 3. In Volume 1, she says, Marx assumes that a rising labour productivity leads to a rising rate of exploitation, whereas in Volume 3 he assumes that rising labour productivity could lead, through a stable rate of exploitation, to a rising rate of real wages and a declining rate of profit.[27] Joan Robinson does not understand that Volumes 1 and 3 of *Capital* are at different levels of abstraction, deal with different questions, and make different assumptions in order to clarify the *specific dynamics* which allow answers to these questions.

In Volume 1, Marx examines the relations between Capital and Labour in general, abstracting from the effects of competition between capitalists on the distribution of surplus-value and on the variations of real wages. He therefore assumes initially stable real subsistence wages, in order to show through what mechanics surplus-value is produced, appropriated and increased by capital. In Volume 3 he examines the effects of capitalist competition upon the distribution and redistribution of surplus-value among capitalists, and therefore has to integrate into the analysis the effects of this competition on the rate of exploitation (for example in periods of boom, with a high level of employment). In order to work out the basic answers to these questions, it is perfectly logical to abstract *initially* from fluctuations in the rate of profit and wages in Volume 1, and to assume *initially* a stable rate of exploitation in Volume 3, but subsequently to abandon these simplifying hypotheses (Volume 1, Chapter 17; Volume 3, Chapter 14).

Finally, it seems clear from many remarks interspersed throughout the manuscript of Volume 3 that Marx maintained his intention of completing *Capital* with volumes on the state, foreign trade, the world market and crises, although he placed these problems

[26] Rosa Luxemburg, *The Accumulation of Capital*, London, 1956, pp. 329–47; Rosdolsky, op. cit., Vol. 1, pp. 86–97.

[27] Joan Robinson, *An Essay on Marxian Economics*, London, 1949, pp. viii–ix.

clearly outside the final plan of *Capital* itself.[28] Only when the unpublished manuscript of 1861–3 becomes available will we know whether some rough draft of what he intended to develop in these three books does indeed exist somewhere, or whether it was intended as a completely new and further development of his study of bourgeois society.

In view of these changes in the plan of *Capital* as a whole, the final version of the plan of Volume 1 is all the more striking. We should not forget that Volume 1, as edited by Marx, is largely *posterior* to the original and incomplete drafts of Volumes 2 and 3 later to be edited by Engels.[29] It is therefore Volume 1 which allows us the best insight into Marx's view of capitalism.

From the place of Volume 1 in the total final plan of *Capital*, we can immediately draw an answer to two misconceptions which occur again and again in discussion of Marx's economic theory. It is true that according to Marx and Engels capitalists do not exchange the commodities they own on the basis of their value, whereas under petty commodity production exchange of commodities is roughly based upon their value.[30] But it does not follow at all that *Capital* Volume 1, which assumes the exchange of commodities according to their value, is concerned with pre-capitalist commodity production and exchange, and that only in Volume 3 do we start to examine what capitalist commodity circulation is all about. On the contrary, Marx abstracts from the problem of redistribution of surplus-value among competing capitalists – that is, the problem of the equalization of the rate of profit – in Volume 1 precisely in order to isolate and demonstrate the laws of *capitalist* commodity production and circulation in their 'purest', most fundamental way.

In the same way it is wrong to assume that Volume 1 deals only with the 'essence' or with 'abstractions', whereas 'concrete' capitalism is analysed only in Volume 3. Nothing could be more 'concrete' and closer to immediately perceived economic data ('appearances') than the analysis of the working day, of wages and of machinery in Volume 1. Commentators here confuse the *type of question* solved in Volume 1 with the *method of answering.* Volume 1 abstracts from capitalist competition, from uneven and combined development and *therefore* from prices of production and equalization of the rate of profit and even more from market prices, in order to reveal the *basic* origin of surplus-value in the process of production, which is a process of consumption of labour-power by capital. But this problem is dealt with by a combination of theoretical insight and empirical verification, by a constant attempt to discover the mediating links between 'essence' and 'appearance', by a thorough analysis of how and why the 'essence' (the value of labour-power) is manifesting itself through the 'appearances' (the fluctuations of real wages).

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[28] Karl Marx, *Capital*, Vol. 3, pp. 232, 392, etc.; Rosdolsky, op. cit., Vol. 1, p. 76.

[29] According to Maximilien Rubel, the manuscripts for *Capital* Vol. 2 originated between 1865 and 1870, apart from a new version of the first four chapters written in 1877 and a short manuscript of 1879; the manuscripts for Vol. 3 date from 1861–3 and 1865–70 (*Bibliographie des œuvres de Karl Marx*, Paris, 1956, p. 22). We are therefore justified in assuming that, except for the short passages changed in 1877 and 1879, the manuscripts used for editing Vol. 2 and 3 of *Capital* are anterior to the final version of Vol. 1. (See also Engels' introduction to Vol. 2, *MEW* 24, pp. 8–13.)

[30] Karl Marx, *Capital*, Vol. 3, pp. 174–5; Friedrich Engels, 'Law of Value and Rate of Profit', ibid. (appendix), p. 876.

4. THE PLAN OF VOLUME I

Volume 1 of *Capital* presents itself as a rigorously logical construction. We start from the elementary form of capitalist wealth – the commodity – and its inner contradiction – the contradiction between use-value and exchange-value. Because it is produced by *private* labour, whose social character can no longer be recognized automatically, immediately and directly by society, the commodity can exist only together with a necessary corollary, money, a universal means of exchange. But the analysis of the circulation of commodities accompanied by circulation of money leads to the unfolding of the inner potentialities and contradictions of money: the possibility of exchange-value embodied in money becoming an autonomous economic agent; of money appearing as starting and final point, and not simply intermediary, of a process of circulation; of money bent upon accretion of money, that is of capital.

In pre-capitalist societies, capital appears outside the sphere of production, and hardly ever enters that sphere. It feeds parasitically upon the social surplus product produced and originally appropriated by non-capitalist classes. Here Marx comes to his central point. A basic difference between the capitalist and pre-capitalist modes of production is that under capitalism capital not only appropriates surplus-value; it produces surplus-value. Because he considered this fundamental to an understanding of all aspects of bourgeois society – incidentally, not only the economic but also the political – Marx starts *Capital* with a whole volume devoted to a lengthy analysis of the process of production. For the capitalist process of production is at one and the same time a process of production of value, a process of production of surplus-value, a process of production of capital, and a process of production and constant reproduction of the basic antagonistic social relations: the relation between wage-labour and capital, the compulsion for the proletariat to sell its labour-power to the capitalists, the compulsion for the capitalists to accumulate capital and therefore to maximize the extortion of surplus-value from the workers.

Volume 1 of *Capital* is centred around Marx's basic discovery, the explanation of the 'secret' of surplus-value. There exists one commodity, to wit labour-power, whose use-value for the capitalist is its ability to produce new value larger than its own exchange-value. The 'process of production' which Marx analyses in Volume 1 is, therefore, essentially the process of production of surplus-value.

The production of surplus-value can, however, be examined in a more detailed way only if capital itself is subdivided into constant capital and variable capital. *Constant capital* represents that part of the wealth of the capitalist class with which it acquires and maintains a monopoly of property and access to the material means of production. Thereby it cuts the working class off from any possibility of producing its own livelihood in an independent way. It is a necessary precondition for the production of surplus-value. But it does not produce that surplus-value in and by itself. Only the labour-power of living labour produces additional value, including surplus-value. That is why Marx calls that portion of capital by which the capitalists buy the labour-power of the workers *variable capital*, for only that portion actually produces surplus-value.

The next step in the analysis is the distinction between the production of absolute and of relative surplus-value. Absolute surplus-value is produced by a lengthening of the working day beyond that number of hours during which the worker produces the value which is only the equivalent of his wages. Relative surplus-value is produced by increasing the productivity of labour in the wage-goods industry sector, which enables the worker to reproduce the equivalent of his wages in a shorter portion of the working day, thereby increasing surplus-value without a lengthening of the working day. Marx notes that while the production of absolute surplus-value predominated in the early centuries of the capitalist mode of production (in England, roughly speaking, between the sixteenth century and the first half of the nineteenth), the production of relative surplus-value becomes predominant once the logic of the industrial revolution (of the development of machinery) and the logic of the class struggle between labour and capital fully unfold themselves.

A central section of Part Four of Volume 1 ('The Production of Relative Surplus-Value') is taken up by a lengthy and minute analysis of manufacture and of the modern factory (Chapters 14 and 15). Here the production of surplus-value takes on an important additional dimension. During the stage of manufacturing industry, capital exploits the fruits of an increase in the productivity of labour born from more and more advanced forms of the division of labour. But the *technique of production* remains fundamentally the same. Labour is subdivided in function of the subdivision of the final product produced by manufacture. But beyond these subdivisions no changes occur in the labour process. The main interest for the capitalist during the stage of manufacture is, therefore, the constant direct *control of capital over labour* in order to secure a maximum expenditure of surplus labour with a given level of technique. It is like a workhouse in which the workers lose their freedom to determine their own work rhythm, in which work becomes unfree, forced labour from that point of view also. Many initial manufacturing concerns were indeed literally that: workhouses, filled with labourers who to various degrees had lost their individual freedom.

With the industrial revolution and the emergence of the modern factory, this process of the submission of labour to capital in the course of the process of production is rooted, not only in the hierarchical forms of labour organization, but in the very nature of the production process itself. Inasmuch as production becomes mechanized, it becomes reorganized around machinery. The work rhythm and work content of living labour are subordinated to the mechanical needs of machinery itself. Alienation of labour is no longer only alienation of the products of labour, but alienation of the forms and contents of the work itself.

The explosive potentialities of modern machinery are developed by Marx in three directions simultaneously. Machines are capital's main weapon for subordinating labour to capital in the course of the process of production. Machines are the main weapon for increasing the production of relative surplus-value, thereby relentlessly spurring on the process of accumulation of capital. And labour-saving machines are the main weapon for producing and reproducing the industrial 'reserve army of labour', through which wages are kept fluctuating around the value of the commodity labour-power, and through which the appropriation of surplus-value is normally guaranteed to the capitalists.

Marx, therefore, logically integrates the development of the class struggle between capital and labour into his analysis of the production of surplus-value, inasmuch as he sees that class struggle as originating in that process of production. The extortion of surplus-value from living labour means a struggle by the capitalists to lengthen the working day, to increase the work-load of the workers without increasing wages, to appropriate for capital all the benefits of increased productivity of labour. Conversely, the struggle against capitalist exploitation means, for the workers, a struggle to reduce the working day without any reduction of wages, a struggle for cuts in the work-load, a struggle for increased real wages. How this class struggle against the immediate aspects of capitalist exploitation transforms itself into a struggle for the overthrow of the capitalist system – this question is briefly taken up in the eighth and final part of Volume 1. Part Seven, meanwhile, deals basically with the accumulation of capital, the goal of the whole infernal logic which Marx has laid bare so far. Capital produces surplus-value which in turn is, to a large extent, transformed into additional capital, which in turn produces additional surplus-value. And so on, with all its subsequent contradictory effects for mankind.

If we list the contents of the successive parts of Volume 1, subdividing Part One into its three constituent chapters, we can see how this flawless logic of the analysis unfolds and how it roughly corresponds to the historical process 'stripped of the historical form and diverting chance occurrences'.[31]

I. Starting point: elementary form of capitalist wealth: the commodity

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[31] Friedrich Engels' review of Marx's *A Contribution to the Critique of Political Economy*. See appendix to volume of that name, London, 1971, p. 225.

(a) the commodity and the realization of its exchange-value, or the process of exchange
(b) the process of exchange and the means of exchange: money
(c) money, necessary mediator of the process of circulation of commodities
II. Money transforming itself into capital, i.e. value searching for an accretion of value, surplus-value; the nature of surplus-value
III. The production of surplus-value: absolute surplus-value
IV. The production of surplus-value: relative surplus-value (from manufacturing to the modern factory system)
V. Relations between wages, productivity of labour and surplus-value; the rate of surplus-value
VI. How the value of labour-power is transformed into wages, their different forms and variations
VII./VIII. The accumulation of capital, i.e. capitalist wealth in its totality: its consequences for labour. The origins of capitalism (the 'primitive accumulation of capital')

At the end of Volume 1 we are back where we started from: capitalist wealth. But now we no longer understand it simply as a sum of 'elementary elements', a mountain of commodities (although it is this mountain also!). We see it now also as the result of a gigantic process of value *production*, of surplus-value *extraction*, out of living labour; as a gigantic movement constantly revolutionizing the means of production, the organization of production, the labour process and the producers themselves. The formula 'capital-value in search of additional value' is now understood as capital organizing a process of self-valorization (*Verwertung*), a process of constant searching for increases in its own value through the unity of the labour process and the process of production of increased value (*Einheit von Arbeitsprozess und Verwertungsprozess*). We thus understand more fully why an analysis of capitalism *has* first to clarify everything which happens in the course of the process of production.[32]

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[32] The Pelican Marx Library edition of the *Grundrisse* contains a grave and regrettable error of translation. Marx's concept of *Verwertung* (valorization, process of accretion of value) is translated throughout as 'realization of capital'. Marx uses the concept of realization generally only in relation to the realization of the value of commodities (containing, of course, surplus-value). But this problem has its place in the realm of the circulation of commodities and capital, whereas the problem of valorization of capital (the problem of surplus-value or profit in relation to, or as a proportion of, capital) is a basic aspect of the capitalist process of production.

Marx's attitude towards technology, machinery and the factory system has often been misinterpreted, even by authors favourably inclined towards him. It is obviously true that more than any other contemporary economist, sociologist or philosopher, he was aware of the long-range revolutionary effects of machinery upon all aspects of life in bourgeois society. It is also true that his indictment of the inhuman results of the capitalist use of machinery cannot escape anyone who reads Chapters 10, 15 and 25 of *Capital* Volume 1 with a minimum of attention. Is it therefore appropriate to see in Marx a latter-day Luddite, a forerunner of the zero-growth prophets? Or is it true, as others have argued,[33] that Marx was a deep admirer of capitalist technology and put all his hopes in the long-run emancipatory effects of that technology, alone capable of reducing the unavoidable work-load and work-fatigue to which man is condemned?

Marx the dialectician, bent upon an all-sided analysis of capitalism and capitalist technology, avoids both these pitfalls, the conservatively romantic as well as the inhumanly mechanistic one. In classic passages of the *Grundrisse*[34] he underlines the civilizing and progressive aspects of capitalism, its giant impulse to develop the social forces of production, its relentless search for new ways and means to economize on labour, for new needs and new sectors of mass production, which help to unfold man's unlimited possibilities. But simultaneously he shows how the *specific capitalist form* of this development increases tenfold the inhuman potentiality of technology, machinery and exchange-value 'gone mad' (that is, becoming goals in themselves). Capitalism subordinates men to machines instead of using machines to liberate men from the burden of mechanical and repetitive work. It subordinates all social activities to the imperatives of an incessant drive for individual enrichment in terms of money, instead of gearing social life to the development of rich individualities and their social relations. The contradiction between use-value and exchange-value, inherent in every commodity, fully unfolds itself in this contradictory nature of *capitalist* machinery. When capitalism is not overthrown once it has created the material and social preconditions for a classless society of associated producers, this contradiction implies the possibility of a steadily increasing *transformation of the forces of production into forces of destruction*, in the most literal sense of the word: not only forces of destruction of wealth (crises and wars), of human wealth and human happiness, but also forces of destruction of life *tout court*.

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[33] See among others, Kostas Axelos, *Marx, penseur de la technique*, Paris, 1963.

[34] Karl Marx, *Grundrisse*, Pelican Marx Library, pp. 325, 527–9, 707–12, etc.

5. THE MARXIST LABOUR THEORY OF VALUE

No part of Marx's theory has been more assaulted in the academic world during the last seventy-five years than his theory of value. His bourgeois critics show a sharp class instinct here, for this theory is indeed the corner-stone of the whole system. But no contemporary intellectual endeavour has been so obviously based upon a basic misunderstanding as the repeated attacks on the Marxist labour theory of value.[35]

That theory recognizes two aspects of the problem of value, a quantitative and a qualitative one. From a quantitative point of view, the value of a commodity is the quantity of simple labour (skilled labour being reduced to simple labour through a given coefficient) socially necessary for its production (that is, at a given average productivity of labour). From a qualitative point of view, the value of a commodity is determined by *abstract* human labour – commodities which have been produced by *private* labour become commensurate only inasmuch as society abstracts from the concrete and specific aspect of each individual private craft or branch of industry and equalizes all these labours as abstract social labour, regardless of the specific use-value of each commodity.

In order to understand this theory, it is sufficient to formulate the question to which Marx tried to give an answer. The problem is as follows. Man has to work in order to satisfy his material needs, to 'produce his material life'. The way in which the labour of all producers in a given society is divided among different branches of material production will determine the extent to which different needs can be fulfilled. Hence, given a certain set of needs, a rough equilibrium between needs and output requires a distribution of labour (of 'labour inputs') between these various branches of production in a given proportion, and in that only. In a primitive society, or in a fully developed socialist one, this distribution of labour inputs occurs in a consciously planned way: in a primitive society, on the basis of habits, custom, tradition, magico-ritual processes, decisions by elders etc.; in a socialist one, on the basis of a democratic selection of priorities by the mass of the associated producers-consumers themselves. But under capitalism, where labour has become private labour, where products of labour are commodities produced independently from each other by thousands of independent firms, no conscious decision pre-establishes such an equilibrium of inputs of labour and socially recognized needs (under capitalism this implies, of course, that only those needs expressed through effective demand are socially recognized). Equilibrium is reached only accidentally, through the operation of blind market forces. Price fluctuations, to which academic economists remain glued, are in the most favourable hypothesis only signals which indicate whether this equilibrium is being shaken, by what pressure and in what direction. They do not explain *what* is being equilibrated and *which* is the driving force behind all these myriad fluctuations. It is precisely this question which Marx tried to answer with his perfected labour theory of value.

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[35] The 'classical' attack by Böhm-Bawerk was answered by Hilferding (both are printed together in Böhm-Bawerk, op. cit.). Other similar attacks were made by Pareto (op. cit., pp. 40 ff.), Michael von Tugan-Baranovsky (*Theoretische Grundlagen des Marxismus*, Leipzig, 1905, pp. 139 ff.), and others. A more recent one is contained in Joan Robinson, op. cit., and is effectively answered by Rosdolsky, op. cit., Vol. 2, pp. 626–40.

From this approach it is immediately clear that, contrary to what so many of his critics starting with the Austrian Böhm-Bawerk assumed, Marx never intended to explain short-term price fluctuations on the market with his theory of value.[36] (Probably he intended to raise some of the problems involved in short-term price fluctuations in the never-written Volume 6 of the original plan for *Capital.*) Nor does it make any sense to speak of the labour theory of value, as explained in Volume 1 of *Capital*, as a 'micro-economic theory' allegedly in contrast with the 'macro-economic' labour theory of value in Volume 3. What Marx tried to discover was a *hidden key behind price fluctuations*, the atoms inside the molecule so to speak. He moved the whole economic analysis to a different and higher level of abstraction. His question was not: *how does* Sammy run (what movements do his legs and body make while running), but *what makes* Sammy run.

It follows that 99 per cent of the criticism directed against the

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[36] Böhm-Bawerk, op. cit., pp. 29–30; Samuelson, op. cit., p. 620; Tugan-Baranovsky, op. cit., p. 141.

Marxist labour theory of value is entirely beside the point, especially when it tries to 'refute' the first pages of Chapter 1 of *Capital* Volume 1, which have sometimes been construed as a 'proof' of that theory.[37] To say that commodities have qualities in common other than the fact that they are products of social labour transforms an analysis of social relations into a logical parlour game. Obviously, these 'other qualities' have nothing to do with the *nexus* between members of society in an anarchic market economy. The fact that both bread and aeroplanes are 'scarce' does not make them commensurable. Even when thousands of people are dying of hunger, and the 'intensity of need' for bread is certainly a thousand times greater than the 'intensity of need' for aeroplanes, the first commodity will remain immensely cheaper than the second, because much less socially necessary labour has been spent on its production.

The question has often been asked: why bother at all with this type of inquiry? Why can one not restrict 'economics' to the analysis of what actually occurs in day-to-day economic life (under capitalism, it goes without saying) – the ups and downs of prices, wages, interest rates, profits etc., instead of trying to discover mysterious 'forces beneath the surface of the economy' which are supposed to govern actual economic events, but only on a very high level of abstraction and in the very final analysis?

This neo-positivist approach is curiously and typically unscientific. Nobody dealing with medicine, not to speak of other physical sciences, would dare for fear of becoming a laughing stock to ask: 'Why bother to look for the "deeper causes" of diseases, when one can collect symptoms to establish a diagnosis?' Obviously no real understanding of economic development is possible if one does not try to discover precisely what 'lies behind' immediate appearances. Laws about immediate short-term fluctuations of prices on the market cannot explain why, to give an interesting example, one kilogram of gold buys in 1974 nearly twice as many given baskets of American consumer commodities as seventy years ago (the average consumer price index has risen somewhat more than fivefold compared to 1904, whereas the price of gold on the free market has risen nine times). Obviously this basic movement of prices in the long run has something to do with the different dynamics of the long-term social productivity of labour in the various consumer industries on the one hand and in the gold-mining industry on the other; that is, with the laws of value as formulated by Marx.

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[37] Böhm-Bawerk, op. cit., pp. 65–80; Joseph Schumpeter, *Capitalism, Socialism and Democracy*, London, 1962, pp. 23–4.

Once we understand that the famous 'invisible hand' which is supposed to regulate supply and demand on the market is nothing but the operation of that same law of value, we can tie together a whole series of economic processes which otherwise remain disconnected pieces of analysis. Money born out of exchange can serve as a universal equivalent of the value of commodities only because it is itself a commodity with its own intrinsic value (or, in the case of paper money, represents a commodity with its own intrinsic value). Monetary theory is re-united with the theory of value and the theory of capital accumulation. The ups and downs of the trade cycle appear as the mechanism through which upheavals in the value of commodities end by asserting themselves, with the painful devalorization (loss of value) this entails, not only for the 'infantry' of the commodity army, the individual mass of finished consumer goods sold on a day-to-day basis, but also for its 'heavy artillery', that is, large-scale machinery, fixed capital. The theory of economic growth, of the 'trade cycle', of capitalist crises, the theory of the rate of profit and of its tendency to decline – everything flows in the last analysis from this operation of the law of value. So the question whether it has any use at all in economic analysis is, therefore, as meaningless as the question whether you need the concept of basic particles (atoms, etc.) in physics. Indeed, no coherent and consistent analysis of the capitalist economy in its totality, explaining all the basic laws of motion of that system, is possible without 'elementary principles' organized around the value of commodities.

In Marxist economic theory, the 'law of value' fulfils a triple function. In the first place it *governs* (which does not mean that it determines here and now) the exchange relations between commodities; that is to say, it establishes the *axis* around which *long-term changes* in relative prices of commodities oscillate. (This includes under capitalism also the exchange relation between capital and labour, an extremely important point to which we shall return presently.) In the second place it determines the relative proportions of total social labour (and this implies, in the last analysis, total material resources of society) devoted to the output of different groups of commodities. In this way, the law of value distributes in the final analysis material resources over different branches of production (and of social activity in general) according to the division of 'effective demand' for different groups of commodities, it being always understood that this occurs within the framework of antagonistic class relations of production and distribution. In the third place it rules economic growth, by determining the average rate of profit and directing investment towards those firms and sectors of production where profit is above average, and away from those firms and sectors where profit is below average. Again, these movements of capital and investment correspond in the final analysis to conditions of 'economy' and 'waste' of social labour, that is to the workings of the law of value.

Marx's labour theory of value is a further development and perfection of the labour theory of value as it emanated from the 'classical' school of political economy, and especially of Ricardo's version. But the changes Marx brought into that theory were manifold. One especially was to be decisive: the use of the concept of *abstract social labour* as the foundation of his theory of value. It is for this reason that Marx cannot be considered as in any way an 'advanced neo-Ricardian'. 'Labour quantities as the essence of value' is something quite different from 'labour quantities as *numéraire*' – a common measuring rod of the value of all commodities. The distinction between concrete labour, which determines the use-value of commodities, and abstract labour, which determines their value, is a revolutionary step forward beyond Ricardo of which Marx was very proud; indeed he considered it his main achievement, together with the discovery of the *general* category of surplus-value, encompassing profit, rent and interest. It is based on an understanding of the peculiar structure of a society of commodity-producers, that is of the key problem of how to relate to each other the segments of the global labour potential of society which have taken the form of private labour. It represents, therefore, together with Marx's concept of necessary labour and surplus labour (necessary product and surplus product), the key nexus between economic theory and the science of social revolution, historical materialism.

The way in which the Marxist labour theory of value sharply excludes use-value from any direct determination of value and exchange-value has often been interpreted as a rejection by Marx of use-value beyond the boundary of economic analysis and theory altogether. This does not correspond at all to the rich dialectical complexity of *Capital*. When we deal with the problems of reproduction, in the introduction to Volume 2, we shall have occasion to dwell on the specific way in which the contradiction between use-value and exchange-value *has* to be bridged under capitalism, in order to make economic growth at all possible. Here, we only want to stress that, for Marx, the commodity was understood as encompassing *both* a unity and a contradiction between use-value and exchange-value: a good with no use-value for any potential buyer could not realize its exchange-value; and the specific *use-value* of two categories of commodities, means of production and labour-power, played a key role in his analysis of the capitalist mode of production.

As has already been stated, the law of value fundamentally expresses the fact that in a society based upon private property and private labour (in which economic decision-making is fragmented between thousands of independent firms and millions of independent 'economic agents') social labour cannot immediately be recognized as such. If Mr Jones has his workers produce 100,000 pairs of shoes a year he knows that people need shoes and buy them; he even knows, if he bothers to do his homework, that the annual number of shoes sold in the United Kingdom (and all those countries to which he intends to export his output) vastly outdistances the modest figure of 100,000 pairs. But he has no way of knowing whether the *specific* 100,000 pairs of shoes he owns will find specific customers willing and able to buy them. Only after selling his shoes and receiving their equivalent can he say (provided he has realized the average rate of profit on his invested capital): my workers have truly spent socially necessary labour in my factory. If part of the produced shoes remain unsold, or if they are sold at a loss or at a profit significantly less than the average, this means that part of the labour spent on their production has not been recognized by society as socially necessary labour, has in fact been wasted labour from the point of view of society as a whole.

But this 'recognition of' or 'refusal to recognize' a given quantity of labour by society occurs exclusively in function of meeting effective demand on the market, that is it is independent of the use-value or social usefulness of the specific physical qualities of a given commodity. Society recognizes quantities of labour spent in its production, making abstraction of these considerations. That is why Marx called these quantities, quantities of abstract socially necessary labour. If a pound of opium, a box of dum-dum bullets or a portrait of Hitler find customers on the market, the labour which has been spent on their output is socially necessary labour; its production has been value-production. If, on the contrary, an exquisite piece of china or a new pharmaceutical product for some reason does not find customers, its production has created no value, has been equivalent to a waste of social labour – even if, in some distant future, their creators will be celebrated as geniuses or benefactors of mankind. The labour theory of value has nothing to do with judgements on the usefulness of things from the point of view of human happiness or social progress. It has even less to do with establishing 'conditions for justice in exchange'. It simply recognizes the deeper meaning of the actual act of exchange and of the output of commodities under capitalism, and what governs the distribution of income between social classes which results from these acts, independently of any moral, aesthetic or political judgement. Indeed, if one were to look for such 'judgements', one would have to say that Marx, while understanding why the law of value has to operate as it does under commodity production, did not at all strive to 'defend' that law, but on the contrary to build a society in which its operations would be totally abolished.

One of the most common and innocuous objections made against Marx's labour theory of value runs along these lines: if prices are governed in the last analysis by value (socially necessary quantities of abstract labour), how can goods have prices if they are not products of labour, that is if they have no value? Marx himself in fact answered that objection long before drafting *Capital* Volume 1.[38] Products of nature ('free goods'), which have indeed no value since no social labour has been spent on their production, can get a price through private appropriation, through the social institution of private property. Land on which no human hand has ever worked to increase its fertility has no value. But it can get a price if it is surrounded by a fence upon which is put a placard 'Private property: Trespassing forbidden', and if people are ready to pay that price because they need that land as a source of livelihood. This price will in reality be the capitalization of the net income (land rent) accruing to its owner, income produced by those who will farm it and draw material resources (goods for self-consumption or commodities) from it through their toil.[39]

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[38] See *A Contribution to the Critique of Political Economy*, p. 62.

[39] Again and again the objection has been raised against the Marxist labour theory of value that it 'assumes' labour to be the only scarce factor of

In reaction against all those who mistakenly claimed that Volume 1 of *Capital* was concerned with showing that commodities actually exchange under capitalism according to the quantities of abstract socially necessary labour they contain, some authors have contended that the labour theory of value is concerned only with a *qualitative* problem and not with a *quantitative* one, the 'socially necessary' labour content of commodities being unmeasurable. This bends the stick too far in the other direction. It is true that the quantitative measurement of the labour quantities in commodities is difficult. But the difficulty is not so much a conceptual one (one could, for example, start from macro-economic aggregates, the total sum of man-hours spent in the whole realm of material production – industry, agriculture and commodity transport – in a given country, its division between different branches of industry and key groups of commodities, their interrelationship through an input-output table, the labour spent for the average unit produced in 'autarchic' branches where no raw material has to be imported from foreign lands, and so climb up towards an estimate of total labour expenditure per branch and per commodity produced . . .) as one stemming from a lack of accurate information. It will be necessary to 'open the books' of all capitalist enterprises and to verify these figures on the basis of shop-floor evidence in order to approach a quantitative

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production and supposes either that land and machines are abundant or that they can be excluded altogether from value analysis. This is obviously nonsense. Leontief makes the correct point that Marx was probably the first economist to give fixed capital a central importance in the process of production, as against, for example, Böhm-Bawerk (op. cit., p. 93). What Marx does assume is that machines cannot in and by themselves 'command' portions of the total available labour-power of society to be additionally expended or to move from one sector of production to another – a proposition which is rather self-evident, besides having been scientifically proved by Marx. Once one understands that, for Marx, value is in the last analysis assignment of portions of the socially available labour-power, total value newly produced being equal to total expenditure of living labour in a given period, one solves the riddle. Incidentally, one should also understand that Marx, advancing beyond classical economy, did not 'dissolve' the value of the annual product into wages and surplus-value (profits, rents and interests), but added to this the value of raw materials and machinery used up in the process of production. His only point was that this part of the annual product's value did not increase in the process of production but was only maintained, the only source of *new* value being living labour.

measurement of the labour content of commodities in capitalist countries.[40]

6. MARX'S KEY DISCOVERY: HIS THEORY OF SURPLUS-VALUE

The classical school of political economy, including Ricardo, saw profits as a residual net income, once wages had been paid. Indeed, so strict was their adherence to this concept that Ricardo believed that only increases or decreases in production costs in the wage-good industries could influence the rate of profit. Whatever happened to the luxury goods industry, or even to raw materials, would not affect the global rate of profit.

This view is incomplete and therefore incorrect, But it was at least an attempt to come to grips with the problem of income distribution between social classes as a function of what happens in the course of production. The exponents of post-Ricardian 'vulgar' economic theory, and especially the neo-classical marginalists, do not bother to ask the question 'why?', they are content just to answer the question 'how?'. They simply note that 'factors' (labour, capital, land) get different 'prices' on the market, and limit themselves to a study of how these prices fluctuate. To consider the *origins* of profit, interest and rent; to ask whether workers *must* abandon part of the product of their labour when they work for an alien entrepreneur; to examine the mechanisms through which this appropriation occurs as a result of an honest-to-god act of exchange, without any cheating or plotting: it was left to Marx to unravel these basic questions about the capitalist mode of production.

The origin of the income and consumption of the ruling classes in pre-capitalist societies is no matter of speculation. Anybody knows that, from an economic point of view, they were the results of appropriation of part of the fruits of the producers' labour by the ruling class. When the medieval serf worked half the week for his own livelihood on the land of his manse, and the other half of the week without remuneration on the estate of the noble or the church, one could argue that, from a 'moral' point of view, he was offering unpaid labour 'in exchange' for the 'service' of profane or divine protection. But nobody would confuse this 'exchange' with what goes on in the market place. It was in fact no economic exchange at all, in any sense of the word, no give-and-take of anything which can be 'priced', in even the most indirect way. The 'service of protection' is not 'bought' by the serf any more than a small Chicago businessman 'buys a service' from a gang of hoodlums. It is an extortion imposed upon him by the social set-up, whether he likes it or not. The origin of the social surplus product accruing to the pre-capitalist ruling class is, therefore, obviously unpaid labour (whether in the form of labour services, or of physical products of these labour services, or even of money-rent) expended by the producers.

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[40] Friedrich Engels' insert in *Capital*, Vol. 3, pp. 74–6.

In the case of slavery, the context is as clear if not clearer, especially in those extreme examples where even the miserable pittance of the slave was not provided by the masters, but had to be provided by the slave himself on the seventh day of the week. Indeed, regarding these slave plantations, even the most sceptical critics of historical materialism will find it hard to doubt that the whole social product, the part which fed the slaves as well as the part which fed the masters, had but one origin: social labour expended by the slaves and by them alone.

When, however, we look at the capitalist mode of production, everything seems much more complicated and much more obscure, to say the least. No brutal force, personified by an overseer with a whip or some group of armed men, appears to force the worker to give up anything he has produced or owns himself. His relationship with the capitalist appears to be based upon an act of exchange which is identical to that of a small artisan or a farmer, owners of commodities they themselves have produced, who meet in the market place. The worker appears to sell his 'labour' in exchange for a wage. The capitalist 'combines' that labour with machines, raw material and the labour of other men to produce finished products. As the capitalist owns these machines and raw materials, as well as the money to pay the wages, is it not 'natural' that he should also own the finished products which result from the 'combination of these factors'?

This is what *appears* to occur under capitalism. However, probing below the surface, Marx comes up with a series of striking observations which can only be denied if one deliberately refuses to examine the unique social conditions which create the very peculiar and exceptional 'exchange' between labour and capital. In the first place, there is an institutional inequality of conditions between capitalists and workers. The capitalist is not *forced* to buy labour-power on a continuous basis. He does it only if it is profitable to him. If not, he prefers to wait, to lay off workers, or even to close his plant down till better times. The worker, on the other hand (the word is used here in the social meaning made clear precisely by this sentence, and not necessarily in the stricter sense of manual labourer), is *under economic compulsion* to sell his labour-power. As he has no access to the means of production, including land, as he has no access to any large-scale free stock of food, and as he has no reserves of money which enable him to survive for any length of time while doing nothing, he *must* sell his labour-power to the capitalist on a continuous basis and at the current rate. Without such institutionalized compulsion, a fully developed capitalist society would be impossible. Indeed, once such compulsion is absent (for example where large tracts of free land subsist), capitalism will remain dwarfed until, by hook or by crook, the bourgeois class suppresses access to that free land. The last chapter of *Capital* Volume 1, on colonization, develops this point to great effect. The history of Africa, especially of South Africa, but also of the Portuguese, Belgian, French and British colonies, strikingly confirms this analysis.[41] If people are living under conditions where there is no *economic* compulsion to sell their labour-power, then repressive *juridical* and *political* compulsion has to deliver the necessary manpower to the entrepreneurs; otherwise capitalism could not survive under these circumstances.

The function of trade unions, be it said in passing, is immediately clarified in the light of this analysis. Workers who combine to set up a reserve fund can be freed at least for some weeks from the compulsion to sell their labour-power on a continuous basis at the given market rate. Capitalism does not like that at all. It is contrary to 'nature'; if not to human nature, then at least to the deeper nature of bourgeois society. That is why, under robust nascent capitalism, trade unions were simply banned. That is also why, under senile capitalism, we are gradually returning to a situation in which workers are denied the right to strike – the right to abstain from selling their labour-power at the offered price whenever they like. In this instance, Marx's insight is clearly confirmed by the highest authorities of the bourgeois state: under capitalism, labour is fundamentally *forced* labour. Whenever possible, capitalists prefer hypocritically to cloak the compulsion under a smokescreen of 'equal and just exchange' on the 'labour market'. When hypocrisy is no longer possible, they return to what they began with: naked coercion.

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[41] We refer here to the large-scale appropriation of land by white settlers and colonial companies, the herding together of Africans into 'reserves', the imposition of money taxes in essentially non-monetary economies, forcing the Africans to sell their labour-power in order to get the necessary money to pay taxes, the imposition of large-scale money fines, or even direct forced labour penalties for innumerable transgressions of laws specially designed to furnish the settlers with labour-power, etc., etc.

Marx, of course, was perfectly well aware of the fact that, in order to organize production in modern factories, it was not enough to combine the social labour-power of manual and intellectual workers. It was necessary to provide for land, buildings, energy, infrastructural elements like roads and water, machinery, a given fabric of organized society, means of communication, etc. But it is obviously absurd to presume that, because factory production is impossible without these conditions of production, roads and canals therefore 'produce value'. It is no more logical to assume that machines 'produce' any value, in and by themselves. Of all these 'factors' it can be said only that their given value has to be maintained and reproduced, through incorporation of part of it in the current output of living labour, during the production process.

We come nearer to the truth when we note that *property titles* (private appropriation rights) to land and machinery lead to a situation where these 'factors' will not be incorporated into the process of production without their proprietors receiving an expected 'return' over and above the compensation for the wear and tear of the 'factors'. This is obviously true. But it does not follow at all that such 'returns' are then 'produced' by the property titles. Nor does it imply that owners of such property titles meet the owners of labour-power on an equal footing. Only if we were in a 'capitalistic slave society', where owners of slaves hired out labour-power to owners of factories renting land from landed proprietors, could one say that institutional equality existed between all owners – though, of course, not between owners and slaves! Obviously, in that case, the slave owners would hire out their slaves only if they received a 'net return' *over and above the upkeep of the slaves.*

In the second place, the social situation in which a small part of society has monopolized property and access to the means of production, to the exclusion of all or nearly all direct producers, is in no way a product of 'natural inequality of talents and inclinations' among human beings. Indeed, it did not exist for tens of thousands of years of social life on the part of *homo sapiens*. Even in the relatively recent past, say 150 years ago, nine-tenths of the producers on this planet – who were in their overwhelming majority agricultural producers – did have direct access, in one way or another, to their means of production and livelihood. The separation of the producer from his means of production was a long and bloody historical process, analysed in detail by Marx in Part Eight of *Capital* Volume 1, 'So-Called Primitive Accumulation'.

In the third place, the worker does not sell the capitalist his labour, but his *labour-power*, his capacity to work for a given period of *time*. This labour-power becomes a commodity under capitalism.[42] As such it has a specific value (exchange-value), as any other commodity does: the quantity of social labour necessary to reproduce it – that is to say the value of the consumer goods necessary to keep the worker and his children in condition to continue to work at a given level of intensity of effort. But it has a

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42. Obviously Marx did not 'transform' men into 'commodities', as so many of his 'ethical' opponents accuse him of doing. He noted that *capitalism* had operated such a transformation and therefore condemned capitalism. Popper significantly contends that 'the value theory [of Marx] . . . considers human labour as fundamentally different from all other processes in nature, for example from the labour of animals. This shows clearly that the theory is based ultimately upon a moral theory, the doctrine that human suffering and a human lifetime spent is a thing [!] fundamentally different from all natural processes . . . I do not deny that this theory is right in the moral sense . . . But I also think that an economic analysis should not be based upon a moral or metaphysical or religious doctrine of which the holder is unconscious' (*The Open Society*, Vol. 2, p. 329). In the first place, Marx was not at all unconscious of the differences between human labour and the endeavours of animals such as ants; he comments on it in the first chapter of *Capital* Vol. 1. In the second place, there is nothing metaphysical about the fact that, when men engage in mutual social relations in order to produce their livelihood, they will certainly consider human labour, as the basis of this social organization, quite differently from natural processes, fertility of the soil or of cattle, etc. There is nothing metaphysical about the distinction, *from man's point of view*, between chemical processes in trees and the necessary arrangements to divide the total labour time available to the community between different types of human activity. Two thousand years ago, defenders of the institution of slavery used to equate slaves with 'speaking instruments', or 'speaking beasts of toil'. We know very well that Popper does not condone slavery. Would he then say that this condemnation of slavery is purely 'metaphysical', or would he admit that it is based upon a scientific, anthropological distinction between man and animals?

special quality, a special 'use-value' for the capitalist. When the capitalist 'consumes' labour-power in the process of production, the *worker produces value.* His labour has the double capacity to *conserve value* – that is, to transfer into the finished product the value of the raw material and of a fraction of the machinery used up in this process of production – and to *create new value*, by spending itself. The whole mystery of the origin of profits and rents is over once one understands that, in the process of production, the workers can (and must – otherwise the capitalist would not hire them) produce value over and above the value of their own labour-power, over and above the equivalent of the wages which they receive. We are back where we started in pre-capitalist societies, and we have been able to eliminate the cobweb of apparent 'exchange equality': like feudal rent or the slave-owner's livelihood, capitalist profits, interests and rents originate from the *difference between what the workers produce and what they receive for their upkeep.* Under capitalism this difference appears in the form of value, and not of physical output. This fact prevents the process from being immediately transparent. But it does not make it fundamentally different from the 'exchange' taking place between feudal lord and serf.

It is therefore incorrect to state, as does Blaug, following other academic critics of Marx, that Marx's theory of surplus-value is a theory of 'unearned increment'.[43] It is an *appropriation* or *deduction theory* of the capitalists' income, as was the classical labour theory of value. Capitalists appropriate value which the workers have already produced, prior to the process of circulation of commodities and of distribution of income. No value can be distributed – from a macro-economic point of view, in other words viewing bourgeois society as a whole – which has not been previously produced.

Marx himself considered the discovery of the concept of surplus-value, representing the sum total of profits, interests and rents of all parts of the bourgeois class, as his main theoretical discovery.[44]

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[43] Mark Blaug, 'Technical Change and Marxian Economics', *Kyklos* Vol. 3, 1960, quoted in Horowitz, op. cit., p. 227.

[44] 'Das Beste an meinem Buch ist 1. (darauf beruht *alles* Verständnis der facts) der gleich im *Ersten* Kapitel hervorgehobne *Doppelcharakter der Arbeit*, je nachdem sie sich in Gebrauchswert oder Tauschwert ausdrückt; 2. die Behandlung des *Mehrwerts unabhängig von seinen besondren* Formen als Profit, Zins, Grundrente etc. Namentlich in 2. Band wird dies sich zeigen' (Marx, letter to Engels of 24 August 1868, *MEW* 31, p. 326).

It ties together the historical science of society and the science of the capitalist economy, explaining both the origins and content of the class struggle and the dynamic of capitalist society.[45]

For once we understand that surplus-value is *produced* by workers, that surplus-value is nothing but the age-old social surplus product *in money form*, in the form of value, we understand the historical leap which occurred when that social surplus product no longer appeared essentially in the form of luxury goods (of which consumption is necessarily limited, even under conditions of such extreme extravagance as during the Roman Empire or in the eighteenth-century French court) but in the form of money. More money means not only additional purchasing power for such luxury goods, but additional purchasing power for more machines, more raw materials, more labour-power. Here too Marx discovered an economic compulsion. Private property, the fragmentation of social labour among various firms, that is, the very nature of generalized commodity production – capitalism – implies a compulsion to compete for shares of the market. The need to accumulate capital, the need to increase the extraction of surplus-value, the unquenchable thirst for surplus-value which characterizes capitalism, it is all here: the accumulation of capital = the transformation of surplus-value into additional capital.

Again, as for value, we should note what this is all about: command over fractions of the total disposable quantity of social labour. It is sufficient to recall this basic fact to understand how misplaced are criticisms of the theory of surplus-value which speak about the 'productivity of capital', capital being understood as machines.[46] Machines can never, in and by themselves, hire any fraction of the disposable social labour force, except in science fiction. In the more prosaic world in which we live, *men* owning machines can, for that reason, hire and fire other men. How the product of the labour of these men is then divided, and why, is what Marx seeks to explain.

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[45] Popper (*The Open Society*, Vol. 2, p. 160) contends that Marx did not discover the general category of surplus-value at all, but inherited it from Ricardo. He quotes Engels' introduction to Vol. 2 of *Capital* in that respect. Engels says nothing of the kind. He states, as any student of economic doctrines knows, that a long series of economists, from Adam Smith and the physiocrats to Ricardo and the post-Ricardian anti-capitalists of the eighteen twenties and thirties in Britain, considered profits and rents to be subtractions from the products of 'productive labour'. But only Marx succeeded in showing *what kind of labour* produces surplus-value and what the real content of the process of surplus-value production is, irrespective of its specific forms, and in *explaining* this process.

[46] Samuelson, following Böhm-Bawerk, derives this 'productivity of capital' from the fact that 'you can get more future consumption product by using indirect or roundabout methods' (*Economics, an Introductory Analysis*, New York, 4th edition, pp. 576–7). In the explanation which follows, the

Of course, Marx did not 'deny' that machinery could increase the social productivity of labour. On the contrary, if one reads Chapter 15 of *Capital* Volume 1, one will see immediately that he was more aware of that potential of technology than any economist among his contemporaries. But the question which most of his critics and other exponents of 'vulgar' economics overlook is very simple, namely, why should the results of the increased productivity of labour be appropriated by the capitalist? Why should the combined productivity of many men working together – the famous 'collective labour potential of the factory' to which a key analysis is devoted in the original Part Seven ('Chapter Six') omitted from the published version of *Capital* Volume 1 (see appendix to this volume, pp. 943–1084) – the combined productivity of scientists and technologists, workers by hand and brain, inventors of machinery and flexers of muscle, increase the profit of the owners of machinery? Surely not because that machinery has some mysterious quality of 'creating' value, that is of 'creating' quantities of socially necessary labour?[47] Surely rather because the owners are in a position to appropriate the products of that combination. So we are back to Marx's theory of surplus-value.

An interesting, if somewhat astounding, innovation in apologetics for capitalist profits has recently occurred in the form of the theory of the firm developed by Alchian and Demsetz.[48] Owners of different 'co-operating inputs' are supposed to have a natural tendency to shirk, because they give some preference to 'non-

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'increment', however, originates from the fact that 'current consumption' is 'sacrificed' for the production of 'intermediate goods'. But it is *people* who forgo consumption (we leave aside *which* people really are forced into abstinence). People *produce* intermediate goods. People increase the productivity of their *labour*. How all these *human* operations suddenly lead to value oozing out of 'intermediate goods' (called 'productivity of capital') is a mystifying secret which Samuelson does not solve.

[47] The only quality machines have 'in and of themselves' is to increase the productivity of labour and thereby to *decrease* the value of commodities – not to 'create' value.

[48] A. Alchian and H. Demsetz, 'Production, Information Costs and Economic Organisation', *American Economic Review*, 1972.

pecuniary goods' (!) such as leisure, attractive working conditions and time to converse with fellow workers. It follows, according to Alchian and Demsetz, that if shirking is to be checked someone must have both the right to monitor the performance of team members and the disinclination to shirk himself. To this end he must have the right to receive the *residue* after all other inputs have been paid contractual amounts, the right to terminate membership of the team and the right to sell these rights. After having received with great joy the good tidings that he has now been promoted to the status of member of a 'co-operative team', on an equal footing with the capitalist, the average worker cannot fail to wonder for what mysterious reason the 'someone' who gets all these 'economically necessary rights' is *always* the owner of the 'input – means of production' and *never* the owner of the 'input – labour-power'. Would it be because the capitalist is free from the human vice of shirking, or has no inclination to leisure or attractive working conditions? Or is it perhaps because Messrs Apologists for Capitalism are trying to argue away the fact of surplus-value appropriation through monopoly ownership of the means of production?

7. MARX'S THEORY OF CAPITAL

Capital is thus, from the Marxist point of view, a *social relation between men* which appears as a relation between things or between men and things. Flowing logically from Marx's labour theory of value and theory of surplus-value, this is another of the key discoveries which opposes his economic theory radically to all forms of academic 'economics'.

Marx energetically rejects the idea, as expounded by 'vulgar' and neo-classical economists, that 'capital' is just 'any stock of wealth' or 'any means to increase labour productivity'.[49] A chimpanzee using a stick to get at bananas is no more the first capitalist than a tribal community learning to accrue its wealth through animal husbandry or land irrigation is 'accumulating capital'. Capital presupposes that goods are not being produced for direct consumption by the producing communities, but are sold as commodities; that the total labour potential of society has become fragmented into private labours conducted independently of each other; that commodities therefore have value; that this value is realized through exchange with a special commodity called money; that it can therefore start an independent process of circulation, being property of a given class of society whose members operate as owners of value looking for increments of value. If, as Adam Smith explained to successive generations of students of economic phenomena, productive (technical) *division of labour* is a source of increased labour productivity – to a large extent independently from the specific social form of organization of the economy – then capital is not a product of that division of labour, but of a *social division of labour*, in which owners of accumulated value face non-owners.

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[49] Joseph Schumpeter, *History of Economic Analysis*, New York, 1954, pp. 558–9.

Joseph Schumpeter reproached Marx with having elaborated a theory of capital which was unable to explain the origins of capital.[50] Nothing is further from the truth. Marx the dialectician perfectly understood the difference between, on the one hand, the production and reproduction of capital on the basis of the capitalist mode of production and, on the other, the origins and development of capital in pre-capitalist modes of production. Indeed, one of the essential objections to the imprecise and unscientific handling of categories by 'vulgar' economists was their undifferentiated use of the terms 'capital' and 'capitalism' as more or less synonymous. *Capitalism* is the capitalist mode of production, the seizure of the means of production by capital, which has become predominant in the sphere of production. *Capital* is value (initially in the form of money) becoming an independent operator in the pores of a non-capitalist mode of production. Capital appears initially as usury and merchant (long-distance trade) capital. After a long historical process, and only under specific social conditions, does capital victoriously penetrate the sphere of production in the form of manufacturing capital. (This occurred in the late fifteenth and sixteenth centuries in Western Europe; in the eighteenth century in Japan. In China, *isolated elements* of manufacturing capital had probably already appeared more than a thousand years earlier.)

In simple commodity production, capital does not *produce* surplus-value. It simply transforms into surplus-value parts of current output and revenue which originate independently from capital. It can appropriate part of the social surplus product normally passing into the hands of pre-capitalist ruling classes (for instance the appropriation, through usury, of part of the feudal land rent). It can appropriate part of the product which normally serves as a consumption fund for the producers themselves. The basic characteristic of these operations of capital under pre-capitalist relations of production is that it will barely increase the global wealth of society; it will neither significantly develop productive forces nor stimulate economic growth. It can only have a disintegrating effect on the given pre-capitalist social order, precipitating the ruin of several social classes. However, by accelerating the transformation of goods produced and consumed as use-values only into commodities, that is by accelerating the spread of money economy, it can historically prepare the ground for an eventual appearance of the capitalist mode of production.

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[50] Schumpeter, *Capitalism, Socialism and Democracy*, pp. 15–18.

Capital operating in pre-capitalist modes of production refers essentially to a theory of money circulation and appropriation. This is why in Volume 1 of *Capital* Marx first introduces capital in Part Two, *after* having explained the nature of money. Indeed, Part Two is entitled 'The Transformation of Money into Capital'. Here again, the logical analysis corresponds to the historical process, to which Marx continually refers, albeit for the most part in footnotes. On the other hand, capital operating in the capitalist mode of production, the real object of study of *Capital*, refers obviously to a theory of production and appropriation of value and surplus-value. Marx explains in Volume 1, Chapter 24, how the law of appropriation of commodities is transformed when we pass from a society of petty commodity producers to a capitalist society. In the first case, the direct producers are owners of the products of their labour; in the second, the owners of capital become the owners of the products of the labour of the direct producers. Apologists for capitalism try to justify this fact by the argument that, after all, capitalists 'place at the disposal' of the workers the tools with which production occurs.[51] But again history allows us to pierce through the hypocrisy of the argument. For capitalism was not born – in the days of manufacturing – with the capitalist 'putting at the disposal of the producers' any new machinery. It was born with the capitalists *expropriating* the tools owned by the producers themselves and assembling these very tools under a common roof.[52]

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[51] For example, MacCord Wright, *Capitalism*, New York, 1951, p. 135. In the 'Results of the Immediate Process of Production', Marx shows how mystifyingly capitalism represents increases in the *social productivity of labour*, through *social* developments like scientific progress, co-operation of many workers, etc. as results of the 'productivity of capital'.

Capital, under the capitalist mode of production, is therefore value constantly increased by surplus-value, which is produced by productive labour and appropriated by capitalists through the appropriation of the commodities produced by the workers in factories owned by capitalists. The way in which this analysis of capital and capitalism hinges on the institution of private property has often been misunderstood or (and) misrepresented, both by critics and by disciples of Marx. It therefore merits some comment.

Historically and logically, capitalism is tied to the private ownership of the means of production, which allows private appropriation of produced commodities, thus private appropriation of surplus-value, and thus private accumulation of capital. It is surely not accidental that the 'rights of private property' are thus at the bottom of the whole constitutional and juridical superstructure which centuries of law-making have erected upon the basis of commodity production.

But what we confront when we examine the social relations which lie behind these juridical forms is, of course, something which is not simply formal private property; otherwise the analysis would be reduced to simple tautology. When Marx states that commodity production is only possible because social labour has been fragmented into *private labours conducted independently from each other*,[53] he refers to a *socio-economic* and *not* a juridical reality; the latter is only a reflection – and sometimes a very imperfect one! – of the former. What capitalism is about, then, is a specific relation between wage-labour and capital, a social organization in which social labour is fragmented into firms independent of each other, which take independent decisions about investment, prices and forms of financing growth, which compete with each other for shares of markets and profits (of the total surplus-value produced by productive labour in its totality), and which *therefore* buy and exploit wage-labour under specific economic conditions, compulsions and constraints. It is not simply a general relationship between 'producers' and 'accumulators', or 'producers' and 'administrators', for such a relationship is in the last analysis characteristic of all class societies and not specific to capitalism at all.

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[52] On this aspect of the development of home industries and of the first manufactures in the fifteenth and sixteenth centuries, see, among other sources, N. W. Posthumus, *De Geschiedenis van de Leidsche Lakenindustrie*, 's-Gravenhage, 1908.

[53] See below, p. 165. In a note added by Engels in the fourth German edition of *Capital* Vol. 1 (see p. 138 below), he makes the point that in English there are two different words to express the two different aspects of labour: use-value-producing labour is called *work*, exchange-value-producing labour, which is only quantitatively measured, is called labour.

The *content* of the *economic* institution of private capital is therefore the *independent firm* (whether a small manufacturer or a giant multi-national corporation). Whether the *juridical form* strictly conforms to that content or not is irrelevant, and often poses complex legal problems. Are stockholders only owners of income titles, or are they owners of fractions of the firm's 'assets' or 'property'? The bankruptcy laws – which differ in different capitalist countries – can go into the most sophisticated nuances imaginable on this subject. But the vital economic decisions (key investment decisions, for example) are taken by all those firms which are really independent and not subordinate companies. The basic fact of life of the capitalist economy is the fact that these vital decisions are not taken by society as a whole or by the 'associated producers'.

Again, the content of this *economic* institution of private property (fragmented social labour) should not be confused with the question of the precise *agents* who take the independent firms' decisions. Whether those who take the decisions are individual owners, or representatives of stockholders, or so-called managers, does not in the least change the fact that they are working under the same previously analysed economic compulsion. Some economists today, such as Galbraith and even some Marxists, contend that the contemporary giant corporation has largely freed itself from these constraints.[54] This is an illusion, born of an extrapolation from conditions prevailing during a rather lengthy boom. In fact, the idea that any giant corporation, whatever its dimensions or power, could emancipate itself definitively from the compulsion of (monopolistic) competition, that is, could have a guaranteed specific demand for its products, independently of the trade cycle and from technological innovation, could make sense only if it were insulated both from economic fluctuations and from economic uncertainty, that is if the very nature of its output as commodity production was denied. Experience does not confirm such a contention.

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[54] John Kenneth Galbraith, *The New Industrial State*, New York, 1967, Chapter 18.

The basic distinction which Galbraith, following Baumol, Kaysen and others, introduces between compulsion to profit maximization (true for yesterday's firms) and compulsion to growth maximization (true for today's corporations)[55] becomes devoid of practical long-term significance once we understand that growth remains essentially a function of profit, that capital accumulation can result in the last analysis only from surplus-value production and realization. The only kernel of truth which remains, then, is the difference between short-term and long-term profit maximization, which is indeed one of the basic differences between competitive capitalism and monopoly capitalism.

The debate on the nature of capital has received a new and significant impetus with the 'internal' critique of the theory of the marginal productivity of capital by Piero Sraffa and the Cambridge school. The latter have demonstrated convincingly that the measurement of capital inputs in the neo-classical 'production function' is based upon circular reasoning.[56] For if the effect of marginal increases or decreases of capital inputs upon output has to be *measured*, this can only be done in money terms, given the heterogeneous nature of so-called 'capital goods'. 'But this process of pricing or valuation of capital inputs presupposes a rate of return on the plant and equipment in question, of which the latter value is the capitalization'; that is 'one has to *assume* a rate of interest in order to demonstrate how this equilibrium rate of return is determined'.[57] The way out, obviously, is to look for a common substance in all the 'capital goods' independent of money, that is to return to socially necessary labour as the measurable substance of the value of all commodities.

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55. ibid., Chapter 10.

56. Joan Robinson, *The Accumulation of Capital*, London, 1956; Piero Sraffa, *Production of Commodities by Means of Commodities*, Cambridge, 1960.

57. Maurice Dobb, 'The Sraffa System and the Critique of the Neo-Classical Theory of Distribution', reprinted in E. K. Hunt and Jesse G. Swartz (ed.), *A Critique of Economic Theory*, Harmondsworth, 1972, p. 207. One should note, however, that, to use the Schumpeterian jargon, Dobb thus only justifies the use of labour as a *numéraire* (a unit of account), in a typically neo-Ricardian way, and not at all on the basis of the Marxist labour theory of value.

8. MARX'S THEORY OF ACCUMULATION OF CAPITAL

Capital is thus, by definition, value looking for accretion, for surplus-value. But if capital produces surplus-value, surplus-value also produces additional capital. Under capitalism, economic growth therefore appears in the form of accumulation of capital. The basic drive of the capitalist mode of production is the drive to accumulate capital. This is not so because of some mysterious and tautological 'accumulative passion' or inclination on the part of capitalists. It is essentially explained by competition, that is by the phenomenon of 'various capitals'. Without competition, Marx states categorically, the 'driving fire' of growth would become extinguished.[58] Totally monopolized capital ('a single world trust') would essentially be stagnating capital.

But competition is combined with the trend to replace labour by machinery as a driving force for capital accumulation and economic growth under capitalism. If the extension of output maintained the given relationship between inputs of living labour and inputs of dead labour (machinery and raw materials), it would rapidly reach both a physical limit (the total available manpower) and hence a profit limit. Under conditions of permanent full employment, wages would tend to increase and erode profits to the point where capital accumulation and economic growth would gradually disappear.

Under capitalism, however, economic growth is not 'neutral' with respect to the relationship between living and dead labour inputs (between variable and constant capital). It is heavily loaded in favour of an expansion of labour-saving devices. Indeed, a permanent tendency to increase the social productivity of labour is the main civilizing by-product of capital accumulation, the main objective service which capitalism has rendered mankind. Capital accumulation takes on the primary form of an increase in the value of plant and equipment, as well as of the stock of raw materials available in industrialized capitalist countries. On a long-term basis, this accumulation is as impressive as Marx could have imagined. The value of all accumulated private non-farm producer durables multiplied more than tenfold in constant dollars between 1900 and 1965 in the U.S.A., and this estimate is certainly undervalued as it is based upon official records biased for reasons of tax evasion.

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[58] Karl Marx, *Capital*, Vol. 3, p. 254.

Capital accumulation is, of course, distinct from the behaviour of pre-capitalist ruling classes. If all surplus-value were to be consumed in the form of luxury goods, no capital accumulation would take place at all. Capital would then be maintained at the level it had already reached. This special 'limiting' case was indeed presented by Marx under the name of 'simple reproduction', for purely analytical reasons. It does not, of course, correspond to any 'real' stage or situation of a normally functioning capitalist mode of production.[59] As we pointed out, what characterizes capitalism is precisely the compulsion to accumulate, that is 'enlarged reproduction'.

Enlarged reproduction presupposes that not all surplus-value produced by productive labour, and appropriated by the capitalist class, is unproductively consumed. Part of it is transformed into luxury goods and disappears from the process of reproduction. Part of it is transformed into additional capital by being used to buy additional plant and equipment, additional raw materials and additional labour-power. This, then, is the process of accumulation of capital: the transformation of surplus-value into additional capital, which can produce new increments of surplus-value, leading to new increments of capital. The movement develops in the form of a spiral, as Simonde de Sismondi, one of the early 'romantic' critics of capitalism, whom Marx quotes approvingly on this question, already understood.

The fact that capital accumulation is possible only because part of the surplus-value appropriated by the capitalist class is not socially squandered in luxury goods constitutes the starting point for the so-called 'abstinence' theory (more accurately, justification) of profits and capitalist exploitation.[60] Historically, there is not an atom of evidence for the assumption that capital somehow grew out of the 'frugal habits' of some members of the community, as opposed to the 'improvidence' of others, each of them having equal access to resources that were initially comparable. On the contrary, all historical evidence confirms that the sudden appearance of large amounts of 'capital' (in the form of a stock of precious metals and other treasure) in a society previously confined almost exclusively to natural economy (to the output of goods possessing only use-value) was the result not of 'frugality' and 'thrift' but of large-scale piracy, robbery, violence, theft, enslavement of men and trade in slaves. The history of the origins of West European usury and merchant capital between the tenth and the thirteenth centuries, from the piracy in the Mediterranean through the plundering of Byzantium by the Fourth Crusade to the regular plundering razzias into the Slav territories of Central and Eastern Europe, is very eloquent in this respect.

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[59] One could say that it corresponds to a border case of stagnation in a given phase of the trade cycle.

[60] Even Schumpeter still largely defended this 'abstinence' theory of profit, although giving it a less vulgar character than in the case of Senior. 'The capitalist ... exchanges a fund against a flow. The "abstinence" for which ... he is being paid enters into the accumulation of the fund. There is no additional payment for refraining from consuming it even in cases in which this would be physically possible' (*History of Economic Analysis*, p. 661). See also *Capitalism, Socialism and Democracy*, p. 16.

What is unconfirmed by history is even more absurd in the light of contemporary economic analysis. Nobody could seriously argue that Messrs Rockefeller, Morgan and Mellon have to be compensated for their virtue in not squandering tens of billions of dollars on additional yachts, mansions and private jets – the vulgar version of the abstinence theory. But its more sophisticated version, namely the idea that the profits of the owners of capital are just the way in which their 'fund' is transformed into the 'flow' of long-term capital investment, provides a nice piece of circular reasoning. For whence does the 'fund' originate, if not precisely from the 'flow', that is to say what else is capital if not accumulated profits? To deny that profits originate in the process of production flies in the face of all scientific as well as practical observation of what goes on in a capitalist economy. Once we understand this, there is no room left for any abstinence theory of profit – only for a subtraction one.

The process of capital accumulation is viewed by Marx in *Capital* at two different and successive levels of abstraction. In Volume 1, in the framework of 'Capital in general', he examines it essentially in the light of what occurs in and flows from the exchange between wage-labour and capital. In Volume 3, he examines capital accumulation (economic growth under capitalism) in the light of what occurs in the sphere of 'many capitals', that is of capitalist competition. I shall therefore leave to the introduction to Volume 3 an examination of the main criticisms made of Marx by those who question the validity of the laws of motion of capital accumulation set out in that volume. Here, I shall limit myself to examining the basic effects of capital accumulation on wage-labour.

Unlike many of his contemporaries, including some of the sternest non-Marxist critics of capitalism, Marx did not consider that capital accumulation had a simple and unequivocally detrimental effect upon the situation of wage-labour. Marx had studied the movement of real wages during the trade cycle, and the fact that wages were at their highest level when capital accumulation was progressing at the quickest pace by no means escaped him.[61] But, once again, he tried to go beyond such evident facts to study the *fundamental modifications in value terms* which capital accumulation would exercise upon labour.

It thus became his contention that the very way in which capital accumulation proceeds, the very motive force of capitalist progress – the development of fixed capital, of machinery – contains a powerful dynamic to reduce the *value* of labour-power. For as this value is the equivalent of the value of a *given* quantity of consumer goods, supposed to be necessary to restore the capacity of a worker to produce at a given level of intensity, a decrease in the value of these consumer goods resulting from an increase in the productivity of labour in the consumer goods industry leads to a decrease in the value of labour-power, all other things remaining equal.

This argument implies neither any tendency to a decrease in real wages (on the contrary, it is based upon the assumption of *stable* real wages in the short and medium term), nor any trend towards 'growing absolute misery' of the working class. We shall deal with this theory falsely attributed to Marx in the next section of this introduction. But it does imply that the favourable results of the increase in productivity of labour end by falling, to a large extent, into the hands of the capitalist class, by transforming themselves into supplementary 'relative surplus-value', provided that the long-term trend of the industrial reserve army of labour is either stable or increasing.

On a world scale this has certainly been true for as long as capitalism has existed. As Marx predicted, capitalism spread not only by creating new jobs but also by creating new unemployed (by destroying employment of previous wage earners, and especially of previously self-employed small farmers and handicraftsmen). But to calculate a 'world average value of labour-power' is of course a meaningless abstraction. Indeed, ever since industrial capitalism in the West started to swamp the rest of the world with its cheap, mass-produced commodities, and at the latest since the eighteen-seventies, a *divergent* trend has appeared in the world economy: a long-term decline of the reserve army of labour in Western Europe (as a result of exports of both emigrants and commodities) and a rise in the reserve army of labour in the underdeveloped countries. (This latter process included, of course, the transformation of masses of pre-capitalist farmers, cattle-raisers and artisans into uprooted 'marginalized' vagrants, migrant seasonal labourers, and forced labourers, following a pattern similar to what had happened a few centuries earlier in Western Europe.)

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[61] Karl Marx, 'Wages, Price and Profit', in *Selected Works* in one volume, London, 1970, pp. 220–21.

The dynamics of 'capital accumulation on a world scale' have therefore to be seen as those of an organic whole, and not as the simple sum of capital accumulation processes in distinct countries. The operation of the world market as a gigantic syphon to transfer value from the south to the north of our planet (from the countries with lower to the countries with higher productivity of labour) lies at the very root of the imperialist system. While the debate on the theoretical explanation of this phenomenon is still in its initial stages,[62] it is important to note that the phenomenon itself is based upon uneven movements (uneven mobility) of capital and labour, and introduces all those dimensions into the analysis of capitalism which Marx reserved for the never-written Volumes 4, 5 and 6 in the original plan of *Capital.*

The accumulation of capital is the accumulation of wealth in the form of commodities, of value. Value production becomes a goal in itself. Work is degraded to the level of a means by which to receive money incomes. One of the most striking and most 'modern' parts of *Capital* is that which examines the inhuman consequences of capital accumulation for the workers and for work itself. Marx himself added to the second German edition of Volume 1 the note that, under capitalism, labour-power not only becomes a commodity for the capitalist but also receives this form *for the worker himself*, implying that this degradation of work is both objectively and subjectively the fate of the industrial proletariat. It took 'official' political economy a long time, indeed until after the growing revolt of the workers against assembly line speed-ups, to discover what Marx had anticipated from a thorough understanding of the fundamental mechanisms which govern the capitalist mode of production.

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[62] See, among other writings: Samir Amin, *L'Accumulation à l'échelle mondiale*, Paris, 1970; Arghiri Emmanuel, *Unequal Exchange* (including a discussion with Charles Bettelheim), London, 1972; Christian Palloix, *L'Économie mondiale capitaliste*, Paris, 1971; and the discussion of these books by Ernest Mandel in *Late Capitalism*, London, 1975. Interestingly enough, W. Arthur Lewis, in his 'Development with Unlimited Supplies of Labour' (Manchester School of Economic and Social Studies, Vol. XXII, May 1954), tries to show that stepped-up capital accumulation implies a large industrial reserve army; but he limits this case exclusively to initial industrialization and does not admit Marx's assumption of permanent reconstitution of this reserve army through the mechanization process.

Because capital accumulation presupposes production for profit, because it has profit maximization as its very *rationale*, exact and minute cost calculations entail constant reorganizations of the production process with the single purpose of reducing costs. From the point of view of the single capitalist firm, a worker cannot be seen as a human being endowed with elementary rights, dignity, and needs to develop his personality. He is a 'cost element' and this 'cost' must be constantly and exclusively measured in money terms, in order to be reduced to the utmost. Even when 'human relations' and 'psychological considerations' are introduced into labour organization, they are all centred in the last analysis upon 'economies of cost' (of those 'overhead costs' called excessive labour turnover, too many work interruptions, absenteeism, strikes, etc.).[63]

Capitalist economy is thus a gigantic enterprise of dehumanization, of transformation of human beings from goals in themselves into instruments and means for money-making and capital accumulation. It is not the machine, nor any technological compulsion, which inevitably transforms workers and men and women in general into appendices and slaves of monstrous equipment. It is the capitalist principle of profit maximization by individual firms which unleashes this terrifying trend. Other types of technology and other types of machine are perfectly conceivable – provided that the guiding principle of investment is no longer 'cost-saving' by individual competing firms, but the optimum development of all human beings.

[63] The most extreme case is that of 'globalization of costs' in cost-benefit analysis, in which human illness and death are likewise computed in the form of money costs.

9. MARX'S THEORY OF WAGES

Strangely enough, the idea of an ever-increasing decline in the standard of living of the working class, which has often been falsely attributed to Marx, originated with those economists against whom he maintained a constant barrage of polemics after perfecting his own economic theories. It originated with Malthus and, via Ricardo, reached several socialists of Marx's generation, such as Ferdinand Lassalle. Whether under the guise of a 'stable wage fund' or under the guise of an 'iron law of wages', it is essentially a *population growth theory of wages*. Whenever wages rise sufficiently above the physiological minimum, labourers are supposed to have more children, who then in turn create large-scale unemployment and depress wages back to the minimum.

The logical shortcomings of this theory are glaring. It examines only what happens on the supply side of labour-power; it does not examine at all what happens on the demand side. It presupposes that the potential working population is a linear function of population increase, and that the demographic movement is in turn a linear function of real income. All the intermediate links – like the effects of increases of income not only upon the child mortality rate but also upon birth rates, not to speak of the effects of increases of income and of the organized strength of the working class on the length of the working week, the duration of training and the moment of retiring from the work process – are eliminated from the chain of reasoning, thereby leading to wrong and indeed absurd results.

If one compares Marx's own theory of wages to the opinions held by academic economists of his time, one sees at once the step forward which he accomplished. For he points out not only that labour-power, having been transformed by capitalism into a commodity, has a value which is objectively determined like the value of all other commodities, but also that the value of labour-power has a characteristic distinct from that of all other commodities – to wit that it is dependent on two elements: the *physiological* needs and the *historical-moral* needs of the working class.

This distinction is closely linked with the peculiar nature of labour-power: a commodity inseparable from and integrated with human beings, who are not only endowed with muscles and a stomach, but also with consciousness, nerves, desires, hopes and potential rebelliousness. The *physical capacity* to work can be measured by the calory inputs that have to compensate losses of energy. But the *willingness* to work at a given rhythm, a given intensity, under given conditions, with a given equipment of higher and higher value and increasing vulnerability, presupposes a level of consumption which is not simply equivalent to a sum-total of calories, but is also a function of what is commonly considered by the working class to be its 'current', 'habitual' standard of living.[64] Marx notes that these habitual standards differ greatly from country to country, and are generally higher in those countries which have an advanced, developed capitalist industry than in those which are still at pre-industrial levels, or are going through the throes of 'primitive' industrial capital accumulation.[65]

We thus reach an unexpected conclusion: according to this aspect of Marx's work, real wages would actually have to be higher in more advanced capitalist countries – and therefore also in more advanced stages of capitalism – than in less developed countries. This would also imply that they would tend to increase in time, as the level of industrialization increases. On the other hand, we have noted earlier that Marx explained fluctuation of wages during the trade cycle, that is of the price and not of the value of labour-power, as being governed essentially by the movements of the industrial reserve army. Real wages would tend to increase in times of boom and full employment and to decline in times of depression and large-scale unemployment. He indicated, however, that there was nothing automatic about this movement, and that the actual class *struggle* – including trade-union action, which he considered indispensable for this very reason – was the instrument through which workers could take advantage of more favourable conditions on the 'labour market' somewhat to increase their wages, whereas the main effect of depression was that it would weaken the resistence of the working class to wage-cuts.

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[64] Lenin makes the point that with the development of capitalist industry there is a progressive increase in the workers' needs ('On the So-Called Market Question', in *Collected Works*, Vol. 1, pp. 106–7). See also Marx: 'This much, however, can even now be mentioned in passing, namely that the relative restriction on the sphere of the workers' consumption (which is only quantitative, not qualitative, or rather, only qualitative as posited through the quantitative) gives them as consumers ... an entirely different importance as agents of production from that which they possessed e.g. in antiquity or in the Middle Ages, or now possess in Asia' (*Grundrisse*, Pelican Marx Library, p. 283). Also ibid., pp. 186–7, 409.

[65] Karl Marx, 'Wages, Price and Profit', *Selected Works* in one volume, p. 223; *Capital*, Vol. 1, Chapter 22 (see below, pp. 702–5). The most categorical statement in that respect is to be found in *Theories of Surplus-Value*, Part II, pp. 16–17: 'The more productive one country is relative to another in the world market, the higher will be its wages, as compared with the other.'

But Marx stuck to his theory of value with regard to wages. Wages are the prices of the commodity labour-power. Like all other prices, they do not fluctuate at random, but around an axis which is the value of that commodity. The movements of wages that are influenced by the ups and downs of the trade cycle explain only short-term fluctuations: these have to be integrated within a wider analysis, explaining the long-term fluctuations of wages in function of the *changes in the value of labour-power.*

We can thus formulate Marx's theory of wages as an *accumulation of capital wage theory,* in opposition to the crude demographic wage theory of the Malthus–Ricardo–Lassalle school. Long-term movements of wages are a function of the accumulation of capital in a fivefold sense:

- Accumulation of capital implies a decline in value of a given basket of consumer goods included in the given standard of living of the working class (with the given reproduction costs of labour-power). In this sense, the development of capitalism tends to *depress the value* of labour-power, all other things remaining equal. Let us repeat: such a decline in the value of labour-power does not imply a decline, but only a stability, of real wages.
- Accumulation of capital implies a decline in the value and an expansion of the output (mass production) of consumer goods previously not included in the reproduction costs of labour-power. If objective and subjective conditions are favourable, the working class *can force* the inclusion of these goods into the accepted minimum standard of living, can expand the 'moral-historical' component of the value of labour-power, thereby *increasing its value.* This again does not happen automatically, but essentially as a result of the class struggle.
- Accumulation of capital will favour the increase in value of labour-power if the *long-term structural supply* of labour-power does not strongly exceed demand, or is even below demand. This explains why wages in the U.S.A. were from the beginning significantly higher than in Europe, why wages started rising significantly in the latter part of the nineteenth century in Europe as a result of massive overseas emigration of the reserve army of labour, and why persistent massive unemployment and underemployment in

the underdeveloped countries has implied a tendentially declining value of labour-power (often even accompanied by declining real wages) in the last two decades.
– Accumulation of capital forms the upper *barrier* which no increase in the value or the price of labour-power can break under capitalism. If and when the increase in the value of labour-power implies a strong decline in surplus-value, accumulation of capital slows down, large-scale unemployment reappears, and wages are 'readjusted' to a level compatible with capital accumulation. In other words, under capitalism, wages *can* fall to the point where the 'historical-moral' ingredient of the value of labour-power completely disappears, where they are actually reduced to the bare physiological minimum. They *cannot* rise to the point where the 'historical-moral' ingredient of the value of labour-power wipes out surplus-value as the source of capital accumulation.
– Accumulation of capital implies increased exploitation of the workers, including an increased *attrition of labour-power*, especially through intensification of the production process. But this in turn implies the *need for higher consumption* just to reproduce labour-power even physiologically. So one can say that, in this sense, capitalism increases the value of labour-power by making its exploitation more intensive.[66] One can especially find negative confirmation of this effect of the accumulation of capital on the value of labour-power. Once wages decline below a certain level (especially under the effects of wars or reactionary dictatorships), the productive effort of the workers will decline and labour-power will not be reconstituted to its full productive capacity, as a result of too low a level of wages.

How, then, has it been possible for so many writers, for so long, to have attributed to Marx a 'theory of absolute impoverishment

[66] We have noted that the *value* of labour-power is an objective category. This implies, among other phenomena, that an important increase in the intensity of the labour process leads to an increase in the value of labour-power, all other things remaining equal. A higher expenditure of labour-power implies the need for higher consumption, for example, food of higher calory content, to avoid an erosion of the capacity to work. Rosdolsky (op. cit., Vol. 1, p. 331) in this respect draws attention to a distinction made by Otto Bauer between 'physiological needs' born from the simple life process of the worker, and those needs born from the work process, the second expanding progressively compared with the first in step precisely with the growing intensification of work under capitalism.

of the workers under capitalism' which obviously implied a theory of tendential fall in the value not only of labour-power but even of real wages?[67] In the first place because Marx, in his youthful writings, did in fact hold such a theory – for example, in the Communist Manifesto.[68] But this was formulated before he had brought his theoretical understanding of the capitalist mode of production to its final, mature conclusion. It is only in the years 1857–8 that we have the birth of Marx's economic theory in its rounded, consistent form. After he had written *A Contribution to the Critique of Political Economy* and the *Grundrisse*, there was no longer a trace of any such historical trend towards absolute impoverishment in his economic analysis.

In the second place, because so many writers confuse Marx's treatment of the *value* of labour-power (which depends upon the *value* of the consumer goods the worker buys with his wages) with the category of real wages (determined by the *mass* of consumer goods his wages buy). Under capitalism, given the constant increase in the productivity of labour, these categories can move in opposite directions.[69]

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[67] See, among others: Pareto, op. cit., p. 63; Ludwig von Mises, *Le Socialisme*, Paris, 1938, p. 438; Schumpeter, *Capitalism, Socialism and Democracy*, pp. 34–8; Karl Popper, *The Open Society*, Vol. 2, pp. 155–8; W. Arthur Lewis, *Theory of Economic Growth*, London, 1955, p. 298; Eric Roll, *A History of Economic Thought* (2nd edition), London, 1954, pp. 284, 293, etc. Two authors who, though they have studied Marx closely and call themselves Marxists, nevertheless repeat the same mistaken view are John Strachey in *Contemporary Capitalism*, London, 1956, pp. 101–8 and Fritz Sternberg in *Der Imperialismus*, Berlin, 1962, pp. 57–60. More objective are Paul M. Sweezy's account in *The Theory of Capitalist Development*, Oxford, 1943, pp. 87–92, and J. Steindl's in *Maturity and Stagnation in the American Economy*, Chapter 14, Oxford, 1952.

[68] 'Manifesto of the Communist Party', *The Revolutions of 1848*, Pelican Marx Library, 1973, pp. 74–5, 78.

[69] *Capital*, Vol. 1, Chapter 17 (see below, p. 659), contains the key formula in that respect: 'In this way it is possible, given increasing productivity of labour, for the *price* of labour-power to fall constantly and for this fall to be accompanied by a constant growth in the *mass* of the worker's means of subsistence' (our stress). In the same way, in a famous passage at the end of 'Wages, Price and Profit', Marx says that: '... consequently the general tendency of capitalistic production is not to raise but to sink the average standard of wages, or to push the *value of labour* to its minimum limit' (*Selected Works* in one volume, p. 225) and he adds that efforts to *increase wages* 99 times out of 100 only tend to maintain the value of labour-power. This whole argument applies to the trend of the *value* of labour-power, not to that of real wages.

In the third place, because two famous passages in *Capital* Volume 1 have been consistently misinterpreted.[70] In both these passages Marx does speak about 'increasing misery' and pauperism, and about 'accumulation of misery'. But the context indicates clearly that what he is referring to is the poverty and misery of the 'surplus population', of the 'Lazarus layer of the working class', that is, of the *unemployed or semi-employed poor*. Revealing studies on poverty in rich countries like the United States and Great Britain[71] have strikingly confirmed that the misery of these old-age pensioners, unemployed, sick, homeless, degraded or irregularly working lower layers of the proletariat *is* indeed a permanent feature of capitalism, including the capitalism of the 'welfare state'. The truth is simply that in passages such as these Marx uses formulations that are ambiguous and so lend weight to confusion on the question.

Does this mean that Marx did not formulate any theory of impoverishment of the working class, or that he made optimistic predictions about the general trend of working-class conditions under capitalism? This would of course be a complete paradox, in the light of what he wrote in Chapter 25 of *Capital* Volume 1. The point to be made is simply that this chapter – like all of Marx's mature writings on this subject – *is not concerned with movements of real wages at all*, any more than the chapters on value are about movements of market prices of commodities other than the commodity labour-power. This is clearly indicated in the very passage in question by Marx's statement that as capital accumulates the situation of workers becomes worse *irrespective of whether their wages are high or low*.[72]

What we in fact have here is a theory of a tendency towards *relative impoverishment* of the working class under capitalism in a double sense. Firstly, in the sense that productive workers tend to get a smaller part of the new value they produce: in other words there is a trend towards an increase in the rate of surplus-value. Secondly, in the sense that *even when wages rise* the needs of the workers as human beings are denied. This applies even to their additional consumer needs that grow out of the very increase in the productivity of labour which results from the accumulation of capital. One has only to think of the unfulfilled needs of workers in the fields of education, health, skill acquisition and differentiation, leisure, culture, housing, even in the richest capitalist countries of today, to see how this assumption remains accurate in spite of the so-called 'consumer society'. But it applies much more to the needs of the worker as a producer and a citizen – his need to develop a full personality, to become a rich and creative human being, etc.; these needs are brutally crushed by the tyranny of meaningless, mechanical, parcellized work, alienation of productive capacities and alienation of real human wealth.

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[70] See below, Chapter 25, Section 4, pp. 797–8, 799.

[71] See, for example, Michael Harrington's already classic *The Other America*, Harmondsworth, 1963, and the equivalent British study by Brian Abel Smith and Peter Townsend, *The Poor and the Poorest*, London, 1963, which estimates that 14 per cent of the British population (7 million people!) were living in, or on the margin of, poverty twenty years after the establishment of the welfare state! To have revealed that such poverty is rooted in the *system* of wage-labour, and that no permanent elimination of it (i.e. a guaranteed standard of living for all human beings, irrespective of how much they work or indeed whether they work at all) is possible without upsetting the economic compulsion to sell the proletarian's labour-power, is one of Marx's most epoch-making discoveries and fundamental to his economic theory.

[72] See below, p. 799.

In addition to this law of *general relative* impoverishment of workers under capitalism, Marx also notes a trend towards *periodic absolute* impoverishment, essentially in function of the movement of unemployment. This is closely linked to the inevitability of cyclical fluctuations under capitalism, that is the inevitability of periodic crises of overproduction, or 'recessions' as they are called today with less provocative connotations.

There is also another aspect of Marx's theory of wages over which, for almost a century, controversy has raged. This is the question of the different values of 'skilled labour-power' and 'unskilled labour-power' (whether related or not to the question of whether Marx gives a satisfactory explanation of the fact that, according to his labour theory of value, skilled labour produces more value in an hour of work than unskilled labour). Starting with Böhm-Bawerk, some critics have claimed to discover here one of the basic inconsistencies in Marx's economic theory.[73] For if the greater productivity, in value terms, of skilled as opposed to unskilled workers is a function of the higher wages of the former, are we not back at Adam Smith's famous circular argument, in which the 'price of labour' determines the 'natural price' of goods but is in turn determined by the 'natural price' of one category of goods, so-called wage goods, that is food?

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[73] For example. Böhm-Bawerk, op. cit., pp. 80–85; Pareto, op. cit., pp. 52–3; Schumpeter, *Capitalism, Socialism and Democracy*, p. 24, etc. An interesting discussion of this problem was recently provided by Bob Rowthorn, 'Skilled Labour in the Marxist System', in *Bulletin of the Conference of Socialist Economists*, Spring 1974.

But in fact Marx avoided such circular reasoning, contrary to what his critics mistakenly assume. He never explained the higher value content of an hour of skilled labour as compared to an hour of unskilled labour by the higher wages which skilled labour receives. This higher content is explained strictly in terms of the labour theory of value, by the additional labour costs necessary for producing the skill, in which are also included the total costs of schooling spent on those who do not successfully conclude their studies.[74] The higher value produced by an hour of skilled labour, as compared to an hour of unskilled labour, results from the fact that skilled labour participates in the 'total labour-power' (*Gesamtarbeitsvermögen*) of society (or of a given branch of industry) not only with its own labour-power but also with a fraction of the labour-power necessary to produce its skill. In other words, each hour of skilled labour can be considered as an hour of unskilled labour multiplied by a coefficient dependent on this cost of schooling.[75] Marx speaks in this context of 'composite labour' as against 'simple labour'. The skill, by analogy, can be compared to an additional tool, which is in itself not value-producing, but which transfers part of its own value into the value of the product produced by the skilled worker.

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[74] This solution was first formulated by Hilferding in his answer to Böhm-Bawerk (op. cit., pp. 136–46), then worked out more explicitly by Hans Deutsch (*Qualifizierte Arbeit und Kapitalismus*, Vienna, 1904) and Otto Bauer ('Qualifizierte Arbeit und Kapitalismus', in *Die Neue Zeit*, 1905–6, No. 20). Deutsch differs from Hilferding in that according to Hilferding only the cost of production of skill (the work of the teacher, etc.) adds to the value of skilled labour-power, whereas for Deutsch the time spent by the apprentice (or student) himself while learning has to be added to those costs. Bauer supports Deutsch's thesis that the 'labour' of the apprentice (student) creates supplementary value and enters the process of value production of the skilled worker, but contrary to Deutsch (and together with Hilferding) he contends that this value increases the surplus-value produced by the skilled worker, not the value of his own labour-power. See on this controversy also Rubin, op. cit., pp. 159–71, and Rosdolsky, op. cit., Vol. 2, pp. 597–614.

[75] Rubin, op. cit., pp. 165–6.

10. MARX'S THEORY OF MONEY

Marx's attempt to formulate his own theory of money originates in a significant flaw in Ricardo's economic system.[76] While Ricardo adheres to a strict labour theory of value concerning commodities, he contends that this is true for gold only if the quantity in circulation remains in exact proportion to the mass and prices of other commodities. Increases or decreases in this money circulation would provoke an increase or decrease in commodity prices and this in turn would provoke a further decrease or increase in the value of gold. Marx tries to overcome this inconsistency by integrating his theory of money into his general explanation of value, value production and autonomous value circulation (money circulation, capital circulation), on the basis of a rigorous application of the labour theory of value.

As with the theory of value, the most important aspect of this monetary theory is the qualitative one, which has hitherto received too little attention from either the critics or the disciples of Marx. The fact that social labour, in a society based upon generalized commodity production, is fragmented into many segments of private labour executed independently of each other leads, as we have seen, to the result that its social character can only be recognized *post festum*, through the sale of the commodity and depending upon the amount of equivalent it receives in this sale. The social character of the labour embedded in the commodity, therefore, can only appear as *a thing* outside the commodity – that is, money. The fact that relations between human beings appear under capitalism (generalized commodity production) as relations between things – a phenomenon which Marx analysed at length in the fourth section on 'The Fetishism of the Commodity' of Chapter 1 of *Capital* Volume 1 (see pp. 163–77 below) – should, therefore, not be understood in the sense that people under capitalism, being in the grip of false consciousness, have the illusion of being confronted with things when in reality they are confronted with specific social relations of production. It is also an objective necessity and compulsion. Under conditions of generalized commodity production, social labour *cannot* be immediately recognized otherwise than through its exchange against money. The circulation of commodities cannot but produce its own counterpart in the circulation of the medium of exchange, money.[77] Money is the necessary materialization of abstract social labour: that is the qualitative determinant in Marxist monetary theory.

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[76] Karl Marx, *A Contribution to the Critique of Political Economy*, pp. 170–79.

It is by losing sight of this fundamental social nature of money, rooted in specific social relations of production, that so many authors, including Marxist ones,[78] have been tempted to give money, and money-creation, functions which they cannot fulfil in a society based upon private property. To assume an 'automatic' realization of the exchange-value of commodities through the creation of an 'adequate' volume of money presupposes that that value is pre-established, that all labour expended on the production of these commodities was socially necessary labour. In other words, it presupposes that there exists a permanent equilibrium of supply with effective demand and, therefore, that there is no commodity production at all but *a priori* adaptation of production to consciously registered needs. Under capitalism, including monopoly capitalism, this can never be achieved.

Money born from the process of exchange, from the circulation of commodities, can realize the value of these commodities only because it itself has value, because it itself is a commodity produced by socially necessary abstract labour. Marx's theory of money is, therefore, above all a *commodity theory of money* in which the monetary standards (precious metals) enter the process of circulation with an intrinsic value of their own. From that point of view, Marx must reject any quantity theory of money applied to money

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77. See Marx's footnote at the beginning of Chapter 3 on Money (below, p. 188): 'The question why money does not itself directly represent labour-time, so that a piece of paper may represent, for instance, *x* hours' labour, comes down simply to the question why, on the basis of commodity production, the products of labour must take the form of commodities. This is obvious, because their taking the form of commodities implies their differentiation into commodities [on the one hand] and the money commodity [on the other]. It is also asked why private labour cannot be treated as its opposite, directly social labour.'

78. For example, Hilferding's proposal (*Das Finanzkapital*, pp. 29–30) for a category called 'socially necessary value of circulation' (*gesellschaftlich notwendiger Zirkulationswert*), established by dividing the sum of *values* of all commodities by the velocity of circulation of money. Hilferding does not notice the incongruity of dividing quantities of value, i.e. socially necessary labour quanta, by the velocity of circulation media. Only prices (the *monetary* expression of value) can, of course, be so divided. Commodities cannot enter the circulation process except with (preliminary) prices. (See *A Contribution to the Critique of Political Economy*, pp. 66–8.)

based upon a gold or gold-and-silver basis. When, with a given velocity of circulation, a given amount of gold has a value higher than that of the total mass of commodities against which it exchanges itself, it can no more 'lose' value (that is, provoke an increase of prices through abundance of bullion) in the circulation process than any other commodity. What happens is simply that part of it will be withdrawn from circulation and hoarded, until such time as the need for circulation again increases.

But if such a commodity theory of money implies a straight rejection of the quantity theory, as long as money is directly based upon precious metals, it points in the opposite direction as soon as we are faced with paper bank notes which function in reality as *representatives* of, and tokens for, precious metals. In this case, quite independently of whether or not there is legal convertibility of paper into gold,[79] emission of paper money to the amount which, at a given value of gold and a given velocity of circulation of the bank notes, enables it to realize the prices of all the commodities in circulation, will leave these prices unaffected. But if this amount of paper money in circulation is doubled at its face value, all other things remaining equal, prices expressed in that currency will also double, not in contradiction with, but in application of, the labour theory of value. To simplify, if we presume that each unit of gold circulates only once a year, the equation 1,000,000 tons of steel = 1,000 kilos of gold means that the same quantity of socially necessary abstract labour (say 100,000,000 man hours) has been necessary to produce the respective quantities of steel and gold. If £1,000,000 represents 1,000 kilos of gold, then the fact that the price of 1 ton of steel is £1 is just a straight expression of the equality in value (in quantities of abstract labour) between 1 ton of steel and 1 kilo of gold. But if, through additional issuing of paper money, 1,000 kilos of gold is now represented by £2,000,000 instead of £1,000,000, then, all other things remaining equal, the price of steel will rise from £1 to £2 in strict application of the labour theory of value.

This does not mean that, with regard to paper money, Marx was the proponent of any mechanistic quantity theory. There is an evident analogy between his theory and the traditional forms of the quantity of money; but this analogy is limited by two essential factors. In the first place, for Marx, with paper money as with metallic money, it is the movement of the value of commodities, that is fluctuations of material production and of productivity of labour, which remains the *primum movens* of price fluctuations, not the ups and downs of the quantity of paper money in circulation.[80] In that respect, in *Capital* Volume 3, Marx examines the need to increase money circulation at the moment of the outbreak of the crisis, and he sharply criticizes the role which the Bank of England played, through the application of the 'currency principle', in accentuating money panics and monetary crises as accelerators of crises of overproduction when these coincided with an outflow of gold from England. In the same way, however, he denied any possibility of preventing recessions by issuing additional money.[81]

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[79] This was, for example, the case in France after its military defeat by Germany in 1870–71, when the payment of a heavy gold war indemnity to the Reich imposed a temporary suspension of convertibility of the franc without provoking any inflationary price movement in the Third Republic.

In the second place, Marx understood perfectly that the dialectical interrelationship of all the elements of a mechanistic quantity theory equation excludes the possibility of simply deriving conclusions from independent variations of a single one of these elements. He knew, for example, that the velocity of circulation of money was co-determined by the trade cycle, and could not be considered stable in a given phase when only the quantity of money was supposed to change. But an analysis of his opinions on all these subjects as well as a short comment on his whole theory of the role of money in the trade cycle and of fictitious capital has its place in the introduction to Volume 3 rather than Volume 1 of *Capital.*

With the development and generalization of commodity production, money becomes more and more transformed into money capital. It is more and more replaced by 'monetary signs' in the process of circulation, and becomes more and more transformed from a means of exchange into a means of payment, that is into the counterpart of debts, into an instrument of credit. But in examining the credit role of money Marx maintains a rigorous adherence to the labour theory of value, so that his whole economic system is thoroughly 'monistic'. Money as the general equivalent of the exchange value of all commodities and money as the means to settle debts (resulting out of the generalization of sales on credit) are both claims on a given fraction of the total labour expenditure of society in a given period. Whatever the 'nominal' value of the currency, and whatever the 'standard of measurement' of prices, it is obviously impossible to distribute more labour quantities than have been produced and stocked within the same period of time. On the other hand, given the very nature of commodity production, no general increase of money circulation (no increase of 'aggregate demand') can in the long run prevent the eventuality that a whole series of commodities produced will not meet the 'specific demand' they need to allow their proprietors to realize at least the average rate of profit. Technological changes, differences in productivity between different plants and firms, changes in real wages and in the structure of consumer expenditures, changes in the rate of profit entailing changes in the direction and structure of investment: all these complex movements which make the trade cycle and periodic recessions possible and indeed unavoidable under conditions of generalized commodity production cannot be eliminated by manipulation of currency volume or currency units. Experience since Marx's death, and especially since the 'Keynesian revolution', fully confirms the correctness of this diagnosis, although it also confirms that, under specific conditions and within specific limits, monetary policies can reduce the *amplitude* of economic fluctuations, a fact of which Marx was perfectly aware.[82]

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[80] Except in cases of galloping inflation.

[81] See Karl Marx, *Capital*, Vol. 3, p. 503. In the margin of the first edition of *Capital* Vol. 1, Marx added a note to Chapter 3, converted by Engels in subsequent editions into a footnote (see below, p. 236n.), in which he indicated the distinction between monetary crises as expressions of general crises of overproduction, and autonomous monetary crises.

Marx's short comments on the dual nature of gold, as the basis 'in the last resort' of all paper money systems and as the only possible 'world currency' acceptable for final settlement of accounts between the central banks (and bourgeois classes) of different nations, make especially interesting reading today, when the Bretton Woods monetary system has broken down because of the inconvertibility of the dollar into gold. It is interesting to note that Marx, while rejecting all theories which explain the 'value' of money by convention or state compulsion,[83] does relate this role of gold as a means of final settlement of accounts on an international scale to the specific role of the bourgeois state. Among the functions of the state is that of creating the 'general conditions for capitalist production'. A coherent and accepted currency cer-

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82. Karl Marx, *Capital*, Vol. 3, Chapter 34, especially p. 539.

83. Karl Marx, *Grundrisse*, p. 165; *A Contribution to the Critique of Political Economy*, p. 116.

tainly belongs to these 'general conditions'. Paper money with a fixed rate of exchange (*Zwangskurs*) can be imposed only *through the authority of the state* within given limits.[84] But where this authority is absent, proprietors of commodities cannot be forced to accept in exchange for their goods paper money whose rate they consider inflated. 'Paper gold' as a universal means of exchange and payment on the world market presupposes, therefore, a world government, in other words the absence of inter-imperialist competition and, therefore, in the last analysis the withering away of private property. To expect such a situation to occur under capitalism is utopian.

Marx's theory of money has been much less analysed, criticized and discussed by later Marxists than other parts of his economic theory.[85] An interesting discussion did, however, occur on the eve of the First World War between Hilferding, Kautsky and Varga, on the possibility of deducing from the *value* of commodities a 'socially necessary volume of money' – a hypothesis which is obviously mistaken since it confuses the *value* of commodities with their *price*.[86] Varga, moreover, in a series of polemics which were continued in the early twenties, persisted in maintaining that, as central banks bought gold at a fixed price, the fluctuations of the intrinsic value of gold would not influence the general level of prices, but only govern the ups and downs of the differential rent commanded by gold mines with a productivity above the level allowing the average rate of profit at the given price of gold.[87] Subsequent developments, especially in the last four or five years, have confirmed that both these attempted corrections of Marx's theory of money were unfounded and wrong.

[84] Karl Marx, *Grundrisse*, pp. 121–35; *A Contribution to the Critique of Political Economy*, pp. 116, 119–22, 149–53.

[85] A rare exception is the book by Bruno Fritsch, *Die Geld- und Kredittheorie von Karl Marx*, Frankfurt, 1968, which, although very critical, recognizes Marx's merit as the 'first real theoretician of credit'. Much weaker was an earlier book by H. Block, *Die Marxsche Geldtheorie*, Jena, 1926.

[86] Karl Kautsky, 'Geld, Papier und Ware', in *Die Neue Zeit*, 1911–12, Nos. 24, 25.

[87] Eugen Varga, 'Goldproduktion und Teuerung', in *Die Neue Zeit*, 1911–12, I, No. 7, and 1912–13, I, No. 16; Rudolf Hilferding, 'Geld und Ware', ibid., 1911–12, I, No. 22; Karl Kautsky, 'Die Wandlungen der Goldproduktion und der wechselnde Charakter der Teuerung', Erganzungschaft No. 16, *Die Neue Zeit*, 1912–13; Otto Bauer, 'Goldproduktion und Teuerung', *Die Neue Zeit*, 1912–13, II, Nos. 1 and 2. This discussion continued between Varga and E. Ludwig in 1923, in the theoretical organ of the KPD, *Die Internationale*.

II. *CAPITAL* AND THE DESTINY OF CAPITALISM

It is above all through its integration of theory and history that Marxism manifests its superiority in the economic domain over classical and neo-classical political economy. It is through its ability to foresee correctly long-term trends of capitalist development, including the main inner contradictions of the capitalist mode of production which propel this long-term development forward, that *Capital* continues to fascinate friend and foe alike. Those who, generation after generation, continue to accuse Marx of 'unscientific' *parti pris* or speculative excursions into the realms of prophecy[88] cannot escape the burden of proof. It is up to them to account for the mysterious fact that a thinker according to them so devoid of analytical tools should have been able unfailingly to work out the long-term laws of motion that have determined the development of capitalism for a century and a half.

Apart from the so-called law of increasing absolute impoverishment of the working class wrongly attributed to Marx, the aspect of the latter's theoretical conclusions concerning the capitalist mode of production which has been most consistently under attack since *Capital* Volume 1 first appeared has been the so-called 'theory of the inevitable collapse of capitalism' (*Zusammenbruchstheorie*). First strongly challenged by the Bernsteinian 'revisionists' within the socialist movement, and only weakly defended by most orthodox Marxists of the epoch,[89] the theory has been exposed to ridicule by a monotonous succession of authors in the last decades. All have asked the ritual rhetorical question: has not the capitalist mode of production shown a capacity of adaptation and self-reform far beyond anything which Marx foresaw?[90]

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[88] The most outstanding example is that of Popper, *The Open Society and its Enemies*, Vol. 2. See also, by the same author, *Conjectures and Refutations*, pp. 336–46, quoted above.

[89] For Bernstein's questioning of the breakdown theory see, for example, op. cit., pp. 113–28. For a very mild reply see Heinrich Cunow, 'Zur Zusammenbruchstheorie' in *Die Neue Zeit*, 1898–9, I, pp. 424–30. In *Das Finanzkapital* Hilferding already raised the theoretical possibility of an 'organized' capitalism without crises, through the operations of a 'general cartel' (op. cit., p. 372).

[90] See, for example, Tugan-Baranovsky, op. cit., pp. 236–9; Schumpeter, *Capitalism, Socialism and Democracy*, p. 42; Popper, *The Open Society and its Enemies*, Vol. 2, p. 155 et al.; C.A.R. Crosland, *The Future of Socialism*,

Arguments along these lines usually contain a basic flaw: they try to prove too much. They contend that capitalism has survived so many crises that nobody can seriously challenge its capacity to survive future ones. But at the same time they also contend that the present economic system in the West cannot any longer be characterized as 'capitalist'; and that through successive self-reform and adaptation, in order to overcome crises which threatened to wreck it, capitalism has transformed itself into a new social organization of the economy. This they most often characterize by the term 'mixed economy', although a host of other formulas such as 'managerial capitalism', 'organized capitalism', 'managerial society', 'technostructure rule', etc. have at times been devised to describe it.[91]

But *Capital* is not simply a powerful tool for understanding the great lines of world development since the industrial revolution. It also furnishes us with a clear and unequivocal definition of what the capitalist mode of production essentially represents. Capitalism is neither a society of 'perfect competition', nor a society of 'increasing pauperism', nor a society where 'private entrepreneurs rule the factories', nor even a society in which 'money is the one and only master'. Vague and imprecise definitions of this type, which allow evasion of the *basic* issues, lead to endless confusion about the relationship of today's economic system in the West with the economic system analysed by *Capital*.[92] *Capital* shows that the capitalist mode of production is fundamentally determined by

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London, 1956, pp. 3–5, etc. An interesting and voluminous anthology of texts related to the *Zusammenbruchstheorie* has been published in Italy by Lucio Colletti and Claudio Napoleoni, *Il futuro del capitalismo – crollo o sviluppo ?*, Bari, 1970.

[91] It is impossible to list all the important authors who have evolved this type of analysis. It is sufficient to indicate the main trends: that of James Burnham's 'Managerial Revolution'; that of the social democrats and Samuelson's 'mixed economy' (see Crosland, op. cit., pp. 29–35); that of Robin Morris's 'Managerial Capitalism'; and that of Galbraith's 'technostructure' (*The New Industrial State*) which follows, perhaps unknowingly, the analysis of the German Social Democrat Richard Loewenthal (writing under the pen-name Paul Sering), in *Jenseits des Kapitalismus*, Nuremberg, 1946.

[92] Here a characteristic statement by Popper: 'How utterly absurd it is to identify the economic system of the modern democracies with the system Marx called "capitalism" can be seen at a glance, by comparing it with his ten-point programme for the communist revolution' (in the Communist Manifesto of 1848) (*The Open Society and its Enemies*, Vol. 2, p. 129).

three conditions and three only: (1) the fact that the mass of producers are not owners of the means of production in the economic sense of the word, but have to sell their labour-power to the owners; (2) the fact that these owners are organized into separate firms which compete with each other for shares of the market on which commodities are sold, for profitable fields of investment for capital, for sources of raw materials, etc. (that is, the institution of private property in the economic sense of the word); (3) the fact that these same owners of the means of production (different firms) are, therefore, compelled to extort the maximum surplus-value from the producers, in order to accumulate more and more capital – which leads, under conditions of generalized commodity production and generalized alienation, to constantly growing mechanization of labour, concentration and centralization of capital, growing organic composition of capital, the tendency for the rate of profit to fall, and periodically recurrent crises of over-production.

If these are the criteria, there can be no question that Western society is still capitalist; that wage-labour and capital are still the two antagonistic classes of society; that accumulation of capital is more than ever the basic motive force of that society; and that the extortion and realization of private profit governs the basic drive of separate firms.

Such aspects of contemporary Western society as the fact that some of these firms are nationalized; that there is growing state intervention in the economy; that competition has become 'imperfect' (that it is no longer essentially fought by cutting prices, but rather by reducing production costs and increasing distribution and sales); that workers have strong trade unions (except when, under conditions of violent social crisis, bourgeois democratic freedoms are abolished) and that their standard of living has risen far more than Marx expected it to rise – all this in no way abolishes or reduces the relevance of the basic structural features of capitalism, as defined by *Capital*, from which all the basic laws of motion of the system flow. These basic laws of motion thus continue to remain valid.

Without courting paradox one could even contend that, from a structural point of view, the 'concrete' capitalism of the final quarter of the twentieth century is much closer to the 'abstract' model of *Capital* than was the 'concrete' capitalism of 1867, when Marx finished correcting the proofs of Volume 1. Firstly, because the intermediate class of small independent producers, proprietors of their own means of production, which was still a significant social layer a century ago, has today nearly been eroded out of existence; dependent wage and salary earners, compelled to sell their labour-power, now amount to over 80 per cent of the economically active population in most Western countries and in several to over 90 per cent. Secondly, because concentration and centralization of capital has led to a situation where not only do a couple of hundred giant corporations dominate the economy of each imperialist country, but a few hundred multi-national corporations also concentrate in their hands one third of all the wealth of the capitalist *world* economy. Thirdly, because the productivity and the objective socialization of labour have increased to such an extent that production of value for private enrichment has become absurd beyond anything Marx could have foreseen a century ago and the world cries out so compellingly for a planned husbanding of resources to satisfy needs on the basis of consciously and democratically chosen priorities that even opponents of socialism cannot fail to understand the message.[93]

Why then, one might ask, have the expropriators not yet become the expropriated, and why does capitalism still survive in the highly industrialized countries? The answer to that question would involve a detailed critical review of twentieth-century political and social history. But the whole point is, of course, that Marx never predicted any sudden and automatic collapse of the capitalist system in one 'final' crisis, due to a single economic 'cause'. In the famous Chapter 32 of *Capital* Volume 1, 'The Historical Tendency of Capitalist Accumulation', Marx describes economic tendencies provoking a reaction from social forces. The growth of the proletariat, of its exploitation, and of organized revolt against that exploitation, are the main levers for the overthrow of capitalism. Centralization of the means of production and objective socialization of labour create the economic preconditions for a society based upon collective property and free co-operation by associated producers. But they do not automatically produce such a society on some universal day of victory. They have to be consciously utilized, at privileged moments of *social* crisis, to bring about the revolutionary overthrow of the system.

Marx was as far removed from any fatalistic belief in the automatic effects of economic determinism as any social thinker could be. He repeated over and over again that men made and had to make their own history, only not in an arbitrary way and independently from the material conditions in which they found themselves.[94] Any theory of the collapse of capitalism, therefore, can only present itself as Marxist if it is a theory of conscious overthrow of capitalism, that is, a theory of socialist revolution.[95] Chapter 32, at the end of *Capital* Volume 1, only indicates in very general terms how and why objective inner contradictions of the capitalist mode of production make this overthrow both possible and necessary. The rest has to result, in Marx's words, from the growth of 'the revolt of the working class, a class constantly increasing in numbers, and trained, united and organized by the very mechanism of the capitalist process of production'.

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[93] See, for example, the reaction of scholars like Barry Commoner (*The Closing Cycle*, London, 1972) to the ecological crisis.

In other words, between the growing economic contradictions of the capitalist mode of production on the one hand, and the collapse of capitalism on the other hand, there is a necessary mediation: the development of the class consciousness, organized strength and capacity for revolutionary action of the working class (including revolutionary leadership). *That* chapter of Marxist theory is not incorporated into *Capital*. Perhaps Marx intended to discuss it in the book on the State which he wanted to write but never came even to draft. At all events, he left no systematic exposition of his thought in this respect, although many ideas on the subject are to be found scattered throughout his articles and letters. It was up to his most gifted followers, foremost among them Lenin, Trotsky and Rosa Luxemburg, to deal systematically with what one might call 'the Marxist theory of the subjective factor'.

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[94] See, for instance, the end of Marx's remarkable letter to Friedrich Bolte of 23 November 1871 (*Selected Correspondence*, pp. 269–71) in which he explains the necessity for previous organization of the working class in order for it to be able to challenge the bourgeoisie for political power, and the fact that without such systematic education through propaganda, agitation and action, the working class remains a captive of bourgeois politics.

[95] Rosa Luxemburg admirably synthesized the contradictory trends as early as 1899: 'The production relations of capitalist society approach more and more the production relations of socialist society. But on the other hand, its political and juridical relations [and, one might add, their ideological reflections in the minds of men as well] establish between capitalist society and socialist society a steadily rising wall. This wall is not overthrown but on the contrary strengthened and consolidated by the development of social reforms and the course of [bourgeois parliamentary] democracy' ('Reform or Revolution', in Mary Alice Waters (ed.), *Rosa Luxemburg Speaks*, New York, 1970, p. 57).

The survival of capitalism to this day in the most industrialized countries has certainly given it a life-span far beyond what Marx expected. But this is not because the system has developed in essentially other directions than those predicted by *Capital*. Nor is it because it has been able to avoid a periodic repetition of explosive social crises. On the contrary, since the Russian revolution of 1905, and certainly since the outbreak of the First World War, such crises have become recurrent features of contemporary history.

In the course of such crises, capitalism has indeed been overthrown in many countries, Russia and China being the most important. But contrary to what Marx expected, this overthrow occurred not so much where the proletariat was most strongly developed numerically and economically, as a result of the greatest possible extension of capitalist industry, that is, in those countries which also have a powerful bourgeois class. It occurred rather in those countries where the bourgeoisie was weakest and where, therefore, the political relationship of forces was favourable for a young proletariat capable of gaining the support of a strongly rebellious peasantry. This historical detour can be understood only if one integrates into the analysis two key factors: on the one hand, the development of imperialism and its effect on the large part of the human race which lives in socially and economically underdeveloped societies (the law of uneven and combined development); on the other hand, the interrelationship between the lack of revolutionary experience on the part of the Western working class during the long period of 'organic growth' of imperialism (1890–1914) and the growing reformism and integration of social democracy into bourgeois society and the bourgeois state which were responsible for the failure of the first large-scale revolutionary crises in the West, in 1918–23 (above all in Germany and Italy). As a result of this failure, the victorious Russian revolution itself became isolated, and the international working-class movement went through the dark interlude of Stalinism, from which it only slowly began to emerge in the nineteen-fifties. This brings us back to what I have called the Marxist theory of the subjective factor – and incidentally explains why, after the rich flowering of Marxist economic theory in the period 1895–1930, a quarter of a century of almost total stagnation occurred in that field too.

The debate around the *Zusammenbruchstheorie* has suffered from a confusion between two different questions: the question whether the replacement of capitalism by socialism is inevitable (an inevitable result of the inner economic contradictions of the capitalist mode of production); and the question whether, in the absence of a socialist revolution, capitalism would live on for ever. A negative answer to the first question in no way implies a positive one to the second. Indeed, classical Marxists, following the young Marx, formulated their prognosis in the form of a dilemma: socialism or barbarism.

The social catastrophes which mankind has witnessed since Auschwitz and Hiroshima indicate that there was nothing 'romantic' in such a prognosis, but that it expressed a clear insight into the terrifying destructive potential of exchange-value production, capital accumulation, and the struggle for personal enrichment as ends in themselves. The concrete mechanics of the economic breakdown of capitalist economy may be open to conjecture. The interrelationship of the downturn of value production (decline of the total number of labour hours produced as a result of semi-automation), of the increasing difficulty of realizing surplus-value, of increasing output of waste not entering the reproduction process, of increasing depletion of national resources and, above all, of long-term decline of the rate of profit, is still far from clear.[96] But a very strong case can be made for the thesis that there are definite limits to the adaptability of capitalist relations of production, and that these limits are being progressively attained in one field after another.

It is most unlikely that capitalism will survive another half-century of the crises (military, political, social, monetary, cultural) which have occurred uninterruptedly since 1914. It is most probable, moreover, that *Capital* and what it stands for – namely a scientific analysis of bourgeois society which represents the proletariat's class consciousness at its highest level – will in the end prove to have made a decisive contribution to capitalism's replacement by a classless society of associated producers.

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[96] I shall return to this whole subject, and especially to the relationship of the breakdown controversy to the tendency for the average rate of profit to decline, in the introduction to *Capital*, Vol. 3.

ERNEST MANDEL

Translator's Preface

The original English translation of the first volume of *Capital*, by Samuel Moore and Edward Aveling, was edited by Engels. His letters show that he took the task very seriously, and, as Marx's friend and collaborator for forty years, he was certainly in a position to make the translation an authoritative presentation of Marx's thought in English.

So why is a new translation necessary? Firstly, the English language itself has changed. A translation made in the nineteenth century can hardly survive this change intact. Think only of the pejorative sense the word 'labourer' has taken on, making its replacement by 'worker' essential.

Secondly, Engels always tried to spare Marx's readers from grappling with difficult passages. In this, he was following his friend's example. In the Postface to the French edition, written in 1875, Marx explains that he has revised the French text in order to make it 'more accessible to the reader', even though the rendering presented to him by Roy was 'scrupulously exact', referring in justification to the French public's impatience with theoretical discussion. In 1975, however, after the immense effort of critical investigation into Marxism made in the last few decades, and the publication of hitherto unavailable texts, it is no longer necessary to water down *Capital* in order to spare the reader (who was, in any case, generally put off by the bulk of the book rather than its difficulty). Hence whole sentences omitted by Engels can be restored, and theoretical difficulties, instead of being swept under the carpet, can be exposed to the daylight, in so far as the English language is capable of this. This comment relates above all to German philosophical terms, used repeatedly by Marx in *Capital*, as indeed elsewhere. In translating these, I have tried not to prejudge the philosophical questions, the question of Marx's relation to Hegel and that of the relation between his philosophy and his political economy, but rather to present a text which would permit the reader to form his own view.

Thirdly, it is generally agreed that Marx was a master of literary German. A translation which overlooks this will not do justice to his vivid use of the language and the startling and strong images which abound in *Capital*. In my translation, I have always tried to bear this element in mind. How successfully, the reader must judge.

BEN FOWKES

NOTE

In compiling the editorial footnotes, indicated by asterisks etc., the translator has derived much assistance from the *Marx-Engels Werke* (*MEW*) edition of *Capital*.

Preface to the First Edition

This work, whose first volume I now submit to the public, forms the continuation of my book *Zur Kritik der Politischen Ökonomie*, published in 1859.* The long pause between the first part and the continuation is due to an illness of many years' duration, which interrupted my work again and again.

The substance of that earlier work is summarized in the first chapter† of this volume. This is done not merely for the sake of connectedness and completeness. The presentation is improved. As far as circumstances in any way permit, many points only hinted at in the earlier book are here worked out more fully, while, conversely, points worked out fully there are only touched upon in this volume. The sections on the history of the theories of value and of money are now, of course, left out altogether. However, the reader of the earlier work will find new sources relating to the history of those theories in the notes to the first chapter.

Beginnings are always difficult in all sciences. The understanding of the first chapter, especially the section that contains the analysis of commodities, will therefore present the greatest difficulty. I have popularized the passages concerning the substance of value and the magnitude of value as much as possible.‡[1] The

[1] This is the more necessary, in that even the section of Ferdinand Lassalle's work against Schulze-Delitzsch in which he professes to give 'the intellectual quintessence' of my explanations on these matters, contains important mistakes. If Ferdinand Lassalle has borrowed almost literally from my writings, and without any acknowledgement, all the general theoretical propositions in

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* English translation: *A Contribution to the Critique of Political Economy*, tr. S. W. Ryazanskaya, London, 1971.

† The first chapter in the first edition. In subsequent editions this was expanded to three chapters, as in this edition.

‡ In this edition, numbered footnotes are Marx's own. Those marked by asterisks etc. are the translator's.

value-form, whose fully developed shape is the money-form, is very simple and slight in content. Nevertheless, the human mind has sought in vain for more than 2,000 years to get to the bottom of it, while on the other hand there has been at least an approximation to a successful analysis of forms which are much richer in content and more complex. Why? Because the complete body is easier to study than its cells. Moreover, in the analysis of economic forms neither microscopes nor chemical reagents are of assistance. The power of abstraction must replace both. But for bourgeois society, the commodity-form of the product of labour, or the value-form of the commodity, is the economic cell-form. To the superficial observer, the analysis of these forms seems to turn upon minutiae. It does in fact deal with minutiae, but so similarly does microscopic anatomy.

With the exception of the section on the form of value, therefore, this volume cannot stand accused on the score of difficulty. I assume, of course, a reader who is willing to learn something new and therefore to think for himself.

The physicist either observes natural processes where they occur in their most significant form, and are least affected by disturbing influences, or, wherever possible, he makes experiments under conditions which ensure that the process will occur in its pure state. What I have to examine in this work is the capitalist mode of production, and the relations of production and forms of intercourse [*Verkehrsverhältnisse*] that correspond to it. Until now, their *locus classicus* has been England. This is the reason why England is used as the main illustration of the theoretical developments I make. If, however, the German reader pharisaically shrugs his shoulders at the condition of the English industrial and agricultural workers, or optimistically comforts himself with the thought that in Germany things are not nearly so bad, I must plainly tell him: *De te fabula narratur!**

Intrinsically, it is not a question of the higher or lower degree of

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his economic works, for example those on the historical character of capital, on the connection between the relations of production and the mode of production, etc., etc., even down to the terminology created by me, this may perhaps be due to purposes of propaganda. I am of course not speaking here of his detailed working-out and application of these propositions, which I have nothing to do with.

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*'The tale is told of you' (Horace, *Satires*, Bk I, Satire 1).

development of the social antagonisms that spring from the natural laws of capitalist production. It is a question of these laws themselves, of these tendencies winning their way through and working themselves out with iron necessity. The country that is more developed industrially only shows, to the less developed, the image of its own future.

But in any case, and apart from all this, where capitalist production has made itself fully at home amongst us,* for instance in the factories properly so called, the situation is much worse than in England, because the counterpoise of the Factory Acts is absent. In all other spheres, and just like the rest of Continental Western Europe, we suffer not only from the development of capitalist production, but also from the incompleteness of that development. Alongside the modern evils, we are oppressed by a whole series of inherited evils, arising from the passive survival of archaic and outmoded modes of production, with their accompanying train of anachronistic social and political relations. We suffer not only from the living, but from the dead. *Le mort saisit le vif !*†

The social statistics of Germany and the rest of Continental Western Europe are, in comparison with those of England, quite wretched. But they raise the veil just enough to let us catch a glimpse of the Medusa's head behind it. We should be appalled at our own circumstances if, as in England, our governments and parliaments periodically appointed commissions of inquiry into economic conditions; if these commissions were armed with the same plenary powers to get at the truth; if it were possible to find for this purpose men as competent, as free from partisanship and respect of persons as are England's factory inspectors, her medical reporters on public health, her commissioners of inquiry into the exploitation of women and children, into conditions of housing and nourishment, and so on. Perseus wore a magic cap so that the monsters he hunted down might not see him. We draw the magic cap down over our own eyes and ears so as to deny that there are any monsters.

Let us not deceive ourselves about this. Just as in the eighteenth century the American War of Independence sounded the tocsin for the European middle class, so in the nineteenth century the American Civil War did the same for the European working class. In England the process of transformation is palpably evident. When it has reached a certain point, it must react on the Continent.

* i.e. amongst the Germans. † 'The dead man clutches onto the living!'

There it will take a form more brutal or more humane, according to the degree of development of the working class itself. Apart from any higher motives, then, the most basic interests of the present ruling classes dictate to them that they clear out of the way all the legally removable obstacles to the development of the working class. For this reason, among others, I have devoted a great deal of space in this volume to the history, the details, and the results of the English factory legislation. One nation can and should learn from others. Even when a society has begun to track down the natural laws of its movement – and it is the ultimate aim of this work to reveal the economic law of motion of modern society – it can neither leap over the natural phases of its development nor remove them by decree. But it can shorten and lessen the birth-pangs.

To prevent possible misunderstandings, let me say this. I do not by any means depict the capitalist and the landowner in rosy colours. But individuals are dealt with here only in so far as they are the personifications of economic categories, the bearers [*Träger*] of particular class-relations and interests. My standpoint, from which the development of the economic formation of society is viewed as a process of natural history, can less than any other make the individual responsible for relations whose creature he remains, socially speaking, however much he may subjectively raise himself above them.

In the domain of political economy, free scientific inquiry does not merely meet the same enemies as in all other domains. The peculiar nature of the material it deals with summons into the fray on the opposing side the most violent, sordid and malignant passions of the human breast, the Furies of private interest. The Established Church, for instance, will more readily pardon an attack on thirty-eight of its thirty-nine articles than on one thirty-ninth of its income. Nowadays atheism itself is a *culpa levis*,* as compared with the criticism of existing property relations. Nevertheless, even here there is an unmistakable advance. I refer, as an example, to the Blue Book published within the last few weeks: 'Correspondence with Her Majesty's Missions Abroad, Regarding Industrial Questions and Trades' Unions'. There the representatives of the English Crown in foreign countries declare in plain language that in Germany, in France, in short in all the civilized states of the European Continent, a radical change in the existing relations between capital and labour is as evident and inevitable as in England. At the same time, on the other side of the Atlantic Ocean, Mr Wade, Vice-President of the United States, has declared in public meetings that, after the abolition of slavery, a radical transformation in the existing relations of capital and landed property is on the agenda. These are signs of the times, not to be hidden by purple mantles or black cassocks. They do not signify that tomorrow a miracle will occur. They do show that, within the ruling classes themselves, the foreboding is emerging that the present society is no solid crystal, but an organism capable of change, and constantly engaged in a process of change.

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* 'Venial sin'.

The second volume of this work will deal with the process of the circulation of capital (Book II) and the various forms of the process of capital in its totality (Book III), while the third and last volume (Book IV) will deal with the history of the theory.*

I welcome every opinion based on scientific criticism. As to the prejudices of so-called public opinion, to which I have never made concessions, now, as ever, my maxim is that of the great Florentine:

'*Segui il tuo corso, e lascia dir le genti.*'†

Karl Marx

London, 25 July 1867

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*Books II and III were issued by Engels after Marx's death as separate volumes, and are referred to below as Volumes 2 and 3, as they are generally known. This would have made Book IV Volume 4, but the manuscript for this was eventually published by Kautsky as *Theories of Surplus-Value.*

†'Go on your way, and let the people talk.' Marx altered Dante's words to make them fit in here. The original is '*Vien retro a me, e lascia dir le genti*' ('Follow me, and let the people talk'), in *Divina Commedia, Purgatorio,* Canto V, line 13.

Postface to the Second Edition

I must start by informing the readers of the first edition about the alterations made in the second edition. The clearer arrangement of the book will be immediately apparent. Additional notes are everywhere marked as notes to the second edition. The following are the most important points with regard to the text itself:

In Chapter 1, Section 1, the derivation of value by analysis of the equations in which every exchange-value is expressed has been carried out with greater scientific strictness; similarly, the connection between the substance of value and the determination of the magnitude of value by the labour-time socially necessary, which was only alluded to in the first edition, is now expressly emphasized. Chapter 1, Section 3 (on the form of value), has been completely revised, a task which was made necessary by the twofold presentation of it in the first edition, if by nothing else. Let me remark in passing that this twofold presentation was occasioned by my friend Dr L. Kugelmann, in Hanover. I was visiting him in the spring of 1867 when the first proof-sheets arrived from Hamburg, and he convinced me that most readers needed a supplementary, more didactic exposition of the form of value. The last section of the first chapter, 'The Fetishism of Commodities, etc.', has been altered considerably. Chapter 3, Section 1 (on the measure of values), has been carefully revised, because in the first edition this section was treated carelessly, the reader having been referred to the explanation already given in *Zur Kritik der Politischen Ökonomie*, Berlin, 1859. Chapter 7, particularly Section 2, has been re-worked to a great extent.

It would be pointless to go into all the partial textual changes, which are often purely stylistic. They occur throughout the book. Nevertheless, I find now, on revising the French translation which is appearing in Paris, that several parts of the German original stand in need of a rather thorough re-working, while other parts require rather heavy stylistic editing, and still others require the painstaking elimination of occasional slips. But there was no time for that. For I was informed only in the autumn of 1871, when in the midst of other urgent work, that the book was sold out and the printing of the second edition was to begin in January 1872.

The appreciation which *Das Kapital* rapidly gained in wide circles of the German working class is the best reward for my labours. A man who in economic matters represents the bourgeois standpoint, the Viennese manufacturer Herr Mayer, in a pamphlet published during the Franco-German War,* aptly expounded the idea that the great capacity for theory, which used to be considered a hereditary German attribute, had almost completely disappeared amongst the so-called educated classes in Germany, but that amongst the working class, on the contrary, it was enjoying a revival.

Political economy remains a foreign science in Germany, up to this very moment. In his *Geschichtliche Darstellung des Handels, der Gewerbe, usw.*,† especially in the first two volumes, published in 1830, Gustav von Gülich has already examined, for the most part, the historical circumstances that prevented the development of the capitalist mode of production in Germany, and consequently the construction there of modern bourgeois society. Thus the living soil from which political economy springs was absent. It had to be imported from England and France as a ready-made article; its German professors always remained pupils. The theoretical expression of an alien reality turned in their hands into a collection of dogmas, interpreted by them in the sense of the petty-bourgeois world surrounding them, and therefore misinterpreted. The feeling of scientific impotence, a feeling which could not entirely be suppressed, and the uneasy awareness that they had to master an area in fact entirely foreign to them, was only imperfectly concealed beneath a parade of literary and historical erudition, or by an admixture of extraneous material borrowed from the so-called *kameral* sciences,‡ a medley of smatterings through whose pur-

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*Sigmund Mayer, *Die Sociale Frage in Wien*, Vienna, 1871.

† *Historical Description of Commerce, Industry, etc.*, 5 vols., Jena, 1830–45.

‡ *Kameralwissenschaft*, or Cameralism, was the German version of Mercantilism. It tended to see political economy in narrow terms as a matter of finance and administration, since it arose as a set of ideas as to how the rulers of German princely states could use their revenues to promote the state's well being. Notable Cameralists were von Hörnigkh in the seventeenth and Justi in the eighteenth century.

gatory the hopeful candidate for the German bureaucracy has to pass.

Since 1848 capitalist production has developed rapidly in Germany, and at the present time it is in the full bloom of speculation and swindling. But fate is still unpropitious to our professional economists. At the time when they were able to deal with political economy in an unprejudiced way, modern economic conditions were absent from the reality of Germany. And as soon as these conditions did come into existence, it was under circumstances that no longer permitted their impartial investigation within the bounds of the bourgeois horizon. In so far as political economy is bourgeois, i.e. in so far as it views the capitalist order as the absolute and ultimate form of social production, instead of as a historically transient stage of development, it can only remain a science while the class struggle remains latent or manifests itself only in isolated and sporadic phenomena.

Let us take England. Its classical political economy belongs to a period in which the class struggle was as yet undeveloped. Its last great representative, Ricardo, ultimately (and consciously) made the antagonism of class interests, of wages and profits, of profits and rent, the starting-point of his investigations, naïvely taking this antagonism for a social law of nature. But with this contribution the bourgeois science of economics had reached the limits beyond which it could not pass. Already in Ricardo's lifetime, and in opposition to him, it was met by criticism in the person of Sismondi.[1]

The succeeding period, from 1820 to 1830, was notable in England for the lively scientific activity which took place in the field of political economy. It was the period of both the vulgarizing and the extending of Ricardo's theory, and of the contest of that theory with the old school. Splendid tournaments were held. What was achieved at that time is little known on the European Continent, because the polemic is for the most part scattered over articles in reviews, *pièces d'occasion* and pamphlets. The unprejudiced character of this polemic – although Ricardo's theory already serves, in exceptional cases, as a weapon with which to attack the bourgeois economic system – is explained by the circumstances of the time. On the one hand, large-scale industry itself was only just emerging from its childhood, as is shown by the fact that the periodic cycle of its modern life opens for the first time with the crisis of 1825. On the other hand, the class struggle between capital and labour was forced into the background, politically by the discord between the governments and the feudal aristocracy gathered around the Holy Alliance, assembled in one camp, and the mass of the people, led by the bourgeoisie, in the other camp, and economically by the quarrel between industrial capital and aristocratic landed property. This latter quarrel was concealed in France by the antagonism between small-scale, fragmented property and big landownership, but in England it broke out openly after the passing of the Corn Laws. The literature of political economy in England at this time calls to mind the economic 'storm and stress period' which in France followed the death of Dr Quesnay,* but only as an Indian summer reminds us of spring. With the year 1830 there came the crisis which was to be decisive, once and for all.

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[1] See my work *Zur Kritik der Politischen Ökonomie*, p. 39 [English translation, p. 61].

In France and England the bourgeoisie had conquered political power. From that time on, the class struggle took on more and more explicit and threatening forms, both in practice and in theory. It sounded the knell of scientific bourgeois economics. It was thenceforth no longer a question whether this or that theorem was true, but whether it was useful to capital or harmful, expedient or inexpedient, in accordance with police regulations or contrary to them. In place of disinterested inquirers there stepped hired prize-fighters; in place of genuine scientific research, the bad conscience and evil intent of apologetics. Still, even the importunate pamphlets with which the Anti-Corn Law League, led by the manufacturers Cobden and Bright, deluged the world offer a historical interest, if no scientific one, on account of their polemic against the landed aristocracy. But since then the free-trade legislation inaugurated by Sir Robert Peel has deprived vulgar economics even of this, its last sting.

The Continental revolution of 1848 also had its reaction in

*Dr Quesnay died in 1774. His death was immediately followed by Turgot's attempt to put Physiocratic ideas into practice, while he was Louis XVI's Controller-General (1774–6). His fall in 1776 opened a period of political and economic crisis which culminated in the French Revolution. It is this which Marx has in mind, rather than the (somewhat exiguous) theoretical writings of the period after 1774.

England. Men who still claimed some scientific standing and aspired to be something more than mere sophists and sycophants of the ruling classes tried to harmonize the political economy of capital with the claims, no longer to be ignored, of the proletariat. Hence a shallow syncretism, of which John Stuart Mill is the best representative. This is a declaration of bankruptcy by 'bourgeois' economics, an event already illuminated in a masterly manner by the great Russian scholar and critic N. Chernyshevsky, in his *Outlines of Political Economy According to Mill.*

In Germany, therefore, the capitalist mode of production came to maturity after its antagonistic character had already been revealed, with much sound and fury, by the historical struggles which took place in France and England. Moreover, the German proletariat had in the meantime already attained a far clearer theoretical awareness than the German bourgeoisie. Thus, at the very moment when a bourgeois science of political economy at last seemed possible in Germany, it had in reality again become impossible.

Under these circumstances its spokesmen divided into two groups. The one set, prudent, practical business folk, flocked to the banner of Bastiat, the most superficial and therefore the most successful representative of apologetic vulgar economics; the other set, proud of the professorial dignity of their science, followed John Stuart Mill in his attempt to reconcile the irreconcilable. Just as in the classical period of bourgeois economics, so also in the period of its decline, the Germans remained mere pupils, imitators and followers, petty retailers and hawkers in the service of the great foreign wholesale concern.

The peculiar historical development of German society therefore excluded any original development of 'bourgeois' economics there, but did not exclude its critique. In so far as such a critique represents a class, it can only represent the class whose historical task is the overthrow of the capitalist mode of production and the final abolition of all classes – the proletariat.

The learned and unlearned spokesmen of the German bourgeoisie tried at first to kill *Das Kapital* with silence, a technique which had succeeded with my earlier writings. As soon as they found that these tactics no longer fitted the conditions of the time, they wrote prescriptions 'for tranquillizing the bourgeois mind', on the pretext of criticizing my book. But they found in the workers' press – see for example Joseph Dietzgen's articles in the

*Volksstaat** – champions stronger than themselves, to whom they still owe a reply even now.[2]

An excellent Russian translation of *Capital* appeared in the spring of 1872 in St Petersburg. The edition of 3,000 copies is already nearly exhausted. As early as 1871, N. Sieber, Professor of Political Economy in the University of Kiev, in his work *David Ricardo's Theory of Value and of Capital*, referred to my theory of value, money and capital as in its fundamentals a necessary sequel to the teaching of Smith and Ricardo. What astonishes a Western European when he reads this solid piece of work is the author's consistent and firm grasp of the purely theoretical position.

That the method employed in *Capital* has been little understood is shown by the various mutually contradictory conceptions that have been formed of it.

Thus the Paris *Revue Positiviste*† reproaches me for, on the one hand, treating economics metaphysically, and, on the other hand – imagine this! – confining myself merely to the critical analysis of the actual facts, instead of writing recipes (Comtist ones?) for the cook-shops of the future. Professor Sieber has already given the answer to the reproach about metaphysics: 'In so far as it deals

[2] The mealy-mouthed babblers of German vulgar economics grumbled about the style of my book. No one can feel the literary shortcomings of *Capital* more strongly than I myself. Yet I will quote in this connection one English and one Russian notice, for the benefit and enjoyment of these gentlemen and their public. The *Saturday Review*, an entirely hostile journal, said in its notice of the first edition: 'The presentation of the subject invests the driest economic questions with a certain peculiar charm.' The *St Petersburg Journal* (*Sankt-Peterburgskye Vyedomosty*), in its issue of 20 April 1872, says: 'The presentation of the subject, with the exception of one or two excessively specialized parts, is distinguished by its comprehensibility to the general reader, its clearness, and, in spite of the high scientific level of the questions discussed, by an unusual liveliness. In this respect the author in no way resembles . . . the majority of German scholars, who . . . write their books in a language so dry and obscure that the heads of ordinary mortals are cracked by it.'

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*Dietzgen's articles on *Capital* actually appeared in Nos. 31, 34, 35 and 36 of the *Demokratisches Wochenblatt* in 1868. After the founding congress of the German Social Democratic Workers' Party in 1869 the paper was made its official organ, and renamed *Der Volksstaat*.

†*La Philosophie Positive. Revue* was the journal of the followers of Auguste Comte. It appeared in Paris between 1867 and 1883, under the editorship of E. Littré.

with actual theory, the method of Marx is the deductive method of the whole English school, a school whose failings and virtues are common to the best theoretical economists.' Mr M. Block – in *Les Théoriciens du socialisme en Allemagne. Extrait du Journal des économistes, Juillet et Août 1872* – makes the discovery that my method is analytic, and says: 'With this work, M. Marx can be ranged among the most eminent analytical thinkers.' The German reviewers, of course, cry out against my 'Hegelian sophistry'. The *European Messenger* (*Vyestnik Evropy*) of St Petersburg, in an article dealing exclusively with the method of *Capital* (May 1872 issue, pp. 427–36), finds my method of inquiry severely realistic, but my method of presentation, unfortunately, German-dialectical. It says: 'At first sight, if the judgement is made on the basis of the external form of the presentation, Marx is the most idealist of philosophers, and indeed in the German, i.e. the bad sense of the word. But in point of fact he is infinitely more realistic than all his predecessors in the business of economic criticism . . . He can in no sense be called an idealist.' I cannot answer the writer of this review* in any better way than by quoting a few extracts from his own criticism, which may, apart from this, interest some of my readers for whom the Russian original is inaccessible.

After a quotation from the preface to my *Zur Kritik der Politischen Ökonomie*, Berlin, 1850, p. iv–vii,† where I have discussed the materialist basis of my method, the reviewer goes on: 'The one thing which is important for Marx is to find the law of the phenomena with whose investigation he is concerned; and it is not only the law which governs these phenomena, in so far as they have a definite form and mutual connection within a given historical period, that is important to him. Of still greater importance to him is the law of their variation, of their development, i.e. of their transition from one form into another, from one series of connections into a different one. Once he has discovered this law, he investigates in detail the effects with which it manifests itself in social life . . . Consequently, Marx only concerns himself with one thing: to show, by an exact scientific investigation, the necessity of successive determinate orders of social relations, and to establish, as impeccably as possible, the facts from which he starts out and on which he depends. For this it is quite enough, if he proves, at the same time, both the necessity of the present order of things, and the necessity of another order into which the first must inevitably pass over; and it is a matter of indifference whether men believe or do not believe it, whether they are conscious of it or not. Marx treats the social movement as a process of natural history, governed by laws not only independent of human will, consciousness and intelligence, but rather, on the contrary, determining that will, consciousness and intelligence . . . If the conscious element plays such a subordinate part in the history of civilization, it is self-evident that a critique whose object is civilization itself can, less than anything else, have for its basis any form or any result of consciousness. This means that it is not the idea but only its external manifestation which can serve as the starting-point. A critique of this kind will confine itself to the confrontation and comparison of a fact, not with ideas, but with another fact. The only things of importance for this inquiry are that the facts be investigated as accurately as possible, and that they actually form different aspects of development *vis-à-vis* each other. But most important of all is the precise analysis of the series of successions, of the sequences and links within which the different stages of development present themselves. It will be said, against this, that the general laws of economic life are one and the same, no matter whether they are applied to the present or the past. But this is exactly what Marx denies. According to him, such abstract laws do not exist . . . On the contrary, in his opinion, every historical period possesses its own laws . . . As soon as life has passed through a given period of development, and is passing over from one given stage to another, it begins to be subject also to other laws. In short, economic life offers us a phenomenon analogous to the history of evolution in other branches of biology . . . The old economists misunderstood the nature of economic laws when they likened them to the laws of physics and chemistry. A more thorough analysis of the phenomena shows that social organisms differ among themselves as fundamentally as plants or animals. Indeed, one and the same phenomenon falls under quite different laws in consequence of the different general structure of these organisms, the variations of their individual organs, and the different conditions in which those organs function. Marx denies, for example, that the law of population is the same at all times and in all places. He asserts, on the contrary, that every stage of development has its own law of population ... With the varying degrees of development of productive power, social conditions and the laws governing them vary too. While Marx sets himself the task of following and explaining the capitalist economic order from this point of view, he is only formulating, in a strictly scientific manner, the aim that every accurate investigation into economic life must have ... The scientific value of such an inquiry lies in the illumination of the special laws that regulate the origin, existence, development and death of a given social organism and its replacement by another, higher one. And in fact this is the value of Marx's book.'

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*I. I. Kaufman (1848–1916), Russian economist, Professor of Political Economy at the University of St Petersburg, and author of numerous works on money and credit.

†English translation, pp. 19–23.

Here the reviewer pictures what he takes to be my own actual method, in a striking and, as far as concerns my own application of it, generous way. But what else is he depicting but the dialectical method?

Of course the method of presentation must differ in form from that of inquiry. The latter has to appropriate the material in detail, to analyse its different forms of development and to track down their inner connection. Only after this work has been done can the real movement be appropriately presented. If this is done successfully, if the life of the subject-matter is now reflected back in the ideas, then it may appear as if we have before us an *a priori* construction.

My dialectical method is, in its foundations, not only different from the Hegelian, but exactly opposite to it. For Hegel, the process of thinking, which he even transforms into an independent subject, under the name of 'the Idea', is the creator of the real world, and the real world is only the external appearance of the idea. With me the reverse is true: the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought.

I criticized the mystificatory side of the Hegelian dialectic nearly thirty years ago, at a time when it was still the fashion. But just when I was working at the first volume of *Capital*, the ill-humoured, arrogant and mediocre epigones who now talk large in educated German circles began to take pleasure in treating Hegel in the same way as the good Moses Mendelssohn treated Spinoza in Lessing's time, namely as a 'dead dog'.* I therefore openly avowed myself the pupil of that mighty thinker, and even, here and there in the chapter on the theory of value, coquetted with the mode of expression peculiar to him. The mystification which the dialectic suffers in Hegel's hands by no means prevents him from being the first to present its general forms of motion in a comprehensive and conscious manner. With him it is standing on its head. It must be inverted, in order to discover the rational kernel within the mystical shell.

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*Moses Mendelssohn (1729–86) was a philosopher who popularized the ideas of the Enlightenment in Germany, and a friend of Lessing. Marx refers here to Mendelssohn's controversy with Jacobi over the alleged Spinozism of

In its mystified form, the dialectic became the fashion in Germany, because it seemed to transfigure and glorify what exists. In its rational form it is a scandal and an abomination to the bourgeoisie and its doctrinaire spokesmen, because it includes in its positive understanding of what exists a simultaneous recognition of its negation, its inevitable destruction; because it regards every historically developed form as being in a fluid state, in motion, and therefore grasps its transient aspect as well; and because it does not let itself be impressed by anything, being in its very essence critical and revolutionary.

The fact that the movement of capitalist society is full of contradictions impresses itself most strikingly on the practical bourgeois in the changes of the periodic cycle through which modern industry passes, the summit of which is the general crisis. That crisis is once again approaching, although as yet it is only in its preliminary stages, and by the universality of its field of action and the intensity of its impact it will drum dialectics even into the heads of the upstarts in charge of the new Holy Prussian-German Empire.

Karl Marx

London, 24 January 1873

Lessing. In the pamphlet 'Moses Mendelssohn to the Friends of Lessing' (1786), he defends the latter against this 'accusation' and the related one of atheism.

Preface to the French Edition

To citizen Maurice La Châtre

Dear Citizen,

I applaud your idea of publishing the translation of *Capital* as a serial. In this form the book will be more accessible to the working class, a consideration which to me outweighs everything else.

That is the good side of your suggestion, but here is the reverse of the medal: the method of analysis which I have employed, and which had not previously been applied to economic subjects, makes the reading of the first chapters rather arduous, and it is to be feared that the French public, always impatient to come to a conclusion, eager to know the connection between general principles and the immediate questions that have aroused their passions, may be disheartened because they will be unable to move on at once.

That is a disadvantage I am powerless to overcome, unless it be by forewarning and forearming those readers who zealously seek the truth. There is no royal road to science, and only those who do not dread the fatiguing climb of its steep paths have a chance of gaining its luminous summits.

Believe me, dear citizen,

Your devoted,
Karl Marx

London, 18 March 1872

Postface to the French Edition

To the Reader

Mr J. Roy set himself the task of producing a version that would be as exact and even literal as possible, and has scrupulously fulfilled it. But his very scrupulousness has compelled me to modify his text, with a view to rendering it more intelligible to the reader. These alterations, introduced from day to day, as the book was published in parts, were not made with equal care and were bound to result in a lack of harmony in style.

Having once undertaken this work of revision, I was led to apply it also to the basic original text (the second German edition), to simplify some arguments, to complete others, to give additional historical or statistical material, to add critical suggestions, etc. Hence, whatever the literary defects of this French edition may be, it possesses a scientific value independent of the original and should be consulted even by readers familiar with German.

Below I give the passages in the Postface to the second German edition which treat of the development of political economy in Germany and the method employed in the present work.*

Karl Marx

London, 28 April 1875

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* See above, pp. 95–103.

Preface to the Third Edition

Marx was not destined to get this, the third edition, ready for the press himself. The powerful thinker, to whose greatness even his opponents now make obeisance, died on 14 March 1883.

Upon me who, in Marx, lost the best, the truest friend I had – and had for forty years – the friend to whom I am more indebted than can be expressed in words – upon me now devolved the duty of attending to the publication of this third edition, as well as of the second volume, which Marx had left behind in manuscript. I must now account here to the reader for the way in which I discharged the first part of my duty.

It was Marx's original intention to re-write a great part of the text of the first volume, to formulate many theoretical points more exactly, to insert new ones, and to bring historical and statistical materials up to date. But his ailing condition and the urgent need to do the final editing of the second volume* induced him to give up this scheme. Only the most necessary alterations were to be made, only the insertions which the French edition (*Le Capital*, par Karl Marx, Paris, Lachâtre, 1873†) already contained were to be put in.

Among the books left by Marx there was a German copy which he himself had corrected here and there and provided with references to the French edition; also a French copy in which he had indicated the exact passages to be used. These alterations and additions are confined, with few exceptions, to Part Seven of the book, entitled 'The Process of Accumulation of Capital'. Here the previous text followed the original draft more closely than elsewhere, while the preceding sections had been gone over more thoroughly. The style was therefore more vivacious, more of a single cast, but also more careless, studded with Anglicisms and in parts unclear; there were gaps here and there in the presentation of arguments, some important particulars being merely alluded to.

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*See above, p. 93, first note.

†The French edition appeared in instalments between 1872 and 1875.

With regard to the style, Marx had himself thoroughly revised several sub-sections and had thereby indicated to me here, as well as in numerous oral suggestions, the length to which I could go in eliminating English technical terms and other Anglicisms. Marx would in any event have gone over the additions and supplementary texts and have replaced the smooth French with his own terse German; I had to be satisfied, when transferring them, with bringing them into maximum harmony with the original text.

Thus not a single word was changed in this third edition without my firm conviction that the author would have altered it himself. It would never occur to me to introduce into *Capital* the current jargon in which German economists are wont to express themselves – that gibberish in which, for instance, one who has others give him their labour for cash is called a labour-*giver* [*Arbeitgeber*] and one whose labour is taken away from him for wages is called a labour-*taker* [*Arbeitnehmer*]. In French, too, the word '*travail*' is used in every-day life in the sense of 'occupation'. But the French would rightly consider any economist crazy should he call the capitalist a *donneur de travail* (labour-giver) or the worker a *receveur de travail* (labour-taker).

Nor have I taken the liberty of converting the English coins and money, weights and measures used throughout the text into their new German equivalents. When the first edition appeared there were as many kinds of weights and measures in Germany as there are days in the year. Apart from this, there were two kinds of mark (the *Reichsmark* only existed at the time in the imagination of Soetbeer, who had invented it in the late thirties), two kinds of guilder, and at least three kinds of thaler, including one called the *neues Zweidrittel.** In the natural sciences the metric system prevailed, in the world market – English weights and measures. Under such circumstances, English units of measurement were quite natural for a book which had to take its factual proofs almost exclusively from the conditions prevailing in English industry. The last-named reason is decisive even today, especially as the corresponding conditions in the world market have hardly

* 'New two-thirds': a silver coin worth $\frac{2}{3}$ of a thaler, which circulated in a number of German principalities between the seventeenth and the nineteenth centuries.

changed and English weights and measures almost entirely predominate, particularly in the key industries, iron and cotton.

In conclusion, a few words on Marx's manner of quoting, which is so little understood. When they are pure statements of fact or descriptions, the quotations, from the English Blue Books, for example, serve of course as simple documentary proof. But this is not so when the theoretical views of other economists are cited. Here the quotation is intended merely to state where, when and by whom an economic idea conceived in the course of development was first clearly enunciated. Here the only consideration is that the economic conception in question must be of some significance to the history of the science, that it is the more or less adequate theoretical expression of the economic situation of its time. But whether this conception still possesses any absolute or relative validity from the standpoint of the author or whether it has already become wholly past history is quite immaterial. Hence these quotations are only a running commentary to the text, a commentary borrowed from the history of economic science. They establish the dates and originators of certain of the more important advances in economic theory. And that was a very necessary thing in a science whose historians have so far distinguished themselves only by the tendentious ignorance characteristic of place-hunters. It will now be understood why Marx, in consonance with the Postface to the second edition, only had occasion to quote German economists in very exceptional cases.

There is hope that the second volume will appear in the course of 1884.

Frederick Engels

London, 7 November 1883

Preface to the English Edition

The publication of an English version of *Das Kapital* needs no apology. On the contrary, an explanation might be expected why this English version has been delayed until now, seeing that for some years past the theories advocated in this book have been constantly referred to, attacked and defended, interpreted and misinterpreted, in the periodical press and the current literature of both England and America.

When, soon after the author's death in 1883, it became evident that an English edition of the work was really required, Mr Samuel Moore, for many years a friend of Marx and of the present writer, and than whom, perhaps, no one is more conversant with the book itself, consented to undertake the translation which the literary executors of Marx were anxious to lay before the public. It was understood that I should compare the MS. with the original work, and suggest such alterations as I might deem advisable. When, by and by, it was found that Mr Moore's professional occupations prevented him from finishing the translation as quickly as we all desired, we gladly accepted Dr Aveling's offer to undertake a portion of the work; at the same time Mrs Aveling, Marx's youngest daughter, offered to check the quotations and to restore the original text of the numerous passages taken from English authors and Blue Books and translated by Marx into German. This has been done throughout, with but a few unavoidable exceptions.

The following portions of the book have been translated by Dr Aveling: (1) Chapters 10 ('The Working Day') and 11 ('Rate and Mass of Surplus-Value'); (2) Part Six ('Wages', comprising Chapters 19 to 22); (3) from Chapter 24, Section 4 ('Circumstances which' etc.) to the end of the book, comprising the latter part of Chapter 24, Chapter 25, and the whole of Part Eight (Chapters 26 to 33); (4) the two author's Prefaces.* All the rest of the book has been done by Mr Moore. While, thus, each of the translators is responsible for his share of the work only, I bear a joint responsibility for the whole.

The third German edition, which has been made the basis of our work throughout, was prepared by me, in 1883, with the assistance of notes left by the author, indicating the passages of the second edition to be replaced by designated passages from the French text published in 1873.[1] The alterations thus effected in the text of the second edition generally coincided with changes prescribed by Marx in a set of MS. instructions for an English translation that was planned, about ten years ago, in America, but abandoned chiefly for want of a fit and proper translator. This MS. was placed at our disposal by our old friend Mr F. A. Sorge of Hoboken, N.J. It designates some further interpolations from the French edition; but, being so many years older than the final instructions for the third edition, I did not consider myself at liberty to make use of it otherwise than sparingly, and chiefly in cases where it helped us over difficulties. In the same way, the French text has been referred to in most of the difficult passages, as an indicator of what the author himself was prepared to sacrifice wherever something of the full import of the original had to be sacrificed in the rendering.

[1] *Le Capital, par Karl Marx. Traduction de M. J. Roy, entièrement revisée par l'auteur*, Paris, Lachâtre. This translation, especially in the latter part of the book, contains considerable alterations in and additions to the text of the second German edition.

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* For the English edition of *Capital*, Engels changed Marx's earlier division of the book into chapters and parts, making the three sections of what was Chapter 4 and the seven sections of what was Chapter 24 into separate chapters. For reasons of convenience to English readers, we have held to Engels's arrangement. We have also followed Engels in presenting the chapters on 'So-called Primitive Accumulation' as a separate Part VIII, which is certainly justifiable in view of its special subject matter. The following table shows the relation between parts and chapters in English and German editions:

	German	*English*
Chapters	1–3	1–3
	4	4–6
	5–23	7–25
	24	26–32
	25	33
Parts	One–Six	One–Six
	Seven	Seven–Eight

There is, however, one difficulty we could not spare the reader: the use of certain terms in a sense different from what they have, not only in common life, but in ordinary political economy. But this was unavoidable. Every new aspect of a science involves a revolution in the technical terms of that science. This is best shown by chemistry, where the whole of the terminology is radically changed about once in twenty years, and where you will hardly find a single organic compound that has not gone through a whole series of different names. Political economy has generally been content to take, just as they were, the terms of commercial and industrial life, and to operate with them, entirely failing to see that by so doing it confined itself within the narrow circle of ideas expressed by those terms. Thus, though perfectly aware that both profits and rent are but sub-divisions, fragments of that unpaid part of the product which the labourer has to supply to his employer (its first appropriator, though not its ultimate exclusive owner), yet even classical political economy never went beyond the received notions of profits and rents, never examined this unpaid part of the product (called by Marx surplus product) in its integrity as a whole, and therefore never arrived at a clear comprehension, either of its origin and nature, or of the laws that regulate the subsequent distribution of its value. Similarly all industry, not agricultural or handicraft, is indiscriminately comprised in the term of manufacture, and thereby the distinction is obliterated between two great and essentially different periods of economic history: the period of manufacture proper, based on the division of manual labour, and the period of modern industry based on machinery. It is, however, self-evident that a theory which views modern capitalist production as a mere passing stage in the economic history of mankind, must make use of terms different from those habitual to writers who look upon that form of production as imperishable and final.

A word respecting the author's method of quoting may not be out of place. In the majority of cases, the quotations serve, in the usual way, as documentary evidence in support of assertions made in the text. But in many instances, passages from economic writers are quoted in order to indicate when, where and by whom a certain proposition was for the first time clearly enunciated. This is done in cases where the proposition quoted is of importance as being a more or less adequate expression of the conditions of social production and exchange prevalent at the time, and quite irrespective of Marx's recognition, or otherwise, of its general validity. These quotations, therefore, supplement the text by a running commentary taken from the history of the science.

Our translation comprises the first book of the work only. But this first book is in a great measure a whole in itself, and has for twenty years ranked as an independent work. The second book, edited in German by me in 1885, is decidedly incomplete without the third, which cannot be published before the end of 1887. When Book III has been brought out in the original German, it will then be soon enough to think about preparing an English edition of both.

Capital is often called, on the Continent, 'the Bible of the working class'. That the conclusions arrived at in this work are daily more and more becoming the fundamental principles of the great working-class movement, not only in Germany and Switzerland, but in France, in Holland and Belgium, in America, and even in Italy and Spain, that everywhere the working class more and more recognizes, in these conclusions, the most adequate expression of its condition and of its aspirations, nobody acquainted with that movement will deny. And in England, too, the theories of Marx, even at this moment, exercise a powerful influence upon the socialist movement which is spreading in the ranks of 'cultured' people no less than in those of the working class. But that is not all. The time is rapidly approaching when a thorough examination of England's economic position will impose itself as an irresistible national necessity. The working of the industrial system of this country, impossible without a constant and rapid extension of production, and therefore of markets, is coming to a dead stop. Free-trade has exhausted its resources; even Manchester doubts this its *quondam* economic gospel.[2] Foreign industry, rapidly developing, stares English production in the face everywhere, not only in protected, but also in neutral markets, and even on this side of the Channel. While the productive power increases in a geometric ratio, the extension of markets proceeds at best in an arithmetic one. The decennial cycle of stagnation, prosperity, overproduction and crisis, ever recurrent from 1825 to 1867, seems indeed to have run its course; but only to land us in the slough of despond of a permanent and chronic depression. The sighed-for period of prosperity will not come; as often as we seem to perceive its heralding symptoms, so often do they again vanish into air. Meanwhile, each succeeding winter brings up afresh the great question, 'what to do with the unemployed'; but while the number of the unemployed keeps swelling from year to year, there is nobody to answer that question; and we can almost calculate the moment when the unemployed, losing patience, will take their own fate into their own hands. Surely, at such a moment, the voice ought to be heard of a man whose whole theory is the result of a life-long study of the economic history and condition of England, and whom that study led to the conclusion that, at least in Europe, England is the only country where the inevitable social revolution might be effected entirely by peaceful and legal means. He certainly never forgot to add that he hardly expected the English ruling classes to submit, without a 'pro-slavery rebellion',* to this peaceful and legal revolution.

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[2] 'At the quarterly meeting of the Manchester Chamber of Commerce, held this afternoon, a warm discussion took place on the subject of Free-trade. A resolution was moved to the effect that "having waited in vain forty years for other nations to follow the Free-trade example of England, this Chamber thinks the time has now arrived to reconsider that position". The resolution was rejected by a majority of one only, the figures being 21 for, and 22 against' (*Evening Standard*, 1 November 1886).

Frederick Engels

5 November 1886

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*This is Marx's and Engels' usual description of the American Civil War of 1861 to 1865, which was set off by the revolt of the slave-owners of the Southern states.

Preface to the Fourth Edition

The fourth edition required that I should establish in final form, as nearly as possible, both text and footnotes. The following brief explanation will show how I have fulfilled this task.

After again comparing the French edition and Marx's manuscript remarks I have made some further additions to the German text from that translation. They will be found on p. 212, pp. 624–6, pp. 730–4, pp. 777–80 and on p. 783 in note 13.* I have also followed the example of the French and English editions by putting the long footnote on the miners into the text (pp. 626–34). Other small alterations are of a purely technical nature.

Further, I have added a few more explanatory notes, especially where changed historical conditions seemed to demand this. All these additional notes are enclosed in square brackets and marked either with my initials or 'D.H.'.†

In the meantime, a complete revision of the numerous quotations had been made necessary by the publication of the English edition. For this edition Marx's youngest daughter, Eleanor, undertook to compare all the quotations with their originals, so that those taken from English sources, which constitute the vast majority, are given there not as re-translations from the German but in the original English form. In preparing the fourth edition it was therefore incumbent upon me to consult this text. The comparison revealed various small inaccuracies: page numbers wrongly indicated, owing partly to mistakes in copying from note-books, and partly to the accumulated misprints of three editions; misplaced quotation or omission marks, which cannot be avoided when a mass of quotations is copied from note-book extracts; here and there some rather unhappy translation of a word; particular passages quoted from the old Paris note-books of 1843–5, when Marx did not know English and was reading English economists in French translations, so that the double translation yielded a slightly different shade of meaning, as in the case of Steuart, Ure, etc., where the English text had now to be used – and other similar instances of trifling inaccuracy or negligence. But anyone who compares the fourth edition with the previous ones can convince himself that all this laborious process of emendation has not produced the smallest change in the book worth speaking of. There was only one quotation which could not be traced – the one from Richard Jones (p. 746, note 35). Marx probably slipped up when writing down the title of the book.* All the other quotations retain their cogency in full, or have had their cogency enhanced by being put into their present exact form.

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*The page numbers in the present edition have been inserted in place of Engels' references to the third and fourth German editions.

†*Der Herausgeber*, i.e. the editor. In this edition all of Engels' additions are integrated into the text but indicated as such.

Here, however, I am obliged to revert to an old story.

I know of only one case in which the accuracy of a quotation given by Marx has been called in question. But as the issue dragged on beyond his lifetime I cannot well ignore it here.

On 7 March 1872 there appeared in the Berlin *Concordia*, the organ of the Association of German Manufacturers, an anonymous article entitled 'How Karl Marx Quotes'. It was asserted there, with an excessive display of moral indignation and unparliamentary language, that the quotation from Gladstone's Budget Speech of 16 April 1863 (in the Inaugural Address of the International Working Men's Association, 1864,† and repeated in *Capital*, Vol. 1, pp. 805–6) had been falsified; that not a single word of the sentence: 'this intoxicating augmentation of wealth and power ... is ... entirely confined to classes of property' was to be found in the (semi-official) stenographic report in *Hansard*. 'But this sentence is nowhere to be found in Gladstone's speech. Exactly the opposite is stated there.' (In bold type): '**THIS SENTENCE, BOTH IN FORM AND SUBSTANCE, IS A LIE INSERTED BY MARX.**'

Marx, to whom this issue of *Concordia* was sent the following May, answered the anonymous author in the *Volksstaat* of 1

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*This quotation was in fact later successfully traced. Cf. below, p. 746, last note.

† See Karl Marx, *The First International and After*, Pelican Marx Library, 1974, p. 75.

June. As he could not recall which newspaper report he had used for the quotation, he limited himself to citing, first the equivalent quotation from two English publications, and then the report in *The Times*, according to which Gladstone says:

'That is the state of the case as regards the wealth of this country. I must say for one, I should look almost with apprehension and pain upon this intoxicating augmentation of wealth and power, if it were my belief that it was confined to classes who are in easy circumstances. This takes no cognizance at all of the condition of the labouring population. The augmentation I have described and which is founded, I think, upon accurate returns, is an augmentation entirely confined to classes possessed of property.'

Thus Gladstone says here that he would be sorry if this were so, but it *is* so: this intoxicating augmentation of wealth and power *is* entirely confined to classes of property. And, as for the semi-official *Hansard*, Marx goes on to say: 'In the version he manipulated afterwards, Mr Gladstone was astute enough to obliterate this passage, which, coming from an English Chancellor of the Exchequer, was certainly compromising. This, by the way, is a traditional custom in the English parliament, and not an invention got up by little Lasker against Bebel.'*

The anonymous writer gets angrier and angrier. In his rejoinder, in the *Concordia* of 4 July, he sweeps aside second-hand sources and demurely suggests that it is the 'custom' to quote parliamentary speeches from the stenographic report; adding, however, that the report in *The Times* (which includes the 'falsified' sentence) and the report in *Hansard* (which omits it) are 'substantially in complete agreement', and also that the report in *The Times* contains 'the exact opposite to that notorious passage in the *Inaugural Address*'. The fellow carefully conceals the fact that the report in *The Times* explicitly includes that self-same 'notorious passage', side by side with its alleged 'opposite'. Despite all this, however, the anonymous writer feels that he is stuck fast and that he can only save himself by some new dodge. Thus, although his article bristles, as we have just shown, with 'impudent mendacity' and is

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*In the *Reichstag* sitting of 8 November 1871 the National Liberal deputy Lasker declared in the course of a speech against the Social Democrat Bebel that if the German workers tried to follow the example of the Paris Commune 'the honest, propertied citizens would beat them to death with cudgels'. But in the stenographic report he had the words 'beat them to death with cudgels' replaced with 'hold them down with their own strength'. Bebel immediately revealed that this was a falsification.

interlarded with such edifying terms of abuse as 'bad faith', 'dishonesty', 'lying allegation', 'that spurious quotation', 'impudent mendacity', 'a quotation entirely falsified', 'this falsification', 'simply infamous', etc., he finds it necessary to divert the issue to another domain, and therefore promises 'to explain in a second article the meaning which we' (the non-mendacious anonymous one) 'attribute to the content of Gladstone's words'. As if his particular opinion, unauthoritative as it is, had anything whatever to do with the matter! This second article was printed in the *Concordia* of 11 July.

Marx replied again in the *Volksstaat* of 7 August, now giving in addition the reports of the passage in question from the *Morning Star* and *Morning Advertiser* of 17 April 1863. According to both reports, Gladstone said that he would look with apprehension, etc. upon this intoxicating augmentation of wealth and power if he believed it to be confined to 'classes in easy circumstances'. But this augmentation *was* in fact, he said, 'entirely confined to classes possessed of property'. So these reports too reproduced word for word the sentence alleged to have been 'lyingly inserted'. Marx further established once more, by comparing the texts in *The Times* and in *Hansard*, that this sentence, which three newspaper reports of identical content, appearing independently of one another the next morning, proved to have been really uttered, was missing from the *Hansard* report, revised according to the familiar 'custom', and that Gladstone, to use Marx's words, 'had afterwards conjured it away'. In conclusion Marx stated that he had no time to enter into any further discussions with the anonymous one. The latter also seems to have had enough; at any rate Marx received no further issues of *Concordia*.

With this the matter appeared to be dead and buried. True, once or twice later on there reached us, from persons in touch with the University of Cambridge, mysterious rumours of an unspeakable literary crime which Marx was supposed to have committed in *Capital*; but despite all investigation nothing more definite could be learned. Then, on 29 November 1883, eight months after Marx's death, there appeared in *The Times* a letter headed Trinity College, Cambridge, and signed Sedley Taylor, in which this little man, who dabbles in the mildest sort of co-operative activities,* seized upon some chance pretext or other to

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*Sedley Taylor (1834–1920), Fellow of Trinity College, Cambridge, and author of a book entitled *Profit Sharing between Capital and Labour* (1884).

enlighten us at last, not only about those vague Cambridge rumours, but also about the anonymous fellow in the *Concordia.*

'What appears extremely singular,' says the little man from Trinity College, 'is that it was reserved for *Professor Brentano* (then of the University of Breslau, now of that of Strassburg) to expose . . . the bad faith which had manifestly dictated the citation made from Mr Gladstone's speech in the [Inaugural] Address. Herr Karl Marx, who . . . attempted to defend the citation, had the hardihood, in the deadly shifts to which Brentano's masterly conduct of the attack speedily reduced him, to assert that Mr Gladstone had "manipulated" the report of his speech in *The Times* of 17 April 1863, before it appeared in *Hansard*, in order to "obliterate" a passage which "was certainly compromising" for an English Chancellor of the Exchequer. On Brentano's showing, by a detailed comparison of texts, that the reports of *The Times* and of *Hansard* agreed in utterly excluding the meaning which craftily isolated quotation had put upon Mr Gladstone's words, Marx withdrew from further controversy under the plea of "want of time".'

So that was at the bottom of the whole business! And thus was the anonymous campaign of Herr Brentano* in the *Concordia* gloriously reflected in the imagination of the producers' co-operatives of Cambridge. There he stood, sword in hand, and thus he battled, in his 'masterly conduct of the attack', this St George of the Association of German Manufacturers, while the infernal dragon Marx, 'in deadly shifts', 'speedily' breathed his last at his feet.

A battle-scene worthy of Ariosto! But the whole thing only served to conceal the further dodges of our St George. Here there is no longer talk of 'lying insertion' or 'falsification', but of 'craftily isolated quotation'. The whole issue was shifted, and St George and his Cambridge shield-bearer were very well aware why they had done this.

Eleanor Marx replied in the monthly journal *To-day* (February 1884), as *The Times* refused to publish her letter. She once more focused the debate on the sole question at issue: had Marx 'lyingly inserted' that sentence or not? To this Mr Sedley Taylor answered that 'the question whether a particular sentence did or did not occur in Mr Gladstone's speech' had been, in his opinion, 'of very subordinate importance' in the Brentano–Marx controversy, 'compared to the issue whether the quotation in dispute was made with the intention of conveying, or of perverting Mr Gladstone's meaning'. He then admits that the report in *The Times* contained 'a verbal contrariety'; but, if the context is rightly interpreted, i.e., in the Gladstonian Liberal sense, it shows what Mr Gladstone *meant* to say (*To-day*, March 1884). The most comic point here is that our little Cambridge man now insists upon quoting the speech *not* from *Hansard*, as, according to the anonymous Brentano, it is 'customary' to do, but from the report in *The Times*, which the same Brentano had characterized as 'of necessity botched'. Naturally so, for in *Hansard* the vexatious sentence is missing.

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*Lujo Brentano (1844–1931), 'Professorial socialist', founder of the Verein für Sozialpolitik, liberal advocate of social reform, and Professor at various German universities from 1872 until 1914.

Eleanor Marx had no difficulty (in the same issue of *To-day*) in dissolving all this argumentation into thin air. Either Mr Taylor had read the controversy of 1872, in which case he was now making not only 'lying insertions' but also 'lying' suppressions; or he had not read it and ought to remain silent. In either case it was certain that he did not dare for a moment to maintain the accusation of his friend Brentano that Marx had made a 'lying' addition. On the contrary, Marx, it now seems, had not lyingly added but suppressed an important sentence. But this same sentence is quoted on page 5 of the *Inaugural Address*, a few lines before the alleged 'lying insertion',* and as to the 'contrariety' in Gladstone's speech, is it not Marx himself who refers in *Capital* (p. 806, note 40) to 'the continual crying contradictions in Gladstone's Budget speeches of 1863 and 1864'? Only he does not venture, *à la* Sedley Taylor, to resolve them into complacent Liberal sentiments. Eleanor Marx, in concluding her reply, sums up as follows:

'Marx has not suppressed anything worth quoting, neither has he "lyingly" added anything. But he has restored, rescued from oblivion, a particular sentence of one of Mr Gladstone's speeches, a sentence which had indubitably been pronounced, but which somehow or other had found its way – out of *Hansard*.'

With that, Mr Sedley Taylor too had had enough, and the result of this whole professorial cobweb, spun out over two decades and two great countries, is that nobody has since dared to cast any other aspersion upon Marx's literary honesty; while Mr Sedley Taylor, no doubt, will after this put as little confidence in the literary war bulletins of Herr Brentano as Herr Brentano will in the papal infallibility of *Hansard.**

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*Karl Marx, op. cit. The sentence is this: 'The average condition of the British labourer has improved to a degree we know to be extraordinary and unexampled in the history of any country or any age.'

Frederick Engels

London, 25 June 1890

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* This was not in fact the end of this controversy. Brentano came back into the fray once again, which led Engels to publish a more comprehensive refutation of Brentano's charges, with all the documents concerned appended in pamphlet form: *Brentano Contra Marx*, reprinted in *MEW* 22.

Capital

Volume One

Part One

Commodities and Money

Chapter 1: The Commodity

I. THE TWO FACTORS OF THE COMMODITY: USE-VALUE AND VALUE (SUBSTANCE OF VALUE, MAGNITUDE OF VALUE)

The wealth of societies in which the capitalist mode of production prevails appears as an 'immense collection of commodities'[1]; the individual commodity appears as its elementary form. Our investigation therefore begins with the analysis of the commodity.

The commodity is, first of all, an external object, a thing which through its qualities satisfies human needs of whatever kind. The nature of these needs, whether they arise, for example, from the stomach, or the imagination, makes no difference.[2] Nor does it matter here how the thing satisfies man's need, whether directly as a means of subsistence, i.e. an object of consumption, or indirectly as a means of production.

Every useful thing, for example, iron, paper, etc., may be looked at from the two points of view of quality and quantity. Every useful thing is a whole composed of many properties; it can therefore be useful in various ways. The discovery of these ways and hence of the manifold uses of things is the work of history.[3] So also is the invention of socially recognized standards of measurement for the quantities of these useful objects. The diversity of the

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1. Karl Marx, *Zur Kritik der Politischen Ökonomie*, Berlin, 1859, p. 3 [English translation, p. 27].

2. 'Desire implies want; it is the appetite of the mind, and as natural as hunger to the body ... The greatest number (of things) have their value from supplying the wants of the mind' (Nicholas Barbon, *A Discourse on Coining the New Money Lighter. In Answer to Mr Locke's Considerations etc.*, London, 1696, pp. 2, 3).

3. 'Things have an intrinsick vertue' (this is Barbon's special term for use-value) 'which in all places have the same vertue; as the loadstone to attract iron' (op. cit., p. 6). The magnet's property of attracting iron only became useful once it had led to the discovery of magnetic polarity.

measures for commodities arises in part from the diverse nature of the objects to be measured, and in part from convention.

The usefulness of a thing makes it a use-value.[4] But this usefulness does not dangle in mid-air. It is conditioned by the physical properties of the commodity, and has no existence apart from the latter. It is therefore the physical body of the commodity itself, for instance iron, corn, a diamond, which is the use-value or useful thing. This property of a commodity is independent of the amount of labour required to appropriate its useful qualities. When examining use-values, we always assume we are dealing with definite quantities, such as dozens of watches, yards of linen, or tons of iron. The use-values of commodities provide the material for a special branch of knowledge, namely the commercial knowledge of commodities.[5] Use-values are only realized [*verwirklicht*] in use or in consumption. They constitute the material content of wealth, whatever its social form may be. In the form of society to be considered here they are also the material bearers [*Träger*] of . . . exchange-value.

Exchange-value appears first of all as the quantitative relation, the proportion, in which use-values of one kind exchange for use-values of another kind.[6] This relation changes constantly with time and place. Hence exchange-value appears to be something accidental and purely relative, and consequently an intrinsic value, i.e. an exchange-value that is inseparably connected with the commodity, inherent in it, seems a contradiction in terms.[7] Let us consider the matter more closely.

[4] 'The natural worth of anything consists in its fitness to supply the necessities, or serve the conveniences of human life' (John Locke, 'Some Considerations on the Consequences of the Lowering of Interest' (1691), in *Works*, London, 1777, Vol. 2, p. 28). In English writers of the seventeenth century we still often find the word 'worth' used for use-value and 'value' for exchange-value. This is quite in accordance with the spirit of a language that likes to use a Teutonic word for the actual thing, and a Romance word for its reflection.

[5] In bourgeois society the legal fiction prevails that each person, as a buyer, has an encyclopedic knowledge of commodities.

[6] 'Value consists in the exchange relation between one thing and another, between a given amount of one product and a given amount of another' (Le Trosne, *De l'intérêt social*, in *Physiocrates*, ed. Daire, Paris, 1846, p. 889).

[7] 'Nothing can have an intrinsick value' (N. Barbon, op. cit., p. 6); or as Butler says:

> 'The value of a thing
> Is just as much as it will bring.'*

*Samuel Butler, *Hudibras*, Part 2, Canto 1, lines 465–6, 'For what is worth in any thing, but so much money as 'twill bring?'

A given commodity, a quarter of wheat for example, is exchanged for x boot-polish, y silk or z gold, etc. In short, it is exchanged for other commodities in the most diverse proportions. Therefore the wheat has many exchange-values instead of one. But x boot-polish, y silk or z gold, etc., each represent the exchange-value of one quarter of wheat. Therefore x boot-polish, y silk, z gold, etc., must, as exchange-values, be mutually replaceable or of identical magnitude. It follows from this that, firstly, the valid exchange-values of a particular commodity express something equal, and secondly, exchange-value cannot be anything other than the mode of expression, the 'form of appearance',* of a content distinguishable from it.

Let us now take two commodities, for example corn and iron. Whatever their exchange relation may be, it can always be represented by an equation in which a given quantity of corn is equated to some quantity of iron, for instance 1 quarter of corn = x cwt of iron. What does this equation signify? It signifies that a common element of identical magnitude exists in two different things, in 1 quarter of corn and similarly in x cwt of iron. Both are therefore equal to a third thing, which in itself is neither the one nor the other. Each of them, so far as it is exchange-value, must therefore be reducible to this third thing.

A simple geometrical example will illustrate this. In order to determine and compare the areas of all rectilinear figures we split them up into triangles. Then the triangle itself is reduced to an expression totally different from its visible shape: half the product of the base and the altitude. In the same way the exchange values of commodities must be reduced to a common element, of which they represent a greater or a lesser quantity.

This common element cannot be a geometrical, physical, chemical or other natural property of commodities. Such properties come into consideration only to the extent that they make the commodities useful, i.e. turn them into use-values. But clearly, the exchange relation of commodities is characterized precisely by its abstraction from their use-values. Within the exchange relation, one use-value is worth just as much as another, provided only that it is present in the appropriate quantity. Or, as old Barbon says: 'One sort of wares are as good as another, if the value be equal. There is no difference or distinction in things of equal value ...

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* *Erscheinungsform.* This word appears in inverted commas in the original.

One hundred pounds worth of lead or iron, is of as great a value as one hundred pounds worth of silver and gold.'[8]

As use-values, commodities differ above all in quality, while as exchange-values they can only differ in quantity, and therefore do not contain an atom of use-value.

If then we disregard the use-value of commodities, only one property remains, that of being products of labour. But even the product of labour has already been transformed in our hands. If we make abstraction from its use-value, we abstract also from the material constituents and forms which make it a use-value. It is no longer a table, a house, a piece of yarn or any other useful thing. All its sensuous characteristics are extinguished. Nor is it any longer the product of the labour of the joiner, the mason or the spinner, or of any other particular kind of productive labour. With the disappearance of the useful character of the products of labour, the useful character of the kinds of labour embodied in them also disappears; this in turn entails the disappearance of the different concrete forms of labour. They can no longer be distinguished, but are all together reduced to the same kind of labour, human labour in the abstract.

Let us now look at the residue of the products of labour. There is nothing left of them in each case but the same phantom-like objectivity; they are merely congealed quantities of homogeneous human labour, i.e. of human labour-power expended without regard to the form of its expenditure. All these things now tell us is that human labour-power has been expended to produce them, human labour is accumulated in them. As crystals of this social substance, which is common to them all, they are values – commodity values [*Warenwerte*].

We have seen that when commodities are in the relation of exchange, their exchange-value manifests itself as something totally independent of their use-value. But if we abstract from their use-value, there remains their value, as it has just been defined. The common factor in the exchange relation, or in the exchange-value of the commodity, is therefore its value. The progress of the investigation will lead us back to exchange-value as the necessary mode of expression, or form of appearance, of value. For the present, however, we must consider the nature of value independently of its form of appearance [*Erscheinungs form*].

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[8] N. Barbon, op. cit., pp. 53 and 7.

A use-value, or useful article, therefore, has value only because abstract human labour is objectified [*vergegenständlicht*] or materialized in it. How, then, is the magnitude of this value to be measured? By means of the quantity of the 'value-forming substance', the labour, contained in the article. This quantity is measured by its duration, and the labour-time is itself measured on the particular scale of hours, days etc.

It might seem that if the value of a commodity is determined by the quantity of labour expended to produce it, it would be the more valuable the more unskilful and lazy the worker who produced it, because he would need more time to complete the article. However, the labour that forms the substance of value is equal human labour, the expenditure of identical human labour-power. The total labour-power of society, which is manifested in the values of the world of commodities, counts here as one homogeneous mass of human labour-power, although composed of innumerable individual units of labour-power. Each of these units is the same as any other, to the extent that it has the character of a socially average unit of labour-power and acts as such, i.e. only needs, in order to produce a commodity, the labour time which is necessary on an average, or in other words is socially necessary. Socially necessary labour-time is the labour-time required to produce any use-value under the conditions of production normal for a given society and with the average degree of skill and intensity of labour prevalent in that society. The introduction of power-looms into England, for example, probably reduced by one half the labour required to convert a given quantity of yarn into woven fabric. In order to do this, the English hand-loom weaver in fact needed the same amount of labour-time as before; but the product of his individual hour of labour now only represented half an hour of social labour, and consequently fell to one half its former value.

What exclusively determines the magnitude of the value of any article is therefore the amount of labour socially necessary, or the labour-time socially necessary for its production.[9] The individual commodity counts here only as an average sample of its kind.[10] Commodities which contain equal quantities of labour, or which can be produced in the same time, have therefore the same value. The value of a commodity is related to the value of any other commodity as the labour-time necessary for the production of the one is related to the labour-time necessary for the production of the other. 'As exchange-values, all commodities are merely definite quantities of *congealed labour-time*.'[11]

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[9] 'The value of them' (the necessaries of life) 'when they are exchanged the one for another, is regulated by the quantity of labour necessarily required, and commonly taken in producing them' (*Some Thoughts on the Interest of Money in General, and Particularly in the Publick Funds*, London, pp. 36, 37). This remarkable anonymous work of the eighteenth century bears no date. However, it is clear from its contents that it appeared in the reign of George II, about 1739 or 1740.

The value of a commodity would therefore remain constant, if the labour-time required for its production also remained constant. But the latter changes with every variation in the productivity of labour. This is determined by a wide range of circumstances; it is determined amongst other things by the workers' average degree of skill, the level of development of science and its technological application, the social organization of the process of production, the extent and effectiveness of the means of production, and the conditions found in the natural environment. For example, the same quantity of labour is present in eight bushels of corn in favourable seasons and in only four bushels in unfavourable seasons. The same quantity of labour provides more metal in rich mines than in poor. Diamonds are of very rare occurrence on the earth's surface, and hence their discovery costs, on an average, a great deal of labour-time. Consequently much labour is represented in a small volume. Jacob questions whether gold has ever been paid for at its full value.* This applies still more to diamonds. According to Eschwege, the total produce of the Brazilian diamond mines for the eighty years ending in 1823 still did not amount to the price of 1½ years' average produce of the sugar and coffee plantations of the same country,† although the diamonds represented much more labour, therefore more value. With richer mines, the same quantity of labour would be embodied in more diamonds, and their value would fall. If man succeeded, without much labour, in transforming carbon into diamonds,

[10] 'Properly speaking, all products of the same kind form a single mass, and their price is determined in general and without regard to particular circumstances' (Le Trosne, op. cit., p. 893).

[11] Karl Marx, op. cit., p. 6 [English translation, p. 30].

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*William Jacob, *An Historical Enquiry into the Production and Consumption of the Precious Metals*, London, 1831, Vol. 2, p. 101.

† This information comes from H. A. M. Merivale, *Lectures on Colonization and Colonies*, London, 1841. Cf. *Grundrisse*, p. 833.

their value might fall below that of bricks. In general, the greater the productivity of labour, the less the labour-time required to produce an article, the less the mass of labour crystallized in that article, and the less its value. Inversely, the less the productivity of labour, the greater the labour-time necessary to produce an article, and the greater its value. The value of a commodity, therefore, varies directly as the quantity, and inversely as the productivity, of the labour which finds its realization within the commodity. (Now we know the *substance* of value. It is *labour*. We know the *measure of its magnitude*. It is *labour-time*. The *form*, which stamps *value* as *exchange-value*, remains to be analysed. But before this we need to develop the characteristics we have already found somewhat more fully.)*

A thing can be a use-value without being a value. This is the case whenever its utility to man is not mediated through labour. Air, virgin soil, natural meadows, unplanted forests, etc. fall into this category. A thing can be useful, and a product of human labour, without being a commodity. He who satisfies his own need with the product of his own labour admittedly creates use-values, but not commodities. In order to produce the latter, he must not only produce use-values, but use-values for others, social use-values. (And not merely for others. The medieval peasant produced a corn-rent for the feudal lord and a corn-tithe for the priest; but neither the corn-rent nor the corn-tithe became commodities simply by being produced for others. In order to become a commodity, the product must be transferred to the other person, for whom it serves as a use-value, through the medium of exchange.)† Finally, nothing can be a value without being an object of utility. If the thing is useless, so is the labour contained in it; the labour does not count as labour, and therefore creates no value.

2. THE DUAL CHARACTER OF THE LABOUR EMBODIED IN COMMODITIES

Initially the commodity appeared to us as an object with a dual character, possessing both use-value and exchange-value. Later on it was seen that labour, too, has a dual character: in so far as it finds its expression in value, it no longer possesses the same characteristics as when it is the creator of use-values. I was the first to point out and examine critically this twofold nature of the labour contained in commodities.[12] As this point is crucial to an understanding of political economy, it requires further elucidation.

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* The passage in parentheses occurs only in the first edition.

† [Note by Engels to the fourth German edition:] I have inserted the passage in parentheses because, through its omission, the misconception has very frequently arisen that Marx regarded every product consumed by someone other than the producer as a commodity.

Let us take two commodities, such as a coat and 10 yards of linen, and let the value of the first be twice the value of the second, so that, if 10 yards of linen = W, the coat = $2W$.

The coat is a use-value that satisfies a particular need. A specific kind of productive activity is required to bring it into existence. This activity is determined by its aim, mode of operation, object, means and result. We use the abbreviated expression 'useful labour' for labour whose utility is represented by the use-value of its product, or by the fact that its product is a use-value. In this connection we consider only its useful effect.

As the coat and the linen are qualitatively different use-values, so also are the forms of labour through which their existence is mediated – tailoring and weaving. If the use-values were not qualitatively different, hence not the products of qualitatively different forms of useful labour, they would be absolutely incapable of confronting each other as commodities. Coats cannot be exchanged for coats, one use-value cannot be exchanged for another of the same kind.

The totality of heterogeneous use-values or physical commodities reflects a totality of similarly heterogeneous forms of useful labour, which differ in order, genus, species and variety: in short, a social division of labour. This division of labour is a necessary condition for commodity production, although the converse does not hold; commodity production is not a necessary condition for the social division of labour. Labour is socially divided in the primitive Indian community, although the products do not thereby become commodities. Or, to take an example nearer home, labour is systematically divided in every factory, but the workers do not bring about this division by exchanging their individual products. Only the products of mutually independent acts of labour, performed in isolation, can confront each other as commodities.

To sum up, then: the use-value of every commodity contains

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12. Karl Marx, op. cit., pp. 12, 13, and passim [English translation, pp. 41, 42].

useful labour, i.e. productive activity of a definite kind, carried on with a definite aim. Use-values cannot confront each other as commodities unless the useful labour contained in them is qualitatively different in each case. In a society whose products generally assume the form of commodities, i.e. in a society of commodity producers, this qualitative difference between the useful forms of labour which are carried on independently and privately by individual producers develops into a complex system, a social division of labour.

It is moreover a matter of indifference whether the coat is worn by the tailor or by his customer. In both cases it acts as a use-value. So, too, the relation between the coat and the labour that produced it is not in itself altered when tailoring becomes a special trade, an independent branch of the social division of labour. Men made clothes for thousands of years, under the compulsion of the need for clothing, without a single man ever becoming a tailor. But the existence of coats, of linen, of every element of material wealth not provided in advance by nature, had always to be mediated through a specific productive activity appropriate to its purpose, a productive activity that assimilated particular natural materials to particular human requirements. Labour, then, as the creator of use-values, as useful labour, is a condition of human existence which is independent of all forms of society; it is an eternal natural necessity which mediates the metabolism between man and nature, and therefore human life itself.

Use-values like coats, linen, etc., in short, the physical bodies of commodities, are combinations of two elements, the material provided by nature, and labour. If we subtract the total amount of useful labour of different kinds which is contained in the coat, the linen, etc., a material substratum is always left. This substratum is furnished by nature without human intervention. When man engages in production, he can only proceed as nature does herself, i.e. he can only change the form of the materials.[13] Furthermore, even in this work of modification he is constantly helped by natural forces. Labour is therefore not the only source of material wealth, i.e. of the use-values it produces. As William Petty says, labour is the father of material wealth, the earth is its mother.*

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[13] 'All the phenomena of the universe, whether produced by the hand of man or indeed by the universal laws of physics, are not to be conceived of as acts of creation but solely as a reordering of matter. Composition and separation are the only elements found by the human mind whenever it analyses the notion of reproduction; and so it is with the reproduction of value' (use-value, although Verri himself, in this polemic against the Physiocrats, is not quite certain of the kind of value he is refer ing to) 'and wealth, whether earth, air and water are turned into corn in the fields, or the secretions of an insect are turned into silk by the hand of man, or some small pieces of metal are

Let us now pass from the commodity as an object of utility to the value of commodities.

We have assumed that the coat is worth twice as much as the linen. But this is merely a quantitative difference, and does not concern us at the moment. We shall therefore simply bear in mind that if the value of a coat is twice that of 10 yards of linen, 20 yards of linen will have the same value as a coat. As values, the coat and the linen have the same substance, they are the objective expressions of homogeneous labour. But tailoring and weaving are qualitatively different forms of labour. There are, however, states of society in which the same man alternately makes clothes and weaves. In this case, these two different modes of labour are only modifications of the labour of the same individual and not yet fixed functions peculiar to different individuals, just as the coat our tailor makes today, and the pair of trousers he makes tomorrow, require him only to vary his own individual labour. Moreover, we can see at a glance that in our capitalist society a given portion of labour is supplied alternately in the form of tailoring and in the form of weaving, in accordance with changes in the direction of the demand for labour. This change in the form of labour may well not take place without friction, but it must take place.

If we leave aside the determinate quality of productive activity, and therefore the useful character of the labour, what remains is its quality of being an expenditure of human labour-power. Tailoring and weaving, although they are qualitatively different productive activities, are both a productive expenditure of human brains, muscles, nerves, hands etc., and in this sense both human labour. They are merely two different forms of the expenditure of human labour-power. Of course, human labour-power must itself

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arranged together to form a repeating watch' (Pietro Verri, *Meditazioni sulla economia politica* – first printed in 1771 – in Custodi's edition of the Italian economists, *Parte moderna*, Vol. 15, pp. 21, 22).

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* *A Treatise of Taxes and Contributions*, published anonymously by William Petty, London, 1667, p. 47.

have attained a certain level of development before it can be expended in this or that form. But the value of a commodity represents human labour pure and simple, the expenditure of human labour in general. And just as, in civil society, a general or a banker plays a great part but man as such plays a very mean part,[14] so, here too, the same is true of human labour. It is the expenditure of simple labour-power, i.e. of the labour-power possessed in his bodily organism by every ordinary man, on the average, without being developed in any special way. *Simple average labour*, it is true, varies in character in different countries and at different cultural epochs, but in a particular society it is given. More complex labour counts only as *intensified*, or rather *multiplied* simple labour, so that a smaller quantity of complex labour is considered equal to a larger quantity of simple labour. Experience shows that this reduction is constantly being made. A commodity may be the outcome of the most complicated labour, but through its *value* it is posited as equal to the product of simple labour, hence it represents only a specific quantity of simple labour.[15] The various proportions in which different kinds of labour are reduced to simple labour as their unit of measurement are established by a social process that goes on behind the backs of the producers; these proportions therefore appear to the producers to have been handed down by tradition. In the interests of simplification, we shall henceforth view every form of labour-power directly as simple labour-power; by this we shall simply be saving ourselves the trouble of making the reduction.

Just as, in viewing the coat and the linen as values, we abstract from their different use-values, so, in the case of the labour represented by those values, do we disregard the difference between its useful forms, tailoring and weaving. The use-values coat and linen are combinations of, on the one hand, productive activity with a definite purpose, and, on the other, cloth and yarn; the values coat and linen, however, are merely congealed quantities of homogeneous labour. In the same way, the labour contained in these values does not count by virtue of its productive relation to cloth and yarn, but only as being an expenditure of human labour-power. Tailoring and weaving are the formative elements in the use-values coat and linen, precisely because these two kinds of labour are of different qualities; but only in so far as abstraction is made from their particular qualities, only in so far as both possess the same quality of being human labour, do tailoring and weaving form the substance of the values of the two articles mentioned.

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[14] Cf. Hegel, *Philosophie des Rechts*, Berlin, 1840, p. 250, para. 190.*

[15] The reader should note that we are not speaking here of the wages or value the worker receives for (e.g.) a day's labour, but of the value of the commodity in which his day of labour is objectified. At this stage of our presentation, the category of wages does not exist at all.

*Hegel says here: 'In civil society as a whole, at the standpoint of needs, what we have before us is the composite idea which we call man. Thus this is the first time, and indeed the only time, to speak of man in this sense' (*Hegel's Philosophy of Right*, tr. T. M. Knox, Oxford, 1952, p. 127).

Coats and linen, however, are not merely values in general, but values of definite magnitude, and, following our assumption, the coat is worth twice as much as the 10 yards of linen. Why is there this difference in value? Because the linen contains only half as much labour as the coat, so that labour-power had to be expended twice as long to produce the second as to produce the first.

While, therefore, with reference to use-value, the labour contained in a commodity counts only qualitatively, with reference to value it counts only quantitatively, once it has been reduced to human labour pure and simple. In the former case it was a matter of the 'how' and the 'what' of labour, in the latter of the 'how much', of the temporal duration of labour. Since the magnitude of the value of a commodity represents nothing but the quantity of labour embodied in it, it follows that all commodities, when taken in certain proportions, must be equal in value.

If the productivity of all the different sorts of useful labour required, let us say, for the production of a coat remains unchanged, the total value of the coats produced will increase along with their quantity. If one coat represents *x* days' labour, two coats will represent 2*x* days' labour, and so on. But now assume that the duration of the labour necessary for the production of a coat is doubled or halved. In the first case, one coat is worth as much as two coats were before; in the second case two coats are only worth as much as one was before, although in both cases one coat performs the same service, and the useful labour contained in it remains of the same quality. One change has taken place, however: a change in the quantity of labour expended to produce the article.

In itself, an increase in the quantity of use-values constitutes an increase in material wealth. Two coats will clothe two men, one coat will only clothe one man, etc. Nevertheless, an increase in the amount of material wealth may correspond to a simultaneous fall in the magnitude of its value. This contradictory movement arises out of the twofold character of labour. By 'productivity' of course, we always mean the productivity of concrete useful labour; in reality this determines only the degree of effectiveness of productive activity directed towards a given purpose within a given period of time. Useful labour becomes, therefore, a more or less abundant source of products in direct proportion as its productivity rises or falls. As against this, however, variations in productivity have no impact whatever on the labour itself represented in value. As productivity is an attribute of labour in its concrete useful form, it naturally ceases to have any bearing on that labour as soon as we abstract from its concrete useful form. The same labour, therefore, performed for the same length of time, always yields the same amount of value, independently of any variations in productivity. But it provides different quantities of use-values during equal periods of time; more, if productivity rises; fewer, if it falls. For this reason, the same change in productivity which increases the fruitfulness of labour, and therefore the amount of use-values produced by it, also brings about a reduction in the value of this increased total amount, if it cuts down the total amount of labour-time necessary to produce the use-values. The converse also holds.

On the one hand, all labour is an expenditure of human labour-power, in the physiological sense, and it is in this quality of being equal, or abstract, human labour that it forms the value of commodities. On the other hand, all labour is an expenditure of human labour-power in a particular form and with a definite aim, and it is in this quality of being concrete useful labour that it produces use-values.[16]

[16] In order to prove that 'labour alone is the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared', Adam Smith* says this: 'Equal quantities of labour, at all times and places, must have the same value for the labourer. In his ordinary state of health, strength and activity; in the ordinary degree of his skill and dexterity, he must always lay down the same portion of his ease, his liberty, and his happiness' (*Wealth of Nations*, Bk I, Ch. 5 [pp. 104–5]). On the one hand, Adam Smith here (but not everywhere) confuses his determination of value by the quantity of labour expended in the production of commodities with the determination of the values of commodities by the value of labour, and therefore endeavours to prove that equal quantities of labour always have the same

*Here, as elsewhere occasionally, Marx quotes an English author in German. This explains certain slight divergences from the original English text.

3. THE VALUE-FORM, OR EXCHANGE-VALUE

Commodities come into the world in the form of use-values or material goods, such as iron, linen, corn, etc. This is their plain, homely, natural form. However, they are only commodities because they have a dual nature, because they are at the same time objects of utility and bearers of value. Therefore they only appear as commodities, or have the form of commodities, in so far as they possess a double form, i.e. natural form and value form.

The objectivity of commodities as values differs from Dame Quickly in the sense that 'a man knows not where to have it'.* Not an atom of matter enters into the objectivity of commodities as values; in this it is the direct opposite of the coarsely sensuous objectivity of commodities as physical objects. We may twist and turn a single commodity as we wish; it remains impossible to grasp it as a thing possessing value. However, let us remember that commodities possess an objective character as values only in so far as they are all expressions of an identical social substance, human labour, that their objective character as values is therefore

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value. On the other hand, he has a suspicion that, in so far as labour manifests itself in the value of commodities, it only counts as an expenditure of labour-power; but then again he views this expenditure merely as the sacrifice of rest, freedom and happiness, not as also man's normal life-activity. Of course, he has the modern wage-labourer in mind. Adam Smith's anonymous predecessor, cited in note 9, is much nearer the mark when he says: 'One man has employed himself a week in providing this necessary of life . . . and he that gives him some other in exchange, cannot make a better estimate of what is a proper equivalent, than by computing what cost him just as much labour and time: which in effect is no more than exchanging one man's labour in one thing for a time certain, for another man's labour in another thing for the same time' (*Some Thoughts on the Interest of Money in General etc.*, p. 39). [Note by Engels to the fourth German edition:] The English language has the advantage of possessing two separate words for these two different aspects of labour. Labour which creates use-values and is qualitatively determined is called 'work' as opposed to 'labour'; labour which creates value and is only measured quantitatively is called 'labour', as opposed to 'work'.†

†Unfortunately, English usage does not always correspond to Engels' distinction. We have tried to adopt it where possible.

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*Falstaff: Why, she's neither fish nor flesh; a man knows not where to have her.

Dame Quickly: Thou art an unjust man in saying so: thou or any man knows where to have me, thou knave, thou!

(*Henry IV*, Part 1, Act 3, Scene 3.)

purely social. From this it follows self-evidently that it can only appear in the social relation between commodity and commodity. In fact we started from exchange-value, or the exchange relation of commodities, in order to track down the value that lay hidden within it. We must now return to this form of appearance of value.

Everyone knows, if nothing else, that commodities have a common value-form which contrasts in the most striking manner with the motley natural forms of their use-values. I refer to the money-form. Now, however, we have to perform a task never even attempted by bourgeois economics. That is, we have to show the origin of this money-form, we have to trace the development of the expression of value contained in the value-relation of commodities from its simplest, almost imperceptible outline to the dazzling money-form. When this has been done, the mystery of money will immediately disappear.

The simplest value-relation is evidently that of one commodity to another commodity of a different kind (it does not matter which one). Hence the relation between the values of two commodities supplies us with the simplest expression of the value of a single commodity.

(a) The Simple, Isolated, or Accidental Form of Value

x commodity A = y commodity B or: x commodity A is worth y commodity B.

(20 yards of linen = 1 coat, or: 20 yards of linen are worth 1 coat)

(1) *The two poles of the expression of value: the relative form of value and the equivalent form*

The whole mystery of the form of value lies hidden in this simple form. Our real difficulty, therefore, is to analyse it.

Here two different kinds of commodities (in our example the linen and the coat) evidently play two different parts. The linen expresses its value in the coat; the coat serves as the material in which that value is expressed. The first commodity plays an active role, the second a passive one. The value of the first commodity is represented as relative value, in other words the commodity is in the relative form of value. The second commodity fulfils the function of equivalent, in other words it is in the equivalent form.

The relative form of value and the equivalent form are two inseparable moments, which belong to and mutually condition each other; but, at the same time, they are mutually exclusive or opposed extremes, i.e. poles of the expression of value. They are always divided up between the different commodities brought into relation with each other by that expression. I cannot, for example, express the value of linen in linen. 20 yards of linen = 20 yards of linen is not an expression of value. The equation states rather the contrary: 20 yards of linen are nothing but 20 yards of linen, a definite quantity of linen considered as an object of utility. The value of the linen can therefore only be expressed relatively, i.e. in another commodity. The relative form of the value of the linen therefore presupposes that some other commodity confronts it in the equivalent form. On the other hand, this other commodity, which figures as the equivalent, cannot simultaneously be in the relative form of value. It is not the latter commodity whose value is being expressed. It only provides the material in which the value of the first commodity is expressed.

Of course, the expression 20 yards of linen = 1 coat, or 20 yards of linen are worth 1 coat, also includes its converse: 1 coat = 20 yards of linen, or 1 coat is worth 20 yards of linen. But in this case I must reverse the equation, in order to express the value of the coat relatively; and, if I do that, the linen becomes the equivalent instead of the coat. The same commodity cannot, therefore, simultaneously appear in both forms in the same expression of value. These forms rather exclude each other as polar opposites.

Whether a commodity is in the relative form or in its opposite, the equivalent form, entirely depends on its actual position in the expression of value. That is, it depends on whether it is the commodity whose value is being expressed, or the commodity in which value is being expressed.

(2) *The relative form of value*

(i) *The content of the relative form of value* In order to find out how the simple expression of the value of a commodity lies hidden in the value-relation between two commodities, we must, first of all, consider the value-relation quite independently of its quantitative aspect. The usual mode of procedure is the precise opposite of this: nothing is seen in the value-relation but the proportion in which definite quantities of two sorts of commodity count as equal to each other. It is overlooked that the magnitudes of different things only become comparable in quantitative terms when they have been reduced to the same unit. Only as expressions of the same unit do they have a common denominator, and are therefore commensurable magnitudes.[17]

Whether 20 yards of linen = 1 coat or = 20 coats or = x coats, i.e. whether a given quantity of linen is worth few or many coats, it is always implied, whatever the proportion, that the linen and the coat, as magnitudes of value, are expressions of the same unit, things of the same nature. Linen = coat is the basis of the equation.

But these two qualitatively equated commodities do not play the same part. It is only the value of the linen that is expressed. And how? By being related to the coat as its 'equivalent', or 'the thing exchangeable' with it. In this relation the coat counts as the form of existence of value, as the material embodiment of value, for only as such is it the same as the linen. On the other hand, the linen's own existence as value comes into view or receives an independent expression, for it is only as value that it can be related to the coat as being equal in value to it, or exchangeable with it. In the same way, butyric acid is a different substance from propyl formate. Yet both are made up of the same chemical substances, carbon (C), hydrogen (H) and oxygen (O). Moreover, these substances are combined together in the same proportions in each case, namely $C_4H_8O_2$. If now butyric acid were to be equated with propyl formate, then, in the first place, propyl formate would count in this relation only as a form of existence of $C_4H_8O_2$; and in the second place, it would thereby be asserted that butyric acid also consists of $C_4H_8O_2$. Thus by equating propyl formate with butyric acid one would be expressing their chemical composition as opposed to their physical formation.

If we say that, as values, commodities are simply congealed quantities of human labour, our analysis reduces them, it is true, to the level of abstract value, but does not give them a form of value distinct from their natural forms. It is otherwise in the value relation of one commodity to another. The first commodity's value character emerges here through its own relation to the second commodity.

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[17] The few economists, such as S. Bailey, who have concerned themselves with the analysis of the form of value have been unable to arrive at any result, firstly because they confuse the form of value with value itself, and secondly because, under the coarse influence of the practical bourgeois, they give their attention from the outset, and exclusively, to the quantitative aspect of the question. 'The command of quantity . . . constitutes value' (*Money and Its Vicissitudes*, London, 1837, p. 11). Written by S. Bailey.

By equating, for example, the coat as a thing of value to the linen, we equate the labour embedded in the coat with the labour embedded in the linen. Now it is true that the tailoring which makes the coat is concrete labour of a different sort from the weaving which makes the linen. But the act of equating tailoring with weaving reduces the former in fact to what is really equal in the two kinds of labour, to the characteristic they have in common of being human labour. This is a roundabout way of saying that weaving too, in so far as it weaves value, has nothing to distinguish it from tailoring, and, consequently, is abstract human labour. It is only the expression of equivalence between different sorts of commodities which brings to view the specific character of value-creating labour, by actually reducing the different kinds of labour embedded in the different kinds of commodity to their common quality of being human labour in general.[18]

However, it is not enough to express the specific character of the labour which goes to make up the value of the linen. Human labour-power in its fluid state, or human labour, creates value, but is not itself value. It becomes value in its coagulated state, in objective form. The value of the linen as a congealed mass of human labour can be expressed only as an 'objectivity' [*Gegenständlichkeit*], a thing which is materially different from the linen itself and yet common to the linen and all other commodities. The problem is already solved.

When it is in the value-relation with the linen, the coat counts qualitatively as the equal of the linen, it counts as a thing of the same nature, because it is a value. Here it is therefore a thing in which value is manifested, or which represents value in its tangible natural form. Yet the coat itself, the physical aspect of the coat-commodity, is purely a use-value. A coat as such no more expresses value than does the first piece of linen we come across. This proves only that, within its value-relation to the linen, the coat signifies more than it does outside it, just as some men count for more when inside a gold-braided uniform than they do otherwise.

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[18] One of the first economists, after William Petty,* to have seen through the nature of value, the famous Franklin, says this: 'Trade in general being nothing else but the exchange of labour for labour, the value of all things is ... most justly measured by labour' (*The Works of B. Franklin etc.*, edited by Sparks, Boston, 1836, Vol. 2, p. 267). Franklin is not aware that in measuring the value of everything 'in labour' he makes abstraction from any difference in the kinds of labour exchanged – and thus reduces them all to equal human labour. Yet he states this without knowing it. He speaks first of 'the one labour', then of 'the other labour', and finally of 'labour', without further qualification, as the substance of the value of everything.

*Sir William Petty (1623–87), English economist and statistician, regarded by Marx as the founder of modern political economy (see below, p. 174, n. 34). 'Petty recognizes labour as the source of material wealth' but misapprehends the source of exchange-value (Karl Marx, op. cit., pp. 52–4).

In the production of the coat, human labour-power, in the shape of tailoring, has in actual fact been expended. Human labour has therefore been accumulated in the coat. From this point of view, the coat is a 'bearer of value', although this property never shows through, even when the coat is at its most threadbare. In its value-relation with the linen, the coat counts only under this aspect, counts therefore as embodied value, as the body of value [*Wertkörper*]. Despite its buttoned-up appearance, the linen recognizes in it a splendid kindred soul, the soul of value. Nevertheless, the coat cannot represent value towards the linen unless value, for the latter, simultaneously assumes the form of a coat. An individual, A, for instance, cannot be 'your majesty' to another individual, B, unless majesty in B's eyes assumes the physical shape of A, and, moreover, changes facial features, hair and many other things, with every new 'father of his people'.

Hence, in the value-relation, in which the coat is the equivalent of the linen, the form of the coat counts as the form of value. The value of the commodity linen is therefore expressed by the physical body of the commodity coat, the value of one by the use-value of the other. As a use-value, the linen is something palpably different from the coat; as value, it is identical with the coat, and therefore looks like the coat. Thus the linen acquires a value-form different from its natural form. Its existence as value is manifested in its equality with the coat, just as the sheep-like nature of the Christian is shown in his resemblance to the Lamb of God.

We see, then, that everything our analysis of the value of commodities previously told us is repeated by the linen itself, as soon as it enters into association with another commodity, the coat. Only it reveals its thoughts in a language with which it alone is familiar, the language of commodities. In order to tell us that labour creates its own value in its abstract quality of being human labour, it says that the coat, in so far as it counts as its equal, i.e. is value, consists of the same labour as it does itself. In order to inform us that its sublime objectivity as a value differs from its stiff and starchy existence as a body, it says that value has the appearance of a coat, and therefore that in so far as the linen itself is an object of value [*Wertding*], it and the coat are as like as two peas. Let us note, incidentally, that the language of commodities also has, apart from Hebrew, plenty of other more or less correct dialects. The German word '*Wertsein*' (to be worth), for instance, brings out less strikingly than the Romance verb '*valere*', '*valer*', '*valoir*' that the equating of commodity B with commodity A is the expression of value proper to commodity A. *Paris vaut bien une messe*!*

By means of the value-relation, therefore, the natural form of commodity B becomes the value-form of commodity A, in other words the physical body of commodity B becomes a mirror for the value of commodity A.[19] Commodity A, then, in entering into a relation with commodity B as an object of value [*Wertkörper*], as a materialization of human labour, makes the use-value B into the material through which its own value is expressed. The value of commodity A, thus expressed in the use-value of commodity B, has the form of relative value.

(ii) *The quantitative determinacy of the relative form of value*

Every commodity whose-value is to be expressed is a useful object of a given quantity, for instance 15 bushels of corn, or 100 lb. of coffee. A given quantity of any commodity contains a definite quantity of human labour. Therefore the form of value must not only express value in general, but also quantitatively determined value, i.e. the magnitude of value. In the value-relation of commodity A to commodity B, of the linen to the coat, therefore, not only is the commodity-type coat equated with the linen in qualitative terms as an object of value as such, but also a definite quantity of the object of value or equivalent, 1 coat for example, is equated with a definite quantity of linen, such as 20 yards. The equation 20

[19] In a certain sense, a man is in the same situation as a commodity. As he neither enters into the world in possession of a mirror, nor as a Fichtean philosopher who can say 'I am I', a man first sees and recognizes himself in another man. Peter only relates to himself as a man through his relation to another man, Paul, in whom he recognizes his likeness. With this, however, Paul also becomes from head to toe, in his physical form as Paul, the form of appearance of the species man for Peter.

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*'Paris is certainly worth a mass.' Henry IV's supposed words on his conversion to Roman Catholicism in 1593.

yards of linen = 1 coat, or 20 yards of linen are worth 1 coat, presupposes the presence in 1 coat of exactly as much of the substance of value as there is in 20 yards of linen, implies therefore that the quantities in which the two commodities are present have cost the same amount of labour or the same quantity of labour-time. But the labour-time necessary for the production of 20 yards of linen or 1 coat varies with every change in the productivity of the weaver or the tailor. The influence of such changes on the relative expression of the magnitude of value must now be investigated more closely.

I. Let the value of the linen change[20] while the value of the coat remains constant. If the labour-time necessary for the production of linen be doubled, as a result of the increasing infertility of flax-growing soil for instance, its value will also be doubled. Instead of the equation 20 yards of linen = 1 coat, we should have 20 yards of linen = 2 coats, since 1 coat would now contain only half as much labour-time as 20 yards of linen. If, on the other hand, the necessary labour-time be reduced by one half, as a result of improved looms for instance, the value of the linen will fall by one half. In accordance with this the equation will now read 20 yards of linen = ½ coat. The relative value of commodity A, i.e. its value expressed in commodity B, rises and falls in direct relation to the value of A, if the value of B remains constant.

II. Let the value of the linen remain constant, while the value of the coat changes. If, under these circumstances, the labour-time necessary for the production of a coat is doubled, as a result, for instance, of a poor crop of wool, we should have, instead of 20 yards of linen = 1 coat, 20 yards of linen = ½ coat. If, on the other hand, the value of the coat sinks by one half, then 20 yards of linen = 2 coats. Hence, if the value of commodity A remains constant, its relative value, as expressed in commodity B, rises and falls in inverse relation to the change in the value of B.

If we compare the different cases examined under headings I and II, it emerges that the same change in the magnitude of relative value may arise from entirely opposed causes. Thus the equation 20 yards of linen = 1 coat becomes 20 yards of linen = 2 coats, either because the value of the linen has doubled or because the value of the coat has fallen by one half, and it becomes 20 yards of linen = $\frac{1}{2}$ coat, either because the value of the linen has fallen by one half, or because the value of the coat has doubled.

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[20] Here, as occasionally also on previous pages, we use the expression 'value' for quantitatively determined values, i.e. for the magnitude of value.

III. Let the quantities of labour necessary for the production of the linen and the coat vary simultaneously in the same direction and the same proportion. In this case, 20 yards of linen = 1 coat, as before, whatever change may have taken place in their respective values. Their change of value is revealed only when they are compared with a third commodity, whose value has remained constant. If the values of all commodities rose or fell simultaneously, and in the same proportion, their relative values would remain unaltered. The change in their real values would be manifested by an increase or decrease in the quantity of commodities produced within the same labour-time.

IV. The labour-time necessary for the production respectively of the linen and the coat, and hence their values, may vary simultaneously in the same direction, but to an unequal degree, or in opposite directions, and so on. The influence of all possible combinations of this kind on the relative value of a commodity can be worked out simply by applying cases I, II and III.

Thus real changes in the magnitude of value are neither unequivocally nor exhaustively reflected in their relative expression, or, in other words, in the magnitude of the relative value. The relative value of a commodity may vary, although its value remains constant. Its relative value may remain constant, although its value varies; and finally, simultaneous variations in the magnitude of its value and in the relative expression of that magnitude do not by any means have to correspond at all points.[21]

[21] The vulgar economists* have exploited this lack of congruence between the magnitude of value and its relative expression with their customary ingenuity. For example: 'Once admit that A falls, because B, with which it is exchanged, rises, while no less labour is bestowed in the meantime on A, and your general principle of value falls to the ground ... If he [Ricardo] allowed that when A rises in value relatively to B, B falls in value relatively to A, he cut away the ground on which he rested his grand proposition, that the value of a commodity is ever determined by the labour embodied in it; for if a change in the cost of A alters not only its own value in relation to B, for which it is exchanged, but also the value of B relatively to that of A, though no change has taken place in the quantity of labour to produce B, then not only the doctrine falls to the ground which asserts that the quantity of labour bestowed on an article regulates its value, but also that which affirms the cost of an article to

*Marx explains his use of the term 'vulgar economists' in Section 4 of this chapter, pp. 174–5, n. 34.

(iii) *The equivalent form* We have seen that a commodity A (the linen), by expressing its value in the use-value of a commodity B of a different kind (the coat), impresses upon the latter a form of value peculiar to it, namely that of the equivalent. The commodity linen brings to view its own existence as a value through the fact that the coat can be equated with the linen although it has not assumed a form of value distinct from its own physical form. The coat is directly exchangeable with the linen; in this way the linen in fact expresses its own existence as a value [*Wertsein*]. The equivalent form of a commodity, accordingly, is the form in which it is directly exchangeable with other commodities.

If one kind of commodity, such as a coat, serves as the equivalent of another, such as linen, and coats therefore acquire the characteristic property of being in a form in which they can be directly exchanged with linen, this still by no means provides us with the proportion in which the two are exchangeable. Since the magnitude of the value of the linen is a given quantity, this proportion depends on the magnitude of the coat's value. Whether the coat is expressed as the equivalent and the linen as relative value, or, inversely, the linen is expressed as equivalent and the coat as relative value, the magnitude of the coat's value is determined, as ever, by the labour-time necessary for its production, independently of its value-form. But as soon as the coat takes up the position of the equivalent in the value expression, the magnitude of its value ceases to be expressed quantitatively. On the contrary, the coat now figures in the value equation merely as a definite quantity of some article.

For instance, 40 yards of linen are 'worth' – what? 2 coats. Because the commodity coat here plays the part of equivalent, because the use-value coat counts as the embodiment of value *vis-à-vis* the linen, a definite number of coats is sufficient to express a definite quantity of value in the linen. Two coats can therefore express the magnitude of value of 40 yards of linen, but they can

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regulate its value' (J. Broadhurst, *Political Economy*, London, 1842, pp. 11 and 14).

Mr Broadhurst might just as well say: consider the fractions 10/20, 10/50, 10/100 etc. The number 10 remains unchanged, and yet its proportional magnitude, its magnitude in relation to the numbers 20, 50, 100 continually diminishes. Therefore, the great principle that the magnitude of a whole number, such as 10, is 'regulated' by the number of times the number 1 is contained in it falls to the ground.

never express the magnitude of their own value. Because they had a superficial conception of this fact, i.e. because they considered that in the equation of value the equivalent always has the form of a simple quantity of some article, of a use-value, Bailey and many of his predecessors and followers were misled into seeing the expression of value as merely a quantitative relation;* whereas in fact the equivalent form of a commodity contains no quantitative determinant of value.

The first peculiarity which strikes us when we reflect on the equivalent form is this, that use-value becomes the form of appearance of its opposite, value.

The natural form of the commodity becomes its value-form. But, note well, this substitution only occurs in the case of a commodity B (coat, or maize, or iron, etc.) when some other commodity A (linen etc.) enters into a value-relation with it, and then only within the limits of this relation. Since a commodity cannot be related to itself as equivalent, and therefore cannot make its own physical shape into the expression of its own value, it must be related to another commodity as equivalent, and therefore must make the physical shape of another commodity into its own value-form.

Let us make this clear with the example of a measure which is applied to commodities as material objects, i.e. as use-values. A sugar-loaf, because it is a body, is heavy and therefore possesses weight; but we can neither take a look at this weight nor touch it. We then take various pieces of iron, whose weight has been determined beforehand. The bodily form of the iron, considered for itself, is no more the form of appearance of weight than is the sugar-loaf. Nevertheless, in order to express the sugar-loaf as a weight, we put it into a relation of weight with the iron. In this relation, the iron counts as a body representing nothing but weight. Quantities of iron therefore serve to measure the weight of the sugar, and represent, in relation to the sugar-loaf, weight in its pure form, the form of manifestation of weight. This part is played by the iron only within this relation, i.e. within the relation into which the sugar, or any other body whose weight is to be found, enters with the iron. If both objects lacked weight, they

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*'The most superficial form of exchange-value, that is the *quantitative relation* in which commodities exchange with one another, *constitutes*, according to Bailey, their value' (Karl Marx, *Theories of Surplus-Value*, Part III, London, 1972, p. 129).

could not enter into this relation, hence the one could not serve to express the weight of the other. When we throw both of them into the scales, we see in reality that considered as weight they are the same, and therefore that, taken in the appropriate proportions, they have the same weight. Just as the body of the iron, as a measure of weight, represents weight alone, in relation to the sugar-loaf, so, in our expression of value, the body of the coat represents value alone.

Here, however, the analogy ceases. In the expression of the weight of the sugar-loaf, the iron represents a natural property common to both bodies, their weight; but in the expression of value of the linen the coat represents a supra-natural property: their value, which is something purely social.

The relative value-form of a commodity, the linen for example, expresses its value-existence as something wholly different from its substance and properties, as the quality of being comparable with a coat for example; this expression itself therefore indicates that it conceals a social relation. With the equivalent form the reverse is true. The equivalent form consists precisely in this, that the material commodity itself, the coat for instance, expresses value just as it is in its everyday life, and is therefore endowed with the form of value by nature itself. Admittedly, this holds good only within the value-relation, in which the commodity linen is related to the commodity coat as its equivalent.[22] However, the properties of a thing do not arise from its relations to other things, they are, on the contrary, merely activated by such relations. The coat, therefore, seems to be endowed with its equivalent form, its property of direct exchangeability, by nature, just as much as its property of being heavy or its ability to keep us warm. Hence the mysteriousness of the equivalent form, which only impinges on the crude bourgeois vision of the political economist when it confronts him in its fully developed shape, that of money. He then seeks to explain away the mystical character of gold and silver by substituting for them less dazzling commodities, and, with ever-renewed satisfaction, reeling off a catalogue of all the inferior commodities which have played the role of the equivalent at one time or another. He does not suspect that even the simplest expression of value, such as 20 yards of linen = 1 coat, already presents the riddle of the equivalent form for us to solve.

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[22] Determinations of reflection [*Reflexionsbestimmungen*] of this kind are altogether very curious. For instance, one man is king only because other men stand in the relation of subjects to him. They, on the other hand, imagine that they are subjects because he is king.*

*Cf. Hegel, *Science of Logic*, tr. A. V. Miller, London, 1969, pp. 409–11, where the determinations of reflection are stated to be 'not of a qualitative kind . . . but determinatenesses which are themselves relations'.

The body of the commodity, which serves as the equivalent, always figures as the embodiment of abstract human labour, and is always the product of some specific useful and concrete labour. This concrete labour therefore becomes the expression of abstract human labour. If the coat is merely abstract human labour's realization, the tailoring actually realized in it is merely abstract human labour's form of realization. In the expression of value of the linen, the usefulness of tailoring consists, not in making clothes, and thus also people, but in making a physical object which we at once recognize as value, as a congealed quantity of labour, therefore, which is absolutely indistinguishable from the labour objectified in the value of the linen. In order to act as such a mirror of value, tailoring itself must reflect nothing apart from its own abstract quality of being human labour.

Human labour-power is expended in the form of tailoring as well as in the form of weaving. Both therefore possess the general property of being human labour, and they therefore have to be considered in certain cases, such as the production of value, solely from this point of view. There is nothing mysterious in this. But in the value expression of the commodity the question is stood on its head. In order to express the fact that, for instance, weaving creates the value of linen through its general property of being human labour rather than in its concrete form as weaving, we contrast it with the concrete labour which produces the equivalent of the linen, namely tailoring. Tailoring is now seen as the tangible form of realization of abstract human labour.

The equivalent form therefore possesses a second peculiarity: in it, concrete labour becomes the form of manifestation of its opposite, abstract human labour.

But because this concrete labour, tailoring, counts exclusively as the expression of undifferentiated human labour, it possesses the characteristic of being identical with other kinds of labour, such as the labour embodied in the linen. Consequently, although, like all other commodity-producing labour, it is the labour of private individuals, it is nevertheless labour in its directly social form. It is precisely for this reason that it presents itself to us in the shape of a product which is directly exchangeable with other commodities.

Thus the equivalent form has a third peculiarity: private labour takes the form of its opposite, namely labour in its directly social form.

The two peculiarities of the equivalent form we have just developed will become still clearer if we go back to the great investigator who was the first to analyse the value-form, like so many other forms of thought, society and nature. I mean Aristotle.

In the first place, he states quite clearly that the money-form of the commodity is only a more developed aspect of the simple form of value, i.e. of the expression of the value of a commodity in some other commodity chosen at random, for he says:

5 beds = 1 house

(Κλῖναι πέντε ἀντὶ οἰκίας)

is indistinguishable from

5 beds = a certain amount of money

(Κλῖναι πέντε ἀντὶ . . . ὅσου αἱ πέντε κλῖναι)

He further sees that the value-relation which provides the framework for this expression of value itself requires that the house should be qualitatively equated with the bed, and that these things, being distinct to the senses, could not be compared with each other as commensurable magnitudes if they lacked this essential identity. 'There can be no exchange,' he says, 'without equality, and no equality without commensurability' ('οὔτ' ἰσοτης μὴ οὔσης συμμετρίας'). Here, however, he falters, and abandons the further analysis of the form of value. 'It is, however, in reality, impossible ("τῆ μὲν οὖν ἀληθείᾳ ἀδύνατον") that such unlike things can be commensurable,' i.e. qualitatively equal. This form of equation can only be something foreign to the true nature of the things, it is therefore only 'a makeshift for practical purposes'.*

Aristotle therefore himself tells us what prevented any further analysis: the lack of a concept of value. What is the homogeneous element, i.e. the common substance, which the house represents from the point of view of the bed, in the value expression for the bed? Such a thing, in truth, cannot exist, says Aristotle. But why not? Towards the bed, the house represents something equal, in so far as it represents what is really equal, both in the bed and the house. And that is – human labour.

However, Aristotle himself was unable to extract this fact, that,

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*The quotations in this paragraph are from Aristotle, *Nicomachean Ethics*, Bk V, Ch. 5 (Loeb edition, London, 1926, pp. 287–9).

in the form of commodity-values, all labour is expressed as equal human labour and therefore as labour of equal quality, by inspection from the form of value, because Greek society was founded on the labour of slaves, hence had as its natural basis the inequality of men and of their labour-powers. The secret of the expression of value, namely the equality and equivalence of all kinds of labour because and in so far as they are human labour in general, could not be deciphered until the concept of human equality had already acquired the permanence of a fixed popular opinion. This however becomes possible only in a society where the commodity-form is the universal form of the product of labour, hence the dominant social relation is the relation between men as possessors of commodities. Aristotle's genius is displayed precisely by his discovery of a relation of equality in the value-expression of commodities. Only the historical limitation inherent in the society in which he lived prevented him from finding out what 'in reality' this relation of equality consisted of.

(iv) *The simple form of value considered as a whole* A commodity's simple form of value is contained in its value-relation with another commodity of a different kind, i.e. in its exchange relation with the latter. The value of commodity A is qualitatively expressed by the direct exchangeability of commodity B with commodity A. It is quantitatively expressed by the exchangeability of a specific quantity of commodity B with a given quantity of A. In other words, the value of a commodity is independently expressed through its presentation [*Darstellung*] as 'exchange-value'. When, at the beginning of this chapter, we said in the customary manner that a commodity is both a use-value and an exchange-value, this was, strictly speaking, wrong. A commodity is a use-value or object of utility, and a 'value'. It appears as the twofold thing it really is as soon as its value possesses its own particular form of manifestation, which is distinct from its natural form. This form of manifestation is exchange-value, and the commodity never has this form when looked at in isolation, but only when it is in a value-relation or an exchange relation with a second commodity of a different kind. Once we know this, our manner of speaking does no harm; it serves, rather, as an abbreviation.

Our analysis has shown that the form of value, that is, the expression of the value of a commodity, arises from the nature of commodity-value, as opposed to value and its magnitude arising from their mode of expression as exchange-value. This second view is the delusion both of the Mercantilists (and people like Ferrier, Ganilh, etc.,[23] who have made a modern rehash of Mercantilism) and their antipodes, the modern bagmen of free trade, such as Bastiat and his associates. The Mercantilists place their main emphasis on the qualitative side of the expression of value, hence on the equivalent form of the commodity, which in its finished form is money. The modern pedlars of free trade, on the other hand, who must get rid of their commodities at any price, stress the quantitative side of the relative form of value. For them, accordingly, there exists neither value, nor magnitude of value, anywhere except in its expression by means of the exchange relation, that is, in the daily list of prices current on the Stock Exchange. The Scotsman Macleod,* whose function it is to trick out the confused ideas of Lombard Street in the most learned finery, is a successful cross between the superstitious Mercantilists and the enlightened pedlars of free trade.

A close scrutiny of the expression of the value of commodity A contained in the value-relation of A to B has shown that within that relation the natural form of commodity A figures only as the aspect of use-value, while the natural form of B figures only as the form of value, or aspect of value. The internal opposition between use-value and value, hidden within the commodity, is therefore represented on the surface by an external opposition, i.e. by a relation between two commodities such that the one commodity, *whose own* value is supposed to be expressed, counts directly only as a use-value, whereas the other commodity, *in which* that value is to be expressed, counts directly only as exchange-value. Hence the simple form of value of a commodity is the simple form of appearance of the opposition between use-value and value which is contained within the commodity.

The product of labour is an object of utility in all states of society; but it is only a historically specific epoch of development which presents the labour expended in the production of a useful

[23] F. L. A. Ferrier (*sous-inspecteur des douanes*), *Du gouvernement considéré dans ses rapports avec le commerce*, Paris, 1805; and Charles Ganilh, *Des systèmes d'économie politique*, 2nd edn, Paris, 1821.

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*H. D. Macleod (1821–1902), opponent of the classical economists, who, Marx says, 'misinterprets the most elementary economic relations to such an extent that he asserts that money in general arises from its most advanced form, that is means of payment' (Karl Marx, *A Contribution to the Critique of Political Economy*, p. 143).

article as an 'objective' property of that article, i.e. as its value. It is only then that the product of labour becomes transformed into a commodity. It therefore follows that the simple form of value of the commodity is at the same time the simple form of value of the product of labour, and also that the development of the commodity-form coincides with the development of the value-form.

We perceive straight away the insufficiency of the simple form of value: it is an embryonic form which must undergo a series of metamorphoses before it can ripen into the price-form.

The expression of the value of commodity A in terms of any other commodity B merely distinguishes the value of A from its use-value, and therefore merely places A in an exchange-relation with any particular single different kind of commodity, instead of representing A's qualitative equality with all other commodities and its quantitative proportionality to them. To the simple relative form of value of a commodity there corresponds the single equivalent form of another commodity. Thus, in the relative expression of value of the linen, the coat only possesses the form of equivalent, the form of direct exchangeability, in relation to this one individual commodity, the linen.

Nevertheless, the simple form of value automatically passes over into a more complete form. Admittedly, this simple form only expresses the value of a commodity A in one commodity of another kind. But what this second commodity is, whether it is a coat, iron, corn, etc., is a matter of complete indifference. Therefore different simple expressions of the value of one and the same commodity arise according to whether that commodity enters into a value-relation with this second commodity or another kind of commodity.[24] The number of such possible expressions is limited only by the number of the different kinds of commodities distinct from it. The isolated expression of A's value is thus transformed into the indefinitely expandable series of different simple expressions of that value.

(b) The Total or Expanded Form of Value

z commodity A $=$ u commodity B or $=$ v commodity C or $=$ w commodity D or $=$ x commodity E or $=$ etc.

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[24] In Homer, for instance (*Iliad*, VII, 472–5), the value of a thing is expressed in a series of different things.

(20 yards of linen = 1 coat or = 10 lb. tea or = 40 lb. coffee or = 1 quarter of corn or = 2 ounces of gold or = ½ ton of iron or = etc.)

(1) *The expanded relative form of value*

The value of a commodity, the linen for example, is now expressed in terms of innumerable other members of the world of commodities. Every other physical commodity now becomes a mirror of the linen's value.[25] It is thus that this value first shows itself as being, in reality, a congealed quantity of undifferentiated human labour. For the labour which creates it is now explicitly presented as labour which counts as the equal of every other sort of human labour, whatever natural form it may possess, hence whether it is objectified in a coat, in corn, in iron, or in gold. The linen, by virtue of the form of value, no longer stands in a social relation with merely one other kind of commodity, but with the whole world of commodities as well. As a commodity it is a citizen of that world. At the same time, the endless series of expressions of its value implies that, from the point of view of the value of the commodity, the particular form of use-value in which it appears is a matter of indifference.

In the first form, 20 yards of linen = 1 coat, it might well be a purely accidental occurrence that these two commodities are exchangeable in a specific quantitative relation. In the second form, on the contrary, the background to this accidental appearance, essentially different from it, and determining it, immediately shines through. The value of the linen remains unaltered in magnitude, whether expressed in coats, coffee, or iron, or in innumerable different commodities, belonging to as many different owners. The accidental relation between two individual commodity-owners disappears. It becomes plain that it is not the exchange of commodities which regulates the magnitude of their values, but rather the reverse, the magnitude of the value of commodities which regulates the proportion in which they exchange.

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[25] For this reason we can speak of the coat-value of the linen when its value is expressed in coats, or of its corn-value when expressed in corn, and so on. Every such expression tells us that it is the value of the linen which appears in the use-values coat, corn etc. 'The value of any commodity denoting its relation in exchange, we may speak of it as . . . corn-value, cloth-value, according to the commodity with which it is compared; and hence there are a thousand different kinds of value, as many kinds of value as there are commodities in existence, and all are equally real and equally nominal' (*A Critical Dissertation on the Nature, Measure, and Causes of Value: Chiefly in Reference to the Writings of Mr Ricardo and His Followers. By the Author of Essays on the Formation, etc., of Opinions,* London, 1825, p. 39). S. Bailey, the author of this anonymous work, which in its day created a considerable stir in England, was under the delusion that by pointing to the multiplicity of the relative expressions of the same commodity-value he had obliterated any possibility of a conceptual determination of value. Still, despite the narrowness of his own outlook he was able to put his finger on some serious defects in the Ricardian theory, as is demonstrated by the animosity with which he was attacked by Ricardo's followers, in the *Westminster Review* for example.*

* The *Westminster Review* was founded in 1824 by Bentham and Bowring, as a quarterly journal of orthodox Radicalism. It was Ricardian in economic theory.

(2) *The particular equivalent form*

Each commodity, such as coat, tea, iron, etc., figures in the expression of value of the linen as an equivalent, hence as a physical object possessing value. The specific natural form of each of these commodities is now a particular equivalent form alongside many others. In the same way, the many specific, concrete, and useful kinds of labour contained in the physical commodities now count as the same number of particular forms of realization or manifestation of human labour in general.

(3) *Defects of the total or expanded form of value*

Firstly, the relative expression of value of the commodity is incomplete, because the series of its representations never comes to an end. The chain, of which each equation of value is a link, is liable at any moment to be lengthened by a newly created commodity, which will provide the material for a fresh expression of value. Secondly, it is a motley mosaic of disparate and unconnected expressions of value. And lastly, if, as must be the case, the relative value of each commodity is expressed in this expanded form, it follows that the relative form of value of each commodity is an endless series of expressions of value which are all different from the relative form of value of every other commodity. The defects of the expanded relative form of value are reflected in the corresponding equivalent form. Since the natural form of each particular kind of commodity is one particular equivalent form amongst innumerable other equivalent forms, the only equivalent forms which exist are limited ones, and each of them excludes all the others. Similarly, the specific, concrete, useful kind of labour contained in each particular commodity-equivalent is only a particular kind of labour and therefore not an exhaustive form of appearance of human labour in general. It is true that the completed or total form of appearance of human labour is constituted by the totality of its particular forms of appearance. But in that case it has no single, unified form of appearance.

The expanded relative form of value is, however, nothing but the sum of the simple relative expressions or equations of the first form, such as:

20 yards of linen = 1 coat
20 yards of linen = 10 lb. of tea, etc.

However, each of these equations implies the identical equation in reverse:

1 coat = 20 yards of linen
10 lb. of tea = 20 yards of linen, etc.

In fact, when a person exchanges his linen for many other commodities, and thus expresses its value in a series of other commodities, it necessarily follows that the other owners of commodities exchange them for the linen, and therefore express the values of their various commodities in one and the same third commodity, the linen. If, then, we reverse the series 20 yards of linen = 1 coat, or = 10 lb. of tea, etc., i.e. if we give expression to the converse relation already implied in the series, we get:

(c) The General Form of Value

$$\left.\begin{array}{l} \text{1 coat} \\ \text{10 lb. of tea} \\ \text{40 lb. of coffee} \\ \text{1 quarter of corn} \\ \text{2 ounces of gold} \\ \tfrac{1}{2}\text{ ton of iron} \\ x\text{ commodity A etc.} \end{array}\right\} = \text{20 yards of linen}$$

(1) *The changed character of the form of value*

The commodities now present their values to us, (1) in a simple form, because in a single commodity; (2) in a unified form, because in the same commodity each time. Their form of value is simple and common to all, hence general.

The two previous forms (let us call them A and B) only amounted to the expression of the value of a commodity as something distinct from its own use-value or its physical shape as a commodity.

The first form, A, produced equations like this: 1 coat = 20 yards of linen, 10 lb. of tea = ½ ton of iron. The value of the coat is expressed as comparable with linen,* that of the tea as comparable with iron. But to be comparable with linen and with iron, these expressions of the value of coat and tea, is to be as different as linen is from iron. This form, it is plain, appears in practice only in the early stages, when the products of labour are converted into commodities by accidental occasional exchanges.

The second form, B, distinguishes the value of a commodity from its own use-value more adequately than the first, for the value of the coat now stands in contrast with its natural form in all possible shapes, in the sense that it is equated with linen, iron, tea, in short with everything but itself. On the other hand any expression of value common to all commodities is directly excluded; for, in the expression of value of each commodity, all other commodities now appear only in the form of equivalents. The expanded form of value comes into actual existence for the first time when a particular product of labour, such as cattle, is no longer exceptionally, but habitually, exchanged for various other commodities.

The new form we have just obtained expresses the values of the world of commodities through one single kind of commodity set apart from the rest, through the linen for example, and thus represents the values of all commodities by means of their equality with linen. Through its equation with linen, the value of every commodity is now not only differentiated from its own use-value, but from all use-values, and is, by that very fact, expressed as that which is common to all commodities. By this form, commodities are, for the first time, really brought into relation with each other as values, or permitted to appear to each other as exchange-values.

The two earlier forms express the value of each commodity either in terms of a single commodity of a different kind, or in a series of many commodities which differ from the first one. In both cases it is the private task, so to speak, of the individual

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*'Comparable with linen' is the expression we have chosen to render *Leinwandgleiches*, 'comparable with iron' renders *Eisengleiches*, and so on. These circumlocutions are unavoidable here.

commodity to give itself a form of value, and it accomplishes this task without the aid of the others, which play towards it the merely passive role of equivalent. The general form of value, on the other hand, can only arise as the joint contribution of the whole world of commodities. A commodity only acquires a general expression of its value if, at the same time, all other commodities express their values in the same equivalent; and every newly emergent commodity must follow suit. It thus becomes evident that because the objectivity of commodities as values is the purely 'social existence' of these things, it can only be expressed through the whole range of their social relations; consequently the form of their value must possess social validity.

In this form, when they are all counted as comparable with the linen, all commodities appear not only as qualitatively equal, as values in general, but also as values of quantitatively comparable magnitude. Because the magnitudes of their values are expressed in one and the same material, the linen, these magnitudes are now reflected in each other. For instance, 10 lb. of tea = 20 yards of linen, and 40 lb. of coffee = 20 yards of linen. Therefore 10 lb. of tea = 40 lb. of coffee. In other words, 1 lb. of coffee contains only a quarter as much of the substance of value, that is, labour, as 1 lb. of tea.

The general relative form of value imposes the character of universal equivalent on the linen, which is the commodity excluded, as equivalent, from the whole world of commodities. Its own natural form is the form assumed in common by the values of all commodities; it is therefore directly exchangeable with all other commodities. The physical form of the linen counts as the visible incarnation, the social chrysalis state, of all human labour. Weaving, the private labour which produces linen, acquires as a result a general social form, the form of equality with all other kinds of labour. The innumerable equations of which the general form of value is composed equate the labour realized in the linen with the labour contained in every other commodity in turn, and they thus convert weaving into the general form of appearance of undifferentiated human labour. In this manner the labour objectified in the values of commodities is not just presented negatively, as labour in which abstraction is made from all the concrete forms and useful properties of actual work. Its own positive nature is explicitly brought out, namely the fact that it is the reduction of all kinds of actual labour to their common character of being human labour in general, of being the expenditure of human labour-power.

The general value-form, in which all the products of labour are presented as mere congealed quantities of undifferentiated human labour, shows by its very structure that it is the social expression of the world of commodities. In this way it is made plain that within this world the general human character of labour forms its specific social character.

(2) *The development of the relative and equivalent forms of value: their interdependence*

The degree of development of the relative form of value, and that of the equivalent form, correspond. But we must bear in mind that the development of the equivalent form is only the expression and the result of the development of the relative form.

The simple or isolated relative form of value of one commodity converts some other commodity into an isolated equivalent. The expanded form of relative value, that expression of the value of one commodity in terms of all other commodities, imprints those other commodities with the form of particular equivalents of different kinds. Finally, a particular kind of commodity acquires the form of universal equivalent, because all other commodities make it the material embodiment of their uniform and universal form of value.

But the antagonism between the relative form of value and the equivalent form, the two poles of the value-form, also develops concomitantly with the development of the value-form itself.

The first form, 20 yards of linen = 1 coat, already contains this antagonism, without as yet fixing it. According to whether we read the same equation forwards or backwards, each of the two commodity poles, such as the linen and the coat, is to be found in the relative form on one occasion, and in the equivalent form on the other occasion. Here it is still difficult to keep hold of the polar antagonism.

In form B, only one commodity at a time can completely expand its relative value, and it only possesses this expanded relative form of value because, and in so far as, all other commodities are, with respect to it, equivalents. Here we can no longer reverse the equation 20 yards of linen = 1 coat without altering its whole character, and converting it from the expanded form into the general form of value.

Finally, the last form, C, gives to the world of commodities a general social relative form of value, because, and in so far as, all commodities except one are thereby excluded from the equivalent form. A single commodity, the linen, therefore has the form of direct exchangeability with all other commodities, in other words it has a directly social form because, and in so far as, no other commodity is in this situation.[26]

The commodity that figures as universal equivalent is on the other hand excluded from the uniform and therefore universal relative form of value. If the linen, or any other commodity serving as universal equivalent, were, at the same time, to share in the relative form of value, it would have to serve as its own equivalent. We should then have: 20 yards of linen = 20 yards of linen, a tautology in which neither the value nor its magnitude is expressed. In order to express the relative value of the universal equivalent, we must rather reverse the form C. This equivalent has no relative form of value in common with other commodities; its value is, rather, expressed relatively in the infinite series of all other physical commodities. Thus the expanded relative form of value, or form B, now appears as the specific relative form of value of the equivalent commodity.

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[26] It is by no means self-evident that the form of direct and universal exchangeability is an antagonistic form, as inseparable from its opposite, the form of non-direct exchangeability, as the positivity of one pole of a magnet is from the negativity of the other pole. This has allowed the illusion to arise that all commodities can simultaneously be imprinted with the stamp of direct exchangeability, in the same way that it might be imagined that all Catholics can be popes. It is, of course, highly desirable in the eyes of the petty bourgeois, who views the production of commodities as the absolute summit of human freedom and individual independence, that the inconveniences resulting from the impossibility of exchanging commodities directly, which are inherent in this form, should be removed. This philistine utopia is depicted in the socialism of Proudhon, which, as I have shown elsewhere,* does not even possess the merit of originality, but was in fact developed far more successfully long before Proudhon by Gray, Bray and others. Even so, wisdom of this kind is still rife in certain circles under the name of 'science'. No school of thought has thrown around the word 'science' more haphazardly than that of Proudhon, for '*wo Begriffe fehlen, da stellt zur rechten Zeit ein Wort sich ein*'.†

*In Chapter 1 of Marx's 1847 polemic against Proudhon, *The Poverty of Philosophy*.

†'Where thoughts are absent, words are brought in as convenient replacements.' A slightly altered quotation from Goethe, *Faust*, Part I, Scene 4, Faust's Study, lines 1995–6.

(3) *The transition from the general form of value to the money form*

The universal equivalent form is a form of value in general. It can therefore be assumed by any commodity. On the other hand, a commodity is only to be found in the universal equivalent form (form C) if, and in so far as, it is excluded from the ranks of all other commodities, as being their equivalent. Only when this exclusion becomes finally restricted to a specific kind of commodity does the uniform relative form of value of the world of commodities attain objective fixedness and general social validity.

The specific kind of commodity with whose natural form the equivalent form is socially interwoven now becomes the money commodity, or serves as money. It becomes its specific social function, and consequently its social monopoly, to play the part of universal equivalent within the world of commodities. Among the commodities which in form B figure as particular equivalents of the linen, and in form C express in common their relative values in linen, there is one in particular which has historically conquered this advantageous position: gold. If, then, in form C, we replace the linen by gold, we get:

(d) The Money Form

$$\left.\begin{array}{l}\text{20 yards of linen}\\ \text{1 coat}\\ \text{10 lb. of tea}\\ \text{40 lb. of coffee}\\ \text{1 quarter of corn}\\ \tfrac{1}{2}\text{ ton of iron}\\ x\text{ commodity A}\end{array}\right\} = \text{2 ounces of gold}$$

Fundamental changes have taken place in the course of the transition from form A to form B, and from form B to form C. As against this, form D differs not at all from form C, except that now instead of linen gold has assumed the universal equivalent form. Gold is in form D what linen was in form C: the universal equivalent. The advance consists only in that the form of direct and universal exchangeability, in other words the universal equivalent form, has now by social custom finally become entwined with the specific natural form of the commodity gold.

Gold confronts the other commodities as money only because it previously confronted them as a commodity. Like all other commodities it also functioned as an equivalent, either as a single equivalent in isolated exchanges or as a particular equivalent alongside other commodity-equivalents. Gradually it began to serve as universal equivalent in narrower or wider fields. As soon as it had won a monopoly of this position in the expression of value for the world of commodities, it became the money commodity, and only then, when it had already become the money commodity, did form D become distinct from form C, and the general form of value come to be transformed into the money form.

The simple expression of the relative value of a single commodity, such as linen, in a commodity which is already functioning as the money commodity, such as gold, is the price form. The 'price form' of the linen is therefore: 20 yards of linen = 2 ounces of gold, or, if 2 ounces of gold when coined are £2, 20 yards of linen = £2.

The only difficulty in the concept of the money form is that of grasping the universal equivalent form, and hence the general form of value as such, form C. Form C can be reduced by working backwards to form B, the expanded form of value, and its constitutive element is form A: 20 yards of linen = 1 coat or x commodity A = y commodity B. The simple commodity form is therefore the germ of the money-form.

4. THE FETISHISM OF THE COMMODITY AND ITS SECRET

A commodity appears at first sight an extremely obvious, trivial thing. But its analysis brings out that it is a very strange thing, abounding in metaphysical subtleties and theological niceties. So far as it is a use-value, there is nothing mysterious about it, whether we consider it from the point of view that by its properties it satisfies human needs, or that it first takes on these properties as the product of human labour. It is absolutely clear that, by his activity, man changes the forms of the materials of nature in such a way as to make them useful to him. The form of wood, for instance, is altered if a table is made out of it. Nevertheless the table continues to be wood, an ordinary, sensuous thing. But as soon as it emerges as a commodity, it changes into a thing which transcends sensuousness. It not only stands with its feet on the ground, but, in relation to all other commodities, it stands on its head, and evolves out of its wooden brain grotesque ideas, far more wonderful than if it were to begin dancing of its own free will.[27]

The mystical character of the commodity does not therefore arise from its use-value. Just as little does it proceed from the nature of the determinants of value. For in the first place, however varied the useful kinds of labour, or productive activities, it is a physiological fact that they are functions of the human organism, and that each such function, whatever may be its nature or its form, is essentially the expenditure of human brain, nerves, muscles and sense organs. Secondly, with regard to the foundation of the quantitative determination of value, namely the duration of that expenditure or the quantity of labour, this is quite palpably different from its quality. In all situations, the labour-time it costs to produce the means of subsistence must necessarily concern mankind, although not to the same degree at different stages of development.[28] And finally, as soon as men start to work for each other in any way, their labour also assumes a social form.

Whence, then, arises the enigmatic character of the product of labour, as soon as it assumes the form of a commodity? Clearly, it arises from this form itself. The equality of the kinds of human labour takes on a physical form in the equal objectivity of the products of labour as values; the measure of the expenditure of human labour-power by its duration takes on the form of the magnitude of the value of the products of labour; and finally the relationships between the producers, within which the social characteristics of their labours are manifested, take on the form of a social relation between the products of labour.

The mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men's own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things. Hence it also reflects the social relation of the producers to the sum total of labour as a social relation between objects, a relation which exists apart from and outside the producers. Through this substitution, the products of labour become commodities, sensuous things which are at the same time suprasensible or social. In the same way, the impression made by a thing on the optic nerve is perceived not as a subjective excitation of that nerve but as the objective form of a thing outside the eye. In the act of seeing, of course, light is really transmitted from one thing, the external object, to another thing, the eye. It is a physical relation between physical things. As against this, the commodity-form, and the value-relation of the products of labour within which it appears, have absolutely no connection with the physical nature of the commodity and the material [*dinglich*] relations arising out of this. It is nothing but the definite social relation between men themselves which assumes here, for them, the fantastic form of a relation between things. In order, therefore, to find an analogy we must take flight into the misty realm of religion. There the products of the human brain appear as autonomous figures endowed with a life of their own, which enter into relations both with each other and with the human race. So it is in the world of commodities with the products of men's hands. I call this the fetishism which attaches itself to the products of labour as soon as they are produced as commodities, and is therefore inseparable from the production of commodities.

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[27] One may recall that China and the tables began to dance when the rest of the world appeared to be standing still – *pour encourager les autres*.*

[28] Among the ancient Germans the size of a piece of land was measured according to the labour of a day; hence the acre was called *Tagwerk, Tagwanne* (*jurnale*, or *terrajurnalis*, or *diornalis*), *Mannwerk, Mannskraft, Mannsmaad, Mannshauet*, etc. See Georg Ludwig von Maurer, *Einleitung zur Geschichte der Mark-, Hof-, usw. Verfassung*, Munich, 1854, p. 129 ff.

* 'To encourage the others'. A reference to the simultaneous emergence in the 1850s of the Taiping revolt in China and the craze for spiritualism which swept over upper-class German society. The rest of the world was 'standing still' in the period of reaction immediately after the defeat of the 1848 Revolutions.

As the foregoing analysis has already demonstrated, this fetishism of the world of commodities arises from the peculiar social character of the labour which produces them.

Objects of utility become commodities only because they are the products of the labour of private individuals who work independently of each other. The sum total of the labour of all these private individuals forms the aggregate labour of society. Since the producers do not come into social contact until they exchange the products of their labour, the specific social characteristics of their private labours appear only within this exchange. In other words, the labour of the private individual manifests itself as an element of the total labour of society only through the relations which the act of exchange establishes between the products, and, through their mediation, between the producers. To the producers, therefore, the social relations between their private labours appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material [*dinglich*] relations between persons and social relations between things.

It is only by being exchanged that the products of labour acquire a socially uniform objectivity as values, which is distinct from their sensuously varied objectivity as articles of utility. This division of the product of labour into a useful thing and a thing possessing value appears in practice only when exchange has already acquired a sufficient extension and importance to allow useful things to be produced for the purpose of being exchanged, so that their character as values has already to be taken into consideration during production. From this moment on, the labour of the individual producer acquires a twofold social character. On the one hand, it must, as a definite useful kind of labour, satisfy a definite social need, and thus maintain its position as an element of the total labour, as a branch of the social division of labour, which originally sprang up spontaneously. On the other hand, it can satisfy the manifold needs of the individual producer himself only in so far as every particular kind of useful private labour can be exchanged with, i.e. counts as the equal of, every other kind of useful private labour. Equality in the full sense between different kinds of labour can be arrived at only if we abstract from their real inequality, if we reduce them to the characteristic they have in common, that of being the expenditure of human labour-power, of human labour in the abstract. The private producer's brain reflects this twofold social character of his labour only in the forms which appear in practical intercourse, in the exchange of products. Hence the socially useful character of his private labour is reflected in the form that the product of labour has to be useful to others, and the social character of the equality of the various kinds of labour is reflected in the form of the common character, as values, possessed by these materially different things, the products of labour.

Men do not therefore bring the products of their labour into relation with each other as values because they see these objects merely as the material integuments of homogeneous human labour. The reverse is true: by equating their different products to each other in exchange as values, they equate their different kinds of labour as human labour. They do this without being aware of it.[29] Value, therefore, does not have its description branded on its forehead; it rather transforms every product of labour into a social hieroglyphic. Later on, men try to decipher the hieroglyphic, to get behind the secret of their own social product: for the characteristic which objects of utility have of being values is as much men's social product as is their language. The belated scientific discovery that the products of labour, in so far as they are values, are merely the material expressions of the human labour expended to produce them, marks an epoch in the history of mankind's development, but by no means banishes the semblance of objectivity possessed by the social characteristics of labour. Something which is only valid for this particular form of production, the production of commodities, namely the fact that the specific social character of private labours carried on independently of each other consists in their equality as human labour, and, in the product, assumes the form of the existence of value, appears to those caught up in the relations of commodity production (and this is true both before and after the abovementioned scientific discovery) to be just as ultimately valid as the fact that the scientific dissection of the air into its component parts left the atmosphere itself unaltered in its physical configuration.

What initially concerns producers in practice when they make an exchange is how much of some other product they get for their own; in what proportions can the products be exchanged? As soon as these proportions have attained a certain customary stability, they appear to result from the nature of the products, so that, for instance, one ton of iron and two ounces of gold appear to be equal in value, in the same way as a pound of gold and a pound of iron are equal in weight, despite their different physical and chemical properties. The value character of the products of labour becomes firmly established only when they act as magnitudes of value. These magnitudes vary continually, independently of the will, foreknowledge and actions of the exchangers. Their own movement within society has for them the form of a movement made by things, and these things, far from being under their control, in fact control them. The production of commodities must be fully developed before the scientific conviction emerges, from experience itself, that all the different kinds of private labour (which are carried on independently of each other, and yet, as spontaneously developed branches of the social division of labour, are in a situation of all-round dependence on each other) are continually being reduced to the quantitative proportions in which society requires them. The reason for this reduction is that in the midst of the accidental and ever-fluctuating exchange relations between the products, the labour-time socially necessary to produce them asserts itself as a regulative law of nature. In the same way, the law of gravity asserts itself when a person's house collapses on top of him.[30] The determination of the magnitude of value by labour-time is therefore a secret hidden under the apparent movements in the relative values of commodities. Its discovery destroys the semblance of the merely accidental determination of the magnitude of the value of the products of labour, but by no means abolishes that determination's material form.

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[29] Therefore, when Galiani said: Value is a relation between persons ('*La Ricchezza è una ragione tra due persone*') he ought to have added: a relation concealed beneath a material shell. (Galiani, *Della Moneta*, p. 221, Vol. 3 of Custodi's collection entitled *Scrittori classici italiani di economia politica, Parte moderna*, Milan, 1803.)

Reflection on the forms of human life, hence also scientific analysis of those forms, takes a course directly opposite to their real development. Reflection begins *post festum*,* and therefore with the results of the process of development ready to hand. The forms which stamp products as commodities and which are therefore the preliminary requirements for the circulation of commodities, already possess the fixed quality of natural forms of social life before man seeks to give an account, not of their historical character, for in his eyes they are immutable, but of their content and meaning. Consequently, it was solely the analysis of the prices of commodities which led to the determination of the magnitude of value, and solely the common expression of all commodities in money which led to the establishment of their character as values. It is however precisely this finished form of the world of commodities – the money form – which conceals the social character of private labour and the social relations between the individual

[30] 'What are we to think of a law which can only assert itself through periodic crises? It is just a natural law which depends on the lack of awareness of the people who undergo it' (Friedrich Engels, *Umrisse zu einer Kritik der Nationalökonomie*, in the *Deutsch-Französische Jahrbücher*, edited by Arnold Ruge and Karl Marx, Paris, 1844) [English translation in Marx/Engels' *Collected Works*, Vol. 3, London, 1975, p. 433].

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* 'After the feast', i.e. after the events reflected on have taken place.

workers, by making those relations appear as relations between material objects, instead of revealing them plainly. If I state that coats or boots stand in a relation to linen because the latter is the universal incarnation of abstract human labour, the absurdity of the statement is self-evident. Nevertheless, when the producers of coats and boots bring these commodities into a relation with linen, or with gold or silver (and this makes no difference here), as the universal equivalent, the relation between their own private labour and the collective labour of society appears to them in exactly this absurd form.

The categories of bourgeois economics consist precisely of forms of this kind. They are forms of thought which are socially valid, and therefore objective, for the relations of production belonging to this historically determined mode of social production, i.e. commodity production. The whole mystery of commodities, all the magic and necromancy that surrounds the products of labour on the basis of commodity production, vanishes therefore as soon as we come to other forms of production.

As political economists are fond of Robinson Crusoe stories,[31] let us first look at Robinson on his island. Undemanding though he is by nature, he still has needs to satisfy, and must therefore perform useful labours of various kinds: he must make tools, knock together furniture, tame llamas, fish, hunt and so on. Of his prayers and the like, we take no account here, since our friend takes pleasure in them and sees them as recreation. Despite the diversity of his productive functions, he knows that they are only different forms of activity of one and the same Robinson, hence only different modes of human labour. Necessity itself compels him to divide his time with precision between his different functions. Whether one function occupies a greater space in his total activity than another depends on the magnitude of the difficulties to be overcome in attaining the useful effect aimed at. Our friend Robinson Crusoe learns this by experience, and having saved a watch, ledger, ink and pen from the shipwreck, he soon begins, like a good Englishman, to keep a set of books. His stock-book contains a catalogue of the useful objects he possesses, of the various operations necessary for their production, and finally of the labour-time that specific quantities of these products have on average cost him. All the relations between Robinson and these objects that form his self-created wealth are here so simple and transparent that even Mr Sedley Taylor* could understand them. And yet those relations contain all the essential determinants of value.

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[31] Even Ricardo has his Robinson Crusoe stories. 'Ricardo makes his primitive fisherman and primitive hunter into owners of commodities who immediately exchange their fish and game in proportion to the labour-time which is materialized in these exchange-values. On this occasion he slips into the anachronism of allowing the primitive fisherman and hunter to calculate the value of their implements in accordance with the annuity tables used on the London Stock Exchange in 1817. Apart from bourgeois society, the "parallelograms of Mr Owen" seem to have been the only form of society Ricardo was acquainted with' *(Karl Marx, *Zur Kritik etc.*, pp. 38–9) [English translation, p. 60].

*The 'parallelograms' were the utopian socialist Robert Owen's suggestion for the most appropriate layout for a workers' settlement, made in *A New View of Society* (1813) and immediately seized on by his critics. Ricardo's reference to them is from his *On Protection of Agriculture*, London, 1822, p. 21.

Let us now transport ourselves from Robinson's island, bathed in light, to medieval Europe, shrouded in darkness. Here, instead of the independent man, we find everyone dependent – serfs and lords, vassals and suzerains, laymen and clerics. Personal dependence characterizes the social relations of material production as much as it does the other spheres of life based on that production. But precisely because relations of personal dependence form the given social foundation, there is no need for labour and its products to assume a fantastic form different from their reality. They take the shape, in the transactions of society, of services in kind and payments in kind. The natural form of labour, its particularity – and not, as in a society based on commodity production, its universality – is here its immediate social form. The *corvée* can be measured by time just as well as the labour which produces commodities, but every serf knows that what he expends in the service of his lord is a specific quantity of his own personal labour-power. The tithe owed to the priest is more clearly apparent than his blessing. Whatever we may think, then, of the different roles in which men confront each other in such a society, the social relations between individuals in the performance of their labour appear at all events as their own personal relations, and are not disguised as social relations between things, between the products of labour.

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*The original German has here 'Herr M. Wirth', chosen by Marx as a run-of-the-mill vulgar economist and propagandist familiar to German readers. Engels introduced 'Mr Sedley Taylor', a Cambridge don against whom he polemicized in his preface to the fourth German edition (see above, p. 117).

For an example of labour in common, i.e. directly associated labour, we do not need to go back to the spontaneously developed form which we find at the threshold of the history of all civilized peoples.[32] We have one nearer to hand in the patriarchal rural industry of a peasant family which produces corn, cattle, yarn, linen and clothing for its own use. These things confront the family as so many products of its collective labour, but they do not confront each other as commodities. The different kinds of labour which create these products – such as tilling the fields, tending the cattle, spinning, weaving and making clothes – are already in their natural form social functions; for they are functions of the family, which, just as much as a society based on commodity production, possesses its own spontaneously developed division of labour. The distribution of labour within the family and the labour-time expended by the individual members of the family, are regulated by differences of sex and age as well as by seasonal variations in the natural conditions of labour. The fact that the expenditure of the individual labour-powers is measured by duration appears here, by its very nature, as a social characteristic of labour itself, because the individual labour-powers, by their very nature, act only as instruments of the joint labour-power of the family.

Let us finally imagine, for a change, an association of free men, working with the means of production held in common, and expending their many different forms of labour-power in full self-awareness as one single social labour force. All the characteristics of Robinson's labour are repeated here, but with the difference that they are social instead of individual. All Robinson's products were exclusively the result of his own personal labour and they were therefore directly objects of utility for him personally. The total product of our imagined association is a social product. One part of this product serves as fresh means of production and remains social. But another part is consumed by the members of the association as means of subsistence. This part must therefore be divided amongst them. The way this division is made will vary with the particular kind of social organization of production and the corresponding level of social development attained by the producers. We shall assume, but only for the sake of a parallel with the production of commodities, that the share of each individual producer in the means of subsistence is determined by his labour-time. Labour-time would in that case play a double part. Its apportionment in accordance with a definite social plan maintains the correct proportion between the different functions of labour and the various needs of the associations. On the other hand, labour-time also serves as a measure of the part taken by each individual in the common labour, and of his share in the part of the total product destined for individual consumption. The social relations of the individual producers, both towards their labour and the products of their labour, are here transparent in their simplicity, in production as well as in distribution.

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[32] 'A ridiculous notion has spread abroad recently that communal property in its natural, spontaneous form is specifically Slav, indeed exclusively Russian. In fact, it is the primitive form that we can prove to have existed among Romans, Teutons and Celts, and which indeed still exists to this day in India, in a whole range of diverse patterns, albeit sometimes only as remnants. A more exact study of the Asiatic, and specifically of the Indian form of communal property would indicate the way in which different forms of spontaneous, primitive communal property give rise to different forms of its dissolution. Thus the different original types of Roman and Germanic private property can be deduced from the different forms of Indian communal property' (Karl Marx, *Zur Kritik, etc.*, p. 10) [English translation, p. 33].

For a society of commodity producers, whose general social relation of production consists in the fact that they treat their products as commodities, hence as values, and in this material [*sachlich*] form bring their individual, private labours into relation with each other as homogeneous human labour, Christianity with its religious cult of man in the abstract, more particularly in its bourgeois development, i.e. in Protestantism, Deism, etc., is the most fitting form of religion. In the ancient Asiatic, Classical-antique, and other such modes of production, the transformation of the product into a commodity, and therefore men's existence as producers of commodities, plays a subordinate role, which however increases in importance as these communities approach nearer and nearer to the stage of their dissolution. Trading nations, properly so called, exist only in the interstices of the ancient world, like the gods of Epicurus in the *intermundia*,* or Jews in the pores of Polish society. Those ancient social organisms of production are much more simple and transparent than those of bourgeois society.

*According to the Greek philosopher Epicurus (*c.* 341–*c.* 270 B.C.), the gods existed only in the *intermundia*, or spaces between different worlds, and had no influence on the course of human affairs. Very few of the writings of Epicurus have been preserved in the original Greek, and this particular idea survived only by being included in Cicero, *De natura deorum*, Book I, Section 18.

But they are founded either on the immaturity of man as an individual, when he has not yet torn himself loose from the umbilical cord of his natural species-connection with other men, or on direct relations of dominance and servitude. They are conditioned by a low stage of development of the productive powers of labour and correspondingly limited relations between men within the process of creating and reproducing their material life, hence also limited relations between man and nature. These real limitations are reflected in the ancient worship of nature, and in other elements of tribal religions. The religious reflections of the real world can, in any case, vanish only when the practical relations of everyday life between man and man, and man and nature, generally present themselves to him in a transparent and rational form. The veil is not removed from the countenance of the social life-process, i.e. the process of material production, until it becomes production by freely associated men, and stands under their conscious and planned control. This, however, requires that society possess a material foundation, or a series of material conditions of existence, which in their turn are the natural and spontaneous product of a long and tormented historical development.

Political economy has indeed analysed value and its magnitude, however incompletely,[33] and has uncovered the content concealed within these forms. But it has never once asked the question why this content has assumed that particular form, that is to say, why labour is expressed in value, and why the measurement of labour by its duration is expressed in the magnitude of the value of the product.[34] These formulas, which bear the unmistakable stamp of

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[33] The insufficiency of Ricardo's analysis of the magnitude of value – and his analysis is by far the best – will appear from the third and fourth books of this work.* As regards value in general, classical political economy in fact nowhere distinguishes explicitly and with a clear awareness between labour as it appears in the value of a product, and the same labour as it appears in the product's use-value. Of course the distinction is made in practice, since labour is treated sometimes from its quantitative aspect, and at other times qualitatively. But it does not occur to the economists that a purely quantitative distinction between the kinds of labour presupposes their qualitative unity or equality, and therefore their reduction to abstract human labour. For instance, Ricardo declares that he agrees with Destutt de Tracy when the latter says: 'As it is certain that our physical and moral faculties are alone our original riches, the employment of those faculties, labour of some kind, is our original treasure, and it is always from this employment that all those things are created which we call riches . . . It is certain too, that all those things only represent the labour which has created them, and if they have a value, or even two distinct values, they can only derive them from that' (the value) 'of the labour from which they emanate' (Ricardo, *The Principles of Political Economy*, 3rd edn, London, 1821, p. 334).† We would here only point out that

*These are the books that appeared, respectively, as Volume 3 of *Capital*, and *Theories of Surplus-Value* (3 volumes).

†Destutt de Tracy, *Élémens d'idéologie*, Parts 4 and 5, Paris, 1826, pp. 35–6.

Ricardo imposes his own more profound interpretation on the words of Destutt. Admittedly Destutt does say that all things which constitute wealth 'represent the labour which has created them', but, on the other hand, he also says that they acquire their 'two different values' (use-value and exchange-value) from 'the value of labour'. He thus falls into the commonplace error of the vulgar economists, who assume the value of one commodity (here labour) in order in turn to use it to determine the values of other commodities. But Ricardo reads him as if he had said that labour (not the value of labour) is represented both in use-value and in exchange-value. Nevertheless, Ricardo himself makes so little of the dual character of the labour represented in this twofold way that he is forced to spend the whole of his chapter 'Value and Riches, their Distinctive Properties' on a laborious examination of the trivialities of a J. B. Say. And at the end he is therefore quite astonished to find that while Destutt agrees with him that labour is the source of value, he nevertheless also agrees with Say about the concept of value.*

[34] It is one of the chief failings of classical political economy that it has never succeeded, by means of its analysis of commodities, and in particular of their value, in discovering the form of value which in fact turns value into exchange-value. Even its best representatives, Adam Smith and Ricardo, treat the form of value as something of indifference, something external to the nature of the commodity itself. The explanation for this is not simply that their attention is entirely absorbed by the analysis of the magnitude of value. It lies deeper. The value-form of the product of labour is the most abstract, but also the most universal form of the bourgeois mode of production; by that fact it stamps the bourgeois mode of production as a particular kind of social production of a historical and transitory character. If then we make the mistake of treating it as the eternal natural form of social production, we necessarily overlook the specificity of the value-form, and consequently of the commodity-form together with its further developments, the money form, the capital form, etc. We therefore find that economists who are entirely agreed that labour-time is the measure of the magnitude of value, have the strangest and most contradictory ideas about money, that is, about the universal equivalent in its finished form. This emerges sharply when they deal with banking, where the commonplace definitions of money will no longer hold water. Hence there has arisen in opposition to the classical economists a restored Mercantilist System (Ganilh etc.), which sees in value only the social form, or rather its insubstantial semblance. Let me point out once and for all that by classical political economy I mean all the economists who, since the time of W. Petty, have investigated the real internal framework [*Zusammenhang*] of bourgeois

* 'I am sorry to be obliged to add that M. de Tracy supports, by his authority, the definitions which M. Say has given of the words "value", "riches", and "utility" ' (Ricardo, op. cit., p. 334).

belonging to a social formation in which the process of production has mastery over man, instead of the opposite, appear to the political economists' bourgeois consciousness to be as much a self-evident and nature-imposed necessity as productive labour itself. Hence the pre-bourgeois forms of the social organization of production are treated by political economy in much the same way as the Fathers of the Church treated pre-Christian religions.[35]

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relations of production, as opposed to the vulgar economists who only flounder around within the apparent framework of those relations, ceaselessly ruminate on the materials long since provided by scientific political economy, and seek there plausible explanations of the crudest phenomena for the domestic purposes of the bourgeoisie. Apart from this, the vulgar economists confine themselves to systematizing in a pedantic way, and proclaiming for everlasting truths, the banal and complacent notions held by the bourgeois agents of production about their own world, which is to them the best possible one.

[35] 'The economists have a singular way of proceeding. For them, there are only two kinds of institutions, artificial and natural. The institutions of feudalism are artificial institutions, those of the bourgeoisie are natural institutions. In this they resemble the theologians, who likewise establish two kinds of religion. Every religion which is not heirs is an invention of men, while their own is an emanation of God . . . Thus there has been history, but there is no longer any' (Karl Marx, *Misère de la philosophie. Réponse à la philosophie de la misère de M. Proudhon*, 1847, p. 113).* Truly comical is M. Bastiat, who imagines that the ancient Greeks and Romans lived by plunder alone. For if people live by plunder for centuries there must, after all, always be something there to plunder; in other words, the objects of plunder must be continually reproduced. It seems, therefore, that even the Greeks and the Romans had a process of production, hence an economy, which constituted the material basis of their world as much as the bourgeois economy constitutes that of the present-day world. Or perhaps Bastiat means that a mode of production based on the labour of slaves is based on a system of plunder? In that case he is on dangerous ground. If a giant thinker like Aristotle could err in his evaluation of slave-labour, why should a dwarf economist like Bastiat be right in his evaluation of wage-labour? I seize this opportunity of briefly refuting an objection made by a German–American publication to my work *Zur Kritik der Politischen Ökonomie*, 1859. My view is that each particular mode of production, and the relations of production corresponding to it at each given moment, in short 'the economic structure of society', is 'the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness', and that 'the mode of production of material life conditions the general process of social, political and intellectual life'.†

*English translation: Karl Marx, *The Poverty of Philosophy*, London, 1966, p. 105.

†These passages are taken from the Preface to *A Contribution to the Critique of Political Economy*, written in January 1859 (English translation, pp. 20–21).

The degree to which some economists are misled by the fetishism attached to the world of commodities, or by the objective appearance of the social characteristics of labour, is shown, among other things, by the dull and tedious dispute over the part played by nature in the formation of exchange-value. Since exchange-value is a definite social manner of expressing the labour bestowed on a thing, it can have no more natural content than has, for example, the rate of exchange.

As the commodity-form is the most general and the most undeveloped form of bourgeois production, it makes its appearance at an early date, though not in the same predominant and therefore characteristic manner as nowadays. Hence its fetish character is still relatively easy to penetrate. But when we come to more concrete forms, even this appearance of simplicity vanishes. Where did the illusions of the Monetary System come from? The adherents of the Monetary System did not see gold and silver as representing money as a social relation of production, but in the form of natural objects with peculiar social properties. And what of modern political economy, which looks down so disdainfully on the Monetary System? Does not its fetishism become quite palpable when it deals with capital? How long is it since the disappearance of the Physiocratic illusion that ground rent grows out of the soil, not out of society?

But, to avoid anticipating, we will content ourselves here with one more example relating to the commodity-form itself. If commodities could speak, they would say this: our use-value may interest men, but it does not belong to us as objects. What does belong to us as objects, however, is our value. Our own inter-

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In the opinion of the German–American publication this is all very true for our own times, in which material interests are preponderant, but not for the Middle Ages, dominated by Catholicism, nor for Athens and Rome, dominated by politics. In the first place, it strikes us as odd that anyone should suppose that these well-worn phrases about the Middle Ages and the ancient world were unknown to anyone else. One thing is clear: the Middle Ages could not live on Catholicism, nor could the ancient world on politics. On the contrary, it is the manner in which they gained their livelihood which explains why in one case politics, in the other case Catholicism, played the chief part. For the rest, one needs no more than a slight acquaintance with, for example, the history of the Roman Republic, to be aware that its secret history is the history of landed property. And then there is Don Quixote, who long ago paid the penalty for wrongly imagining that knight errantry was compatible with all economic forms of society.

course as commodities proves it. We relate to each other merely as exchange-values. Now listen how those commodities speak through the mouth of the economist:

'Value (i.e. exchange-value) is a property of things, riches (i.e. use-value) of man. Value, in this sense, necessarily implies exchanges, riches do not.'[36]

'Riches (use-value) are the attribute of man, value is the attribute of commodities. A man or a community is rich, a pearl or a diamond is valuable... A pearl or a diamond is valuable as a pearl or diamond.'[37]

So far no chemist has ever discovered exchange-value either in a pearl or a diamond. The economists who have discovered this chemical substance, and who lay special claim to critical acumen, nevertheless find that the use-value of material objects belongs to them independently of their material properties, while their value, on the other hand, forms a part of them as objects. What confirms them in this view is the peculiar circumstance that the use-value of a thing is realized without exchange, i.e. in the direct relation between the thing and man, while, inversely, its value is realized only in exchange, i.e. in a social process. Who would not call to mind at this point the advice given by the good Dogberry to the night-watchman Seacoal?*

'To be a well-favoured man is the gift of fortune; but reading and writing comes by nature.'[38]

[36] *Observations on Some Verbal Disputes in Pol. Econ., Particularly Relating to Value, and to Supply and Demand*, London, 1821, p. 16.

[37] S. Bailey, op. cit., p. 165.

[38] Both the author of *Observations etc.*, and S. Bailey accuse Ricardo of converting exchange-value from something relative into something absolute. The reverse is true. He has reduced the apparent relativity which these things (diamonds, pearls, etc.) possess to the true relation hidden behind the appearance, namely their relativity as mere expressions of human labour. If the followers of Ricardo answer Bailey somewhat rudely, but by no means convincingly, this is because they are unable to find in Ricardo's own works any elucidation of the inner connection between value and the form of value, or exchange-value.

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* In Shakespeare's comedy *Much Ado About Nothing*, Act 3, Scene 3.

Chapter 2: The Process of Exchange

Commodities cannot themselves go to market and perform exchanges in their own right. We must, therefore, have recourse to their guardians, who are the possessors of commodities. Commodities are things, and therefore lack the power to resist man. If they are unwilling, he can use force; in other words, he can take possession of them.[1] In order that these objects may enter into relation with each other as commodities, their guardians must place themselves in relation to one another as persons whose will resides in those objects, and must behave in such a way that each does not appropriate the commodity of the other, and alienate his own, except through an act to which both parties consent. The guardians must therefore recognize each other as owners of private property. This juridical relation, whose form is the contract, whether as part of a developed legal system or not, is a relation between two wills which mirrors the economic relation. The content of this juridical relation (or relation of two wills) is itself determined by the economic relation.[2] Here the persons exist for one another merely as representatives and hence owners, of commodities. As we proceed to develop our investigation, we shall find, in general, that the characters who appear on the economic stage are merely personifications of economic relations; it is as the bearers* of these economic relations that they come into contact with each other.

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[1] In the twelfth century, so renowned for its piety, very delicate things often appear among these commodities. Thus a French poet of the period enumerates among the commodities to be found in the fair of Lendit, alongside clothing, shoes, leather, implements of cultivation, skins, etc., also *'femmes folles de leur corps'*.*

[2] Proudhon creates his ideal of justice, of *'justice éternelle'*, from the juridical relations that correspond to the production of commodities: he thereby proves, to the consolation of all good petty bourgeois, that the production of commodities is a form as eternal as justice. Then he turns round and seeks to reform the actual production of commodities, and the corresponding legal system, in accordance with this ideal. What would one think of a chemist who, instead of studying the actual laws governing molecular interactions, and on that basis solving definite problems, claimed to regulate

* 'Wanton women'. This passage comes from the *Dit du Lendit*, a satirical poem by the medieval French poet Guillot de Paris.

What chiefly distinguishes a commodity from its owner is the fact that every other commodity counts for it only as the form of appearance of its own value. A born leveller and cynic, it is always ready to exchange not only soul, but body, with each and every other commodity, be it more repulsive than Maritornes herself.† The owner makes up for this lack in the commodity of a sense of the concrete, physical body of the other commodity, by his own five and more senses. For the owner, his commodity possesses no direct use-value. Otherwise, he would not bring it to market. It has use-value for others; but for himself its only direct use-value is as a bearer of exchange-value, and consequently, a means of exchange.[3] He therefore makes up his mind to sell it in return for commodities whose use-value is of service to him. All commodities are non-use-values for their owners, and use-values for their non-owners. Consequently, they must all change hands. But this changing of hands constitutes their exchange, and their exchange puts them in relation with each other as values and realizes them as values. Hence commodities must be realized as values before they can be realized as use-values.

On the other hand, they must stand the test as use-values before they can be realized as values. For the labour expended on them only counts in so far as it is expended in a form which is useful

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those interactions by means of the 'eternal ideas' of '*naturalité*' and '*affinité*'? Do we really know any more about 'usury', when we say it contradicts '*justice éternelle*', '*équité éternelle*', '*mutualité éternelle*', and other '*vérités éternelles*' than the fathers of the church did when they said it was incompatible with '*grâce éternelle*', '*foi éternelle*', and '*la volunté éternelle de Dieu*'?

[3] 'For twofold is the use of every object ... The one is peculiar to the object as such, the other is not, as a sandal which may be worn and is also exchangeable. Both are uses of the sandal, for even he who exchanges the sandal for the money or food he is in need of, makes use of the sandal as a sandal. But not in its natural way. For it has not been made for the sake of being exchanged' (Aristotle, *Republic*, I, i, c. 9).

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*The concept of an object (or person) as the receptacle, repository, bearer [*Träger*] of some thing or tendency quite different from it appears repeatedly in *Capital*, and I have tried to translate it uniformly as 'bearer'.

†Maritornes: a character from Cervantes' novel *Don Quixote*.

for others. However, only the act of exchange can prove whether that labour is useful for others, and its product consequently capable of satisfying the needs of others.

The owner of a commodity is prepared to part with it only in return for other commodities whose use-value satisfies his own need. So far, exchange is merely an individual process for him. On the other hand, he desires to realize his commodity, as a value, in any other suitable commodity of the same value. It does not matter to him whether his own commodity has any use-value for the owner of the other commodity or not. From this point of view, exchange is for him a general social process. But the same process cannot be simultaneously for all owners of commodities both exclusively individual and exclusively social and general.

Let us look at the matter a little more closely. To the owner of a commodity, every other commodity counts as the particular equivalent of his own commodity. Hence his own commodity is the universal equivalent for all the others. But since this applies to every owner, there is in fact no commodity acting as universal equivalent, and the commodities possess no general relative form of value under which they can be equated as values and have the magnitude of their values compared. Therefore they definitely do not confront each other as commodities, but as products or use-values only.

In their difficulties our commodity-owners think like Faust: 'In the beginning was the deed.'* They have therefore already acted before thinking. The natural laws of the commodity have manifested themselves in the natural instinct of the owners of commodities. They can only bring their commodities into relation as values, and therefore as commodities, by bringing them into an opposing relation with some one other commodity, which serves as the universal equivalent. We have already reached that result by our analysis of the commodity. But only the action of society can turn a particular commodity into the universal equivalent. The social action of all other commodities, therefore, sets apart the particular commodity in which they all represent their values. The natural form of this commodity thereby becomes the socially recognized equivalent form. Through the agency of the social process it becomes the specific social function of the commodity

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*'*Im Anfang war die Tat*' (Goethe, *Faust*, Part I, Scene 3, Faust's Study, line 1237).

which has been set apart to be the universal equivalent. It thus becomes – money.

'*Illi unum consilium habent et virtutem et potestatem suam bestiae tradunt . . . Et ne quis possit emere aut vendere, nisi qui habet characterem aut nomen bestiae, aut numerum nominis eius*' (Apocalypse).*

Money necessarily crystallizes out of the process of exchange, in which different products of labour are in fact equated with each other, and thus converted into commodities. The historical broadening and deepening of the phenomenon of exchange develops the opposition between use-value and value which is latent in the nature of the commodity. The need to give an external expression to this opposition for the purposes of commercial intercourse produces the drive towards an independent form of value, which finds neither rest nor peace until an independent form has been achieved by the differentiation of commodities into commodities and money. At the same rate, then, as the transformation of the products of labour into commodities is accomplished, one particular commodity is transformed into money.[4]

The direct exchange of products has the form of the simple expression of value in one respect, but not as yet in another. That form was x commodity A $= y$ commodity B. The form of the direct exchange of products is x use-value A $= y$ use-value B.[5] The articles A and B in this case are not as yet commodities, but become so only through the act of exchange. The first way in which

[4] From this we may form an estimate of the craftiness of petty-bourgeois socialism, which wants to perpetuate the production of commodities while simultaneously abolishing the 'antagonism between money and commodities', i.e. abolishing money itself, since money only exists in and through this antagonism.* One might just as well abolish the Pope while leaving Catholicism in existence. For more on this point see my work *Zur Kritik der Politischen Ökonomie*, p. 61 ff. [English translation, pp. 83–6].

[5] So long as a chaotic mass of articles is offered as the equivalent for a single article (as is often the case among savages), instead of two distinct objects of utility being exchanged, we are only at the threshold of even the direct exchange of products.

* This is directed at the proposal of John Gray, in *The Social System* (1831), for the introduction of labour-money, later taken up by Proudhon.

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* 'These have one mind, and shall give their power and strength unto the beast' (Revelation 17: 13). 'And that no man might buy or sell, save that he had the mark, or the name of the beast, or the number of his name' (Revelation 13: 17).

an object of utility attains the possibility of becoming an exchange-value is to exist as a non-use-value, as a quantum of use-value superfluous to the immediate needs of its owner. Things are in themselves external to man, and therefore alienable. In order that this alienation [*Veräusserung*] may be reciprocal, it is only necessary for men to agree tacitly to treat each other as the private owners of those alienable things, and, precisely for that reason, as persons who are independent of each other. But this relationship of reciprocal isolation and foreignness does not exist for the members of a primitive community of natural origin, whether it takes the form of a patriarchal family, an ancient Indian commune or an Inca state. The exchange of commodities begins where communities have their boundaries, at their points of contact with other communities, or with members of the latter. However, as soon as products have become commodities in the external relations of a community, they also, by reaction, become commodities in the internal life of the community. Their quantitative exchange-relation is at first determined purely by chance. They become exchangeable through the mutual desire of their owners to alienate them. In the meantime, the need for others' objects of utility gradually establishes itself. The constant repetition of exchange makes it a normal social process. In the course of time, therefore, at least some part of the products must be produced intentionally for the purpose of exchange. From that moment the distinction between the usefulness of things for direct consumption and their usefulness in exchange becomes firmly established. Their use-value becomes distinguished from their exchange-value. On the other hand, the quantitative proportion in which the things are exchangeable becomes dependent on their production itself. Custom fixes their values at definite magnitudes.

In the direct exchange of products, each commodity is a direct means of exchange to its owner, and an equivalent to those who do not possess it, although only in so far as it has use-value for them. At this stage, therefore, the articles exchanged do not acquire a value-form independent of their own use-value, or of the individual needs of the exchangers. The need for this form first develops with the increase in the number and variety of the commodities entering into the process of exchange. The problem and the means for its solution arise simultaneously. Commercial intercourse, in which the owners of commodities exchange and compare their own articles with various other articles, never takes place unless different kinds of commodities belonging to different owners are exchanged for, and equated as values with, one single further kind of commodity. This further commodity, by becoming the equivalent of various other commodities, directly acquires the form of a universal or social equivalent, if only within narrow limits. The universal equivalent form comes and goes with the momentary social contacts which call it into existence. It is transiently attached to this or that commodity in alternation. But with the development of exchange it fixes itself firmly and exclusively onto particular kinds of commodity, i.e. it crystallizes out into the money-form. The particular kind of commodity to which it sticks is at first a matter of accident. Nevertheless there are two circumstances which are by and large decisive. The money-form comes to be attached either to the most important articles of exchange from outside, which are in fact the primitive and spontaneous forms of manifestation of the exchange-value of local products, or to the object of utility which forms the chief element of indigenous alienable wealth, for example cattle. Nomadic peoples are the first to develop the money-form, because all their worldly possessions are in a movable and therefore directly alienable form, and because their mode of life, by continually bringing them into contact with foreign communities, encourages the exchange of products. Men have often made man himself into the primitive material of money, in the shape of the slave, but they have never done this with the land and soil. Such an idea could only arise in a bourgeois society, and one which was already well developed. It dates from the last third of the seventeenth century, and the first attempt to implement the idea on a national scale was made a century later, during the French bourgeois revolution.*

In the same proportion as exchange bursts its local bonds, and the value of commodities accordingly expands more and more into the material embodiment of human labour as such, in that proportion does the money-form become transferred to commodities which are by nature fitted to perform the social function of a universal equivalent. Those commodities are the precious metals.

The truth of the statement that 'although gold and silver are not by nature money, money is by nature gold and silver',[6] is

[6] Karl Marx, op. cit., p. 135 [English translation, p. 155]. 'The metals . . . are by their nature money' (Galiani, *Della Moneta*, in Custodi's collection, *Parte moderna*, Vol. 3, p. 137).

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*The issue of the *assignats* in 1789, backed by confiscated Church lands.

shown by the appropriateness of their natural properties for the functions of money.[7] So far, however, we are acquainted with only one function of money, namely to serve as the form of appearance of the value of commodities, that is as the material in which the magnitudes of their values are socially expressed. Only a material whose every sample possesses the same uniform quality can be an adequate form of appearance of value, that is a material embodiment of abstract and therefore equal human labour. On the other hand, since the difference between the magnitudes of value is purely quantitative, the money commodity must be capable of purely quantitative differentiation, it must therefore be divisible at will, and it must also be possible to assemble it again from its component parts. Gold and silver possess these properties by nature.

The money commodity acquires a dual use-value. Alongside its special use-value as a commodity (gold, for instance, serves to fill hollow teeth, it forms the raw material for luxury articles, etc.) it acquires a formal use-value, arising out of its specific social function.

Since all other commodities are merely particular equivalents for money, the latter being their universal equivalent, they relate to money as particular commodities relate to the universal commodity.[8]

We have seen that the money-form is merely the reflection thrown upon a single commodity by the relations between all other commodities. That money is a commodity[9] is therefore only a discovery for those who proceed from its finished shape in order to analyse it afterwards. The process of exchange gives to the commodity which it has converted into money not its value but its specific value-form. Confusion between these two attributes has misled some writers into maintaining that the value of gold and silver is imaginary.[10] The fact that money can, in certain functions, be replaced by mere symbols of itself, gave rise to another mistaken notion, that it is itself a mere symbol. Nevertheless, this error did contain the suspicion that the money-form of the thing is external to the thing itself, being simply the form of appearance of human relations hidden behind it. In this sense every commodity is a symbol, since, as value, it is only the material shell of the human labour expended on it.[11] But if it is declared that the social characteristics assumed by material objects, or the material characteristics assumed by the social determinations of labour on the basis of a definite mode of production, are mere symbols, then it is also declared, at the same time, that these characteristics are the arbitrary product of human reflection. This was the kind of explanation favoured by the eighteenth century: in this way the Enlightenment endeavoured, at least temporarily, to remove the appearance of strangeness from the mysterious shapes assumed by human relations whose origins they were unable to decipher.

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[7] For further details on this subject see the chapter on 'The Precious Metals' in my work cited above [English translation, pp. 153–7].

[8] 'Money is the universal commodity' (Verri, op. cit., p. 16).

[9] 'Silver and gold themselves, which we may call by the general name of Bullion, are . . . commodities . . . rising and falling in . . . value . . . Bullion then may be reckoned to be of higher value, where the smaller weight will purchase the greater quantity of the product or manufacture of the country etc.' (S. Clement, *A Discourse of the General Notions of Money, Trade, and Exchange, as They Stand in Relations to Each Other. By a Merchant*, London, 1695, p. 7). 'Silver and gold, coined or uncoined, tho' they are used for a measure of all other things, are no less a commodity than wine, oyl, tobacco, cloth or stuffs' (J. Child, *A Discourse Concerning Trade, and That in Particular of the East-Indies etc.*, London, 1689, p. 2). 'The stock and riches of the kingdom cannot properly be confined to money, nor ought gold and silver to be excluded from being merchandize' (T. Papillon, *The East-India Trade a Most Profitable Trade*, London, 1677, p. 4).

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[10] 'Gold and silver have value as metals before they are money' (Galiani, op. cit., p. 72). Locke says, 'The universal consent of mankind gave to silver, on account of its qualities which made it suitable for money, an imaginary value' (John Locke, *Some Considerations etc.*, 1691, in *Works*, ed. 1777, Vol. 2, p. 15). Law, on the other hand, says 'How could different nations give an imaginary value to any single thing ... or how could this imaginary value have maintained itself?' But he himself understood very little of the matter, for example 'Silver was exchanged in proportion to the use-value it possessed, consequently in proportion to its real value. By its adoption as money it received an additional value (*une valeur additionnelle*)' (Jean Law, *Considérations sur le numéraire et le commerce*, in E. Daire's edition of *Économistes financiers du XVIII siècle*, pp. 469–70).

[11] 'Money is their (the commodities') symbol' (V. de Forbonnais, *Élémens du commerce*, new edn, Leyden, 1776, Vol. 2, p. 143). 'As a symbol it is attracted by the commodities' (ibid. p. 155). 'Money is a symbol of a thing and represents it' (Montesquieu, *Esprit des lois*, *Œuvres*, London, 1767, Vol. 2, p. 3). 'Money is not a mere symbol, for it is itself wealth; it does not represent the values, it is their equivalent' (Le Trosne, op. cit., p. 910). 'If we consider the concept of value, we must look on the thing itself only as a symbol; it counts not as itself, but as what it is worth' (Hegel, op. cit., p. 100).* Long before the economists, lawyers made fashionable the idea that money is a mere symbol, and that the value of the precious metals is purely imaginary. This they did in the sycophantic service of the royal power, supporting the right of the latter to debase the coinage, during the whole of the Middle Ages, by the traditions of the Roman Empire and the conceptions of money to be found in the Digest. 'Let no one call into question,' says their apt pupil, Philip of Valois, in a decree of 1346, 'that the trade, the composition, the supply, and the power of issuing ordinances on the currency ... belongs exclusively to us and to our royal majesty, to fix such a rate and at such a price as it shall please us and seem good to us.' It was a maxim of Roman Law that the value of money was fixed by Imperial decree. It was expressly forbidden to treat money as a commodity. '*Pecunias vero nulli emere fas erit, nam in usu publico constitutas*

*This is a reference to the *Philosophy of Right*, para. 63, Addition (English translation, p. 240).

It has already been remarked above that the equivalent form of a commodity does not imply that the magnitude of its value can be determined. Therefore, even if we know that gold is money, and consequently directly exchangeable with all other commodities, this still does not tell us how much 10lb. of gold is worth, for instance. Money, like every other commodity, cannot express the magnitude of its value except relatively in other commodities. This value is determined by the labour-time required for its production, and is expressed in the quantity of any other commodity in which the same amount of labour-time is congealed.[12] This establishing of its relative value occurs at the source of its production by means of barter. As soon as it enters into circulation as money, its value is already given. In the last decades of the seventeenth century the first step in the analysis of money, the discovery that money is a commodity, had already been taken; but this was merely the first step, and nothing more. The difficulty lies not in comprehending that money is a commodity, but in discovering how, why and by what means a commodity becomes money.[13]

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oportet non esse mercem.'* There is a good discussion of this by G. F. Pagnini, in *Saggio sopra il giusto pregio delle cose*, 1751, printed in Custodi's collection, *Parte moderna*, Vol. 2. In the second part of his work Pagnini directs his polemic especially against the legal gentlemen.

[12] 'If a man can bring to London an ounce of silver out of the Earth of Peru, in the same time that he can produce a bushel of corn, then the one is the natural price of the other: now, if by reason of new or more easie mines a man can procure two ounces of silver as easily as he formerly did one, the corn will be as cheap at ten shillings the bushel as it was before at five shillings, *caeteris paribus*' (William Petty, *A Treatise of Taxes and Contributions*, London, 1667, p. 32).

[13] The learned Professor Roscher, after first informing us that 'the false definitions of money may be divided into two main groups: those which make

*'However, it shall not be lawful for anyone to buy money, for, as it was created for public use, it is not permissible for it to be a commodity' (*Codex Theodosianus*, lib. 9, tit. 23).

We have already seen, from the simplest expression of value, x commodity A $= y$ commodity B, that the thing in which the magnitude of the value of another thing is represented appears to have the equivalent form independently of this relation, as a social property inherent in its nature. We followed the process by which this false semblance became firmly established, a process which was completed when the universal equivalent form became identified with the natural form of a particular commodity, and thus crystallized into the money-form. What appears to happen is not that a particular commodity becomes money because all other commodities express their values in it, but, on the contrary, that all other commodities universally express their values in a particular commodity because it is money. The movement through which this process has been mediated vanishes in its own result, leaving no trace behind. Without any initiative on their part, the commodities find their own value-configuration ready to hand, in the form of a physical commodity existing outside but also alongside them. This physical object, gold or silver in its crude state, becomes, immediately on its emergence from the bowels of the earth, the direct incarnation of all human labour. Hence the magic of money. Men are henceforth related to each other in their social process of production in a purely atomistic way. Their own relations of production therefore assume a material shape which is independent of their control and their conscious individual action. This situation is manifested first by the fact that the products of men's labour universally take on the form of commodities. The riddle of the money fetish is therefore the riddle of the commodity fetish, now become visible and dazzling to our eyes.

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it more, and those which make it less, than a commodity', gives us a motley catalogue of works on the nature of money, which does not provide even the glimmer of an insight into the real history of the theory. He then draws this moral: 'For the rest, it is not to be denied that most of the later economists do not bear sufficiently in mind the peculiarities that distinguish money from other commodities' (it is then, after all, either more or less than a commodity!) . . . 'So far, the semi-mercantilist reaction of Ganilh is not altogether without foundation' (Wilhelm Roscher, *Die Grundlagen der Nationalökonomie*, 3rd edn, 1858, pp. 207–10). More! Less! Not sufficiently! So far! Not altogether! What a way of determining one's concepts! And this eclectic professorial twaddle is modestly baptized by Herr Roscher 'the anatomico-physiological method' of political economy! However, he does deserve credit for one discovery, namely, that money is 'a pleasant commodity'.

Chapter 3: Money, or the Circulation of Commodities

I. THE MEASURE OF VALUES

Throughout this work I assume that gold is the money commodity, for the sake of simplicity.

The first main function of gold is to supply commodities with the material for the expression of their values, or to represent their values as magnitudes of the same denomination, qualitatively equal and quantitatively comparable. It thus acts as a universal measure of value, and only through performing this function does gold, the specific equivalent commodity, become money.

It is not money that renders the commodities commensurable. Quite the contrary. Because all commodities, as values, are objectified human labour, and therefore in themselves commensurable, their values can be communally measured in one and the same specific commodity, and this commodity can be converted into the common measure of their values, that is into money. Money as a measure of value is the necessary form of appearance of the measure of value which is immanent in commodities, namely labour-time.[1]

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[1] The question why money does not itself directly represent labour-time, so that a piece of paper may represent, for instance, x hours' labour, comes down simply to the question why, on the basis of commodity production, the products of labour must take the form of commodities. This is obvious, because their taking the form of commodities implies their differentiation into commodities [on the one hand] and the money commodity [on the other]. It is also asked why private labour cannot be treated as its opposite, directly social labour. I have elsewhere discussed exhaustively the shallow utopianism of the idea of 'labour-money' in a society founded on the production of commodities (op. cit., p. 61 ff.).* On this point I will only say further that Owen's 'labour money', for instance, is no more 'money' than a theatre ticket is. Owen presupposes directly socialized labour, a form of production diametrically opposed to the production of commodities. The certificate of labour is merely

* English translation, pp. 83 ff.

The expression of the value of a commodity in gold – x commodity A = y money commodity – is its money-form or price. A single equation, such as 1 ton of iron = 2 ounces of gold, now suffices to express the value of the iron in a socially valid manner. There is no longer any need for this equation to figure as a link in the chain of equations that express the values of all other commodities, because the equivalent commodity, gold, already possesses the character of money. The general relative form of value of commodities has therefore resumed its original shape of simple or individual relative value. On the other hand, the expanded relative expression of value, the endless series of equations, has now become the specific relative form of value of the money commodity. However, the endless series itself is now a socially given fact in the shape of the prices of the commodities. We have only to read the quotations of a price-list backwards, to find the magnitude of the value of money expressed in all sorts of commodities. As against this, money has no price. In order to form a part of this uniform relative form of value of the other commodities, it would have to be brought into relation with itself as its own equivalent.

The price or money-form of commodities is, like their form of value generally, quite distinct from their palpable and real bodily form; it is therefore a purely ideal or notional form. Although invisible, the value of iron, linen and corn exists in these very articles: it is signified through their equality with gold, even though this relation with gold exists only in their heads, so to speak. The guardian of the commodities must therefore lend them his tongue, or hang a ticket on them, in order to communicate their prices to the outside world.[2] Since the expression of the value of commodi-

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evidence of the part taken by the individual in the common labour, and of his claim to a certain portion of the common product which has been set aside for consumption. But Owen never made the mistake of presupposing the production of commodities, while, at the same time, by juggling with money, trying to circumvent the necessary conditions of that form of production.

[2] Savages and semi-savages use the tongue differently. Captain Parry says of the inhabitants of the west coast of Baffin's Bay: 'In this case (the case of barter) they licked it (the thing represented to them) twice to their tongues, after which they seemed to consider the bargain satisfactorily concluded.'* In the same way, among the Eastern Eskimo, the exchanger licked each article on

*W. E. Parry, *Journal of a Voyage for the Discovery of a North-West Passage*, London, 1821, p. 227.

ties in gold is a purely ideal act,* we may use purely imaginary or ideal gold to perform this operation. Every owner of commodities knows that he is nowhere near turning them into gold when he has given their value the form of a price or of imaginary gold, and that it does not require the tiniest particle of real gold to give a valuation in gold of millions of pounds' worth of commodities. In its function as measure of value, money therefore serves only in an imaginary or ideal capacity. This circumstance has given rise to the wildest theories.[3] But, although the money that performs the functions of a measure of value is only imaginary, the price depends entirely on the actual substance that is money. The value, i.e. the quantity of human labour, which is contained in a ton of iron is expressed by an imaginary quantity of the money commodity which contains the same amount of labour as the iron. Therefore, according to whether it is gold, silver or copper which is serving as the measure of value, the value of the ton of iron will be expressed by very different prices, or will be represented by very different quantities of those metals.

If therefore two different commodities, such as gold and silver, serve simultaneously as measures of value, all commodities will have two separate price-expressions, the price in gold and the price in silver, which will quietly co-exist as long as the ratio of the value of silver to that of gold remains unchanged, say at 15 to 1. However, every alteration in this ratio disturbs the ratio between the gold-prices and the silver-prices of commodities, and thus proves in fact that a duplication of the measure of value contradicts the function of that measure.[4]

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receiving it. If the tongue is thus used in the North as the organ of appropriation, it is no wonder that in the South the stomach serves as the organ of accumulated property, and that a Kaffir estimates the wealth of a man by the size of his belly. The Kaffirs know what they are doing, for at the same time as the official British Health Report of 1864 was bemoaning the deficiency of fat-forming substances among a large part of the working class, a certain Dr Harvey (not, however, the man who discovered the circulation of the blood) was doing well by advertising recipes for reducing the surplus fat of the bourgeoisie and the aristocracy.

[3] See Karl Marx, *Zur Kritik etc.*, 'Theories of the Standard of Money', pp. 53 ff. [English translation, pp. 76 ff.].

[4] 'Wherever silver and gold exist side by side as legal money, i.e. as measure of value, the vain attempt has always been made to treat them as one and the

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*In other words, it is an act which takes place entirely in the mind, and involves no physical transaction.

Commodities with definite prices all appear in this form: a commodity A $= x$ gold; b commodity B $= y$ gold; c commodity C $= z$ gold, etc., where a, b, c represent definite quantities of the commodities A, B, C and x, y, z definite quantities of gold. The values of these commodities are therefore changed into imaginary quantities of gold of different magnitudes. Hence, in spite of the confusing variety of the commodities themselves, their values become magnitudes of the same denomination, gold-magnitudes. As such, they are now capable of being compared with each other and measured, and the course of development produces the need to compare them, for technical reasons, with some fixed quantity of gold as their unit of measurement. This unit, by subsequent division into aliquot parts, becomes itself the standard of measurement. Before they become money, gold, silver and copper already possess such standards in their weights, so that, for example, a pound, which serves as a unit of measurement, can on the one hand be divided into ounces, and on the other hand be

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same substance. If one assumes that a given labour-time must invariably be objectified in the same proportion in silver and gold, then one assumes, in fact, that gold and silver are the same substance, and that silver, the less valuable metal, represents a constant fraction of gold. From the reign of Edward III to the time of George II, the history of money in England consists of one long series of perturbations caused by the clash between the legally fixed ratio between the values of gold and silver, and the fluctuations in their real values. At one time gold was too high, at another, silver. The metal that was estimated below its value was withdrawn from circulation, melted down and exported. The ratio between the two metals was then again altered by law, but the new nominal ratio soon came into conflict, in its turn, with the real ratio. In our own times, the slight and transient fall in the value of gold compared with silver, which was a consequence of the Indian and Chinese demand for silver, produced on a far more extended scale in France the same phenomena, export of silver, and its expulsion from circulation by gold. During the years 1855, 1856 and 1857, the excess in France of gold-imports over gold-exports amounted to £41,580,000, while the excess of silver-exports over silver-imports came to £34,704,000. In fact, in countries in which both metals are legally measures of value, and therefore both legal tender, so that everyone has the option of paying in either metal, the metal that rises in value is at a premium, and, like every other commodity, measures its price in the over-valued metal which alone serves in reality as the measure of value. All the experience of history in this area can be reduced simply to this fact, that where two commodities perform by law the functions of a measure of value, in practice only one maintains that position' (Karl Marx, op. cit., pp. 52–3) [English edition, pp. 75–6].

combined with others to make up hundredweights.[5] It is owing to this that, in all metallic currencies, the names given to the standards of money or of price were originally taken from the pre-existing names of the standards of weight.

As measure of value, and as standard of price, money performs two quite different functions. It is the measure of value as the social incarnation of human labour; it is the standard of price as a quantity of metal with a fixed weight. As the measure of value it serves to convert the values of all the manifold commodities into prices, into imaginary quantities of gold; as the standard of price it measures those quantities of gold. The measure of values measures commodities considered as values; the standard of price measures, on the contrary, quantities of gold by a unit quantity of gold, not the value of one quantity of gold by the weight of another. For the standard of price, a certain weight of gold must be fixed as the unit of measurement. In this case, as in all cases where quantities of the same denomination are to be measured, the stability of the measurement is of decisive importance. Hence the less the unit of measurement (here a quantity of gold) is subject to variation, the better the standard of price fulfils its office. But gold can serve as a measure of value only because it is itself a product of labour, and therefore potentially variable in value.[6]

It is, first of all, quite clear that a change in the value of gold in no way impairs its function as a standard of price. No matter how the value of gold varies, different quantities of gold always remain in the same value-relation to each other. If the value of gold fell by 1,000 per cent, 12 ounces of gold would continue to have twelve times the value of one ounce of gold, and when we are dealing with prices we are only concerned with the relation between different quantities of gold. Since, on the other hand, an ounce of gold undergoes no change in weight when its value rises or falls, no change can take place in the weight of its aliquot parts. Thus gold always renders the same service as a fixed measure of price, however much its value may vary. Moreover, a change in the value of gold does not prevent it from fulfilling its function as measure of value. The change affects all commodities simultaneously, and therefore, other things being equal, leaves the mutual relations between their values unaltered, although those values are now all expressed in higher or lower gold-prices than before.

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[5] The peculiar circumstance that while the ounce of gold serves in England as the unit of the standard of money, it is not divided up into aliquot parts, has been explained as follows: 'Our coinage was originally adapted to the employment of silver only, hence an ounce of silver can always be divided into a certain adequate number of pieces of coin; but as gold was introduced at a later period into a coinage adapted only to silver, an ounce of gold cannot be coined into an aliquot number of pieces' (Maclaren, *A Sketch of the History of the Currency*, London, 1858, p. 16).

[6] With English writers the confusion over measure of value and standard of price ('standard of value') is indescribable. Their functions, and therefore their names, are constantly interchanged.

Just as in the case of the estimation of the value of a commodity in the use-value of any other commodity, so also in this case, where commodities are valued in gold, we assume nothing more than that the production of a given quantity of gold costs, at a given period, a given amount of labour. As regards the fluctuations of commodity prices in general, they are subject to the laws of the simple relative expression of value which we developed in an earlier chapter.

A general rise in the prices of commodities can result either from a rise in their values, which happens when the value of money remains constant, or from a fall in the value of money, which happens when the values of commodities remain constant. The process also occurs in reverse: a general fall in prices can result either from a fall in the values of commodities, if the value of money remains constant, or from a rise in the value of money, if the values of commodities remain constant. It therefore by no means follows that a rise in the value of money necessarily implies a proportional fall in the prices of commodities, or that a fall in the value of money implies a proportional rise in prices. This would hold only for commodities whose value remains constant. But commodities whose value rises simultaneously with and in proportion to that of money would retain the same price. And if their value rose either slower or faster than that of money, the fall or rise in their prices would be determined by the difference between the path described by their value and that described by the value of money. And so on.

Let us now go back to considering the price-form. For various reasons, the money-names of the metal weights are gradually separated from their original weight-names, the historically decisive reasons being: (1) The introduction of foreign money among less developed peoples. This happened at Rome in its early days, where gold and silver coins circulated at first as foreign commodities. The names of these foreign coins were different from those of the indigenous weights. (2) With the development of material wealth, the more precious metal extrudes the less precious from its function as measure of value. Silver drives out copper, gold drives out silver, however much this sequence may contradict the chronology of the poets.[7] The word pound, for instance, was the money-name given to an actual pound weight of silver. As soon as gold had driven out silver as a measure of value, the same name became attached to, say, one fifteenth of a pound of gold, depending on the ratio between the values of gold and silver. Pound as a money-name and pound as the ordinary weight-name of gold are now two different things.[8] (3) Centuries of continuous debasement of the currency by kings and princes have in fact left nothing behind of the original weights of gold coins but their names.[9]

These historical processes have made the separation of the money-name from the weight-name into a fixed popular custom. Since the standard of money is on the one hand purely conventional, while on the other hand it must possess universal validity, it is in the end regulated by law. A given weight of one of the precious metals, an ounce of gold for instance, becomes officially divided into aliquot parts, baptized by the law as a pound, a thaler, etc. These aliquot parts, which then serve as the actual units of money, are subdivided into other aliquot parts with legal names, such as a shilling, a penny etc.[10] But, despite this, a definite weight of metal remains the standard of metallic money. All that has changed is the subdivision and the denomination of the money.

The prices, or quantities of gold, into which the values of commodities are ideally changed are therefore now expressed in the money-names, or the legally valid names of the subdivisions of the gold standard made for the purpose of reckoning. Hence, instead of saying that a quarter of wheat is worth an ounce of gold, people in England would say that it was worth £3 17s. 10½d. In this way commodities express by their money-names how much they are worth, and money serves as money of account whenever it is a question of fixing a thing as a value and therefore in its money-form.[11]

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[7] In any case, its historical validity is not entirely universal.

[8] Thus the pound sterling denotes less than one-third of its original weight, the 'pound Scots' before the Union,* only one 36th, the French livre one 74th, the Spanish maravedi, less than one 1,000th, and the Portuguese rei a still smaller fraction.

[9] 'The coins which today have a merely ideal denomination are in all nations the oldest; once upon a time they were all real, and because they were real people reckoned with them' (Galiani, *Della Moneta*, op. cit., p. 153).

[10] David Urquhart remarks in his 'Familiar Words' on the monstrosity (!) that nowadays a pound (sterling), which is the unit of the English standard of money, is equal to about a quarter of an ounce of gold. 'This is falsifying a measure, not establishing a standard.'† In this 'false denomination' of the weight of gold, he finds what he finds everywhere else, the falsifying hand of civilization.

*The Union of Scotland with England in 1707.

†David Urquhart, *Familiar Words as Affecting England and the English*, London, 1855, p. 105.

The name of a thing is entirely external to its nature. I know nothing of a man if I merely know his name is Jacob. In the same way, every trace of the money-relation disappears in the money-names pound, thaler, franc, ducat, etc. The confusion caused by attributing a hidden meaning to these cabalistic signs is made even greater by the fact that these money-names express both the values of commodities and, simultaneously, aliquot parts of a certain weight of metal, namely the weight of the metal which serves as the standard of money.[12] On the other hand, it is in fact necessary that value, as opposed to the multifarious objects of the world of commodities, should develop into this form, a material and non-mental one, but also a simple social form.[13]

Price is the money-name of the labour objectified in a commodity. Hence the expression of the equivalence of a commodity with the quantity of money whose name is that commodity's price is a tautology,[14] just as the expression of the relative value of a commodity is an expression of the equivalence of two commodities. But although price, being the exponent of the magnitude of a commodity's value, is the exponent of its exchange-ratio with money, it does not follow that the exponent of this exchange-ratio is necessarily the exponent of the magnitude of the commodity's value. Suppose two equal quantities of socially necessary labour are respectively represented by 1 quarter of wheat and £2 (approximately ½ ounce of gold). £2 is the expression in money of the magnitude of the value of the quarter of wheat, or its price. If circumstances now allow this price to be raised to £3, or compel it to be reduced to £1, then although £1 and £3 may be too small or too large to give proper expression to the magnitude of the wheat's value, they are nevertheless prices of the wheat, for they are, in the first place, the form of its value, i.e. money, and, in the second place, the exponents of its exchange-ratio with money. If the conditions of production, or the productivity of labour, remain constant, the same amount of social labour-time must be expended on the reproduction of a quarter of wheat, both before and after the change in price. This situation is not dependent either on the will of the wheat producer or on that of the owners of the other commodities. The magnitude of the value of a commodity therefore expresses a necessary relation to social labour-time which is inherent in the process by which its value is created. With the transformation of the magnitude of value into the price this necessary relation appears as the exchange-ratio between a single commodity and the money commodity which exists outside it. This relation, however, may express both the magnitude of value of the commodity and the greater or lesser quantity of money for which it can be sold under the given circumstances. The possibility, therefore, of a quantitative incongruity between price and magnitude of value, i.e. the possibility that the price may diverge from the magnitude of value, is inherent in the price-form itself. This is not a defect, but, on the contrary, it makes this form the adequate one for a mode of production whose laws can only assert themselves as blindly operating averages between constant irregularities.

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[11] 'When Anacharsis was asked what the Greeks used money for, he replied: for reckoning' (Athenaeus, *Deipnosophistae*, Bk IV, 49, v. 2, ed. Schweighäuser, 1802).

[12] 'Because as standard of price gold is expressed by the same names of account as the prices of commodities – for example £3 17s. 10½d. may denote an ounce of gold just as well as a ton of iron – these names of account are called the *mint-price* of gold. Thus the extraordinary notion arose that gold is estimated in its own material and that, unlike all other commodities, its price is fixed by the State. The establishing of names of account for definite weights of gold was mistaken for the establishing of the value of these weights' (Karl Marx, op. cit., p. 52) [English edition, p. 74].

[13] Cf. 'Theories of the Standard of Money', in *Zur Kritik etc.*, pp. 53 ff. [English edition, pp. 76 ff.]. Some theorists had fantastic notions of raising or lowering the 'mint-price' of money by getting the state to transfer to greater or smaller weights of gold or silver the names already legally appropriated to fixed weights of those metals, so that for example ¼ ounce of gold could be minted into 40 shillings in the future instead of 20. However, Petty dealt with these so exhaustively in his *Quantulumcunque Concerning Money: To the Lord Marquis of Halifax*, 1682, at least in those cases where they aimed not at clumsy financial operations against public and private creditors but rather at economic quack remedies, that even his immediate followers, Sir Dudley North and John Locke, not to mention later ones, could only repeat what he said more shallowly. 'If the wealth of a nation,' he remarks, 'could be decupled by a proclamation, it were strange that such proclamations have not long since been made by our Governors' (Petty, op. cit., p. 36).

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[14] 'Or indeed it must be admitted that a million in money is worth more than an equal value in commodities' (Le Trosne, op. cit., p. 919), and hence 'that one value is worth more than another value which is equal to it'.

The price-form, however, is not only compatible with the possibility of a quantitative incongruity between magnitude of value and price, i.e. between the magnitude of value and its own expression in money, but it may also harbour a qualitative contradiction, with the result that price ceases altogether to express value, despite the fact that money is nothing but the value-form of commodities. Things which in and for themselves are not commodities, things such as conscience, honour, etc., can be offered for sale by their holders, and thus acquire the form of commodities through their price. Hence a thing can, formally speaking, have a price without having a value. The expression of price is in this case imaginary, like certain quantities in mathematics. On the other hand, the imaginary price-form may also conceal a real value-relation or one derived from it, as for instance the price of uncultivated land, which is without value because no human labour is objectified in it.

Like the relative form of value in general, price expresses the value of a commodity (for instance a ton of iron) by asserting that a given quantity of the equivalent (for instance an ounce of gold) is directly exchangeable with iron. But it by no means asserts the converse, that iron is directly exchangeable with gold. In order, therefore, that a commodity may in practice operate effectively as exchange-value, it must divest itself of its natural physical body and become transformed from merely imaginary into real gold, although this act of transubstantiation may be more 'troublesome' for it than the transition from necessity to freedom for the Hegelian 'concept', the casting of his shell for a lobster, or the putting-off of the old Adam for Saint Jerome.[15] Though a commodity may, alongside its real shape (iron, for instance), possess an ideal value-shape or an imagined gold-shape in the form of its price, it cannot simultaneously be both real iron and real gold. To establish its price it is sufficient for it to be equated with gold in the imagination. But to enable it to render its owner the service of a universal equivalent, it must be actually replaced by gold. If the owner of the iron were to go to the owner of some other earthly commodity, and were to refer him to the price of iron as proof that it was already money, his answer would be the terrestrial equivalent of the answer given by St Peter in heaven to Dante, when the latter recited the creed:

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[15] If Jerome had to wrestle hard in his youth with the material flesh, as is shown by his fight in the desert with visions of beautiful women, he had also to wrestle in his old age with the spiritual flesh. 'I thought', he says, 'I was in the spirit before the Judge of the Universe.' 'Who art thou?' asked a voice. 'I am a Christian.' 'Thou liest,' thundered back the great Judge, 'thou art nought but a Ciceronian' [*Letter XXII, Ad Eustochium*].

> '*Assai bene è trascorsa*
> *D'esta moneta già la lega e il peso,*
> *Ma dimmi se tu l'hai nella tua borsa.*'*

The price-form therefore implies both the exchangeability of commodities for money and the necessity of exchanges. On the other hand, gold serves as an ideal measure of value only because it has already established itself as the money commodity in the process of exchange. Hard cash lurks within the ideal measure of value.

2. THE MEANS OF CIRCULATION

(a) The Metamorphosis of Commodities

We saw in a former chapter that the exchange of commodities implies contradictory and mutually exclusive conditions. The further development of the commodity does not abolish these contradictions, but rather provides the form within which they have room to move. This is, in general, the way in which real contradictions are resolved. For instance, it is a contradiction to depict one body as constantly falling towards another and at the same time constantly flying away from it. The ellipse is a form of motion within which this contradiction is both realized and resolved.

In so far as the process of exchange transfers commodities from hands in which they are non-use-values to hands in which they are use-values, it is a process of social metabolism.† The product of one kind of useful labour replaces that of another. Once a commodity has arrived at a situation in which it can serve as a use-value, it falls out of the sphere of exchange into that of consumption. But the former sphere alone interests us here. We therefore have to consider the whole process in its formal aspect, that is to

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*'Right well hath now been tested this coin's alloy and weight; but tell me if thou hast it in thy purse' (Dante, *Divina Commedia, Paradiso*, Canto XXIV, lines 84–5).

†Here Marx introduces for the first time the concept of 'metabolism' (*Stoffwechsel*). This biological analogy plays a considerable part in his analysis of circulation and the labour process.

say, the change in form or the metamorphosis of commodities through which the social metabolism is mediated.

This change of form has been very imperfectly grasped as yet, owing to the circumstance that, quite apart from the lack of clarity in the concept of value itself, every change of form in a commodity results from the exchange of two commodities, namely an ordinary commodity and the money commodity. If we keep in mind only this material aspect, that is, the exchange of the commodity for gold, we overlook the very thing we ought to observe, namely what has happened to the form of the commodity. We do not see that gold, as a mere commodity, is not money, and that the other commodities, through their prices, themselves relate to gold as the medium for expressing their own shape in money.

Commodities first enter into the process of exchange ungilded and unsweetened, retaining their original home-grown shape. Exchange, however, produces a differentiation of the commodity into two elements, commodity and money, an external opposition which expresses the opposition between use-value and value which is inherent in it. In this opposition, commodities as use-values confront money as exchange-value. On the other hand, both sides of this opposition are commodities, hence themselves unities of use-value and value. But this unity of differences is expressed at two opposite poles, and at each pole in an opposite way. This is the alternating relation between the two poles: the commodity is in reality a use-value; its existence as a value appears only ideally, in its price, through which it is related to the real embodiment of its value, the gold which confronts it as its opposite. Inversely, the material of gold ranks only as the materialization of value, as money. It is therefore in reality exchange-value. Its use-value appears only ideally in the series of expressions of relative value within which it confronts all the other commodities as the totality of real embodiments of its utility. These antagonistic forms of the commodities are the real forms of motion of the process of exchange.

Let us now accompany the owner of some commodity, say our old friend the linen weaver, to the scène of action, the market. His commodity, 20 yards of linen, has a definite price, £2. He exchanges it for the £2, and then, being a man of the old school, he parts for the £2 in return for a family Bible of the same price. The linen, for him a mere commodity, a bearer of value, is alienated in exchange for gold, which is the shape of the linen's value, then it is taken out of this shape and alienated again in exchange for another commodity, the Bible, which is destined to enter the weaver's house as an object of utility and there to satisfy his family's need for edification. The process of exchange is therefore accomplished through two metamorphoses of opposite yet mutually complementary character – the conversion of the commodity into money, and the re-conversion of the money into a commodity.[16] The two moments of this metamorphosis are at once distinct transactions by the weaver – selling, or the exchange of the commodity for money, and buying, or the exchange of the money for a commodity – and the unity of the two acts: selling in order to buy.

The end result of the transaction, from the point of view of the weaver, is that instead of being in possession of the linen, he now has the Bible; instead of his original commodity, he now possesses another of the same value but of different utility. He procures his other means of subsistence and of production in a similar way. For the weaver, the whole process accomplishes nothing more than the exchange of the product of his labour for the product of someone else's, nothing more than an exchange of products.

The process of exchange is therefore accomplished through the following changes of form:

Commodity–Money–Commodity
C–M–C

As far as concerns its material content, the movement is C–C, the exchange of one commodity for another, the metabolic interaction of social labour, in whose result the process itself becomes extinguished.

C–M. First metamorphosis of the commodity, or sale. The leap taken by value from the body of the commodity into the body of the gold is the commodity's *salto mortale*, as I have called it elsewhere.* If the leap falls short, it is not the commodity which is de-

[16] 'ἐκ δὲ τοῦ . . . πυρὸς τ'ἀνταμείβεσθαι πάντα, φησὶν ὁ 'Ηράκλειτος, και πῦρ ἁπαντων, ὥσπερ χρυσοῦ χρήματα καί χρημάτων χρυσός' (F. Lassalle, *Die Philosophie Herakleitos des Dunkeln*, Berlin, 1858, Vol. 1, p. 222).* Lassalle, in his note on this passage, p. 224, n. 3, erroneously makes money a mere symbol of value.

*'As Heracleitus says, all things exchange for fire, and fire for all things, just as gold does for goods and goods for gold' (Plutarch, *Moralia*, 'The E at Delphi', 388D).

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* See *A Contribution to the Critique of Political Economy*, p. 88.

frauded but rather its owner. The social division of labour makes the nature of his labour as one-sided as his needs are many-sided. This is precisely the reason why the product of his labour serves him solely as exchange-value. But it cannot acquire universal social validity as an equivalent-form except by being converted into money. That money, however, is in someone else's pocket. To allow it to be drawn out, the commodity produced by its owner's labour must above all be a use-value for the owner of the money. The labour expended on it must therefore be of a socially useful kind, i.e. it must maintain its position as a branch of the social division of labour. But the division of labour is an organization of production which has grown up naturally, a web which has been, and continues to be, woven behind the backs of the producers of commodities. Perhaps the commodity is the product of a new kind of labour, and claims to satisfy a newly arisen need, or is even trying to bring forth a new need on its own account. Perhaps a particular operation, although yesterday it still formed one out of the many operations conducted by one producer in creating a given commodity, may today tear itself out of this framework, establish itself as an independent branch of labour, and send its part of the product to market as an independent commodity. The circumstances may or may not be ripe for such a process of separation. Today the product satisfies a social need. Tomorrow it may perhaps be expelled partly or completely from its place by a similar product. Moreover, although our weaver's labour may be a recognized branch of the social division of labour, yet that fact is by no means sufficient to guarantee the utility of his 20 yards of linen. If the society's need for linen – and such a need has a limit like every other need – has already been satisfied by the products of rival weavers, our friend's product is superfluous, redundant and consequently useless. Although people do not look a gift-horse in the mouth, our friend does not frequent the market to make presents of his products. Let us assume, however, that the use-value of his product does maintain itself, and that the commodity therefore attracts money. Now we have to ask: how much money? No doubt the answer is already anticipated in the price of the commodity, which is the exponent of the magnitude of its value. We leave out of consideration here any possible subjective errors in calculation by the owner of the commodity, which will immediately be corrected objectively in the market. We suppose him to have spent on his product only the average socially necessary quantity of labour-time. The price of the commodity, therefore, is merely the money-name of the quantity of social labour objectified in it. But now the old-established conditions of production in weaving are thrown into the melting-pot, without the permission of, and behind the back of, our weaver. What was yesterday undoubtedly labour-time socially necessary to the production of a yard of linen ceases to be so today, a fact which the owner of the money is only too eager to prove from the prices quoted by our friend's competitors. Unluckily for the weaver, people of his kind are in plentiful supply. Let us suppose, finally, that every piece of linen on the market contains nothing but socially necessary labour-time. In spite of this, all these pieces taken as a whole may contain superfluously expended labour-time. If the market cannot stomach the whole quantity at the normal price of 2 shillings a yard, this proves that too great a portion of the total social labour-time has been expended in the form of weaving. The effect is the same as if each individual weaver had expended more labour-time on his particular product than was socially necessary. As the German proverb has it: caught together, hung together. All the linen on the market counts as one single article of commerce, and each piece of linen is only an aliquot part of it. And in fact the value of each single yard is also nothing but the materialization of the same socially determined quantity of homogeneous human labour.*

We see then that commodities are in love with money, but that 'the course of true love never did run smooth'. The quantitative articulation [*Gliederung*] of society's productive organism, by which its scattered elements are integrated into the system of the division of labour, is as haphazard and spontaneous as its qualitative articulation. The owners of commodities therefore find out that the same division of labour which turns them into independent private producers also makes the social process of production and the relations of the individual producers to each other within that process independent of the producers themselves; they also find out that the independence of the individuals from each other has as

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*In a letter of 28 November 1878 to N. F. Danielson, the Russian translator of *Capital*, Marx made the following alteration to this sentence: 'And in fact the value of each single yard is also nothing but the materialization of a part of the quantity of social labour expended in the whole amount of the linen.' An analogous correction was made in a copy of the second German edition of the first volume of *Capital* which belonged to Marx; however this was not in his handwriting. [Note by the Institute of Marxism-Leninism] its counterpart and supplement a system of all-round material dependence.

The division of labour converts the product of labour into a commodity, and thereby makes necessary its conversion into money. At the same time, it makes it a matter of chance whether this transubstantiation succeeds or not. Here, however, we have to look at the phenomenon in its pure shape, and must therefore assume it has proceeded normally. In any case, if the process is to take place at all, i.e. if the commodity is not impossible to sell, a change of form must always occur, although there may be an abnormal loss or accretion of substance – that is, of the magnitude of value.

The seller has his commodity replaced by gold, the buyer has his gold replaced by a commodity. The striking phenomenon here is that a commodity and gold, 20 yards of linen and £2, have changed hands and places, in other words that they have been exchanged. But what is the commodity exchanged for? For the universal shape assumed by its own value. And what is the gold exchanged for? For a particular form of its own use-value. Why does gold confront the linen as money? Because the linen's price of £2, its money-name, already brings it into relation with the gold as money. The commodity is divested of its original form through its sale, i.e. the moment its use-value actually attracts the gold, which previously had a merely imaginary existence in its price. The realization of a commodity's price, or of its merely ideal value-form, is therefore at the same time, and inversely, the realization of the merely ideal use-value of money; the conversion of a commodity into money is the conversion of money into a commodity. This single process is two-sided: from one pole, that of the commodity-owner, it is a sale, from the other pole, that of the money-owner, it is a purchase. In other words, a sale is a purchase, C–M is also M–C.[17]

Up to this point we have considered only one economic relation between men, a relation between owners of commodities in which they appropriate the produce of the labour of others by alienating [*entfremden*] the produce of their own labour. Hence, for one commodity-owner to meet with another, in the form of a money-owner, it is necessary either that the product of the latter should possess by its nature the form of money, i.e. it should be gold, the material of which money consists, or that his product should already have changed its skin and stripped off its original form of a useful object. In order to function as money, gold must of course enter the market at some point or other. This point is to be found at its source of production, where the gold is exchanged, as the immediate product of labour, for some other product of equal value. But from that moment onwards, it always represents the realized price of some commodity.[18] Leaving aside its exchange for other commodities at the source of production, gold is, in the hands of every commodity-owner, his own commodity divested [*entäussert*] of its original shape by being alienated [*veräussert*];* it is the product of a sale or of the first metamorphosis C–M.[19] Gold, as we saw, became ideal money, or a measure of value, because all commodities measured their values in it, and thus made it the imaginary opposite of their natural shape as objects of utility, hence the shape of their value. It became real money because the commodities, through their complete alienation, suffered a divestiture or transformation of their real shapes as objects of utility, thus making it the real embodiment of their values. When they thus assume the shape of values, commodities strip off every trace of their natural and original use-value, and of the particular kind of useful labour to which they owe their creation, in order to pupate into the homogeneous social materialization of undifferentiated human labour. From the mere look of a piece of money, we cannot tell what breed of commodity has been transformed into it. In their money-form all commodities look alike. Hence money may be dirt, although dirt is not money. We will assume that the two golden coins in return for which our weaver has parted with his linen are the metamorphosed shape of a quarter of wheat. The sale of the linen, C–M, is at the same time its purchase, M–C. But this process, considered as the sale of the linen, starts off a move-

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[17] 'Every sale is a purchase' (Dr Quesnay, *Dialogues sur le commerce et les travaux des artisans*, *Physiocrates*, ed. Daire, Part 1, Paris, 1846, p. 170), or, as Quesnay says in his *Maximes générales*, 'To sell is to buy.'*

*This quotation appears in Dupont de Nemours, *Maximes du docteur Quesnay*, printed in *Physiocrates*, ed. Daire, Part 1, Paris, 1846, p. 392.

[18] 'The price of one commodity can only be paid by the price of another commodity' (Mercier de la Rivière, *L'Ordre naturel et essentiel des sociétés politiques, Physiocrates*, ed. Daire, Part 2, p. 554).

[19] 'In order to have this money, one must have made a sale.' (ibid., p. 543).

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* Cf. *Grundrisse*, p. 196: 'Appropriation through and by means of divestiture [*Entäusserung*] and alienation [*Veräusserung*] is the fundamental condition of commodity circulation.'

ment which ends with its opposite: the purchase of a Bible. Considered as purchase of the linen, on the other hand, the process completes a movement which began with its opposite, the sale of the wheat. C–M (linen–money), which is the first phase of C–M–C (linen–money–Bible), is also M–C (money–linen), the last phase of another movement C–M–C (wheat–money–linen). The first metamorphosis of one commodity, its transformation from the commodity-form into money, is therefore also invariably the second, and diametrically opposite, metamorphosis of some other commodity, the retransformation of the latter from money into a commodity.[20]

M–C. The second or concluding metamorphosis of the commodity: purchase. Money is the absolutely alienable commodity, because it is all other commodities divested of their shape, the product of their universal alienation. It reads all prices backwards, and thus as it were mirrors itself in the bodies of all other commodities, which provide the material through which it can come into being as a commodity. At the same time the prices, those wooing glances cast at money by commodities, define the limit of its convertibility, namely its own quantity. Since every commodity disappears when it becomes money it is impossible to tell from the money itself how it got into the hands of its possessor, or what article has been changed into it. *Non olet*,* from whatever source it may come. If it represents, on the one hand, a commodity which has been sold, it also represents, on the other hand, a commodity which can be bought.[21]

M–C, a purchase, is at the same time C–M, a sale; the concluding metamorphosis of one commodity is the first metamorphosis of another. For our weaver, the life of his commodity ends with the Bible into which he has reconverted his £2. But suppose the seller of the Bible turns the £2 set free by the weaver into brandy. M–C, the concluding phase of C–M–C (linen–money–Bible), is also C–M, the first phase of C–M–C (Bible–money–

[20] As remarked previously, the actual producer of gold or silver forms an exception. He exchanges his product without having first sold it.

[21] 'If money represents, in our hands, the things we can wish to buy, it also represents the things we have sold for this money' (Mercier de la Rivière, op. cit., p. 586).

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*'It (money) has no smell.' This is alleged to have been the reply of the Roman Emperor Vespasian to his son Titus, when the latter reproached him for obtaining money by taxing the public lavatories.

brandy). Since the producer of the commodity offers only a single product, he often sells it in large quantities, whereas the fact that he has many needs compels him to split up the price realized, the sum of money set free, into numerous purchases. Hence a sale leads to many purchases of different commodities. The concluding metamorphosis of a commodity thus constitutes an aggregate of the first metamorphoses of other commodities.

If we now consider the completed metamorphosis of a commodity as a whole, it appears in the first place that it is made up of two opposite and complementary movements, C–M and M–C. These two antithetical transmutations of the commodity are accomplished through two antithetical social processes in which the commodity-owner takes part, and are reflected in the antithetical economic characteristics of the two processes. By taking part in the act of sale, the commodity-owner becomes a seller; in the act of purchase, he becomes a buyer. But just as, in every transmutation of a commodity, its two forms, the commodity-form and the money-form, exist simultaneously but at opposite poles, so every seller is confronted with a buyer, every buyer with a seller. While the same commodity is successively passing through the two inverted transmutations, from a commodity into money and from money into another commodity, the owner of the commodity successively changes his role from seller to buyer. Being a seller and being a buyer are therefore not fixed roles, but constantly attach themselves to different persons in the course of the circulation of commodities.

The complete metamorphosis of a commodity, in its simplest form, implies four *dénouements* and three *dramatis personae.* First, a commodity comes face to face with money; the latter is the form taken by the value of the former, and exists over there in someone else's pocket in all its hard, material reality. A commodity-owner is thus confronted with a money-owner. Now as soon as the commodity has been changed into money, the money becomes its vanishing equivalent-form, whose use-value or content exists here on the spot, in the bodies of other commodities. Money, the final stage of the first transformation, is at the same time the starting-point for the second. The person who is a seller in the first transaction thus becomes a buyer in the second, in which a third commodity-owner comes to meet him as a seller.[22]

[22] 'There are accordingly . . . four final terms and three contracting parties, one of whom intervenes twice' (Le Trosne, op. cit., p. 909).

The two inverted phases of the movement which makes up the metamorphosis of a commodity constitute a circuit: commodity-form, stripping off of this form, and return to it. Of course, the commodity itself is here subject to contradictory determinations. At the starting-point it is a non-use-value to its owner; at the end it is a use-value. So too the money appears in the first phase as a solid crystal of value into which the commodity has been transformed, but afterwards it dissolves into the mere equivalent-form of the commodity.

The two metamorphoses which constitute the commodity's circular path are at the same time two inverse partial metamorphoses of two other commodities. One and the same commodity (the linen) opens the series of its own metamorphoses, and completes the metamorphosis of another (the wheat). In its first transformation, the sale, the linen plays these two parts in its own person. But then it goes the way of all flesh, enters the chrysalis state as gold, and thereby simultaneously completes the first metamorphosis of a third commodity. Hence the circuit made by one commodity in the course of its metamorphoses is inextricably entwined with the circuits of other commodities. This whole process constitutes the circulation of commodities.

The circulation of commodities differs from the direct exchange of products not only in form, but in its essence. We have only to consider the course of events. The weaver has undoubtedly exchanged his linen for a Bible, his own commodity for someone else's. But this phenomenon is only true for him. The Bible-pusher, who prefers a warming drink to cold sheets, had no intention of exchanging linen for his Bible; the weaver did not know that wheat had been exchanged for his linen. B's commodity replaces that of A, but A and B do not mutually exchange their commodities. It may in fact happen that A and B buy from each other, but a particular relationship of this kind is by no means the necessary result of the general conditions of the circulation of commodities. We see here, on the one hand, how the exchange of commodities breaks through all the individual and local limitations of the direct exchange of products, and develops the metabolic process of human labour. On the other hand, there develops a whole network of social connections of natural origin, entirely beyond the control of the human agents. Only because the farmer has sold his wheat is the weaver able to sell his linen, only because the weaver has sold his linen is our rash and intemperate friend able to sell his Bible, and only because the latter already has the water of everlasting life is the distiller able to sell his *eau-de-vie.* And so it goes on.

The process of circulation, therefore, unlike the direct exchange of products, does not disappear from view once the use-values have changed places and changed hands. The money does not vanish when it finally drops out of the series of metamorphoses undergone by a commodity. It always leaves behind a precipitate at a point in the arena of circulation vacated by the commodities. In the complete metamorphosis of the linen, for example, linen–money–Bible, the linen first falls out of circulation, and money steps into its place. Then the Bible falls out of circulation, and again money takes its place. When one commodity replaces another, the money commodity always sticks to the hands of some third person.[23] Circulation sweats money from every pore.

Nothing could be more foolish than the dogma that because every sale is a purchase, and every purchase a sale, the circulation of commodities necessarily implies an equilibrium between sales and purchases. If this means that the number of actual sales accomplished is equal to the number of purchases, it is a flat tautology. But its real intention is to show that every seller brings his own buyer to market with him. Sale and purchase are one identical act, considered as the alternating relation between two persons who are in polar opposition to each other, the commodity-owner and the money-owner. They constitute two acts, of polar and opposite character, considered as the transactions of one and the same person. Hence the identity of sale and purchase implies that the commodity is useless if, when it is thrown into the alchemist's retort of circulation, it does not come out again as money; if, in other words, it cannot be sold by its owner, and therefore bought by the owner of the money. This identity further implies that the process, if it reaches fruition, constitutes a point of rest, an interval, long or short, in the life of the commodity. Since the first metamorphosis of a commodity is at once a sale and a purchase, this partial process is at the same time an independent process in itself. The buyer has the commodity, the seller has the money, i.e. a commodity which remains in a form capable of circulating, whether it reappears on the market at an earlier or later date. No one can sell unless someone else purchases. But no one directly needs to

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[23] This phenomenon may be self-evident, but it is in most cases overlooked by political economists, especially by the average free-trader.

purchase because he has just sold. Circulation bursts through all the temporal, spatial and personal barriers imposed by the direct exchange of products, and it does this by splitting up the direct identity present in this case between the exchange of one's own product and the acquisition of someone else's into the two antithetical segments of sale and purchase. To say that these mutually independent and antithetical processes form an internal unity is to say also that their internal unity moves forward through external antitheses. These two processes lack internal independence because they complement each other. Hence, if the assertion of their external independence [*äusserliche Verselbständigung*] proceeds to a certain critical point, their unity violently makes itself felt by producing – a crisis. There is an antithesis, immanent in the commodity, between use-value and value, between private labour which must simultaneously manifest itself as directly social labour, and a particular concrete kind of labour which simultaneously counts as merely abstract universal labour, between the conversion of things into persons and the conversion of persons into things*; the antithetical phases of the metamorphosis of the commodity are the developed forms of motion of this immanent contradiction. These forms therefore imply the possibility of crises, though no more than the possibility. For the development of this possibility into a reality a whole series of conditions is required, which do not yet even exist from the standpoint of the simple circulation of commodities.[24]

[24] See my observations on James Mill in *Zur Kritik etc.*, pp. 74–6 [English translation, pp. 96–8]. There are two points here which are characteristic of the method of the bourgeoisie's economic apologists. The first is the identification of the circulation of commodities with the direct exchange of products, achieved simply by abstracting from their differences. The second is the attempt to explain away the contradictions of the capitalist process of production by dissolving the relations between persons engaged in that process of production into the simple relations arising out of the circulation of commodities. The production and circulation of commodities are however phenomena which are to be found in the most diverse modes of production, even if they vary in extent and importance. If we are only familiar with the abstract categories of circulation, which are common to all of them, we cannot know anything of their *differentia specifica*, and we cannot therefore pronounce judgement on them. In no science other than political economy does there prevail such a combina-

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* '*Personifizierung der Sachen und Versachlichung der Personen*'. More succinctly, 'Personification of things and reification of persons'.

(b) The Circulation of Money

The change of form through which the metabolism of the products of labour is accomplished, C–M–C, requires that a given value shall form the starting-point of the process, in the shape of a commodity, and that it shall return to the same point in the shape of a commodity. This movement of commodities is therefore a circuit. On the other hand, the form of this movement excludes money from the circuit. The result of the movement is not the return of the money, but its continued removal further and further away from its starting-point. As long as the seller sticks fast to his money, which is the transformed shape of his commodity, that commodity is still at the stage of the first metamorphosis, in other words it has completed only the first half of its circulatory course. Once the process of selling in order to buy is complete the money again leaves the hands of its original possessor. Of course, if the weaver, having bought the Bible, sells more linen, money comes back into his hands. But this return is not a result of the circulation of the first 20 yards of linen; that circulation rather removed money from the hands of the weaver and placed it in those of the Bible-pusher. The return of money to the weaver results only from the renewal or repetition of the same process of circulation with a fresh commodity, and it ends in the same way as the previous process. Hence the movement directly imparted to money by the circulation of commodities takes the form of a constant removal from its starting-point, a path followed from the hands of one commodity-owner into those of another. This path is its circulation (currency, *cours de la monnaie*).*

The circulation of money is the constant and monotonous re-

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tion of great self-importance with the mouthing of elementary commonplaces. For instance, J. B. Say sets himself up as a judge of crises because he knows that a commodity is a product.*

*'The conception adopted by Ricardo from the tedious Say, that overproduction is not possible or at least that no general glut of the market is possible, is based on the proposition that products are exchanged against products' (*Theories of Surplus-Value*, Part 2, p. 493). In his *Traité d'économie politique*, Vol. 2, Paris, 1814, p. 382, Say writes: 'Products can only be bought with products.'

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*We have chosen to regard the words in parentheses as explanatory synonyms rather than suggested translations of the German word '*Umlauf*'. The use of the word 'currency' for 'circulation of money' was old-fashioned even in 1867.

petition of the same process. The commodity is always in the hands of the seller; the money, as a means of purchase, always in the hands of the buyer. And money serves as a means of purchase by realizing the price of the commodity. By doing this, it transfers the commodity from the seller to the buyer, and removes the money from the hands of the buyer into those of the seller, where it again goes through the same process with another commodity. That this one-sided form of motion of the money arises out of the two-sided form of motion of the commodity is a circumstance which is hidden from view. The very nature of the circulation of commodities produces a semblance of the opposite. The first metamorphosis of a commodity is visibly not only the money's movement, but also that of the commodity itself; in the second metamorphosis, on the contrary, the movement appears to us as the movement of the money alone. In the first phase of its circulation the commodity changes places with the money. Thereupon the commodity, in its shape as an object of utility, falls out of circulation into consumption.[25] Its value-shape or monetary larva steps into its shoes. It then passes through the second phase of its circulation, no longer in its own natural shape, but in its monetary shape. With this, the continuity of the movement depends entirely on the money, and the same movement which, for the commodity, includes two opposed processes, is, when considered as the movement of the money, always one and the same process, a constant change of places with commodities which are always different. Hence the result of the circulation of commodities, namely the replacement of one commodity by another, appears not to have been mediated by its own change of form, but rather by the function of money as means of circulation. As means of circulation, money circulates commodities, which in and for themselves lack the power of movement, and transfers them from hands in which they are non-use-values into hands in which they are use-values; and this process always takes the opposite direction to the path of the commodities themselves. Money constantly removes commodities from the sphere of circulation, by constantly stepping into their place in circulation, and in this way continually moving away from its own starting-point. Hence although the movement of money is merely the expression of the circulation of commodities, the situation appears to be the reverse of this, namely the circulation of commodities seems to be the result of the movement of money.[26]

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[25] Even when the commodity is sold over and over again, a situation we are not yet concerned with, it falls, when definitely sold for the last time, out of the sphere of circulation into that of consumption, where it serves either as means of subsistence or means of production.

Again, money functions as a means of circulation only because in it the value possessed by commodities has taken on an independent shape. Hence its movement, as the medium of circulation, is in fact merely the movement undergone by commodities while changing their form. This fact must therefore make itself plainly visible in the circulation of money. (Thus the linen, for instance, first of all changes its commodity-form into its money-form. The final term of its first metamorphosis C–M, the money-form, then becomes the first term of its final metamorphosis M–C, its transformation back into the shape of the Bible. But each of these two changes of form is accomplished by an exchange between commodity and money, by their reciprocal displacement. The same pieces of coin come into the seller's hand as the alienated form of the commodity and leave it as the commodity in its absolutely alienable form. They are displaced twice. The first metamorphosis of the linen puts these coins into the weaver's pocket, the second draws them out of it. The two opposite changes undergone by the same commodity are reflected in the displacement, twice repeated but in opposite directions, of the same pieces of coin.

If however only a one-sided metamorphosis takes place, if there are only sales or only purchases, then a given piece of money changes its place only once. Its second change of place always expresses the second metamorphosis of the commodity, its reconversion from money. The frequently repeated displacement of the same coins reflects not only the series of metamorphoses undergone by a single commodity, but also the mutual entanglement of the innumerable metamorphoses in the whole world of commodities.)* It is in any case evident that all this is valid only for the simple circulation of commodities, the form we are considering here.

Every commodity, when it first steps into circulation and under-

[26] 'It [money] has no other motion than that with which it is endowed by the products' (Le Trosne, op. cit., p. 885).

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*The passage in parentheses is an expanded version of Marx's original argument, inserted by Engels into the fourth German edition.

goes its first change of form, does so only to fall out of circulation once more and be replaced again and again by fresh commodities. Money, on the contrary, as the medium of circulation, haunts the sphere of circulation and constantly moves around within it. The question therefore arises of how much money this sphere continuously absorbs.

In a given country there take place every day at the same time, though in different places, numerous one-sided metamorphoses of commodities; in other words, simple sales on one hand, simple purchases on the other. In their prices, the commodities have already been equated with definite but imaginary quantities of money. And since, in the direct form of circulation being considered here, money and commodities always come into physical confrontation with each other, one at the positive pole of purchase, the other at the negative pole of sale, it is clear that the amount of means of circulation required is determined beforehand by the sum of the prices of all these commodities. As a matter of fact, the money is only the representation in real life of the quantity of gold previously expressed in the imagination by the sum of the prices of the commodities. It is therefore self-evident that these two quantities are equal. We know however that, the values of commodities remaining constant, their prices vary with the value of gold (the material of money), rising in proportion as it falls, and falling in proportion as it rises. Given that the sum of the prices of commodities falls or rises in this way, it follows that the quantity of money in circulation must fall or rise to the same extent. This change in the quantity of the circulating medium is certainly caused by the money itself, yet not in virtue of its function as a medium of circulation, but rather in virtue of its function as a measure of value. First the price of the commodities varies inversely as the value of the money, and then the quantity of the medium of circulation varies directly as the price of the commodities. Exactly the same phenomenon would arise if, for instance, instead of the value of gold falling, silver were to replace it as the measure of value, or if, instead of the value of silver rising, it were to be driven out of its function as measure of value by gold. In the one case, more silver would be in circulation than there was previously gold, and in the other case, less gold would be in circulation than there was previously silver. In each case the value of the money material, i.e. the value of the commodity serving as the measure of value, would have undergone a change, and so too, therefore, would the prices of commodities which express their values in money, as well as the quantity of money which would need to be in circulation to realize those prices. We have already seen that the sphere of circulation has a gap in it, through which gold (or silver, or the money material in general) enters as a commodity with a given value. Hence, when money begins to function as a measure of value, when it is used to determine prices, its value is presupposed. If that value falls, the fall first shows itself in a change in the prices of those commodities which are directly exchanged with the precious metals at their source. The greater part of all other commodities, especially at the less developed stages of bourgeois society, will continue for a long time to be estimated in terms of the former value of the measure of value, which has now become antiquated and illusory. Nevertheless, one commodity infects another through their common value-relation, so that their prices, expressed in gold or silver, gradually settle down into the proportions determined by their comparative values, until finally the values of all commodities are estimated in terms of the new value of the monetary metal. This process of equalization is accompanied by a continued increase in the quantity of the precious metals, owing to the influx needed to replace the commodities directly exchanged with them. In proportion therefore as the adjusted prices of the commodities become universal, in proportion as their values come to be estimated according to the new value of the metal (which has fallen and may, up to a certain point, continue to fall), in that same proportion does the increased mass of metal which is necessary for the realization of the new prices become available. A one-sided observation of the events which followed the discovery of fresh supplies of gold and silver led some people in the seventeenth and more particularly in the eighteenth century to the false conclusion that the prices of commodities had risen because there was more gold and silver acting as the means of circulation. Henceforth we shall assume the value of gold as a given factor, as in fact it is if we take it at the moment when we estimate the price of a commodity.

On this assumption, then, the quantity of the medium of circulation is determined by the sum of the prices to be realized. If we now further assume that the price of each commodity is given, the sum of the prices clearly depends on the total amount of commodities found in circulation. We do not need to rack our brains to grasp that if our quarter of wheat costs £2, 100 quarters will cost

ers £400, and so on, and therefore that the quantity
changes places with the wheat, when it is sold,
the quantity of the wheat increases.
f commodities remains constant, the quantity of
ation surges up or down according to the fluctua-
es of the commodities. It rises and falls because the
s increases or diminishes as a result of the change
is it is by no means necessary that the prices of
should rise or fall simultaneously. A rise or a
of a number of leading articles is sufficient in the
ease, in the other to diminish, the sum of the prices
ties, and therefore to put more or less money in
ether the change in the price reflects an actual
alue of the commodities, or merely fluctuations in
ces, the effect on the quantity of the medium of cir-
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e that there occur a number of unconnected and
les, or partial metamorphoses, in different locali-
y, 1 quarter of wheat, 20 yards of linen, 1 Bible
f brandy. If the price of each article is £2, and
prices to be realized is consequently £8, it follows
y must enter into circulation. If, on the other hand,
les are links in the following chain of metamor-
er of wheat – £2 – 20 yards of linen – £2 – 1 Bible –
brandy – £2, a chain which is already well known
the £2 causes the different commodities to circulate
eir prices successively, and therefore realizing the
ices, which is £8, the £2 finally comes to rest in the
stiller. The £2 has turned over four times. It has
acts of circulation. This repeated change of place
es of money corresponds to the double change of
by the commodities, it corresponds to their move-
vo diametrically opposed stages of circulation, and
of the metamorphoses of different commodities.[27]
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ts which set it' (money) 'in motion and make it circulate . . .
' (money's) 'motion supplements its quantity. When neces-
ing but slide from hand to hand, without stopping for a
e, op. cit., pp. 915–16).

therefore which form the measure of the duration of the process, in other words, the velocity of the circulation of money is measured by the number of times the same piece of money turns over within a given period. Suppose the process of circulation of the four articles takes a day. The sum of prices to be realized is £8, the number of times the £2 turns over during the day is four, and the quantity of money in circulation is £2. Hence, for a given interval of time during the process of circulation, we have the following equation: the quantity of money functioning as the circulating medium = the sum of the prices of the commodities divided by the number of times coins of the same denomination turn over. This law holds generally. The process of circulation in a given country is made up, on the one hand, of numerous isolated and simultaneous partial metamorphoses, sales (and purchases) running parallel to each other in which each coin changes its position only once, or performs only one act of circulation; on the other hand, it is made up of many distinct series of metamorphoses, partly running parallel, partly coalescing with each other, and in each of these series each coin turns over a number of times. How often each coin turns over varies according to the circumstances. Given the total number of times all the circulating coins of one denomination turn over, we can arrive at the average number of times a single coin turns over, or, in other words, the average velocity of circulation of money. The quantity of money thrown into the process of circulation at the beginning of each day is of course determined by the sum of the prices of all the commodities circulating simultaneously and side by side. But within that process coins are, so to speak, made responsible for each other. If one increases its velocity of circulation, the other slows down or completely leaves the sphere of circulation. This is because the sphere of circulation can absorb only the amount of gold which, multiplied by the average number of times its basic unit turns over, is equal to the sum of prices to be realized. Hence, if the number of acts of circulation performed by the separate pieces increases, the total number of those pieces in circulation diminishes. If the number of acts of circulation diminishes, the total number of pieces increases. Since the quantity of money which can function as means of circulation is fixed for a given average velocity of circulation, one has only to throw a given quantity of £1 notes into circulation in order to extract the same number of sovereigns from it. This trick is well known to all banks.

Just as the circulation of money is in general merely a reflection of the process of circulation of commodities, i.e. their circular path through diametrically opposed metamorphoses, so too the velocity of circulation of money is merely a reflection of the rapidity with which commodities change their forms, the continuous interlocking of the series of metamorphoses, the hurried nature of society's metabolic process, the quick disappearance of commodities from the sphere of circulation, and their equally quick replacement by fresh commodities. In the velocity of circulation, therefore, there appears the fluid unity of the antithetical and complementary phases, i.e. the transformation of the commodities from the form of utility into the form of value and their re-transformation in the reverse direction, or the two processes of sale and purchase. Inversely, when the circulation of money slows down, the two processes become separated, they assert their independence and mutual antagonism; stagnation occurs in the changes of form, and hence in the metabolic process. The circulation itself, of course, gives no clue to the origin of this stagnation; it merely presents us with the phenomenon. Popular opinion is naturally inclined to attribute this phenomenon to a quantitative deficiency in the circulating medium, since it sees money appear and disappear less frequently at all points on the periphery of circulation, in proportion as the circulation of money slows down.[28]

The total quantity of money functioning during a given period as the circulating medium is determined on the one hand by the sum of the prices of the commodities in circulation, and on the other hand by the rapidity of alternation of the antithetical processes of circulation. The proportion of the sum of the prices which can on average be realized by each single coin depends on this rapidity of alternation. But the sum of the prices of the commodities depends on the quantity, as well as on the price, of each kind of commodity. These three factors, the movement of prices, the quantity of commodities in circulation, and the velocity of circulation of money, can all vary in various directions under different conditions. Hence the sum of the prices to be realized, and consequently the quantity of the circulating medium conditioned by that sum, will vary with the very numerous variations of the three factors in combination. Here we shall outline only the most important variations in the history of commodity prices.

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[28] 'Money being ... the common measure of buying and selling, every body who hath anything to sell, and cannot procure chapmen for it, is presently apt to think, that want of money in the kingdom, or country, is the cause why his goods do not go off; and so, want of money is the common cry; which is a great mistake ... What do these people want, who cry out for money? ... The farmer complains ... he thinks that were more money in the country, he would have a price for his goods. Then it seems money is not his want, but a price for his corn and cattel, which he would sell, but cannot ... Why cannot he get a price? ... (1) Either there is too much corn and cattel in the country, so that most who come to market have need of selling, as he hath, and few of buying; or (2) there wants the usual vent abroad by transportation ... ; or (3) the consumption fails, as when men, by reason of poverty, do not spend so much in their houses as formerly they did; wherefore it is not the increase of specific money, which would at all advance the farmer's goods, but the removal of any of these three causes, which do truly keep down the market ... The merchant and shopkeeper want money in the same manner, that is, they want a vent for the goods they deal in, by reason that the markets fail ... [A nation]

While prices remain constant, the quantity of the circulating medium may increase owing to an increase in the number of commodities in circulation, or a decrease in the velocity of circulation of money, or a combination of the two. On the other hand, the quantity of the circulating medium may decrease with a decreasing number of commodities, or with an increasing rapidity of circulation.

With a general rise in the prices of commodities, the quantity of the circulating medium will remain constant, if the number of commodities in circulation decreases proportionally to the increase in their prices, or if the velocity of monetary circulation increases at the same rate as prices rise, the number of commodities in circulation remaining constant. The quantity of the circulating medium may decrease, owing to a more rapid decrease in the number of commodities, or to a more rapid increase in the velocity of monetary circulation, in comparison with the fall in the prices of commodities.

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never thrives better, than when riches are tost from hand to hand' (Sir Dudley North, *Discourses upon Trade*, London, 1691, pp. 11–15 passim). Herrenschwand's fanciful notions* amount merely to this, that the contradictions which arise from the nature of commodities, and therefore come to the surface in their circulation, can be removed by increasing the amount of the medium of circulation. It should be mentioned in passing that it by no means follows, from the fact that the popular ascription of stagnation in the processes of production and circulation to an insufficiency of the circulating medium is a delusion, that an actual shortage of the circulating medium resulting from, say, bungling government interference with the 'regulation of currency' may not for its part give rise to stagnation.

*Jean Herrenschwand (1728–1812), Swiss economist, author of *De l'économie politique moderne*, London, 1786, and *De l'économie politique et morale de l'espèce humaine*, London, 1796.

With a general fall in the prices of commodities, the quantity of the circulating medium will remain constant, if the number of commodities increases proportionally to their fall in price, or if the velocity of monetary circulation decreases in the same proportion. The quantity of the circulating medium will increase, if the number of commodities increases more quickly, or the rapidity of circulation decreases more quickly, than the prices fall.

The variations of the different factors may be mutually compensatory, so that notwithstanding their continued instability, the sum of the prices to be realized and the quantity of money in circulation remains constant; consequently, we find, especially if we take long periods into consideration, that the quantity of money in circulation in each country diverges far less from its average level than we should at first sight have expected, with the exception of the violent perturbations which arise periodically, either from crises in production and commerce, or, more rarely, from changes in the value of money itself.

The law that the quantity of the circulating medium is determined by the sum of the prices of the commodities in circulation, and the average velocity of the circulation of money,[29] may also be stated as follows: given the sum of the values of commodities, and the average rapidity of their metamorphoses, the quantity of money or of the material of money in circulation depends on its own value. The illusion that it is, on the contrary, prices which are determined by the quantity of the circulating medium, and that the latter for its part depends on the amount of monetary material which happens to be present in a country,[30] had its roots in the absurd hypothesis adopted by the original representatives of this view that commodities enter into the process of circulation without a price, and money enters without a value, and that, once they have entered circulation, an aliquot part of the medley of commodities is exchanged for an aliquot part of the heap of precious metals.[31]

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[29] 'There is a certain measure and proportion of money requisite to drive the trade of a nation, more or less than which would prejudice the same. Just as there is a certain proportion of farthings necessary in a small retail trade, to change silver money, and to even such reckonings as cannot be adjusted with the smallest silver pieces ... Now, as the proportion of the number of farthings requisite in commerce is to be taken from the number of people, the frequency of their exchanges: as also, and principally, from the value of the smallest silver pieces of money; so in like manner, the proportion of money (gold and silver specie) requisite in our trade, is to be likewise taken from the frequency of commutations, and from the bigness of the payments' (William Petty, *A Treatise of Taxes and Contributions*, London, 1667, p. 17). Hume's theory* was defended against the attacks of J. Steuart and others by A. Young, in his *Political Arithmetic*, London, 1774, where there is a special chapter on this, entitled 'Prices Depend on Quantity of Money', pp. 112 ff. I stated in *Zur Kritik etc.*, p. 149 [English edition, p. 168], 'He' (Adam Smith) 'quietly eliminates the question about the amount of coin in circulation

*Hume's theory, first advanced in *Essays Moral, Political, and Literary*, Part II, London, 1752, was that the prices of commodities depend on the amount of money in circulation, rather than the amount of money in circulation depending on the prices of commodities. It is criticized in detail in *A Contribution to the Critique of Political Economy*, pp. 160–64.

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by quite improperly regarding money as a simple commodity.' This is only true in so far as Adam Smith treats of money while developing his own theories. Occasionally, however, for example in criticizing earlier systems of political economy, he takes the correct view: 'The quantity of coin in every country is regulated by the value of the commodities which are to be circulated by it ... The value of the goods annually bought and sold in any country requires a certain quantity of money to circulate and distribute them to their proper consumers, and can give employment to no more. The channel of circulation necessarily draws to itself a sum sufficient to fill it, and never admits any more' (*Wealth of Nations*, Bk IV, Ch. 1). In similar fashion Smith begins his work in the official manner with an apotheosis of the division of labour. Later on, in the last book, on the sources of the public revenue,* he occasionally reproduces the denunciations of the division of labour made by his teacher, A. Ferguson.†

[30] 'The prices of things will certainly rise in every nation, as the gold and silver increase amongst the people; and consequently, where the gold and silver decrease in any nation, the prices of all things must fall proportionately to such decrease of money' (Jacob Vanderlint, *Money Answers All Things*, London, 1734, p. 5). A close comparison of this book with Hume's *Essays* leaves not the slightest doubt in my mind that Hume knew and used Vanderlint's work, which is certainly an important one. The opinion that prices are determined by the quantity of the circulating medium was also held by Barbon and other much earlier writers. 'No inconvenience,' says Vanderlint, 'can arise by an unrestrained trade, but very great advantage; since, if the cash of the nation be decreased by it, which prohibitions are designed to prevent, those nations that get the cash will certainly find everything advance in price, as the cash increases amongst them. And ... our manufactures, and everything else, will soon become so moderate as to turn the balance of trade in our favour, and thereby fetch the money back again' (op. cit., pp. 43, 44).

[31] That each single kind of commodity, through its price, forms an element in the sum of the prices of all the commodities in circulation, is self-evident. But how mutually incommensurable use-values are to be exchanged, *en masse*,

*Bk V, Ch. 2, of the *Wealth of Nations* is entitled 'Of the Sources of the General or Public Revenue of the Society'.

†For Adam Ferguson's denunciation of the division of labour, see below, p. 474.

(c) Coin. The Symbol of Value

Money takes the shape of coin because of its function as the circulating medium. The weight of gold represented in the imagination by the prices or money-names of the commodities has to confront those commodities, within circulation, as coins or pieces of gold of the same denomination. The business of coining, like

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for the total sum of gold or silver in a country is quite incomprehensible. If we can perform the swindle of converting the world of commodities into one single total commodity, of which each commodity is merely an aliquot part, we arrive at this beautiful calculation: the total commodity = x cwt of gold; commodity A = an aliquot part of the total commodity = the same aliquot part of x cwt of gold. This is stated in all seriousness by Montesquieu: 'If one compares the amount of gold and silver in the world with the sum of the commodities available, it is certain that each product or commodity, taken in isolation, could be compared with a certain portion of the total amount of money. Let us suppose that there is only one product, or commodity, in the world, or only one that can be purchased, and that it can be divided in the same way as money: a certain part of this commodity would then correspond to a part of the total amount of money; half the total of the one would correspond to half the total of the other, etc. . . . the determination of the prices of things always depends, fundamentally, on the relation between the total amount of things and the total amount of their monetary symbols' (Montesquieu, op. cit., Vol. 3, pp. 12, 13). As to the further development of this theory by Ricardo and his disciples, James Mill, Lord Overstone and others, see *Zur Kritik, etc.*, pp. 140–46, and pp. 150 ff. [English edition, pp. 179–85 and 169–77]. John Stuart Mill, with his usual eclectic logic, understands how to hold at the same time the view of his father, James Mill, and the opposite view. When we compare the text of his compendium *Principles of Political Economy* with the Preface to the first edition, where he announces himself as the Adam Smith of his day, we do not know what we should be most astonished at, the naïveté of the man or that of the public which accepted him in good faith as the new Adam Smith, for he bears about as much resemblance to Adam Smith as General Williams 'of Kars'* does to the Duke of Wellington. The original researches of Mr J. S. Mill in the domain of political economy, which are neither extensive nor profound, will all be found drawn up in neat and disciplined columns in his little pamphlet *Some Unsettled Questions of Political Economy*, which appeared in 1844. Locke expressly asserts that there is a connection between the absence of value in gold and silver, and the determination of their value by their quantity. 'Mankind having consented to put an imaginary value upon gold and silver . . . the intrinsick value, regarded in these metals, is nothing but the quantity' (*Some Considerations, etc.*, 1691, in *Works*, ed. 1777, Vol. 2, p. 15).

*Colonel Fenwick Williams (1800–83) was a British commissioner in charge of Turkish troops defending the fortress of Kars, in Armenia, in 1855, during the Crimean War. The fortress fell to the Russians in November 1855, but Williams was made a General and a baronet for his defence of it.

the establishing of a standard measure of prices, is an attribute proper to the state. The different national uniforms worn at home by gold and silver as coins, but taken off again when they appear on the world market, demonstrate the separation between the internal or national spheres of commodity circulation and its universal sphere, the world market.

The only difference, therefore, between coin and bullion lies in their physical configuration, and gold can at any time pass from one form to the other.[32] For a coin, the road from the mint is also the path to the melting pot. In the course of circulation, coins wear down, some to a greater extent, some to a lesser. The denomination of the gold and its substance, the nominal content and the real content, begin to move apart. Coins of the same denomination become different in value, because they are different in weight. The weight of gold fixed upon as the standard of prices diverges from the weight which serves as the circulating medium, and the latter thereby ceases to be a real equivalent of the commodities whose prices it realizes. The history of these difficulties constitutes the history of the coinage throughout the Middle Ages and in modern times down to the eighteenth century. The natural and spontaneous tendency of the process of circulation to transform the coin from its metallic existence as gold into the semblance of gold, or to transform the coin into a symbol of its official metallic content, is itself recognized by the most recent laws on the degree of metal loss which demonetizes a gold coin, i.e. renders it incapable of being circulated.

The fact that the circulation of money itself splits the nominal content of coins away from their real content, dividing their metallic existence from their functional existence, this fact implies the latent possibility of replacing metallic money with tokens made of some other material, i.e. symbols which would perform the function of coins. The technical obstacles to coining extremely minute quantities of gold or silver, and the circumstance that at first the less precious metal is used as a measure of value instead of the more precious, copper instead of silver, silver instead of gold, and that the less precious circulates as money until dethroned by the more precious – these facts provide a historical explanation for the role played by silver and copper tokens as substitutes for gold coins. Silver and copper coins replace gold in those regions of the circulation of commodities where coins pass from hand to hand most rapidly, and are therefore worn out most quickly. This happens where sales and purchases on a very small scale recur unceasingly. In order to prevent these satellites from establishing themselves permanently in the place of gold, the law determines the very minute proportions in which alone they can be accepted as alternative payment. The particular tracks pursued by the different sorts of coin in circulation naturally run into each other. Small change appears alongside gold for the payment of fractional parts of the smallest gold coin; gold constantly enters into retail circulation, although it is just as constantly being thrown out again by being exchanged with small change.[33]

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[32] It lies of course entirely beyond my purpose to deal with such details as the seigniorage on minting. I will however cite against the romantic sycophant Adam Müller, who admires the 'magnificent liberality' with which 'the English government coins for nothing',* the following opinion of Sir Dudley North: 'Silver and gold, like other commodities, have their ebbings and flowings. Upon the arrival of quantities from Spain ... it is carried into the Tower, and coined. Not long after there will come a demand for bullion to be exported again. If there is none, but all happens to be in coin, what then? Melt it down again; there's no loss in it, for the coining costs the owner nothing. Thus the nation has been abused, and made to pay for the twisting of straw for asses to eat. If the merchant' (North was himself one of the biggest merchants at the time of Charles II) 'were made to pay the price of the coinage, he would not have sent his silver to the Tower without consideration; and coined money would always keep a value above uncoined silver' (North, op. cit., p. 18).

*A. H. Müller, *Die Elemente der Staatskunst*, Part 2, Berlin, 1809, p. 280.

The metallic content of silver and copper tokens is arbitrarily determined by law. In the course of circulation they wear down even more rapidly than gold coins. Their function as coins is therefore in practice entirely independent of their weight, i.e. it is independent of all value. In its form of existence as coin, gold becomes completely divorced from the substance of its value. Relatively valueless objects, therefore, such as paper notes, can serve as coins in place of gold. This purely symbolic character of the currency is still somewhat disguised in the case of metal tokens. In paper money it stands out plainly. But we can see: everything depends on the first step.

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[33] 'If silver never exceed what is wanted for the smaller payments, it cannot be collected in sufficient quantities for the larger payments . . . the use of gold in the main payments necessarily implies also its use in the retail trade: those who have gold coins offering them for small purchases, and receiving with the commodity purchased a balance of silver in return; by which means the surplus of silver that would otherwise encumber the retail dealer is drawn off and dispersed into general circulation. But if there is as much silver as will transact the small payments independent of gold, the retail trader must then receive silver for small purchases; and it must of necessity accumulate in his hands' (David Buchanan, *Inquiry into the Taxation and Commercial Policy of Great Britain*, Edinburgh, 1844, pp. 248–9).

Here we are concerned only with inconvertible paper money issued by the state and given forced currency. This money emerges directly out of the circulation of metallic money. Credit-money on the other hand implies relations which are as yet totally unknown, from the standpoint of the simple circulation of commodities. But it may be noted in passing that just as true paper money arises out of the function of money as the circulating medium, so does credit-money take root spontaneously in the function of money as the means of payment.[34]

Pieces of paper on which money-names are printed, such as £1, £5, etc., are thrown into the circulation process from outside by the state. In so far as they actually circulate in place of the same amount of gold, their movement is simply a reflection of the laws of monetary circulation itself. A law peculiar to the circulation of paper money can only spring up from the proportion in which that paper money represents gold. In simple terms the law referred to is as follows: the issue of paper money must be restricted to the quantity of gold (or silver) which would actually be in circulation, and which is represented symbolically by the paper money. Now it is true that the quantity of gold which can be absorbed by the sphere of circulation constantly fluctuates above and below a certain average level. But despite this, the mass of the circulating medium in a given country never sinks below a certain minimum, which can be ascertained by experience. The fact that this minimum mass continually undergoes changes in its constituent parts, or that the pieces of gold of which it consists are constantly being replaced by other pieces, naturally causes no change either in its amount or in the continuity with which it flows around the sphere of circulation. It can therefore be replaced by paper symbols. If however all the channels of circulation were today filled with paper money to the full extent of their capacity for absorbing money, they might the next day be over-full owing to the fluctuations in the circulation of commodities. There would no longer be any standard. If the paper money exceeds its proper limit, i.e. the amount in gold coins of the same denomination which could have been in circulation, then, quite apart from the danger of becoming universally discredited, it will still represent within the world of commodities only that quantity of gold which is fixed by its immanent laws. No greater quantity is capable of being represented. If the quantity of paper money represents twice the amount of gold available, then in practice £1 will be the money-name not of $\frac{1}{4}$ of an ounce of gold, but $\frac{1}{8}$ of an ounce. The effect is the same as if an alteration had taken place in the function of gold as the standard of prices. The values previously expressed by the price of £1 would now be expressed by the price of £2.

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[34] The financial mandarin Wan Mao-in took it into his head one day to lay before the Son of Heaven a proposal which had the secret purpose of transforming the *assignats* of the Chinese Empire into convertible banknotes. The Committee on the *assignats*, in its report of April 1854, severely rebuked him for this. Whether he also received the traditional thrashing with bamboo-sticks is not stated. The concluding part of the report is as follows: 'The Committee has carefully examined his proposal and finds that it is entirely in the interests of the merchants, and in no respect advantageous to the Crown' (*Arbeiten der Kaiserlich Russischen Gesandschaft zu Peking über China*, aus dem Russischen von Dr K. Abel und F. A. Mecklenburg, Erster Band, Berlin, 1858, p. 54). In his evidence before the Committee of the House of Lords on the Bank Acts, a governor of the Bank of England says, with regard to the abrasion of gold coins in the course of their circulation: 'Every year a fresh class of sovereigns' (this is not a political statement, for 'sovereign' is a name for the pound sterling) 'becomes too light. The class which one year passes with full weight, loses enough by wear and tear to draw the scales next year against it' (House of Lords Committee, 1848, n. 429).

Paper money is a symbol of gold, a symbol of money. Its relation to the values of commodities consists only in this: they find imaginary expression in certain quantities of gold, and the same quantities are symbolically and physically represented by the paper. Only in so far as paper money represents gold, which like all other commodities has value, is it a symbol of value.[35]

Finally, one may ask why gold is capable of being replaced by valueless symbols of itself. As we have already seen, it is capable of being replaced in this way only if its function as coin or circulating medium can be singled out or rendered independent. Now this function of being the circulating medium does not attain an independent position as far as the individual gold coins are concerned, although that independent position does appear in the case of the continued circulation of abraded coins. A piece of money is a mere coin, or means of circulation, only as long as it is actually in circulation. But what is not valid for the individual gold coin is valid for that minimum mass of gold which is capable of being replaced by paper money. That mass constantly haunts the sphere of circulation, continually functions as a circulating medium, and therefore exists exclusively as the bearer of this function. Its movement therefore represents nothing but the continued alternation of the inverse phases of the metamorphosis C–M–C, phases in which the commodity's shape as a value confronts it only to disappear again immediately. The presentation of the exchange-value of a commodity as an independent entity is here only a transient aspect of the process. The commodity is immediately replaced again by another commodity. Hence in this process which continually makes money pass from hand to hand, it only needs to lead a symbolic existence. Its functional existence so to speak absorbs its material existence. Since it is a transiently objectified reflection of the prices of commodities, it serves only as a symbol of itself, and can therefore be replaced by another symbol.[36] One thing is necessary, however: the symbol of money must have its own objective social validity. The paper acquires this by its forced currency. The state's compulsion can only be of any effect within that internal sphere of circulation which is circumscribed by the boundaries of a given community, but it is also only within that sphere that money is completely absorbed in its function as medium of circulation, and is therefore able to receive, in the form of paper money, a purely functional mode of existence in which it is externally separated from its metallic substance.

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[35] The following passage from Fullarton shows how unclear even the best writers on money are about its different functions: 'That, as far as concerns our domestic exchanges, all the monetary functions which are usually performed by gold and silver coins, may be performed as effectually by a circulation of inconvertible notes, having no value but that factitious and conventional value . . . they derive from the law, is a fact which admits, I conceive, of no denial. Value of this description may be made to answer all the purposes of intrinsic value, and supersede even the necessity for a standard, provided only the quantity of issues be kept under due limitation' (Fullarton, *Regulation of Currencies*, 2nd edn, London, 1845, p. 21). In other words, because the money commodity is capable of being replaced in circulation by mere symbols of value, it is superfluous as a measure of value and a standard of prices!

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[36] From the fact that gold and silver themselves become their own symbols, in so far as they are coins, i.e. exclusively have the function of the medium of circulation, Nicholas Barbon deduces the right of governments 'to raise money', i.e. to give to the quantity of silver called a shilling the name of a greater quantity, such as a crown, and so to pay back shillings to creditors instead of crowns. 'Money does wear and grow lighter by often telling over ... It is the denomination and currency of the money that men regard in bargaining, and not the quantity of silver ... 'Tis the public authority upon the metal that makes it money' (N. Barbon, op. cit., p. 29, 30, 25).

3. MONEY

The commodity which functions as a measure of value and therefore also as the medium of circulation, either in its own body or through a representative, is money. Gold (or silver) is therefore money. It functions as money, on the one hand, when it has to appear in person as gold. It is then the money commodity, neither merely ideal, as when it is the measure of value, nor capable of being represented, as when it is the medium of circulation. On the other hand, it also functions as money when its function, whether performed in person or by a representative, causes it to be fixed as the sole form of value, or, in other words, as the only adequate form of existence of exchange value in the face of all the other commodities, here playing the role of use-values pure and simple.

(a) Hoarding

The continuous circular movement of the two antithetical metamorphoses of commodities, or the repeated alternating flow of sale and purchase, is reflected in the unceasing turnover of money, in the function it performs of a *perpetuum mobile* of circulation. But as soon as the series of metamorphoses is interrupted, as soon as sales are not supplemented by subsequent purchases, money is immobilized. In other words, it is transformed, as Boisguillebert says, from '*meuble*' into '*immeuble*',* from coin into money.

When the circulation of commodities first develops, there also develops the necessity and the passionate desire to hold fast to the product of the first metamorphosis. This product is the transformed shape of the commodity, or its gold chrysalis.[37] Commodities are thus sold not in order to buy commodities, but in

[37] 'Monetary wealth is nothing but . . . wealth in products, transformed into money' (Mercier de la Rivière, op. cit., p. 573). 'A value in the form of a product has merely changed its form' (ibid., p. 486).

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* From movable into immovable. (Boisguillebert, *Le Détail de la France*, in *Économistes financiers du XVIIIe siècle*, ed. E. Daire, Paris, 1843, p. 213.)

order to replace their commodity-form by their money-form. Instead of being merely a way of mediating the metabolic process [*Stoffwechsel*], this change of form becomes an end in itself. The form of the commodity in which it is divested of content is prevented from functioning as its absolutely alienable form, or even as its merely transient money-form. The money is petrified into a hoard, and the seller of commodities becomes a hoarder of money.

In the very beginnings of the circulation of commodities, it is only the excess amounts of use-value which are converted into money. Gold and silver thus become of themselves social expressions for superfluity or wealth. This naïve form of hoarding is perpetuated among those peoples whose traditional mode of production, aimed at fulfilling their own requirements, corresponds to a fixed and limited range of needs. This is true of the Asiatics, particularly the Indians. Vanderlint, who imagines that the prices of commodities in a country are determined by the quantity of gold and silver to be found in it, asks himself why Indian commodities are so cheap. Answer: because the Indians bury their money. From 1602 to 1734, he remarks, they buried 150 million pounds worth of silver, which originally came from America to Europe.[38] From 1856 to 1866, in other words in ten years, England exported to India (and China, but most of the metal exported to China flows back again to India) £120,000,000 in silver, which had been received in exchange for Australian gold.

With more developed commodity production, every producer is compelled to secure for himself the *nexus rerum*,* the 'social pledge'.[39] His needs are ceaselessly renewed, and necessitate the continual purchase of other people's commodities, whereas the production and sale of his own commodity costs time and is subject to various accidents. In order then to be able to buy without selling, he must have sold previously without buying. This operation, conducted on a general scale, seems to involve a self-contradiction. But at the sources of their production the precious metals are directly exchanged for other commodities. And here we have sales (by the owners of commodities) without purchases (by

[38] ''Tis by this practice they keep all their goods and manufactures at such low rates' (Vanderlint, op. cit., pp. 95–6).

[39] 'Money ... is a pledge' (John Bellers, *Essays about the Poor, Manufactures, Trade, Plantations, and Immorality*, London, 1699, p. 13)

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*In Roman law, the obligation of the debtor to the creditor.

the owners of gold or silver).[40] And later sales, again without subsequent purchases, merely bring about a further distribution of the precious metals among all the owners of commodities. In this way, hoards of gold and silver of the most various sizes are piled up at all the points of commercial intercourse. With the possibility of keeping hold of the commodity as exchange-value, or exchange-value as a commodity, the lust for gold awakens. With the extension of commodity circulation there is an increase in the power of money, that absolutely social form of wealth which is always ready to be used. 'Gold is a wonderful thing! Its owner is master of all he desires. Gold can even enable souls to enter Paradise' (Columbus, in his letter from Jamaica, 1503). Since money does not reveal what has been transformed into it, everything, commodity or not, is convertible into money. Everything becomes saleable and purchaseable. Circulation becomes the great social retort into which everything is thrown, to come out again as the money crystal. Nothing is immune from this alchemy, the bones of the saints cannot withstand it, let alone more delicate *res sacrosanctae, extra commercium hominum.**[41] Just as in money every qualitative difference between commodities is extinguished, so too for its part, as a radical leveller, it extinguishes all distinctions.[42] But money is itself a commodity, an external object

[40] A purchase, in the strict sense, implies that gold and silver are already the transformed shape of commodities, in other words the product of a sale.

[41] Henry III, *roi très chrétien,** robbed monasteries etc. of their relics and turned them into money. It is well know what part the despoiling of the Delphic temple by the Phocians† played in the history of Greece. Among the ancients, temples served as the dwellings of the gods of commodities. They were 'sacred banks'. With the Phoenicians, a trading people *par excellence,* money was the transmuted shape of everything. It was, therefore, quite in order that the virgins who at the feast of the goddess of love gave themselves to strangers should offer to the goddess the piece of money they received in payment.

[42] 'Gold? yellow, glittering, precious gold? . . .
Thus much of this, will make black, white; foul, fair;
Wrong, right; base, noble; old, young; coward, valiant.
. . . What this, you gods? Why, this
Will lug your priests and servants from your sides,
Pluck stout men's pillows from below their heads;

* 'Most Christian King'. The official title of the kings of France.

† In 457 B.C. the Phocians, in alliance with Athens, seized Delphi.

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* 'Consecrated objects, beyond human commerce.' In this case, the Phoenician virgins.

capable of becoming the private property of any individual. Thus the social power becomes the private power of private persons. Ancient society therefore denounced it as tending to destroy the economic and moral order.[43] Modern society, which already in its infancy had pulled Pluto by the hair of his head from the bowels of the earth,[44] greets gold as its Holy Grail, as the glittering incarnation of its innermost principle of life.

The commodity, as a use-value, satisfies a particular need and forms a particular element of material wealth. But the value of a commodity measures the degree of its attractiveness for all other elements of material wealth, and therefore measures the social wealth of its owner. To the simple owner of commodities among the barbarians, and even to the peasant of Western Europe, value is inseparable from the value-form, hence an increase in his hoard of gold and silver is an increase in value. It is true that the value of money varies, whether as a result of a variation in its own value, or of a change in the values of commodities. But this on the one hand does not prevent 200 ounces of gold from continuing to contain more value than 100 ounces, nor on the other hand does it prevent the metallic natural form of this object from continuing to be the universal equivalent form of all other commodities, and the directly social incarnation of all human labour. The hoarding drive is boundless in its nature. Qualitatively or formally considered, money is independent of all limits, that is it is the universal representative of material wealth because it is directly convertible into

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This yellow slave
Will knit and break religions; bless the accursed;
Make the hoar leprosy adored; place thieves,
And give them title, knee and approbation,
With senators on the bench; this is it,
That makes the wappen'd widow wed again:
... Come damned earth,
Thou common whore of mankind.'

(Shakespeare, *Timon of Athens*, Act 4, Scene 3)

[43] 'Nothing so evil as money ever grew to be current among men. This lays cities low, this drives men from their homes, this trains and warps honest souls till they set themselves to works of shame; this still teaches folk to practise villanies, and to know every godless deed' (Sophocles, *Antigone*).*

[44] 'Avarice hopes to drag Pluto himself out of the bowels of the earth' (Athenaeus, *Deipnosophistae*).†

*Lines 295 to 301, pp. 64–5 of the edition by Sir R. Jebb, *Sophocles, the Plays and Fragments, Part III, The Antigone*, Cambridge, 1928.

†Bk VI, para. 233.

any other commodity. But at the same time every actual sum of money is limited in amount, and therefore has only a limited efficacy as a means of purchase. This contradiction between the quantitative limitation and the qualitative lack of limitation of money keeps driving the hoarder back to his Sisyphean task: accumulation. He is in the same situation as a world conqueror, who discovers a new boundary with each country he annexes.

In order that gold may be held as money, and made to form a hoard, it must be prevented from circulating, or from dissolving into the means of purchasing enjoyment. The hoarder therefore sacrifices the lusts of his flesh to the fetish of gold. He takes the gospel of abstinence very seriously. On the other hand, he cannot withdraw any more from circulation, in the shape of money, than he has thrown into it, in the shape of commodities. The more he produces, the more he can sell. Work, thrift and greed are therefore his three cardinal virtues, and to sell much and buy little is the sum of his political economy.[45]

Alongside the direct form of the hoard there runs its aesthetic form, the possession of commodities made out of gold and silver. This grows with the wealth of civil society. 'Let us be rich, or let us appear rich' (Diderot). In this way there is formed, on the one hand, a constantly extending market for gold and silver which is independent of their monetary functions, and on the other hand a latent source of monetary inflow which is used particularly in periods of social disturbance.

Hoarding serves various purposes in an economy where metallic circulation prevails. Its first function arises out of the conditions of the circulation of gold and silver coins. We have seen how, owing to the continual fluctuations in the extent and rapidity of the circulation of commodities and in their prices, the quantity of money in circulation unceasingly ebbs and flows. This quantity must therefore be capable of expansion and contraction. At one time money must be attracted as coin, at another time coin must be repelled as money. In order that the mass of money actually in circulation may always correspond to the saturation level of the sphere of circulation, it is necessary for the quantity of gold and silver available in a country to be greater than the quantity required to function as coin. The reserves created by hoarding serve as channels through which money may flow in and out of circulation, so that the circulation itself never overflows its banks.[46]

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[45] 'These are the pivots around which all the measures of political economy turn: the maximum possible increase in the number of sellers of each commodity, and the maximum possible decrease in the number of buyers' (Verri, op. cit., pp. 52–3).

(b) Means of Payment

In the direct form of commodity circulation hitherto considered, we found a given value always presented to us in a double shape, as a commodity at one pole, and money at the opposite pole. The owners of commodities therefore came into contact as the representatives of equivalents which were already available to each of them. But with the development of circulation, conditions arise under which the alienation of the commodity becomes separated by an interval of time from the realization of its price.* It will be sufficient to indicate the most simple of these conditions. One sort of commodity requires a longer, another a shorter time for its production. The production of different commodities depends on different seasons of the year. One commodity may be born in the market place, another must travel to a distant market. One commodity-owner may therefore step forth as a seller before the other is ready to buy. When the same transactions are continually repeated between the same persons, the conditions of sale are regulated according to the conditions of production. On the other

[46] 'There is required for carrying on the trade of the nation a determinate sum of specifick money, which varies, and is sometimes more, sometimes less, as the circumstances we are in require . . . This ebbing and flowing of money supplies and accommodates itself, without any aid of Politicians . . . The buckets work alternately; when money is scarce, bullion is coined; when bullion is scarce, money is melted' (Sir D. North, op. cit., postscript, p. 3). John Stuart Mill, who was for a long time an official of the East India Company, confirms that in India silver ornaments still continue to perform directly the functions of a hoard: 'Silver ornaments are brought out and coined when there is a high rate of interest, and go back again when the rate of interest falls' (J. S. Mill's evidence, in *Report from the Select Committee on the Bank Acts*, 1857, n. 2084, 2101). According to a parliamentary document of 1864 on the gold and silver import and export of India,* the import of gold and silver in 1863 exceeded the export by £19,367,764. During the eight years up to 1864, the excess of imports over exports of the precious metals amounted to £109,652,917. During this century far more than £200,000,000 has been coined in India.

* *East India (Bullion). Return to the House of Commons*, 8 February 1864.

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*The commodity can be *alienated*, that is it can leave the hands of the seller, before it is *sold*, which happens when its price is paid over.

hand, the use of certain kinds of commodity (houses, for instance) is sold for a definite period. Only after the lease has expired has the buyer actually received the use-value of the commodity. He therefore buys it before he pays for it. The seller sells an existing commodity, the buyer buys as the mere representative of money, or rather as the representative of future money. The seller becomes a creditor, the buyer becomes a debtor. Since the metamorphosis of commodities, or the development of their form of value, has undergone a change here, money receives a new function as well. It becomes the means of payment.[47]

The role of creditor or of debtor results here from the simple circulation of commodities. The change in its form impresses this new stamp on seller and buyer. At first, therefore, these new roles are just as transient as those of seller and buyer, and are played alternately by the same actors. Nevertheless, this opposition now looks less pleasant from the very outset, and it is capable of a more rigid crystallization.[48] However, the same characteristics can emerge independently of the circulation of commodities. The class struggle in the ancient world, for instance, took the form mainly of a contest between debtors and creditors, and ended in Rome with the ruin of the plebeian debtors, who were replaced by slaves. In the Middle Ages the contest ended with the ruin of the feudal debtors, who lost their political power together with its economic basis. Here, indeed, the money-form – and the relation between creditor and debtor does have the form of a money-relation – was only the reflection of an antagonism which lay deeper, at the level of the economic conditions of existence.

Let us return to the sphere of circulation. The two equivalents, commodities and money, have ceased to appear simultaneously at the two poles of the process of sale. The money functions now, first as a measure of value in the determination of the price of the commodity sold; the price fixed by contract measures the obligation of the buyer, i.e. the sum of money he owes at a particular time. Secondly it serves as a nominal means of purchase. Although existing only in the promise of the buyer to pay, it causes the commodity to change hands. Not until payment falls due does the means of payment actually step into circulation, i.e. leave the hand of the buyer for that of the seller. The circulating medium was transformed into a hoard because the process stopped short after the first phase, because the converted shape of the commodity was withdrawn from circulation. The means of payment enters circulation, but only after the commodity has already left it. The money no longer mediates the process. It brings it to an end by emerging independently, as the absolute form of existence of exchange-value, in other words the universal commodity. The seller turned his commodity into money in order to satisfy some need; the hoarder in order to preserve the monetary form of his commodity, and the indebted purchaser in order to be able to pay. If he does not pay, his goods will be sold compulsorily. The value-form of the commodity, money, has now become the self-sufficient purpose of the sale, owing to a social necessity springing from the conditions of the process of circulation itself.

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[47] [Note by Engels to the fourth German edition:] Luther distinguishes between money as means of purchase and means of payment: 'You have caused me to suffer two-fold damage, because I cannot pay on the one hand and cannot buy on the other' (Martin Luther, *An die Pfarrherrn, wider den Wucher zu predigen*, Wittenberg, 1540 [without pagination]).*

[48] The following shows the relations existing between debtors and creditors among English traders at the beginning of the eighteenth century: 'Such a spirit of cruelty reigns here in England among the men of trade, that is not to be met with in any other society of men, nor in any other kingdom of the world' (*An Essay on Credit and the Bankrupt Act*, London, 1707, p. 2).

*This passage occurs in the context of an attack on the theory that interest could be taken in compensation for the loss of an opportunity on the part of the lender to buy something with the money loaned. Cf. *Theories of Surplus-Value*, Part III, p. 535.

The buyer converts money back into commodities before he has turned commodities into money: in other words, he achieves the second metamorphosis of commodities before the first. The seller's commodity circulates, and realizes its price, but only as a title to money in civil law. It is converted into a use-value before it has been converted into money. The completion of its first metamorphosis occurs only subsequently.[49]

The obligations falling due within a given period of the circulation process represent the sum of the prices of the commodities whose sale gave rise to those obligations. The quantity of money necessary to realize this sum depends in the first instance on the rapidity of circulation of the means of payment. The quantity is conditioned by two factors: first, the way in which relations between creditors and debtors interlock, as when A receives money from B, who is in debt to him, and then pays it out to his creditor C; and second, the length of time between the different days in which the obligations fall due. The chain of payments, or retarded first metamorphoses, which participate in the process, is essentially different from that intertwining of the series of metamorphoses considered earlier. The flow of the circulating medium does not merely express the connection between buyers and sellers: the connection itself arises within, and exists through, the circulation of money. The movement of the means of payment, however, expresses a social connection which was already present independently.

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[49] The reason why I take no notice in the text of an opposite form will be seen from the following quotation from my book which appeared in 1859: 'Conversely, in the transaction M–C, money as a real means of purchase may be alienated, thus realizing the price of the commodity before the use-value of the money is realized, or before the commodity is handed over. This happens, for instance, in the well-known form of advance-payment. Or in the form of payment used by the English government to buy opium from Indian ryots . . . In these cases, however, money functions only in the familiar form of means of purchase . . . Of course capital, too, is advanced in the form of money . . . but this aspect does not lie within the scope of simple circulation' (*Zur Kritik, etc.*, pp. 119, 120) [English edition, p. 140 and n.].

The fact that sales take place simultaneously and side by side limits the extent to which the rapidity of turnover can make up for the quantity of currency available. On the other hand, this fact gives a new impulse towards the economical use of the means of payment. With the concentration of payments in one place, special institutions and methods of liquidation develop spontaneously. For instance, the *virements** in medieval Lyons. The debts due to A from B, to B from C, to C from A, and so on, have only to be brought face to face in order to cancel each other out, to a certain extent, as positive and negative amounts. There remains only a single debit balance to be settled. The greater the concentration of the payments, the less is this balance in relation to the total amount, hence the less is the mass of the means of payment in circulation.

There is a contradiction immanent in the function of money as the means of payment. When the payments balance each other, money functions only nominally, as money of account, as a measure of value. But when actual payments have to be made, money does not come onto the scene as a circulating medium, in its merely transient form of an intermediary in the social metabolism, but as the individual incarnation of social labour, the independent presence of exchange-value, the universal commodity.†

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* 'Clearing-houses'.

†Marx gave a slightly different, but illuminating, formulation of this rather difficult idea in the original draft of *Zur Kritik der Politischen Ökono-*

This contradiction bursts forth in that aspect of an industrial and commercial crisis which is known as a monetary crisis.[50] Such a crisis occurs only where the ongoing chain of payments has been fully developed, along with an artificial system for settling them. Whenever there is a general disturbance of the mechanism, no matter what its cause, money suddenly and immediately changes over from its merely nominal shape, money of account, into hard cash. Profane commodities can no longer replace it. The use-value of commodities becomes valueless, and their value vanishes in the face of their own form of value. The bourgeois, drunk with prosperity and arrogantly certain of himself, has just declared that money is a purely imaginary creation. 'Commodities alone are money,' he said. But now the opposite cry resounds over the markets of the world: only money is a commodity. As the hart pants after fresh water, so pants his soul after money, the only wealth.[51] In a crisis, the antithesis between commodities and their value-form, money, is raised to the level of an absolute contradiction. Hence money's form of appearance is here also a matter of indifference. The monetary famine remains whether payments

[50] [Note by Engels to the third German edition:] The monetary crisis, defined in the text as a particular phase of every general industrial and commercial crisis, must be clearly distinguished from the special sort of crisis, also called a monetary crisis, which may appear independently of the rest, and only affects industry and commerce by its backwash. The pivot of these crises is to be found in money capital, and their immediate sphere of impact is therefore banking, the stock exchange and finance.

[51] 'This sudden transformation of the credit system into a monetary system adds theoretical dismay to the actually existing panic, and the agents of the circulation process are overawed by the impenetrable mystery surrounding their own relations' (Karl Marx, *Zur Kritik, etc.*, p. 126) [English edition, p. 146]. 'The poor stand still, because the rich have no money to employ them, though they have the same land and hands to provide victuals and clothes, as ever they had; . . . which is the true Riches of a Nation, and not the money' (John Bellers, *Proposals for Raising a Colledge of Industry*, London, 1696, pp. 3–4).

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mie: 'In times of actual monetary crisis, a contradiction appears which is immanent in the development of money as universal means of payment. It is not required as measure; nor as coin . . .; but as exchange value become independent, as the physically available universal equivalent, as the materialization of abstract wealth, in short, entirely in the form in which it is the object of actual hoarding, as money' (*Grundrisse der Kritik der politischen Ökonomie*, Heft B. Berlin, 1953, p. 876).

have to be made in gold or in credit-money, such as bank-notes.[52]

If we now consider the total amount of money in circulation during a given period, we find that, for any given turnover rate of the medium of circulation and the means of payment, it is equal to the sum of prices to be realized, plus the sum of the payments falling due, minus the payments which balance each other out, and, finally, minus the number of circuits in which the same piece of coin serves alternately as medium of circulation and means of payment. The farmer, for example, sells his wheat for £2, and this money serves thus as the medium of circulation. On the day when the payment falls due, he uses it to pay for linen which the weaver has delivered. The same £2 now serves as the means of payment. The weaver now buys a Bible for cash. This serves again as the medium of circulation, and so on. Therefore, even when prices, speed of monetary circulation and economies in the use of the means of payment are given, the quantity of money in circulation no longer corresponds with the mass of commodities in circulation during a given period, such as a day. Money which represents commodities long since withdrawn from circulation continues to circulate. Commodities circulate, but their equivalent in money does not appear until some future date. Moreover, the debts contracted each day, and the payments falling due on the same day, are entirely incommensurable magnitudes.[53]

52. The following shows how such occasions are exploited by the 'friends of commerce': 'On one occasion (1839) an old, grasping banker (in the city) in his private room raised the lid of the desk he sat over, and displayed to a friend rolls of bank-notes, saying with intense glee there were £600,000 of them, they were held to make money tight, and would all be let out after three o'clock on the same day' (*The Theory of Exchange. The Bank Charter Act of 1844*, London, 1864, p. 81) [by H. Roy]. The *Observer*, a semi-official government organ, remarked on 24 April 1864: 'Some very curious rumours are current of the means which have been resorted to in order to create a scarcity of bank-notes ... Questionable as it would seem, to suppose that any trick of the kind would be adopted, the report has been so universal that it really deserves mention.'

53. 'The amount of purchases or contracts entered upon during the course of any given day, will not affect the quantity of money afloat on that particular day, but, in the vast majority of cases, will resolve themselves into multifarious drafts upon the quantity of money which may be afloat at subsequent dates more or less distant ... The bills granted or credits opened, today, need have no resemblance whatever, either in quantity, amount, or duration, to those granted or entered upon tomorrow or next day; nay, many of today's bills, and credits, when due, fall in with a mass of liabilities whose origins traverse a range of antecedent dates altogether indefinite, bills at 12, 6, 3

Credit-money springs directly out of the function of money as a means of payment, in that certificates of debts owing for already purchased commodities themselves circulate for the purpose of transferring those debts to others. On the other hand, the function of money as a means of payment undergoes expansion in proportion as the system of credit itself expands. As the means of payment money takes on its own peculiar forms of existence, in which it inhabits the sphere of large-scale commercial transactions. Gold and silver coin, on the other hand, are mostly relegated to the sphere of retail trade.[54]

When the production of commodities has attained a certain level and extent, the function of money as means of payment begins to spread out beyond the sphere of the circulation of commodities. It becomes the universal material of contracts.[55] Rent, taxes and so on are transformed from payments in kind to payments in money. The great extent to which this transformation is conditioned by the total shape of the process of production is shown for example by the twice-repeated failure of the Roman

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months or 1 often aggregating together to swell the common liabilities of one particular day ...' (*The Currency Theory Reviewed: A Letter to the Scotch People. By a Banker in England*, Edinburgh, 1845, pp. 29, 30 passim).

[54] As an example of how little real money enters into true commercial operations, I give below a statement by one of the largest London merchant banks (Morrison, Dillon & Co.) of its yearly receipts and payments. Its transactions during the year 1856, extending in fact to many millions of pounds, are here reduced to the scale of one million.

Receipts		*Payments*	
Bankers' and merchants' bills payable after date	£533,596	Bills payable after date	£302,674
Cheques on bankers, etc., payable on demand	£357,715	Cheques on London bankers	£663,672
Country notes	£9,627	Bank of England notes	£22,743
Bank of England notes	£68,554	Gold	£9,427
Gold	£28,089	Silver and copper	£1,484
Silver and copper	£1,486		
Post Office orders	£933		
Total:	£1,000,000	Total:	£1,000,000

(*Report from the Select Committee on the Bank Acts*, July 1858, p. lxxi)

[55] 'The course of trade being thus turned, from exchanging of goods for goods, or delivering and taking, to selling and paying, all the bargains ... are now stated upon the foot of a Price in money' ([Daniel Defoe], *An Essay upon Publick Credit*, 3rd edn, London, 1710, p. 8).

Empire to levy all contributions in money. The unspeakable misery of the French agricultural population under Louis XIV, a misery so eloquently denounced by Boisguillebert, Marshall Vauban and others, was due not only to the weight of the taxes but also to the conversion of taxes in kind into taxes in money.[56] In Asia, on the other hand, the form of ground rent paid in kind, which is at the same time the main element in state taxation, is based on relations of production which reproduce themselves with the immutability of natural conditions. And this mode of payment in its turn acts to maintain the ancient form of production. It forms one of the secrets of the self-preservation of the Ottoman Empire. If the foreign trade imposed on Japan by Europe brings with it the transformation of rents in kind into money rents, then the exemplary agriculture of that country will be done for. Its narrowly based economic conditions of existence will be swept away.

In every country, certain days become established as the dates on which general settlements are made. They depend in part, leaving aside other circular movements described by reproduction, upon the natural conditions of production, which are bound up with the alternation of the seasons. They also regulate the dates for payments which have no direct connection with the circulation of commodities, such as taxes, rents and so on. The fact that the quantity of money required to make these isolated payments over the whole surface of society falls due on certain days of the year causes periodic, but entirely superficial, perturbations in the economy of the means of payment.[57] From the law of the rapidity of circulation of the means of payment, it follows that the quantity of the means of payment required for all periodic payments, whatever their source, is in direct* proportion to the length of the periods.[58]

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[56] 'Money . . has become the executioner of everything.' Finance is 'the alembic in which a frightful quantity of goods and commodities has been distilled in order to extract that unholy essence.' 'Money declares war on the whole of humanity' (Boisguillebert, *Dissertation sur la nature des richesses, de l'argent et des tributs*, ed. Daire, *Économistes financiers*, Paris, 1843, Vol. 1, pp. 413, 419, 417, 418).

[57] 'On Whitsuntide, 1824,' said Mr Craig before the Commons Committee of 1826, 'there was such an immense demand for notes upon the banks of Edinburgh, that by 11 o'clock we had not a note left in our custody. We sent round to all the different banks to borrow, but could not get them, and many of the transactions were adjusted by slips of paper only; yet by three o'clock the whole of the notes were returned into the banks from which they had issued! It was a mere transfer from hand to hand.' Although the average effective circulation of bank-notes in Scotland is less than £3m., yet on certain settlement days in the year every single note in the possession of the bankers, amounting altogether to about £7m., is called into activity. On these occasions the notes have a single and specific function to perform, and as

The development of money as a means of payment makes it necessary to accumulate it in preparation for the days when the sums which are owing fall due. While hoarding, considered as an independent form of self-enrichment, vanishes with the advance of bourgeois society [*die bürgerliche Gesellschaft*], it grows at the same time in the form of the accumulation of a reserve fund of the means of payment.

(c) World Money

When money leaves the domestic sphere of circulation it loses the local functions it has acquired there, as the standard of prices, coin, and small change, and as a symbol of value, and falls back into its original form as precious metal in the shape of bullion. In world trade, commodities develop their value universally. Their independent value-form thus confronts them here too as world money. It is in the world market that money first functions to its

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soon as they have performed it they flow back into the various banks from which they issued. (See John Fullarton, *Regulation of Currencies*, London, 1845, p. 86, note.) In explanation it should be added that in Scotland, at the time of Fullarton's work, notes and not cheques were used to withdraw deposits.

[58] To the question 'if there were occasion to raise 40 millions p.a., whether the same 6 millions (gold) . . . would suffice for such revolutions and circulations thereof, as trade requires,' Petty replies in his usual masterly manner, 'I answer yes: for the expense being 40 millions, if the revolutions were in such short circles, viz., weekly, as happens among poor artisans and labourers, who receive and pay every Saturday, then $\frac{40}{52}$ parts of 1 million of money would answer these ends; but if the circles be quarterly, according to our custom of paying rent, and gathering taxes, then 10 million were requisite. Wherefore, supposing payments in general to be of a mixed circle between one week and 13, then add 10 millions to $\frac{40}{52}$, the half of which will be 5½, so as if we have 5½ millions we have enough' (William Petty, *Political Anatomy of Ireland, 1672*, London edition, 1691, pp. 13, 14) [what Marx cites here is Petty's essay *Verbum Sapienti*, which appeared as a supplement to the *Political Anatomy of Ireland*].

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* All previous editions have the word 'inverse' here. Yet it is quite apparent from the discussion in note 58 that Marx meant to write 'direct'. In short, the longer the *period*, the more money is needed, and *vice versa*.

full extent as the commodity whose natural form is also the directly social form of realization of human labour in the abstract. Its mode of existence becomes adequate to its concept.

Within the sphere of domestic circulation, there can only be one commodity which by serving as a measure of value becomes money. On the world market a double standard prevails, both gold and silver.[59]

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[59] Hence the absurdity of all legislation laying down that the banks of a country should form reserves only of the particular precious metal circulating within the country as money. The 'pleasant difficulties' created in this way by the Bank of England for itself are a well-known example. On the subject of the major historical epochs in the relative value of gold and silver, see Karl Marx, op. cit., pp. 136 ff. [English edition, pp. 155 ff.]. Sir Robert Peel, by his Bank Act of 1844, sought to tide over the difficulty by allowing the Bank of England to issue notes against silver bullion, on condition that the reserve of silver should never exceed more than one fourth of the reserve of gold. For that purpose, the value of silver is estimated according to its market price (in gold) on the London market.

[The following was added by Engels to the fourth German edition:] We find ourselves once more in a period of serious change in the relative values of gold and silver. About twenty-five years ago the ratio expressing the relative value of gold and silver was 15½:1; now it is approximately 22:1, and silver is still constantly falling as against gold. This is essentially the result of a revolution in the mode of production of both metals. Formerly gold was obtained almost exclusively by washing it out from gold-bearing alluvial deposits, products of the weathering of auriferous rocks. Now this method has become inadequate and has been forced into the background by the processing of quartz lodes themselves, a mode of extraction which formerly was only of secondary importance, although well known to the ancients (Diodorus, III, 12–14). Moreover, not only were huge new silver deposits discovered in North America, in the western part of the Rocky Mountains, but these and the Mexican silver mines were really opened up by the laying of railways, which made possible the shipment of modern machinery and fuel and in consequence the mining of silver on a very large scale at low cost. However, there is a great difference in the way the two metals occur in the quartz lodes. The gold is mostly native, but disseminated throughout the quartz in minute quantities. The whole mass of the vein must therefore be crushed and the gold either washed out or extracted by means of mercury. Often 1,000,000 grammes of quartz barely yield 1–3 grammes of gold, and very seldom do they yield 30–60 grammes. Silver is seldom found native: however, it occurs in special quartz that is separated from the lode with comparative ease and contains mostly 40–90 per cent silver, and is also contained, in smaller quantities, in copper, lead and other ores which in themselves are worthwhile working. From this alone it is apparent that the labour expended on the production of gold is tending to increase, while that expended on silver production has decidedly decreased, which quite naturally explains the drop in the value of the latter. This fall in value would express itself in a still greater fall in price if the price of silver were not pegged even today by artificial means. But America's rich silver

World money serves as the universal means of payment, as the universal means of purchase, and as the absolute social materialization of wealth as such (universal wealth).* Its predominant function is as means of payment in the settling of international balances. Hence the slogan of the Mercantile System: balance of trade.[60] Gold and silver serve essentially as international means of purchase when the customary equilibrium in the interchange of products between different nations is suddenly disturbed. And,

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deposits have so far barely been tapped, and thus the prospects are that the value of this metal will keep on dropping for rather a long time to come. A still greater contributing factor here is the relative decrease in the need for silver for articles of general use and for luxuries, that is its replacement by plated goods, aluminium, etc. One may thus gauge the utopianism of the bimetallist idea that compulsory international quotation will raise silver again to the old value ratio of 1:15½. It is more likely that silver will forfeit its money function more and more in the world market.

60. The opponents of the Mercantile System, a system which considered the settlement of surplus trade balances in gold and silver as the aim of international trade, were for their part entirely mistaken as to the function of world money. I have thoroughly demonstrated elsewhere, taking Ricardo as an example, the way in which a false conception of the laws which regulate the quantity of the circulating medium is reflected in a false conception of the international movement of the precious metals (op. cit., pp. 150 ff.) [English edition, p. 174]. His erroneous dogma: 'An unfavourable balance of trade never arises but from a redundant currency . . . The exportation of the coin is caused by its cheapness, and is not the effect, but the cause of an unfavourable balance,'* already occurs in Barbon: 'The balance of Trade, if there be one, is not the cause of sending away the money out of a nation; but that proceeds from the difference of the value of bullion in every country' (N. Barbon, op. cit., pp. 59, 60). MacCulloch, in *The Literature of Political Economy: A Classified Catalogue*, London, 1845, praises Barbon for this anticipation, but very wisely avoids even mentioning the naïve forms in which the absurd presuppositions of the 'currency principle'† appear in Barbon's work. The uncritical and even dishonest nature of MacCulloch's catalogue reaches its summit in the sections devoted to the history of the theory of money, where he is flattering Lord Overstone (ex-banker Loyd), whom he describes as '*facile princeps argentariorum*' [the recognized king of the money merchants].‡

*David Ricardo, *The High Price of Bullion, a Proof of the Depreciation of Bank Notes*, 4th edn, London, 1811, pp. 11, 12, 14.

†'Currency principle': the principle, implemented in the Bank Act of 1844, that the amount of currency in circulation should always correspond to the quantity of gold in the country. See Karl Marx, op. cit., English edition, p. 185.

‡Samuel Jones Loyd (1796–1883). Rich and influential banker, witness before two Parliamentary committees on banking (those of 1833 and 1840). Main advocate of the 'currency principle'. Created Baron Overstone in 1860.

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*The words in parentheses were added in English by Marx.

lastly, world money serves as the universally recognized social materialization of wealth, whenever it is not a matter of buying or paying, but of transferring wealth from one country to another, and whenever its transfer in the form of commodities is ruled out, either by the conjuncture of the market, or by the purpose of the transfer itself.[61]

Just as every country needs a reserve fund for its internal circulation, so too it requires one for circulation in the world market. The functions of hoards, therefore, arise in part out of the function of money as medium of payment and circulation internally, and in part out of its function as a world currency.[62] In this latter role it is always the genuine money-commodity, gold and silver in their physical shape, which is required. For that reason Sir James Steuart expressly characterizes gold and silver as 'money of the world'* in order to distinguish them from their merely local representatives.

The stream of gold and silver has a twofold motion. On the one hand, it spreads out from its sources all over the world, and is absorbed to various extents into the different national spheres of circulation, where it enters into the various channels of internal circulation. There it replaces abraded gold and silver coins, supplies the material for articles of luxury, and petrifies into hoards.[63]

[61] For instance, in the case of subsidies, money loans for carrying on wars or for enabling banks to resume cash payments, etc., value may be required precisely in the money-form.

[62] 'I would desire, indeed, no more convincing evidence of the competency of the machinery of the hoards in specie-paying countries to perform every necessary office of international adjustment, without any sensible aid from the general circulation, than the facility with which France, when but just recovering from the shock of a destructive foreign invasion, completed within the space of 27 months the payment of her forced contribution of nearly 20 millions to the allied powers, and a considerable proportion of the sum in specie, without any perceptible contraction or derangement of her domestic currency, or even any alarming fluctuation of her exchanges' (Fullarton, op. cit., p. 141). [Added by Engels to the fourth German edition:] We have a still more striking example in the facility with which the same France was able in 1871–3 to pay off within 30 months a forced contribution more than ten times as great, a considerable part of it likewise in specie.

[63] 'Money is shared among the nations in accordance with their need for it . . . as it is always attracted by the products' (Le Trosne, op. cit., p. 916). 'The mines which are continually giving gold and silver, do give sufficient to supply such a needful balance to every nation' (J. Vanderlint, op. cit., p. 40).

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*Sir James Steuart, *An Inquiry into the Principles of Political Economy*, Dublin, 1770, Vol. 2, p. 370. Cf. *Zur Kritik etc.*, English translation, p. 167.

This first movement is transmitted through the medium of the direct exchange of the labour of individual countries which has been realized in commodities for the labour realized in the precious metals by the gold- and silver-producing countries. On the other hand, gold and silver continually flow backwards and forwards between the different national spheres of circulation, and this movement follows the unceasing fluctuations of the rate of exchange.[64]

Countries with developed bourgeois production limit the hoards concentrated in the strong rooms of the banks to the minimum required for the performance of their specific functions.[65] Whenever these hoards are strikingly above their average level, this is, with some exceptions, an indication of stagnation in the circulation of commodities, i.e. of an interruption in the flow of their metamorphoses.[66]

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[64] 'Exchanges rise and fall every week, and at some particular times in the year run high against a nation, and at other times run as high on the contrary' (N. Barbon, op. cit., p. 39).

[65] These different functions can come dangerously into conflict whenever gold and silver have also to serve as a fund for the conversion of bank notes.

[66] 'What money is more than of absolute necessity for a Home Trade, is dead stock ... and brings no profit to that country it's kept in, but as it is transported in trade, as well as imported' (John Bellers, *Essays, etc.*, p. 13). 'What if we have too much coin? We may melt down the heaviest and turn it into the splendour of plate, vessels or utensils of gold or silver; or send it out as a commodity, where the same is wanted or desired; or let it out at interest, where interest is high' (W. Petty, *Quantulumcunque*, p. 39). 'Money is but the fat of the Body Politick, whereof too much doth as often hinder its agility, as too little makes it sick ... as fat lubricates the motion of the muscles, feeds in want of victuals, fills up the uneven cavities, and beautifies the body; so doth money in the state quicken its action, feeds from abroad in time of dearth at home; evens accounts ... and beautifies the whole; altho' more especially the particular persons that have it in plenty' (W. Petty, *Political Anatomy of Ireland*, pp. 14, 15) [in fact, this is again the supplement, *Verbum Sapienti*].

Part Two

The Transformation of Money into Capital

Chapter 4: The General Formula for Capital

The circulation of commodities is the starting-point of capital. The production of commodities and their circulation in its developed form, namely trade, form the historic presuppositions under which capital arises. World trade and the world market date from the sixteenth century, and from then on the modern history of capital starts to unfold.

If we disregard the material content of the circulation of commodities, i.e. the exchange of the various use-values, and consider only the economic forms brought into being by this process, we find that its ultimate product is money. This ultimate product of commodity circulation is the first form of appearance of capital.

Historically speaking, capital invariably first confronts landed property in the form of money; in the form of monetary wealth, merchants' capital and usurers' capital.[1] However, we do not need to look back at the history of capital's origins in order to recognize that money is its first form of appearance. Every day the same story is played out before our eyes. Even up to the present day, all new capital, in the first instance, steps onto the stage – i.e. the market, whether it is the commodity-market, the labour-market, or the money-market – in the shape of money, money which has to be transformed into capital by definite processes.

The first distinction between money as money and money as capital is nothing more than a difference in their form of circulation. The direct form of the circulation of commodities is C–M–C, the transformation of commodities into money and the re-conversion of money into commodities: selling in order to buy.

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[1] The antagonism between the power of landed property, based on personal relations of domination and servitude, and the power of money, which is impersonal, is clearly expressed by the two French proverbs, '*Nulle terre sans seigneur*', and '*L'argent n'a pas de maître*'.*

* 'No land without its lord' and 'Money has no master'.

But alongside this form we find another form, which is quite distinct from the first: M–C–M, the transformation of money into commodities, and the re-conversion of commodities into money: buying in order to sell. Money which describes the latter course in its movement is transformed into capital, becomes capital, and, from the point of view of its function, already is capital.

Let us examine the circular movement M–C–M a little more closely. Just as in the case of simple circulation, it passes through two antithetical phases. In the first phase, M–C (the purchase), the money is changed into a commodity. In the second phase, C–M (the sale), the commodity is changed back again into money. These two phases, taken together in their unity, constitute the total movement which exchanges money for a commodity, and the same commodity for money, which buys a commodity in order to sell it, or, if one neglects the formal distinction between buying and selling, buys a commodity with money and then buys money with a commodity.[2] The result, in which the whole process vanishes, is the exchange of money for money, M–M. If I purchase 2,000 lb. of cotton for £100, and resell the 2,000 lb. of cotton for £110, I have in fact exchanged £100 for £110, money for money.

Now it is evident that the circulatory process M–C–M would be absurd and empty if the intention were, by using this roundabout route, to exchange two equal sums of money, £100 for £100. The miser's plan would be far simpler and surer: he holds on to his £100 instead of exposing it to the dangers of circulation. And yet, whether the merchant who has paid £100 for his cotton sells it for £110, or lets it go for £100, or even £50, his money has at all events described a characteristic and original path, quite different in kind from the path of simple circulation, as for instance in the case of the peasant who sells corn, and with the money thus set free buys clothes. First, then, we have to characterize the formal distinctions between the two circular paths M–C–M and C–M–C. This will simultaneously provide us with the difference in content which lies behind these formal distinctions.

Let us first see what the two forms have in common.

Both paths can be divided into the same two antithetical phases, C–M, sale, and M–C, purchase. In each phase the same material elements confront each other, namely a commodity and money, and the same economic *dramatis personae*, a buyer and a seller. Each circular path is the unity of the same two antithetical phases, and in each case this unity is mediated through the emergence of three participants in a contract, of whom one only sells, another only buys and the third both buys and sells.

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[2] 'With money one buys commodities, and with commodities one buys money' (Mercier de la Rivière, *L'Ordre naturel et essentiel des sociétés politiques*, p. 543).

What however first and foremost distinguishes the two paths C–M–C and M–C–M from each other is the inverted order of succession of the two opposed phases of circulation. The simple circulation of commodities begins with a sale and ends with a purchase, while the circulation of money as capital begins with a purchase and ends with a sale. In the one case both the starting-point and the terminating-point of the movement are commodities, in the other they are money. The whole process is mediated in the first form by money, and in the second, inversely, by a commodity.

In the circulation C–M–C, the money is in the end converted into a commodity which serves as a use-value; it has therefore been spent once and for all. In the inverted form M–C–M, on the contrary, the buyer lays out money in order that, as a seller, he may recover money. By the purchase of his commodity he throws money into circulation, in order to withdraw it again by the sale of the same commodity. He releases the money, but only with the cunning intention of getting it back again. The money therefore is not spent, it is merely advanced.[3]

In the form C–M–C, the same piece of money is displaced twice. The seller gets it from the buyer and pays it away to another seller. The whole process begins when money is received in return for commodities, and comes to an end when money is given up in return for commodities. In the form M–C–M this process is inverted. Here it is not the piece of money which is displaced twice, but the commodity. The buyer takes it from the hands of the seller and passes it into the hands of another buyer. Whilst in the simple circulation of commodities the twofold displacement of the same piece of money effects its definitive transfer from one hand into another, here the twofold displacement of the same commodity causes the money to flow back to its initial point of departure.

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[3] 'When a thing is bought in order to be sold again, the sum employed is called money advanced; when it is bought not to be sold, it may be said to be expended' (James Steuart, *Works, etc.*, edited by General Sir James Steuart, his son, London, 1805, Vol. 1, p. 274).

This reflux of money to its starting-point does not depend on the commodity's being sold for more than was paid for it. That only has a bearing on the amount of money which flows back. The phenomenon of reflux itself takes place as soon as the purchased commodity is resold, i.e. as soon as the cycle M–C–M has been completed. We have here, therefore, a palpable difference between the circulation of money as capital, and its circulation as mere money.

The cycle C–M–C reaches its conclusion when the money brought in by the sale of one commodity is withdrawn again by the purchase of another. If there follows a reflux of money to its starting-point, this can happen only through a renewal or repetition of the whole course of the movement. If I sell a quarter of corn for £3, and with this £3 buy clothes, the money, so far as I am concerned, is irreversibly spent. I have nothing more to do with it. It belongs to the clothes merchant. If I now sell a second quarter of corn, money indeed flows back to me, not however as a result of the first transaction, but of its repetition. The money again leaves me as soon as I complete this second transaction by a fresh purchase. In the cycle C–M–C, therefore, the expenditure of money has nothing to do with its reflux. In M–C–M on the other hand the reflux of the money is conditioned by the very manner in which it is expended. Without this reflux, the operation fails, or the process is interrupted and incomplete, owing to the absence of its complementary and final phase, the sale.

The path C–M–C proceeds from the extreme constituted by one commodity, and ends with the extreme constituted by another, which falls out of circulation and into consumption. Consumption, the satisfaction of needs, in short use-value, is therefore its final goal. The path M–C–M, however, proceeds from the extreme of money and finally returns to that same extreme. Its driving and motivating force, its determining purpose, is therefore exchange-value.

In the simple circulation of commodities the two extremes have the same economic form. They are both commodities, and commodities of equal value. But they are also qualitatively different use-values, as for example corn and clothes. The exchange of products, the interchange carried out between the different materials in which social labour is embodied, forms here the content of the movement. It is otherwise in the cycle M–C–M. At first sight this appears to lack any content, because it is tautological. Both extremes have the same economic form. They are both money, and therefore are not qualitatively different use-values, for money is precisely the converted form of commodities, in which their particular use-values have been extinguished. To exchange £100 for cotton, and then to exchange this same cotton again for £100, is merely a roundabout way of exchanging money for money, the same for the same, and appears to be an operation as purposeless as it is absurd.[4] One sum of money is distinguishable from another only by its amount. The process M–C–M does not therefore owe its content to any qualitative difference between its extremes, for they are both money, but solely to quantitative changes. More money is finally withdrawn from circulation than was thrown into it at the beginning. The cotton originally bought for £100 is for example re-sold at £100+£10, i.e. £110. The complete form of this process is therefore M–C–M′, where M′ = M+ Δ M, i.e. the original sum advanced plus an increment. This increment or excess over the original value I call 'surplus-value'.*

[4] 'One does not exchange money for money,' exclaims Mercier de la Rivière to the Mercantilists (op. cit., p. 486). In a work which professes to deal with 'trade' and 'speculation' there occurs the following: 'All trade consists in the exchange of things of different kinds; and the advantage' (to the merchant?) 'arises out of this difference. To exchange a pound of bread against a pound of bread . . . would be attended with no advantage; . . . Hence trade is advantageously contrasted with gambling, which consists in a mere exchange of money for money' (Th. Corbet, *An Inquiry into the Causes and Modes of the Wealth of Individuals; or the Principles of Trade and Speculation Explained*, London, 1841, p. 5). Although Corbet does not see that M–M, the exchange of money for money, is the characteristic form of circulation, not only of merchants' capital, but of all capital, yet at least he acknowledges that this form is common to gambling and to one species of trade, namely speculation. Then, however, MacCulloch comes on the scene, and asserts that to buy in order to sell is to speculate, and thus the distinction between speculation and trade vanishes. 'Every transaction in which an individual buys produce in order to sell it again is in fact a speculation' (MacCulloch, *A Dictionary, Practical etc., of Commerce*, London, 1847, p. 1009). With much more naïveté, Pinto, the Pindar of the Amsterdam Stock Exchange,* remarks: 'Trade is a game' (this phrase is borrowed from Locke) 'and nothing can be won from beggars. If one won everything from everybody for long, it would be necessary to give back voluntarily the greater part of the profit in order to begin the game again' (Pinto, *Traité de la circulation et du crédit*, Amsterdam, 1771, p. 231).

*Pindar (522–442 B.C.) composed odes in praise of Olympic victors; Pinto (A.D. 1715–87), rich Amsterdam speculator and merchant, wrote books in praise of his country's financial system.

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*In both German (*Mehrwert*) and English in the original.

The value originally advanced, therefore, not only remains intact while in circulation, but increases its magnitude, adds to itself a surplus-value, or is valorized [*verwertet sich*].* And this movement converts it into capital.

Of course, it is also possible that in C–M–C the two extremes C and C, say corn and clothes, may represent quantitatively different magnitudes of value. The peasant may sell his corn above its value, or may buy the clothes at less than their value. He may, on the other hand, be cheated by the clothes merchant. Yet, for this particular form of circulation, such differences in value are purely accidental. The fact that the corn and the clothes are equivalents does not deprive the process of all sense and meaning, as it does in M–C–M. The equivalence of their values is rather a necessary condition of its normal course.

The repetition or renewal of the act of selling in order to buy finds its measure and its goal (as does the process itself) in a final purpose which lies outside it, namely consumption, the satisfaction of definite needs. But in buying in order to sell, on the contrary, the end and the beginning are the same, money or exchange-value and this very fact makes the movement an endless one. Certainly M becomes M + Δ M, £100 becomes £110. But, considered qualitatively, £100 is the same as £110, namely money; while, from the quantitative point of view, £110 is, like £100, a sum of definite and limited value. If the £110 is now spent as money, it ceases to play its part. It is no longer capital. Withdrawn from circulation, it is petrified into a hoard, and it could remain in that position until the Last Judgement without a single farthing accruing to it. If, then, we are concerned with the valorization [*Verwertung*] of value, the value of the £110 has the same need for valorization as the value of the £100, for they are both limited expressions of exchange-value, and therefore both have the same vocation, to approach, by quantitative increase, as near as possible to absolute wealth. Momentarily, indeed, the value originally advanced, the £100, is distinguishable from the surplus-value of £10, added to it during circulation; but the distinction vanishes immediately. At the end of the process, we do not receive on one hand the original £100, and on the other the surplus-value

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* Along with the concept of surplus-value, the concept of *Verwertung* is introduced here for the first time. Since there is no extant English word which adequately conveys Marx's meaning, we have adopted throughout the word 'valorization'.

erges is rather a value of £110, which is in exactly
, appropriate for commencing the valorization
riginal £100. At the end of the movement, money
gain as its starting-point.[5] Therefore the final
parate cycle, in which a purchase and consequent
ted, forms of itself the starting-point for a new
e circulation of commodities – selling in order to
ns to a final goal which lies outside circulation,
opriation of use-values, the satisfaction of needs.
the circulation of money as capital is an end in
lorization of value takes place only within this
wed movement. The movement of capital is
ss.[6]

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ided . . . into the original capital and profit – the incre-
. . although in practice profit is immediately lumped to-
and set into motion with it' (F. Engels, *Umrisse zu einer
lökonomie*, in *Deutsch-Französische Jahrbücher*, edited by
Karl Marx, Paris, 1844, p. 99) [English translation, p. 430].
rasts economics with 'chrematistics'. He starts with eco-
it is the art of acquisition, it is limited to procuring the
o existence and useful either to a household or the state.
ηθινὸς πλοῦτος) consists of such use-values; for the amount
is needed for a good life is not unlimited . . . There is, how-
le of acquiring things, to which we may by preference and
e the name of chrematistics, and in this case there appear to
es and property. Trade (ἡ καπηλική is literally retail trade,
es this form because use-values predominate in it) does not
to chrematistics, for here the exchange only has reference
y for (the buyer or the seller) themselves.' Therefore, as he
e original form of trade was barter, but with the extension
rose the necessity for money. With the discovery of money,
developed into καπηλική, into trading in commodities, and
adiction with its original tendency, grew into chrematistics,
money. Now chrematistics can be distinguished from eco-
chrematistics, circulation is the source of riches (ποιητικὴ
χρημάτων μεταβολῆς). And it appears to revolve around
is the beginning and the end of this kind of exchange (το γὰρ
καὶ πέρας τῆς αλλαγῆς ἐστιν). Therefore also riches, such
rives for, are unlimited. Just as every art which is not a
ut an end in itself, has no limit to its aims, because it seeks
ach nearer and nearer to that end, while those arts which
end are not boundless, since the goal itself imposes a limit
chrematistics there are no bounds to its aims, these aims
alth. Economics, unlike chrematistics, has a limit . . . for
rmer is something different from money, of the latter the
oney . . . By confusing these two forms, which overlap each

As the conscious bearer [*Träger*] of this movement, the possessor of money becomes a capitalist. His person, or rather his pocket, is the point from which the money starts, and to which it returns. The objective content of the circulation we have been discussing – the valorization of value – is his subjective purpose, and it is only in so far as the appropriation of ever more wealth in the abstract is the sole driving force behind his operations that he functions as a capitalist, i.e. as capital personified and endowed with consciousness and a will. Use-values must therefore never be treated as the immediate aim of the capitalist;[7] nor must the profit on any single transaction. His aim is rather the unceasing movement of profit-making.[8] This boundless drive for enrichment, this passionate chase after value,[9] is common to the capitalist and the miser; but while the miser is merely a capitalist gone mad, the capitalist is a rational miser. The ceaseless augmentation of value, which the miser seeks to attain by saving[10] his money from circulation, is

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other, some people have been led to look upon the preservation and increase of money *ad infinitum* as the final goal of economics' (Aristotle, *De Republica*, ed. Bekker, lib. I, c. 8, 9, passim).*

[7] 'Commodities' (here used in the sense of use-values) 'are not the terminating object of the trading capitalist, money is his terminating object' (T. Chalmers, *On Political Economy etc.*, 2nd edn, Glasgow, 1832, pp. 165–6).

[8] 'Though the merchant does not count the profit he has just made as nothing, he nevertheless always has his eye on his future profit' (A. Genovesi, *Lezioni di economia civile* (1765), printed in Custodi's edition of the Italian economists, *Parte moderna*, Vol. 8, p. 139).

[9] 'The inextinguishable passion for gain, the *auri sacra fames*,† will always lead capitalists' (MacCulloch, *The Principles of Political Economy*, London, 1830, p. 179). This view, of course, does not prevent the same MacCulloch and his associates, when they are in theoretical difficulties, as for example in the treatment of over-production, from transforming the same capitalist into a good citizen, whose sole concern is for use-values, and who even develops an insatiable hunger for boots, hats, eggs, calico and other extremely common kinds of use-value.

[10] Σώζειν [to save] is a characteristic Greek expression for hoarding. So in English the word 'to save' means both *retten* [to rescue] and *sparen* [to save].

*English edition: *Works of Aristotle*, Vol. X, Oxford, 1921, 'Politica', trs. B. Jowett, paras. 1256 and 1257. Much of this differs significantly from Marx's translation into German, as a result of his practice of quoting so as to bring out the meaning relevant to his argument. Thus 'gaining wealth through exchange' turns in Marx's hands into 'circulation', 'the art of household management' into 'economics', and 'the art of getting wealth' into 'chrematistics'.

†'Accursed hunger for gold'.

achieved by the more acute capitalist by means of throwing his money again and again into circulation.[11]

The independent form, i.e. the monetary form, which the value of commodities assumes in simple circulation, does nothing but mediate the exchange of commodities, and it vanishes in the final result of the movement. On the other hand, in the circulation M–C–M both the money and the commodity function only as different modes of existence of value itself, the money as its general mode of existence, the commodity as its particular or, so to speak, disguised mode.[12] It is constantly changing from one form into the other, without becoming lost in this movement; it thus becomes transformed into an automatic subject. If we pin down the specific forms of appearance assumed in turn by self-valorizing value in the course of its life, we reach the following elucidation: capital is money, capital is commodities.[13] In truth, however, value is here the subject* of a process in which, while constantly assuming the form in turn of money and commodities, it changes its own magnitude, throws off surplus-value from itself considered as original value, and thus valorizes itself independently. For the movement in the course of which it adds surplus-value is its own movement, its valorization is therefore self-valorization [*Selbstverwertung*]. By virtue of being value, it has acquired the occult ability to add value to itself. It brings forth living offspring, or at least lays golden eggs.

As the dominant subject [*übergreifendes Subjekt*] of this process, in which it alternately assumes and loses the form of money and the form of commodities, but preserves and expands itself through all these changes, value requires above all an independent form by means of which its identity with itself may be asserted. Only in the shape of money does it possess this form. Money therefore forms the starting-point and the conclusion of every valorization process.

[11] 'Things possess an infinite quality when moving in a circle which they lack when advancing in a straight line' (Galiani, op. cit., p. 156).

[12] 'It is not the material which forms capital, but the value of that material' (J.B. Say, *Traité d'économie politique*, 3rd edn, Paris, 1817, Vol. 2, p. 429).

[13] 'Currency (!) employed in producing articles . . . is capital' (Macleod, *The Theory and Practice of Banking*, London, 1855, Vol. 1, Ch. 1, p. 55). 'Capital is commodities' (James Mill, *Elements of Political Economy*, London, 1821, p. 74).

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*i.e. the independently acting agent.

It was £100, and now it is £110, etc. But the money itself is only one of the two forms of value. Unless it takes the form of some commodity, it does not become capital. There is here no antagonism, as in the case of hoarding, between the money and commodities. The capitalist knows that all commodities, however tattered they may look, or however badly they may smell, are in faith and in truth money, are by nature circumcised Jews, and, what is more, a wonderful means for making still more money out of money.

In simple circulation, the value of commodities attained at the most a form independent of their use-values, i.e. the form of money. But now, in the circulation M–C–M, value suddenly presents itself as a self-moving substance which passes through a process of its own, and for which commodities and money are both mere forms. But there is more to come: instead of simply representing the relations of commodities, it now enters into a private relationship with itself, as it were. It differentiates itself as original value from itself as surplus-value, just as God the Father differentiates himself from himself as God the Son, although both are of the same age and form, in fact one single person; for only by the surplus-value of £10 does the £100 originally advanced become capital, and as soon as this has happened, as soon as the son has been created and, through the son, the father, their difference vanishes again, and both become one, £110.

Value therefore now becomes value in process, money in process, and, as such, capital. It comes out of circulation, enters into it again, preserves and multiplies itself within circulation, emerges from it with an increased size, and starts the same cycle again and again.[14] M–M, 'money which begets money', such is the description of capital given by its first interpreters, the Mercantilists.

Buying in order to sell, or, more accurately, buying in order to sell dearer, M–C–M, seems admittedly to be a form peculiar to one kind of capital alone, merchants' capital. But industrial capital too is money which has been changed into commodities, and reconverted into more money by the sale of these commodities. Events which take place outside the sphere of circulation, in the interval between buying and selling, do not affect the form of this movement. Lastly, in the case of interest-bearing capital, the cir-

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14. 'Capital ... permanent self-multiplying value' (Sismondi, *Nouveaux Principes d'économie politique*, Vol. 1, p. 89) [cited in German in the original, and slightly altered].

culation M–C–M′ presents itself in abridged form, in its final result and without any intermediate stage, in a concise style, so to speak, as M–M′, i.e. money which is worth more money, value which is greater than itself.

M–C–M′ is in fact therefore the general formula for capital, in the form in which it appears directly in the sphere of circulation.

Chapter 5: Contradictions in the General Formula

The form of circulation within which money is transformed into capital contradicts all the previously developed laws bearing on the nature of commodities, value, money and even circulation itself. What distinguishes this form from that of the simple circulation of commodities is the inverted order of succession of the two antithetical processes, sale and purchase. How can this purely formal distinction change the nature of these processes, as if by magic?

But that is not all. This inversion has no existence for two of the three persons who transact business together. As a capitalist, I buy commodities from A and sell them again to B, but as a simple owner of commodities I sell them to B and then purchase further commodities from A. For A and B this distinction does not exist. They step forth only as buyers or sellers of commodities. I myself confront them each time as a mere owner of either money or commodities, as a buyer or a seller, and what is more, in both sets of transactions I confront A only as a buyer and B only as a seller. I confront the one only as money, the other only as commodities, but neither or them as capital or a capitalist, or a representative of anything more than money or commodities, or of anything which might produce any effect beyond that produced by money or commodities. For me the purchase from A and the sale to B are part of a series. But the connection between these two acts exists for me alone. A does not trouble himself about my transaction with B, nor does B about my business with A. And if I offered to explain to them the meritorious nature of my action in inverting the order of succession, they would probably point out to me that I was mistaken as to that order, and that the whole transaction, instead of beginning with a purchase and ending with a sale, began, on the contrary, with a sale and was concluded with a purchase. In truth, my first act, the purchase, was from the standpoint of A a sale, and my second act, the sale, was from the standpoint of B a purchase. Not content with that, A and B would declare that the whole series was superfluous and nothing but hocus-pocus; that for the future A would buy direct from B, and B sell direct to A. With this the whole transaction would shrink down to a single, one-sided phase of the ordinary circulation of commodities, a mere sale from A's point of view, and from B's, a mere purchase. Thus the inversion of the order of succession does not take us outside the sphere of the simple circulation of commodities, and we must rather look to see whether this simple circulation, by its nature, might permit the valorization of the values entering into it and consequently the formation of surplus-value.

Let us take the process of circulation in a form in which it presents itself to us as the exchange of commodities pure and simple. This is always the case when two owners of commodities buy from each other, and on the date of settlement the amounts they owe to each other balance out equally. Money serves here as money of account, and expresses the values of the commodities in their prices, but does not itself confront the commodities in a material shape. In so far as use-values are concerned, it is clear that both parties may gain. Both of them part with commodities which are of no service to them as use-values, and receive others they need to use. And this may not be the only advantage gained. A, who sells wine and buys corn, possibly produces more wine in the same labour-time than B, the corn-farmer, could produce, and B, on the other hand, may produce more corn than A, the wine-grower, could produce. A may therefore get more corn for the same exchange-value, and B more wine, than each would respectively get without any exchange if they had to produce their own corn and wine. With reference, therefore, to use-value, it can indeed be said that 'exchange is a transaction by which both sides gain'.[1] It is otherwise with exchange-value.

'A man who has plenty of wine and no corn treats with a man who has plenty of corn and no wine; an exchange takes place between them of corn to the value of 50, for wine of the same value. This act produces no increase of exchange-value either for the one or the other; for each of them already possessed, before the exchange, a value equal to that which he acquired by means of that operation.'[2]

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[1] 'Exchange is an admirable transaction by which both sides gain – always (!)' (Destutt de Tracy, *Traité de la volonté et de ses effets*, Paris, 1826, p. 68). This work appeared afterwards as *Traité d'économie politique*. [In 1823; the first edition of the *Traité de la volonté* was published in 1815.]

This situation is not altered by placing money, as a medium of circulation, between the commodities, and making the sale and the purchase into two physically distinct acts.[3] The value of a commodity is expressed in its price before it enters into circulation, and it is therefore a pre-condition of circulation, not its result.[4]

If we consider this in the abstract, i.e. disregarding circumstances which do not flow from the immanent laws of simple commodity circulation, all that happens in exchange (if we leave aside the replacing of one use-value by another) is a metamorphosis, a mere change in the form of the commodity. The same value, i.e. the same quantity of objectified social labour, remains throughout in the hands of the same commodity-owner, first in the shape of his own commodity, then in the shape of the money into which the commodity has been transformed, and finally in the shape of the commodity into which this money has been re-converted. This change of form does not imply any change in the magnitude of the value. But the change which the value of the commodity undergoes in this process is limited to a change in its money-form. This form exists first as the price of the commodity offered for sale, then as an actual sum of money, which was, however, already expressed in the price, and lastly as the price of an equivalent commodity. This change of form no more implies, taken alone, a change in the quantity of value than does the changing of a £5 note into sovereigns, half-sovereigns and shillings. In so far, therefore, as the circulation of commodities involves a change only in the form of their values, it necessarily involves the exchange of equivalents, provided the phenomenon occurs in its purity. The vulgar economists have practically no inkling of the nature of value; hence, whenever they wish to consider the phenomenon in its purity, after their fashion, they assume that supply and demand are equal, i.e. that they cease to have any effect at all. If, then, as regards the use-values exchanged, both buyer and seller may possibly gain something, this is not the case as regards exchange-values. Here we must rather say: 'Where equality exists there is no gain.'[5] It is true that commodities may be sold at prices which diverge from their values, but this divergence appears as an infringement of the laws governing the exchange of commodities.[6] In its pure form, the exchange of commodities is an exchange of equivalents, and thus it is not a method of increasing value.[7]

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[2] Mercier de la Rivière, op. cit., p. 544.

[3] 'Whether one of these two values is money, or whether they are both ordinary commodities, is in itself a matter of complete indifference' (Mercier de la Rivière, op. cit., p. 543).

[4] 'It is not the parties to a contract who decide on the value; that has been decided before the contract' (Le Trosne, op. cit., p. 906).

Hence we see that behind all attempts to represent the circulation of commodities as a source of surplus-value, there lurks an inadvertent substitution, a confusion of use-value and exchange-value. In Condillac, for instance: 'It is not true that in an exchange of commodities we give value for value. On the contrary, each of the two contracting parties in every case gives a less for a greater value . . . If we really exchanged equal values, neither party could make a profit. And yet they both gain, or ought to gain. Why? The value of a thing consists solely in its relation to our needs. What is more to the one is less to the other, and *vice versa* . . . It is not to be assumed that we offer for sale articles essential for our own consumption . . . We wish to part with a useless thing, in order to get one that we need; we want to give less for more . . . It was natural to think that, in an exchange, one value was given for another equal to it whenever each of the articles exchanged was of equal value with the same quantity of gold. . . . But there is another point to be considered in our calculation. The question is, whether we both exchange something superfluous for something necessary.'[8] We see in this passage how Condillac not only confuses use-value with exchange-value, but in a really childish manner assumes that, in a society in which the production of commodities is well developed, each producer produces his own means of subsistence, and throws into circulation only what is superfluous, the excess over his own requirements.[9] Still, Condillac's argument is frequently repeated by modern economists, especially when the point is to show that the exchange of commodities in its developed form, commerce, is productive of surplus-value. For instance, 'Commerce . . . adds value to products, for the same products in the hands of consumers are worth more than in the hands of producers, and it may strictly be considered an act of production.'[10] But commodities are not paid for twice over, once on account of their use-value, and a second time on account of their value. And though the use-value of a commodity is more serviceable to the buyer than to the seller, its money-form is more so to the seller. Would he sell it otherwise? We might therefore just as well say that the buyer performs what is 'strictly' an 'act of production' by converting stockings, for example, into money.

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[5] '*Dove è egualità non è lucro*' (Galiani, *Della Moneta*, in Custodi, *Parte moderna*, Vol. 4, p. 244).

[6] 'The exchange becomes unfavourable for one of the parties when some external circumstance comes to lessen or increase the price; then equality is infringed; but this infringement arises from that cause and not from the exchange itself' (Le Trosne, op. cit., p. 904).

[7] 'Exchange is by its nature a contract which rests on equality, i.e. it takes place between two equal values. It is therefore not a means of self-enrichment, since as much is given as is received' (Le Trosne, op. cit., p. 903).

[8] Condillac, *Le Commerce et le gouvernement* (1776), ed. Daire and Molinari, in the *Mélanges d'économie politique*, Paris, 1847, pp. 267, 291.

If commodities, or commodities and money, of equal exchange-value, and consequently equivalents, are exchanged, it is plain that no one abstracts more value from circulation than he throws into it. The formation of surplus-value does not take place. In its pure form, the circulation process necessitates the exchange of equivalents, but in reality processes do not take place in their pure form. Let us therefore assume an exchange of non-equivalents.

In any case the market for commodities is frequented only by owners of commodities, and the power which these persons exercise over each other is no other than the power of their commodities. The material variety of the commodities is the material driving force behind their exchange, and it makes buyers and sellers mutually dependent, because none of them possesses the object of his own need, and each holds in his own hand the object of another's need. Apart from this material variety in their use-values, there is only one other mark of distinction between commodities, the distinction between their natural form and their converted form, between commodities and money. Consequently, the owners of commodities can be differentiated only into sellers, those who own commodities, and buyers, those who own money.

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[9] Le Trosne therefore answers his friend Condillac quite correctly as follows: 'In a developed society absolutely nothing is superfluous.' At the same time he teases him by saying that 'If both the persons who exchange receive more in return for an equal amount, and part with less in return for an equal amount, they both get the same.'* It is because Condillac has not the remotest idea of the nature of exchange-value that he has been chosen by Herr Professor Wilhelm Roscher as a suitable guarantor of the soundness of his own childish notions. See Roscher's *Die Grundlagen der Nationalökonomie*, 3rd edn, 1858.

[10] S. P. Newman, *Elements of Political Economy*, Andover and New York, 1835, p. 175.

*Le Trosne, op. cit., pp. 907, 904.

Suppose then that some inexplicable privilege allows the seller to sell his commodities above their value, to sell what is worth 100 for 110, therefore with a nominal price increase of 10 per cent. In this case the seller pockets a surplus-value of 10. But after he has sold he becomes a buyer. A third owner of commodities now comes to him as seller, and he too, for his part, enjoys the privilege of selling his commodities 10 per cent too dear. Our friend gained 10 as a seller only to lose it again as a buyer.[11] In fact the net result is that all owners of commodities sell their goods to each other at 10 per cent above their value, which is exactly the same as if they sold them at their true value. A universal and nominal price increase of this kind has the same effect as if the values of commodities had been expressed for example in silver instead of in gold. The money-names or prices of the commodities would rise, but the relations between their values would remain unchanged.

Let us make the opposite assumption, that the buyer has the privilege of purchasing commodities below their value. In this case we do not even need to recall that he in his turn will become a seller. He was a seller before he became a buyer; he had already lost 10 per cent as a seller before he gained 10 per cent as a buyer.[12] Everything remains as it was before.

The formation of surplus-value, and therefore the transformation of money into capital, can consequently be explained neither by assuming that commodities are sold above their value, nor by assuming that they are bought at less than their value.[13]

[11] 'By the augmentation of the nominal value of the produce ... sellers [are] not enriched ... since what they gain as sellers, they precisely expend in the quality of buyers' ([J. Gray],* *The Essential Principles of the Wealth of Nations etc.*, London, 1797, p 66).

[12] 'If one is compelled to sell a quantity of a certain product for 18 livres when it has a value of 24 livres, then, when one employs the same amount of money in buying, one will receive for 18 livres the same quantity of the product as 24 livres would have bought otherwise' (Le Trosne, op. cit., p. 897).

[13] 'A seller can normally only succeed in raising the prices of his commodities if he agrees to pay, by and large, more for the commodities of the

* John Gray, eighteenth-century writer on economic and political questions. Not to be confused with John Gray (1798–1850), utopian socialist and follower of Robert Owen.

The problem is in no way simplified if extraneous matters are smuggled in, as with Colonel Torrens: 'Effectual demand consists in the power and inclination (!), on the part of consumers, to give for commodities, either by immediate or circuitous barter, some greater portion of . . . capital than their production costs.'[14] In circulation, producers and consumers confront each other only as buyers and sellers. To assert that the surplus-value acquired by the producer has its origin in the fact that consumers pay for commodities more than their value is only to disguise the following simple phrase: the owner of commodities possesses, as a seller, the privilege of selling too dear. The seller has himself produced the commodities or represents their producer, but the buyer has to no less an extent produced the commodities represented by his money, or represents the producer of those commodities. One producer is therefore confronted with another producer. The distinction between them is that one buys and the other sells. The fact that the owner of the commodities sells them at more than their value, under the designation of producer, and pays too much for them, under the designation of consumer, does not carry us a single step further.[15]

The consistent upholders of the mistaken theory that surplus-value has its origin in a nominal rise of prices or in the privilege which the seller has of selling too dear assume therefore that there exists a class of buyers who do not sell, i.e. a class of consumers who do not produce. The existence of such a class is inexplicable from the standpoint we have so far reached, that of simple circulation. But let us anticipate. The money with which such a class is constantly making purchases must constantly flow into its coffers without any exchange, *gratis*, whether by might or by right, from the pockets of the commodity-owners themselves. To sell commodities at more than their value to such a class is only to get back again, by swindling, a part of the money previously

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other sellers; and for the same reason a consumer can normally only pay less for his purchases if he submits to a similar reduction in the prices of the things he sells' (Mercier de la Rivière, op. cit., p. 555).

[14] R. Torrens, *An Essay on the Production of Wealth*, London, 1821, p. 349.

[15] 'The idea of profits being paid by the consumers, is, assuredly, very absurd. Who are the consumers?' (G. Ramsay, *An Essay on the Distribution of Wealth*, Edinburgh, 1836, p. 183).

handed over for nothing.[16] Thus, the towns of Asia Minor paid a yearly money tribute to ancient Rome. With this money Rome bought commodities from them, and bought them too dear. The provincials cheated the Romans, and in this way swindled back from their conquerors a portion of the tribute in the course of trade. Yet, for all that, the provincials remained the ones who had been cheated. Their goods were still paid for with their own money. That is not the way to get rich or to create surplus-value.

Let us therefore keep within the limits of the exchange of commodities, where sellers are buyers, and buyers are sellers. Our perplexity may perhaps have arisen from conceiving people merely as personified categories, instead of as individuals.

A may be clever enough to get the advantage of B and C without their being able to take their revenge. A sells wine worth £40 to B, and obtains from him in exchange corn to the value of £50. A has converted his £40 into £50, has made more money out of less, and has transformed his commodities into capital. Let us examine this a little more closely. Before the exchange we had £40 of wine in the hands of A, and £50 worth of corn in those of B, a total value of £90. After the exchange we still have the same total value of £90. The value in circulation has not increased by one iota; all that has changed is its distribution between A and B. What appears on one side as a loss of value appears on the other side as surplus-value; what appears on one side as a minus appears on the other side as a plus. The same change would have taken place if A, without the disguise provided by the exchange, had directly stolen the £10 from B. The sum of the values in circulation can clearly not be augmented by any change in their distribution, any more than a Jew can increase the quantity of the precious metals in a country by selling a farthing from the time of Queen Anne for a guinea. The capitalist class of a given country, taken as a whole, cannot defraud itself.[17]

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[16] 'When a man is in want of a demand, does Mr Malthus recommend him to pay some other person to take off his goods?' is a question put by an infuriated Ricardian to Malthus, who, like his disciple Parson Chalmers,* economically glorifies this class of simple buyers or consumers. See *An Inquiry into Those Principles, Respecting the Nature of Demand and the Necessity of Consumption, Lately Advocated by Mr Malthus etc.*, London, 1821, p. 55.

*The Reverend Thomas Chalmers (1780–1847) was a Scottish Presbyterian minister who taught moral philosophy and divinity, as well as writing books on political economy. 'Malthus's theory is expressed in an exaggerated and even more nauseating form by Thomas Chalmers (Professor of Divinity)' (*Theories of Surplus-Value*, Part 3, p. 56).

However much we twist and turn, the final conclusion remains the same. If equivalents are exchanged, no surplus-value results, and if non-equivalents are exchanged, we still have no surplus-value.[18] Circulation, or the exchange of commodities, creates no value.[19]

It can be understood, therefore, why, in our analysis of the primary form of capital, the form in which it determines the economic organization of modern society, we have entirely left out of consideration its well-known and so to speak antediluvian forms, merchants' capital and usurers' capital.

The form M–C–M′, buying in order to sell dearer, is at its purest in genuine merchants' capital. But the whole of this movement takes place within the sphere of circulation. Since, however, it is impossible, by circulation alone, to explain the transformation of money into capital, and the formation of surplus-value, merchants' capital appears to be an impossibility, as long as equivalents are exchanged;[20] it appears, therefore, that it can only be derived from the twofold advantage gained, over both the selling and the buying producers, by the merchant who parasitically inserts himself between them. It is in this sense that Franklin says 'war is robbery, commerce is cheating'.[21] If the valorization of merchants' capital is not to be explained merely by frauds practised on the producers of commodities, a long series of intermediate steps would be necessary, which are as yet entirely absent, since here our only assumption is the circulation of commodities and its simple elements.

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[17] Destutt de Tracy, although, or perhaps because, he was a *Membre de l'Institut*,* held the opposite view. The industrial capitalists, he says, make profits because 'they all sell for more than it has cost to produce. And to whom do they sell? In the first instance to one another' (op. cit., p. 239).

[18] 'The exchange of two equal values neither increases nor diminishes the amount of the values present in society. Equally, the exchange of two unequal values . . . effects no change in the sum of social values, although it adds to the wealth of one person what it removes from the wealth of another' (J. B. Say, op. cit., Vol. 2, pp. 443–4). Say, who is of course untroubled by the consequences of this statement, borrows it almost word for word from the Physiocrats. The following example will show how Monsieur Say exploited the writings of the Physiocrats, in his day quite forgotten, for the purpose of increasing the 'value' of his own. His 'most celebrated' saying, 'Products can only be bought with products' (op. cit., Vol. 2, p. 441), runs as follows in the original Physiocratic work: 'Products can only be paid for with products' (Le Trosne, op. cit., p. 899).

[19] 'Exchange confers no value at all upon products' (F. Wayland, *The Elements of Political Economy*, Boston, 1843, p. 169).

[20] 'Under the rule of invariable equivalents commerce would be impossible' (G. Opdyke, *A Treatise on Political Economy*, New York, 1851, pp. 66–9). 'The difference between real value and exchange-value is based on one fact –

* That is, a member of the Institut de France, the government-financed and run association which was established in 1793 to 'promote the arts and sciences' and still groups beneath its aegis the five great French literary and scientific academies (Académie Française, Académie des Inscriptions, Académie des Sciences, Académie des Beaux-arts, Académie des Sciences Morales et Politiques).

What we have said with reference to merchants' capital applies still more to usurers' capital. In merchants' capital the two extremes, the money which is thrown upon the market and the augmented money which is withdrawn from the market, are at least mediated through a purchase and a sale, through the movement of circulation. In usurers' capital the form M–C–M′ is reduced to the unmediated extremes M–M′, money which is exchanged for more money, a form incompatible with the nature of money and therefore inexplicable from the standpoint of the exchange of commodities. Hence Aristotle says: 'Since chrematistics is a double science, one part belonging to commerce, the other to economics, the latter being necessary and praiseworthy, the former based on circulation and with justice disapproved (for it is not based on Nature, but on mutual cheating), the usurer is most rightly hated, because money itself is the source of his gain, and is not used for the purposes for which it was invented. For it originated for the exchange of commodities, but interest makes out of money, more money. Hence its name.' (τόκος interest and offspring.) 'For the offspring resembles the parent. But interest is money, so that of all modes of making a living, this is the most contrary to Nature.'[22]

In the course of our investigation, we shall find that both merchants' capital and interest-bearing capital are derivative forms, and at the same time it will become clear why, historically, these two forms appear before the modern primary form of capital.

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namely, that the value of a thing differs from the so-called equivalent given for it in trade, i.e. that this equivalent is not an equivalent' (F. Engels, op. cit., p. 96) [English translation, p. 427].

[21] Benjamin Franklin, *Positions to be Examined, Concerning National Wealth*, in *Works*, Vol. 2, ed. Sparks, p. 376.

[22] Aristotle, op. cit., c. 10 [English translation, para. 1258b].

We have shown that surplus-value cannot arise from circulation, and therefore that, for it to be formed, something must take place in the background which is not visible in the circulation itself.[23] But can surplus-value originate anywhere else than in circulation, which is the sum total of all the mutual relations of commodity-owners? Outside circulation, the commodity-owner only stands in a relation to his own commodity. As far as the value of that commodity is concerned, the relation is limited to this, that the commodity contains a quantity of his own labour which is measured according to definite social laws. This quantity of labour is expressed by the magnitude of the value of his commodity, and since the value is reckoned in money of account, this quantity is also expressed by the price, £10 for instance. But his labour does not receive a double representation: it is not represented both in the value of the commodity and in an excess quantity over and above that value, it is not represented in a price of 10 which is simultaneously a price of 11, i.e. in a value which is greater than itself. The commodity-owner can create value by his labour, but he cannot create values which can valorize themselves. He can increase the value of his commodity by adding fresh labour, and therefore more value, to the value in hand, by making leather into boots, for instance. The same material now has more value, because it contains a greater quantity of labour. The boots have therefore more value than the leather, but the value of the leather remains what it was. It has not valorized itself, it has not annexed surplus-value during the making of the boots. It is therefore impossible that, outside the sphere of circulation, a producer of commodities can, without coming into contact with other commodity-owners, valorize value, and consequently transform money or commodities into capital.

Capital cannot therefore arise from circulation, and it is equally impossible for it to arise apart from circulation. It must have its origin both in circulation and not in circulation.

We therefore have a double result.

The transformation of money into capital has to be developed on the basis of the immanent laws of the exchange of commodities, in such a way that the starting-point is the exchange of equivalents.[24] The money-owner, who is as yet only a capitalist in larval form, must buy his commodities at their value, sell them at their value, and yet at the end of the process withdraw more value from circulation than he threw into it at the beginning. His emergence as a butterfly must, and yet must not, take place in the sphere of circulation. These are the conditions of the problem. *Hic Rhodus, hic salta!**

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[23] 'Profit, in the usual condition of the market, is not made by exchanging. Had it not existed before, neither could it after that transaction' (Ramsay, op. cit., p. 184).

[24] The reader will see from the foregoing discussion that the meaning of this statement is only as follows: the formation of capital must be possible even though the price and the value of a commodity be the same, for it cannot be explained by referring to any divergence between price and value. If prices actually differ from values, we must first reduce the former to the latter, i.e. disregard this situation as an accidental one in order to observe the phenomenon of the formation of capital on the basis of the exchange of commodities in its purity, and to prevent our observations from being interfered with by disturbing incidental circumstances which are irrelevant to the actual course of the process. We know, moreover, that this reduction is not limited to the field of science. The continual oscillations in prices, their rise and fall, compensate each other, cancel each other out, and carry out their own reduction to an average price which is their internal regulator. This average price is the guiding light of the merchant or the manufacturer in every undertaking of a lengthy nature. The manufacturer knows that if a long period of time is considered, commodities are sold neither over nor under, but at, their average price. If, therefore, he were at all interested in disinterested thinking, he would formulate the problem of the formation of capital as follows: How can we account for the origin of capital on the assumption that prices are regulated by the average price, i.e. ultimately by the value of the commodities? I say 'ultimately' because average prices do not directly coincide with the values of commodities, as Adam Smith, Ricardo, and others believe.*

*'Ricardo accepts Smith's confusion or identification of exchange-value with cost-price or natural price,' a confusion based on the notion that exchange-value is formed by putting together the values of wages, profit and rent (*Theories of Surplus-Value*, Part II, p. 217).

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*This is the reply made, in one of Aesop's fables, to a boaster who claimed he had once made an immense leap in Rhodes. 'Rhodes is here. Leap here and now.' But it is also a reference back to the *Preface* to Hegel's *Philosophy of Right*, where he uses the quotation to illustrate his view that the task of philosophy is to apprehend and comprehend what is, rather than what ought to be.

Chapter 6: The Sale and Purchase of Labour-Power

The change in value of the money which has to be transformed into capital cannot take place in the money itself, since in its function as means of purchase and payment it does no more than realize [*realisieren*] the price of the commodity it buys or pays for, while, when it sticks to its own peculiar form, it petrifies into a mass of value of constant magnitude.[1] Just as little can this change originate in the second act of circulation, the resale of the commodity, for this act merely converts the commodity from its natural form back into its money-form. The change must therefore take place in the commodity which is bought in the first act of circulation, M–C, but not in its value, for it is equivalents which are being exchanged, and the commodity is paid for at its full value. The change can therefore originate only in the actual use-value of the commodity, i.e. in its consumption. In order to extract value out of the consumption of a commodity, our friend the money-owner must be lucky enough to find within the sphere of circulation, on the market, a commodity whose use-value possesses the peculiar property of being a source of value, whose actual consumption is therefore itself an objectification [*Vergegenständlichung*] of labour, hence a creation of value. The possessor of money does find such a special commodity on the market: the capacity for labour [*Arbeitsvermögen*], in other words labour-power [*Arbeitskraft*].

We mean by labour-power, or labour-capacity, the aggregate of those mental and physical capabilities existing in the physical form, the living personality, of a human being, capabilities which he sets in motion whenever he produces a use-value of any kind.

But in order that the owner of money may find labour-power on the market as a commodity, various conditions must first be fulfilled. In and for itself, the exchange of commodities implies no other relations of dependence than those which result from its own nature. On this assumption, labour-power can appear on the market as a commodity only if, and in so far as, its possessor, the individual whose labour-power it is, offers it for sale or sells it as a commodity. In order that its possessor may sell it as a commodity, he must have it at his disposal, he must be the free proprietor of his own labour-capacity, hence of his person.[2] He and the owner of money meet in the market, and enter into relations with each other on a footing of equality as owners of commodities, with the sole difference that one is a buyer, the other a seller; both are therefore equal in the eyes of the law. For this relation to continue, the proprietor of labour-power must always sell it for a limited period only, for if he were to sell it in a lump, once and for all, he would be selling himself, converting himself from a free man into a slave, from an owner of a commodity into a commodity. He must constantly treat his labour-power as his own property, his own commodity, and he can do this only by placing it at the disposal of the buyer, i.e. handing it over to the buyer for him to consume, for a definite period of time, temporarily. In this way he manages both to alienate [*veräussern*] his labour-power and to avoid renouncing his rights of ownership over it.[3]

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[1] 'In the form of money. . . capital is productive of no profit' (Ricardo, *Principles of Political Economy*, p. 267).

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[2] In ency lopedias of classical antiquity one can read such nonsense as this: In the ancient world capital was fully developed, 'except for the absence of the free worker* and of a system of credit'. Mommsen too, in his *History of Rome*, commits one blunder after another in this respect.

[3] Hence legislation in various countries fixes a maximum length for labour contracts. Wherever free labour is the rule, the law regulates the conditions for terminating this contract. In some states, particularly in Mexico (and before the American Civil War in the territories taken by the United States from Mexico, as also in practice in the Danubian Principalities until Cuza's *coup d'état*†), slavery is hidden under the form of peonage. By means of advances

*Just as the word '*Arbeit*' can be rendered both as 'work' and as 'labour', so also the word '*Arbeiter*' can be rendered as 'worker' and as 'labourer'. We prefer 'worker' to 'labourer' in general, although in the case of 'agricultural labourer' we have made an exception. This is because the word 'labourer' has an old-fashioned and indeed a somewhat bourgeois flavour.

†Prince Alexander Cuza, Hospodar of the Danubian Principalities (Romania) from 1859 to 1866, in April 1864 proposed a land reform which was rejected by the Assembly, dominated as that was by the magnates. In May 1864 he dissolved the Assembly and issued a new Constitutional Statute, endorsed by a popular plebiscite. This allowed him to impose the Agrarian Law of August 1864 on the country. By this law, all feudal dues and tithes were swept away (with generous compensation of course) and the serfs were legally enfranchised.

The second essential condition which allows the owner of money to find labour-power in the market as a commodity is this, that the possessor of labour-power, instead of being able to sell commodities in which his labour has been objectified, must rather be compelled to offer for sale as a commodity that very labour-power which exists only in his living body.

In order that a man may be able to sell commodities other than his labour-power, he must of course possess means of production, such as raw materials, instruments of labour, etc. No boots can be made without leather. He requires also the means of subsistence. Nobody – not even a practitioner of *Zukunftsmusik** – can live on the products of the future, or on use-values whose production has not yet been completed; just as on the first day of his appearance on the world's stage, man must still consume every day, before and while he produces. If products are produced as commodities, they must be sold after they have been produced, and they can only satisfy the producer's needs after they have been sold. The time necessary for sale must be counted as well as the time of production.

For the transformation of money into capital, therefore, the owner of money must find the free worker available on the commodity-market; and this worker must be free in the double sense that as a free individual he can dispose of his labour-power as his own commodity, and that, on the other hand, he has no other commodity for sale, i.e. he is rid of them, he is free of all the

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repayable in labour, which are handed down from generation to generation, not only the individual worker, but also his family, become in fact the property of other persons and their families. Juarez abolished peonage, but the so-called Emperor Maximilian re-established it by a decree which was aptly denounced in the House of Representatives in Washington as a decree for the re-introduction of slavery into Mexico. 'Single products of my particular physical and mental skill and of my power to act I can alienate to someone else and I can give him the use of my abilities for a restricted period, because, on the strength of this restriction, my abilities acquire an external relation to the totality and universality of my being. By alienating the whole of my time, as crystallized in my work, and everything I produced, I would be making into another's property the substance of my being, my universal activity and actuality, my personality' (Hegel, *Philosophie des Rechts*, Berlin, 1840, p. 104, para. 67) [English translation, p. 54].

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*'Music of the future', in other words castles in the air, or dreams which may or may not be realized.

objects needed for the realization [*Verwirklichung*] of his labour-power.

Why this free worker confronts him in the sphere of circulation is a question which does not interest the owner of money, for he finds the labour-market in existence as a particular branch of the commodity-market. And for the present it interests us just as little. We confine ourselves to the fact theoretically, as he does practically. One thing, however, is clear: nature does not produce on the one hand owners of money or commodities, and on the other hand men possessing nothing but their own labour-power. This relation has no basis in natural history, nor does it have a social basis common to all periods of human history. It is clearly the result of a past historical development, the product of many economic revolutions, of the extinction of a whole series of older formations of social production.

The economic categories already discussed similarly bear a historical imprint. Definite historical conditions are involved in the existence of the product as a commodity. In order to become a commodity, the product must cease to be produced as the immediate means of subsistence of the producer himself. Had we gone further, and inquired under what circumstances all, or even the majority of products take the form of commodities, we should have found that this only happens on the basis of one particular mode of production, the capitalist one. Such an investigation, however, would have been foreign to the analysis of commodities. The production and circulation of commodities can still take place even though the great mass of the objects produced are intended for the immediate requirements of their producers, and are not turned into commodities, so that the process of social production is as yet by no means dominated in its length and breadth by exchange-value. The appearance of products as commodities requires a level of development of the division of labour within society such that the separation of use-value from exchange-value, a separation which first begins with barter, has already been completed. But such a degree of development is common to many economic formations of society [*ökonomische Gesellschaftsformationen*], with the most diverse historical characteristics.

If we go on to consider money, its existence implies that a definite stage in the development of commodity exchange has been reached. The various forms of money (money as the mere equivalent of commodities, money as means of circulation, money as means of payment, money as hoard, or money as world currency) indicate very different levels of the process of social production, according to the extent and relative preponderance of one function or the other. Yet we know by experience that a relatively feeble development of commodity circulation suffices for the creation of all these forms. It is otherwise with capital. The historical conditions of its existence are by no means given with the mere circulation of money and commodities. It arises only when the owner of the means of production and subsistence finds the free worker available, on the market, as the seller of his own labour-power. And this one historical pre-condition comprises a world's history. Capital, therefore, announces from the outset a new epoch in the process of social production.[4]

This peculiar commodity, labour-power, must now be examined more closely. Like all other commodities it has a value.[5] How is that value determined?

The value of labour-power is determined, as in the case of every other commodity, by the labour-time necessary for the production, and consequently also the reproduction, of this specific article. In so far as it has value, it represents no more than a definite quantity of the average social labour objectified in it. Labour-power exists only as a capacity of the living individual. Its production consequently presupposes his existence. Given the existence of the individual, the production of labour-power consists in his reproduction of himself or his maintenance. For his maintenance he requires a certain quantity of the means of subsistence. Therefore the labour-time necessary for the production of labour-power is the same as that necessary for the production of those means of subsistence; in other words, the value of labour-power is the value of the means of subsistence necessary for the maintenance of its owner. However, labour-power becomes a reality only by being expressed; it is activated only through labour. But in the course of this activity, i.e. labour, a definite quantity of human muscle, nerve, brain, etc. is expended, and these things have to be replaced. Since more is expended, more must be received.[6] If the owner of labour-power works today, tomorrow he must again be able to repeat the same process in the same conditions as regards health and strength. His means of subsistence must therefore be sufficient to maintain him in his normal state as a working individual. His natural needs, such as food, clothing, fuel and housing vary according to the climatic and other physical peculiarities of his country. On the other hand, the number and extent of his so-called necessary requirements, as also the manner in which they are satisfied, are themselves products of history, and depend therefore to a great extent on the level of civilization attained by a country; in particular they depend on the conditions in which, and consequently on the habits and expectations with which, the class of free workers has been formed.[7] In contrast, therefore, with the case of other commodities, the determination of the value of labour-power contains a historical and moral element. Nevertheless, in a given country at a given period, the average amount of the means of subsistence necessary for the worker is a known *datum*.

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[4] The capitalist epoch is therefore characterized by the fact that labour-power, in the eyes of the worker himself, takes on the form of a commodity which is his property; his labour consequently takes on the form of wage-abour. On the other hand, it is only from this moment that the commodity-form of the products of labour becomes universal.

[5] 'The value or worth of a man, is as of all other things his price – that is to say, so much as would be given for the use of his power' (T. Hobbes, *Leviathan*, in *Works*, ed. Molesworth, London, 1839–44, Vol. 3, p. 76).

The owner of labour-power is mortal. If then his appearance in the market is to be continuous, and the continuous transformation of money into capital assumes this, the seller of labour-power must perpetuate himself 'in the way that every living individual perpetuates himself, by procreation'.[8] The labour-power withdrawn from the market by wear and tear, and by death, must be continually replaced by, at the very least, an equal amount of fresh labour-power. Hence the sum of means of subsistence necessary for the production of labour-power must include the means necessary for the worker's replacements, i.e. his children, in order that this race of peculiar commodity-owners may perpetuate its presence on the market.[9]

In order to modify the general nature of the human organism in such a way that it acquires skill and dexterity in a given branch of industry, and becomes labour-power of a developed and specific kind, a special education or training is needed, and this in turn costs an equivalent in commodities of a greater or lesser amount. The costs of education vary according to the degree of complexity of the labour-power required. These expenses (exceedingly small in the case of ordinary labour-power) form a part of the total value spent in producing it.

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[6] In ancient Rome, therefore, the *villicus*, as the overseer of the agricultural slaves, received 'more meagre fare than working slaves, because his work was lighter' (T. Mommsen, *RömischeGeschichte*, 1856, p. 810).

[7] Cf. W. T. Thornton, *Over-Population and Its Remedy*, London, 1846.

[8] Petty.

[9] 'Its' (labour's) 'natural price ... consists in such a quantity of necessaries and comforts of life, as, from the nature of the climate, and the habits of the country, are necessary to support the labourer, and to enable him to rear such a family as may preserve, in the market, an undiminished supply of labour' (R. Torrens, *An Essay on the External Corn Trade*, London, 1815, p. 62). The word labour is here wrongly used for labour-power.

The value of labour-power can be resolved into the value of a definite quantity of the means of subsistence. It therefore varies with the value of the means of subsistence, i.e. with the quantity of labour-time required to produce them.

Some of the means of subsistence, such as food and fuel, are consumed every day, and must therefore be replaced every day. Others, such as clothes and furniture, last for longer periods and need to be replaced only at longer intervals. Articles of one kind must be bought or paid for every day, others every week, others every quarter and so on. But in whatever way the sum total of these outlays may be spread over the year, they must be covered by the average income, taking one day with another. If the total of the commodities required every day for the production of labour-power = A, and of those required every week = B, and of those required every quarter = C, and so on, the daily average of these commodities = $\frac{365A + 52B + 4C + \ldots}{365}$. Suppose that this mass of commodities required for the average day contains 6 hours of social labour, then every day half a day of average social labour is objectified in labour-power, or in other words half a day of labour is required for the daily production of labour-power. This quantity of labour forms the value of a day's labour-power, or the value of the labour-power reproduced every day. If half a day of average social labour is present in 3 shillings, then 3 shillings is the price corresponding to the value of a day's labour-power. If its owner therefore offers it for sale at 3 shillings a day, its selling price is equal to its value, and according to our original assumption the owner of money, who is intent on transforming his 3 shillings into capital, pays this value.

The ultimate or minimum limit of the value of labour-power is formed by the value of the commodities which have to be supplied every day to the bearer of labour-power, the man, so that he can renew his life-process. That is to say, the limit is formed by the value of the physically indispensable means of subsistence. If the price of labour-power falls to this minimum, it falls below its value, since under such circumstances it can be maintained and developed only in a crippled state, and the value of every commodity is determined by the labour-time required to provide it in its normal quality.

It is an extraordinarily cheap kind of sentimentality which declares that this method of determining the value of labour-power, a method prescribed by the very nature of the case, is brutal, and which laments with Rossi in this matter: 'To conceive capacity for labour (*puissance de travail*) in abstraction from the workers' means of subsistence during the production process is to conceive a phantom (*être de raison*). When we speak of labour, or capacity for labour, we speak at the same time of the worker and his means of subsistence, of the worker and his wages.'[10] When we speak of capacity for labour, we do not speak of labour, any more than we speak of digestion when we speak of capacity for digestion. As is well known, the latter process requires something more than a good stomach. When we speak of capacity for labour, we do not abstract from the necessary means of subsistence. On the contrary, their value is expressed in its value. If his capacity for labour remains unsold, this is of no advantage to the worker. He will rather feel it to be a cruel nature-imposed necessity that his capacity for labour has required for its production a definite quantity of the means of subsistence, and will continue to require this for its reproduction. Then, like Sismondi, he will discover that 'the capacity for labour . . . is nothing unless it is sold'.[11]

One consequence of the peculiar nature of labour-power as a commodity is this, that it does not in reality pass straight away into the hands of the buyer on the conclusion of the contract between buyer and seller. Its value, like that of every other commodity, is already determined before it enters into circulation, for a definite quantity of social labour has been spent on the production of the labour-power. But its use-value consists in the subsequent exercise of that power. The alienation [*Veräusserung*] of labour-power and its real manifestation [*Äusserung*], i.e. the period of its existence as a use-value, do not coincide in time. But in those cases in which the formal alienation by sale of the use-value of a commodity is not simultaneous with its actual transfer to the buyer, the money of the buyer serves as means of payment.[12]

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[10] Rossi, *Cours d'économie politique*, Brussels, 1842, pp. 370–71.

[11] Sismondi, *Nouvelles Principes etc.*, Vol. 1, p. 113.

In every country where the capitalist mode of production prevails, it is the custom not to pay for labour-power until it has been exercised for the period fixed by the contract, for example, at the end of each week. In all cases, therefore, the worker advances the use-value of his labour-power to the capitalist. He lets the buyer consume it before he receives payment of the price. Everywhere the worker allows credit to the capitalist. That this credit is no mere fiction is shown not only by the occasional loss of the wages the worker has already advanced, when a capitalist goes bankrupt,[13] but also by a series of more long-lasting consequences.[14]

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[12] 'All labour is paid after it has ceased' (*An Inquiry into Those Principles, Respecting the Nature of Demand, etc.*, p. 104). 'The system of commercial credit had to start at the moment when the worker, the prime creator of products, could, thanks to his savings, wait for his wages until the end of the week, the fortnight, the month, the quarter, etc.' (C. Ganilh, *Des systèmes de l'économie politique*, 2nd edn, Paris, 1821, Vol. 1, p. 150).

[13] 'The worker lends his industry,' says Storch. But he slyly adds to this the statement that the worker 'risks nothing', except 'the loss of his wages... The worker does not hand over anything of a material nature' (Storch, *Cours d'économie politique*, St Petersburg, 1815, Vol. 2, pp. 36–7).

[14] One example. In London there are two sorts of bakers, the 'full priced', who sell bread at its full value, and the 'undersellers', who sell it at less than its value. The latter class comprises more than three-quarters of the total number of bakers (p. xxxii in the Report of H. S. Tremenheere, the commissioner appointed to examine 'the grievances complained of by the journeymen bakers', etc., London, 1862). The undersellers, almost without exception, sell bread adulterated with alum, soap, pearl-ash, chalk, Derbyshire stone-dust and other similar agreeable, nourishing and wholesome ingredients. (See the above-cited Blue Book, as also the report of the select committee of 1855 on the adulteration of food, and Dr Hassall's *Adulterations Detected*, 2nd edn, London, 1861.) Sir John Gordon stated before the committee of 1855 that 'in consequence of these adulterations, the poor man, who lives on two pounds of bread a day, does not now get one-fourth part of nourishing matter, let alone the deleterious effects on his health'. Tremenheere states (op. cit., p. xlviii) as the reason why a 'very large part of the working class', although well aware of this adulteration, nevertheless accept the alum, stone-dust, etc. as part of their purchase, that it is for them 'a matter of necessity to take from their baker or from the chandler's shop such bread as they choose to supply'. As they are not paid their wages before the end of the week, they in their turn are unable 'to pay for the bread consumed by their families during the week, before the end of the week', and Tremenheere adds on the evidence of witnesses, 'it is notorious that bread composed of those mixtures is made expressly for sale in this manner'. 'In many English agricultural districts' (and still more in Scottish)

Whether money serves as a means of purchase or a means of payment, this does not alter the nature of the exchange of commodities. The price of the labour-power is fixed by the contract, although it is not realized till later, like the rent of a house. The labour-power is sold, although it is paid for only at a later period. It will therefore be useful, if we want to conceive the relation in its pure form, to presuppose for the moment that the possessor of labour-power, on the occasion of each sale, immediately receives the price stipulated in the contract.

We now know the manner of determining the value paid by the owner of money to the owner of this peculiar commodity, labour-power. The use-value which the former gets in exchange manifests itself only in the actual utilization, in the process of the consumption of the labour-power. The money-owner buys everything necessary for this process, such as raw material, in the market, and pays the full price for it. The process of the consumption of labour-power is at the same time the production process of commodities and of surplus-value. The consumption of labour-power is completed, as in the case of every other commodity, outside the market or the sphere of circulation. Let us therefore, in company with the owner of money and the owner of labour-power, leave this noisy sphere, where everything takes place on the surface and in full view of everyone, and follow them into the hidden abode of production,

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'wages are paid fortnightly and even monthly; with such long intervals between the payments, the agricultural labourer is obliged to buy on credit ... He must pay higher prices, and is in fact tied to the shop which gives him credit. Thus at Horningham in Wilts., for example, where the wages are monthly, the same flour that he could buy elsewhere at 1s. 10d. per stone, costs him 2s. 4d. per stone' (*Public Health, Sixth Report* of the Medical Officer of the Privy Council, etc., 1864, p. 264). 'The block-printers of Paisley and Kilmarnock' (Western Scotland) 'enforced in 1833 by a strike the reduction of the period of payment from monthly to fortnightly' (*Reports of the Inspectors of Factories ... 31 October 1853*, p. 34). As a further nice development from the credit given by the workers to the capitalist, we may refer to the method adopted by many English coal-owners whereby the worker is not paid till the end of the month, and in the meantime receives sums on account from the capitalist, often in goods for which the miner is obliged to pay more than the market price (truck system). 'It is a common practice with the coal masters to pay once a month, and advance cash to their workmen at the end of each intermediate week. The cash is given in the shop' (i.e. the tommy-shop which belongs to the master); 'the men take it on one side and lay it out on the other' (*Children's Employment Commission, Third Report*, London, 1864, p. 38, n. 192).

on whose threshold there hangs the notice 'No admittance except on business'. Here we shall see, not only how capital produces, but how capital is itself produced. The secret of profit-making must at last be laid bare.

The sphere of circulation or commodity exchange, within whose boundaries the sale and purchase of labour-power goes on, is in fact a very Eden of the innate rights of man. It is the exclusive realm of Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity, let us say of labour-power, are determined only by their own free will. They contract as free persons, who are equal before the law. Their contract is the final result in which their joint will finds a common legal expression. Equality, because each enters into relation with the other, as with a simple owner of commodities, and they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to his own advantage. The only force bringing them together, and putting them into relation with each other, is the selfishness, the gain and the private interest of each. Each pays heed to himself only, and no one worries about the others. And precisely for that reason, either in accordance with the pre-established harmony of things, or under the auspices of an omniscient providence, they all work together to their mutual advantage, for the common weal, and in the common interest.

When we leave this sphere of simple circulation or the exchange of commodities, which provides the 'free-trader *vulgaris*' with his views, his concepts and the standard by which he judges the society of capital and wage-labour, a certain change takes place, or so it appears, in the physiognomy of our *dramatis personae*. He who was previously the money-owner now strides out in front as a capitalist; the possessor of labour-power follows as his worker. The one smirks self-importantly and is intent on business; the other is timid and holds back, like someone who has brought his own hide to market and now has nothing else to expect but – a tanning.

Part Three

The Production of Absolute Surplus-Value

Chapter 7: The Labour Process and the Valorization Process

1. THE LABOUR PROCESS

The use of labour-power is labour itself. The purchaser of labour-power consumes it by setting the seller of it to work. By working, the latter becomes in actuality what previously he only was potentially, namely labour-power in action, a worker. In order to embody his labour in commodities, he must above all embody it in use-values, things which serve to satisfy needs of one kind or another. Hence what the capitalist sets the worker to produce is a particular use-value, a specific article. The fact that the production of use-values, or goods, is carried on under the control of a capitalist and on his behalf does not alter the general character of that production. We shall therefore, in the first place, have to consider the labour process independently of any specific social formation.

Labour is, first of all, a process between man and nature, a process by which man, through his own actions, mediates, regulates and controls the metabolism between himself and nature. He confronts the materials of nature as a force of nature. He sets in motion the natural forces which belong to his own body, his arms, legs, head and hands, in order to appropriate the materials of nature in a form adapted to his own needs. Through this movement he acts upon external nature and changes it, and in this way he simultaneously changes his own nature. He develops the potentialities slumbering within nature, and subjects the play of its forces to his own sovereign power. We are not dealing here with those first instinctive forms of labour which remain on the animal level. An immense interval of time separates the state of things in which a man brings his labour-power to market for sale as a commodity from the situation when human labour had not yet cast off its first instinctive form. We presuppose labour in a form in which it is an exclusively human characteristic. A spider conducts operations which resemble those of the weaver, and a bee would put many a human architect to shame by the construction of its honeycomb cells. But what distinguishes the worst architect from the best of bees is that the architect builds the cell in his mind before he constructs it in wax. At the end of every labour process, a result emerges which had already been conceived by the worker at the beginning, hence already existed ideally. Man not only effects a change of form in the materials of nature; he also realizes [*verwirklicht*] his own purpose in those materials. And this is a purpose he is conscious of, it determines the mode of his activity with the rigidity of a law, and he must subordinate his will to it. This subordination is no mere momentary act. Apart from the exertion of the working organs, a purposeful will is required for the entire duration of the work. This means close attention. The less he is attracted by the nature of the work and the way in which it has to be accomplished, and the less, therefore, he enjoys it as the free play of his own physical and mental powers, the closer his attention is forced to be.

The simple elements of the labour process are (1) purposeful activity, that is work itself, (2) the object on which that work is performed, and (3) the instruments of that work.

The land (and this, economically speaking, includes water) in its original state in which it supplies[1] man with necessaries or means of subsistence ready to hand is available without any effort on his part as the universal material for human labour. All those things which labour merely separates from immediate connection with their environment are objects of labour spontaneously provided by nature, such as fish caught and separated from their natural element, namely water, timber felled in virgin forests, and ores extracted from their veins. If, on the other hand, the object of labour has, so to speak, been filtered through previous labour, we call it raw material. For example, ore already extracted and ready for washing. All raw material is an object of labour [*Arbeitsgegenstand*], but not every object of labour is raw material; the object of labour counts as raw material only when it has already undergone some alteration by means of labour.*

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[1] 'The earth's spontaneous productions being in small quantity, quite independent of man, appear, as it were, to be furnished by Nature, in the same way as a small sum is given to a young man, in order to put him in a way of industry, and of making his fortune' (James Steuart, *Principles of Political Economy*, Dublin, 1770, Vol. 1, p. 116).

An instrument of labour is a thing, or a complex of things, which the worker interposes between himself and the object of his labour and which serves as a conductor, directing his activity onto that object. He makes use of the mechanical, physical and chemical properties of some substances in order to set them to work on other substances as instruments of his power, and in accordance with his purposes.[2] Leaving out of consideration such ready-made means of subsistence as fruits, in gathering which a man's bodily organs alone serve as the instruments of his labour, the object the worker directly takes possession of is not the object of labour but its instrument. Thus nature becomes one of the organs of his activity, which he annexes to his own bodily organs, adding stature to himself in spite of the Bible. As the earth is his original larder, so too it is his original tool house. It supplies him, for instance, with stones for throwing, grinding, pressing, cutting, etc. The earth itself is an instrument of labour, but its use in this way, in agriculture, presupposes a whole series of other instruments and a comparatively high stage of development of labour-power.[3] As soon as the labour process has undergone the slightest development, it requires specially prepared instruments. Thus we find stone implements and weapons in the oldest caves. In the earliest period of human history, domesticated animals, i.e. animals that have undergone modification by means of labour, that

[2] 'Reason is as cunning as it is powerful. Cunning may be said to lie in the intermediative action which, while it permits the objects to follow their own bent and act upon one another till they waste away, and does not itself directly interfere in the process, is nevertheless only working out its own aims' (Hegel, *Enzyklopädie, Erster Theil, Die Logik*, Berlin, 1840, p. 382) [Para. 209, Addition. English translation: *Hegel's Logic*, tr. W. V. Wallace (revised by J. N. Findlay), Oxford, 1975, pp. 272–3].

[3] In his otherwise miserable work *Théorie de l'économie politique*, Paris, 1815, Ganilh enumerates in a striking manner in opposition to the Physiocrats* the long series of labour processes which form the presupposition for agriculture properly so called.

*'For the Physiocrats, the productivity of labour appeared as a *gift of nature, a productive power of nature* ... Surplus-value therefore appeared as a *gift of nature*' (*Theories of Surplus-Value*, Part 1, pp. 49–51).

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*Marx thus uses the term 'raw material' in a technical sense, narrower than that of standard English usage.

have been bred specially, play the chief part as instruments of labour along with stones, wood, bones and shells, which have also had work done on them.[4] The use and construction of instruments of labour, although present in germ among certain species of animals, is characteristic of the specifically human labour process, and Franklin therefore defines man as 'a tool-making animal'. Relics of bygone instruments of labour possess the same importance for the investigation of extinct economic formations of society as do fossil bones for the determination of extinct species of animals. It is not what is made but how, and by what instruments of labour, that distinguishes different economic epochs.[5] Instruments of labour not only supply a standard of the degree of development which human labour has attained, but they also indicate the social relations within which men work. Among the instruments of labour, those of a mechanical kind, which, taken as a whole, we may call the bones and muscles of production, offer much more decisive evidence of the character of a given social epoch of production than those which, like pipes, tubs, baskets, jars etc., serve only to hold the materials for labour, and may be given the general denotation of the vascular system of production. The latter first begins to play an important part in the chemical industries.[6]

In a wider sense we may include among the instruments of labour, in addition to things through which the impact of labour on its object is mediated, and which therefore, in one way or another, serve as conductors of activity, all the objective conditions necessary for carrying on the labour process. These do not enter directly into the process, but without them it is either impossible for it to take place, or possible only to a partial extent. Once again, the earth itself is a universal instrument of this kind, for it provides

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4. In his *Réflexions sur la formation et la distribution des richesses* (1766), Turgot gives a good account of the importance of domesticated animals for the beginnings of civilization.

5. The least important commodities of all for the technological comparison of different epochs of production are articles of real luxury.

6. The writers of history have so far paid very little attention to the development of material production, which is the basis of all social life, and therefore of all real history. But prehistoric times at any rate have been classified on the basis of the investigations of natural science, rather than so-called historical research. Prehistory has been divided, according to the materials used to make tools and weapons, into the Stone Age, the Bronze Age and the Iron Age.

the worker with the ground beneath his feet and a 'field of employment' for his own particular process. Instruments of this kind, which have already been mediated through past labour, include workshops, canals, roads, etc.

In the labour process, therefore, man's activity, *via* the instruments of labour, effects an alteration in the object of labour which was intended from the outset. The process is extinguished in the product. The product of the process is a use-value, a piece of natural material adapted to human needs by means of a change in its form. Labour has become bound up in its object: labour has been objectified, the object has been worked on. What on the side of the worker appeared in the form of unrest [*Unruhe*] now appears, on the side of the product, in the form of being [*Sein*], as a fixed, immobile characteristic. The worker has spun, and the product is a spinning.*

If we look at the whole process from the point of view of its result, the product, it is plain that both the instruments and the object of labour are means of production[7] and that the labour itself is productive labour.[8]

Although a use-value emerges from the labour process, in the form of a product, other use-values, products of previous labour, enter into it as means of production. The same use-value is both the product of a previous process, and a means of production in a later process. Products are therefore not only results of labour, but also its essential conditions.

With the exception of the extractive industries, such as mining, hunting, fishing (and agriculture, but only in so far as it starts by breaking up virgin soil), where the material for labour is provided directly by nature, all branches of industry deal with raw material, i.e. an object of labour which has already been filtered through labour, which is itself already a product of labour. An example is seed in agriculture. Animals and plants which we are accustomed to consider as products of nature, may be, in their present form,

[7] It appears paradoxical to assert that uncaught fish, for instance, are a means of production in the fishing industry. But hitherto no one has discovered the art of catching fish in waters that contain none.

[8] This method of determining what is productive labour, from the standpoint of the simple labour process, is by no means sufficient to cover the capitalist process of production.

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* 'Spinning': a quantity of thread or spun yarn (*O.E.D.*).

not only products of, say, last year's labour, but the result of a gradual transformation continued through many generations under human control, and through the agency of human labour. As regards the instruments of labour in particular, they show traces of the labour of past ages, even to the most superficial observer, in the great majority of cases.

Raw material may either form the principal substance of a product, or it may enter into its formation only as an accessory. An accessory may be consumed by the instruments of labour, such as coal by a steam-engine, oil by a wheel, hay by draft-horses, or it may be added to the raw material in order to produce some physical modification of it, as chlorine is added to unbleached linen, coal to iron, dye to wool, or again it may help to accomplish the work itself, as in the case of the materials used for heating and lighting workshops. The distinction between principal substance and accessory vanishes in the chemical industries proper, because there none of the raw material re-appears, in its original composition, in the substance of the product.[9]

Every object possesses various properties, and is thus capable of being applied to different uses. The same product may therefore form the raw material for very different labour processes. Corn, for example, is a raw material for millers, starch-manufacturers, distillers and cattle-breeders. It also enters as raw material into its own production in the shape of seed; coal both emerges from the mining industry as a product and enters into it as a means of production.

Again, a particular product may be used as both instrument of labour and raw material in the same process. Take, for instance, the fattening of cattle, where the animal is the raw material, and at the same time an instrument for the production of manure.

A product, though ready for immediate consumption, may nevertheless serve as raw material for a further product, as grapes do when they become the raw material for wine. On the other hand, labour may release its product in such a form that it can only be used as raw material. Raw material in this condition, such as cotton, thread and yarn, is called semi-manufactured, but should rather be described as having been manufactured up to a certain level. Although itself already a product, this raw material may have to go through a whole series of different processes, and in each of these it serves as raw material, changing its shape constantly, until it is precipitated from the last process of the series in finished form, either as means of subsistence or as instrument of labour.

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[9] Storch distinguishes between raw material ('*matière*') and accessory materials ('*matériaux*'). Cherbuliez describes accessories as '*matières instrumentales*'.*

*H. Storch, *Cours d'économie politique*, Vol. 1, St Petersburg, 1815, p. 228; A. Cherbuliez, *Richesse ou pauvreté*, Paris, 1841, p. 14.

Hence we see that whether a use-value is to be regarded as raw material, as instrument of labour or as product is determined entirely by its specific function in the labour process, by the position it occupies there: as its position changes, so do its determining characteristics.

Therefore, whenever products enter as means of production into new labour processes, they lose their character of being products and function only as objective factors contributing to living labour. A spinner treats spindles only as a means for spinning, and flax as the material he spins. Of course it is impossible to spin without material and spindles; and therefore the availability of these products is presupposed at the beginning of the spinning operation. But in the process itself, the fact that they are the products of past labour is as irrelevant as, in the case of the digestive process, the fact that bread is the product of the previous labour of the farmer, the miller and the baker. On the contrary, it is by their imperfections that the means of production in any process bring to our attention their character of being the products of past labour. A knife which fails to cut, a piece of thread which keeps on snapping, forcibly remind us of Mr A, the cutler, or Mr B, the spinner. In a successful product, the role played by past labour in mediating its useful properties has been extinguished.

A machine which is not active in the labour process is useless. In addition, it falls prey to the destructive power of natural processes. Iron rusts; wood rots. Yarn with which we neither weave nor knit is cotton wasted. Living labour must seize on these things, awaken them from the dead, change them from merely possible into real and effective use-values. Bathed in the fire of labour, appropriated as part of its organism, and infused with vital energy for the performance of the functions appropriate to their concept and to their vocation in the process, they are indeed consumed, but to some purpose, as elements in the formation of new use-values, new products, which are capable of entering into individual consumption as means of subsistence or into a new labour process as means of production.

If then, on the one hand, finished products are not only results of the labour process, but also conditions of its existence, their induction into the process, their contact with living labour, is the sole means by which they can be made to retain their character of use-values, and be realized.

Labour uses up its material elements, its objects and its instruments. It consumes them, and is therefore a process of consumption. Such productive consumption is distinguished from individual consumption by this, that the latter uses up products as means of subsistence for the living individual; the former, as means of subsistence for labour, i.e. for the activity through which the living individual's labour-power manifests itself. Thus the product of individual consumption is the consumer himself; the result of productive consumption is a product distinct from the consumer.

In so far then as its instruments and its objects are themselves products, labour consumes products in order to create products, or in other words consumes one set of products by turning them into means of production for another set. But just as the labour process originally took place only between man and the earth (which was available independently of any human action), so even now we still employ in the process many means of production which are provided directly by nature and do not represent any combination of natural substances with human labour.

The labour process, as we have just presented it in its simple and abstract elements, is purposeful activity aimed at the production of use-values. It is an appropriation of what exists in nature for the requirements of man. It is the universal condition for the metabolic interaction [*Stoffwechsel*] between man and nature, the everlasting nature-imposed condition of human existence, and it is therefore independent of every form of that existence, or rather it is common to all forms of society in which human beings live. We did not, therefore, have to present the worker in his relationship with other workers; it was enough to present man and his labour on one side, nature and its materials on the other. The taste of porridge does not tell us who grew the oats, and the process we have presented does not reveal the conditions under which it takes place, whether it is happening under the slave-owner's brutal lash or the anxious eye of the capitalist, whether Cincinnatus undertakes it in tilling his couple of acres,* or a savage, when he lays low a wild beast with a stone.[10]

Let us now return to our would-be capitalist. We left him just after he had purchased, in the open market, all the necessary factors of the labour process; its objective factors, the means of production, as well as its personal factor, labour-power. With the keen eye of an expert, he has selected the means of production and the kind of labour-power best adapted to his particular trade, be it spinning, bootmaking or any other kind. He then proceeds to consume the commodity, the labour-power he has just bought, i.e. he causes the worker, the bearer of that labour-power, to consume the means of production by his labour. The general character of the labour process is evidently not changed by the fact that the worker works for the capitalist instead of for himself; moreover, the particular methods and operations employed in bootmaking or spinning are not immediately altered by the intervention of the capitalist. He must begin by taking the labour-power as he finds it in the market, and consequently he must be satisfied with the kind of labour which arose in a period when there were as yet no capitalists. The transformation of the mode of production itself which results from the subordination of labour to capital can only occur later on, and we shall therefore deal with it in a later chapter.

The labour process, when it is the process by which the capitalist consumes labour-power, exhibits two characteristic phenomena.

First, the worker works under the control of the capitalist to whom his labour belongs; the capitalist takes good care that the work is done in a proper manner, and the means of production are applied directly to the purpose, so that the raw material is not wasted, and the instruments of labour are spared, i.e. only worn to the extent necessitated by their use in the work.

[10] By a wonderful feat of logical acumen, Colonel Torrens has discovered, in this stone of the savage, the origin of capital. 'In the first stone which the savage flings at the wild animal he pursues, in the first stick that he seizes to strike down the fruit which hangs above his reach, we see the appropriation of one article for the purpose of aiding in the acquisition of another, and thus discover the origin of capital' (R. Torrens, *An Essay on the Production of Wealth, etc.*, pp. 70–71). No doubt this 'first stick' [*Stock*] would also explain why 'stock' in English is synonymous with capital.

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*The Roman patrician Lucius Quinctius Cincinnatus (dictator of Rome from 458 to 439 B.C.) was reputed to have lived a simple and exemplary life, cultivating his own small farm in person.

Secondly, the product is the property of the capitalist and not that of the worker, its immediate producer. Suppose that a capitalist pays for a day's worth of labour-power; then the right to use that power for a day belongs to him, just as much as the right to use any other commodity, such as a horse he had hired for the day. The use of a commodity belongs to its purchaser, and the seller of labour-power, by giving his labour, does no more, in reality, than part with the use-value he has sold. From the instant he steps into the workshop, the use-value of his labour-power and therefore also its use, which is labour, belongs to the capitalist. By the purchase of labour-power, the capitalist incorporates labour, as a living agent of fermentation, into the lifeless constituents of the product, which also belong to him. From his point of view, the labour process is nothing more than the consumption of the commodity purchased, i.e. of labour-power; but he can consume this labour-power only by adding the means of production to it. The labour process is a process between things the capitalist has purchased, things which belong to him. Thus the product of this process belongs to him just as much as the wine which is the product of the process of fermentation going on in his cellar.[11]

[11] 'Products are appropriated before they are transformed into capital; this transformation does not withdraw them from that appropriation' (Cherbuliez, *Richesse ou pauvreté*, Paris, 1841, p. 54). 'The proletarian, by selling his labour for a definite quantity of the means of subsistence (*approvisionnement*),* renounces all claim to a share in the product. The products continue to be appropriated as before: this is in no way altered by the bargain we have mentioned. The product belongs exclusively to the capitalist, who supplied the raw materials and the *approvisionnement*. This follows rigorously from the law of appropriation, a law whose fundamental principle was the exact opposite, namely that every worker has an exclusive right to the ownership of what he produces' (ibid., p. 58). 'When the labourers receive wages for their labour ... the capitalist is then the owner not of the capital only' (i.e. the means of production) 'but of the labour also. If what is paid as wages is included, as it commonly is, in the term capital, it is absurd to talk of labour separately from capital. The word capital as thus employed includes labour and capital both' (James Mill, *Elements of Political Economy*, London, 1821, pp. 70–71).

*See the discussion of Cherbuliez's notion of *approvisionnement* in *Grundrisse* (English edition), pp. 299–300: 'The economists, incidentally, introduce the *product* as third element of the substance of capital ... This is the product [as] ... immediate object of individual consumption; *approvisionnement*, as Cherbuliez calls it.'

2. THE VALORIZATION PROCESS

The product – the property of the capitalist – is a use-value, as yarn, for example, or boots. But although boots are, to some extent, the basis of social progress, and our capitalist is decidedly in favour of progress, he does not manufacture boots for their own sake. Use-value is certainly not *la chose qu'on aime pour lui-même** in the production of commodities. Use-values are produced by capitalists only because and in so far as they form the material substratum of exchange-value, are the bearers of exchange-value. Our capitalist has two objectives: in the first place, he wants to produce a use-value which has exchange-value, i.e. an article destined to be sold, a commodity; and secondly he wants to produce a commodity greater in value than the sum of the values of the commodities used to produce it, namely the means of production and the labour-power he purchased with his good money on the open market. His aim is to produce not only a use-value, but a commodity; not only use-value, but value; and not just value, but also surplus-value.

It must be borne in mind that we are now dealing with the production of commodities, and that up to this point we have considered only one aspect of the process. Just as the commodity itself is a unity formed of use-value and value, so the process of production must be a unity, composed of the labour process and the process of creating value [*Wertbildungsprozess*].

Let us now examine production as a process of creating value.

We know that the value of each commodity is determined by the quantity of labour materialized in its use-value, by the labour-time socially necessary to produce it. This rule also holds good in the case of the product handed over to the capitalist as a result of the labour-process. Assuming this product to be yarn, our first step is to calculate the quantity of labour objectified in it.

For spinning the yarn, raw material is required; suppose in this case 10 lb. of cotton. We have no need at present to investigate the value of this cotton, for our capitalist has, we will assume, bought it at its full value, say 10 shillings. In this price the labour required for the production of the cotton is already expressed in terms of average social labour. We will further assume that the wear and tear of the spindle, which for our present purpose may represent all other instruments of labour employed, amounts to the value of 2 shillings. If then, twenty-four hours of labour, or two working days, are required to produce the quantity of gold represented by 12 shillings, it follows first of all that two days of labour are objectified in the yarn.

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* 'The thing desired for its own sake'.

We should not let ourselves be misled by the circumstance that the cotton has changed its form and the worn-down portion of the spindle has entirely disappeared. According to the general law of value, if the value of 40 lb. of yarn = the value of 40 lb. of cotton + the value of a whole spindle, i.e. if the same amount of labour-time is required to produce the commodities on either side of this equation, then 10 lb. of yarn are an equivalent for 10 lb. of cotton, together with a quarter of a spindle. In the case we are considering, the same amount of labour-time is represented in the 10 lb. of yarn on the one hand, and in the 10 lb. of cotton and the fraction of a spindle on the other. It is therefore a matter of indifference whether value appears in cotton, in a spindle or in yarn: its amount remains the same. The spindle and cotton, instead of resting quietly side by side, join together in the process, their forms are altered, and they are turned into yarn; but their value is no more affected by this fact than it would be if they had been simply exchanged for their equivalent in yarn.

The labour-time required for the production of the cotton, the raw material of the yarn, is part of the labour necessary to produce the yarn, and is therefore contained in the yarn. The same applies to the labour embodied in the spindle, without whose wear and tear the cotton could not be spun.[12]

Hence in determining the value of the yarn, or the labour-time required for its production, all the special processes carried on at various times and in different places which were necessary, first to produce the cotton and the wasted portion of the spindle, and then with the cotton and the spindle to spin the yarn, may together be looked on as different and successive phases of the same labour process. All the labour contained in the yarn is past labour; and it is a matter of no importance that the labour expended to produce its constituent elements lies further back in the past than the labour expended on the final process, the spinning. The former stands, as it were, in the pluperfect, the latter in the perfect tense, but this does not matter. If a definite quantity of labour, say thirty

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12. 'Not only the labour applied immediately to commodities affects their value, but the labour also which is bestowed on the implements, tools, and buildings with which such labour is assisted' (Ricardo, op. cit., p. 16).

days, is needed to build a house, the total amount of labour incorporated in the house is not altered by the fact that the work of the last day was done twenty-nine days later than that of the first. Therefore the labour contained in the raw material and instruments of labour can be treated just as if it were labour expended in an earlier stage of the spinning process, before the labour finally added in the form of actual spinning.

The values of the means of production which are expressed in the price of 12 shillings (the cotton and the spindle) are therefore constituent parts of the value of the yarn, i.e. of the value of the product.

Two conditions must nevertheless be fulfilled. First, the cotton and the spindle must genuinely have served to produce a use-value; they must in the present case become yarn. Value is independent of the particular use-value by which it is borne, but a use-value of some kind has to act as its bearer. Second, the labour-time expended must not exceed what is necessary under the given social conditions of production. Therefore, if no more than 1 lb. of cotton is needed to spin 1 lb. of yarn, no more than this weight of cotton may be consumed in the production of 1 lb. of yarn. The same is true of the spindle. If the capitalist has a foible for using golden spindles instead of steel ones, the only labour that counts for anything in the value of the yarn remains that which would be required to produce a steel spindle, because no more is necessary under the given social conditions.

We now know what part of the value of the yarn is formed by the means of production, namely the cotton and the spindle. It is 12 shillings, i.e. the materialization of two days of labour. The next point to be considered is what part of the value of the yarn is added to the cotton by the labour of the spinner.

We have now to consider this labour from a standpoint quite different from that adopted for the labour process. There we viewed it solely as the activity which has the purpose of changing cotton into yarn; there, the more appropriate the work was to its purpose, the better the yarn, other circumstances remaining the same. In that case the labour of the spinner was specifically different from other kinds of productive labour, and this difference revealed itself both subjectively in the particular purpose of spinning, and objectively in the special character of its operations, the special nature of its means of production, and the special use-value of its product. For the operation of spinning, cotton and spindles are a necessity, but for making rifled cannon they would be of no use whatever. Here, on the contrary, where we consider the labour of the spinner only in so far as it creates value, i.e. is a source of value, that labour differs in no respect from the labour of the man who bores cannon, or (what concerns us more closely here) from the labour of the cotton-planter and the spindle-maker which is realized in the means of production of the yarn. It is solely by reason of this identity that cotton planting, spindle-making and spinning are capable of forming the component parts of one whole, namely the value of the yarn, differing only quantitatively from each other. Here we are no longer concerned with the quality, the character and the content of the labour, but merely with its quantity. And this simply requires to be calculated. We assume that spinning is simple labour, the average labour of a given society. Later it will be seen that the contrary assumption would make no difference.

During the labour process, the worker's labour constantly undergoes a transformation, from the form of unrest [*Unruhe*] into that of being [*Sein*], from the form of motion [*Bewegung*] into that of objectivity [*Gegenständlichkeit*]. At the end of one hour, the spinning motion is represented in a certain quantity of yarn; in other words, a definite quantity of labour, namely that of one hour, has been objectified in the cotton. We say labour, i.e. the expenditure of his vital force by the spinner, and not spinning labour, because the special work of spinning counts here only in so far as it is the expenditure of labour-power in general, and not the specific labour of the spinner.

In the process we are now considering it is of extreme importance that no more time be consumed in the work of transforming the cotton into yarn than is necessary under the given social conditions. If under normal, i.e. average social conditions of production, x pounds of cotton are made into y pounds of yarn by one hour's labour, then a day's labour does not count as 12 hours' labour unless $12x$ lb. of cotton have been made into $12y$ lb. of yarn; for only socially necessary labour-time counts towards the creation of value.

Not only the labour, but also the raw material and the product now appear in quite a new light, very different from that in which we viewed them in the labour process pure and simple. Now the raw material merely serves to absorb a definite quantity of labour. By being soaked in labour, the raw material is in fact changed into yarn, because labour-power is expended in the form of spinning and added to it; but the product, the yarn, is now nothing more than a measure of the labour absorbed by the cotton. If in one hour 1⅔ lb. of cotton can be spun into 1⅔ lb. of yarn, then 10 lb. of yarn indicate the absorption of 6 hours of labour. Definite quantities of product, quantities which are determined by experience, now represent nothing but definite quantities of labour, definite masses of crystallized labour-time. They are now simply the material shape taken by a given number of hours or days of social labour.

The fact that the labour is precisely the labour of spinning, that its material is cotton, its product yarn, is as irrelevant here as it is that the object of labour is itself already a product, hence already raw material. If the worker, instead of spinning, were to be employed in a coal-mine, the object on which he worked would be coal, which is present in nature; nevertheless, a definite quantity of coal, when extracted from its seam, would represent a definite quantity of absorbed labour.

We assumed, on the occasion of its sale, that the value of a day's labour-power was 3 shillings, and that 6 hours of labour was incorporated in that sum; and consequently that this amount of labour was needed to produce the worker's average daily means of subsistence. If now our spinner, by working for one hour, can convert 1⅔ lb. of cotton into 1⅔ lb. of yarn,[13] it follows that in 6 hours he will convert 10 lb. of cotton into 10 lb. of yarn. Hence, during the spinning process, the cotton absorbs 6 hours of labour. The same quantity of labour is also embodied in a piece of gold of the value of 3 shillings. A value of 3 shillings, therefore, is added to the cotton by the labour of spinning.

Let us now consider the total value of the product, the 10 lb. of yarn. Two and a half days of labour have been objectified in it. Out of this, two days were contained in the cotton and the worn-down portion of the spindle, and half a day was absorbed during the process of spinning. This two and a half days of labour is represented by a piece of gold of the value of 15 shillings. Hence 15 shillings is an adequate price for the 10 lb. of yarn, and the price of 1 lb. is 1s. 6d.

Our capitalist stares in astonishment. The value of the product is equal to the value of the capital advanced. The value advanced has not been valorized, no surplus-value has been created, and consequently money has not been transformed into capital. The price of the yarn is 15 shillings, and 15 shillings were spent in the open market on the constituent elements of the product or, what amounts to the same thing, on the factors of the labour process; 10 shillings were paid for the cotton, 2 shillings for the wear of the spindle and 3 shillings for the labour-power. The swollen value of the yarn is of no avail, for it is merely the sum of the values formerly existing in the cotton, the spindle and the labour-power: out of such a simple addition of existing values, no surplus-value can possibly arise.[14] These values are now all concentrated in one thing; but so they were in the sum of 15 shillings, before it was split up into three parts by the purchase of the commodities.

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[13] These figures are entirely arbitrary.

In itself this result is not particularly strange. The value of one pound of yarn is 1s. 6d., and our capitalist would therefore have to pay 15 shillings for 10 lb. of yarn on the open market. It is clear that whether a man buys his house ready built, or has it built for him, neither of these operations will increase the amount of money laid out on the house.

Our capitalist, who is at home in vulgar economics, may perhaps say that he advanced his money with the intention of making more money out of it. The road to hell is paved with good intentions, and he might just as well have intended to make money without producing at all.[15] He makes threats. He will not be caught napping again. In future he will buy the commodities in the market, instead of manufacturing them himself. But if all his brother capitalists were to do the same, where would he find his commodities on the market? And he cannot eat his money. He recites the catechism: 'Consider my abstinence. I might have squandered the 15 shillings, but instead I consumed it productively and made yarn with it.' Very true; and as a reward he is now in possession of good yarn instead of a bad conscience. As for playing the part of a miser, it would never do for him to relapse into such bad ways; we have already seen what such asceticism leads to. Besides, where there is nothing, the king has lost his rights; whatever the merits of his abstinence there is no money there to recompense him, because the value of the product is merely the sum of the values thrown into the process of production. Let him therefore console himself with the reflection that virtue is its own reward. But no, on the contrary, he becomes insistent. The yarn is of no use to him, he says. He produced it in order to sell it. In that case let him sell it, or, easier still, let him in future produce only things he needs himself, a remedy already prescribed by his personal physician MacCulloch as being of proven efficacy against an epidemic of over-production. Now our capitalist grows defiant. 'Can the worker produce commodities out of nothing, merely by using his arms and legs? Did I not provide him with the materials through which, and in which alone, his labour could be embodied? And as the greater part of society consists of such impecunious creatures, have I not rendered society an incalculable service by providing my instruments of production, my cotton and my spindle, and the worker too, for have I not provided him with the means of subsistence? Am I to be allowed nothing in return for all this service?' But has the worker not performed an equivalent service in return, by changing his cotton and his spindle into yarn? In any case, here the question of service does not arise.[16] A service is nothing other than the useful effect of a use-value, be it that of a commodity, or that of the labour.[17] But here we are dealing with exchange-value. The capitalist paid to the worker a value of 3 shillings, and the worker gave him back an exact equivalent in the value of 3 shillings he added to the cotton: he gave him value for value. Our friend, who has up till now displayed all the arrogance of capital, suddenly takes on the unassuming demeanour of one of his own workers, and exclaims: 'Have I myself not worked? Have I not performed the labour of superintendence, of overseeing the spinner? And does not this labour, too, create value?' The capitalist's own overseer and manager shrug their shoulders. In the meantime, with a hearty laugh, he recovers his composure. The whole litany he has just recited was simply meant to pull the wool over our eyes. He himself does not care twopence for it. He leaves this and all similar subterfuges and conjuring tricks to the professors of political economy, who are paid for it. He himself is a practical man, and although he does not always consider what he says outside his business, within his business he knows what he is doing.

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[14] This is the fundamental proposition which forms the basis of the doctrine of the Physiocrats that all non-agricultural labour is unproductive. For the professional economist it is irrefutable. 'This method of adding to one particular object the value of numerous others' (for example adding the living costs of the weaver to the flax) 'of as it were heaping up various values in layers on top of one single value, has the result that this value grows to the same extent ... The expression "addition" gives a very clear picture of the way in which the price of a manufactured product is formed; this price is only the sum of a number of values which have been consumed, and it is arrived at by adding them together; however, addition is not the same as multiplication' (Mercier de la Rivière, op. cit., p. 599).

[15] Thus from 1844 to 1847 he withdrew part of his capital from productive employment in order to throw it away in railway speculations; and so also, during the American Civil War, he closed his factory and turned the workers onto the street in order to gamble on the Liverpool cotton exchange.

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[16] 'Let whoever wants to do so extol himself, put on finery and adorn himself [but pay no heed and keep firmly to the scriptures] . . . Whoever takes more or better than he gives, that is usury and does not signify a service but a wrong done to his neighbour, as when one steals and robs. Not everything described as a service and a benefit to one's neighbour is in fact a service and a benefit. An adulteress and an adulterer do each other a great service and pleasure. A horseman does great service to a robber by helping him to rob on the highway, and attack the people and the land. The papists do our people a great service in that they do not drown, burn, or murder them all, or let them rot in prison, but let some live and drive them out or take from them what they have. The devil himself does his servants a great, inestimable service . . . To sum up: the world is full of great, excellent daily services and good deeds' (Martin Luther, *An die Pfarrherrn, wider den Wucher zu predigen. Vermanung*, Wittenberg, 1540).

Let us examine the matter more closely. The value of a day's labour-power amounts to 3 shillings, because on our assumption half a day's labour is objectified in that quantity of labour-power, i.e. because the means of subsistence required every day for the production of labour-power cost half a day's labour. But the past labour embodied in the labour-power and the living labour it can perform, and the daily cost of maintaining labour-power and its daily expenditure in work, are two totally different things. The former determines the exchange-value of the labour-power, the latter is its use-value. The fact that half a day's labour is necessary to keep the worker alive during 24 hours does not in any way prevent him from working a whole day. Therefore the value of labour-power, and the value which that labour-power valorizes [*verwertet*] in the labour-process, are two entirely different magnitudes; and this difference was what the capitalist had in mind when he was purchasing the labour-power. The useful quality of labour-power, by virtue of which it makes yarn or boots, was to the capitalist merely the necessary condition for his activity; for in order to create value labour must be expended in a useful manner. What was really decisive for him was the specific use-value which this commodity possesses of being a source not only of value, but of more value than it has itself. This is the specific service the capitalist expects from labour-power, and in this transaction he acts in accordance with the eternal laws of commodity-exchange. In fact, the seller of labour-power, like the seller of any other commodity, realizes [*realisiert*] its exchange-value, and alienates [*veräussert*] its use-value. He cannot take the one without giving the other. The use-value of labour-power, in other words labour, belongs just as little to its seller as the use-value of oil after it has been sold belongs to the dealer who sold it. The owner of the money has paid the value of a day's labour-power; he therefore has the use of it for a day, a day's labour belongs to him. On the one hand the daily sustenance of labour-power costs only half a day's labour, while on the other hand the very same labour-power can remain effective, can work, during a whole day, and consequently the value which its use during one day creates is double what the capitalist pays for that use; this circumstance is a piece of good luck for the buyer, but by no means an injustice towards the seller.

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[17] In *Zur Kritik der politischen Ökonomie*, p. 14 [English edition, p. 37], I make the following remark on this point: 'It is easy to understand what "service" the category "service" must render to economists like J. B. Say and F. Bastiat.'

Our capitalist foresaw this situation, and that was the cause of his laughter. The worker therefore finds, in the workshop, the means of production necessary for working not just 6 but 12 hours. If 10 lb. of cotton could absorb 6 hours' labour, and become 10 lb. of yarn, now 20 lb. of cotton will absorb 12 hours' labour and be changed into 20 lb. of yarn. Let us examine the product of this extended labour-process. Now five days of labour are objectified in this 20 lb. of yarn; four days are due to the cotton and the lost steel of the spindle, the remaining day has been absorbed by the cotton during the spinning process. Expressed in gold, the labour of five days is 30 shillings. This is therefore the price of the 20 lb. of yarn, giving, as before, 1s. 6d. as the price of 1 lb. But the sum of the values of the commodities thrown into the process amounts to 27 shillings. The value of the yarn is 30 shillings. Therefore the value of the product is one-ninth greater than the value advanced to produce it; 27 shillings have turned into 30 shillings; a surplus-value of 3 shillings has been precipitated. The trick has at last worked: money has been transformed into capital.

Every condition of the problem is satisfied, while the laws governing the exchange of commodities have not been violated in any way. Equivalent has been exchanged for equivalent. For the capitalist as buyer paid the full value for each commodity, for the cotton, for the spindle and for the labour-power. He then did what is done by every purchaser of commodities: he consumed their use-value. The process of consuming labour-power, which was also the process of producing commodities, resulted in 20 lb. of yarn, with a value of 30 shillings. The capitalist, formerly a buyer, now returns to the market as a seller. He sells his yarn at 1s. 6d. a pound, which is its exact value. Yet for all that he withdraws 3 shillings more from circulation than he originally threw into it. This whole course of events, the transformation of money into capital, both takes place and does not take place in the sphere of circulation. It takes place through the mediation of circulation because it is conditioned by the purchase of the labour-power in the market; it does not take place in circulation because what happens there is only an introduction to the valorization process, which is entirely confined to the sphere of production. And so 'everything is for the best in the best of all possible worlds'.

By turning his money into commodities which serve as the building materials for a new product, and as factors in the labour process, by incorporating living labour into their lifeless objectivity, the capitalist simultaneously transforms value, i.e. past labour in its objectified and lifeless form, into capital, value which can perform its own valorization process, an animated monster which begins to 'work', 'as if its body were by love possessed'.*

If we now compare the process of creating value with the process of valorization, we see that the latter is nothing but the continuation of the former beyond a definite point. If the process is not carried beyond the point where the value paid by the capitalist for the labour-power is replaced by an exact equivalent, it is simply a process of creating value; but if it is continued beyond that point, it becomes a process of valorization.

If we proceed further, and compare the process of creating value with the labour process, we find that the latter consists in the useful labour which produces use-values. Here the movement of production is viewed qualitatively, with regard to the particular kind of article produced, and in accordance with the purpose and content of the movement. But if it is viewed as a value-creating process the same labour process appears only quantitatively. Here it is a question merely of the time needed to do the work, of the period, that is, during which the labour-power is usefully expended.

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*Goethe, *Faust*, Part I, Auerbach's Cellar in Leipzig, line 2141 ('*als hätt' es Lieb' im Leibe*').

Here the commodities which enter into the labour process no longer count as functionally determined and material elements on which labour-power acts with a given purpose. They count merely as definite quantities of objectified labour. Whether it was already contained in the means of production, or has just been added by the action of labour-power, that labour counts only according to its duration. It amounts to so many hours, or days, etc.

Moreover, the time spent in production counts only in so far as it is socially necessary for the production of a use-value. This has various consequences. First, the labour-power must be functioning under normal conditions. If a self-acting mule is the socially predominant instrument of labour for spinning, it would be impermissible to supply the spinner with a spinning-wheel. The cotton too must not be such rubbish as to tear at every other moment, but must be of suitable quality. Otherwise the spinner would spend more time than socially necessary in producing his pound of yarn, and in this case the excess of time would create neither value nor money. But whether the objective factors of labour are normal or not does not depend on the worker, but rather on the capitalist. A further condition is that the labour-power itself must be of normal effectiveness. In the trade in which it is being employed, it must possess the average skill, dexterity and speed prevalent in that trade, and our capitalist took good care to buy labour-power of such normal quality. It must be expended with the average amount of exertion and the usual degree of intensity; and the capitalist is as careful to see that this is done, as he is to ensure that his workmen are not idle for a single moment. He has bought the use of the labour-power for a definite period, and he insists on his rights. He has no intention of being robbed. Lastly – and for this purpose our friend has a penal code of his own – all wasteful consumption of raw material or instruments of labour is strictly forbidden, because what is wasted in this way represents a superfluous expenditure of quantities of objectified labour, labour that does not count in the product or enter into its value.[18]

[18] This is one of the circumstances which make production based on slavery more expensive. Under slavery, according to the striking expression employed in antiquity, the worker is distinguishable only as *instrumentum vocale* from an animal, which is *instrumentum semi-vocale*, and from a lifeless implement, which is *instrumentum mutum.** But he himself takes care to let

*The slave was the 'speaking implement', the animal the 'semi-mute implement' and the plough the 'mute implement' (Varro, *Rerum Rusticarum Libri Tres*, I, 17).

We now see that the difference between labour, considered on the one hand as producing utilities, and on the other hand as creating value, a difference which we discovered by our analysis of a commodity, resolves itself into a distinction between two aspects of the production process.

The production process, considered as the unity of the labour process and the process of creating value, is the process of production of commodities; considered as the unity of the labour process and the process of valorization, it is the capitalist process of production, or the capitalist form of the production of commodities.

We stated on a previous page that in the valorization process it does not in the least matter whether the labour appropriated by the capitalist is simple labour of average social quality, or more complex labour, labour with a higher specific gravity as it were.

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both beast and implement feel that he is none of them, but rather a human being. He gives himself the satisfaction of knowing that he is different by treating the one with brutality and damaging the other *con amore.* Hence the economic principle, universally applied in this mode of production, of employing only the rudest and heaviest implements, which are difficult to damage owing to their very clumsiness. In the slave states bordering on the Gulf of Mexico, down to the date of the Civil War, the only ploughs to be found were those constructed on the old Chinese model, which turned up the earth like a pig or a mole, instead of making furrows. Cf. J. E. Cairnes, *The Slave Power,* London, 1862, pp. 46 ff. In his *Seaboard Slave States,* Olmsted says, among other things, 'I am here shown tools that no man in his senses, with us, would allow a labourer, for whom he was paying wages, to be encumbered with; and the excessive weight and clumsiness of which, I would judge, would make work at least ten per cent greater than with those ordinarily used with us. And I am assured that, with the careless and clumsy treatment they always must get from the slaves, anything lighter or less rude could not be furnished them with good economy, and that such tools as we constantly give our labourers and find our profit in giving them, would not last a day in a Virginia cornfield – much lighter and more free from stones though it be than ours. So, too, when I ask why mules are so universally substituted for horses on the farm, the first reason given, and confessedly the most conclusive one, is that horses are always soon foundered or crippled by them, while mules will bear cudgelling, or lose a meal or two now and then, and not be materially injured, and they do not take cold or get sick, if neglected or overworked. But I do not need to go further than to the window of the room in which I am writing, to see at almost any time, treatment of cattle that would ensure the immediate discharge of the driver by almost any farmer owning them in the North.'*

* F. L. Olmsted, *A Journey in the Seaboard Slave States,* New York, 1856, pp. 46–7.

All labour of a higher, or more complicated, character than average labour is expenditure of labour-power of a more costly kind, labour-power whose production has cost more time and labour than unskilled or simple labour-power, and which therefore has a higher value. This power being of higher value, it expresses itself in labour of a higher sort, and therefore becomes objectified, during an equal amount of time, in proportionally higher values. Whatever difference in skill there may be between the labour of a spinner and that of a jeweller, the portion of his labour by which the jeweller merely replaces the value of his own labour-power does not in any way differ in quality from the additional portion by which he creates surplus-value. In both cases, the surplus-value results only from a quantitative excess of labour, from a lengthening of one and the same labour-process: in the one case, the process of making jewels, in the other, the process of making yarn.[19]

[19] The distinction between higher and simple labour, 'skilled labour' and 'unskilled labour', rests in part on pure illusion or, to say the least, on distinctions that have long since ceased to be real, and survive only by virtue of a traditional convention; and in part on the helpless condition of some sections of the working class, a condition that prevents them from exacting equally with the rest the value of their labour-power. Accidental circumstances here play so great a part that these two forms of labour sometimes change places. Where, for instance, the physique of the working class has deteriorated and is, relatively speaking, exhausted, which is the case in all countries where capitalist production is highly developed, the lower forms of labour, which demand great expenditure of muscle, are in general considered as higher forms, compared with much more delicate forms of labour; the latter sink down to the level of simple labour. Take as an example the labour of a bricklayer, which in England occupies a much higher level than that of a damask-weaver. Again, although the labour of a fustian-cutter demands greater bodily exertion, and is at the same time unhealthy, it counts only as simple labour. Moreover, we must not imagine that so-called 'skilled' labour forms a large part of the whole of the nation's labour. Laing estimates that in England (and Wales) the livelihood of 11,300,000 people depends on unskilled labour. If from the total population of 18,000,000 living at the time when he wrote, we deduct 1,000,000 for the 'genteel population', 1,500,000 for paupers, vagrants, criminals and prostitutes, and 4,650,000 who compose the middle class, there remain the above-mentioned 11,000,000. But in his middle class he includes people who live on the interest of small investments, officials, men of letters, artists, schoolmasters and the like, and in order to swell the number he also includes in these 4,650,000 the better paid portion of the 'factory workers'! The bricklayers, too, figure amongst these 'high-class workers' (S. Laing, *National Distress etc.*, London, 1844). 'The great class who have nothing to give for food but ordinary labour, are the great bulk of the people' (James Mill, in the article 'Colony', *Supplement to the Encyclopaedia Britannica*, 1831).

But, on the other hand, in every process of creating value the reduction of the higher type of labour to average social labour, for instance one day of the former to x days of the latter, is unavoidable.[20] We therefore save ourselves a superfluous operation, and simplify our analysis, by the assumption that the labour of the worker employed by the capitalist is average simple labour.

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[20] 'Where reference is made to labour as a measure of value, it necessarily implies labour of one particular kind . . . the proportion which the other kinds bear to it being easily ascertained' ([J. Cazenove], *Outlines of Political Economy*, London, 1832, pp. 22–3).

Chapter 8: Constant Capital and Variable Capital

The various factors of the labour process play different parts in forming the value of the product.

The worker adds fresh value to the material of his labour by expending on it a given amount of additional labour, no matter what the specific content, purpose and technical character of that labour may be. On the other hand, the values of the means of production used up in the process are preserved, and present themselves afresh as constituent parts of the value of the product; the values of the cotton and the spindle, for instance, re-appear again in the value of the yarn. The value of the means of production is therefore preserved by being transferred to the product. This transfer takes place during the conversion of those means into a product, in other words during the labour process. It is mediated through labour. But how is this done?

The worker does not perform two pieces of work simultaneously, one in order to add value to the cotton, the other in order to preserve the value of the means of production, or, what amounts to the same thing, to transfer to the yarn, as product, the value of the cotton on which he works, and part of the value of the spindle with which he works. But by the very act of adding new value he preserves their former values. Since however the addition of new value to the material of his labour, and the preservation of its former value, are two entirely distinct results, it is plain that this twofold nature of the result can be explained only by the twofold nature of his labour; it must at the same time create value through one of its properties and preserve or transfer value through another.

Now how does every worker add fresh labour-time and therefore fresh value? Evidently, only by working productively in a particular way. The spinner adds labour-time by spinning, the weaver by weaving, the smith by forging. But although these operations add labour as such, and therefore new values, it is only through the agency of labour directed to a particular purpose, by means of the spinning, the weaving and the forging respectively, that the means of production, the cotton and the spindle, the yarn and the loom, and the iron and the anvil, become constituent elements of the product, of a new use-value.[1] The old form of the use-value disappears, but it is taken up again in a new form of use-value. We saw, when we were considering the process of creating value, that if a use-value is effectively consumed in the production of a new use-value, the quantity of labour expended to produce the article which has been consumed forms a part of the quantity of labour necessary to produce the new use-value; this portion is therefore labour transferred from the means of production to the new product. Hence the worker preserves the values of the already consumed means of production or transfers them to the product as portions of its value, not by virtue of his additional labour as such, but by virtue of the particular useful character of that labour, by virtue of its specific productive form. Therefore, in so far as labour is productive activity directed to a particular purpose, in so far as it is spinning, weaving or forging, etc., it raises the means of production from the dead merely by entering into contact with them, infuses them with life so that they become factors of the labour process, and combines with them to form new products.

If the specific productive labour of the worker were not spinning, he could not convert the cotton into yarn, and therefore he could not transfer the values of the cotton and spindle to the yarn. Suppose the same worker were to change his trade to that of a joiner, he would still by a day's labour add value to the material he worked on. We see therefore that the addition of new value takes place not by virtue of his labour being spinning in particular, or joinery in particular, but because it is labour in general, abstract social labour; and we see also that the value added is of a certain definite amount, not because his labour has a particular useful content, but because it lasts for a definite length of time. On the one hand, it is by virtue of its general character as expenditure of human labour-power in the abstract that spinning adds new value to the values of the cotton and the spindle; and on the other hand, it is by virtue of its special character as a concrete, useful process that the same labour of spinning both transfers the values of the means of production to the product and preserves them in the product. Hence a twofold result emerges within the same period of time.

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[1] 'Labour gives a new creation for one extinguished' (*An Essay on the Political Economy of Nations*, London, 1821, p. 13).

By the simple addition of a certain quantity of labour, new value is added, and by the quality of this added labour, the original values of the means of production are preserved in the product. This twofold effect, resulting from the twofold character of labour, appears quite plainly in numerous phenomena.

Let us assume that some invention enables the spinner to spin as much cotton in 6 hours as he was able to spin before in 36 hours. His labour is now six times as effective as it was, considered as useful productive activity directed to a given purpose. The product of 6 hours' labour has increased sixfold, from 6 lb. to 36 lb. But now the 36 lb. of cotton absorb only the same amount of labour as did the 6 lb. formerly. One-sixth as much new labour is absorbed by each pound of cotton, and consequently the value added by the labour to each pound is only one-sixth of what it formerly was. On the other hand, in the product (the 36 lb. of yarn) the value transferred from the cotton is six times as great as before. The value of the raw material preserved and transferred to the product by the 6 hours of spinning is six times as great as before, although the new value added by the labour of the spinner to each pound of the very same raw material is one-sixth of what it was formerly. This shows that the two properties of labour, by virtue of which it is enabled in one case to preserve value and in the other to create value, within the same indivisible process, are different in their very essence. On the one hand, the longer the time necessary to spin a given weight of cotton into yarn, the greater the amount of fresh value added to the cotton; but, on the other hand, the greater the weight of the cotton spun in a given time, the greater is the value preserved, by being transferred from it to the product.

Let us now assume that the productivity of the spinner's labour, instead of varying, remains constant, that he therefore requires the same time as he formerly did to convert one pound of cotton into yarn, but that the exchange-value of the cotton varies, either by rising to six times its former value or by falling to one-sixth of that value. In both these cases, the spinner puts the same quantity of labour into a pound of cotton, and therefore adds as much value, as he did before the change in the value; he also produces a given weight of yarn in the same time as he did before. Nevertheless, the value he transfers from the cotton to the yarn is either six times what it was before, or, in the second case, one-sixth as much. The same result occurs when the value of the instruments of labour rises or falls, while their usefulness in the labour process remains unaltered.

Again, if the technical conditions of the spinning process remain unchanged, and no change of value takes place in the means of production, the spinner continues to consume in equal working-times equal quantities of raw material and equal quantities of machinery of unvarying value. The value preserved in the product is directly proportional to the new value added to the product. In two weeks the spinner adds twice as much labour, and therefore twice as much value, as in one week, and during the same time he consumes twice as much material, and wears out twice as much machinery, of double the value in each case; he therefore preserves, in the product of two weeks, twice as much value as in the product of one week. As long as the conditions of production remain the same, the more value the worker adds by fresh labour, the more value he transfers and preserves. However, this does not happen because he adds new value, but because the addition of new value takes place under unvaried conditions which are independent of his own labour.

Of course it may be said, in a relative sense, that the worker always preserves old value in proportion to the added quantity of new value. Whether the value of cotton rises from one shilling to two shillings, or falls to sixpence, the worker invariably preserves in the product of one hour only half as much value as he preserves in two hours. Similarly, if the productivity of his own labour rises or falls, he will in the course of one hour spin either more or less cotton then he did before, and will consequently preserve more or less of the value of the cotton in the product of one hour; but, all the same, he will preserve twice as much value by two hours' labour as he will by one.

Value exists only in use-values, in things, if we leave aside its purely symbolic representation in tokens. (Man himself, viewed merely as the physical existence of labour-power, is a natural object, a thing, although a living, conscious thing, and labour is the physical manifestation [*dingliche Aüsserung*] of that power.) If therefore an article loses its use-value it also loses its value. The reason why means of production do not lose their value at the same time as they lose their use-value is that they lose in the labour process the original form of their use-value only to assume in the product the form of a new use-value. But however important it may be to value that it should have some use-value to exist in, it is still a matter of complete indifference what particular object serves this purpose. We saw this when dealing with the metamorphosis of commodities. Hence it follows that in the labour process the means of production transfer their value to the product only in so far as they lose their exchange-value along with their independent use-value. They only give up to the product the value they themselves lose as means of production. But in this respect the objective factors of the labour process do not all behave in the same way.

The coal burnt under the boiler vanishes without leaving a trace; so too the oil with which the axles of wheels are greased. Dye-stuffs and other auxiliary substances also vanish, but re-appear in the properties of the product. The raw material forms the substance of the product, but only after it has undergone a change in its form. Hence raw material and auxiliary substances lose the independent form with which they entered into the labour process. It is otherwise with the actual instruments of labour. Tools, machines, factory buildings and containers are only of use in the labour process as long as they keep their original shape, and are ready each morning to enter into it in the same form. And just as during their lifetime, that is to say during the labour process, they retain their shape independently of the product, so too after their death. The mortal remains of machines, tools, workshops etc., always continue to lead an existence distinct from that of the product they helped to turn out. If we now consider the case of any instrument of labour during the whole period of its service, from the day of its entry into the workshop to the day of its banishment to the lumber room, we find that during this period its use-value has been completely consumed, and therefore its exchange-value completely transferred to the product. For instance, if a spinning machine lasts for ten years, it is plain that during that working period its total value is gradually transferred to the product of the ten years. The lifetime of an instrument of labour is thus spent in the repetition of a greater or lesser number of similar operations. The instrument suffers the same fate as the man. Every day brings a man twenty-four hours nearer to his grave, although no one can tell accurately, merely by looking at a man, how many days he has still to travel on that road. This difficulty, however, does not prevent life insurance companies from using the theory of averages to draw very accurate, and what is more, very profitable conclusions about the length of a man's life. So it is with the instruments of labour. It is known by experience how long on the average a machine of a particular kind will last. Suppose its use-value in the labour process lasts only six days. It then loses on average one-sixth of its use-value every day, and therefore parts with one-sixth of its value to each day's product. The deterioration of all instruments, their daily loss of use-value, and the corresponding quantity of value they part with to the product, are accordingly calculated on this basis.

It is thus strikingly clear that means of production never transfer more value to the product than they themselves lose during the labour process by the destruction of their own use-value. If an instrument of production has no value to lose, i.e. if it is not the product of human labour, it transfers no value to the product. It helps to create use-value without contributing to the formation of exchange-value. This is true of all those means of production supplied by nature without human assistance, such as land, wind, water, metals in the form of ore, and timber in virgin forests.

Here we are confronted with another interesting phenomenon. Suppose a machine is worth £1,000, and wears out in 1,000 days. Then every day one-thousandth of the value of the machine is transferred to the day's product. At the same time the machine as a whole continues to take part in the labour process, though with diminishing vitality. Thus it appears that one factor of the labour process, a means of production, continually enters as a whole into that process, while it only enters in parts into the valorization process. The distinction between the labour process and the valorization process is reflected here in their objective factors, in that one and the same means of production, in one and the same process of production, counts in its totality as an element in the labour process, but only piece by piece as an element in the creation of value.[2]

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[2] We are not concerned here with repairs to the instruments of labour. A machine under repair is no longer an instrument of labour, but its material. Work is no longer done with it, but upon it, in order to patch up its use-value. It is quite permissible for our purpose to assume that the labour expended on the repair of instruments is included in the labour necessary for their original production. But in the text we deal with that deterioration which no doctor can cure, and which little by little brings about death, with 'that kind of wear which cannot be repaired from time to time, and which, in the case of a knife, would ultimately reduce it to a state in which the cutler would say of it, it is not worth a new blade'. We have shown in the text that a machine participates in every labour process as a whole, but enters into the

On the other hand a means of production may enter as a whole into the valorization process, although it enters only piece by piece into the labour process. Suppose that in spinning cotton, the waste for every 115 lb. used amounts to 15 lb., which is converted, not into yarn, but into 'devil's dust'.* Now, although this amount of waste is normal and inevitable under average conditions of spinning, the value of the 15 lb. of cotton is just as surely transferred to the value of the yarn as is the value of the 100 lb. that form the substance of the yarn. The use-value of 15 lb. of cotton must vanish into dust before 100 lb. of yarn can be made. The destruction of this cotton is therefore a necessary condition for the production of the yarn. And because it is a necessary condition, and for no other reason, the value of that cotton is transferred to the product. The same holds good for every kind of refuse resulting from a labour process, where that refuse cannot be further employed as a means in the production of new and independent use-values. Such an employment of refuse can be seen in the large machine-building factories at Manchester, where mountains of iron turnings are carted away to the foundry in the evening, only to re-appear the next morning in the workshops as solid masses of iron.

We have seen that the means of production transfer value to the new product only when during the labour process they lose value in the shape of their old use-value. The maximum loss of value the means of production can suffer in the process is plainly limited by the amount of the original value with which they entered into it, or,

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simultaneous process of valorization only in parts. How great, then, is the confusion of ideas exhibited in the following extract! 'Mr Ricardo says a portion of the labour of the engineer in making stocking machines' is contained for example in the value of a pair of stockings. 'Yet the total labour that produced each single pair of stockings . . . includes the whole labour of the engineer, not a portion; for one machine makes many pairs, and none of those pairs could have been done without any part of the machine' (*Observations on Certain Verbal Disputes in Political Economy, Particularly Relating to Value*, p. 54). The author, an uncommonly self-satisfied 'wiseacre', is justified in his confusion, and therefore in his polemic, only to the extent that neither Ricardo nor any other economist before or since has accurately distinguished the two aspects of labour, and still less, therefore, analysed the part played by each of these aspects in the formation of value.

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*The name given to flock made out of cotton scraps by a machine known as the 'devil'.

in other words, by the labour-time required to produce them. Therefore the means of production can never add more value to the product than they themselves possess independently of the process in which they assist. However useful a given kind of raw material, or a machine, or other means of production may be, even if it cost £150 or, say, 500 days of labour, it cannot under any circumstances add more than £150 to the value of the product. Its value is determined not by the labour process into which it enters as a means of production, but by that out of which it has issued as a product. In the labour process it serves only as a use-value, a thing with useful properties, and cannot therefore transfer any value to the product unless it possessed value before its entry into the process.[3]

While productive labour is changing the means of production into constituent elements of a new product, their value undergoes a metempsychosis. It deserts the consumed body to occupy the newly created one. But this transmigration takes place, as it were, behind the back of the actual labour in progress. The worker is unable to add new labour, to create new value, without at the same time preserving old values, because the labour he adds must be of a specific useful kind, and he cannot do work of a useful kind without employing products as the means of production of a new product, and thereby transferring their value to the new product. The property therefore which labour-power in action, living labour, possesses of preserving value, at the same time that it adds it, is a gift of nature which costs the worker nothing, but is very advantageous to the capitalist since it preserves the existing value of his capital.[4] As long as trade is good, the capitalist is too absorbed in making profits to take notice of this gratuitous gift of labour. Violent interruptions of the labour process, crises, make him painfully aware of it.[5]

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[3] This shows the absurdity and triviality of the view adopted by J. B. Say, who claims to derive surplus-value (interest, profit, rent) from the '*services productifs*' rendered by the means of production (land, instruments of labour, raw material) in the labour process *via* their use-values. Mr Wilhelm Roscher, who seldom loses the opportunity of rushing into print with ingenious apologetic fantasies, records the following example: 'J. B. Say (*Traité*, Vol. I, Ch. 4) very truly remarks: the value produced by an oil mill, after deduction of all costs, is something new, something quite different from the labour by which the oil mill itself was erected' (op. cit., p. 82, note). Very true! The oil produced by the oil mill is indeed something very different from the labour expended in constructing the mill! By 'value' Mr Roscher means such stuff as 'oil', because oil has value, despite the fact that 'in nature' petroleum is to be found, although in relatively 'small quantities', which is what he appears to refer to when he says 'It (nature!) produces scarcely any exchange-value' [ibid., p. 79]. Mr Roscher's 'nature' and the exchange-value it produces are rather like the foolish virgin who admitted that she had had a child, but 'only a very little one'. This 'man of learning' ('*savant sérieux*') continues on the same subject: 'Ricardo's school is in the habit of including capital as accumulated labour under the heading of labour. This is unskilful (!), because (!) indeed the owner of capital (!) has after all (!) done more than merely (!?) create (?) and preserve (??) the same (what same?): namely (?!?) the abstention from the enjoyment of it, in return for which he demands, for instance (!!!) interest' (ibid. [p. 82]). How very 'skilful' is this 'anatomico-physiological method' of political economy, which converts a mere 'demand' into a source of value!

As regards the means of production, what is really consumed is their use-value, and the consumption of this use-value by labour results in the product. There is in fact no consumption of their value[6] and it would therefore be inaccurate to say that it is reproduced. It is rather preserved; not by reason of any operation it itself undergoes in the labour process but because the use-value in which it originally existed vanishes (although when it vanishes, it does so into another use-value). Hence the value of the means of production re-appears in the value of the product, but it is not strictly speaking reproduced in that value. What is produced is a new use-value in which the old exchange-value re-appears.[7]

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[4] 'Of all the instruments of the farmer's trade, the labour of man ... is that on which he is most to rely for the re-payment of his capital. The other two ... the working stock of the cattle and the ... carts, ploughs, spades, and so forth, without a given portion of the first, are nothing at all' (Edmund Burke, *Thoughts and Details on Scarcity, Originally Presented to the Rt. Hon. W. Pitt in the Month of November 1795*, London, 1800, p. 10).

[5] In *The Times* of 26 November 1862, a manufacturer whose mill employs 800 workers and consumes a yearly average of 150 bales of East Indian cotton, or 130 bales of American, complains dolefully of the overhead expenses of his factory when it is not in use. He estimates these at £6,000 a year. Among them are a number of items not relevant here, such as rent, rates, taxes, insurance, the salaries of the manager, the accountant, the engineer and others. But on top of that he reckons £150 for coal used to heat the mill occasionally, and to set the steam-engine in motion. In addition, he includes the wages of the people employed at odd times to keep the machinery in working order. Lastly, he puts down £1,200 for depreciation of machinery, because 'the weather and the natural principles of decay do not suspend their operations because the steam-engine ceases to revolve'. He expressly states that he does not estimate his depreciation at more than the small sum of £1,200 because his machinery is already nearly worn out.

[6] 'Productive Consumption: where the consumption of a commodity is a part of the process of production ... In these instances there is no consumption of value' (S. P. Newman, op. cit., p. 296).

It is otherwise with the subjective factor of the labour process, labour-power, which sets itself in motion independently. While labour, because it is directed to a specific purpose, preserves and transfers to the product the value of the means of production, at the same time, throughout every instant it is in motion, it is creating an additional value, a new value. Suppose the process of production breaks off just when the worker has produced an equivalent for the value of his own labour-power, when for example by six hours of labour he has added a value of three shillings. This value is the excess of the total value of the product over the portion of its value contributed by the means of production. It is the only original value formed during this process, the only portion of the value of the product created by the process itself. Of course, we do not forget that this new value only replaces the money advanced by the capitalist in purchasing labour-power, and spent by the worker on means of subsistence. With regard to the three shillings which have been expended, the new value of three shillings appears merely as a reproduction. Nevertheless, it is a real reproduction, and not, as in the case of the value of the means of production, simply an apparent one. The replacement of one value by another is here brought about by the creation of new value.

We know however from what has gone before that the labour process may continue beyond the time necessary to reproduce and incorporate in the product a mere equivalent for the value of the labour-power. For this, six hours alone would be sufficient: but the process lasts longer, say for twelve hours. The activity of labour-power, therefore, not only reproduces its own value, but produces value over and above this. This surplus-value is the difference between the value of the product and the value of the elements consumed in the formation of the product, in other words the means of production and the labour-power.

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[7] In an American compendium, which has gone through perhaps twenty editions, the following passage occurs: 'It matters not in what form capital re-appears.' Then, after a lengthy enumeration of all the possible ingredients of production whose value re-appears in the product, the author reaches this conclusion: 'The various kinds of food, clothing, and shelter necessary for the existence and comfort of the human being are also changed. They are consumed from time to time, and their value re-appears in that new vigour imparted to his body and mind, forming fresh capital, to be employed again in the work of production' (F. Wayland, op. cit., pp. 31, 32). Without pointing out other oddities, let us just note for example that what re-appears in the new vigour is not the bread's price, but its body-building substance. What, on the other hand, re-appears in the value of that vigour is not the means of subsistence but their value. The same means of subsistence, at half the price, would form just as much muscle and bone, just as much vigour, but not vigour of the same value. This confusion of 'value' and 'vigour', coupled with the author's pharisaical vagueness, conceals an attempt, an inevitably vain attempt, to squeeze an explanation of surplus-value out of the mere re-appearance of pre-existing values.

In presenting the different parts played by the various factors of the labour process in the formation of the product's value, we have in fact characterized the different functions allotted to the different elements of capital in its own valorization process. The excess of the total value of the product over the sum of the values of its constituent elements is the excess of the capital which has been valorized over the value of the capital originally advanced. The means of production on the one hand, labour-power on the other, are merely the different forms of existence which the value of the original capital assumed when it lost its monetary form and was transformed into the various factors of the labour process.

That part of capital, therefore, which is turned into means of production, i.e. the raw material, the auxiliary material and the instruments of labour, does not undergo any quantitative alteration of value in the process of production. For this reason, I call it the constant part of capital, or more briefly, constant capital.

On the other hand, that part of capital which is turned into labour-power does undergo an alteration of value in the process of production. It both reproduces the equivalent of its own value and produces an excess, a surplus-value, which may itself vary, and be more or less according to circumstances. This part of capital is continually being transformed from a constant into a variable magnitude. I therefore call it the variable part of capital, or more briefly, variable capital. The same elements of capital which, from the point of view of the labour process, can be distinguished respectively as the objective and subjective factors, as means of production and labour-power, can be distinguished, from the point of view of the valorization process, as constant and variable capital.

The definition of constant capital given above by no means excludes the possibility of a change of value in its elements. Suppose that the price of cotton is one day sixpence a pound, and the next day, as a result of a failure of the cotton crop, a shilling a pound. Each pound of the cotton bought at sixpence, and worked up after the rise in value, transfers to the product a value of one shilling; and the cotton already spun before the rise, and perhaps circulating in the market as yarn, similarly transfers to the product twice its original value. It is plain, however, that these changes of value are independent of the valorization of the cotton in the spinning process itself. If the old cotton had never been spun, it could be resold at a shilling a pound after the rise, instead of at sixpence. Further, the fewer the processes the cotton has gone through, the more certain is this result. We therefore find that speculators make it a rule, when such sudden changes in value occur, to speculate in the raw material in its least worked-up form: to speculate, therefore, in yarn rather than in cloth, and indeed in cotton itself rather than in yarn. The change of value in the case we have been considering originates not in the process in which the cotton plays the part of a means of production, and in which it therefore functions as constant capital, but in the process in which the cotton itself is produced. The value of a commodity is certainly determined by the quantity of labour contained in it, but this quantity is itself socially determined. If the amount of labour-time socially necessary for the production of any commodity alters – and a given weight of cotton represents more labour after a bad harvest than after a good one – this reacts back on all the old commodities of the same type, because they are only individuals of the same species,[8] and their value at any given time is measured by the labour socially necessary to produce them, i.e. by the labour necessary under the social conditions existing at the time.

As the value of the raw material may change, so too may that of the instruments of labour, the machinery, etc. employed in the process; and consequently that portion of the value of the product transferred to it from them may also change. If, as a result of a new invention, machinery of a particular kind can be produced with a lessened expenditure of labour, the old machinery undergoes a certain amount of depreciation, and therefore transfers proportionately less value to the product. But here too the change in value originates outside the process in which the machine is acting as a means of production. Once engaged in this process the machine cannot transfer more value than it possesses independently of the process.

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[8] 'Properly speaking, all products of the same kind form a single mass, and their price is determined in general and without regard to particular circumstances' (Le Trosne, op. cit., p. 893).

Just as a change in the value of the means of production, even after they have begun to take part in the labour process, does not alter their character as constant capital, so too a change in the proportion of constant to variable capital does not affect the distinction in their functions. The technical conditions of the labour process may be revolutionized to such an extent that where formerly ten men using ten implements of small value worked up a relatively small quantity of raw material, one man may now, with the aid of one expensive machine, work up one hundred times as much raw material. In the latter case we have an enormous increase in the constant capital, i.e. the total value of the means of production employed, and at the same time a great reduction in the variable part of the capital, which has been laid out in labour-power. This change however alters only the quantitative relation between the constant and the variable capital, or the proportion in which the total capital is split up into its constant and variable constituents; it has not in the least degree affected the essential difference between the two.

Chapter 9: The Rate of Surplus-Value

I. THE DEGREE OF EXPLOITATION OF LABOUR-POWER

The surplus-value generated in the production process by *C*, the capital advanced, i.e. the valorization of the value of the capital *C*, presents itself to us first as the amount by which the value of the product exceeds the value of its constituent elements.

The capital *C* is made up of two components, one the sum of money *c* laid out on means of production, and the other the sum of money *v* expended on labour-power; *c* represents the portion of value which has been turned into constant capital, *v* that turned into variable capital. At the beginning, then, $C = c + v$: for example, if £500 is the capital advanced, its components may be such that the £500 = £410 constant + £90 variable. When the process of production is finished, we get a commodity whose value $= (c + v) + s$, where *s* is the surplus-value; or, taking our former figures, the value of this commodity is (£410 constant + £90 variable) + £90 surplus. The original capital has now changed from *C* to *C′*, from £500 to £590. The difference is *s*, or a surplus-value of £90. Since the value of the constituent elements of the product is equal to the value of the capital advanced, it is a mere tautology to say that the excess of the value of the product over the value of its constituent elements is equal to the valorization of the value of the capital advanced, or to the surplus-value produced.

Nevertheless, we must examine this tautology a little more closely. The equation being made is between the value of the product and the value of its constituents consumed in the process of production. Now we have seen how that portion of the constant capital which consists of the instruments of labour transfers to the product only a fraction of its value, while the remainder of that value continues in its old form of existence. Since this remainder plays no part in the formation of value, we may at present leave it on one side. To introduce it into the calculation would make no difference. For instance, taking our former example, c = £410: assume that this sum consists of £312 value of raw material, £44 value of auxiliary material and £54 value of the machinery worn away in the process; and assume that the total value of the machinery employed is £1,054. Out of this latter sum, then, we reckon as advanced for the purpose of turning out the product the sum of £54 alone, which the machinery loses by wear and tear while performing its function, and therefore parts with to the product. Now if we also reckoned the remaining £1,000, which continues to exist in its old form in the machinery, as transferred to the product, we would also have to reckon it as part of the value advanced, and thus make it appear on both sides of our calculation.[1] We should, in this way, get £1,500 on one side and £1,590 on the other. The difference between these two sums, or the surplus-value, would still be £90. When we refer, therefore, to constant capital advanced for the production of value, we always mean the value of the means of production actually consumed in the course of production, unless the context demonstrates the reverse.

This being so, let us return to the formula $C = c + v$, which we saw was transformed into $C' = (c + v) + s$, C becoming C'. We know that the value of the constant capital is transferred to the product, and merely re-appears in it. The new value actually created in the process, the 'value-product', is therefore not the same as the value of the product; it is not, as it would at first sight appear, $(c + v) + s$ or £410 constant + £90 variable + £90 surplus, but rather $v + s$ or £90 variable + £90 surplus. In other words, not £590 but £180. If c, the constant capital, = O, in other words if there were branches of industry in which the capitalist could dispense with all means of production made by previous labour, whether raw material, auxiliary material, or instruments, employing only labour-power and materials supplied by nature, if that were the case, there would be no constant capital to transfer to the product. This component of the value of the product, i.e. the £410 in our example, would be eliminated, but the sum of £180, the amount of new value created, or the value produced, which contains £90 of surplus-value, would remain just as great as if c represented the highest value imaginable. We should have $C = (O + v) = v$, and C' the valorized capital $= v + s$, and therefore $C' - C = s$ as before. On the other hand, if $s = O$, in other words if the labour-power whose value is advanced in the form of variable capital were to produce only its equivalent, we should have $C = c + v$, and C' (the value of the product) $= (c + v) + O$, hence $C = C'$. In this case the capital advanced would not have valorized its value.

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[1] 'If we reckon the value of the fixed capital employed as a part of the advances, we must reckon the remaining value of such capital at the end of the year as a part of the annual return' (Malthus, *Principles of Political Economy*, 2nd edn, London, 1836, p. 269).

From what has gone before we know that surplus-value is purely the result of an alteration in the value of v, of that part of the capital which was converted into labour-power; consequently, $v + s = v + \Delta v$ (v plus an increment of v). But the fact that it is v alone that varies, and the conditions of that variation, are obscured by the circumstance that in consequence of the increase in the variable component of the capital, there is also an increase in the sum total of the capital advanced. It was originally £500 and becomes £590. Therefore, in order that our investigation may lead to accurate results, we must make abstraction from that portion of the value of the product in which constant capital alone appears, and thus posit the constant capital as zero or make $c = O$. This is merely an application of a mathematical rule, employed whenever we operate with constant and variable magnitudes, related to each other only by the symbols of addition and subtraction.

A further difficulty is caused by the original form of the variable capital. In our example, $C' =$ £410 constant+£90 variable+£90 surplus; but £90 is a given and therefore a constant quantity and hence it appears absurd to treat it as variable. In fact, however, the £90 variable is here merely a symbol for the process undergone by this value. The portion of the capital invested in the purchase of labour-power is a definite quantity of objectified labour, a constant value like the value of the labour-power purchased. But in the process of production the place of the £90 is taken by labour-power which sets itself in motion, dead labour is replaced by living labour, something stagnant by something flowing, a constant by a variable. The result is the reproduction of v plus an increment of v. From the point of view of capitalist production, therefore, the whole process appears as the independent motion of what was originally constant value, but has now been transformed into labour-power. Both the process and its result are ascribed to this independent motion of value. If, therefore, such expressions as '£90 variable capital' or 'such and such a quantity of self-valorizing value' appear to contain contradictions, this is only because they express a contradiction immanent in capitalist production.

At first sight it appears strange to equate the constant capital to zero. But we do this every day. If, for example, we want to calculate the amount of profit gained by England from the cotton industry, we first of all deduct the sums paid for cotton to the United States, India, Egypt and various other countries, i.e. we posit the value of the capital that merely re-appears in the value of the product as a zero magnitude.

Of course, the ratio of surplus-value not only to that portion of the capital from which it directly arises, and whose change in value it represents, but also to the sum total of the capital advanced, is economically of very great importance. We shall therefore deal exhaustively with this ratio in our third book.* In order to enable one portion of capital to realize its value by being converted into labour-power, it is necessary that another portion be converted into means of production. In order that variable capital may perform its function, constant capital must be advanced to an adequate proportion, the proportion appropriate to the special technical conditions of each labour process. However, the fact that retorts and other vessels are necessary to a chemical process does not prevent the chemist from ignoring them when he undertakes his analysis of the results. If we look at the creation and the alteration of value for themselves, i.e. in their pure form, then the means of production, this physical shape taken on by constant capital, provides only the material in which fluid, value-creating labour-power has to be incorporated. Neither the nature nor the value of this material is of any importance. All that is needed is a sufficient supply of material to absorb the labour expended in the process of production. That supply once given, the material may rise or fall in value, or even be without any value in itself, like the land and the sea; but this will have no influence on the creation of value or on the variation in the quantity of value.[2]

In the first place, therefore, we equate the constant part of

[2] What Lucretius says is self-evident: '*nil posse creari de nihilo*', out of nothing, nothing can be created.* 'Creation of value' is the transposition of labour-power into labour. Labour-power itself is, above all else, the material of nature transposed into a human organism.

* Lucretius, *De rerum Natura*, Bk I, verses 156–7.

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* The ratio to which Marx refers here, rather obliquely, is in fact the rate of profit (s/C). See *Capital*, Vol. 3, Ch. 2, 'The Rate of Profit'.

capital with zero. The capital advanced is consequently reduced from $c+v$ to v, and instead of the value of the product $(c+v)+s$ we now have the value produced $(v+s)$. Given that the new value produced = £180, a sum which consequently represents the whole of the labour expended during the process, if we subtract £90 from it, being the value of the variable capital, we have £90 left, the amount of the surplus-value. This sum of £90, or s, expresses the absolute quantity of surplus-value produced. The relative quantity produced, or the ratio in which the variable capital has valorized its value, is plainly determined by the ratio of the surplus-value to the variable capital, and expressed by s/v. In our example this ratio is 90/90, or 100 per cent. This relative increase in the value of the variable capital, or the relative magnitude of the surplus-value, is called here the rate of surplus-value.[3]

We have seen that the worker, during one part of the labour process, produces only the value of his labour-power, i.e. the value of his means of subsistence. Since his work forms part of a system based on the social division of labour, he does not directly produce his own means of subsistence. Instead of this, he produces a particular commodity, yarn for example, with a value equal to the value of his means of subsistence, or of the money for it. The part of his day's labour devoted to this purpose will be greater or less, in proportion to the value of his average daily requirements or, what amounts to the same thing, in proportion to the labour-time required on average to produce them. If the value of his daily means of subsistence represents an average of 6 hours' objectified labour, the worker must work an average of 6 hours to produce that value. If, instead of working for the capitalist, he worked independently on his own account, he would, other things being equal, still be obliged to work for the same number of hours in order to produce the value of his labour-power, and thereby to gain the means of subsistence necessary for his own preservation or continued reproduction. But as we have seen, during that part of his day's labour in which he produces the value of his labour-power, say 3 shillings, he produces only an equivalent for the value of his labour-power already advanced[4] by the capitalist; the new value created only replaces the variable capital advanced. It is owing to this fact that the production of the new value of 3 shillings has the appearance of a mere reproduction. I call the portion of the working day during which this reproduction takes place necessary labour-time, and the labour expended during that time necessary labour;[5] necessary for the worker, because independent of the particular social form of his labour; necessary for capital and the capitalist world, because the continued existence of the worker is the basis of that world.

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[3] The English use the terms 'rate of profit', 'rate of interest' to express this proportion. We shall see in Volume 3 that the rate of profit is no mystery, when one knows the laws of surplus-value.* But if one works in the reverse direction, one comprehends neither the one nor the other.

*See p. 323, last note, above.

During the second period of the labour process, that in which his labour is no longer necessary labour, the worker does indeed expend labour-power, he does work, but his labour is no longer necessary labour, and he creates no value for himself. He creates surplus-value which, for the capitalist, has all the charms of something created out of nothing. This part of the working day I call surplus labour-time, and to the labour expended during that time I give the name of surplus labour. It is just as important for a correct understanding of surplus-value to conceive it as merely a congealed quantity of surplus labour-time, as nothing but objectified surplus labour, as it is for a proper comprehension of value in general to conceive it as merely a congealed quantity of so many hours of labour, as nothing but objectified labour. What distinguishes the various economic formations of society – the distinction between for example a society based on slave-labour and a society based on wage-labour – is the form in which this surplus labour is in each case extorted from the immediate producer, the worker.[6]

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[4] [Note added by Engels to the third German edition:] Here the author uses the current economic language. It will be remembered that on p. 278 it was shown that in reality it is the worker who does the 'advancing' to the capitalist, not the capitalist to the worker.

[5] In this work we have up to now used the term 'necessary labour-time' to designate the time necessary under given social conditions for the production of any commodity. Henceforward we use it to designate as well the time necessary for the production of the particular commodity labour-power. The use of the same technical term in different senses is inconvenient, but it cannot be entirely avoided in any science. Compare, for instance, the higher with the lower branches of mathematics.

[6] With an originality worthy of Gottsched* himself, Herr Wilhelm

*The literary critic Johann Christoph Gottsched (1700–1766), famous for the unoriginality with which he translated the ideas of the French Enlightenment into German terms. In German literary history, however, he holds an important place for this very reason.

Since, on the one hand, the variable capital and the labour-power purchased by that capital are equal in value, and the value of this labour-power determines the necessary part of the working day; and since, on the other hand, the surplus-value is determined by the surplus part of the working day, it follows that surplus-value is in the same ratio to variable capital as surplus labour is to necessary labour. In other words, the rate of surplus value, $\frac{s}{v} = \frac{\text{surplus labour}}{\text{necessary labour}}$. Both ratios, $\frac{s}{v}$ and $\frac{\text{surplus labour}}{\text{necessary labour}}$, express the same thing in different ways; in the one case in the form of objectified labour, in the other in the form of living, fluid labour.

The rate of surplus-value is therefore an exact expression for the degree of exploitation of labour-power by capital, or of the worker by the capitalist.[7]

We assumed in our example that the value of the product = £410 constant+£90 variable+£90 surplus, and that the capital advanced = £500. Since the surplus-value = £90, and the capital advanced = £500, we should, according to the usual way

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Thucydides Roscher* has discovered that if, on the one hand, the formation of surplus-value or a surplus product, and the consequent accumulation of capital, is nowadays due to the 'thrift' of the capitalist, who 'demands his interest in return', on the other hand, 'in the lowest stages of civilization it is the strong who compel the weak to be thrifty' (op. cit., p. 78). To be thrifty with what? With labour? With the surplus products which are not even available? What is it that makes such men as Roscher account for the origin of surplus-value by drawing on the more or less plausible excuses offered by the capitalist for his appropriation of the available surplus-value? It is, besides their real ignorance, an apologetic dread of a scientific analysis of value and surplus-value which might produce a result unpalatable to the powers that be.

[7] Although the rate of surplus-value is an exact expression for the degree of exploitation of labour-power, it is in no sense an expression for the absolute magnitude of the exploitation. For example, if necessary labour = 5 hours and surplus labour = 5 hours, the degree of exploitation is 100 per cent. The amount of exploitation is here measured by 5 hours. If, on the other hand, the necessary labour = 6 hours and the surplus labour = 6 hours, the degree of exploitation remains as before 100 per cent, while the actual amount of exploitation has increased by 20 per cent, namely from 5 to 6 hours.

*Professor Wilhelm Roscher (1817–94) proclaimed that he was the 'Thucydides of political economy' in the preface to his book *Die Grundlagen der Nationalökonomie* (1854). Marx on the other hand describes him as 'the master of the academic form' and his works as 'the graveyard of the science of political economy' (*Theories of Surplus-Value*, Part 3, p. 502).

of reckoning, get 18 per cent as the rate of surplus-value (because it is generally confused with the rate of profit), a rate so low it might well cause a pleasant surprise to Mr Carey and other harmonizers.* But in fact the rate of surplus-value is not equal to $\frac{s}{C}$ or $\frac{s}{c+v}$ but to $\frac{s}{v}$; thus it is not $\frac{90}{500}$ but $\frac{90}{90} = 100$ per cent, which is more than five times the apparent degree of exploitation. Although, in the case we have supposed, we do not know the actual length of the working day, or the duration in days and weeks of the labour process, or the number of workers set in motion simultaneously by the variable capital of £90, the rate of surplus-value $\frac{s}{v}$ accurately discloses to us, by means of its equivalent expression, $\frac{\text{surplus labour}}{\text{necessary labour}}$, the relation between the two parts of the working day. This relation is here one of equality, being 100 per cent. Hence the worker in our example works one half of the day for himself, the other half for the capitalist.

The method of calculating the rate of surplus-value is therefore, in brief, as follows. We take the total value of the product and posit the constant capital which merely re-appears in it as equal to zero. What remains is the only value that has actually been created in the process of producing the commodity. If the amount of surplus-value is given, we have only to deduct it from this remainder to find the variable capital. And *vice versa* if the latter is given and we need to find the surplus-value. If both are given, we have only to perform the concluding operation, namely calculate $\frac{s}{v}$, the ratio of the surplus-value to the variable capital.

Simple as the method is, it may not be amiss, by means of a few examples, to exercise the reader in the application of the novel principles underlying it.

First we will take the case of a spinning mill containing 10,000 mule spindles, spinning No. 32 yarn from American cotton, and producing 1 lb. of yarn weekly per spindle. We assume the waste to be 6 per cent: accordingly 10,600 lb. of cotton are consumed weekly, of which 600 lb. go to waste. The price of the cotton in April 1871 was 7¾d. per lb.; the raw material therefore costs approximately £342. The 10,000 spindles, including machinery for preparation and motive power, cost, we will assume, £1 per spindle, amounting to a total of £10,000. Depreciation we put at 10 per cent, or £1,000 a year = £20 a week. The rent of the building we suppose to be £300 a year, or £6 a week. The amount of coal consumed (for 100 h.p. indicated, at 4 lb. of coal per horse-power per hour during 60 hours, and including coal consumed in heating the mill) is 11 tons a week at 8s. 6d. a ton, and therefore comes to about £4½ a week; gas, £1 a week, oil etc., £4½ a week. Total cost of the above auxiliary materials, £10 a week. Therefore the constant part of the value of the week's product is £378. Wages amount to £52 a week. The price of the yarn is 12¼d. per lb., which gives, for the value of 10,000 lb., the sum of £510. The surplus-value is therefore in this case £510 − £430 = £80. We put the constant part of the value of the product equal to zero, as it plays no part in the creation of value. There remains £132 as the weekly value created, which = £52 variable + £80 surplus. The rate of surplus-value is therefore $\frac{80}{52} = 153\frac{11}{13}$ per cent. In a working day of 10 hours with average labour the result is: necessary labour = $3\frac{31}{33}$ hours, and surplus labour = $6\frac{2}{33}$.[8]

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* Exponents of the view that the relations of production within bourgeois society are inherently harmonious, and that the antagonisms described by the classical political economists are superficial and accidental rather than intrinsic to the system. Marx devoted a section of the *Grundrisse* (English edition, pp. 883–93) to a critique of the 'harmonizers'.

One more example. Jacob gives the following calculation for the year 1815. Owing to the previous adjustment of several items it is very imperfect; nevertheless it is sufficient for our purpose. In it he assumes that the price of wheat is 8s. a quarter, and that the average yield per acre is 22 bushels.*

Here the assumption is always made that the price of the product is the same as its value, and, moreover, surplus-value is distributed under the various headings of profit, interest, rent etc. To us these headings are irrelevant. We simply add them together, and the sum is a surplus-value of £3 11s. 0d. The sum of £3 19s. 0d.

[8] The example in the first edition, taken from a spinning mill for the year 1860, contained a number of factual errors. The data given in the present text, which are entirely accurate, were given to me by a Manchester manufacturer. It should be noted that in England the horse-power of an engine was formerly calculated from the diameter of its cylinders, but now the actual horse-power shown on the indicator is taken.

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*William Jacob, *A Letter to Samuel Whitbread, being a Sequel to Considerations on the Protection Required by British Agriculture*, London, 1815, p. 33.

Value Produced Per Acre

Seed	£1 9 0	Tithes, rates and taxes	£1 1 0
Manure	£2 10 0	Rent	£1 8 0
Wages	£3 10 0	Farmer's profit and interest	£1 2 0
Total	£7 9 0	Total	£3 11 0

paid for seed and manure is constant capital, and we put it equal to zero. There is left the sum of £3 10s. 0d., which is the variable capital advanced, and we see that a new value of £3 10s. 0d.+ £3 11s. 0d. has been produced in its place. Therefore $\frac{s}{v} = \frac{\text{£3 11s. 0d.}}{\text{£3 10s. 0d.}}$ i.e. more than 100 per cent. The worker employs more than half his working day in producing the surplus-value, which different persons then share amongst themselves, on different pretexts.[9]

2. THE REPRESENTATION OF THE VALUE OF THE PRODUCT BY CORRESPONDING PROPORTIONAL PARTS OF THE PRODUCT

Let us now return to the example which showed us how the capitalist converts money into capital. The necessary labour of his spinning worker amounted to 6 hours, surplus labour was the same, the degree of exploitation of labour-power was therefore 100 per cent.

The product of a working day of 12 hours is 20 lb. of yarn, having a value of 30s. No less than eight-tenths of this value, or 24s., is formed by the mere re-appearance in it of the value of the means of production (20 lb. of cotton, value 20s., and the worn part of the spindle, 4s.). In other words, this part consists of constant capital. The remaining two-tenths, or 6s., is the new value created during the spinning process; one half of this replaces the value of the day's labour-power, or the variable capital, the remaining half constitutes a surplus-value of 3s. The total value of the 20 lb. of yarn is thus made up as follows:

30s. value of yarn = 24s. constant + 3s. variable + 3s. surplus.

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[9] The calculations given in the text are intended merely as illustrations. We have in fact assumed that prices = values. We shall, however, see in Volume 3 that even in the case of average prices the assumption cannot be made in this very simple manner.*

*See *Capital*, Vol. 3, Ch. 1, 'Cost-Price and Profit'.

Since the whole of this value is contained in the 20 lb. of yarn produced, it follows that the various component parts of this value can be represented as being contained respectively in proportional parts of the product.

If the value of 30s. is contained in 20 lb. of yarn, then eight-tenths of this value, or the 24s. that forms its constant part, is contained in eight-tenths of the product, or in 16 lb. of yarn. Of the latter, 13⅓ lb. represent the value of the raw material, the 20s. worth of cotton spun, and 2⅔ lb. represent the 4s. worth of spindle etc. worn away in the process.

Hence the whole of the cotton used up in spinning the 20 lb. of yarn is represented by 13⅓ lb. of yarn. This latter weight of yarn admittedly contains by weight no more than 13⅓ lb. of cotton, worth 13⅓s.; but the 6⅔s. additional value contained in it is the equivalent for the cotton consumed in spinning the remaining 6⅔ lb. of yarn. The effect is the same as if these 6⅔ lb. of yarn contained no cotton at all, and the whole 20 lb. of cotton were concentrated in the 13⅓ lb. of yarn. The latter weight, on the other hand, does not contain an atom of the value of the auxiliary materials and instruments of labour, or of the value newly created in the process.

In the same way, the 2⅔ lb. of yarn in which the 4s., the remainder of the constant capital, is embodied represent nothing but the value of the auxiliary materials and instruments of labour consumed in producing the 20 lb. of yarn.

We have therefore arrived at this result: although eight-tenths of the product, or 16 lb. of yarn, seen in its physical existence as a use-value, is just as much the fabric of the spinner's labour as the remainder of the same product, yet when viewed in this connection it does not contain and has not absorbed any labour expended during the process of spinning. It is just as if the cotton had converted itself into yarn without any help, it is just as if the shape it had assumed was mere trickery and deceit. In fact, when the capitalist has sold it for 24s. and, with the money, replaced his means of production it becomes evident that the 16 lb. of yarn is nothing more than cotton, spindle-waste and coal in disguise.

On the other hand, the remaining two-tenths of the product, or 4 lb. of yarn, represent nothing but the new value of 6s. created during the 12 hours' spinning process. All the value transferred to those 4 lb. from the raw material and instruments of labour consumed was so to speak intercepted in order to be incorporated in the 16 lb. first spun. In this case, it is as if the spinner had spun 4 lb. of yarn out of air, or as if he had spun it with the aid of cotton and spindles which were available in nature, without human intervention, and therefore transferred no value to the product.

Of this 4 lb. of yarn, in which the whole of the value created in the daily process of spinning is condensed, one half represents the equivalent for the value of the labour consumed, or the 3s. of variable capital, the other half represents the 3s. of surplus-value.

Since 12 hours' labour put in by the spinner are objectified in 6s., it follows that 60 hours' labour are objectified in yarn of the value of 30s. And this quantity of labour-time does in fact exist in the 20 lb. of yarn; for eight-tenths of the yarn, or 16 lb., is a materialization of the 48 hours' labour expended before the beginning of the spinning process on the means of production; the other two-tenths, or 4 lb., is a materialization of the 12 hours' labour expended during the process itself.

On a former page* we saw that the value of the yarn is equal to the new value created during the production of that yarn plus the value previously existing in the means of production. It has now been shown how the different constituents of the value of the product, distinguished according to their function or according to their concept, may be represented by corresponding proportional parts of the product itself.

In this way, the product, i.e. the result of the process of production, is split up into different parts, one part representing only the labour previously spent on the means of production, or the constant capital, another part only the necessary labour spent during the process of production, or the variable capital, and another and last part only the surplus labour expended during the process, or the surplus-value. The decomposition of the product is as simple a task as it is important; this will be seen later when we apply it to complex and hitherto unsolved problems.

So far we have treated the total product as the final result, ready for use, of a working day of 12 hours. We can, however, also follow this total product through all the stages of its production; and in this way we shall arrive at the same result as before if we represent the partial products, precipitated at different stages, as functionally distinct parts of the final or total product.

The spinner produces 20 lb. of yarn in 12 hours. Hence he produces 1⅔ lb. in 1 hour, and 13⅓ lb. in 8 hours, or a partial product equal in value to all the cotton that is spun in a whole day. Similarly, the partial product of the next period of 1 hour and 36 minutes is 2⅔ lb. of yarn. This represents the value of the instruments of labour that are consumed in 12 hours. In the following hour and 12 minutes the spinner produces 2 lb. of yarn worth 3s., a value equal to the whole value he creates in his 6 hours of necessary labour. Finally, in the last hour and 12 minutes he produces another 2 lb. of yarn, whose value is equal to the surplus-value created by his surplus labour in the course of half a day. This method of calculation serves the English manufacturer for everyday use; it shows, he will say, that in the first 8 hours, or ⅔ of the working day, he gets back the value of his cotton; and so on for the remaining hours. It is also a perfectly correct method, since it is in fact the first method given above, only transferred from the spatial sphere, in which the different parts of the completed product lie side by side, to the temporal sphere, in which those parts are produced in succession. But it can also be accompanied by very barbaric notions, especially in the heads of people who are as much interested, practically, in the valorization process, as they are, theoretically, in misunderstanding it. It may be imagined, for instance, that our spinner produces or replaces in the first 8 hours of the working day the value of the cotton, in the following hour and 36 minutes the value of the deterioration in the instruments of labour, in the next hour and 12 minutes the value of his wages, and finally that he devotes only the famous 'last hour' to the production of surplus-value for the factory-owner. In this way the spinner is made to perform the twofold miracle not only of producing cotton, spindles, steam-engine, coal, oil, etc., at the same time as he is using them to spin, but also of turning one working day of a given level of intensity into five similar days. For, in the example we are considering, the production of the raw material and the instruments of labour requires 24 divided by 6 = 4 working days of 12 hours each, and their conversion into yarn requires another such day. That the love of profit induces an easy belief in such miracles, and that there is no lack of sycophantic doctrinaires to prove their existence is demonstrated by the following famous historical example.

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*In the discussion of the valorization process, p. 297.

3. SENIOR'S 'LAST HOUR'

One fine morning, in the year 1836, Nassau W. Senior, who may be called the Clauren* of the English economists, a man famed both for his economic science and his beautiful style, was summoned from Oxford to Manchester, to learn in the latter place the political economy he taught in the former. The manufacturers chose him as their prize-fighter, not only against the newly passed Factory Act† but against the Ten Hours' Agitation which aimed to go beyond it. With their usual practical acuteness they had realized that the learned professor 'wanted a good deal of finishing'; that is why they invited him to Manchester. For his part, the professor has embodied the lecture he received from the Manchester manufacturers in a pamphlet entitled *Letters on the Factory Act, as it Affects the Cotton Manufacture* (London, 1837). Here we find, amongst other things, the following edifying passage:

'Under the present law, no mill in which persons under 18 years of age are employed ... can be worked more than 11½ hours a day, that is, 12 hours for 5 days in the week, and 9 on Saturday. Now the following analysis (!) will show that in a mill so worked, the whole net profit is derived from the last hour. I will suppose a manufacturer to invest £100,000 – £80,000 in his mill and machinery, and £20,000 in raw material and wages. The annual return of that mill, supposing the capital to be turned once a year, and gross profits to be 15 per cent, ought to be goods worth £115,000 ... Of this £115,000 each of the twenty-three half-hours of work produces five 115ths, or one 23rd. Of these twenty-three 23rds (constituting the whole £115,000), twenty, that is to say £100,000 out of the £115,000, simply replace the capital; one 23rd (or £5,000 out of the £115,000) makes up for the deterioration of the mill and machinery. The remaining two 23rds, that is the last two of the twenty-three half-hours of every day, produce the net profit of 10 per cent. If, therefore (prices remaining the same), the factory could be kept at work 13 hours instead of 11½, with an addition of about £2,600 to the circulating capital, the net profit would be more than doubled. On the other hand, if the hours of working were reduced by one hour per day (prices remaining the same), the net profit would be destroyed – if they were reduced by one hour and a half, even the gross profit would be destroyed.'[10]

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*Heinrich Clauren (1771–1854) was a writer of sentimental novels and short stories.

†The reference here is to the Factory Act of 1833, discussed in detail below, on pp. 390–93.

And the professor calls this an 'analysis'! If he believed the outcries of the manufacturers to the effect that the workers spent the best part of the day in the production, i.e. the reproduction or replacement, of the value of the buildings, machinery, cotton, coal, etc., then his analysis was superfluous. His answer could simply have been this: 'Gentlemen! If you work your mills for 10 hours instead of 11½, then, other things being equal, the daily consumption of cotton, machinery etc. will decrease in proportion. You gain just as much as you lose. Your workpeople will in future spend one hour and a half less time in reproducing or replacing the capital advanced.' If, on the other hand, he did not take them at their word but, being an expert in such matters, considered it necessary to undertake an analysis, then he ought, in a question which turns exclusively on the relation of the net profit to the length of the working day, above all to have asked the manufacturers to be careful not to lump together machinery, workshops, raw material and labour, but to be good enough to place the constant capital, invested in buildings, machinery, raw material etc., on one side of the account and the capital advanced in wages on the other side. If it then turned out that, according to the calculations of the manufacturers, the worker reproduced or replaced his wages in 2 half hours, in that case, he should have continued his analysis as follows: 'According to your figures, the workman produces his wages in the last hour but one, and your surplus-value, or net profit, in the last hour. Now, since in equal periods he produces equal values, the product of the last hour but one must have the same value as that of the last hour. Further, it is only while he works that he produces any value at all, and the quantity of work he does is measured by his labour-time. This you say amounts to 11½ hours a day. He employs one portion of these 11½ hours in producing or replacing his wages, and the remaining portion in producing your net profit. Beyond this he does absolutely nothing. But since, on your assumption, his wages and the surplus-value he provides are of equal value, it is clear that he produces his wages in 5¾ hours, and your net profit in the other 5¾ hours. Again, since the value of the yarn produced in 2 hours is equal to the sum of the value of his wages and of your net profit, the measure of the value of this yarn must be 11½ working hours, of which 5¾ hours measure the value of the yarn produced in the last hour but one, and 5¾ hours the value of the yarn produced in the last hour of all. We now come to a ticklish point, so watch out! The last working hour but one is, like the first, an ordinary working hour, neither more nor less. How then can the spinner produce in one hour, in the shape of yarn, a value that embodies 5¾ hours' labour? The truth is that he does not perform any such miracle. The use-value produced by him in one hour is a definite quantity of yarn. The value of this yarn is measured by 5¾ working hours, of which 4¾ were, without any assistance from him, previously embodied in the means of production, in the cotton, the machinery, and so on; the remaining one hour alone is added by him. Therefore, since his wages are produced in 5¾ hours, and the yarn produced in one hour also contains 5¾ hours' work, there is no witchcraft in the result that the value created by his 5¾ hours of spinning is equal to the value of the product spun in one hour. You are altogether on the wrong track, if you think that he loses a single moment of his working day in reproducing or replacing the values of the cotton, the machinery and so on. On the contrary, it is because his labour converts the cotton and the spindles into yarn, because he spins, that the values of the cotton and spindles go over to the yarn of their own accord. This is a result of the quality of his labour, not its quantity. It is true that he will transfer to the yarn more value, in the shape of cotton, in one hour than he will in half an hour. But that is only because in one hour he spins up more cotton than in half an hour. You see then that your assertion that the workman produces, in the last hour but one, the value of his wages, and in the last hour your net profit, amounts to no more than this, that in the yarn produced by him in 2 working hours, whether they are the 2 first or the 2 last hours of the working day, there are incorporated 11½ working hours, i.e. precisely as many hours as there are in his working day. And my assertion that in the first 5¾ hours he produces his wages, and in the last 5¾ hours your net profit, amounts only to this, that you pay him for the former, but not for the latter. In speaking of payment of labour, instead of payment of labour-power, I am only using your own slang expression. Now gentlemen, if you compare the working time you pay for with the working time you do not pay for, you will find that they are related to each other as half a day is to half a day; this gives a rate of 100 per cent, and a very pretty percentage it is. Further, there is not the least doubt that if you make your "hands" toil for 13 hours instead of 11½, and as may be expected from you, if you treat the work done in that extra one hour and a half as pure surplus labour, then the latter will be increased from 5¾ hours' labour to 7¼ hours' labour, and the rate of surplus-value will go up from 100 per cent to $126\frac{2}{23}$ per cent. So that you are altogether too sanguine in expecting that by such an addition of 1½ hours to the working day the rate will rise from 100 per cent to 200 per cent and more, in other words that it will be "more than doubled". On the other hand – the heart of man is a wonderful thing, especially when it is carried in his wallet – you take too pessimistic a view when you fear that a reduction of the hours of labour from 11½ to 10 will sweep away the whole of your net profit. Not at all. All other conditions remaining the same, the surplus labour will fall from 5¾ hours to 4¾ hours, a period that still gives a very profitable rate of surplus-value, namely $82\frac{14}{23}$ per cent. But this fateful "last hour" about which you have invented more stories than the millenarians about the Day of Judgement, is "all bosh". If it goes, it will not cost you your "pure profit", nor will it cost the boys and girls you employ their "pure minds".[11]

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[10] Senior, op. cit., pp. 12–13. We let pass such extraordinary notions as are of no importance here; for instance, the assertion that manufacturers reckon as part of their profit, gross or net, dirty or pure, the amount required to make good wear and tear of machinery, or in other words to replace a part of the capital. So too, we pass over any question as to the accuracy of Senior's figures. Leonard Horner has shown in *A Letter to Mr Senior etc.*, London, 1837, that they are worth no more than the so-called 'analysis'. Leonard Horner was one of the Factory Inquiry Commissioners in 1833, and Inspector, or rather Censor of Factories, till 1859. His services to the English working class will never be forgotten. He carried on a life-long contest, not only with the embittered manufacturers, but also with the Cabinet, to whom the number of votes cast in their favour by the masters in the House of Commons was a matter of far greater importance than the number of hours worked by the 'hands' in the mills. Apart from errors in its content, Senior's presentation is confused. What he really intended to say was this: The manufacturer employs the worker for 11½ hours, or 23 half hours, but each multiplied by the number of working days in the year. On this assumption, the 23 half hours yield an annual product of £115,000; one half hour yields 1/23 × £115,000; 20 half hours yield 20/23 × £115,000 = £100,000, i.e. they simply replace the capital advanced. There remain 3 half hours, which yield 3/23 × £115,000 = £15,000, or the gross profit. Of these 3 half hours, one yields 1/23 × £115,000 = £5,000; i.e. it makes up for the wear and tear of the machinery; the remaining 2 half hours, i.e. the last hour, yield 2/23 × £115,000 = £10,000, or the net profit. In the text Senior converts the last 2/23 of the product into portions of the working day itself.

[11] If, on the one hand, Senior demonstrated that the net profit of the manufacturer, the existence of the English cotton industry and England's

command of the markets of the world depend on 'the last hour of work', on the other hand Dr Andrew Ure showed that if children and young persons under 18 years of age, instead of being kept the full 12 hours in the warm and pure moral atmosphere of the factory, are turned out an hour sooner into the heartless and frivolous outer world, they will be deprived, owing to idleness and vice, of all hope of salvation for their souls.* Since 1848, the factory inspectors have never tired of teasing the factory-owners about this 'last', this 'fatal hour'. Thus Mr Howell says in his report of the 21 May 1855: 'Had the following ingenious calculation' (he quotes Senior) 'been correct, every cotton factory in the United Kingdom would have been working at a loss since the year 1850' (*Reports of the Inspectors of Factories . . . 30 April 1855*, pp. 19–20). In the year 1848, after the passing of the Ten Hours' Bill, the masters of a number of flax-spinning mills, which lie scattered over the countryside on the borders of Dorset and Somerset, foisted a petition against the bill onto a few of their workers. One of the clauses of this petition is as follows: 'Your petitioners, as parents, conceive that an additional hour of leisure will tend more to demoralize the children than otherwise, believing that idleness is the parent of vice.' On this the factory report of 31 October 1848 says: 'The atmosphere of the flax mills, in which the children of these virtuous and tender parents work, is so loaded with dust and fibre from the raw material that it is exceptionally unpleasant to stand even 10 minutes in the spinning rooms for you are unable to do so without the most painful sensation, owing to the eyes, the ears, the nostrils, and the mouth being immediately filled by the clouds of flax dust from which there is no escape. The labour itself, owing to the feverish haste of the machinery, demands unceasing application of skill and movement, under the control of a watchfulness that never tires, and it seems somewhat hard, to let parents apply the term "idling" to their own children, who, after allowing for meal-times, are fettered for 10 whole hours to such an occupation, in such an atmosphere . . . These children work longer than the labourers in the neighbouring villages . . . Such cruel talk about "idleness and vice" ought to be branded as the purest cant, and the most shameless hypocrisy . . . That portion of the public, who, about twelve years ago, were struck by the assurance with which, under the sanction of high authority, it was publicly and most earnestly proclaimed, that the whole net profit of the manufacturer flows from the labour of the last hour, and that, therefore, the reduction of the working day by one hour would destroy his net profit, that portion of the public, we say, will hardly believe its eyes, when it now finds that the original discovery of the virtues of 'the last hour' has since been so far improved as to include morals as well as profit; so that, if the duration of the labour of children is reduced to a full 10 hours, their morals together with the net profits of their employers, will vanish, both being dependent on this last, this fatal hour' (see *Reports of the Inspectors of Factories . . . 31 October 1848*, p. 101). The same report then gives some examples of the morality and virtue of these same manufacturers, of the tricks, artifices, temptations, threats and falsifications they made use of in order, first, to compel a few defenceless workers to sign petitions of such a kind, and then to impose them on Parliament as the petitions of a whole branch of industry, or of whole counties. It is highly characteristic of the

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* A. Ure, *The Philosophy of Manufactures*, London, 1835, p. 406.

Whenever your "last hour" strikes in earnest, think of the Oxford professor. And now, gentlemen, farewell, and may we meet again in a better world, but not before.'[12] . . . The battle-cry of the 'last hour', invented by Senior in 1836, was raised once again in the London *Economist* of 15 April 1848 by James Wilson, an economic mandarin of high standing, in a polemic against the Ten Hours' Bill.*

4. THE SURPLUS PRODUCT

We call the portion of the product that represents surplus-value (i.e. one-tenth of the 20 lb., or 2 lb. of yarn, in the example given above) by the name of 'surplus product' (*Mehrprodukt, produit net*). Just as the rate of surplus-value is determined by its relation, not to the sum total of the capital, but to its variable part, in the same way, the relative amount of the surplus product is determined by its ratio, not to the remaining part of the total product, but to that part of it in which necessary labour is incorporated. Since the production of surplus-value is the determining purpose of capitalist production, the size of a given quantity of wealth

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present status of so-called economic 'science' that neither Senior himself, who at a later period, be it said to his credit, energetically supported the factory legislation, nor his opponents, have ever at any time been able to explain why the 'original discovery' led to false conclusions. They appealed to actual experience, hence the 'why and wherefore' of the matter remained a mystery.

[12] Nevertheless, the learned professor did profit to some extent from his journey to Manchester. In his *Letters on the Factory Act* he makes the whole net gain, including 'profit' and 'interest', and even 'something more', depend on a single hour of unpaid labour put in by the worker. One year previously, in his *Outline of Political Economy* written for the instruction of Oxford students and cultivated philistines, he had also 'discovered', in opposition to Ricardo's determination of value by labour, that profit is derived from the labour of the capitalist, and interest from his asceticism, in other words from his 'abstinence'. The dodge was an old one, but the word 'abstinence' was new. Roscher translated it correctly into German with the word '*Enthaltung*'. But some of his countrymen, not so well versed in Latin, have produced a version with a monkish flavour: *Entsagung.**

* 'Renunciation (of worldly pleasures)'.

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*James Wilson (1805–60), founder in 1843 of the *Economist*, a strongly free-trade organ. He opposed the Bank Act of 1844, was an M.P. between 1847 and 1859, Financial Secretary to the Treasury between 1853 and 1858, and a financial member of the Council of India between 1859 and 1860.

must be measured, not by the absolute quantity produced, but by the relative magnitude of the surplus product.[13]

The sum of the necessary labour and the surplus labour, i.e. the sum of the periods of time during which the worker respectively replaces the value of his labour-power and produces the surplus-value, constitutes the absolute extent of his labour-time, i.e. the working day.

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[13] 'To an individual with a capital of £20,000, whose profits were £2,000 per annum, it would be a matter quite indifferent whether his capital would employ a hundred or a thousand men, whether the commodity produced sold for £10,000 or £20,000, provided, in all cases, his profit were not diminished below £2,000. Is not the real interest of the nation similar? Provided its net real income, its rent and profits, be the same, it is of no importance whether the nation consists of 10 or of 12 millions of inhabitants' (Ricardo, op. cit., p. 416). Long before Ricardo, Arthur Young, a fanatical advocate of the surplus product, and apart from that a rambling, uncritical writer whose reputation is inversely related to his merits, said this: 'Of what use, in a modern kingdom, would be a whole province thus divided, in the old Roman manner, by small independent peasants, however well cultivated, except for the mere purpose of breeding men, which taken singly is a most useless purpose?' (Arthur Young, *Political Arithmetic, etc.*, London, 1774, p. 47). Very curious is 'the strong inclination . . . to represent net wealth as beneficial to the labouring class . . . though it is evidently not on account of being net' (T. Hopkins, *On Rent of Land, etc.*, London, 1828, p. 126).

Chapter 10: The Working Day

1. THE LIMITS OF THE WORKING DAY

We began with the assumption that labour-power is bought and sold at its value. Its value, like that of all other commodities, is determined by the labour-time necessary to produce it. If it takes 6 hours to produce the average daily means of subsistence of the worker, he must work an average of 6 hours a day to produce his daily labour-power, or to reproduce the value received as a result of its sale. The necessary part of his working day amounts to 6 hours, and is therefore, other things being equal, a given quantity. But with this the extent of the working day itself is not yet given.

Let us assume that a line A ------ B represents the length of the necessary labour-time, say 6 hours. If the labour is prolonged beyond AB by 1, 3 or 6 hours, we get three other lines:

Working day I: A ------ B - C
Working day II: A ------ B --- C
Working day III: A ------ B ------ C

which represent three different working days of 7, 9 and 12 hours. The extension BC of the line AB represents the length of the surplus labour. As the working day is AB + BC, or AC, it varies with the variable magnitude BC. Since AB is constant, the ratio of BC to AB can always be calculated. In working day I, it is one-sixth, in working day II, three-sixths, in working day III, six-sixths of AB. Since, further, the ratio of surplus labour-time to necessary labour-time determines the rate of surplus-value, the latter is given by the ratio of BC to AB. It amounts in the three different working days respectively to 16⅔, 50 and 100 per cent. On the other hand, the rate of surplus-value alone would not give us the extent of the working day. If this rate were 100 per cent, the working day might be of 8, 10, 12 or more hours. It would indicate that the two constituent parts of the working day, necessary labour-time and surplus labour-time, were equal in extent, but not how long each of these two constituent parts was.

The working day is thus not a constant, but a variable quantity. One of its parts, certainly, is determined by the labour-time required for the reproduction of the labour-power of the worker himself. But its total amount varies with the duration of the surplus labour. The working day is therefore capable of being determined, but in and for itself indeterminate.[1]

Although the working day is not a fixed but a fluid quantity, it can, on the other hand, vary only within certain limits. The minimum limit, however, cannot be determined. Of course, if we make the extension line BC, or the surplus labour, equal to zero, we have a minimum limit, i.e. the part of the day in which the worker must necessarily work for his own maintenance. Under the capitalist mode of production, however, this necessary labour can form only a part of the working day; the working day can never be reduced to this minimum. On the other hand, the working day does have a maximum limit. It cannot be prolonged beyond a certain point. This maximum limit is conditioned by two things. First by the physical limits to labour-power. Within the 24 hours of the natural day a man can only expend a certain quantity of his vital force. Similarly, a horse can work regularly for only 8 hours a day. During part of the day the vital force must rest, sleep; during another part the man has to satisfy other physical needs, to feed, wash and clothe himself. Besides these purely physical limitations, the extension of the working day encounters moral obstacles. The worker needs time in which to satisfy his intellectual and social requirements, and the extent and the number of these requirements is conditioned by the general level of civilization. The length of the working day therefore fluctuates within boundaries both physical and social. But these limiting conditions are of a very elastic nature, and allow a tremendous amount of latitude. So we find working days of many different lengths, of 8, 10, 12, 14, 16 and 18 hours.

The capitalist has bought the labour-power at its daily value. The use-value of the labour-power belongs to him throughout one working day. He has thus acquired the right to make the worker work for him during one day. But what is a working day?[2] At all events, it is less than a natural day. How much less? The capitalist has his own views of this point of no return, the necessary limit of the working day. As a capitalist, he is only capital personified. His soul is the soul of capital. But capital has one sole driving force, the drive to valorize itself, to create surplus-value, to make its constant part, the means of production, absorb the greatest possible amount of surplus labour.[3] Capital is dead labour which, vampire-like, lives only by sucking living labour, and lives the more, the more labour it sucks. The time during which the worker works is the time during which the capitalist consumes the labour-power he has bought from him.[4] If the worker consumes his disposable time for himself, he robs the capitalist.[5]

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[1] 'A day's labour is vague, it may be long or short' (*An Essay on Trade and Commerce, Containing Observations on Taxes, etc.*, London, 1770, p. 73).

The capitalist therefore takes his stand on the law of commodity-exchange. Like all other buyers, he seeks to extract the maximum possible benefit from the use-value of his commodity. Suddenly, however, there arises the voice of the worker, which had previously been stifled in the sound and fury of the production process:

'The commodity I have sold you differs from the ordinary crowd of commodities in that its use creates value, a greater value than it costs. That is why you bought it. What appears on your side as the valorization of capital is on my side an excess expenditure of labour-power. You and I know on the market only one law, that of the exchange of commodities. And the consumption of the commodity belongs not to the seller who parts with it, but to the buyer who acquires it. The use of my daily labour-power therefore belongs to you. But by means of the price you pay for it every day, I must be able to reproduce it every day, thus allowing myself to sell it again. Apart from natural deterioration through age etc., I must be able to work tomorrow with the same normal amount of strength, health and freshness as today. You are constantly preaching to me the gospel of "saving" and "abstinence". Very well! Like a sensible, thrifty owner of property I will husband my sole wealth, my labour-power, and abstain from wasting it foolishly. Every day I will spend, set in motion, transfer into labour only as much of it as is compatible with its normal duration and healthy development. By an unlimited extension of the working day, you may in one day use up a quantity of labour-power greater than I can restore in three. What you gain in labour, I lose in the substance of labour. Using my labour and despoiling it are quite different things. If the average length of time an average worker can live (while doing a reasonable amount of work) is 30 years, the value of my labour-power, which you pay me from day to day, is $\frac{1}{365 \times 30}$ or $\frac{1}{10{,}950}$ of its total value. But if you consume it in 10 years, you pay me daily $\frac{1}{10{,}950}$ instead of $\frac{1}{3{,}650}$ of its total value, i.e. only one-third of its daily value, and you therefore rob me every day of two-thirds of the value of my commodity. You pay me for one day's labour-power, while you use three days of it. That is against our contract and the law of commodity exchange. I therefore demand a working day of normal length, and I demand it without any appeal to your heart, for in money matters sentiment is out of place. You may be a model citizen, perhaps a member of the R.S.P.C.A., and you may be in the odour of sanctity as well; but the thing you represent when you come face to face with me has no heart in its breast. What seems to throb there is my own heartbeat. I demand a normal working day because, like every other seller, I demand the value of my commodity.'[6]

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[2] This question is far more important than the celebrated question of Sir Robert Peel to the Birmingham Chamber of Commerce: What is a pound? Peel was able to pose this question only because he was as much in the dark about the nature of money as the 'little shilling men'* of Birmingham.

[3] 'It is the aim of the capitalist to obtain with his expended capital the greatest possible quantity of labour (*d'obtenir du capital dépensé la plus forte somme de travail possible*)' (J. G. Courcelle-Seneuil, *Traité théorique et pratique des entreprises industrielles*, 2nd edn, Paris, 1857, p. 63).

[4] 'An hour's labour lost in a day is a prodigious injury to a commercial State . . . There is a very great consumption of luxuries among the labouring poor of this kingdom: particularly among the manufacturing populace, by which they also consume their time, the most fatal of consumptions' (*An Essay on Trade and Commerce, etc.*, pp. 47, 153).

[5] 'If the free worker rests for an instant, the base and petty management which watches over him with wary eyes claims he is stealing from it' (N. Linguet, *Théorie des lois civiles, etc.*, London, 1767, Vol. 2, p. 466).

*The followers of the banker and Radical M.P. Thomas Attwood (1783–1856) of Birmingham, so called because they advocated the repayment of creditors in shillings of a reduced gold content, as a way of solving the currency problems incurred at the end of the Napoleonic Wars. See *A Contribution to the Critique of Political Economy*, English edition, pp. 81–3.

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[6] During the great strike of the London building workers [1859–60] for the reduction of the working day to 9 hours, their committee published a manifesto that contained, to some extent, the plea of our worker. The manifesto alludes, not without irony, to the fact that the greatest profit-

We see then that, leaving aside certain extremely elastic restrictions, the nature of commodity exchange itself imposes no limit to the working day, no limit to surplus labour. The capitalist maintains his rights as a purchaser when he tries to make the working day as long as possible, and, where possible, to make two working days out of one. On the other hand, the peculiar nature of the commodity sold implies a limit to its consumption by the purchaser, and the worker maintains his right as a seller when he wishes to reduce the working day to a particular normal length. There is here therefore an antinomy, of right against right, both equally bearing the seal of the law of exchange. Between equal rights, force decides. Hence, in the history of capitalist production, the establishment of a norm for the working day presents itself as a struggle over the limits of that day, a struggle between collective capital, i.e. the class of capitalists, and collective labour, i.e. the working class.

2. THE VORACIOUS APPETITE FOR SURPLUS LABOUR. MANUFACTURER AND BOYAR

Capital did not invent surplus labour. Wherever a part of society possesses the monopoly of the means of production, the worker, free or unfree, must add to the labour-time necessary for his own maintenance an extra quantity of labour-time in order to produce the means of subsistence for the owner of the means of production,[7] whether this proprietor be an Athenian καλὸς κ’ἀγαθός,* an Etruscan theocrat, a *civis romanus*, a Norman baron, an American slave-owner, a Wallachian boyar, a modern landlord or a capital-

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monger among the building masters, a certain Sir M. Peto, was in the 'odour of sanctity'.* (The same Peto, after 1867, came to an end *à la* Strousberg.)†

[7] 'Those who labour ... in reality feed both the pensioners, called the rich, and themselves' (Edmund Burke, op. cit., pp. 2–3).

*Peto was a Baptist, a benefactor to various chapels, and the author in 1842 of a pamphlet entitled *Divine Support in Death*.

†The bankruptcy of Peto's firm was in fact in 1866; the allusion here is to the bankruptcy of the German financier and speculator B. H. Strousberg in St Petersburg in 1875 and his subsequent expulsion from Russia after being charged with fraud.

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*'Handsome and good': ancient Greek expression for an aristocrat.

ist.[8] It is however clear that in any economic formation of society where the use-value rather than the exchange-value of the product predominates, surplus labour will be restricted by a more or less confined set of needs, and that no boundless thirst for surplus labour will arise from the character of production itself. Hence in antiquity over-work becomes frightful only when the aim is to obtain exchange-value in its independent monetary shape, i.e. in the production of gold and silver. The recognized form of over-work here is forced labour until death. One only needs to read Diodorus Siculus.[9] Nevertheless, these are exceptions in antiquity. But as soon as peoples whose production still moves within the lower forms of slave-labour, the *corvée*, etc. are drawn into a world market dominated by the capitalist mode of production, whereby the sale of their products for export develops into their principal interest, the civilized horrors of over-work are grafted onto the barbaric horrors of slavery, serfdom etc. Hence the Negro labour in the southern states of the American Union preserved a moderately patriarchal character as long as production was chiefly directed to the satisfaction of immediate local requirements. But in proportion as the export of cotton became of vital interest to those states, the over-working of the Negro, and sometimes the consumption of his life in seven years of labour, became a factor in a calculated and calculating system. It was no longer a question of obtaining from him a certain quantity of useful products, but rather of the production of surplus-value itself. The same is true of the *corvée*, in the Danubian Principalities for instance.

The comparison of the appetite for surplus labour in the Danubian Principalities with the same appetite as found in English factories has a special interest, because the *corvée* presents surplus labour in an independent and immediately perceptible form.

Suppose the working day consists of 6 hours of necessary

[8] Niebuhr remarks very naïvely in his *Roman History*: 'It is evident that monuments like those of the Etruscans, which astound us even in their ruins, presuppose lords and vassals in small (!) states.' Sismondi, with deeper insight, says that 'Brussels lace' presupposes wage-lords and wage-slaves.

[9] 'One cannot see these unfortunates' (in the gold mines between Egypt, Ethiopia and Arabia) 'who are unable even to keep their bodies clean or to clothe their nakedness, without pitying their miserable lot. There is no indulgence, no forbearance for the sick, the feeble, the aged, or for feminine weaknesses. All, forced by blows, must work on until death puts an end to their sufferings and their distress' (Diodorus Siculus, *Historische Bibliothek*, Bk III, Ch. 13).

labour and 6 hours of surplus labour. Then the free worker gives the capitalist 6 × 6 or 36 hours of surplus labour every week. It is the same as if he worked 3 days in the week for himself and 3 days in the week gratis for the capitalist. But this fact is not directly visible. Surplus labour and necessary labour are mingled together. I can therefore express the same relation by saying for instance that in every minute the worker works 30 seconds for himself and 30 seconds for the capitalist, etc. It is otherwise with the *corvée.* The necessary labour which the Wallachian peasant performs for his own maintenance is distinctly marked off from his surplus-labour on behalf of the boyar. The one he does on his own field, the other on the seignorial estate. Both parts of the labour-time thus exist independently, side by side with each other. In the *corvée* the surplus labour is accurately marked off from the necessary labour. However, this clearly alters nothing in the quantitative relation of surplus labour to necessary labour. Three days' surplus labour in the week remain three days that yield no equivalent to the worker himself, whether the surplus labour is called *corvée* or wage-labour. But in the capitalist the appetite for surplus labour appears in the drive for an unlimited extension of the working day, while in the boyar it appears more simply in a direct hunt for days of *corvée.*[10]

In the Danubian Principalities the *corvée* was linked with rents in kind and other appurtenances of serfdom, but it formed the most important tribute paid to the ruling class. Where this was the case, the *corvée* rarely arose from serfdom; instead serfdom arose, inversely, from the *corvée.*[11] This is what took place in the

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[10] What follows refers to the situation in the Romanian provinces before the transformations which have occurred since the Crimean War.*

[11] [Note by Engels to the third German edition:] This is also true of Germany, and especially of Prussia east of the Elbe. In the fifteenth century the German peasant was nearly everywhere a man who, though subject to certain obligations in the form of produce and labour, was otherwise at least in practice free. The German colonists in Brandenburg, Pomerania, Silesia and East Prussia were even legally acknowledged as free men. The victory of the nobility in the Peasants' War put an end to that. Not only were the conquered South German peasants again enslaved, but also, after the middle of the sixteenth century, the peasants of East Prussia, Brandenburg, Pomerania and Silesia were degraded to the condition of serfs. Soon afterwards the free peasants of Schleswig-Holstein followed them. (Maurer, *Fronhöfe*, Vol. 4; Meitzen, *Der Boden des Preussischen Staates*; Hanssen, *Leibeigenschaft in Schleswig-Holstein.*)

*The agrarian reforms of the 1860s, which included the abolition of serfdom (see p. 271, last note).

Romanian provinces. Their original mode of production was based on communal property, but not communal property in its Slav or Indian form. Part of the land was cultivated independently as free private property by the members of the commune, another part – the *ager publicus* – was cultivated by them in common. The products of this common labour served partly as a reserve fund against bad harvests and other misfortunes, partly as a kind of state treasury to cover the costs of war, religion and other communal expenses. In the course of time military and clerical dignitaries usurped the communal land, and along with this the obligations owed to it. The labour of the free peasants on their communal land was transformed into *corvée* performed for the thieves who had taken that land. This *corvée* soon developed into a servile relationship existing in point of fact, though not legally, until Russia, the liberator of the world, raised it to the level of a law on the pretext of abolishing serfdom.* The code of the *corvée*, which the Russian General Kiselev proclaimed in 1831, was of course dictated by the boyars themselves. Thus, at one stroke, Russia both conquered the magnates of the Danubian Principalities and earned the applause of cretinous liberals throughout Europe.

According to the *Règlement organique*, as this code of the *corvée* is called, every Wallachian peasant owes to the so-called landlord, besides a mass of payments in kind, which are specified in detail, the following: (1) 12 days of labour in general, (2) 1 day of field labour, (3) 1 day of wood-carrying. Taken together, this is 14 days in the year. However, with deep insight into political economy, the working day is not taken in its ordinary sense, but as the working day necessary to the production of an average daily product; and that average daily product is determined in such a sly manner than even a Cyclops would be unable to finish the job within 24 hours. Therefore the *Règlement* itself declares, dryly and with true Russian irony, that by 12 working days one must understand the product of the manual labour of 36 days, by 1 day of field labour 3 days, and by 1 day of wood-carrying, similarly, 3 times as much. The sum total is now 42 days of *corvée*. To this had to be added the so-called *jobbagio*, service due to the lord for emergency requirements. In proportion to the size of its population, every village has to furnish annually a definite contingent to the *jobbagio*. This additional *corvée* is estimated at 14 days for each Wallachian peasant. Thus the prescribed *corvée* amounts to 56 working days every year. But because of the severe climate the agricultural year in Wallachia numbers only 210 days, of which 40 for Sundays and holidays, and 30 on an average for bad weather, together 70 days, do not count. 140 working days remain. The ratio of the *corvée* to the necessary labour 56/84, or 66⅔ per cent, gives a much smaller rate of surplus-value than that which regulates the work of the English agricultural labourer or factory worker. This is, however, only the legally prescribed *corvée.* And in a spirit yet more 'liberal' than the English Factory Acts, the *Règlement organique* was able to facilitate its own evasion. After it has made 56 days out of 12, the nominal day's work of each of the 56 *corvée* days is again so arranged that a portion of it must fall on the next day. In one day, for instance, an amount of land must be weeded which would require twice as much time for this work, particularly on the maize plantations. The legal day's work for some kinds of agricultural labour can be interpreted in such a way that the day begins in the month of May and ends in the month of October. For Moldavia the regulations are even stricter. 'The 12 *corvée* days of the *Règlement organique*,' cried a boyar, drunk with victory, 'amount to 365 days in the year.'[12]

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*The Danubian Principalities were under Russian occupation between 1828 and 1834. General P. D. Kiselev was the viceroy.

If the *Règlement organique* of the Danubian Principalities was a positive expression of the appetite for surplus labour which every paragraph legalized, the English Factory Acts are the negative expression of the same appetite. These laws curb capital's drive towards a limitless draining away of labour-power by forcibly limiting the working day on the authority of the state, but a state ruled by capitalist and landlord. Apart from the daily more threatening advance of the working-class movement, the limiting of factory labour was dictated by the same necessity as forced the manuring of English fields with guano. The same blind desire for profit that in the one case exhausted the soil had in the other case seized hold of the vital force of the nation at its roots. Periodical epidemics speak as clearly on this point as the diminishing military standard of height in France and Germany.[13]

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[12] Further details are to be found in É. Regnault's *Histoire politique et sociale des principautés danubiennes*, Paris, 1855 [pp. 304 ff.].

[13] 'In general and within certain limits, evidence of the prosperity of organic beings is provided by their exceeding the medium size of their kind. As for man, his bodily height diminishes if his due growth is interfered with, either by physical or by social conditions. In all European countries in which

The Factory Act of 1850 now in force (1867) allows 10 hours for the average workingday, i.e. for the first five days 12 hours from 6 a.m. to 6 p.m., including half an hour for breakfast, and an hour for dinner, thus leaving 10½ working hours, and 8 hours for Saturday, from 6 a.m. to 2 p.m., of which half an hour is subtracted for breakfast. 60 working hours are left, 10½ for each of the first 5 days, 7½ for the last.[14] Certain guardians of these laws are appointed, factory inspectors, directly under the Home Secretary, and their reports are published every six months by order of Parliament. They therefore provide regular and official statistics of the voracious appetite of the capitalists for surplus labour.

Let us listen for a moment to the factory inspectors.[15] 'The fraudulent mill-owner begins work a quarter of an hour (some-

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there is conscription, the medium height of adult men, and in general their fitness for military service, has diminished since it was introduced. Before the revolution of 1789 the minimum for the infantry in France was 165 cm.; in 1818 (law of 10 March), 157 cm.; by the law of 21 March 1832, 156 cm.; on an average in France more than half of all the conscripts are rejected on account of deficient height or bodily weakness. The military standard of height in Saxony in 1780 was 178 cm. It is now 155. In Prussia it is 157. According to Dr Meyer's statement of 9 May 1862 in the *Bayrische Zeitung*, taking an average over nine years, in Prussia 716 out of every 1,000 conscripts were unfit for military service, 317 because of deficiency in height, and 399 because of bodily defects . . . Berlin in 1858 could not provide its contingent of recruits; it was 156 men short' (J. von Liebig, *Die Chemie in ihrer Anwendung auf Agrikultur und Physiologie*, 7th edn, Vol. 1, pp. 117–18).

[14] The history of the Factory Act of 1850 will be found later in this chapter.

[15] I only touch here and there on the period from the beginning of modern industry in England to 1845, concerning which I would refer the reader to *Die Lage der arbeitenden Klasse in England*, by Friedrich Engels, Leipzig, 1845 [English translation: *The Condition of the Working Class in England*, Panther, 1969]. How well Engels understood the spirit of the capitalist mode of production is shown by the Factory Reports, Reports on Mines, etc. which have appeared since 1845, and how wonderfully he painted the circumstances in detail is seen on the most superficial comparison of his work with the official reports of the Children's Employment Commission, published eighteen to twenty years later (1863–7). These deal especially with the branches of industry in which the Factory Acts had not, up to 1862, been introduced, and in part remain unintroduced up to the present. Here then, little or no alteration had been enforced by authority in the conditions depicted by Engels. I have taken my examples chiefly from the free-trade period after 1848, that paradisiac age whose commercial travellers spin such fabulous tales to the Germans, so blatantly and with such a total neglect of economic science. In passing, let us note that England figures in the foreground here because it is the classic representative of capitalist production, and is the only country to possess a continuous set of official statistics relating to the matters we are considering.

times more, sometimes less) before 6 a.m., and leaves off a quarter of an hour (sometimes more, sometimes less) after 6 p.m. He takes 5 minutes from the beginning and from the end of the half hour nominally allowed for breakfast, and 10 minutes at the beginning and end of the hour nominally allowed for dinner. He works for a quarter of an hour (sometimes more, sometimes less) after 2 p.m. on Saturday. Thus his gain is:

Before 6 a.m.	15 minutes
After 6 p.m.	15 minutes
At breakfast time	10 minutes
At dinner time	20 minutes
	60 minutes
Total for five days	300 minutes
On Saturday before 6 a.m.	15 minutes
At breakfast time	10 minutes
After 2 p.m.	15 minutes
	40 minutes
Weekly total	340 minutes

Or 5 hours and 40 minutes weekly, which, multiplied by 50 working weeks in the year (allowing two for holidays and occasional stoppages), is equal to 27 working days.'[16]

'Five minutes a day's increased work, multiplied by weeks, are equal to two and a half days of produce in the year.'[17] 'An additional hour a day gained by small instalments before 6 a.m., after 6 p.m., and at the beginning and end of the times nominally fixed for meals, is nearly equivalent to working 13 months in the year.'[18]

Crises during which production is interrupted and the factories work 'short time', i.e. for only a part of the week, naturally do not affect the tendency to extend the working day. The less business there is, the more profit has to be made on the business done. The less time spent in work, the more of that time has to be turned into surplus labour-time. This is how the factory inspectors report on the period of crisis from 1857 to 1858:

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16. 'Suggestions, etc. by Mr L. Horner, Inspector of Factories', in *Factories Regulation Acts*. Ordered by the House of Commons to be printed, 9 August 1859, pp. 4–5.

17. *Reports of the Inspectors of Factories for the Half Year, October 1856*, p. 35.

18. *Reports, etc. . . . 30 April 1858*, p. 9.

'It may seem inconsistent that there should be any over-working at a time when trade is so bad; but that very badness leads to the transgression by unscrupulous men, they get the extra profit of it . . . In the last half year,' says Leonard Horner, '122 mills in my district have been given up; 143 were found standing, yet overwork is continued beyond the legal hours.'[19] 'For a great part of the time,' says Mr Howell, 'owing to the depression of trade, many factories were altogether closed, and a still greater number were working short time. I continue, however, to receive about the usual number of complaints that half, or three-quarters of an hour in the day, are snatched from the workers by encroaching upon the times professedly allowed for rest and refreshment.'[20]

The same phenomenon was repeated on a smaller scale during the frightful cotton crisis from 1861 to 1865.[21] 'It is sometimes advanced by way of excuse, when persons are found at work in a factory, either at a meal hour, or at some illegal time, that they will not leave the mill at the appointed hour, and that compulsion is necessary to force them to cease work' (cleaning their machinery, etc.) 'especially on Saturday afternoons. But, if the hands remain in a factory after the machinery has ceased to revolve . . . they would not have been so employed if sufficient time had been set apart specially for cleaning, etc., either before 6 a.m. or before 2 p.m. on Saturday afternoons.'[22]

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[19] ibid., p. 10.

[20] ibid., p. 25.

[21] *Reports, etc., for the Half Year ending 30 April 1861.* See Appendix No. 2; *Reports, etc., 31 October 1862,* pp. 7, 52, 53. Violations of the Acts became more numerous during the last half of the year 1863. Cf. *Reports, etc., ending 31 October 1863,* p. 7.

[22] *Reports, etc., 31 October 1860,* p. 23. With what fanaticism, according to the evidence of manufacturers given in courts of law, their hands set themselves against every interruption in factory labour, is shown by the following curious incident. At the beginning of June 1836, information reached the magistrates of Dewsbury (Yorkshire) that the owners of eight large mills in the neighbourhood of Batley had violated the Factory Act. Some of these gentlemen were accused of having kept five boys between 12 and 15 years of age at work from 6 a.m. on Friday to 4 p.m. on the following Saturday, not allowing them any respite except for meals and one hour for sleep at midnight. And these children had to do this ceaseless labour of 30 hours in the 'shoddy-hole', the name for the hole where the woollen rags are pulled to pieces, and where a dense atmosphere of dust, shreds, etc. forces even the adult worker to cover his mouth continually with handkerchiefs for the protection of his lungs! The accused gentlemen affirmed in lieu of taking an oath – as Quakers they were too scrupulously religious to take an oath – that they had, in their

'The profit to be gained by it' (over-working in violation of the Act) 'appears to be, to many, a greater temptation than they can resist; they calculate upon the chance of not being found out; and when they see the small amount of penalty and costs, which those who have been convicted have had to pay, they find that if they should be detected there will still be a considerable balance of gain ...'[23] 'In cases where the additional time is gained by a multiplication of small thefts in the course of the day, there are insuperable difficulties to the inspectors making out a case.'[24]

These 'small thefts' of capital from the workers' meal-times and recreation times are also described by the factory inspectors as 'petty pilferings of minutes',[25] 'snatching a few minutes'[26] or, in the technical language of the workers, 'nibbling and cribbling at meal-times'.[27]

It is evident that in this atmosphere the formation of surplus-value by surplus labour is no secret. 'If you allow me (as I was informed by a highly respectable master) to work only ten minutes in the day over-time, you put one thousand a year in my pocket.'[28] 'Moments are the elements of profit.'[29]

In this connection, nothing is more characteristic than the designation of the workers who work full time as 'full-timers', and the children under 13 who are only allowed to work six hours as 'half-timers'.[30] The worker is here nothing more than personified

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great compassion for the unhappy children, allowed them four hours for sleep, but the obstinate children absolutely would not go to bed. The Quaker gentlemen were fined £20. Dryden anticipated the attitude of these Quakers:

> 'Fox full fraught in seeming sanctity,
> That feared an oath, but like the devil would lie,
> That look'd like Lent, and had the holy leer,
> And durst not sin! before he said his prayer!'*

[23] *Reports, etc., 31 October 1856*, p. 34.

[24] ibid., p. 35.

[25] ibid., p. 48.

[26] ibid., p. 48.

[27] ibid., p. 48.

[28] ibid., p. 48.

[29] *Reports of the Inspectors of Factories for 30 April 1860*, p. 56.

[30] This is the official expression both in the factories and in the reports.

*Dryden, 'The Cock and the Fox: or, the Tale of the Nun's Priest' (1700), lines 480–88. 'Fox' in the first line is presumably George Fox (1624–91), the founder of the Quaker sect.

labour-time. All individual distinctions are obliterated in that between 'full-timers' and 'half-timers'.

3. BRANCHES OF ENGLISH INDUSTRY WITHOUT LEGAL LIMITS TO EXPLOITATION

So far, we have observed the drive towards the extension of the working day, and the werewolf-like hunger for surplus labour, in an area where capital's monstrous outrages, unsurpassed, according to an English bourgeois economist, by the cruelties of the Spaniards to the American red-skins,[31] caused it at last to be bound by the chains of legal regulations. Now let us cast a glance at certain branches of production in which the exploitation of labour is either still unfettered even now, or was so yesterday.

'Mr Broughton Charlton, county magistrate, declared, as chairman of a meeting held at the Assembly Rooms, Nottingham, on 14 January 1860, that there was an amount of privation and suffering among that portion of the population connected with the lace trade, unknown in other parts of the kingdom, indeed, in the civilized world . . . Children of nine or ten years are dragged from their squalid beds at two, three, or four o'clock in the morning and compelled to work for a bare subsistence until ten, eleven, or twelve at night, their limbs wearing away, their frames dwindling, their faces whitening, and their humanity absolutely sinking into a stone-like torpor, utterly horrible to contemplate . . . We are not surprised, he went on, that Mr Mallett, or any other manufacturer, should stand forward and protest against discussion . . . The system, as the Rev. Montagu Valpy describes it, is one of unmitigated slavery, socially, physically, morally, and spiritually . . . What can be thought of a town which holds a public meeting to petition that the period of labour for men shall be diminished to eighteen hours a day? . . . We declaim against the Virginian and Carolinian cotton-planters. Is their black-market, their lash, and their barter of human flesh more detestable than this slow sacrifice of humanity which takes place in order that veils and collars may be fabricated for the benefit of capitalists?'[32]

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[31] 'The cupidity of mill-owners whose cruelties in the pursuit of gain have hardly been exceeded by those perpetrated by the Spaniards in the conquest of America in the pursuit of gold' (John Wade, *History of the Middle and Working Classes*, 3rd edn, London, 1835, p. 114). The theoretical part of this book, which is a kind of outline of political economy, contains, considering when it was published, certain original elements, for instance on commercial crises. The historical part suffers by being a shameless plagiarism of Sir F. M. Eden's *The State of the Poor*, London, 1797.

The potteries of Staffordshire have, during the last twenty-two years, formed the subject-matter of three Parliamentary inquiries. The results are embodied in Mr Scriven's Report of 1841 to the 'Children's Employment Commissioners', in Dr Greenhow's Report of 1860 published by order of the medical officer of the Privy Council (*Public Health, Third Report*, I, 102–13), and lastly in Mr Longe's Report of 1862, printed in the *Children's Employment Commission, First Report*, dated 13 June 1863. For my purpose it is enough to take some of the depositions of the exploited children themselves from the reports of 1860 and 1863. From the children we may deduce the situation of the adults, especially the girls and women, and in a branch of industry, indeed, alongside which cotton spinning appears as a very agreeable and healthy occupation.[33]

William Wood, 9 years old, 'was 7 years 10 months old when he began to work'. He 'ran moulds' (carried ready-moulded articles into the drying-room, afterwards bringing back the empty mould) from the very beginning. He came to work every day in the week at 6 a.m., and left off at about 9 p.m. 'I work till 9 o'clock at night six days in the week. I have done so for the last seven or eight weeks.' Fifteen hours of labour for a child of 7! J. Murray, 12 years of age, says: 'I turn jigger and run moulds. I come at 6. Sometimes I come at 4. I worked all night last night, till 6 o'clock this morning. I have not been in bed since the night before last. There were eight or nine other boys working last night. All but one have come this morning. I get 3 shillings and sixpence. I do not get any more for working at night. I worked two nights last week.' Fernyhough, a boy of 10: 'I have not always an hour (for dinner). I have only half an hour sometimes: on Thursday, Friday, and Saturday.'[34]

Dr Greenhow states that the average life-expectancy in the pottery districts of Stoke-on-Trent and Wolstanton is extraordinarily low. Although only 36·6 per cent of the male population over the age of 20 are employed in the potteries in the district of Stoke, and 30·4 per cent in Wolstanton, more than half the deaths among men of that age in the first district, and nearly two-fifths in the second district, are the result of pulmonary diseases among the potters. Dr Boothroyd, a medical practitioner at Hanley, says: 'Each successive generation of potters is more dwarfed and less robust than the preceding one.' Similarly another doctor, Mr McBean, states: 'Since I began to practise among the potters 25 years ago, I have observed a marked degeneration, especially shown in diminution of stature and breadth.' These statements are taken from Dr Greenhow's Report of 1860.[35]

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[32] *Daily Telegraph*, 17 January 1860.

[33] Cf. Engels, *Lage etc.*, pp. 249–51 [English translation, pp. 232–4].

[34] *Children's Employment Commission, First Report, etc.*, 1863, Appendix, pp. 16, 19, 18.

From the report of the Commissioners in 1863, the following: Dr J. T. Arledge, senior physician of the North Staffordshire Infirmary, says: 'The potters as a class, both men and women, represent a degenerated population, both physically and morally. They are, as a rule, stunted in growth, ill-shaped, and frequently ill-formed in the chest; they become prematurely old, and are certainly short-lived; they are phlegmatic and bloodless, and exhibit their debility of constitution by obstinate attacks of dyspepsia, and disorders of the liver and kidneys, and by rheumatism. But of all diseases they are especially prone to chest-disease, to pneumonia, phthisis, bronchitis, and asthma. One form would appear peculiar to them, and is known as potter's asthma, or potter's consumption. Scrofula attacking the glands, or bones, or other parts of the body, is a disease of two-thirds or more of the potters . . . That the "degenerescence" of the population of this district is not even greater than it is, is due to the constant recruiting from the adjacent country, and intermarriages with more healthy races.'[36]

Mr Charles Parsons, until recently the House Surgeon of the same hospital, writes in a letter to Commissioner Longe, amongst other things: 'I can only speak from personal observation and not from statistical data, but I do not hesitate to assert that my indignation has been aroused again and again at the sight of poor children whose health has been sacrificed to gratify the avarice of either parents or employers.' He enumerates the causes of the diseases of the potters, and sums them up in the phrase 'long hours'. In their report, the Commissioners express the hope that 'a manufacture which has assumed so prominent a place in the whole world, will not long be subject to the remark that its great success is accompanied with the physical deterioration, widespread bodily suffering, and early death of the workpeople . . . by whose labour and skill such great results have been achieved'.[37] And all that holds of the potteries in England is true of those in Scotland.[38]

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[35] *Public Health, Third Report, etc.*, pp. 102, 104, 105.

[36] *Children's Employment Commission, First Report, etc.*, 1863, p. 24.

The manufacture of matches dates from 1833, from the discovery of the method of applying phosphorus to the match itself. Since 1845 this branch of industry has developed rapidly in England, and has spread out from the thickly populated parts of London to the cities of Manchester, Birmingham, Liverpool, Bristol, Norwich, Newcastle and Glasgow. It has brought with it tetanus, a disease which a Vienna doctor already discovered in 1845 to be peculiar to the makers of matches. Half the workers are children under 13 and young persons under 18. The manufacture of matches, on account of its unhealthiness and unpleasantness, has such a bad reputation that only the most miserable part of the working class, half-starved widows and so forth, deliver up their children to it, their 'ragged, half-starved, untaught children'.[39] Of the witnesses examined by Commissioner White (1863), 270 were under 18, fifty under 10, ten only 8, and five only 6 years old. With a working day ranging from 12 to 14 or 15 hours, night-labour, irregular meal-times, and meals mostly taken in the workrooms themselves, pestilent with phosphorus, Dante would have found the worst horrors in his Inferno surpassed in this industry.

In the manufacture of wallpaper the coarser sorts are printed by machine; the finer by hand (block printing). The most active business months are from the beginning of October to the end of April. During this time the work often lasts, almost uninterruptedly, from 6 a.m. to 10 p.m. or further into the night.

J. Leach's deposition: 'Last winter six out of nineteen girls were away from ill-health at one time from over-work. I have to bawl at them to keep them awake.' W. Duffy: 'I have seen when the children could none of them keep their eyes open for the work; indeed, none of us could.' J. Lightbourne: 'Am 13 . . . We worked last winter till 9 (evening), and the winter before till 10. I used to cry with sore feet every night last winter.' G. Apsden: 'That boy of mine . . . when he was 7 years old I used to carry him on my back to and fro through the snow, and he used to have 16 hours a day ... I have often knelt down to feed him as he stood by the machine, for he could not leave it or stop.' Smith, the managing partner of a Manchester factory: 'We (he means his "hands" who work for "us") work on, with no stoppage for meals, so that the day's work of 10½ hours is finished by 4.30 p.m., and all after that is overtime.'[40] (Does this Mr Smith take no meals himself during 10½ hours?) 'We' (this same Smith) 'seldom leave off working before 6 p.m.' (he means leave off from consuming 'our' labour-power machines), 'so that we' (the same man again) 'are really working overtime the whole year round ... For all these, children and adults alike (152 children and young persons and 140 adults), the average work for the last 18 months has been at the very least 7 days, 5 hours, or 78½ hours a week. For the six weeks ending 2 May this year (1862), the average was higher – 8 days or 84 hours a week.' Despite this, the same Mr Smith, who is so fond of the plural of majesty, adds, smirking with satisfaction, 'Machine-work is not great.' Similarly, the employers in the block printing trade say: 'Hand labour is more healthy than machine-work.' On the whole, manufacturers are indignantly opposed to the proposal 'to stop the machines at least during meal-times'.

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[37] *Children's Employment Commission, First Report, etc.*, 1863, p. 22, and xi.

[38] ibid., p. xlvii.

[39] ibid., p. liv.

'A clause which allowed work between say 6 a.m. and 9 p.m.,' says Mr Otley, manager of a wallpaper factory in the Borough (a district of London), 'would suit us (!) very well, but the factory hours, 6 a.m. to 6 p.m., are not suitable. Our machine is always stopped for dinner.' (What generosity!) 'There is no waste of paper and colour to speak of. But,' he adds sympathetically, 'I can understand the loss of time not being liked.' In the Commission's report the naïve opinion is expressed that the fear in some 'leading firms' of losing time, i.e. the time for appropriating the labour of others [*fremde Arbeit*],* and thereby 'losing profit', is not a 'sufficient reason' for 'allowing children under 13, and

[40] This is not to be taken in the same sense as our surplus labour-time. These gentlemen consider 10½ hours of labour as the normal working day, and this of course includes the normal quantity of surplus labour. After this begins 'overtime', which is paid a little better. It will be seen later that the labour expended during the so-called normal day is paid below its value, so that overtime is merely a capitalist trick to extort more surplus labour. In any case, this would remain true of overtime even if the labour-power expended during the normal working day were paid for at its full value.

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*Here, as elsewhere, we have opted for 'labour of others' rather than 'alien labour'.

young persons under 18, working 12 to 16 hours per day, to lose their dinner', nor for giving it to them as coal and water are supplied to the steam-engine, soap to wool, oil to the wheel – namely during the process of production itself, as merely auxiliary material for the instruments of labour.[41]

No other branch of industry in England has preserved up to the present day a method of production as archaic, as pre-christian (as we see from the poets of the Roman Empire) as baking has. (We shall disregard the practice of making bread by machinery, which has only recently begun to make its way here.) But capital, as we said earlier, is at first indifferent towards the technical character of the labour process it seizes control of. At the outset, it takes it as it finds it.

The incredible adulteration of bread, especially in London, was first revealed by the Committee of the House of Commons 'on the adulteration of articles of food' (1855–6), and by Dr Hassall's work *Adulterations Detected*.[42] The consequence of these revelations was the Act of 6 August 1860, 'for preventing the adulteration of articles of food and drink', an inoperative law, as it naturally shows the tenderest consideration for every 'freetrader' who decides 'to turn an honest penny' by buying and selling adulterated commodities.[43] The Committee itself more or less naïvely formulated its conviction that free trade essentially meant trade with adulterated, or as the English ingeniously put it, 'sophisticated' goods. In fact, this kind of 'sophistry' understands better than Protagoras how to make white black, and black white, and better than the Eleatics* how to demonstrate before your very eyes that everything real is merely apparent.[44]

[41] *Children's Employment Commission, First Report, etc.*, 1863, Appendix pp. 123–5, 140, and lxiv.

[42] Alum, either finely powdered or mixed with salt, is a normal article of commerce bearing the significant name of 'baker's stuff'.

[43] Soot is a very active form of carbon, and provides a manure sold by capitalist chimney-sweeps to English farmers. Now, in 1862 the British 'juryman' had to decide in a law-suit whether soot with which, unknown to the buyer, 90 per cent of dust and sand are mixed, is 'genuine' soot in the 'commercial' sense or 'adulterated' soot in the 'legal' sense. The 'friends of commerce' decided it was 'genuine' commercial soot, and rejected the suit of the plaintiff, a farmer, who had in addition to pay the costs of the proceedings.

[44] The French chemist, Chevallier, in his treatise on the 'sophistications'

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* The Eleatics were Greek philosophers of the sixth and fifth centuries B.C., who held that Being alone was true, and that everything outside the one fixed Being was merely apparent.

At all events the Committee had directed the attention of the public to its 'daily bread', and therefore to the baking trade. At the same time the cry of the London journeymen bakers against their over-work rose in public meetings and petitions to Parliament. The cry was so urgent that Mr H. S. Tremenheere, also a member of the above-mentioned Commission of 1863, was appointed a Royal Commissioner of Inquiry. His report,[45] together with the evidence given, moved the public not in its heart but in its stomach. Englishmen, with their good command of the Bible, knew well enough that man, unless by elective grace a capitalist, or a landlord, or the holder of a sinecure, is destined to eat his bread in the sweat of his brow, but they did not know that he had to eat daily in his bread a certain quantity of human perspiration mixed with the discharge of abscesses, cobwebs, dead cockroaches and putrid German yeast, not to mention alum, sand and other agreeable mineral ingredients. Without any regard for His Holiness 'Free Trade', the hitherto 'free' baking trade was therefore placed under the supervision of state-appointed inspectors (at the close of the Parliamentary session of 1863), and by the same Act of Parliament work from 9 in the evening to 5 in the morning was forbidden for journeymen bakers under 18. The last clause speaks volumes as to the over-work in this old-fashioned, homely line of business.

'The work of a London journeyman baker begins, as a rule, at about eleven at night. At that hour he "makes the dough" – a laborious process, which lasts from half an hour to three quarters of an hour, according to the size of the batch or the labour bestowed upon it. He then lies down upon the kneading-board, which is also the covering of the trough in which the dough is

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of commodities,* enumerates, for many of the 600 or more articles he passes in review, 10, 20, 30 different methods of adulteration. He adds that he does not know all the methods, and does not mention all that he knows. He gives 6 kinds of adulteration of sugar, 9 of olive oil, 10 of butter, 12 of salt, 19 of milk, 20 of bread, 23 of brandy, 24 of meal, 28 of chocolate, 30 of wine, 32 of coffee, etc. Even God Almighty does not escape this fate. See Rouard de Card, *De la falsification des substances sacramentelles*, Paris, 1856.

[45] *Report, etc., Relative to the Grievances Complained of by the Journeymen Bakers, etc.*, London, 1862, and *Second Report, etc.*, London, 1863.

* Jean Baptiste Alphonse Chevallier (1793–1879) was a chemist who wrote extensively on adulterations. His main work is *Dictionnaire des altérations et falsifications des substances alimentaires, médicamenteuses et commerciales, avec l'indication des moyens de les reconnaître* (Paris, 1850–52, 2 vols).

"made"; and with a sack under him, and another rolled up as a pillow, he sleeps for about a couple of hours. He is then engaged in a rapid and continuous labour for about five hours – throwing out the dough, "scaling it off", moulding it, putting it into the oven, preparing and baking rolls and fancy bread, taking the batch bread out of the oven, and up into the shop, etc., etc. The temperature of a bakehouse ranges from about 75 to upwards of 90 degrees, and in the smaller bakehouses approximates usually to the higher rather than to the lower degree of heat. When the business of making the bread, rolls, etc., is over, that of its distribution begins, and a considerable proportion of the journeymen in the trade, after working hard in the manner described during the night, are upon their legs for many hours during the day, carrying baskets, or wheeling hand-carts, and sometimes again in the bakehouse, leaving off work at various hours between 1 and 6 p.m. according to the season of the year, or the amount and nature of their master's business; while others are again engaged in the bakehouse in "bringing out" more batches until late in the afternoon.'[46] ... 'During what is called "the London season", the operatives belonging to the "full-priced" bakers at the West End of the town generally begin work at 11 p.m., and are engaged in making the bread, with one or two short (sometimes very short) intervals of rest, up to 8 o'clock the next morning. They are then engaged all day long, up to 4, 5, 6, and as late as 7 o'clock in the evening carrying out bread, or sometimes in the afternoon in the bakehouse again, assisting in the biscuit-baking. They may have, after they have done their work, sometimes 5 or 6, sometimes only four or five hours' sleep before they begin again. On Fridays they always begin sooner, some about 10 o'clock, and continue in some cases, at work, either in making or delivering the bread up to 8 p.m. on Saturday night, but more generally up to 4 or 5 o'clock, Sunday morning. On Sundays the men must attend twice or three times during the day for an hour or two to make preparations for the next day's bread ... The men employed by the underselling masters (who sell their bread under the "full price", and who, as already pointed out, comprise three-fourths of the London bakers) have not only to work on the average longer hours, but their work is almost entirely confined to the bakehouse. The underselling masters generally sell their bread ... in the shop. If they send it out, which is not common, except as supplying

[46] *First Report, etc.*, pp. vi–vii.

chandlers' shops, they usually employ other hands for that purpose. It is not their practice to deliver bread from house to house. Towards the end of the week . . . the men begin on Thursday night at 10 o'clock, and continue on with only slight intermission until late on Saturday evening.'[47]

Even the bourgeois, from his standpoint, grasps the position of the 'underselling masters': 'The unpaid labour of the men was made the source whereby the competition was carried on.'[48] And the 'full-priced baker' denounces his 'underselling' competitors to the Commission of Inquiry as thieves of other people's labour and adulterators of the product. 'They only exist now by first defrauding the public, and next getting 18 hours' work out of their men for 12 hours' wages.'[49]

The adulteration of bread, and the formation of a class of bakers who sell bread for less than its full price, are developments which have taken place in England since the beginning of the eighteenth century, i.e. as soon as the corporate character of the trade was lost, and the capitalist stepped behind the nominal master baker in the shape of a miller or a flour factor.[50] This laid the foundation for capitalist production in this trade, for the unlimited extension of the working day, and for night work, although the last-mentioned has secured a real foothold only since 1824, even in London.[51]

After what has just been said, it will be understood that the Commission's report classes journeymen bakers among the short-lived workers, who, having by good luck escaped the normal decimation of the children of the working class, rarely reach the age of 42. Nevertheless, the baking trade is always overwhelmed with applicants. The sources for the supply of these 'labour-powers' to London are Scotland, the agricultural districts of the West of England, and – Germany.

[47] ibid., p. lxxi.

[48] George Read, *The History of Baking*, London, 1848, p. 16.

[49] *First Report, etc.* Evidence of the 'full-priced baker' Cheeseman, p. 108.

[50] George Read, op. cit. At the end of the seventeenth and the beginning of the eighteenth century the factors (i.e. agents) who crowded into every possible trade were still denounced as 'public nuisances'. For example, the Grand Jury at the quarter session of the Justices of the Peace for the County of Somerset addressed a 'presentment' to the House of Commons which states, among other things, 'that these factors of Blackwell Hall are a Public Nuisance and Prejudice to the Clothing Trade, and ought to be put down as a Nuisance' (*The Case of our English Wool, etc.*, London, 1685, pp. 6, 7).

[51] *First Report, etc.*, p. viii.

In the years 1858–60 the journeymen bakers of Ireland organized, at their own expense, huge meetings to agitate against night work and Sunday work. The public – for example at the Dublin meeting of May 1860 – supported them with typically Irish warmth. As a result of this movement, a rule of exclusive day-labour was successfully established in Wexford, Kilkenny, Clonmel, Waterford, etc. 'In Limerick, where the grievances of the journeymen are demonstrated to be excessive, the movement has been defeated by the opposition of the master bakers, the miller bakers being the greatest opponents. The example of Limerick led to a retrogression in Ennis and Tipperary. In Cork, where the strongest possible demonstration of feeling took place, the masters, by exercising their power of turning the men out of employment, have defeated the movement. In Dublin, the master bakers have offered the most determined opposition to the movement, and by discountenancing as much as possible the journeymen promoting it, have succeeded in leading the men into acquiescence in Sunday work and night work, contrary to the convictions of the men.'[52]

The Committee of the English government, a government which, in Ireland, is armed to the teeth, merely remonstrates, in funereal tones it is true, against the implacable master bakers of Dublin, Limerick, Cork, etc.: 'The Committee believe that the hours of labour are limited by natural laws, which cannot be violated with impunity. That for master bakers to induce their workmen, by the fear of losing employment, to violate their religious convictions and their better feelings, to disobey the laws of the land, and to disregard public opinion' (this all refers to Sunday labour) 'is calculated to provoke ill-feeling between workmen and masters . . . and affords an example dangerous to religion, morality, and social order . . . The Committee believe that any constant work beyond 12 hours a day encroaches on the domestic and private life of the working man, and so leads to disastrous moral results, interfering with each man's home, and the discharge of his family duties as a son, a brother, a husband, a father. That work beyond 12 hours has a tendency to undermine the health of the working man, and so leads to premature old age and death, to the great injury of families of working men, thus deprived of the care and support of the head of the family when most required.'[53]

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[52] *Report of the Committee on the Baking Trade in Ireland for 1861.*

[53] ibid.

We have just been in Ireland. On the other side of the channel, in Scotland, the agricultural labourer, the man of the plough, is protesting against his 13 to 14 hours' work in a very severe climate, with 4 hours' additional work on Sunday (in that land of Sabbatarians!),[54] while simultaneously in London three railwaymen – a guard, an engine-driver, and a signalman – are up before a coroner's jury. A tremendous railway accident has dispatched hundreds of passengers into the next world. The negligence of the railway workers is the cause of the misfortune. They declare with one voice before the jury that ten or twelve years before their labour lasted only 8 hours a day. During the last five or six years, they say, it has been screwed up to 14, 18 and 20 hours, and when the pressure of holiday travellers is especially severe, when excursion trains are put on, their labour often lasts for 40 or 50 hours without a break. They are ordinary men, not Cyclops. At a certain point their labour-power ran out. Torpor seized them. Their brains stopped thinking, their eyes stopped seeing. The thoroughly 'respectable British Juryman' replied with a verdict that sent them to the Assizes on a charge of manslaughter; in a mild rider to the verdict the jury expressed the pious hope that the capitalist railway magnates would in future be more extravagant in the purchase of the necessary number of 'labour-powers', and more 'abstemious', more 'self-denying', more 'thrifty', in the extortion of paid labour-power.[55]

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[54] Public meeting of agricultural labourers at Lasswade, near Edinburgh, 5 January 1866. (See *Workman's Advocate*, 13 January 1866.) The formation since the end of 1865 of a trade union among the agricultural labourers, first of all in Scotland, is a historic event. In one of the most oppressed agricultural districts of England, Buckinghamshire, in March 1867, the labourers carried through a great strike to raise their weekly wage from 9–10 shillings to 12 shillings. (It will be seen from the preceding passage that the movement of the English agricultural proletariat, entirely crushed since the suppression of its violent manifestations after 1830, and especially since the introduction of the new Poor Laws, begins again in the sixties, until it finally becomes epoch-making in 1872. I return to this in Volume 2, and also deal there with the Blue Books which have appeared since 1867 on the position of the English agricultural labourers. – Addendum to the third edition.)*

[55] *Reynolds' Newspaper*, 21 January 1866. Every week this same paper brings a whole list of fresh railway catastrophes under the sensational headings 'Fearful and fatal accidents', 'Appalling tragedies', etc. This is the answer of a worker on the North Staffordshire Line: 'Everyone knows the consequences

*Marx appears not to have pursued this idea, as nothing on the subject appears either in Volume 2 or Volume 3.

From the motley crowd of workers of all callings, ages and sexes, who throng around us more urgently than did the souls of the slain around Ulysses, on whom we see at a glance the signs of over-work, without referring to the Blue Books under their arms, let us select two more figures, whose striking contrast proves that all men are alike in the face of capital – a milliner and a blacksmith.

In the last week of June 1863, all the London daily papers published a paragraph with the 'sensational' heading, 'Death from simple over-work'. It dealt with the death of the milliner, Mary Anne Walkley, 20 years old, employed in a highly respectable dressmaking establishment, exploited by a lady with the pleasant name of Elise. The old, often-told story was now revealed once again.[56] These girls work, on an average, 16½ hours without a break, during the season often 30 hours, and the flow of their failing 'labour-power' is maintained by occasional supplies of sherry, port or coffee. It was the height of the season. It was necessary, in the twinkling of an eye, to conjure up magnificent dresses for the noble ladies invited to the ball in honour of the newly imported Princess of Wales. Mary Anne Walkley had worked uninterruptedly for 26½ hours, with sixty other girls, thirty in each room. The rooms provided only ⅓ of the necessary quantity of air, measured in cubic feet. At night the girls slept in pairs in the stifling holes into which a bedroom was divided by

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that may occur if the driver and fireman of a locomotive engine are not continually on the look-out. How can that be expected from a man who has been at such work for 29 or 30 hours, exposed to the weather, and without rest? The following is an example which is of very frequent occurrence: One fireman commenced work on the Monday morning at a very early hour. When he had finished what is called a day's work, he had been on duty 14 hours 50 minutes. Before he had time to get his tea, he was again called on for duty ... The next time he finished he had been on duty 14 hours 25 minutes, making a total of 29 hours 15 minutes without intermission. The rest of the week's work was made up as follows: Wednesday, 15 hours; Thursday, 15 hours 35 minutes; Friday, 14½ hours; Saturday, 14 hours 10 minutes, making a total for the week of 88 hours 40 minutes. Now, sir, fancy his astonishment on being paid 6¼ days for the whole. Thinking it was a mistake, he applied to the time-keeper ... and inquired what they considered a day's work, and was told 13 hours for a goods man (i.e. 78 hours)... He then asked for what he had made over and above the 78 hours per week, but was refused. However, he was at last told they would give him another quarter, i.e. 10d.' (ibid., 4 February 1866).

[56] Cf. F. Engels, op. cit., pp. 253–4 [English edition, pp. 235–8].

wooden partitions.[57] And this was one of the better millinery establishments in London. Mary Anne Walkley fell ill on the Friday and died on Sunday, without, to the astonishment of Madame Elise, having finished off the bit of finery she was working on. The doctor, a Mr Keys, called too late to the girl's deathbed, made his deposition to the coroner's jury in plain language: 'Mary Anne Walkley died from long hours of work in an overcrowded work-room, and a too small and badly ventilated bedroom.' In order to give the doctor a lesson in good manners, the coroner's jury thereupon brought in the verdict that 'the deceased had died of apoplexy, but there was reason to fear that her death had been accelerated by over-work in an overcrowded work-room, etc.'.

'Our white slaves,' exclaimed the *Morning Star*, the organ of the free-trading gentlemen Cobden and Bright, 'our white slaves, who are toiled into the grave, for the most part silently pine and die.'[58]

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57. Dr Letheby, Consulting Physician of the Board of Health, declared: 'The minimum of air for each adult ought to be in a sleeping room 300, and in a dwelling room 500 cubic feet.' Dr Richardson, Senior Physician at one of the London hospitals: 'With needlewomen of all kinds, including milliners, dressmakers, and ordinary sempstresses, there are three miseries – over-work, deficient air, and either deficient food or deficient digestion ... Needlework, in the main ... is infinitely better adapted to women than to men. But the mischiefs of the trade, in the metropolis especially, are that it is monopolised by some twenty-six capitalists, who, under the advantages that spring from capital, can bring in capital to force economy out of labour. This power tells throughout the whole class. If a dressmaker can get a little circle of customers, such is the competition that, in her home, she must work to the death to hold it together, and this same over-work she must of necessity inflict on any who may assist her. If she fail, do not try independently, she must join an establishment, where her labour is not less, but where her money is safe. Placed thus, she becomes a mere slave, tossed about with the variations of society. Now at home, in one room, starving, or near to it, then engaged 15, 16, aye, even 18 hours out of the 24, in an air that is scarcely tolerable, and on food which, even if it be good, cannot be digested in the absence of pure air. On these victims, consumption, which is purely a disease of bad air, feeds' (Dr Richardson, 'Work and Over-Work', in *Social Science Review*, 18 July 1863).

58. *Morning Star*, 23 June 1863. *The Times* used this opportunity to defend the American slave-owners against Bright etc. 'Very many of us think,' says a leading article of 2 July 1863, 'that, while we work our own young women to death, using the scourge of starvation, instead of the crack of the whip, as the instrument of compulsion, we have scarcely a right to hound on fire and slaughter against families who were born slave-owners, and who, at least,

'It is not only in dressmakers' rooms that working to death is the order of the day, but in a thousand other places; in every place I had almost said, where "a thriving business" has to be done ... We will take the blacksmith as a type. If the poets were true, there is no man so hearty, so merry, as the blacksmith; he rises early and strikes his sparks before the sun; he eats and drinks and sleeps as no other man. Working in moderation, he is, in fact, in one of the best of human positions, physically speaking. But we follow him into the city or town, and we see the stress of work on that strong man, and what then is his position in the death-rate of his country. In Marylebone, blacksmiths die at the rate of 31 per thousand per annum, or 11 above the mean of the male adults of the country in its entirety. The occupation, instinctive almost as a portion of human art, unobjectionable as a branch of human industry, is made by mere excess of work the destroyer of the man. He can strike so many blows per day, walk so many steps, breathe so many breaths, produce so much work, and live an average, say, of fifty years; he is made to strike so many more blows, to walk so many more steps, to breathe so many more breaths per day, and to increase altogether a fourth

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feed their slaves well, and work them lightly.' In the same manner, the *Standard*, a Tory paper, delivered a rebuke to the Rev. Newman Hall*: 'He excommunicated the slave owners, but prays with the fine folk who, without remorse, make the omnibus drivers and conductors of London, etc., work 16 hours a day for the wages of a dog' (*Standard*, 15 August 1863). Finally, the oracle spoke, Thomas Carlyle, the man of whom I already wrote in 1850: 'The Genius has gone to the devil; the Cult has remained.'† In a short parable, he reduces the one great event of contemporary history, the American Civil War, to this level, that the Peter of the North wants to break the head of the Paul of the South with all his might, because the Peter of the North hires his labour by the day, and the Paul of the South hires his 'for life' ('Ilias Americana in Nuce', *Macmillan's Magazine*, August 1863). Thus the bubble of Tory sympathy for the urban workers – not, by God, for the rural workers! – has burst at last. The kernel of it is – slavery!

*Rev. Christopher Newman Hall (1816–1902), Congregationalist minister, Liberal in politics, a prominent advocate of the Northern cause during the American Civil War.

†Marx refers here to his review of Carlyle's book *Latter-Day Pamphlets*, in the *Neue Rheinische Zeitung. Revue*, April 1850. The quotation should run, in full, 'in these pamphlets, the cult of genius, which Carlyle shares with Strauss, has lost what genius it possessed; the cult has remained' (*MEW* 7, p. 256).

of his life. He meets the effort; the result is, that producing for a limited time a fourth more work, he dies at 37 for 50.'[59]

4. DAY-WORK AND NIGHT-WORK. THE SHIFT-SYSTEM

Constant capital, the means of production, only exist, considered from the standpoint of the process of valorization, in order to absorb labour and, with every drop of labour, a proportional quantity of surplus labour. In so far as the means of production fail to do this, their mere existence forms a loss for the capitalist, in a negative sense, for while they lie fallow they represent a useless advance of capital. This loss becomes a positive one as soon as the interruption of employment necessitates an additional outlay when the work begins again. The prolongation of the working day beyond the limits of the natural day, into the night, only acts as a palliative. It only slightly quenches the vampire thirst for the living blood of labour. Capitalist production therefore drives, by its inherent nature, towards the appropriation of labour throughout the whole of the 24 hours in the day. But since it is physically impossible to exploit the same individual labour-power constantly, during the night as well as the day, capital has to overcome this physical obstacle. An alternation becomes necessary, between the labour-powers used up by day and those used up by night. This can be accomplished in various ways; for instance it may be arranged that part of the working personnel is employed for one week on day-work, and for the next week on night-work. It is well known that this shift-system, this alternation of two sets of workers, predominated in the full-blooded springtime of the English cotton industry, and that at the present time it still flourishes, among other places, in the cotton-spinning factories of the Moscow *gubernia.** This 24-hour process of production exists today as a system in many of the as yet 'free' branches of industry in Great Britain, in the blast-furnaces, forges, rolling mills and other metallurgical establishments of England, Wales and Scotland. Here the labour process includes a great part of the 24 hours of Sunday, in addition to the 24 hours of the 6 working days. The

[59] Dr Richardson, op. cit., pp. 476 ff.

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*'Government'; the largest administrative subdivision of the Russian Empire.

workers consist of men and women, adults and children of both sexes. The ages of the children and young persons run through all the intermediate grades, from 8 (in some cases from 6) to 18.[60] In some branches of industry, the girls and women work through the night together with the male personnel.[61]

Leaving aside the generally harmful effects of night labour,[62] the duration of the process of production, unbroken for 24 hours, offers very welcome opportunities for exceeding the limits of the normal working day, for example in the branches of industry already mentioned, which are themselves very strenuous; the official working day usually comes to 12 hours by night or day for all workers. But the amount of over-work done in excess of this limit is in many cases, to use the words of the official English report, 'truly fearful'.[63]

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[60] *Children's Employment Commission, Third Report*, London, 1864, pp. iv–vi.

[61] 'Both in Staffordshire and in South Wales young girls and women are employed on the pit banks and on the coke heaps, not only by day but also by night. This practice has been often noticed in Reports presented to Parliament, as being attended with great and notorious evils. These females employed with the men, hardly distinguished from them in their dress, and begrimed with dirt and smoke, are exposed to the deterioration of character, arising from their loss of self-respect, which can hardly fail to follow from their unfeminine occupation' (ibid., pp. 194, xxvi. Cf. *Fourth Report* (1865), 61, p. xiii). It is the same in the glass-works.

[62] A steel manufacturer who employs children in night labour remarks: 'It seems but natural that boys who work at night cannot sleep and get proper rest by day, but will be running about' (*Fourth Report*, 63, p. xiii). A doctor has this to say on the importance of sunlight for the maintenance and growth of the body: 'Light also acts upon the tissues of the body directly in hardening them and supporting their elasticity. The muscles of animals, when they are deprived of a proper amount of light, become soft and inelastic, the nervous power loses its tone from defective stimulation, and the elaboration of all growth seems to be perverted . . . In the case of children, constant access to plenty of light during the day, and to the direct rays of the sun for a part of it, is most essential to health. Light assists in the elaboration of good plastic blood, and hardens the fibre after it has been laid down. It also acts as a stimulus upon the organs of sight, and by this means brings about more activity in the various cerebral functions.' Dr W. Strange, Senior Physician at the Worcester General Hospital, from whose work on *Health* (1864) this passage is taken, writes in a letter to Mr White, one of the Commissioners: 'I have had opportunities formerly, when in Lancashire, of observing the effects of night-work upon children, and I have no hesitation in saying, contrary to what *some* employers were fond of asserting, those who were subjected to it soon suffered in their health' (*Children's Employment Commission, Fourth Report*, 284, p. 55). That such a question could provide the material for a serious controversy is the best demonstration of the way capitalist production acts on the mental functions of the capitalists and their retainers.

'It is impossible,' says the report, 'for any mind to realize the amount of work described in the following passages as being performed by boys of from 9 to 12 years of age ... without coming irresistibly to the conclusion that such abuses of the power of parents and of employers can no longer be allowed to exist.'[64]

'The practice of boys working at all by day and night turns either in the usual course of things, or at pressing times, seems inevitably to open the door to their not infrequently working unduly long hours. These hours are, indeed, in some cases, not only cruelly, but even incredibly long for children. Amongst a number of boys it will, of course, not infrequently happen that one or more are from some cause absent. When this happens, their place is made up by one or more boys, who work in the other turn. That this is a well-understood system is plain ... from the answer of the manager of some large rolling-mills, who, when I asked him how the place of the boys absent from their turn was made up, "I daresay, sir, you know that as well as I do", and admitted the fact.'[65]

'At a rolling-mill where the proper hours were from 6 a.m. to 5.30 p.m., a boy worked about four nights every week till 8.30 p.m. at least ... and this for six months. Another, at 9 years old, sometimes made three 12-hour shifts running, and, when 10, has made two days and two nights running.' A third, 'now 10 ... worked from 6 a.m. till 12 p.m. three nights, and till 9 p.m. the other nights'. 'Another, now 13, ... worked from 6 p.m. till 12 noon next day, for a week together, and sometimes for three shifts together, e.g., from Monday morning till Tuesday night.' 'Another, now 12, has worked in an iron foundry at Staveley from 6 a.m. till 12 p.m. for a fortnight on end; could not do it any more.' 'George Allinsworth, age 9, came here as cellar-boy last Friday; next morning we had to begin at 3, so I stopped here all night. Live five miles off. Slept on the floor of the furnace, over head, with an apron under me, and a bit of a jacket over me. The two other days I have been here at 6 a.m. Aye! it *is* hot in here. Before I came here I was nearly a year at the same work at some works in the country. Began there, too, at 3 on Saturday morning – always did, but was very gain (near) home, and could sleep at home. Other days I began at 6 in the morning, and gi'en over at 6 or 7 in the evening,' etc.[66]

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[63] ibid., 57, p. xii.
[64] ibid., 58, p. xii.
[65] ibid.

Let us now hear how capital itself regards this 24-hour system. The extreme forms of the system, its abuse in the 'cruel and incredible' extension of the working day, are naturally passed over in silence. Capital only speaks of the system in its 'normal' form.

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[66] ibid., p. xiii. The level of education of these 'labour-powers' must naturally be such as appears in the following dialogues with one of the Commissioners: Jeremiah Haynes, age 12 – 'Four times four is eight; four fours are sixteen. A king is him that has all the money and gold. We have a King (told it is a Queen), they call her the Princess Alexandra. Told that she married the Queen's son. The Queen's son is the Princess Alexandra. A Princess is a man.' William Turner, age 12 – 'Don't live in England. Think it *is* a country, but didn't know before.' John Morris, age 14 – 'Have heard say that God made the world, and that all the people was drowned but one; heard say that one was a little bird.' William Smith, age 15 – 'God made man, man made woman.' Edward Taylor, age 15 – 'Do not know of London.' Henry Matthewman, age 17 – 'Had been to chapel, but missed a good many times lately. One name that they preached about was Jesus Christ, but I cannot say any others, and I cannot tell anything about him. He was not killed, but died like other people. He was not the same as other people in some ways, because he was religious in some ways, and others isn't' (loc. cit., p. xv). 'The devil is a good person. I don't know where he lives.' 'Christ was a wicked man.' 'This girl spelt God as dog, and did not know the name of the queen' (*Children's Employment Commission, Fifth Report*, 1866, p. 55, n. 278). The same system obtains in the glass and paper works as in the metallurgical establishments already cited. In the paper factories, where the paper is made by machinery, night-work is the rule for all processes, except rag-sorting. In some cases night-work is carried on incessantly through the whole week, by means of shifts, and thus continues from Sunday night until midnight of the following Saturday. The men on day-work work five days of 12 hours, and one day of 18 hours; those on night-work work five nights of 12 hours, and one of 6 hours in each week. In other cases each group works 24 hours consecutively on alternate days, one group working 6 hours on Monday, and 18 on Saturday, to make up the 24 hours. In other cases an intermediate system prevails, by which all those employed on the paper-making machinery work 15 or 16 hours every day in the week. This system, says Commissioner Lord, 'seems to combine all the evils of both the 12 hours' and the 24 hours' relays'. Children under 13, young persons under 18, and women, work under this night system. Sometimes, under the 12-hour system, they are forced to work a double shift of 24 hours, owing to the failure of their counterparts to turn up. The evidence proves that boys and girls very often work overtime, which not infrequently extends to 24 or even 36 hours of uninterrupted toil. In the 'continuous and unvarying' process of glazing there are to be found girls of 12 who work 14 hours a day for the whole month, 'without any regular relief or cessation beyond two, or, at most, three breaks of half an hour each for meals'. In some factories, where regular night-work has been entirely given up, a frightful amount of overtime is put in, 'and that often in the dirtiest, and in the hottest, and in the most monotonous of the various processes' (*Children's Employment Commission, Fourth Report*, 1865, pp. xxxviii and xxxix).

Messrs Naylor and Vickers, steel manufacturers, who employ between 600 and 700 persons, among whom only 10 per cent are under 18, with only twenty boys under 18 working on the night shift, have the following comments to make: 'The boys do not suffer from the heat. The temperature is probably from 86 degrees to 90 degrees ... At the forges and in the rolling-mills the hands work night and day, in relays, but all the other parts of the work are day-work, i.e. from 6 a.m. to 6 p.m. In the forge the hours are from 12 to 12. Some of the hands always work in the night, without any alternation of day and night work ... We do not find any difference in the health of those who work regularly by night and those who work by day, and probably people can sleep better if they have the same period of rest than if it is changed ... About twenty of the boys under the age of 18 work in the night sets ... We could not well do without lads under 18 working by night. The objection would be the increase in the cost of production ... Skilled hands and the heads in every department are difficult to get, but of lads we could get any number ... But from the small proportion of boys that we employ, the subject' (i.e. the subject of restrictions on night-work) 'is of little importance or interest to us.'[67]

Mr J. Ellis, from the firm of Messrs John Brown & Co., steel and iron works, employing about 3,000 men and boys, part of whose operations, namely iron and heavier steel work, goes on night and day in shifts, states 'that in the heavier steel work one or two boys are employed to a score or two men'. Their business employs 500 boys under 18, and of these about a third, or 170, are under the age of 13. With reference to the proposed alteration of the law, Mr Ellis says: 'I do not think it would be very objectionable to require that no person under the age of 18 should work more than 12 hours in the 24. But we do not think that any line could be drawn over the age of 12, at which boys could be dispensed with for night-work. But we would sooner be prevented from employing boys under the age of 13, or even so high as 14, at all, than not be allowed to employ boys that we do have at night. Those boys who work in the day sets must take their turn in the night sets also, because the men could not work in the night sets only; it would ruin their health . . . We think, however, that night-work in alternate weeks is no harm.' (Messrs Naylor & Vickers, on the other hand, in line with the best interests of their business, took the opposite view, that periodic alternations of night and day-labour might well do more harm than continual night-labour.) 'We find the men who do it, as well* as the others who do other work only by day . . . Our objections to not allowing boys under 18 to work at night, would be on account of the increase of expense, but this is the only reason.' (What cynical naïveté!) 'We think that the increase would be more than the trade, with due regard to its being successfully carried out, could fairly bear.' (What mealy-mouthed phraseology!) 'Labour is scarce here, and might fall short if there were such a regulation.' (In other words, Ellis, or Brown & Co., might be subjected to the fatal embarrassment of having to pay labour-power at its full value.)[68]

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[67] *Fourth Report, etc.*, 1865, 79, p. xvi.

The 'Cyclops Steel and Iron Works' of Messrs Cammell & Co. is conducted on the same large scale as the works of the above-mentioned John Brown & Co. The managing director had handed in his evidence to the Government Commissioner, Mr White, in writing. Later he found it convenient to suppress the manuscript when it was returned to him for revision. But Mr White has a retentive memory. He recalled quite clearly that for these Cyclopean gentlemen the prohibition of the night-labour of children and young persons 'would be impossible, it would be tantamount to stopping their works', and yet their business employs little more than 6 per cent of boys under 18, and less than 1 per cent under 13.[69]

On the same question, Mr E. F. Sanderson, of the firm of Sanderson Bros. & Co., steel rolling-mills and forges, Attercliffe, says: 'Great difficulty would be caused by preventing boys under 18 from working at night. The chief would be the increase of cost from employing men instead of boys. I cannot say what this would be, but probably it would not be enough to enable the manufacturers to raise the price of steel, and consequently it would fall on them, as of course the men' (how wrong-headed these people are!) 'would refuse to pay it.' Mr Sanderson does not know how much he pays the children, but 'perhaps the younger

[68] *Fourth Report, etc.*, 1865, 80, p. xvi. [69] ibid., 82, p. xvii.

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* That is, as healthy.

boys get from 4s. to 5s. a week ... The boys' work is of a kind for which the strength of boys is generally' ('generally', but of course not always 'in particular') 'quite sufficient, and consequently there would be no gain in the greater strength of the men to counterbalance the loss, or it would be only in the few cases in which the metal is heavy. The men would not like so well not to have boys under them, as men would be less obedient. Besides, boys must begin young to learn the trade. Leaving day-work alone open to boys would not answer the purpose.'

And why not? Why could the boys not learn their craft in the daytime? Your reason? 'Owing to the men working days and nights in alternate weeks, the men would be separated half the time from their boys, and would lose half the profit which they make from them. The training which they give to an apprentice is considered as part of the return for the boys' labour, and thus enables the men to get it at a cheaper rate. Each man would want half of this profit.' In other words, Messrs Sanderson would have to pay part of the wages of the adult men out of their own pockets instead of by the night-work of the boys. Messrs Sanderson's profit would thus fall to some extent, and this is the good Sandersonian reason why boys cannot learn their craft by day.[70] Apart from this, it would throw night-work on the men alone, who are at present relieved by the boys, and they would not be able to stand it. In short, the difficulties would be so great as to lead in all likelihood to the total suppression of night-work. 'As far as the work itself is concerned,' says E. F. Sanderson, 'this would suit as well, but – ' But Messrs Sanderson have something else to make besides steel. Steel-making is simply a pretext for profit-making. The steel furnaces, rolling-mills, etc., the buildings, machinery, iron, coal, etc., have something more to do than transform themselves into steel. They are there to absorb surplus labour, and they naturally absorb more in 24 hours than in 12. In fact, both by the sanction of the law and the grace of God, they give to the Sandersons a draft on the labour-time of a certain number of hands for all the 24 hours of the day, and as soon as there is an interruption in their function of absorbing labour they lose their character as capital, and are therefore a pure loss for the Sandersons. 'But then there would be the loss from so much expensive machinery, lying idle half the time, and to get through the amount of work which we are able to do on the present system, we should have to double our premises and plant, which would double the outlay.' But why should these Sandersons pretend to a privilege not enjoyed by the other capitalists who only work during the day, and whose buildings, machinery, raw material, therefore lie 'idle' during the night? E. F. Sanderson answers in the name of all the Sandersons: 'It is true that there is this loss from machinery lying idle in those manufactories in which work only goes on by day. But the use of furnaces would involve a further loss in our case. If they were kept up these would be a waste of fuel' (instead of the present waste of the living substance of the workers) 'and if they were not, there would be loss of time in laying the fires and getting the heat up' (whereas a loss of sleeping time, even that of 8-year-olds, is a gain of working time for the Sanderson clan), 'and the furnaces themselves would suffer from the changes of temperature' (whereas those same furnaces suffer nothing from the alternation of day-work and night-work).[71]

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[70] 'In a time so rich in reflection and so devoted to *raisonnement* as our own, he must be a poor creature who cannot advance a good ground for everything, even for what is worst and most depraved. Everything in the world that has become corrupt, has had good ground for its corruption' (Hegel, op. cit., p. 249) [*Logic*, para. 121, Addition. English translation, p. 178].

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[71] *Children's Employment Commission, Fourth Report*, 1865, 85, p. xvii. Commissioner White has an answer to similar tender scruples of the glass manufacturers, who maintain that 'regular meal-times' for the children are impossible because this would lead to a 'pure loss' or a 'waste' of a certain quantity of heat, radiated by the furnaces. His answer is quite unlike that of Ure, Senior etc., and their puny German imitators, like Roscher, who are moved by the 'abstinence', the 'self-denial' and the 'saving' of the capitalists in the expenditure of their money, and by their Timurlane-like 'prodigality' in human lives! 'A certain amount of heat beyond what is usual at present might also be going to waste, if meal-times were secured in these cases, but it seems likely not equal in money-value to the waste of animal power now going on in glass-houses throughout the kingdom from growing boys not having enough quiet time to eat their meals at ease, with a little rest afterwards for digestion' (ibid., p. xlv). And this in 1865, 'the year of progress'! Without considering the strength expended in lifting and carrying, these children, in the sheds where bottle and flint glass are made, walk 15 to 20 miles in every 6 hours, performing their work continuously. And it often lasts for 14 or 15 hours! In many of these glass works, as in the Moscow spinning mills, the 6-hour shift system is in force. 'During the working part of the week six hours is the utmost unbroken period ever attained at any one time for rest and out of this has to come the time spent in coming and going to and from work, washing, dressing, and meals, leaving a very short period indeed for rest, and none for fresh air and play, unless at the expense of the sleep necessary for young boys, especially at such hot and fatiguing work ... Even the short sleep is obviously liable to be broken by a boy having to wake himself

5. THE STRUGGLE FOR A NORMAL WORKING DAY. LAWS FOR THE COMPULSORY EXTENSION OF THE WORKING DAY, FROM THE MIDDLE OF THE FOURTEENTH TO THE END OF THE SEVENTEENTH CENTURY

'What is a working day? What is the length of time during which capital may consume the labour-power whose daily value it has paid for? How far may the working day be extended beyond the amount of labour-time necessary for the reproduction of labour-power itself?' We have seen that capital's reply to these questions is this: the working day contains the full 24 hours, with the deduction of the few hours of rest without which labour-power is absolutely incapable of renewing its services. Hence it is self-evident that the worker is nothing other than labour-power for the duration of his whole life, and that therefore all his disposable time is by nature and by right labour-time, to be devoted to the self-valorization of capital. Time for education, for intellectual development, for the fulfilment of social functions, for social intercourse, for the free play of the vital forces of his body and his mind, even the rest time of Sunday (and that in a country of Sabbatarians!)[72] – what foolishness! But in its blind and measureless drive, its insatiable appetite for surplus labour, capital oversteps not only the moral but even the merely physical limits of the working day. It usurps the time for growth, development and healthy maintenance of the body. It steals

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if it is night, or by the noise, if it is day.' Mr White gives cases where a boy worked for 36 consecutive hours, and others where boys of 12 drudged on until 2 in the morning, and then slept in the works till 5 a.m. (3 hours!) only to resume their work. 'The amount of work,' say Tremenheere and Tufnell, who drafted the general report, 'done by boys, youths, girls, and women, in the course of their daily or nightly spell of labour, is certainly extraordinary' (ibid., pp. xliii and xliv). Meanwhile, late at night perhaps, Mr Glass-Capital, stuffed full with abstinence, and primed with port wine, reels home from his club, droning out idiotically 'Britons never, never shall be slaves!'

[72] In England even now in rural districts a labourer is occasionally condemned to imprisonment for desecrating the Sabbath by working in his front garden. The same man would be punished for breach of contract if he remained away from his metal, paper or glass works on Sunday, even on account of some religious foible. The orthodox Parliament will entertain no complaint of Sabbath-breaking if it occurs in the 'process of valorization' of capital. A petition of August 1863 in which the London day-labourers in fish and poultry shops asked for the abolition of Sunday labour states that their work lasts an average of 16 hours a day for the first 6 days of the week, 8 to 10 hours on Sunday. We also learn from this petition that the delicate gourmands among

the time required for the consumption of fresh air and sunlight. It haggles over the meal-times, where possible incorporating them into the production process itself, so that food is added to the worker as to a mere means of production, as coal is supplied to the boiler, and grease and oil to the machinery. It reduces the sound sleep needed for the restoration, renewal and refreshment of the vital forces to the exact amount of torpor essential to the revival of an absolutely exhausted organism. It is not the normal maintenance of labour-power which determines the limits of the working day here, but rather the greatest possible daily expenditure of labour-power, no matter how diseased, compulsory and painful it may be, which determines the limits of the workers' period of rest. Capital asks no questions about the length of life of labour-power. What interests it is purely and simply the maximum of labour-power that can be set in motion in a working day. It attains this objective by shortening the life of labour-power, in the same way as a greedy farmer snatches more produce from the soil by robbing it of its fertility.

By extending the working day, therefore, capitalist production, which is essentially the production of surplus-value, the absorption of surplus labour, not only produces a deterioration of human labour-power by robbing it of its normal moral and physical conditions of development and activity, but also produces the premature exhaustion and death of this labour-power itself.[73] It

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the aristocratic hypocrites of Exeter Hall* particularly encourage this 'Sunday labour'. These 'saints', so zealous *in cute curanda*,† show they are Christians by the humility with which they bear the over-work, the deprivation and the hunger of others. *Obsequium ventris istis* (the workers') *perniciosius est*.‡

[73] 'We have given in our previous reports the statements of several experienced manufacturers to the effect that over-hours . . . certainly tend prematurely to exhaust the working power of the men' (op. cit., 64, p. xiii).

*A large hall on the north side of the Strand, built in 1831, and pulled down in 1907. It was used throughout its existence for meetings by religious bodies of various kinds, but especially by the Church Missionary Society. 'Exeter Hall' was in Marx's time a shorthand expression for that tendency among the English ruling classes which stood for the extension of English power in Africa with the aim of converting the 'natives' to Christianity, and at the same time stamping out the slave trade. It is associated with the name of Wilberforce.

†'In attending to their bodily pleasures' (Horace, *Epistles*, 1, 2, 29).

‡Horace's actual words were: '*obsequium ventris mihi perniciosius est cur?*' ('why is gluttony more ruinous to my stomach?'). Hence, here, 'gluttony is more ruinous to their (the workers') stomachs'. (Horace, *Satires*, Bk II, Satire 7, line 104.)

extends the worker's production-time within a given period by shortening his life.

But the value of labour-power includes the value of the commodities necessary for the reproduction of the worker, for continuing the existence of the working class. If then the unnatural extension of the working day, which capital necessarily strives for in its unmeasured drive for self-valorization, shortens the life of the individual worker, and therefore the duration of his labour-power, the forces used up have to be replaced more rapidly, and it will be more expensive to reproduce labour-power, just as in the case of a machine, where the part of its value that has to be reproduced daily grows greater the more rapidly the machine is worn out. It would seem therefore that the interest of capital itself points in the direction of a normal working day.

The slave-owner buys his worker in the same way as he buys his horse. If he loses his slave, he loses a piece of capital, which he must replace by fresh expenditure on the slave-market. But take note of this: 'The rice-grounds of Georgia, or the swamps of the Mississippi, may be fatally injurious to the human constitution; but the waste of human life which the cultivation of these districts necessitates, is not so great that it cannot be repaired from the teeming preserves of Virginia and Kentucky. Considerations of economy, moreover, which, under a natural system, afford some security for humane treatment by identifying the master's interest with the slave's preservation, when once trading in slaves is practised, become reasons for racking to the uttermost the toil of the slave; for, when his place can at once be supplied from foreign preserves, the duration of his life becomes a matter of less moment than its productiveness while it lasts. It is accordingly a maxim of slave management, in slave-importing countries, that the most effective economy is that which takes out of the human chattel in the shortest space of time the utmost amount of exertion it is capable of putting forth. It is in tropical culture, where annual profits often equal the whole capital of plantations, that negro life is most recklessly sacrificed. It is the agriculture of the West Indies, which has been for centuries prolific of fabulous wealth, that has engulfed millions of the African race. It is in Cuba, at this day, whose revenues are reckoned by millions, and whose planters are princes, that we see in the servile class, the coarsest fare, the most exhausting and unremitting toil, and even the absolute destruction of a portion of its numbers every year.'[74]

[74] Cairnes, op. cit., pp. 110–11.

*Mutato nomine de te fabula narratur.** For slave trade, read labour-market, for Kentucky and Virginia, Ireland and the agricultural districts of England, Scotland and Wales, for Africa, Germany. We have heard how over-work has thinned the ranks of the bakers in London. Nevertheless, the London labour-market is always over-stocked with German and other candidates for death in the bakeries. Pottery, as we saw, is one of the branches of industry with the lowest life-expectancy. Does this lead to any shortage of potters? Josiah Wedgwood, the inventor of modern pottery, and himself an ordinary worker by origin, said in 1785 before the House of Commons that the whole trade employed from 15,000 to 20,000 people.[75] In 1861 the population of the urban centres alone of this industry in Great Britain numbered 101,302. 'The cotton trade has existed for ninety years... It has existed for three generations of the English race, and I believe I may safely say that during that period it has destroyed nine generations of factory operatives.'[76]

Admittedly the labour-market shows significant gaps in certain epochs of feverish expansion. In 1834 for example. But then the manufacturers proposed to the Poor Law Commissioners that they should send the 'surplus population' of the agricultural districts to the north, with the explanation 'that the manufacturers would absorb and use it up'.[77] 'Agents were appointed with the consent of the Poor Law Commissioners... An office was set up in Manchester, to which lists were sent of those workpeople in the agricultural districts wanting employment, and their names were registered in books. The manufacturers attended at these offices, and selected such persons as they chose; when they had selected such persons as their "wants required", they gave instructions to have them forwarded to Manchester, and they were sent, ticketed like bales of goods, by canals, or with carriers, others tramping on the road, and many of them were found on the way lost and half-starved. This system had grown up into a regular trade. This House will hardly

[75] John Ward, *The Borough of Stoke-upon-Trent*, London, 1843, p. 42.

[76] Ferrand's* speech in the House of Commons, 27 April 1863.

[77] 'Those were the very words used by the cotton manufacturers' (op. cit.).

*William Busfeild Ferrand, of Keighley in Yorkshire (1809–89). An 'Oastlerite' Tory, who agitated against the Poor Law of 1834 and in favour of the Factory Acts. He played an important part in passing the 1847 Factory Act. M.P. between 1841 and 1847, and between 1863 and 1866.

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*'The name is changed, but the tale is told of you!' (Horace, *Satires*, Bk I, Satire 1).

believe it, but I tell them, that this traffic in human flesh was as well kept up, they were in effect as regularly sold to these manufacturers as slaves are sold to the cotton-grower in the United States . . . In 1860, the cotton trade was at its zenith. . . . The manufacturers again found that they were short of hands . . . They applied to the "flesh agents", as they are called. Those agents sent to the southern downs of England, to the pastures of Dorsetshire, to the glades of Devonshire, to the people tending kine in Wiltshire, but they sought in vain. The surplus population was "absorbed".'

The *Bury Guardian* lamented that, after the conclusion of the Anglo-French commercial treaty,* '10,000 additional hands could be absorbed by Lancashire, and that 30,000 or 40,000 will be needed'. After the 'flesh agents and sub-agents' had vainly combed through the agricultural districts 'a deputation came up to London, and waited on the right hon. gentleman (Mr Villiers, President of the Poor Law Board) with a view of obtaining poor children from certain union houses for the mills of Lancashire'.[78]

[78] op. cit. Mr Villiers, despite the best of intentions on his part, was 'legally' obliged to refuse the requests of the manufacturers. These gentlemen nevertheless achieved their aims owing to the complaisance of the local poor law boards. Mr A. Redgrave, inspector of factories, assures us that this time the system under which orphans and the children of paupers were treated 'legally' as apprentices 'was not accompanied with the old abuses' (on these 'abuses' see Engels, op. cit.), although in one case there certainly was 'abuse of this system in respect to a number of girls and young women brought from the agricultural districts of Scotland into Lancashire and Cheshire'. Under this 'system' the manufacturer entered into a contract with the workhouse authorities for a certain period. He fed, clothed and lodged the children, and gave them a small allowance of money. The following remark by Mr Redgrave sounds very peculiar, especially if we consider that the year 1860 was quite unparalleled, even among the years of prosperity of the English cotton trade, and that, apart from this, wages were exceptionally high. For this extraordinary demand for labour had to contend with the depopulation of Ireland, with unequalled emigration from the English and Scottish agricultural districts to Australia and America, and with an actual fall in the population of some of the English agricultural districts, resulting partly from a collapse of the workers' powers of reproduction, which was deliberately aimed at and successfully attained, and partly from the already completed dispersal of the disposable population by the dealers in human flesh. Despite all this, Mr Redgrave says: 'This kind of labour, however' (i.e. the labour of the poorhouse children) 'would only be sought after when none other could be procured, for it is a high-priced labour. The ordinary wages of a boy of 13

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*The Anglo-French Treaty of Commerce of 1860, by which tariff barriers between Britain and France were lowered on both sides.

What experience generally shows to the capitalist is a constant excess of population, i.e. an excess in relation to capital's need for valorization at a given moment, although this throng of people is made up of generations of stunted, short-lived and rapidly replaced human beings, plucked, so to speak, before they were ripe.[79] And indeed, experience shows to the intelligent observer how rapidly and firmly capitalist production has seized the vital forces of the people at their very roots, although historically speaking it hardly dates from yesterday. Experience shows too how the degeneration of the industrial population is retarded only by the constant absorption of primitive and natural elements from the countryside, and how even the agricultural labourers, in spite of the fresh air and the 'principle of natural selection' that works so powerfully amongst them, and permits the survival of only the strongest individuals, are already beginning to die off.[80] Capital, which has such 'good

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would be about 4s. per week, but to lodge, to clothe, to feed, and to provide medical attendance and proper superintendence for 50 or 100 of these boys, and to set aside some remuneration for them, could not be accomplished for 4s. a head per week' (*Reports of the Inspectors of Factories ... 30 April 1860*, p. 27). Mr Redgrave forgets to tell us how the worker himself can do all this for his children out of their 4s. a week wages, when the manufacturer cannot do it for the 50 or 100 children lodged, boarded and superintended all together. To guard against false conclusions from the text, I should add here that the English cotton industry, after being placed under the Factory Act of 1850, with its regulation of working hours etc., must be regarded as England's model industry. The English cotton worker is in every respect better off than the man who shares his fate on the Continent. 'The Prussian factory operative labours at least ten hours per week more than his English competitor, and if employed at his own loom in his own house, his labour is not restricted to even those additional hours' (*Reports of the Inspectors of Factories ... 31 October 1855*, p. 103). After the Industrial Exhibition of 1851 Redgrave travelled on the Continent, particularly in France and Germany, in order to investigate factory conditions there. He says this of the Prussian factory worker: 'He receives a remuneration sufficient to procure the simple fare, and to supply the slender comforts to which he has been accustomed ... he lives upon his coarse fare, and works hard, wherein his position is subordinate to that of the English operative' (*Reports of the Inspectors of Factories ... 31 October 1853*, p. 85).

[79] The over-worked 'die off with strange rapidity; but the places of those who perish are instantly filled, and a frequent change of persons makes no alteration in the scene' (*England and America*, London, 1833, Vol. 1, p. 55. Author E. G. Wakefield).

[80] See *Public Health. Sixth Report of the Medical Officer of the Privy Council*, 1863, published in London, 1864. This report deals particularly with the agricultural labourers. 'Sutherland ... is commonly represented as a

reasons' for denying the sufferings of the legions of workers surrounding it, allows its actual movement to be determined as much and as little by the sight of the coming degradation and final depopulation of the human race, as by the probable fall of the earth into the sun. In every stock-jobbing swindle everyone knows that some time or other the crash must come, but everyone hopes that it may fall on the head of his neighbour, after he himself has caught the shower of gold and placed it in secure hands. *Après moi le déluge!* is the watchword of every capitalist and of every capitalist nation. Capital therefore takes no account of the health and the length of life of the worker, unless society forces it to do so.[81] Its answer to the outcry about the physical and mental degradation, the premature death, the torture of over-work, is this: Should that pain trouble us, since it increases our pleasure (profit)? * But looking at these things as a whole, it is evident that this does not depend on the will, either good or bad, of the individual capitalist. Under free competition, the immanent laws of capitalist production confront the individual capitalist as a coercive force external to him.[82]

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highly improved county ... but ... recent inquiry has discovered that even there, in districts once famous for fine men and gallant soldiers, the inhabitants have degenerated into a meagre and stunted race. In the healthiest situations, on hill sides fronting the sea, the faces of their famished children are as pale as they could be in the foul atmosphere of a London alley' (W. T. Thornton, *Over-Population and Its Remedy*, op. cit., pp. 74, 75). They resemble in fact the 30,000 'gallant Highlanders' whom Glasgow herds together with prostitutes and thieves in its wynds and closes.

[81] 'But though the health of a population is so important a fact of the national capital, we are afraid it must be said that the class of employers of labour have not been the most forward to guard and cherish this treasure ... The consideration of the health of the operatives was forced upon the mill-owners' (*The Times*, 5 November 1861). 'The men of the West Riding became the clothiers of mankind ... the health of the workpeople was sacrificed, and the race in a few generations must have degenerated. But a reaction set in. Lord Shaftesbury's Bill limited the hours of children's labour, etc' (*Twenty-Second Annual Report of the Registrar-General*, 1861).

[82] We therefore find, for example, that at the beginning of 1863 twenty-six firms owning extensive potteries in Staffordshire, including Josiah Wedgwood & Sons, presented a petition for 'some legislative enactment'. Competition with other capitalists, they said, did not allow them to limit the hours worked by children voluntarily, etc. 'Much as we deplore the evils before mentioned, it would not be possible to prevent them by any scheme

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*'*Sollte jene Qual uns quälen, da sie unsre Lust vermehrt?*' (Goethe, 'An Suleika', from *West-östlicher Diwan*, Bk VII, 1815).

The establishment of a normal working day is the result of centuries of struggle between the capitalist and the worker. But the history of this struggle displays two opposite tendencies. Compare, for example, the English factory legislation of our time with the English Labour Statutes from the fourteenth century to well into the middle of the eighteenth.[83] While the modern Factory Acts compulsorily shorten the working day, the earlier statutes tried forcibly to lengthen it. Of course, the pretensions of capital in its embryonic state, in its state of becoming, when it cannot yet use the sheer force of economic relations to secure its right to absorb a sufficient quantity of surplus labour, but must be aided by the power of the state – its pretensions in this situation appear very modest in comparison with the concessions it has to make, complainingly and unwillingly, in its adult condition. Centuries are required before the 'free' worker, owing to the greater development of the capitalist mode of production, makes a voluntary agreement, i.e. is compelled by social conditions to sell the whole of his active life, his very capacity for labour, in return for the price of his customary means of subsistence, to sell his birthright for a mess of pottage. Hence it is natural that the longer working day which capital tried to impose on adult workers by acts of state power from the middle of the fourteenth to the end of the seventeenth century is approximately of the same length as the shorter working day which, in the second half of the nineteenth century, the state has here and there interposed as a barrier to the transformation of children's blood into capital. What has now been proclaimed, for instance in the State of Mas-

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of agreement between the manufacturers ... Taking all these points into consideration, we have come to the conviction that some legislative enactment is wanted' (*Children's Employment Commission, First Report*, 1863, p. 322). The recent past [1873] offers a much more striking example. The high level of the price of cotton, during a period of feverish activity, induced the manufacturers of Blackburn to shorten the hours worked in their mills for a certain fixed period, by mutual consent. This period expired at around the end of November 1871. Meanwhile, the wealthier manufacturers, who combined spinning with weaving, used the fall in production following this agreement to extend their own business and thus make great profits at the expense of the small employers. Thereupon the latter, in their hour of need, turned to the – factory workers, urged them to mount a serious agitation for the 9-hour system, and promised them monetary contributions for the purpose!

[83] These Labour Statutes (which had their counterparts in France, the Netherlands, and elsewhere at the same epoch) were first formally repealed in England in 1813, when they had long since been set aside by the relations of production.

sachusetts, until recently the freest state of the North American republic, as the statutory limit of the labour of children under 12, was in England, even in the middle of the seventeenth century, the normal working day of able-bodied artisans, robust ploughmen and gigantic blacksmiths.[84]

The first 'Statute of Labourers' (23 Edward III, 1349) found its immediate pretext (not its cause, for legislation of this kind outlives its pretext by centuries) in the great plague that decimated the population, so that, as a Tory writer says, 'The difficulty of getting men to work on reasonable terms' (i.e. at a price that left their employers a reasonable quantity of surplus labour) 'grew to such a height as to be quite intolerable.'[85] Reasonable wages were therefore fixed by law as well as the limits of the working day. The latter point, the only one that interests us here, is repeated in the Statute of 1496 (Henry VII). The working day for all craftsmen ('artificers') and field labourers from March to September was supposed to last from 5 in the morning to between 7 and 8 in the evening, although this was never enforced. The meal-times, however, consisted of 1 hour for breakfast, 1½ hours for dinner, and half an hour for 'noonmeate', i.e. exactly twice as much as under the Factory Acts now in force.[86] In winter, work was to last from 5 in the morning until dark, with the same intervals. A statute of Elizabeth of 1562 leaves the length of the working day for all labourers 'hired for daily or weekly wages' untouched, but seeks to limit the intervals to 2½ hours in the summer and 2 in the winter. Dinner is to last only 1 hour, and the 'afternoon-sleep of half an hour' is only allowed between the middle of May and the middle of August. For every hour of absence 1d. is to be subtracted from the wage. In practice, however, the conditions were much more favourable to the labourers than in the statute-book. William Petty, the father of political economy, and to some extent the founder of statistics, says in a work he published in the last third of the seventeenth century: 'Labouring men' (the meaning then was 'agricultural labourers') 'work ten hours *per diem*, and make twenty meals per week, viz., three a day for working days, and two on Sundays; whereby it is plain, that if they could fast on Friday nights, and dine in one hour and an half, whereas they take two, from eleven to one; thereby thus working $\frac{1}{20}$ more, and spending $\frac{1}{20}$ less, the above-mentioned tax might be raised.'[87] Was Dr Andrew Ure not right when he deplored the Twelve Hours' Bill of 1833 as a retrogression to the age of darkness? It is true that the regulations contained in the statutes and mentioned by Petty apply also to apprentices. But the situation with respect to child labour, even at the end of the seventeenth century, is shown by the following complaint: 'Our youth, here in England, do absolutely nothing before they come to be apprentices, and then they naturally require a long time – seven years – to be formed into complete craftsmen.'* Germany, on the other hand, is praised, because the children there are educated from their cradle at least to 'something of employment'.[88]

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[84] 'No child under 12 years of age shall be employed in any manufacturing establishment more than 10 hours in one day' (*General Statutes of Massachusetts*, 63, Ch. 12. These statutes were passed between 1836 and 1858.) 'Labour performed during a period of 10 hours in any day in all cotton, woollen, silk, paper, glass, and flax factories, or in manufactories of iron and brass, shall be considered a legal day's labour. And be it enacted, that hereafter no minor engaged in any factory shall be holden or required to work more than 10 hours in any day, or 60 hours in any week; and that hereafter no minor shall be admitted as a worker under the age of 10 years in any factory within this State' (*State of New Jersey. An Act to Limit the Hours of Labour, etc.*, paras. 1 and 2. Law of 18 March 1851). 'No minor who has attained the age of 12 years, and is under the age of 15 years, shall be employed in any manufacturing establishment more than 11 hours in any one day, nor before 5 o'clock in the morning, nor after 7.30 in the evening' (*Revised Statutes of the State of Rhode Island, etc.*, Ch. 139, para. 23, 1 July 1857).

[85] [J. B. Byles], *Sophisms of Free Trade*, 7th edn, London, 1850, p. 205, 9th edn, p. 253. This same Tory, moreover, admits that 'Acts of Parliament regulating wages, but against the labourer and in favour of the master, lasted for the long period of 464 years. Population grew. These laws were then found, and really became, unnecessary and burdensome' (op. cit., p. 206).

[86] On this statute, J. Wade remarks correctly: 'From the statement above' (i.e. with regard to the Statute of 1496) 'it appears that in 1496 the diet was considered equivalent to one-third of the income of an artificer and

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one-half the income of a labourer, which indicates a greater degree of independence among the working-classes than prevails at present; for the board, both of labourers and artificers, would now be reckoned at a much higher proportion of their wages' (J. Wade, *History of the Middle and Working Classes*, pp. 24–5, 577). The opinion that this difference is due to the differen e between the relative prices of food and clothing then and now is refuted by the most superficial glance at Bishop Fleetwood's *Chronicon Preciosum* (1st edn, London, 1707; 2nd edn, London, 1745).

[87] W. Petty, *Political Anatomy of Ireland*, 1672, edition of 1691, p. 10. [This page reference is actually to the supplement, *Verbum Sapienti*.]

[88] *A Discourse on the Necessity of Encouraging Mechanick Industry*, London, 1690, p. 13. Macaulay, who has falsified English history in the

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*This is not strictly a quotation, but a compressed version of the text indicated in n. 88.

Still, during the greater part of the eighteenth century, up to the epoch of large-scale industry, capital in England had not succeeded in gaining control of the worker's whole week by paying the weekly value of his labour-power. (The agricultural labourers, however, formed an exception.) The fact that they could live for a whole week on the wage of four days did not appear to the workers to be a sufficient reason for working for the capitalist for the other two days. One party of English economists, in the service of capital, denounced this obstinacy in the most violent manner, another party defended the workers. Let us listen for example to the polemic between Postlethwayt,* whose Dictionary of Trade then enjoyed the same reputation as similar works by MacCulloch and Mac-

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interest of the Whigs and the bourgeoisie, declaims as follows: 'The practice of setting children prematurely to work ... prevailed in the seventeenth century to an extent which, when compared with the extent of the manufacturing system, seems almost incredible. At Norwich, the chief seat of the clothing trade, a little creature of six years old was thought fit for labour. Several writers of that time, and among them some who were considered as eminently benevolent, mention with exultation the fact that in that single city, boys and girls of very tender age create wealth exceeding what was necessary for their own subsistence by twelve thousand pounds a year. The more carefully we examine the history of the past, the more reason shall we find to dissent from those who imagine that our age has been fruitful of new social evils ... That which is new is the intelligence and the humanity which remedies them' (*History of England*, Vol. 1, p. 417). Macaulay might have reported further that 'extremely well-disposed' friends of commerce in the seventeenth century recount with 'exultation' how in a workhouse in Holland a child of four was employed, and that this example of 'applied virtue' is accepted as adequate evidence in all the writings of humanitarians *à la* Macaulay, up to the time of Adam Smith. It is true that with the rise of manufacture [*Manufaktur*] as opposed to handicrafts [*Handwerk*],* traces of the exploitation of children begin to appear. This exploitation always existed to a certain extent among the peasants, and was the more developed, the heavier the yoke pressing on the countryman. The tendency of capital is unmistakable; but the facts themselves are as isolated as the phenomenon of a two-headed baby. Hence they were noted with 'exultation' as especially peculiar and remarkable, and recommended as models for their own time and for posterity by the far-seeing 'friends of commerce'. This same Scottish sycophant and fine talker, Macaulay, says: 'We hear today only of retrogression and see only progress.' What eyes, and above all, what ears!

*Marx distinguishes between three forms of industrial organization. In chronological order, these are *Handwerk* (handicrafts), *Manufaktur* (manufacture) and large-scale industry (*die grosse Industrie*).

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*Malachy Postlethwayt (1707–67), English economist.

Gregor do today, and the author of the *Essay on Trade and Commerce* cited earlier.[89]

Postlethwayt says among other things: 'We cannot put an end to these few observations, without noticing that trite remark in the mouth of too many; that if the industrious poor can obtain enough to maintain themselves in five days, they will not work the whole six. Whence they infer the necessity of even the necessaries of life being made dear by taxes, or any other means, to compel the working artisan and manufacturer to labour the whole six days in the week, without ceasing. I must beg leave to differ in sentiment from those great politicians, who contend for the perpetual slavery of the working people of this kingdom; they forget the vulgar adage, all work and no play. Have not the English boasted of the ingenuity and dexterity of her working artists and manufacturers which have heretofore given credit and reputation to British wares in general? What has this been owing to? To nothing more probably than the relaxation of the working people in their own way. Were they obliged to toil the year round, the whole six days in the week, in a repetition of the same work, might it not blunt their ingenuity, and render them stupid instead of alert and dexterous; and might not our workmen lose their reputation instead of maintaining it by such eternal slavery?... And what sort of workmanship could we expect from such hard-driven animals?... Many of them will execute as much work in four days as a Frenchman will in five or six. But if Englishmen are to be eternal drudges, 'tis to be feared they will degenerate below the Frenchmen. As our people are famed for bravery in war, do we not say that it is owing to good English roast beef and pudding in their bellies, as well as their constitutional spirit of liberty? And why may not the superior ingenuity and dexterity of our artists and manufacturers be owing to that freedom and liberty to direct themselves in their own way, and I hope we shall never have them deprived of such privileges and that good living from whence their ingenuity no less than their courage may proceed.'[90] To this the author of the *Essay on Trade and Commerce* replies: 'If the making of every seventh day an holiday is supposed to be of divine institution, as it implies the appropriating the other six days to labour' (he means capital, as we shall soon see) 'surely it will not be thought cruel to enforce it . . . That mankind in general, are naturally inclined to ease and indolence, we fatally experience to be true, from the conduct of our manufacturing populace, who do not labour, upon an average, above four days in a week, unless provisions happen to be very dear . . . Put all the necessaries of the poor under one denomination; for instance, call them all wheat, or suppose that. . . the bushel of wheat shall cost five shillings and that he' (the worker) 'earns a shilling a day by his labour, he then would be obliged to work five days only in a week. If the bushel of wheat should cost but four shillings, he would be obliged to work but four days; but as wages in this kingdom are much higher in proportion to the price of necessaries . . . the manufacturer' [i.e. the manufacturing worker], 'who labours four days, has a surplus of money to live idle with the rest of the week . . . I hope I have said enough to make it appear that the moderate labour of six days in a week is no slavery. Our labouring people' [i.e. the agricultural labourers] 'do this, and to all appearance are the happiest of all our labouring poor,[91] but the Dutch do this in manufactures, and appear to be a very happy people. The French do so, when holidays do not intervene.[92] But our populace have adopted a notion, that as Englishmen they enjoy a birthright privilege of being more free and independent than in any country in Europe. Now this idea, as far as it may affect the bravery of our troops, may be of some use; but the less the manufacturing poor have of it, certainly the better for themselves and for the State. The labouring people should never think themselves independent of their superiors ... It is extremely dangerous to encourage mobs in a commercial state like ours, where, perhaps, seven parts out of eight of the whole, are people with little or no property. The cure will not be perfect, till our manufacturing poor are contented to labour six days for the same sum which they now earn in four days.'[93] To this end, and for 'extirpating idleness, debauchery and excess', promoting a spirit of industry, 'lowering the price of labour in our manufactories, and easing the lands of the heavy burden of poor's rates', our 'faithful Eckart' of capital proposes the well-tried method of locking up workers who become dependent on public support (in one word, paupers) in 'an ideal workhouse'. Such an ideal workhouse must be made a 'House of Terror', and not an asylum for the poor 'where they are to be plentifully fed, warmly and decently clothed, and where they do but little work'.[94] In this 'House of Terror', this 'ideal workhouse, the poor shall work 14 hours in a day, allowing proper time for meals, in such manner that there shall remain 12 hours of neat labour.'[95]

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[89] The most ferocious of the accusers of the workers is the anonymous author of *An Essay on Trade and Commerce, Containing Observations on Taxes, etc.*, London, 1770, quoted above. He had already touched on the matter in his earlier work, *Considerations on Taxes*, London, 1765. That unspeakable statistical prattler Arthur Young, the Polonius of political economy, is on the same side of the fence.* The foremost of the defenders of the workers are: Jacob Vanderlint, in *Money Answers All Things*, London, 1734; the Rev. Nathaniel Forster, D.D., in *An Enquiry into the Causes of the Present High Price of Provisions*, London, 1767; Dr Price; and in particular Postlethwayt himself, both in a supplement to his *Universal Dictionary of Trade and Commerce* and in his *Great Britain's Commercial Interest Explained and Improved*, 2nd edn, London, 1759. The facts themselves are confirmed by many other writers of the time, including, among others, Josiah Tucker.†

*In his *Political Arithmetic*, London, 1774.

†Josiah Tucker (1712–99), Dean of Gloucester, was a forerunner of Adam Smith in political economy and wrote in favour of American independence and of free-trade.

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[90] Postlethwayt, op. cit., 'First Preliminary Discourse', p. 14.

[91] *An Essay, etc.* On p. 96 he himself tells us what the 'happiness' of the English agricultural labourer in 1770 actually consisted in. 'Their powers are always upon the stretch, they cannot live cheaper than they do, nor work harder.'

[92] Protestantism, by changing almost all the traditional holidays into working days, played an important part in the genesis of capital.

Twelve working hours a day in the 'Ideal Workhouse', the 'House of Terror' of 1770! 63 years later, in 1833, when the English Parliament reduced the working day for children of 13 to 18 years to 12 full hours, in four branches of industry, the Day of Judgement seemed to have dawned for English industry! In 1852, when Louis Bonaparte sought to secure his position with the bourgeoisie by tampering with the legal working day, the people of France cried out with one voice 'the law that limits the working day to 12 hours is the one good that has remained to us of the legislation of the Republic'.[96] At Zurich the work of children over 10 is limited to

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[93] *An Essay, etc.*, pp. 15, 41, 96, 97, 55, 57, 69. Jacob Vanderlint declared as early as 1734 that the secret of the capitalists' complaints about the laziness of the working people was simply this, that they claimed six days' labour instead of four for the same wages.

[94] ibid., pp. 242–3.

[95] ibid., p. 260. 'The French,' he says, 'laugh at our enthusiastic ideas of liberty' (ibid., p. 78).

[96] 'They especially objected to work beyond the 12 hours per day, because the law which fixed those hours, is the only good which remains to them of the legislation of the Republic' (*Reports of the Inspectors of Factories ... 31 October 1855*, p. 80). The French Twelve Hours' Bill of 5 September 1850, a bourgeois edition of the Provisional Government's decree of 2 March 1848, holds in all workshops without exception. Before this law, the working day in France was without a definite limit. It lasted 14, 15 or more hours in the

12 hours; in Aargau in 1862, the work of children between 13 and 16 was reduced from 12½ to 12 hours; in Austria in 1860, for children between 14 and 16, the same reduction was made.[97] 'What progress since 1770,' Macaulay might shout 'with exultation'.

The 'House of Terror' for paupers, only dreamed of by the capitalist mind in 1770, was brought into being a few years later in the shape of a gigantic 'workhouse' for the industrial worker himself. It was called the factory. And this time the ideal was a pale shadow compared with the reality.

6. THE STRUGGLE FOR A NORMAL WORKING DAY. LAWS FOR THE COMPULSORY LIMITATION OF WORKING HOURS. THE ENGLISH FACTORY LEGISLATION OF 1833-64

After capital had taken centuries to extend the working day to its normal maximum limit, and then beyond this to the limit of the natural day of 12 hours,[98] there followed, with the birth of large-

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factories. See *Des classes ouvrières en France, pendant l'année 1848*, by Monsieur Blanqui. M. Blanqui, the economist, not the revolutionary, had been given the task of inquiring into the condition of the working class by the government.

[97] Belgium has proved itself to be the model bourgeois state in regard to the regulation of the working day. Lord Howard de Walden, English Plenipotentiary at Brussels,* reported to the Foreign Office on 12 May 1862: 'M. Rogier, the minister, informed me that children's labour is limited neither by a general law nor by any local regulations; that the Government, during the last three years, intended in every session to propose a bill on the subject, but always found an insuperable obstacle in the jealous opposition which was made to any legislation in contradiction with the principle of complete freedom of labour.'

[98] 'It is certainly much to be regretted that any class of persons should toil 12 hours a day, which, including the time for their meals and for going to and returning from their work, amounts, in fact, to 14 of the 24 hours ... Without entering into the question of health, no one will hesitate, I think, to admit that, *in a moral point of view*, so entire an absorption of the time of the working classes, without intermission, from the early age of 13, and in trades not subject to restriction, much younger, must be extremely prejudicial, and is an evil greatly to be deplored ... For the sake, therefore, of public morals, of bringing up an orderly population, and of giving the great body of the people a reasonable enjoyment of life, it is much to be desired that in all trades some portion of every working day should be reserved for rest and leisure' (Leonard Horner, in *Reports of the Inspectors of Factories ... 31 December 1841*).

*Charles Augustus Ellis, Lord Howard de Walden and Seaford (1799-1868), diplomat. Minister Plenipotentiary at Brussels from 1846 to 1868.

scale industry in the last third of the eighteenth century, an avalanche of violent and unmeasured encroachments. Every boundary set by morality and nature, age and sex, day and night, was broken down. Even the ideas of day and night, which in the old statutes were of peasant simplicity, became so confused that an English judge, as late as 1860, needed the penetration of an interpreter of the Talmud to explain 'judicially' what was day and what was night.[99] Capital was celebrating its orgies.

As soon as the working class, stunned at first by the noise and turmoil of the new system of production, had recovered its senses to some extent, it began to offer resistance, first of all in England, the native land of large-scale industry. For three decades, however, the concessions wrung from industry by the working class remained purely nominal. Parliament passed five Labour Laws between 1802 and 1833, but was shrewd enough not to vote a penny for their compulsory implementation, for the necessary official personnel, etc.[1] They remained a dead letter. 'The fact is, that prior to the Act of 1833, young persons and children were worked all night, all day, or both *ad libitum*.'[2]

A normal working day for modern industry dates only from the Factory Act of 1833, which included cotton, wool, flax and silk factories. Nothing characterizes the spirit of capital better than the history of English factory legislation from 1833 to 1864.

The Act of 1833 lays down that the ordinary factory working day should begin at 5.30 in the morning and end at 8.30 in the evening, and within these limits, a period of 15 hours, it is lawful to employ young persons (i.e. persons between 13 and 18 years of age), at any time of the day, provided that no one individual young person works more than 12 hours in any one day, except in certain cases especially provided for. The sixth chapter of the Act provided: 'That there shall be allowed in the course of every day not less than one and a half hours for meals to every such person restricted as hereinbefore provided.' The employment of children under 9, with exceptions mentioned later, was forbidden; the work of children between 9 and 13 was limited to 8 hours a day; night-work, i.e., according to this Act, work between 8.30 p.m. and 5.30 a.m., was forbidden for all persons between 9 and 18.

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[99] See *Judgment of Mr J. H. Otway, Belfast. Hilary Sessions, County Antrim, 1860.*

[1] It is very characteristic of the regime of Louis Philippe, the bourgeois king, that the one Factory Act passed during his reign, that of 22 March 1841, was never put into force. And this law only dealt with child-labour. It fixed 8 hours a day for children between 8 and 12, 12 hours for children between 12 and 16, etc., with many exceptions which allow night-work even for children of 8 years. The supervision and enforcement of this law, in a country where even the mice are administered by the police, is left to the goodwill of the 'friends of commerce'. Only since 1853, and in one single department – the Nord – has a paid government inspector been appointed. Not less characteristic of the development of French society in general is the fact that until the Revolution of 1848 Louis Philippe's law stood alone amid the all-embracing network of French legislation.

[2] *Reports of the Inspectors of Factories ... 30 April 1860*, p. 50.

The law-makers were so far from wishing to interfere with the freedom of capital to exploit adult labour-power, or, as they called it, 'the freedom of labour', that they created a special system in order to prevent the Factory Acts from having such a frightful consequence.

'The great evil of the factory system as at present conducted,' says the first report of the Central Board of the Commission, on 28 June 1833, 'has appeared to us to be that it entails the necessity of continuing the labour of children to the utmost length of that of the adults. The only remedy for this evil, short of the limitation of the labour of adults, which would, in our opinion, create an evil greater than that which is sought to be remedied, appears to be the plan of working double sets of children.'* Under the name of the 'system of relays' ('relay' means, in English as also in French, the changing of the post-horses at each different halting-place), this 'plan' was therefore carried out, so that, for example, one set of children of between 9 and 13 years were put into harness from 5.30 a.m. until 1.30 p.m., another set from 1.30 p.m. until 8.30 p.m., and so on.

In order to reward the manufacturers for having, in the most impudent way, ignored all the Acts relating to child labour passed during the previous twenty-two years, the pill was yet further gilded for them. Parliament decreed that after 1 March 1834 no child under 11, after 1 March 1835 no child under 12, and after 1 March 1836 no child under 13 was to work more than 8 hours in a factory. This 'liberalism', so full of consideration for 'capital', was the more noteworthy in that Dr Farre, Sir A. Carlisle, Sir B. Brodie, Sir C. Bell, Mr Guthrie etc., in a word, the most distinguished physicians and surgeons in London, had declared in their evidence before the House of Commons that there was danger in delay. Dr Farre was still blunter: 'Legislation is necessary for the prevention of death, in any form in which it can be prematurely inflicted, and certainly this' (the factory method) 'must be viewed as a most cruel mode of inflicting it.'*

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* *Factories Inquiry Commission. First Report of the Central Board of His Majesty's Commissioners.* Ordered by the House of Commons to be printed, 28 June 1833, p. 53.

The same 'reformed' Parliament which in its delicate consideration for the manufacturers condemned children under 13, for years to come, to the hell of 72 hours of factory labour every week, this same Parliament, in the Emancipation Act (which also administered freedom drop by drop), forbade the planters, from the very beginning, to work any Negro slave for more than 45 hours a week.

But capital was by no means soothed; it now began a noisy and long-lasting agitation. This turned on the age-limit of the category of human beings who, under the name 'children', were restricted to 8 hours of work and were subject to a certain amount of compulsory education. According to the anthropology of the capitalists, the age of childhood ended at 10, or, at the outside, 11. The nearer the deadline approached for the full implementation of the Factory Act, the fatal year 1836, the wilder became the rage of the mob of manufacturers. They managed in fact to intimidate the government to such an extent that in 1835 it proposed to lower the limit of the age of childhood from 13 to 12. But now the 'pressure from without' became more threatening. The House of Commons lost its nerve. It refused to throw children of 13 under the Juggernaut wheels of capital for more than 8 hours a day, and the Act of 1833 came into full operation. It remained unaltered till June 1844.

During the decade in which it regulated factory work, at first in part, and then entirely, the official reports of the factory inspectors teem with complaints about the impossibility of enforcing it. The point of time within the 15 hours from 5.30 a.m. to 8.30 p.m. at which each 'young person' and each 'child' was to begin, break off, resume, or end his 12 or 8 hours of labour was left by the Act of 1833 to the free decision of the lords of capital; similarly, the Act also permitted them to assign different meal-times to different persons. Thanks to this provision, the capitalists soon discovered a new 'system of relays', by which the work-horses were not changed at fixed stations, but were always re-harnessed at different stations.

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* *Report from the Committee on the Bill to Regulate the Labour of Children in the Mills and Factories of the United Kingdom: with the Minutes of Evidence.* Ordered by the House of Commons to be printed, 8 August 1832. Evidence of Dr J. R. Farre, pp. 598–602.

We shall not pause here to reflect on the beauty of this system, as we shall have to return to it later. But this much is clear at first glance: it annulled the whole Factory Act, not only in the spirit, but in the letter. How could the factory inspectors, with this complex book-keeping in respect of each individual child or young person, enforce the legally determined hours of work, and compel the employers to grant the legal meal-times? In many of the factories, the old and scandalous brutalities soon blossomed again unpunished. In an interview with the Home Secretary (1844), the factory inspectors demonstrated the impossibility of any control under the newly invented relay system.[3] In the meantime, however, circumstances had greatly changed. The factory workers, especially since 1838, had made the Ten Hours' Bill their economic, as they had made the Charter* their political, election cry. Some of the manufacturers, even, who had run their factories in conformity with the Act of 1833, overwhelmed Parliament with representations on the immoral 'competition' of their 'false brethren', who were able to break the law because of their greater impudence or their more fortunate local circumstances. Moreover, however much the individual manufacturer might like to give free rein to his old lust for gain, the spokesmen and political leaders of the manufacturing class ordered a change in attitude and in language towards the workers. They had started their campaign to repeal the Corn Laws, and they needed the workers to help them to victory! They promised, therefore, not only that the loaf of bread would be twice its size, but also that the Ten Hours' Bill would be enacted in the free trade millennium.[4] Thus they were even less inclined, and less able, to oppose a measure intended only to make the law of 1833 a reality. And finally, the Tories, threatened in their most sacred interest, the rent of land, thundered with philanthropic indignation against the 'nefarious practices'[5] of their foes.

This was the origin of the additional Factory Act of 7 June 1844,

[3] *Reports of the Inspectors of Factories . . . 31 October 1849*, p. 6.

[4] *Reports of the Inspectors of Factories . . . 31 October 1848*, p. 98.

[5] Let us note in passing that Leonard Horner makes use of this expression in his official reports. (*Reports of the Inspectors of Factories . . . 31 October 1859*, p. 7.)

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* Better known as the 'People's Charter', the manifesto issued in May 1838 by a number of groups, including the London Working Men's Association, which called for universal male suffrage and various related electoral reforms. Hence 'Chartism'.

which came into effect on 10 September 1844. It placed under protection a new category of workers, namely women over 18. They were placed in every respect on the same footing as young persons, their working hours limited to 12, and night-work forbidden to them. For the first time it was found necessary for the labour of adults to be controlled directly and officially by legislation. The Factory Report of 1844–5 states ironically: 'No instances have come to my knowledge of adult women having expressed any regret at their rights being thus far interfered with.'[6] The working hours of children under 13 were reduced to 6½, and in certain circumstances to 7.[7]

To get rid of the abuses of the spurious 'system of relays', the law established among other things the following important regulations: 'The hours of work of children and young persons shall be reckoned from the time when any child or young person shall begin to work in the morning.' So that if A, for example, begins work at 8 in the morning, and B at 10, B's working day must nevertheless end at the same hour as A's. 'The time shall be regulated by a public clock,' for example the nearest railway clock, by which the factory clock is to be set. The manufacturer has to hang up a 'legible' printed notice stating the hours for the beginning and ending of work and the pauses allowed for meals. Children beginning work before 12 noon may not be again employed after 1 p.m. The afternoon shift must therefore consist of other children than those employed in the morning. Of the hour and a half for meal-times, 'one hour thereof at the least shall be given before three of the clock in the afternoon ... and at the same period of the day. No child or young person shall be employed more than five hours before 1 p.m. without an interval for meal-time of at least 30 minutes. No child or young person (or female) shall be employed or allowed to remain in any room in which any manufacturing process is then' (i.e. at meal-times) 'carried on.'

It has been seen that these highly detailed specifications, which regulate, with military uniformity, the times, the limits and the pauses of work by the stroke of the clock, were by no means a product of the fantasy of Members of Parliament. They developed gradually out of circumstances as natural laws of the modern mode of production. Their formulation, official recognition and proclamation by the state were the result of a long class struggle. One of their first consequences was that in practice the working day of adult males in factories became subject to the same limitations, since in most processes of production the co-operation of children, young persons and women is indispensable. On the whole, therefore, during the period from 1844 to 1847, the 12 hours' working day became universal and uniform in all branches of industry under the Factory Act.

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[6] *Reports of the Inspectors of Factories ... 30 September 1844*, p. 15.

[7] The Act allows children to be employed for 10 hours if they do not work day after day, but only on alternate days. In the main, this clause remained inoperative.

The manufacturers, however, did not allow this 'progress' without a compensating 'retrogression'. At their instigation the House of Commons reduced the minimum age for exploitable children from 9 to 8, in order to ensure that 'additional supply of factory children'[8] which is owed to the capitalists, according to divine and human law.

The years 1846 to 1847 are epoch-making in the economic history of England. The Corn Laws were repealed; the duties on cotton and other raw materials were removed; free trade was proclaimed as the guiding star of legislation; in short, the millennium had arrived. On the other hand, in the same years the Chartist movement and the ten hours' agitation reached their highest point. They found allies in the Tories, who were panting for revenge. Despite the fanatical opposition of the army of perjured Freetraders, headed by Bright and Cobden, the Ten Hours' Bill, so long struggled for, made its way through Parliament.

The new Factory Act of 8 June 1847 enacted that on 1 July 1847 there should be a preliminary reduction of the working day for 'young persons' (from 13 to 18) and all females to 11 hours, but that on 1 May 1848 there should be a definite limitation of the working day to 10 hours. For the rest, the Act was only an emendatory supplement to the Acts of 1833 and 1844.

Capital now undertook a preliminary campaign to prevent the Act from coming into full force on 1 May 1848. And the workers themselves, under the pretence that they had been taught by experience, were to help in the destruction of their own work. The moment was cleverly chosen. 'It must be remembered, too, that there has been more than two years of great suffering (in consequence of the terrible crisis of 1846–7) among the factory operatives, from many mills having worked short time, and many being altogether closed. A considerable number of the operatives must therefore be in very narrow circumstances; many, it is to be feared, in debt; so that it might fairly have been presumed that at the present time they would prefer working the longer time, in order to make up for past losses, perhaps to pay off debts, or get their furniture out of pawn, or replace that sold, or to get a new supply of clothes for themselves and their families.'[9]

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[8] 'As a reduction in their hours of work would cause a larger number' (of children) 'to be employed, it was thought that the additional supply of children from 8 to 9 years of age would meet the increased demand' (ibid., p. 13).

The manufacturers tried to aggravate the natural impact of these circumstances by a general 10 per cent reduction in wages. This was done in order, as it were, to celebrate the inauguration of the new free-trade era. Then followed a further reduction of 8⅓ per cent as soon as the working day was shortened to 11 hours, and a reduction of twice that amount as soon as it was finally shortened to 10. Therefore, wherever circumstances permitted, a reduction in wages of at least 25 per cent took place.[10] Under these favourably prepared conditions the agitation among the factory workers for the repeal of the Act of 1847 was begun. No method of deceit, seduction or intimidation was left unused; but all in vain. In relation to the half-dozen petitions in which the workers were made to complain of 'their oppression by the Act', the petitioners themselves declared under oral examination that their signatures had been extorted. They felt themselves oppressed, but by something different from the Factory Act.[11] But if the manufacturers did not succeed in getting the workers to speak as they wished, they themselves shrieked all the louder in the press and in Parliament in the name of the workers. They denounced the factory inspector as a species of revolutionary commissioner reminiscent of the Convention,* who would ruthlessly sacrifice the unfortunate factory workers to his

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[9] *Reports of the Inspectors of Factories . . . 31 October 1848*, p. 16.

[10] 'I found that men who had been getting 10s. a week, had had 1s. taken off for a reduction in the rate of 10 per cent, and 1s. 6d. off the remaining 9s. for the reduction in time, together 2s. 6d., and notwithstanding this, many of them said they would rather work 10 hours' (ibid.).

[11] '"Though I signed it" (the petition) "I said at the time I was putting my hand to a wrong thing." "Then why did you put your hand to it?" "Because I should have been turned off if I had refused." Whence it would appear that this petitioner felt himself "oppressed", but not exactly by the Factory Act' (ibid., p. 102).

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*The French revolutionary assembly of 1792 to 1795, which presided over the Terror.

mania for improving the world. This manoeuvre also failed. Leonard Horner, himself a factory inspector, conducted many examinations of witnesses in the factories of Lancashire, both personally and through sub-inspectors. About 70 per cent of the workers examined declared in favour of 10 hours, a much smaller percentage in favour of 11, and an altogether insignificant minority for the old 12 hours.[12]

Another 'friendly' dodge was to make the adult males work 12 to 15 hours, and then to declare that this fact was a fine demonstration of what the proletariat really wanted. But the 'ruthless' factory inspector Leonard Horner was again on the spot. The majority of the 'overtimers' declared: 'They would much prefer working 10 hours for less wages, but they had no choice; so many were out of employment (so many spinners getting very low wages by having to work as piecers, being unable to do better), that if they refused to work the longer time, others would immediately get their places, so that it was a question with them of agreeing to work the longer time, or of being thrown out of employment altogether.'[13]

The preliminary campaign of capital thus came to grief, and the Ten Hours' Act came into force on 1 May 1848. Meanwhile, however, the fiasco of the Chartist party, whose leaders had been imprisoned and whose organization dismembered, had shattered the self-confidence of the English working class. Soon after this the June insurrection in Paris and its bloody suppression united, in England as on the Continent, all fractions of the ruling classes, landowners and capitalists, stock-exchange sharks and small-time shopkeepers, Protectionists and Freetraders, government and opposition, priests and free-thinkers, young whores and old nuns, under the common slogan of the salvation of property, religion, the family and society. Everywhere the working class was outlawed, anathematized, placed under the '*loi des suspects*'.* The manu-

[12] ibid., p. 17. In Mr Horner's district 10,270 adult male labourers were examined in 181 factories. Their evidence is to be found in the appendix to the Factory Reports for the half-year ending October 1848. These examinations provide material which is valuable in other connections as well.

[13] ibid. See the statements collected by Leonard Horner himself, Nos. 69, 70, 71, 72, 92, 93, and those collected by Sub-Inspector A, Nos. 51, 52, 58, 59, 62, 70, of the Appendix. A manufacturer, too, told the plain unvarnished truth in one instance. See No. 14, after No. 265 (ibid.).

The law against all those suspected of assisting the counter-revolution, passed on 17 September 1793 by the Convention. It formed the legal basis facturers no longer needed to restrain themselves. They broke out in open revolt, not only against the Ten Hours' Act, but against all the legislation since 1833 that had aimed at restricting to some extent the 'free' exploitation of labour-power. It was a pro-slavery rebellion in miniature, carried on for over two years with a cynical recklessness and a terroristic energy which were so much the easier to achieve in that the rebel capitalist risked nothing but the skin of his workers.

To understand what follows, we must remember that all three Factory Acts, those of 1833, 1844 and 1847, were in force, in so far as the one did not amend the others; that not one of these limited the working day of the male worker of over 18; and that since 1833 the 15 hours from 5.30 a.m. until 8.30 p.m. had remained the legal 'day', within the limits of which the 12 hours, and later the 10 hours, of labour by young persons and women had to be performed under the prescribed conditions.

The manufacturers began by here and there dismissing a number of the young persons and women they employed, in many cases half of them, and then, for the adult males, restoring night-work, which had almost disappeared. The Ten Hours' Act, they cried, leaves us no other alternative.[14]

The second step they took related to the legal pauses for meals. Let us listen to the factory inspectors. 'Since the restriction of the hours of work to ten, the factory occupiers maintain, although they have not yet practically gone the whole length, that supposing the hours of work to be from 9 a.m. to 7 p.m. they fulfil the provisions of the statutes by allowing an hour before 9 a.m. and half an hour after 7 p.m. (for meals). In some cases they now allow an hour, or half an hour for dinner, insisting at the same time, that they are not bound to allow any part of the hour and a half in the course of the factory working-day.'[15] Thus the manufacturers maintained that the scrupulously strict provisions of the Act of 1844 with regard to meal-times only gave the workers permission to eat and drink before coming into the factory, and after leaving it – i.e. at home! And why indeed should the workers not eat their dinner before 9 o'clock in

[14] *Reports of the Inspectors of Factories... 31 October 1848*, pp. 133–4.
[15] *Reports of the Inspectors of Factories... 30 April 1848*, p. 47.

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for the Terror. As applied here, however, the expression refers to repressive laws passed in various countries after 1848.

*This is Marx's usual term for the American Civil War of 1861 to 1865.

the morning? The crown lawyers, however, decided that the prescribed meal-times 'must be in the interval during the working-hours, and that it will not be lawful to work for 10 hours continuously, from 9 a.m. to 7 p.m., without any interval'.[16]

After these pleasant demonstrations, capital commenced its real revolt by taking a step which agreed with the letter of the law of 1844, and was therefore legal.

The Act of 1844 certainly prohibited the employment after 1 p.m. of children aged from 8 to 13 who had been employed before noon. But it did not regulate in any way the 6½ hours' work of the children whose working day began at 12 midday or later. Children of 8 might, if they began work at noon, be employed from 12 till 1 (1 hour); from 2 till 4 in the afternoon (2 hours); and from 5 till 8.30 in the evening (3½ hours). Taken together, this made up a legal 6½ hours! But they could do even better. In order to make the children's work coincide with that of the adult male labourers up to 8.30 p.m., the manufacturers only had to give them no work till 2 in the afternoon; they could then keep them in the factory until 8.30 in the evening without intermission. 'And it is now expressly admitted that the practice exists in England from the desire of mill-owners to have their machinery at work for more than 10 hours a day, to keep the children at work with male adults after all the young persons and women have left, and until 8.30 p.m. if the factory-owners choose.'[17] Workers and factory inspectors protested on hygienic and moral grounds, but Capital answered:

> 'My deeds upon my head! I crave the law,
> The penalty and forfeit of my bond.'*

In fact, according to statistics laid before the House of Commons on 26 July 1850, 3,742 children were still being subjected to this 'practice' in 257 factories on 15 July 1850, despite all the protests.[18] But this was not enough. Lynx-eyed capital discovered that although the Act of 1844 did not allow 5 hours' work before midday without a pause of at least 30 minutes for refreshment, it prescribed nothing like this for afternoon work. Hence capital demanded and ob-

[16] *Reports of the Inspectors of Factories . . . 31 October 1848*, p. 130.

[17] ibid., p. 142.

[18] *Reports of the Inspectors of Factories . . . 31 October 1850*, pp. 5–6.

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*This quotation, and the one following, are from *The Merchant of Venice*, Act 4, Scene 1 (Shylock's speech).

tained the satisfaction not only of making children of 8 drudge without any interval from 2 to 8.30 p.m., but also of letting them go hungry.

> 'Ay, his breast,
> So says the bond.'[19]

This Shylock-like clinging to the letter of the law of 1844, in so far as it regulated child-labour, was, however, only a way of introducing an open revolt against the same law, in so far as it regulated the labour of 'young persons and women'. It will be remembered that the abolition of the 'false relay system' was the main aim of that law, and formed its main content. The manufacturers began their revolt simply by declaring that the sections of the Act of 1844 which prohibited the unrestricted use of young persons and women in such short fractions of the day of 15 hours as the employer chose had been 'comparatively harmless' as long as working hours were limited to 12 hours, but that under the Ten Hours' Act they were a 'grievous hardship'.[20] They informed the inspectors very coolly that they would set themselves above the letter of the law, and reintroduce the old system on their own account.[21] This would, they said, be in the interests of the ill-advised operatives themselves, 'as it would allow them to pay higher wages'. 'This was the only possible plan by which to maintain, under the Ten Hours' Act, the industrial supremacy of Great Britain.' 'Perhaps it may be a little difficult to detect irregularities under the relay system; but what of that? Is the great manufacturing interest of this country to be treated as a secondary matter in order to save some little trouble to Inspectors and Sub-Inspectors of Factories?'[22]

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[19] The nature of capital remains the same in its developed as it is in its undeveloped forms. In the code of law which was imposed on the Territory of Mexico under the influence of the slave-owners, shortly before the outbreak of the American Civil War, it is asserted that the worker 'is his' (the capitalist's) 'money' since the capitalist has bought his labour-power. The same view was current among the Roman patricians. The money they advanced to the plebeian debtor became transformed, through his consumption of the means of subsistence, into his flesh and blood. This 'flesh and blood' was therefore 'their money'. Hence the law of the Ten Tables,* which is worthy of Shylock. Linguet's theory† that the patrician creditors from time to time prepared banquets of debtors' flesh on the other side of the Tiber remains as doubtful as Daumer's theory about the Lord's Supper.‡

[20] *Reports of the Inspectors of Factories . . . 31 October 1848*, p. 133.

*The Law of the Twelve Tables (ten tables plus two supplementary ones) is the earliest Roman code of laws, drawn up in 450 B.C. Table III.6 states: 'On the third market day the creditors shall cut shares. If they have cut more or less than their shares it shall be without prejudice.' All the writers of classical antiquity who dealt with this passage interpreted it to mean an actual division of the debtor's body, not his property, and Marx follows them here (as did Hegel).

†Linguet stated his theory in the book *Théorie des lois civiles, ou principes fondamentaux de la société*, London, 1767, Vol. 2, Bk 5, Ch. 20.

‡G. F. Daumer (1800–1875), writer on religious history, had a theory, put forward in *Die Geheimnisse des christlichen Altertums* (2 vols., Hamburg, 1847), that the early Christians consumed human flesh when they celebrated the Lord's Supper.

All these dodges were of course of no avail. The factory inspectors appealed to the courts. But the Home Secretary, Sir George Grey, was soon so overwhelmed by the clouds of dust arising from the manufacturers' petitions that in a circular of 5 August 1848 he recommended the inspectors not 'to lay informations against mill-owners for a breach of the letter of the Act, or for employment of young persons by relays in cases in which there is no reason to believe that such young persons have been actually employed for a longer period than that sanctioned by law'. At this, Factory Inspector J. Stuart allowed the so-called relay system for the 15-hour period of the factory day to be restored throughout Scotland, where it soon flourished again as of old. The English factory inspectors, on the other hand, declared that the Home Secretary had no dictatorial powers enabling him to suspend the laws, and continued their legal proceedings against the 'pro-slavery rebellion'.

But what was the point of summoning the manufacturers to appear before the courts when the courts, in this case the county magistrates,[23] acquitted them? In these tribunals the manufacturers sat in judgement on themselves. An example. A certain Eskrigge, a cotton-spinner, of the firm of Kershaw, Leese & Co., had laid before the factory inspector of his district the details of a relay system intended for his mill. Receiving a refusal, he at first kept quiet. A few months later, an individual named Robinson, also a cotton-spinner, and if not Eskrigge's Man Friday at least his relative, appeared before the borough magistrates of Stockport on a charge of introducing the very plan of relays Eskrigge had devised. The bench consisted of four Justices, three of them cotton-spinners, and was headed by this same inevitable Eskrigge. Eskrigge acquitted Robinson, and now decided that what was right for Robinson was fair for Eskrigge. Supported by his own legal decision, he at once introduced the new relay system into his own factory.[24] Of course, the composition of this tribunal was in itself a blatant violation of the law.[25] 'These judicial farces,' exclaims Inspector Howell, 'urgently call for a remedy – either that the law should be so altered as to be made to conform to these decisions, or that it should be administered by a less fallible tribunal, whose decisions would conform to the law ... when these cases are brought forward. I long for a stipendiary magistrate.'[26]

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[21] Thus, among others, the philanthropist Ashworth, in a letter to Leonard Horner which is repulsive in its Quaker manner. (*Reports of the Inspectors of Factories . . . 30 April 1849*, p. 4.)

[22] *Reports of the Inspectors of Factories . . . 30 April 1849*, pp. 138, 140.

[23] These 'county magistrates', the 'Great Unpaid' as William Cobbett described them, are unpaid judges chosen from the most eminent people in each county. They constitute in fact the patrimonial jurisdiction of the ruling classes.

The Crown lawyers declared that the manufacturers' interpretation of the Act of 1848 was absurd. But the saviours of society would not allow themselves to be turned from their purpose. Leonard Horner reports: 'Having endeavoured to enforce the Act ... by ten prosecutions in seven magisterial divisions, and having been supported by the magistrates in one case only ... I considered it useless to prosecute more for this evasion of the law. That part of the Act of 1848 which was framed for securing uniformity in the hours of work ... is thus no longer in force in my district (Lancashire). Neither have the sub-inspectors or myself any means of satisfying ourselves, when we inspect a mill working by shifts, that the young persons and women are not working more than 10 hours a day ... In a return of the 30 April ... of mill-owners working by shifts, the number amounts to 114, and has been for some time rapidly increasing. In general, the time of working the mill is extended to 13½ hours, from 6 a.m. to 7½ p.m., ... in some instances it amounts to 15 hours, from 5½ a.m. to 8½ p.m.'[27] Leonard Horner already possessed by December 1848 a list of 65 manufacturers and 29 factory overseers who unanimously declared that no system of supervision could, under this relay system, prevent the most extensive amount of overwork.[28] Sometimes the same children and young persons were shifted from the spinning-room to the weaving-room, sometimes, in the course of 15 hours, they were shifted from one factory to another.[29] How was it possible to control a system which 'under the guise of relays, is some one of the many plans for shuffling "the hands" about in endless variety, and shifting the hours of work and of rest for different individuals throughout the day, so that you may never have one complete set of hands working together in the same room at the same time'?[30]

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[24] *Reports of the Inspectors of Factories ... 30 April 1849*, pp. 21–2. Cf. similar examples in ibid., pp. 4, 5.

[25] By Section 10 of I. and II. William IV, c. 24, known as Sir John Hobhouse's Factory Act, it was forbidden to any owner of a cotton-spinning or weaving mill, or the father, son or brother of such an owner, to act as Justice of the Peace in any inquiries concerning the Factory Act.

[26] *Reports of the Inspectors of Factories ... 30 April 1849*, p. 22.

[27] *Reports of the Inspectors of Factories ... 30 April 1849*, p. 5.

But even if we entirely leave aside actual over-work, this so-called relay system was an offspring of capital's imagination never surpassed even by Fourier in his humorous sketches of the '*courtes séances*',* except that the 'attraction of labour' is here transformed into the attraction of capital. Look, for example, at those schemes praised by the 'respectable press' as models of 'what a reasonable degree of care and method can accomplish'. The working personnel was sometimes divided into from twelve to fifteen categories, and these categories themselves constantly underwent changes in their composition. During the 15 hours of the factory day, capital dragged in the worker now for 30 minutes, now for an hour, and then pushed him out again, to drag him into the factory and thrust him out afresh, hounding him hither and thither, in scattered shreds of time, without ever letting go until the full 10 hours of work was done. As on the stage, the same persons had to appear in turn in the different scenes of the different acts. And just as an actor is committed to the stage throughout the whole course of the play, so the workers were committed to the factory for the whole 15 hours, without reckoning the time taken in coming and going. Thus the hours of rest were turned into hours of enforced idleness, which drove the young men to the taverns and the young girls to the brothels.

[28] *Reports of the Inspectors of Factories ... 31 October 1849*, p. 6.

[29] *Reports of the Inspectors of Factories ... 30 April 1849*, p. 21.

[30] *Reports of the Inspectors of Factories ... 31 October 1848*, p. 95.

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*'Short sessions', the brief periods of labour Fourier envisaged for his ideal society. They corresponded to the eleventh human passion, the passion for variety, and without them labour would not be 'attractive'. Cf. *Le Nouveau Monde industriel et sociétaire*, 2nd edn, Paris, 1845, p. 67.

Every new trick the capitalist hit upon from day to day for keeping his machinery going for 12 or 15 hours without increasing the number of the personnel meant that the worker had to gulp down his meals in a different fragment of time. During the 10 hours' agitation, the manufacturers cried out that the mob of workers were petitioning in the hope of obtaining 12 hours' wages for 10 hours' work. Now they reversed the medal. They paid 10 hours' wages for 12 or 15 hours' disposition over the workers' labour-power.[31] This was the heart of the matter, this was the manufacturers' edition of the ten hours' law! These were the same unctuous Free traders, dripping with the milk of human kindness, who for ten whole years, during the agitation against the Corn Laws, had demonstrated to the workers, by making precise calculations in pounds, shillings and pence, that with corn freely imported 10 hours of labour would be quite sufficient, given the existing means of English industry, to enrich the capitalists.[32]

This revolt of capital was after two years finally crowned with victory by a decision handed down by one of the four highest courts in England, the Court of Exchequer, which, in a case brought before it on 8 February 1850, decided that the manufacturers were certainly acting against the sense of the Act of 1844, but that this Act itself contained certain words that rendered it meaningless. 'This verdict was tantamount to an abrogation of the Ten Hours' Bill.'[33] A great number of manufacturers, who until then had been afraid to use the shift system for young persons and women, now seized on it enthusiastically.[34]

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[31] See *Reports of the Inspectors of Factories . . . 30 April 1849*, p. 6, and the detailed explanation of the 'shifting system' given by Factory Inspectors Howell and Saunders in the *Reports of the Inspectors of Factories . . . 31 October 1848*. See also the petition to the Queen from the clergy of Ashton* and vicinity, in the spring of 1849, against the 'shift system'.

[32] Cf. for example R. H. Greg, *The Factory Question and the Ten Hours' Bill*, London, 1837.

[33] F. Engels' 'Die englische Zehnstundenbill', in the *Neue Rheinische Zeitung. Politisch-ökonomische Revue*, edited by myself, p. 13 of the issue for April 1850 [English translation: Marx and Engels, *Articles on Britain*, London, 1971, p. 105] During the American Civil War the same 'High' Court of Justice discovered a verbal twist which exactly reversed the meaning of the law against the arming of pirate ships.†

*Ashton-under-Lyne, in Lancashire. A cotton town, and a main centre of the agitation which had led up to the Factory Act of 1847.

†This law was the Foreign Enlistment Act of 1819 (59 George III, c. 69). It forbade the fitting-out of vessels to engage in military operations against states with which Britain was not at war. In November 1863 the Court of Exchequer held that the British government had no justification under the Act for its seizure of the *Alexandra*, a ship intended for the Confederate States.

But this apparently decisive victory of capital was immediately followed by a counter-stroke. So far, the workers had offered a resistance which was passive, though inflexible and unceasing. They now protested in Lancashire and Yorkshire in threatening meetings. The so-called Ten Hours' Act, they said, was thus mere humbug, a parliamentary fraud. It had never existed! The factory inspectors urgently warned the government that class antagonisms had reached an unheard-of degree of tension. Some of the manufacturers themselves grumbled: 'On account of the contradictory decisions of the magistrates, a condition of things altogether abnormal and anarchical obtains. One law holds in Yorkshire, another in Lancashire; one law in one parish of Lancashire, another in its immediate neighbourhood. The manufacturer in large towns could evade the law, the manufacturer in country districts could not find the people necessary for the relay system, still less for the shifting of hands from one factory to another, etc.' And the most fundamental right under the law of capital is the equal exploitation of labour-power by all capitalists.

Under these circumstances, it came to a compromise between manufacturers and men, given the seal of parliamentary approval in the supplementary Factory Act of 5 August 1850. The working day for 'young persons and women' was lengthened from 10 to 10½ hours for the first five days of the week, and shortened to 7½ hours on Saturdays. The work had to take place between 6 a.m. and 6 p.m.,[35] with pauses of not less than 1½ hours for meal-times, these meal-times to be allowed at exactly the same time for all, and in accordance with the regulations laid down in 1844. By this the relay system was ended once and for all.[36] For child labour, the Act of 1844 remained in force.

One set of manufacturers secured to themselves special seigniorial rights over the children of the proletariat, just as they had done before. These were the silk manufacturers. In 1833 they had howled threateningly that 'if the liberty of working children of any age for 10 hours a day were taken away, it would stop their works'.[37] It would be impossible for them to buy a sufficient number of children over 13. They extorted the privilege they desired. Subsequent investigation showed that the pretext was a deliberate lie. This did not, however, prevent them, throughout the following decade, from spinning silk for 10 hours a day out of the blood of little children who had to be put on stools to perform their work.[38] The Act of 1844 certainly 'robbed' the silk manufacturers of the 'liberty' of employing children under 11 for longer than 6½ hours each day. But as against this, it secured them the privilege of working children between 11 and 13 for 10 hours a day, and annulling in their case the education which had been made compulsory for all other factory children. This time the pretext was 'the delicate texture of the fabric in which they were employed, requiring a lightness of touch, only to be acquired by their early introduction to these factories'.[39] The children were quite simply slaughtered for the sake of their delicate fingers, just as horned cattle are slaughtered in southern Russia for their hides and their fat. Finally, in 1850, the privilege granted in 1844 was limited to the departments of silk-twisting and silk-winding. But here, in order to compensate capital for the loss of its 'liberty', the hours of labour for children aged from 11 to 13 were increased from 10 to 10½. Pretext: 'Labour in silk mills was lighter than in mills for other fabrics, and less likely in other respects also to be prejudicial to health.'[40] Official medical inquiries proved afterwards that, on the contrary, 'the average death-rate is exceedingly high in the silk districts, and amongst the female part of the population is higher even than it is in the cotton districts of Lancashire'.[41] Despite the protests of the factory inspectors, very 6 months, this evil has lasted to the present day.[42] t of 1850 replaced the 15-hour period from 6 a.m. to by a 12-hour period from 6 a.m. to 6 p.m., but only for rsons and women'. It did not therefore affect children, l always be employed for half an hour before this period, urs after it, provided the total duration of their labour ceed 6½ hours. While the bill was under discussion, the spectors laid before Parliament statistics relating to the abuses which had arisen from this anomaly. But in vain. kground lurked the intention of using the children to working day of adult males up to 15 hours, in years of . The experience of the three years which followed ted that such an attempt was bound to fail in face of

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[34] *Reports of the Inspectors of Factories . . . 30 April 1850.*

[35] In winter the period from 7 a.m. to 7 p.m. can be substituted for this.

[36] 'The present law' (of 1850) 'was a compromise whereby the employed surrendered the benefit of the Ten Hours' Act for the advantage of one uniform period for the commencement and termination of the labour of those whose labour is restricted' (*Reports of the Inspectors of Factories . . . 30 April 1852*, p. 14).

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[37] *Reports of the Inspectors of Factories . . . 30 September 1844*, p. 13.

[38] ibid.

[39] *Reports of the Inspectors of Factories . . . 31 October 1846*, p. 20.

[40] *Reports of the Inspectors of Factories . . . 31 October 1861*, p. 26.

[41] ibid., p. 27. In general, the working population has greatly improved physically under the regime of the Factory Act. All medical testimony agrees on this point, and my own personal observation on various occasions has convinced me this is true. Nevertheless, and leaving aside the terrible death-rate of children in the first years of their life, the official reports of Dr Greenhow show the unfavourable health conditions of the manufacturing districts as compared with 'agricultural districts of normal health'. As evidence, take the following table from his 1861 report:

Death-rate from pulmonary affections per 100,000 males	Name of District	Death-rate from pulmonary affections per 100,000 females	Percentage of adult females engaged in manufactures	Kind of female occupation
598	Wigan	644	18·0	Cotton
708	Blackburn	734	34·9	Ditto
547	Halifax	564	20·4	Worsted
611	Bradford	603	30·0	Ditto
691	Macclesfield	804	26·0	Silk
588	Leek	705	17·2	Ditto
721	Stoke-upon-Trent	665	19·3	Earthenware
726	Woolstanton	727	13·9	Ditto
305	Eight healthy agricultural districts	340		

eluctance with which the English 'Free traders' gave up the uty on silk manufacture is well known. The absence of protection actory children now serves in place of protection against French the resistance of the adult male workers.[43] The Act of 1850 was therefore finally completed in 1853 by the prohibition of the 'employment of children in the morning before and in the evening after young persons and women'. Henceforth, with few exceptions, the Factory Act of 1850 regulated the working day of all workers in the branches of industry subject to it.[44] By then, half a century had elapsed since the passing of the first Factory Act.[45]

Factory legislation went beyond its original sphere of application for the first time in the Printworks Act of 1845. The unwillingness with which capital accepted this new 'extravagance' speaks through every line of the Act. It limits the working day for children from 8 to 13, and for women, to 16 hours between 6 a.m. and 10 p.m. without any legal pause for meal-times. It allows males over 13 to be worked at will day and night.[46] It is a parliamentary abortion.[47]

Nevertheless, the principle had triumphed with its victory in those great branches of industry which form the most characteristic creation of the modern mode of production. Their wonderful development from 1853 to 1860, hand-in-hand with the physical and moral regeneration of the factory workers, was visible to the weakest eyes. The very manufacturers from whom the legal limitation and regulation of the working day had been wrung step by step in the course of a civil war lasting half a century now pointed boastfully to the contrast with the areas of exploitation which were still 'free'.[48] The Pharisees of 'political economy' now proclaimed that their newly won insight into the necessity for a legally regulated working day was a characteristic achievement of their 'science'.[49] It will easily be understood that after the factory magnates had resigned themselves and submitted to the inevitable, capital's power of resistance gradually weakened, while at the same time the working class's power of attack grew with the number of its allies in those social layers not directly interested in the question. Hence the comparatively rapid progress since 1860.

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[43] *Reports of the Inspectors of Factories . . . 30 April 1853*, p. 30.

[44] During the years 1859 and 1860, when the English cotton industry was at its zenith, the manufacturers tried to reconcile the adult male workers to an extension of the working day by using the bait of higher wages for overtime. The hand-mule spinners and self-actor minders put an end to the experiment by sending a petition to their employers, in which they said: 'Plainly speaking, our lives are to us a burthen; and, while we are confined to the mills nearly two days a week' (20 hours) 'more than the other operatives of the country, we feel like helots in the land, and that we are perpetuating a system injurious to ourselves and future generations . . . This, therefore, is to give you most respectful notice that when we commence work again after the Christmas and New Year holidays, we shall work 60 hours per week, and no more, or from six to six, with one hour and a half out' (*Reports of the Inspectors of Factories . . . 30 April 1860*, p. 30).

[45] On the means provided by the wording of this Act for its own violation, see the Parliamentary Return *Factories Regulation Acts* (6 August 1859), and in it Leonard Horner's 'Suggestions for Amending the Factory Acts to Enable the Inspectors to Prevent Illegal Working, Now Become Very Prevalent'.

[46] 'Children of the age of 8 years and upwards, have, indeed, been employed from 6 a.m. to 9 p.m. during the last half year in my district' (*Reports of the Inspectors of Factories . . . 31 October 1857*, p. 39).

[47] 'The Printworks Act is admitted to be a failure, both with reference to its educational and protective provisions' (*Reports of the Inspectors of Factories . . . 31 October 1862*, p. 52).

Dye-works and bleach-works were brought under the Factory Act of 1850 in 1860;[50] lace and stocking factories in 1861. As a result of the first report of the Commission on the Employment of Children (1863) the same fate was shared by the manufacturers of all earthenware products (not just the potteries), matches, percussion-caps, cartridges, carpets and fustian cuttings, and the employers of people engaged in the many processes included under the name of 'finishing'. In the year 1863 bleaching in the open air[51] and baking were placed under special Acts by which, in the former case, the labour of young persons and women at night was forbidden (from 8 in the evening to 6 in the morning), and in the latter, the employment of journeymen bakers under 18 between 9 in the evening and 5 in the morning. We shall return to the later proposals of the same Commission, which threaten to deprive all the important branches of English industry of their 'freedom', with the exception of agriculture, mining and transport.[52]

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[48] Thus E. Potter, for example, in a letter of 24 March 1863 to *The Times*. *The Times* reminded him of the manufacturers' revolt against the Ten Hours' Bill.

[49] Thus, among others, Mr W. Newmarch, collaborator and editor of Tooke's *History of Prices*. Is it a scientific advance to make cowardly concessions to public opinion?

[50] The Act passed in 1860 laid down for dye-works and bleach-works that the working day should be provisionally fixed, on 1 August 1861, at 12 hours, and definitively fixed, on 1 August 1862, at 10 hours, i.e. at 10½ hours for ordinary days and 7½ for Saturday. Now when the fatal year arrived, in 1862, the old farce was repeated. The manufacturers petitioned Parliament to allow the employment of young persons and women for 12 hours a day for yet one more year. 'In the existing condition of the trade' (at the time of the cotton famine) 'it was greatly to the advantage of the operatives to work 12 hours per day, and make wages when they could.' A bill to this effect was brought in 'and it was mainly due to the action of the operative bleachers in Scotland that the bill was abandoned' (*Reports of the Inspectors of Factories . . . 31 October 1862*, pp. 14, 15). Defeated in this way by the very workers in whose name it pretended to speak, capital discovered, with the help of the judicial magnifying-glass, that the Act of 1860, drawn up in equivocal phrases, like all the Acts of Parliament for the 'protection of labour', provided them with a pretext for excluding from its operation the 'calenderers' and the 'finishers'. English jurisprudence, always the faithful servant of capital, sanctioned this piece of pettifogging in the Court of Common Pleas. 'The operatives have been greatly disappointed . . . they have complained of over-work, and it is greatly to be regretted that the clear intention of the legislature should have failed by reason of a faulty definition' (ibid., p. 18).

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[51] The 'open-air bleachers' had evaded the law of 1860 with the lie that no women worked at bleaching during the night. This lie was exposed by the factory inspectors, and at the same time Parliament was robbed of its illusions as to the pleasant atmosphere of fields and meadows in which the open-air bleaching was supposed to take place by petitions from the workers themselves. In this aerial bleaching, drying-rooms with temperatures of from 90° to 100° Fahrenheit were used, and the work there was mainly done by girls. 'Cooling' is the technical expression for their occasional escape from the drying-rooms into the fresh air. 'Fifteen girls in stoves. Heat from 80° to 90° for linens, and 100° and upwards for cambrics. Twelve girls ironing and doing-up in a small room about 10 feet square, in the centre of which is a close stove. The girls stand round the stove, which throws out a terrific heat, and dries the cambrics rapidly for the ironers. The hours of work for these hands are unlimited. If busy, they work till 9 or 12 at night for successive nights' (*Reports of the Inspectors of Factories ... 31 October 1862*, p. 56). A medical man states: 'No special hours are allowed for cooling, but if the temperature gets too high, or the workers' hands get soiled from perspiration, they are allowed to go out for a few minutes ... My experience, which is considerable, in treating the diseases of stove workers, compels me to express the opinion that their sanitary condition is by no means so high as that of the operatives in a spinning factory' (and capital, in its representations to Parliament, had painted them as rubicund and healthy, in the manner of Rubens!). 'The diseases most observable amongst them are phthisis, bronchitis, irregularity of uterine functions, hysteria in its most aggravated forms, and rheumatism. All of these, I believe, are either directly or indirectly induced by the impure, overheated air of the apartments in which the hands are employed, and the want of sufficient comfortable clothing to protect them from the cold, damp atmosphere, in winter, when going to their homes' (ibid., pp. 56–7). The factory inspectors remark, on the subject of the law of 1863,* extracted subsequently from these jovial 'open-air bleachers' [i.e. the employers], 'The Act has not only failed to afford that protection to the workers which it appears to offer, but contains a clause ... apparently so worded that, unless persons are detected working after 8 o'clock at night, they appear to come under no protective provisions at all, and if they do so work, the mode of proof is so doubtful that a conviction can scarcely follow' (ibid., p. 52). 'To all intents and purposes, therefore, as an Act for any benevolent or educational purpose, it is a failure; since it can scarcely be called benevolent to permit, which is tantamount to compelling, women and children to work 14 hours a day with or without meals, as the case may be, and perhaps for longer hours than these, without limit as to age, without reference to sex, and without regard to the social habits of the families of the neighbourhood, in which such works (bleaching and dyeing) are situated' (*Reports of the Inspectors of Factories ... 30 April 1863*, p. 40).

*The law Marx refers to here is in fact the Open Air Bleach-works Act of April 1862, which came into force on 1 January 1863.

7. THE STRUGGLE FOR A NORMAL WORKING DAY. IMPACT OF THE ENGLISH FACTORY LEGISLATION ON OTHER COUNTRIES

The reader will recall that the production of surplus-value, or the extraction of surplus labour, forms the specific content and purpose of capitalist production, quite apart from any reconstruction of the mode of production itself which may arise from the subordination of labour to capital. He will remember that, from the standpoint so far developed here, it is only the independent worker, a man who is thus legally qualified to act for himself, who enters into a contract with the capitalist as the seller of a commodity. So if our historical sketch has shown the prominent part played by modern industry on the one hand, and the labour of those who are physically and legally minors on the other, the former is still for us only a particular department of the exploitation of labour, and the latter only a particularly striking example of it. Without anticipating subsequent developments, the following points can be derived merely by connecting together the historical facts:

First. Capital's drive towards a boundless and ruthless extension of the working day is satisfied first in those industries which were first to be revolutionized by water-power, steam and machinery, in those earliest creations of the modern mode of production, the spinning and weaving of cotton, wool, flax and silk. The changed material mode of production, and the correspondingly changed social relations of the producers,[53] first gave rise to outrages without measure, and then called forth, in opposition to this, social control, which legally limits, regulates and makes uniform the working day and its pauses. During the first half of the nineteenth century, this control therefore appears simply as legislation for exceptions.[54] As soon as the Factory Acts had conquered the original domain of the new mode of production, it was found that in the meantime many other branches of production had made their entry into the factory system properly so called, that manufactures* with more or less obsolete methods, such as potteries, glass-making etc., that old-fashioned handicrafts like baking, and finally that even the scattered so-called domestic industries, such as nail-making,[55] had long since fallen as completely under capitalist exploitation as the factories themselves. Factory legislation was therefore compelled gradually to strip itself of its exceptional character, or to declare that any house in which work was done was a factory, as in England, where the law proceeds in the manner of the Roman Casuists.[56]†

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[52] Since 1866, when I wrote the above passages, a reaction has set in once again.

[53] 'The conduct of each of these classes' (capitalists and workers) 'has been the result of the relative situation in which they have been placed' (*Reports of the Inspectors of Factories . . . 31 October 1848*, p. 113).

Second. The history of the regulation of the working day in certain branches of production, and the struggle still going on in others over this regulation, prove conclusively that the isolated worker, the worker as 'free' seller of his labour-power, succumbs without resistance once capitalist production has reached a certain stage of maturity. The establishment of a normal working day is therefore the product of a protracted and more or less concealed civil war between the capitalist class and the working

[54] 'The employments, placed under restriction, were connected with the manufacture of textile fabrics by the aid of steam or water-power. There were two conditions to which an employment must be subject to cause it to be inspected, viz., the use of steam or water-power, and the manufacture of certain specified fibres' (*Reports of the Inspectors of Factories . . . 31 October 1864*, p. 8).

[55] The latest reports of the Children's Employment Commission contain especially valuable material on the situation in this so-called domestic industry.

[56] 'The Acts of last Session (1864) . . . embrace a diversity of occupations, the customs in which differ greatly, and the use of mechanical power to give motion to machinery is no longer one of the elements necessary, as formerly, to constitute, in legal phrase, a "Factory"' (*Reports of the Inspectors of Factories . . . 31 October 1864*, p. 8).

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*More idiomatic would be 'industries', but these are industries with obsolete methods, and they belong to the age of 'manufacture'.

†The Roman Catholic Casuists of the seventeenth century, especially the Jesuits, were famed for using refined and tortuous arguments so as to preserve intact the formal framework of inconvenient doctrines while abolishing them in substance.

class. Since the contest takes place in the arena of modern industry, it is fought out first of all in the homeland of that industry – England.[57] The English factory workers were the champions, not only of the English working class, but of the modern working class in general, just as their theorists were the first to throw down the gauntlet to the theory of the capitalists.[58] Hence the philosopher of the factory, Ure, considers it a mark of inextinguishable disgrace on the part of the English working class that they wrote 'the slavery of the Factory Acts' on their banners, as opposed to capital, which was striving manfully for the 'perfect freedom of labour'.[59]

France limps slowly behind England. The French twelve hours' law needed the February revolution to bring it into the world,[60]

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57. Belgium, the paradise of Continental liberalism, shows no trace of this movement. Even in the coal and metal mines, workers of both sexes and all ages are consumed, in perfect 'freedom', at any period, and through any length of time. Out of every 1,000 persons employed there, 733 are men, 88 women, 135 boys and 44 girls under 16; in the blast-furnaces, etc., out of 1,000 employed, 668 are men, 149 women, 98 boys and 85 girls under 16. Add to this the low wages paid in return for the enormous exploitation of mature and immature labour-power. The average daily pay for a man is 2s. 8d., for a woman 1s. 8d., for a boy, 1s. 2½d. As a result, Belgium nearly doubled the amount and the value of its exports of coal, iron, etc. between 1850 and 1863.

58. Robert Owen, soon after 1810, not only maintained the necessity of a limitation of the working day in theory, but actually introduced the 10-hour day into his factory at New Lanark. This was laughed at as a communist utopia; so was his 'combination of children's education with productive labour', as well as the workers' co-operative societies he was the first to set up. Today, the first utopia is a Factory Act, the second figures as an official phrase in all Factory Acts, and the third is already being used as a cloak for reactionary swindles.

59. Ure (French translation), *Philosophie des manufactures*, Paris, 1836, Vol. 2, pp. 39–40, 67, 77, etc.

60. We read in the *Compte Rendu* of the International Statistical Congress held in Paris in 1855: 'The French law, which limits the length of daily labour in factories and workshops to 12 hours, does not confine this work to definite fixed hours. For children's labour only the working time is prescribed as between 5 a.m. and 9 p.m. Therefore, some of the manufacturers use the right which this fatal silence gives them to keep their works going without intermission, day in, day out, with the possible exception of Sunday. For this purpose they use two different sets of workers, of whom neither is in the workshop more than 12 hours at a time, but the work of the establishment lasts day and night. The law is satisfied, but is humanity?' Besides 'the destructive influence of night-labour on the human organism', stress is also laid upon 'the fatal influence of the association of the two sexes by night in the same badly lighted workshops'.

and it has far more loopholes than its English model. Nevertheless, the French revolutionary method has its own peculiar advantages. At one stroke it dictates the same limits to the working day in all shops and factories without distinction, whereas the English legislation yields reluctantly to the pressure of circumstances, now on this point, now on that, and is well on the way to creating an inextricable tangle of contradictory enactments.[61] Moreover, the French law proclaims as a principle what in England was only won in the name of children, minors and women, and has only recently been claimed, for the first time, as a universal right.[62]

In the United States of America, every independent workers' movement was paralysed as long as slavery disfigured a part of the republic. Labour in a white skin cannot emancipate itself where it is branded in a black skin. However, a new life immediately arose from the death of slavery. The first fruit of the American Civil War was the eight hours' agitation, which ran from the Atlantic to the Pacific, from New England to California, with the seven-league boots of the locomotive. The General Congress of Labour held at Baltimore in August 1866 declared: 'The first and great necessity of the present, to free the labour of this country from capitalistic slavery, is the passing of a law by which eight hours shall be the normal working day in all States of the American Union. We are resolved to put forth all our strength until this glorious result is attained.'[63] At the same time (the beginning of

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[61] 'For instance, there is within my district one occupier who, within the same curtilage, is at the same time a bleacher and dyer under the Bleaching and Dyeing Works Act, a printer under the Print Works Act, and a finisher under the Factory Act' (Report of Mr Baker, in *Reports of the Inspectors of Factories . . . 31 October 1861*, p. 20). After enumerating the different provisions of these Acts, and the complications arising from them, Mr Baker says: 'It will hence appear that it must be very difficult to secure the execution of these three Acts of Parliament where the occupier chooses to evade the law.' But one thing *is* secured by this means: law-suits for the gentlemen of the law.

[62] Thus the factory inspectors at last venture to say: 'These objections' (objections of capital to the legal limitation of the working day) 'must succumb before the broad principle of the rights of labour . . . There is a time when the master's right in his workman's labour ceases, and his time becomes his own, even if there were no exhaustion in the question' (*Reports of the Inspectors of Factories . . . 31 October 1862*, p. 54).

[63] 'We, the workers of Dunkirk, declare that the length of time of labour required under the present system is too great, and that, far from leaving the worker time for rest and education, it plunges him into a condition of servitude but little better than slavery. That is why we decide that eight hours are

September 1866), the Congress of the International Working Men's Association, held at Geneva, passed the following resolution, proposed by the London General Council: 'We declare that the limitation of the working day is a preliminary condition without which all further attempts at improvement and emancipation must prove abortive ... the Congress proposes eight hours as the legal limit of the working day.'*

Thus the working-class movement on both sides of the Atlantic, which had grown instinctively out of the relations of production themselves, set its seal on the words of the English factory inspector, R. J. Saunders; 'Further steps towards a reformation of society can never be carried out with any hope of success, unless the hours of labour be limited, and the prescribed limit strictly enforced.'[64]

It must be acknowledged that our worker emerges from the process of production looking different from when he entered it. In the market, as owner of the commodity 'labour-power', he stood face to face with other owners of commodities, one owner against another owner. The contract by which he sold his labour-power to the capitalist proved in black and white, so to speak, that he was free to dispose of himself. But when the transaction was concluded, it was discovered that he was no 'free agent', that the period of time for which he is free to sell his labour-power is the period of time for which he is forced to sell it,[65] that

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enough for a working day, and ought to be legally recognized as enough; why we call to our help that powerful lever, the press; .. and why we shall consider all those that refuse us this help as enemies of the reform of labour and of the rights of the labourer' (Resolution of the Working Men of Dunkirk, State of New York, 1866).

[64] *Reports of the Inspectors of Factories ... 31 October 1848*, p. 112.

[65] 'The proceedings' (the manoeuvres of capital, for instance from 1848 to 1850) 'have afforded, moreover, incontrovertible proof of the fallacy of the assertion so often advanced, that operatives need no protection, but may be considered as free agents in the disposal of the only property which they possess – the labour of their hands and the sweat of their brows' (*Reports of the Inspectors of Factories ... 30 April 1850*, p. 45). 'Free labour (if so it may be termed) even in a free country, requires the strong arm of the law to protect it' (*Reports of the Inspectors of Factories ... 31 October 1864*, p. 34). 'To permit, which is tantamount to compelling ... to work 14 hours a day without meals etc.' (*Reports of the Inspectors of Factories ... 30 April 1863*, p. 40).

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*This resolution was drafted by Marx himself. (See 'Instructions for Delegates to the Geneva Conference', printed in *The First International and After*, Pelican Marx Library, 1973, p. 87.)

in fact the vampire will not let go 'while there remains a single muscle, sinew or drop of blood to be exploited'.[66] For 'protection' against the serpent of their agonies, the workers have to put their heads together and, as a class, compel the passing of a law, an all-powerful social barrier by which they can be prevented from selling themselves and their families into slavery and death by voluntary contract with capital.[67] In the place of the pompous catalogue of the 'inalienable rights of man' there steps the modest Magna Carta of the legally limited working day, which at last makes clear 'when the time which the worker sells is ended, and when his own begins'.[68] *Quantum mutatus ab illo!**

66. F. Engels, 'Die englische Zehnstundenbill', op. cit., p. 5 [English translation, p. 97].

67. The Ten Hours' Act, in the branches of industry subject to it, has 'put an end to the premature decrepitude of the former long-hour workers' (*Reports of the Inspectors of Factories ... 31 October 1859*, p. 47). 'Capital' (in factories) 'can never be employed in keeping the machinery in motion beyond a limited time, without certain injury to the health and morals of the labourers employed; and they are not in a position to protect themselves' (ibid., p. 8).

68. 'A still greater boon is the distinction at last made clear between the worker's own time and his master's. The worker knows now when that which he sells is ended, and when his own begins; and by possessing a sure foreknowledge of this, is enabled to pre-arrange his own minutes for his own purposes' (ibid., p. 52). 'By making them masters of their own time' (the Factory Acts) '... have given them a moral energy which is directing them to eventual possession of political power' (ibid., p. 47). With suppressed irony, and using very cautious expressions, the factory inspectors hint that the present Ten Hours' Act also frees the capitalist from some of the brutality natural to a man who is merely an embodiment of capital, and that it has given him time for a little 'culture'. 'Formerly the master had no time for anything but money; the servant had no time for anything but labour' (ibid., p. 48).

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* 'What a great change from that time' (Virgil, *Aeneid*, Bk 2, line 274).

Chapter 11: The Rate and Mass of Surplus-Value

In this chapter, as hitherto, the value of labour-power, and therefore the part of the working day necessary for the reproduction or maintenance of that labour-power, is assumed to be a given, constant magnitude.

With this presupposition, the rate of surplus-value directly gives us the mass of surplus-value furnished to the capitalist by the worker within a definite period of time. If, for example, the necessary labour amounts to 6 hours a day, expressed in a quantity of gold equal to 3 shillings, then 3 shillings is the daily value of one labour-power, or the value of the capital advanced to buy one labour-power. If, further, the rate of surplus-value is 100 per cent, this variable capital of 3 shillings produces a mass of surplus-value of 3 shillings, in other words, the worker supplies every day a mass of surplus labour of 6 hours.

But the variable capital is the monetary expression for the total value of all the labour-powers the capitalist employs simultaneously. Its value is therefore equal to the average value of one labour-power multiplied by the number of labour-powers employed. With a given value of labour-power, therefore, the magnitude of the variable capital varies directly with the number of workers employed simultaneously. If the daily value of one labour-power is 3 shillings, then a capital of 300 shillings must be advanced in order to exploit 100 labour-powers every day, and a capital of $n \times 3$ shillings must be advanced in order to exploit n labour-powers every day.

In the same way, if a variable capital of 3 shillings, being the daily value of one labour-power, produces a daily surplus-value of 3 shillings, a variable capital of 300 shillings will produce a daily surplus-value of 300 shillings, and one of $n \times 3$ shillings will produce a daily surplus-value of $n \times 3$ shillings. The mass of surplus-value produced is therefore equal to the surplus-value provided by the working day of one worker multiplied by the number of workers employed. But as the mass of surplus-value which a single worker produces (the value of labour-power being given) is determined by the rate of surplus-value, this first law follows: the mass of surplus-value produced is equal to the amount of the variable capital advanced multiplied by the rate of surplus-value; in other words: the mass of surplus-value is determined by the product of the number of labour-powers simultaneously exploited by the same capitalist and the degree of exploitation of each individual labour-power.

Let the mass of the surplus value be S, the surplus-value supplied by the individual worker in the average day s, the variable capital advanced daily in the purchase of one individual labour-power v, the sum total of the variable capital V, the value of an average labour-power P, its degree of exploitation $\frac{a'}{a}$ $\left(\frac{\text{surplus labour}}{\text{necessary labour}}\right)$ and the number of workers employed, n; we have, then:

$$S = \begin{cases} \frac{s}{v} \times V \\ P \times \frac{a'}{a} \times n \end{cases}$$

We assume throughout, not only that the value of an average labour-power is constant, but that the workers employed by a capitalist are reduced to average workers. There do exist exceptional cases in which the surplus-value produced does not increase in proportion to the number of workers being exploited, but then the value of the labour-power does not remain constant.

In the production of a definite mass of surplus-value, therefore, a decrease in one factor may be compensated for by an increase in the other. If the variable capital diminishes, and at the same time the rate of surplus-value increases in the same ratio, the mass of surplus-value remains unaltered. If, on our earlier assumption, the capitalist has to advance 300 shillings in order to exploit 100 workers each day, and if the rate of surplus-value amounts to 50 per cent, this variable capital of 300 shillings yields a surplus-value of 150 shillings, or 100×3 working hours. If the rate of surplus-value doubles, or the working day, instead of being extended from 6 to 9, is extended from 6 to 12 hours, and at the same time variable capital is reduced by half, i.e. to 150 shillings, it too yields a surplus-value of 150 shillings, or 50×6 working hours. A decrease in the variable capital may therefore be compensated for by a proportionate rise in the degree of exploitation of labour-power, or a decrease in the number of workers employed by a proportionate extension of the working day. Within certain limits, therefore, the supply of labour exploitable by capital is independent of the supply of workers.[1] And, inversely, a fall in the rate of surplus-value leaves the mass of surplus-value which has been produced unaltered, if the amount of the variable capital, i.e. the number of workers employed, increases in the same proportion.

Nevertheless there are limits, which cannot be overcome, to the compensation for a decrease in the number of workers employed, i.e. a decrease in the amount of variable capital advanced, provided by a rise in the rate of surplus-value, i.e. the lengthening of the working day. Whatever the value of labour-power may be, whether the labour-time necessary for the maintenance of the worker is 2 hours or 10, the total value a worker can produce, day in, day out, is always less than the value in which 24 hours of labour are objectified. For instance, it is less than 12 shillings, if 12 shillings is the monetary expression for 24 hours of objectified labour. On our former assumption, according to which 6 hours of labour every day are necessary in order to reproduce the labour-power itself or to replace the value of the capital advanced to purchase it, a variable capital of 1,500 shillings, employing 500 workers at a rate of surplus-value of 100 per cent with a 12-hour working day, produces every day a surplus-value of 1,500 shillings, or 6×500 working hours. A capital of 300 shillings, employing 100 workers a day with a rate of surplus value of 200 per cent, or with a working day of 18 hours, only produces a mass of surplus-value of 600 shillings, or 12× 100 working hours; and its total value-product, the equivalent of the variable capital advanced plus the surplus-value, can, day in, day out, never reach the sum of 1,200 shillings or 24×100 working hours. The absolute limit of the average working day – this being by nature always less than 24 hours – sets an absolute limit to the compensation for a reduction of variable capital by a higher rate of surplus-value, or for the decrease of the number of workers exploited by a higher degree of exploitation of labour-power. This self-evident second law is of importance for the explanation of many phenomena, arising from the tendency of capital to reduce as much as possible the number of workers employed, i.e. the amount of its variable component, the part which is changed into labour-power (we shall develop this tendency later on),* which stands in contradiction with its other tendency to produce the greatest possible mass of surplus-value. On the other hand, if the mass of labour-power employed or the amount of variable capital increases, but not in proportion to the fall in the rate of surplus-value, a diminution occurs in the mass of surplus-value produced.

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[1] This elementary law appears to be unknown to the vulgar economist, who imagines, like an inverted Archimedes, that in the determination of the market price of labour by supply and demand he has found the fulcrum by means of which he cannot so much move the world, as bring it to a standstill.

A third law results from the determination by the following two factors of the mass of surplus-value produced: rate of surplus-value and the amount of variable capital advanced. The rate of surplus-value, i.e. the degree of exploitation of labour-power, and the value of labour-power, i.e. the amount of the necessary labour-time, being given, it is self-evident that the greater the variable capital, the greater would be the mass of the value produced and of the surplus-value. If the limit of the working day is given, and also the limit of its necessary part, the mass of value and surplus-value produced by the individual capitalist is clearly exclusively dependent on the mass of labour that he sets in motion. But this, on the assumptions we have made above, depends on the mass of labour-power, or the number of workers he exploits, and this number in its turn is determined by the amount of the variable capital advanced. With a given rate of surplus-value, and a given value of labour-power, therefore, the masses of surplus-value produced vary directly as the amounts of the variable capitals advanced. Now we know that the capitalist divides his capital into two parts. He lays out one part on means of production. This is the constant part of his capital. He lays out the other part on living labour-power. This part forms his variable capital. On the basis of the same mode of production, the division of capital into constant and variable differs in different branches of production, and within the same branch of production, too, this relation changes with changes in the technical foundations and in the ways of linking together the processes of production in society. But whatever the proportion between the constant and the variable part of a given capital, whether it is 1:2, or 1:10 or 1:x, the law

* See Chapter 25, Sections 2 and 3 (pp. 772–94).

just laid down is not affected by this. For, according to our previous analysis, the value of the constant capital re-appears in the value of the product, but does not enter into the newly produced value, the newly created value-product. To employ 1,000 spinners, more raw material, spindles, etc. are of course required than to employ 100. The value of these additional means of production, however, may rise, fall, remain unaltered, be large or small; it has no influence on the valorization process performed by the labour-powers which set the means of production in motion. The law demonstrated above therefore takes this form: the masses of value and of surplus-value produced by different capitals – the value of labour-power being given and its degree of exploitation being equal – vary directly as the amounts of the variable components of these capitals, i.e. the parts which have been turned into living labour-power.

This law clearly contradicts all experience based on immediate appearances. Everyone knows that a cotton spinner, who, if we consider the percentage over the whole of his applied capital, employs much constant capital and little variable capital, does not, on account of this, pocket less profit or surplus-value than a baker, who sets in motion relatively much variable capital and little constant capital. For the solution of this apparent contradiction, many intermediate terms are still needed, just as, from the standpoint of elementary algebra, many intermediate terms are needed before we can understand that 0/0 may represent an actual magnitude. Classical economics holds instinctively to this law, although it has never actually formulated it, because it is a necessary consequence of the law of value. It tries to rescue the law from the contradictions of immediate experience by making a violent abstraction. We shall see later[2] how the school of Ricardo came to grief on this stumbling-block. Vulgar economics, which like the Bourbons 'has really learnt nothing', relies here as elsewhere on the mere semblance as opposed to the law which

[2] This point will be examined more closely in Book 4.*

*See *Theories of Surplus-Value*, Part III, London, 1972, Chapter 20, 'Disintegration of the Ricardian School', and in particular the very clear formulation on p. 117: 'The difficulty arose because capitals of equal magnitude, but of unequal composition ... containing unequal proportions of constant and variable capital ... set in motion unequal quantities of ... unpaid labour; consequently they cannot appropriate equal quantities of surplus-value ... But capitals of equal magnitude, no matter what their organic composition, yield equal profits.'

regulates and determines the phenomena. In antithesis to Spinoza, it believes that 'ignorance is a sufficient reason'.*

The labour which is set in motion by the total capital of a society, day in, day out, may be regarded as a single working day. If, for example, the number of workers is a million, and the average working day is 10 hours, the social working day will consist of 10 million hours. With a given length of this working day, whether its limits are fixed physically or socially, the mass of surplus-value can be increased only by increasing the number of workers, i.e. the size of the working population. The growth of population here forms the mathematical limit to the production of surplus-value by the total social capital. And, inversely, with a given population this limit is formed by the possible lengthening of the working day.[3] It will however be seen in the next chapter that this law holds only for the form of surplus-value dealt with up to the present.

From the foregoing treatment of the production of surplus-value it follows that not every sum of money, or value, can be transformed into capital at will. In fact, it is a presupposition of this transformation that a certain minimum of money or of exchange-value is in the hands of the individual possessor of money or commodities. The minimum of variable capital is the cost price of a single labour-power employed the whole year through, day in, day out, for the production of surplus-value. If this worker were in possession of his own means of production, and were satisfied to live as a worker, he could make do with the amount of labour-time necessary to reproduce his means of subsistence, say 8 hours a day. In addition to this, he would only need means of production sufficient for 8 working hours. The capitalist, on the other hand, who makes him do, besides these 8 hours, say 4 hours of surplus labour, requires an additional sum of money for furnishing the additional means of production. On our assump-

[3] 'The Labour, that is the economic time, of society, is a given portion, say ten hours a day of a million people, or ten million hours . . . Capital has its boundary of increase. This boundary may, at any given period, be attained in the actual extent of economic time employed' (*An Essay on the Political Economy of Nations*, London, 1821, pp. 47, 49).

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*Spinoza, in the appendix to Part I of his *Ethics*, rejects the teleological argument for the existence of God, stating that ignorance of other causes is not a sufficient reason for the view that God created nature with some particular end in view.

tion, however, he would have to employ not one but two workers in order to live, on the surplus-value appropriated daily, as well as and no better than a worker, i.e. in order to be able to satisfy his needs. In this case the mere maintenance of life would be the purpose of his production, not the increase of wealth. But capitalist production presupposes the increase of wealth. To live only twice as well as an ordinary worker and, as well as that, turn half of the surplus-value produced into capital, he would have to multiply the number of workers and the minimum of the capital advanced by eight. Of course he can, like the man who is working for him, participate directly in the process of production, but then he is only a hybrid, a man between capitalist and worker, a 'small master'. A certain stage of capitalist production necessitates that the capitalist be able to devote the whole of the time during which he functions as a capitalist, i.e. as capital personified, to the appropriation and therefore the control of the labour of others [*fremde Arbeit*], and to the sale of the products of that labour.[4] The guild system of the Middle Ages therefore tried forcibly to prevent the transformation of the master of a craft into a capitalist, by limiting the number of workers a single master could employ to a very low maximum. Hence the possessor of money or commodities actually turns into a capitalist only where the minimum sum advanced for production greatly exceeds the known medieval maximum. Here, as in natural science, is shown the correctness of the law discovered by Hegel, in his *Logic*, that at a certain point merely quantitative differences pass over by a dialectical inversion into qualitative distinctions.[5]

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[4] 'The farmer cannot rely on his own labour, and if he does, I will maintain that he is a loser by it. His employment should be a general attention to the whole: his thresher must be watched, or he will soon lose his wages in corn not threshed out; his mowers, reapers, etc., must be looked after; he must constantly go round his fences; he must see there is no neglect; which would be the case if he was confined to any one spot' (*An Inquiry into the Connection between the Present Price of Provisions, and the Size of Farms, etc. By a Farmer* [J. Arbuthnot], London, 1773, p. 12). This book is very interesting. In it, one may study the genesis of the 'capitalist farmer' or 'merchant farmer', as he is explicitly called, and observe his self-glorification at the expense of the 'small farmer', who is concerned essentially with his own subsistence. 'The class of capitalists are from the first partially, and they become ultimately completely, discharged from the necessity of manual labour' (*Textbook of Lectures on the Political Economy of Nations*, by the Reverend Richard Jones, Hertford, 1852, Lecture III, p. 39).

[5] The molecular theory of modern chemistry, first scientifically worked

The minimum sum of value the individual possessor of money or commodities must command in order to metamorphose himself into a capitalist changes with the different stages of development of capitalist production, and is at given stages different in different spheres of production, according to their special technical conditions. Certain spheres, even at the beginnings of capitalist production, require a minimum of capital which is not yet to be found in the hands of single individuals. This situation gives rise partly to state subsidies to private persons, as in France in the time of Colbert and in some German states right into our own epoch, and partly to the formation of companies with a legally secured monopoly over the conduct of certain branches of industry and commerce[6] – the forerunners of the modern joint-stock companies.

We shall not examine in detail the changes which take place in the relation between the capitalist and the wage-labourer in the course of the process of production, nor shall we deal any further with the characteristics of capital itself. Here we shall only emphasize certain main points.

Capital developed within the production process until it acquired command over labour, i.e. over self-activating labour-power, in other words the worker himself. The capitalist, who is capital personified, now takes care that the worker does his work regularly and with the proper degree of intensity.

Capital also developed into a coercive relation, and this compels

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out by Laurent and Gerhardt, rests on no other law. [Addition to the third edition by Engels:] For the explanation of this statement, which is not very clear to non-chemists, we remark that the author speaks here of the homologous series of carbon compounds, first so named by C. Gerhardt in 1843, each series of which has its own general algebraic formula. Thus the series of paraffins: $C_nH_{2n+2}O$, that of the normal alcohols: $C_nH_{2n+2}O$; of the normal fatty acids: $C_nH_{2n}O_2$, and many others. In the above examples, by the simply quantitative addition of CH_2 to the molecular formula, a qualitatively different body is each time formed. On the share (overestimated by Marx) of Laurent and Gerhardt in the determination of this important fact see Kopp, *Entwickelung der Chemie*, Munich, 1873, pp. 709, 716, and Schorlemmer, *The Rise and Development of Organic Chemistry*, London, 1879, p. 54.

[6] Martin Luther calls these institutions 'The Company Monopolia'.*

*'Who is so stupid that he cannot see that the trading companies are nothing but pure monopolies?' (*Von Kaufshandlung und Wucher*, 1524, in *Dr Martin Luthers Werke, Kritische Gesamtausgabe*, Vol. 15, Weimar, 1899, p. 312).

the working class to do more work than would be required by the narrow circle of its own needs. As an agent in producing the activity of others, as an extractor of surplus labour and an exploiter of labour-power, it surpasses all earlier systems of production, which were based on directly compulsory labour, in its energy and its quality of unbounded and ruthless activity.

At first capital subordinates labour on the basis of the technical conditions within which labour has been carried on up to that point in history. It does not therefore directly change the mode of production. The production of surplus-value in the form we have so far considered, by means of simple extension of the working day, appeared therefore independently of any change in the mode of production itself. It was no less effective in the old-fashioned bakeries than in the modern cotton factories.

If we consider the process of production from the point of view of the simple labour-process, the worker is related to the means of production, not in their quality as capital, but as being the mere means and material of his own purposeful productive activity. In tanning, for example, he deals with the skins as his simple object of labour. It is not the capitalist whose skin he tans. But it is different as soon as we view the production process as a process of valorization. The means of production are at once changed into means for the absorption of the labour of others. It is no longer the worker who employs the means of production, but the means of production which employ the worker. Instead of being consumed by him as material elements of his productive activity, they consume him as the ferment necessary to their own life-process, and the life-process of capital consists solely in its own motion as self-valorizing value. Furnaces and workshops that stand idle by night, and absorb no living labour, are 'a mere loss' to the capitalist. Hence furnaces and workshops constitute 'lawful claims upon the night-labour' of the labour-powers. As soon as a certain sum of money is transformed into means of production, i.e. into the objective factors of the production process, the means of production themselves are transformed into a title, both by right and by might, to the labour and surplus labour of others. An example will show, in conclusion, how this inversion, indeed this distortion, which is peculiar to and characteristic of capitalist production, of the relation between dead labour and living labour, between value and the force that creates value, is mirrored in the consciousness of the capitalist. During the English manufacturers' revolt of

1848–50, 'the head of one of the oldest and most respectable houses in the West of Scotland, Messrs Carlile Sons & Co., of the linen and cotton thread factory at Paisley, a company which has now existed for about a century, which was in operation in 1752, and four generations of the same family have conducted it . . . ', this 'very intelligent gentleman' wrote a letter printed in the *Glasgow Daily Mail* of 25 April 1849,[7] under the heading 'The Relay System', where the following grotesquely naïve passage, among others, crept in: 'Let us now . . . see what evils will attend the limiting to 10 hours the working of the factory . . . They amount to the most serious damage to the mill-owner's prospects and property. If he' (i.e. his 'hands') 'worked 12 hours before, and is limited to 10, then every 12 machines or spindles in his establishment shrink to 10, and should the works be disposed of, they will be valued only as 10, so that a sixth part would thus be deducted from the value of every factory in the country.'[8]

In this West of Scotland bourgeois brain, which has inherited the capitalist qualities of 'four generations', the value of the means of production, spindles, etc., is so inextricably confused with the quality they possess, as capital, of valorizing themselves, or swallowing up every day a definite quantity of the unpaid labour of others, that the head of the firm of Carlile & Co. actually imagines that if he sells his factory, not only will the value of the spindles be paid to him, but, in addition, their power of self-valorization, not only the labour contained in them, which is necessary to the production of spindles of this kind, but also the surplus labour which they help to pump out daily from the brave Scots of Paisley. This is why he thinks that with the shortening of the working day by 2 hours, the selling-price of 12 spinning machines dwindles to that of 10!

[7] *Reports of the Inspectors of Factories . . . 30 April 1849*, p. 59.

[8] ibid., p. 60. Factory Inspector Stuart, himself a Scotsman and, unlike the English factory inspectors, a complete prisoner of the capitalist mode of thought, remarks expressly on this letter which he incorporates in his report that it is 'the most useful of the communications which any of the factory-owners working with relays have given to those engaged in the same trade, and which is the most calculated to remove the prejudices of such of them as have scruples respecting any change of the arrangement of the hours of work'.

Part Four

The Production of Relative Surplus-Value

Chapter 12: The Concept of Relative Surplus-Value

That portion of the working day which merely produces an equivalent for the value paid by the capitalist for his labour-power has up to this point been treated by us as a constant magnitude. And so it is, under given conditions of production and at a given stage in the economic development of society. As we saw, the worker could continue to work for 2, 3, 4, 6, etc. hours beyond this, his necessary labour-time. The rate of surplus-value and the length of the working day depended on how far this extra time was prolonged. Although the necessary labour-time was constant, we saw, on the other hand, that the total working day was variable. Now suppose we have a working day whose length and whose division between necessary labour and surplus labour are given. Let the whole line AC,

A - - - - - - - - - - - B - - C

represent, for example, a working day of 12 hours; the section AB represents 10 hours of necessary labour, and the section BC represents 2 hours of surplus labour. How can the production of surplus-value be increased, i.e. how can surplus labour be prolonged, without any prolongation, or independently of any prolongation, of the line AC?

Although the boundaries of the working day, A and C, are given, it would seem possible to lengthen the line BC, other than by extension beyond its end point C, which is also the end of the working day AC, by pushing back its starting point B in the direction of A. Assume that B′B in the line

A - - - - - - - - - - B′ - B - - C

is equal to half of BC, or to 1 hour's labour-time. If now, in AC, the working day of 12 hours, we move point B to B′, then BC becomes B′C; the surplus labour increases by one half, from 2 hours to 3 hours, although the working day remains 12 hours as before. This extension of the surplus labour-time from BC to B′C, from 2 hours to 3 hours, is however evidently impossible without a simultaneous contraction of the necessary labour-time from AB to AB′, from 10 hours to 9 hours. The prolongation of surplus labour would correspond to a shortening of necessary labour; i.e. a portion of the labour-time previously consumed, in reality, for the worker's own benefit would be converted into labour-time expended for the capitalist. There would be an alteration, not in the length of the working day, but in its division into necessary labour-time and surplus labour-time.

On the other hand, it is evident that the duration of surplus labour is given when the length of the working day and the value of labour-power are given. The value of labour-power, i.e. the labour-time necessary to produce labour-power, determines the labour-time necessary for the reproduction of the value of labour-power. If 1 hour of work is embodied in sixpence, and the value of a day's labour-power is 5 shillings, the worker must work for 10 hours a day in order to replace the value paid by capital for his labour-power, or to produce an equivalent for the value of the means of subsistence he needs to consume every day. Given the value of these means of subsistence, the value of his labour-power can be calculated;[1] and given the value of his labour-power, the duration of his necessary labour-time. The duration of the surplus labour, however, is arrived at by subtracting the necessary labour-time from the total working day: 10 from 12 leaves 2, and it is not easy to see how, under the given conditions, the surplus labour can possibly be prolonged beyond 2 hours. No doubt the capitalist could, instead of 5s., pay the worker 4s. 6d. or even less. 9 hours' labour-time would be sufficient to reproduce this value of 4s. 6d.; and consequently 3 hours of surplus labour, instead of 2, would accrue to the capitalist, and the surplus-value would rise from 1s.

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[1] The value of his average daily wages is determined by what the worker needs 'so as to live, labour, and generate' (William Petty, *Political Anatomy of Ireland*, 1672, p. 64). 'The price of Labour is always constituted of the price of necessaries ... Whenever ... the labouring man's wages will not, suitably to his low rank and station, as a labouring man, support such a family as is often the lot of many of them to have', he is not receiving the proper wages (J. Vanderlint, op. cit., p. 15). 'The simple worker, who possesses nothing but his arms and his industriousness, has nothing unless he manages to sell his labour to others ... In every kind of labour, it must happen, and it does in fact happen, that the wage of the worker is limited to what he needs to secure his own subsistence' (Turgot, *Réflexions, etc.*, in *Œuvres*, ed. Daire, Vol. I, p. 10). 'The price of the necessaries of life is, in fact, the cost of producing labour' (Malthus, *Inquiry into, etc., Rent*, London, 1815, p. 48, note).

to 1s. 6d. This result, however, could be attained only by pushing the wage of the worker down below the value of his labour-power. With the 4s. 6d. which he produces in 9 hours, he commands one-tenth less of the means of subsistence than before, and consequently the reproduction of his labour-power can take place only in a stunted form. The surplus labour would in this case be prolonged only by transgressing its normal limits; its domain would be extended only by a usurpation of part of the domain of necessary labour-time. Despite the important part which this method plays in practice, we are excluded from considering it here by our assumption that all commodities, including labour-power, are bought and sold at their full value. If we once assume this, it follows that the labour-time necessary for the production of labour-power, or for the reproduction of its value, cannot be lessened by a fall in the worker's wages below the value of his labour-power, but only by a fall in this value itself. Given the length of the working day, the prolongation of the surplus labour must of necessity originate in the curtailment of the necessary labour-time; the latter cannot arise from the former. In the example we chose, the value of labour-power had to fall in fact by one-tenth in order for the necessary labour-time to be diminished by one-tenth, i.e. from 10 hours to 9, and for the surplus labour to consequently be prolonged from 2 hours to 3.

A fall of this kind in the value of labour-power implies, however, that the same means of subsistence formerly produced in 10 hours can now be produced in 9 hours. But this is impossible without an increase in the productivity of labour. For example, suppose a cobbler, with a given set of tools, makes one pair of boots in one working day of 12 hours. If he is to make two pairs in the same time, the productivity of his labour must be doubled; and this cannot be done except by an alteration in his tools or in his mode of working, or both. Hence the conditions of production of his labour, i.e. his mode of production, and the labour process itself, must be revolutionized. By an increase in the productivity of labour, we mean an alteration in the labour process of such a kind as to shorten the labour-time socially necessary for the production of a commodity, and to endow a given quantity of labour with the power of producing a greater quantity of use-value.[2] Hitherto, in

[2] 'When the crafts assume a more perfect form, this means nothing other than the discovery of new ways of making a product with fewer people, or (which is the same thing) in a shorter time, than previously' (Galiani, op. cit.,

dealing with the production of surplus-value in the above form, we have assumed that the mode of production is given and invariable. But when surplus-value has to be produced by the conversion of necessary labour into surplus labour, it by no means suffices for capital to take over the labour process in its given or historically transmitted shape, and then simply to prolong its duration. The technical and social conditions of the process and consequently the mode of production itself must be revolutionized before the productivity of labour can be increased. Then, with the increase in the productivity of labour, the value of labour-power will fall, and the portion of the working day necessary for the reproduction of that value will be shortened.

I call that surplus-value which is produced by the lengthening of the working day, *absolute surplus-value*. In contrast to this, I call that surplus-value which arises from the curtailment of the necessary labour-time, and from the corresponding alteration in the respective lengths of the two components of the working day, *relative surplus-value*.

In order to make the value of labour-power go down, the rise in the productivity of labour must seize upon those branches of industry whose products determine the value of labour-power, and consequently either belong to the category of normal means of subsistence, or are capable of replacing them. But the value of a commodity is determined not only by the quantity of labour which gives it its final form, but also by the quantity of labour contained in the instruments by which it has been produced. For instance, the value of a pair of boots depends not only on the labour of the cobbler, but also on the value of the leather, wax, thread, etc. Hence a fall in the value of labour-power is also brought about by an increase in the productivity of labour, and by a corresponding cheapening of commodities in those industries which supply the instruments of labour and the material for labour, i.e. the physical elements of constant capital which are required for producing the means of subsistence. But an increase in the productivity of labour in those branches of industry which supply neither the necessary means of subsistence nor the means by which they are produced leaves the value of labour-power undisturbed.

The cheapening of the commodity, of course, causes only a

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p. 159). 'Economies in the cost of production can only be economies in the quantity of labour employed in production' (Sismondi, *Études*, Vol. I, p. 22).

relative fall in the value of labour-power, a fall proportional to the extent to which that commodity enters into the reproduction of labour-power. Shirts, for instance, are a necessary means of subsistence, but are only one out of many. The total sum of the necessary means of subsistence, however, consists of various commodities, each the product of a distinct industry; and the value of each of those commodities enters as a component part into the value of labour-power. The latter value decreases with the decrease of the labour-time necessary for its reproduction. The total decrease of necessary labour-time is equal to the sum of all the different reductions in labour-time which have occurred in those various distinct branches of production. Here we treat this general result as if it were the direct result and the direct purpose in each individual case. When an individual capitalist cheapens shirts, for instance, by increasing the productivity of labour, he by no means necessarily aims to reduce the value of labour-power and shorten necessary labour-time in proportion to this. But he contributes towards increasing the general rate of surplus-value only in so far as he ultimately contributes to this result.[3] The general and necessary tendencies of capital must be distinguished from their forms of appearance.

While it is not our intention here to consider the way in which the immanent laws of capitalist production manifest themselves in the external movement of the individual capitals, assert themselves as the coercive laws of competition, and therefore enter into the consciousness of the individual capitalist as the motives which drive him forward, this much is clear: a scientific analysis of competition is possible only if we can grasp the inner nature of capital, just as the apparent motions of the heavenly bodies are intelligible only to someone who is acquainted with their real motions, which are not perceptible to the senses. Nevertheless, for the understanding of the production of relative surplus-value, and merely on the basis of the results already achieved, we may add the following remarks.

If 1 hour's labour is embodied in 6d., a value of 6s. will be produced in a working day of 12 hours. Suppose that with labour of the currently prevailing productivity twelve articles are produced in these 12 hours. Let the value of the means of production used up in each article be 6d. Under these circumstances, each article costs 1s.: 6d. for the value of the means of production, and 6d. for the value newly added in working with those means. Now let some one capitalist contrive to double the productivity of labour, and to produce twenty-four instead of twelve articles in the course of a working day of 12 hours. The value of the means of production remaining the same, the value of each article will fall to 9d., made up of 6d. for the value of the means of production and 3d. for the value newly added by the labour. Even though the productivity of labour has been doubled, the day's labour creates, as before, a new value of 6s. and no more, which is now however spread over twice as many articles. Each article now has embodied in it $\frac{1}{24}$th of this value instead of $\frac{1}{12}$th, 3d. instead of 6d.; or, what amounts to the same thing, only half an hour of labour-time, instead of a whole hour, is now added to the means of production while they are being transformed into each article. The individual value of these articles is now below their social value; in other words, they have cost less labour-time than the great bulk of the same article produced under the average social conditions. Each article costs, on an average, 1s., and represents 2 hours of social labour; but under the altered mode of production it costs only 9d., or contains only 1½ hours' labour. The real value of a commodity, however, is not its individual, but its social value; that is to say, its value is not measured by the labour-time that the article costs the producer in each individual case, but by the labour-time socially required for its production. If, therefore, the capitalist who applies the new method sells his commodity at its social value of one shilling, he sells it for 3d. above its individual value, and thus he realizes an extra surplus-value of 3d. On the other hand, the working day of 12 hours is now represented, for him, by twenty-four articles instead of twelve. Hence, in order to get rid of the product of one working day, the demand must be double what it was, i.e. the market must become twice as extensive. Other things being equal, the capitalist's commodities can only command a more extensive market if their prices are reduced. He will therefore sell them above their individual but below their social value, say at 10d. each. By this means he still squeezes an extra surplus-value of one penny out of each. This augmentation of surplus-value is pocketed by the capitalist himself, whether or not his commodities belong to the class of necessary means of subsistence, and therefore participate in determining the general value of labour-power. Hence, quite independently of this, there is a motive for each individual capitalist to cheapen his commodities by increasing the productivity of labour.

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[3] 'Let us suppose . . . the products . . . of the manufacturer are doubled by improvement in machinery . . . he will be able to clothe his workmen by means of a smaller proportion of the entire return . . . and thus his profit will be raised. But in no other way will it be influenced' (Ramsay, op. cit., pp. 168–9).

Nevertheless, even in this case, the increased production of surplus-value arises from the curtailment of the necessary labour-time, and the corresponding prolongation of the surplus labour.[4] Let the necessary labour-time amount to 10 hours, the value of a day's labour-power to 5s., the surplus labour-time to 2 hours, and the daily surplus-value to 1s. But the capitalist now produces 24 articles, which he sells at 10d. each, making 20s. in all. Since the value of the means of production is 12s., $14\frac{2}{5}$ of these articles merely replace the constant capital advanced. The labour of the 12-hour working day is represented by the remaining $9\frac{3}{5}$ articles. Since the price of the labour-power is 5s., 6 articles represent the necessary labour-time, and $3\frac{3}{5}$ articles the surplus labour. The ratio of necessary labour to surplus labour, which under average social conditions was 5:1, is now only 5:3. We may arrive at the same result in the following way. The value of the product of the working day of 12 hours is 20s. Of this sum, 12s. represent the value of the means of production, a value that merely re-appears in the finished product. There remain 8s., which are the expression in money of the value newly created during the working day. This sum is greater than the sum in which average social labour of the same kind is expressed: 12 hours of the latter labour are expressed by only 6s. The exceptionally productive labour acts as intensified labour; it creates in equal periods of time greater values than average social labour of the same kind.* But our capitalist still continues to pay as before only 5s. as the daily value of labour-power. Hence, instead of 10 hours, the worker now needs to work for only $7\frac{1}{5}$ hours in order to reproduce this value. His

[4] 'A man's profit does not depend upon his command of the produce of other men's labour, but upon his command of labour itself. If he can sell his goods at a higher price, while his workmen's wages remain unaltered, he is clearly benefited ... A smaller proportion of what he produces is sufficient to put that labour into motion, and a larger proportion consequently remains for himself' ([J. Cazenove] *Outlines of Political Economy*, London, 1832, pp. 49–50).

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*See above, Section 2 of Chapter 1 (pp. 135–6), for Marx's discussion of intensified labour.

surplus labour is therefore increased by 2⅘ hours, and the surplus-value he produces grows from one into 3s. Hence the capitalist who applies the improved method of production appropriates and devotes to surplus labour a greater portion of the working day than the other capitalists in the same business. He does as an individual what capital itself taken as a whole does when engaged in producing relative surplus-value. On the other hand, however, this extra surplus-value vanishes as soon as the new method of production is generalized, for then the difference between the individual value of the cheapened commodity and its social value vanishes. The law of the determination of value by labour-time makes itself felt to the individual capitalist who applies the new method of production by compelling him to sell his goods under their social value; this same law, acting as a coercive law of competition, forces his competitors to adopt the new method.[5] The general rate of surplus-value is therefore ultimately affected by the whole process only when the increase in the productivity of labour has seized upon those branches of production and cheapened those commodities that contribute towards the necessary means of subsistence, and are therefore elements of the value of labour-power.

The value of commodities stands in inverse ratio to the productivity of labour. So, too, does the value of labour-power, since it depends on the values of commodities. Relative surplus-value, however, is directly proportional to the productivity of labour. It rises and falls together with productivity. The value of money being assumed to be constant, an average social working day of 12 hours always produces the same new value, 6s., no matter how this sum may be apportioned between surplus-value and wages. But if, as a result of an increase in productivity, there is a fall in the value of the means of subsistence, and the daily value of labour-power is thereby reduced from 5s. to 3, the surplus-value will increase from 1s. to 3. 10 hours were necessary for the reproduction of the value of the labour-power; now only 6 are required. 4 hours have been set free, and can be annexed to the domain of surplus labour. Capital therefore has an immanent drive, and a constant tendency, towards increasing the productivity of labour, in order to cheapen commodities and, by cheapening commodities, to cheapen the worker himself.[6]

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[5] 'If my neighbour by doing much with little labour, can sell cheap, I must contrive to sell as cheap as he. So that every art, trade, or engine, doing work with labour of fewer hands, and consequently cheaper, begets in others a kind of necessity and emulation, either of using the same art, trade, or engine, or of inventing something like it, that every man may be upon the square, that no man may be able to undersell his neighbour' (*The Advantages of the East-India Trade to England*, London, 1720, p. 67).

The absolute value of a commodity is, in itself, of no interest to the capitalist who produces it. All that interests him is the surplus-value present in it, which can be realized by sale. Realization [*Realisierung*] of the surplus-value necessarily carries with it the replacement of the value advanced. Now, since relative surplus-value increases in direct proportion to the development of the productivity of labour, while the value of commodities stands in precisely the opposite relation to the growth of productivity; since the same process both cheapens commodities and augments the surplus-value contained in them, we have here the solution of the following riddle: Why does the capitalist, whose sole concern is to produce exchange-value, continually strive to bring down the exchange-value of commodities? One of the founders of political economy, Quesnay, used to torment his opponents with this question, and they could find no answer to it. 'You acknowledge,' he says, 'that the more one can reduce the expenses and costs of labour in the manufacture of industrial products, without injury to production, the more advantageous is that reduction, because it diminishes the price of the finished article. And yet you believe that the production of wealth, which arises from the labour of the craftsmen, consists in the augmentation of the exchange-value of their products.'[7]

The shortening of the working day, therefore, is by no means what is aimed at in capitalist production, when labour is economized by increasing its productivity.[8] It is only the shortening of the labour-time necessary for the production of a definite quantity of commodities that is aimed at. The fact that the worker, when the productivity of his labour has been increased, produces say ten times as many commodities as before, and thus spends one-tenth as much labour-time on each, by no means prevents him from continuing to work 12 hours as before, nor from producing in those 12 hours 1,200 articles instead of 120. Indeed, his working day may simultaneously be prolonged, so as to make him produce say 1,400 articles in 14 hours. Therefore in the treatises of economists of the stamp of MacCulloch, Ure, Senior and the like, we may read on one page that the worker owes a debt of gratitude to capital for developing his productivity, because the necessary labour-time is thereby shortened, and on the next page that he must prove his gratitude by working in future for 15 hours instead of 10. The objective of the development of the productivity of labour within the context of capitalist production is the shortening of that part of the working day in which the worker must work for himself, and the lengthening, thereby, of the other part of the day, in which he is free to work for nothing for the capitalist. How far this result can also be attained without cheapening commodities will appear from the following chapters, where we examine the particular methods of producing relative surplus-value.

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[6] 'In whatever proportion the expenses of a labourer are diminished, in the same proportion will his wages be diminished, if the restraints upon industry are at the same time taken off' (*Considerations Concerning Taking Off the Bounty on Corn Exported, etc.*, London, 1753, p. 7). 'The interest of trade requires, that corn and all provisions should be as cheap as possible; for whatever makes them dear, must make labour dear also . . . in all countries, where industry is not restrained, the price of provisions must affect the price of labour. This will always be diminished when the necessaries of life grow cheaper' (ibid., p. 3). 'Wages are decreased in the same proportion as the powers of production increase. Machinery, it is true, cheapens the necessaries of life, but it also cheapens the labourer' (*A Prize Essay on the Comparative Merits of Competition and Co-operation*, London, 1834, p. 27).

[7] *'Ils conviennent que plus on peut, sans préjudice, épargner de frais ou de travaux dispendieux dans la fabrication des ouvrages des artisans, plus cette épargne est profitable par la diminution des prix de ces ouvrages. Cependant ils croient que la production de richesse qui résulte des travaux des artisans consiste dans l'augmentation de la valeur vénale de leurs ouvrages'* (Quesnay, *Dialogues sur le commerce et sur les travaux des artisans*, pp. 188–9).

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[8] 'These speculators, who are so economical of the labour of the workers they would have to pay' (J. N. Bidaut, *Du monopole qui s'établit dans les arts industriels et le commerce*, Paris, 1828, p. 13). 'The employer will be always on the stretch to economise time and labour' (Dugald Stewart, *Lectures on Political Economy*, in *Works*, ed. by Sir W. Hamilton, Vol. 8, Edinburgh, 1855, p. 318). 'Their' (the capitalists') 'interest is that the productive powers of the labourers they employ should be the greatest possible. On promoting that power their attention is fixed and almost exclusively fixed' (R. Jones, op. cit., Lecture III [p. 38]).

Chapter 13: Co-operation

Capitalist production only really begins, as we have already seen, when each individual capital simultaneously employs a comparatively large number of workers, and when, as a result, the labour-process is carried on on an extensive scale, and yields relatively large quantities of products. A large number of workers working together, at the same time, in one place (or, if you like, in the same field of labour), in order to produce the same sort of commodity under the command of the same capitalist, constitutes the starting-point of capitalist production. This is true both historically and conceptually. With regard to the mode of production itself, manufacture [*Manufaktur*] can hardly be distinguished, in its earliest stages, from the handicraft trades [*Handwerksindustrie*] of the guilds, except by the greater number of workers simultaneously employed by the same individual capital. It is merely an enlargement of the workshop of the master craftsman of the guilds.

At first, then, the difference is purely quantitative. We have shown that the surplus-value produced by a given capital is equal to the surplus-value produced by each worker multiplied by the number of workers simultaneously employed. The number of workers does not in itself affect either the rate of surplus-value or the degree of exploitation of labour-power, and, with regard to the production of commodity-values in general, every qualitative alteration in the labour process appears to be irrelevant. If a working day of 12 hours is objectified in 6 shillings, 1,200 working days of 12 hours will be objectified in 1,200 times 6 shillings. In one case 12 × 1,200 working-hours are incorporated in the products, and in the other case 12 working-hours. In the production of value a number of workers merely rank as so many individual workers, and it therefore makes no difference in the value produced whether the 1,200 men work separately or united under the command of one capitalist.

Nevertheless, within certain limits, a modification does take place. The labour objectified in value is labour of an average social quality, it is an expression of average labour-power. Any average magnitude, however, is merely the average of a number of separate magnitudes all of one kind, but differing in quantity. In every industry, each individual worker differs from the average worker. These individual differences, or 'errors' as they are called in mathematics, compensate each other and vanish whenever a certain minimum number of workers are employed together. Edmund Burke, that famous sophist and sycophant, goes so far as to make the following assertion, based on his practical observations as a farmer: that 'in so small a platoon' as that of five farm labourers, all individual differences in the labour vanish, and that consequently any given five adult farm labourers taken together will do as much work in the same time as any other five.[1] But however that may be, it is clear that the collective working day of a large number of workers employed simultaneously, divided by the number of these workers, gives one day of average social labour. For example, let the working day of each individual be 12 hours. Then the collective working day of twelve men simultaneously employed consists of 144 hours; and although the labour of each of the dozen men may diverge more or less from average social labour, each of them requiring a different amount of time for the same operation, the working day of every one possesses the qualities of an average social working day, because it forms one-twelfth of the collective working day of 144 hours. From the point of view of the capitalist who employs these twelve men, the working day is that of the whole dozen. Each individual man's day is an aliquot part of the collective working day, no matter whether the twelve men help each other in their work, or whether the connection between their operations consists merely in the fact that the men are all working for the same capitalist. But if the twelve men are employed in six pairs, by six different 'small masters', it will be entirely a matter of chance whether each of these masters produces the same value, and consequently whether he secures the general rate of surplus-value. Divergences would occur in individual cases. If one worker required considerably more time for the production of a commodity than was socially necessary, the duration of the necessary labour-time would, in his case, diverge significantly from the labour-time socially necessary, the average labour-time. His labour would therefore not count as average labour, and his labour-power would not count as average labour-power. It would either be unsaleable, or saleable only at less than the average value of labour-power. A fixed minimum of efficiency in all labour is therefore assumed, and we shall see later on that capitalist production provides the means of fixing this minimum. Nevertheless, this minimum diverges from the average, although on the other hand the capitalist has to pay the average value of labour-power. Of the six small masters, then, one would squeeze out more than the average rate of surplus-value, another less. The inequalities would cancel out for the society as a whole, but not for the individual masters. The law of valorization therefore comes fully into its own for the individual producer only when he produces as a capitalist and employs a number of workers simultaneously, i.e. when from the outset he sets in motion labour of a socially average character.[2]

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[1] 'Unquestionably, there is a good deal of difference between the value of one man's labour and that of another from strength, dexterity, and honest application. But I am quite sure, from my best observation, that any given five men will, in their total, afford a proportion of labour equal to any other five within the periods of life I have stated; that is, that among such five men there will be one possessing all the qualifications of a good workman, one bad, and the other three middling, and approximating to the first and the last. So that in so small a platoon as that of even five, you will find the full complement of all that five men can earn' (E. Burke, op. cit., pp. 15–16). Cf. Quételet on the average individual.*

* Jacques Quételet (1796–1874) was a Belgian statistician and astronomer. In the 1840s he developed the theory, based on his statistical investigations, that there was an 'average man' who could be derived by applying the theory of probabilities to statistical data. Cf. in particular his *Du Système social et des lois qui la régissent*, Paris, 1848.

Even without an alteration in the method of work, the simultaneous employment of a large number of workers produces a revolution in the objective conditions of the labour process. The buildings where the workers actually work, the store-houses for the raw material, the implements and utensils they use simultaneously or in turns; in short, a portion of the means of production, are now consumed jointly in the labour process. On the one hand, the exchange-value of these means of production is not increased; for the exchange-value of a commodity is not raised by any increase in the exploitation of its use-value. On the other hand, they are used in common, and therefore on a larger scale than before. A room where twenty weavers work at twenty looms must be larger than the room of a single weaver with two assistants. But it costs less labour to build one workshop for twenty persons than to build ten to accommodate two weavers each; thus the value of the means of production concentrated for use in common on a large scale does not increase in direct proportion to their extent and useful effect. When consumed in common, they give up a smaller part of their value to each single product; partly because the total value they part with is spread over a greater number of products, and partly because their value, although it is greater in absolute terms, is relatively less, looked at from the point of view of their sphere of action, than the value of separate means of production. Owing to this, the value of a part of the constant capital falls, and, in proportion to the size of this fall, the total value of the commodity also falls. The effect is the same as if the means of production had cost less. This economy in the application of the means of production arises entirely out of their joint consumption in the labour process by many workers. Moreover, this character of being necessary conditions of social labour, a character that distinguishes them from the dispersed and relatively more costly means of production of isolated, independent workers or small masters, is maintained even when the numerous workers assembled together do not assist each other but merely work side by side. A portion of the instruments of labour acquires this social character before the labour process itself does so.

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[2] Professor Roscher claims to have discovered that one needlewoman employed by his wife during two days does more work than two needlewomen employed together on the same day.* The learned professor ought not to study the capitalist process of production in the nursery, nor under circumstances where the protagonist of the drama, the capitalist, is missing.

*W. Roscher, *Die Grundlagen der Nationalökonomie*, 3rd edn, Stuttgart, 1858, pp. 88–9.

Economy in the use of the means of production has to be considered from two points of view. Firstly, in so far as it cheapens commodities, and thereby brings about a fall in the value of labour-power. Secondly, in so far as it alters the ratio of surplus-value to the total capital advanced, i.e. to the sum of the values of its constant and variable components. The latter aspect will not be considered until the first section of Volume 3 of this work.* In order that we may treat them in their proper context, many other points relevant here have also been relegated to the third volume. The particular course taken by our analysis forces this tearing apart of the object under investigation; this corresponds also to the spirit of capitalist production. Here the worker finds the instruments of labour existing independently of him as another man's property, hence economy in their use appears, from his standpoint, to be a separate operation, one that does not concern him, and therefore has no connection with the methods by which his own personal productivity is increased.

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* Cf. *Capital*, Vol. 3, Ch. 2, 'The Rate of Profit'. The ratio mentioned in the text, namely $\frac{s}{c+v}$, is the rate of profit (since $c + v = C$), as opposed to the rate of surplus-value, which is $\frac{s}{v}$.

When numerous workers work together side by side in accordance with a plan, whether in the same process, or in different but connected processes, this form of labour is called co-operation.[3]

Just as the offensive power of a squadron of cavalry, or the defensive power of an infantry regiment, is essentially different from the sum of the offensive or defensive powers of the individual soldiers taken separately, so the sum total of the mechanical forces exerted by isolated workers differs from the social force that is developed when many hands co-operate in the same undivided operation, such as raising a heavy weight, turning a winch or getting an obstacle out of the way.[4] In such cases the effect of the combined labour could either not be produced at all by isolated individual labour, or it could be produced only by a great expenditure of time, or on a very dwarf-like scale. Not only do we have here an increase in the productive power of the individual, by means of co-operation, but the creation of a new productive power, which is intrinsically a collective one.[5]

Apart from the new power that arises from the fusion of many forces into a single force, mere social contact begets in most industries a rivalry and a stimulation of the 'animal spirits', which heightens the efficiency of each individual worker. This is why a dozen people working together will produce far more, in their collective working day of 144 hours than twelve isolated men each working for 12 hours, and far more than one man who works 12 days in succession.[6] This originates from the fact that man, if not as Aristotle thought a political animal,[7] is at all events a social animal.

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[3] '*Concours de forces*' (Destutt de Tracy, op. cit., p. 80).

[4] 'There are numerous operations of so simple a kind as not to admit a division into parts, which cannot be performed without the co-operation of many pairs of hands. I would instance the lifting of a large tree on to a wain . . . everything, in short, which cannot be done unless a great many pairs of hands help each other in the same undivided employment and at the same time' (E. G. Wakefield, *A View of the Art of Colonization*, London, 1849, p. 168).

[5] 'As one man cannot, and ten men must strain to lift a ton of weight, yet 100 men can do it only by the strength of a finger of each of them' (John Bellers, *Proposals for Raising a Colledge of Industry*, London, 1696, p. 21).

Although a number of men may be simultaneously occupied together on the same work, or the same kind of work, the labour of each, as a part of the labour of all, may correspond to a distinct phase of the labour process; and as a result of the system of co-operation, the object of labour passes through the phases of the process more quickly than before. For instance, if a dozen masons place themselves in a row, so as to pass stones from the foot of a ladder to its summit, each of them does the same thing; and yet their separate acts form connected parts of one total operation; these acts are particular phases which each stone must go through, and the stones are thus carried up more quickly by the twenty-four hands of the row of men than they could be if each man went separately up and down the ladder with his load.[8] The object of labour is carried over the same distance in a shorter time. Again, a combination of labour occurs whenever a building, for instance, is taken in hand on different sides simultaneously; although here too the co-operating masons are doing the same work, or the same kind of work. The twelve masons, in their collective working day of 144 hours, make much more progress with the building than one mason could make working for 12 days, or 144 hours. The reason for this is that a body of men working together have hands and eyes both in front and behind, and can be said to be to a certain extent omnipresent. The various parts of the product come to fruition simultaneously.

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[6] 'There is also' (when the same number of men are employed by one farmer on 300 acres, instead of by ten farmers with 30 acres apiece) 'an advantage in the proportion of servants, which will not so easily be understood but by practical men; for it is natural to say, as 1 is to 4, so are 3 to 12: but this will not hold good in practice; for in harvest time and many other operations which require that kind of despatch by the throwing many hands together, the work is better and more expeditiously done: f.i. in harvest, 2 drivers, 2 loaders, 2 pitchers, 2 rakers, and the rest at the rick, or in the barn, will despatch double the work that the same number of hands would do if divided into different gangs on different farms' (*An Inquiry into the Connection between the Present Price of Provisions, and the Size of Farms*, by a farmer [J. Arbuthnot], London, 1773, pp. 7–8).

[7] The real meaning of Aristotle's definition is that man is by nature citizen of a town.* This is quite as characteristic of classical antiquity as Franklin's definition of man as a tool-making animal is characteristic of Yankeedom.

[8] 'It should be noted further that this partial division of labour can occur even when the workers are engaged in the same task. Masons, for example, engaged in passing bricks from hand to hand to a higher stage of the building, are all performing the same task, and yet there does exist amongst them a sort of division of labour. This consists in the fact that each of them passes the brick to a given space, and, taken together, they make it arrive much more quickly at the required spot than they would do if each of them carried his brick separately to the upper storey' (F. Skarbek, *Théorie des richesses sociales*, 2nd edn, Paris, 1839, Vol. 1, pp. 97–8).

* 'It is evident that the state (πόλις) is a creation of nature, and that man is by nature a political animal (πολιτικὸν ζῷον)' (Aristotle, *Politics*, Book 1, 2).

In the above instances we stressed the point that the men do the same work, or the same kind of work, because this, the most simple form of common labour, plays a great part in co-operation, even at its most fully developed stage. If the labour process is complicated, then the sheer number of the co-operators permits the apportionment of various operations to different hands, and consequently their simultaneous performance. The time necessary for the completion of the whole work is thereby shortened.[9]

In many industries there are critical moments, that is to say periods of time determined by the nature of the labour process itself, during which certain definite results must be obtained. For instance, if a flock of sheep has to be shorn or a field of wheat has to be cut and harvested, the quantity and quality of the product depends on the initiation and the completion of the work at certain definite points in time. In these cases, the time the labour process may take is laid down in advance, just as it is in fishing for herrings. A single person cannot carve a working day of more than say, 12 hours, out of the natural day, but 100 men co-operating can extend the working day to 1,200 hours. The shortness of the time allowed for the work is compensated for by the large mass of labour thrown into the field of production at the decisive moment. The completion of the task within the proper time depends on the simultaneous application of numerous combined working days; the amount of useful effect depends on the number of workers;

[9] 'If it is a question of undertaking a complex piece of labour, different things must be done simultaneously. One person does one thing, while another does something else, and they all contribute to the effect that a single man would be unable to produce. One rows while another holds the rudder, and a third casts the net or harpoons the fish; in this way fishing enjoys a success that would be impossible without this co-operation' (Destutt de Tracy, op. cit., p. 78).

this number, however, is always smaller than the number of isolated workers that would be required to do the same amount of work in the same period.[10] It is owing to the absence of this kind of co-operation that a great quantity of corn is wasted every year in the western part of the United States, and the same thing happens to cotton in those eastern parts of India where English rule has destroyed the old communities.[11]

On the one hand, co-operation allows work to be carried on over a large area; for certain labour processes, therefore, it is required simply by the physical constitution of the object of labour. Examples of this are the draining of marshes, the construction of dykes, irrigation, and the building of canals, roads and railways. On the other hand, while extending the scale of production it renders possible a relative contraction of its arena. This simultaneous restriction of space and extension of effectiveness, which allows a large number of incidental expenses (*faux frais**) to be spared, results from the massing together of workers and of various labour processes, and from the concentration of the means of production.[12]

[10] 'The doing of it' (agricultural labour) 'at the critical juncture is of so much the greater consequence' (*An Inquiry into the Connection between the Present Price, etc.* [J. Arbuthnot], p. 7). 'In agriculture, there is no more important factor than that of time' (Liebig, *Über Theorie und Praxis in der Landwirtschaft*, 1856, p. 23).

[11] 'The next evil is one which one would scarcely expect to find in a country which exports more labour than any other in the world, with the exception perhaps of China and England – the impossibility of procuring a sufficient number of hands to clean the cotton. The consequence of this is that large quantities of the crop are left unpicked, while another portion is gathered from the ground when it has fallen, and is of course discoloured and partially rotted, so that for want of labour at the proper season the cultivator is actually forced to submit to the loss of a large part of that crop for which England is so anxiously looking' (*Bengal Hurkaru. Bi-monthly Overland Summary of News*, 22 July 1861).

[12] In the progress of cultivation, 'all, and perhaps more than all, the capital and labour which once loosely occupied 500 acres, are now concentrated for the more complete tillage of 100'. Although 'relatively to the amount of capital and labour employed, space is concentrated, it is an enlarged sphere of production, as compared to the sphere of production formerly occupied or worked upon by one single independent agent of production' (R. Jones, *An Essay on the Distribution of Wealth*, Part I, 'On Rent', London, 1831, p. 191).

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* Literally 'false costs'; but *faux frais* is a technical expression used by the French economists of the early nineteenth century (for example Garnier and Say) to cover expenses not directly incurred in the course of production. The

The combined working day produces a greater quantity of use-values than an equal sum of isolated working days, and consequently diminishes the labour-time necessary for the production of a given useful effect. Whether the combined working day, in a given case, acquires this increased productivity because it heightens the mechanical force of labour, or extends its sphere of action over a greater space, or contracts the field of production relatively to the scale of production, or at the critical moment sets large masses of labour to work, or excites rivalry between individuals and raises their animal spirits, or impresses on the similar operations carried on by a number of men the stamp of continuity and many-sidedness, or performs different operations simultaneously, or economizes the means of production by use in common, or lends to individual labour the character of average social labour – whichever of these is the cause of the increase, the special productive power of the combined working day is, under all circumstances, the social productive power of labour, or the productive power of social labour. This power arises from co-operation itself. When the worker co-operates in a planned way with others, he strips off the fetters of his individuality, and develops the capabilities of his species.[13]

As a general rule, workers cannot co-operate without being brought together: their assembly in one place is a necessary condition for their co-operation. Hence wage-labourers cannot co-operate unless they are employed simultaneously by the same capital, the same capitalist, and therefore unless their labour-powers are bought simultaneously by him. The total value of these labour-powers, or the amount of the wages of these workers for a day or a week, as the case may be, must be ready in the pocket of the capitalist before the workers themselves are ready to start the process of production. The payment of 300 workers at once, even though only for one day, requires a greater outlay of capital than the payment of a smaller number of men, week by week, during a

[13] 'The strength of the individual man is very small, but the union of a number of very small forces produces a collective force which is greater than the sum of all the partial forces, so that merely by being joined together these forces can reduce the time required, and extend the field of their action' (G. R. Carli, note to P. Verri, op. cit., Vol. 15, p. 196).

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idea of *faux frais de production* originated in Adam Smith's distinction between productive and unproductive labour. Cf. *Theories of Surplus-Value*, Part I, p. 167.

whole year. Hence the number of the workers that co-operate, or the scale of co-operation, depends in the first instance on the amount of capital that the individual capitalist can spare for the purchase of labour-power; in other words, on the extent to which a single capitalist has command over the means of subsistence of a number of workers.

And as with variable capital, so also with constant capital. For example, the outlay on raw material is thirty times as great for the capitalist who employs 300 men as it is for each of the thirty capitalists who employ ten men. The value and quantity of the instruments of labour used in common does not, it is true, increase at the same rate as the number of workers, but it does increase very considerably. Hence, concentration of large masses of the means of production in the hands of individual capitalists is a material condition for the co-operation of wage-labourers, and the extent of co-operation, or the scale of production, depends on the extent of this concentration.

We saw in a former chapter that a certain minimum amount of capital was necessary in order that the number of workers simultaneously employed, and consequently the amount of surplus-value produced, might suffice to liberate the employer himself from manual labour, to convert him from a small master into a capitalist, and thus formally to establish the capital-relation. We now see that a certain minimum amount is a material condition for the conversion of numerous isolated and independent processes into one combined social process.

We also saw that, at first, the subjection of labour to capital was only a formal result of the fact that the worker, instead of working for himself, works for, and consequently under, the capitalist. Through the co-operation of numerous wage-labourers, the command of capital develops into a requirement for carrying on the labour process itself, into a real condition of production. That a capitalist should command in the field of production is now as indispensable as that a general should command on the field of battle.

All directly social or communal labour on a large scale requires, to a greater or lesser degree, a directing authority, in order to secure the harmonious co-operation of the activities of individuals, and to perform the general functions that have their origin in the motion of the total productive organism, as distinguished from the motion of its separate organs. A single violin player is his own conductor: an orchestra requires a separate one. The work of directing, superintending and adjusting becomes one of the functions of capital, from the moment that the labour under capital's control becomes co-operative. As a specific function of capital, the directing function acquires its own special characteristics.

The driving motive and determining purpose of capitalist production is the self-valorization of capital to the greatest possible extent,[14] i.e. the greatest possible production of surplus-value, hence the greatest possible exploitation of labour-power by the capitalist. As the number of the co-operating workers increases, so too does their resistance to the domination of capital, and, necessarily, the pressure put on by capital to overcome this resistance. The control exercised by the capitalist is not only a special function arising from the nature of the social labour process, and peculiar to that process, but it is at the same time a function of the exploitation of a social labour process, and is consequently conditioned by the unavoidable antagonism between the exploiter and the raw material of his exploitation. Similarly, as the means of production extend, the necessity increases for some effective control over the proper application of them, because they confront the wage-labourer as the property of another [*fremdes Eigentum*].[15] Moreover, the co-operation of wage-labourers is entirely brought about by the capital that employs them. Their unification into one single productive body, and the establishment of a connection between their individual functions, lies outside their competence. These things are not their own act, but the act of the capital that brings them together and maintains them in that situation. Hence the interconnection between their various labours confronts them, in the realm of ideas, as a plan drawn up by the capitalist, and, in practice, as his authority, as the powerful will of a being outside them, who subjects their activity to his purpose.

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[14] 'Profits ... is the sole end of trade' (J. Vanderlint, op. cit., p. 11).

[15] On 26 May 1866, a philistine English periodical, the *Spectator*, reported that after the introduction of a sort of partnership between the capitalist and the workers in the 'Wirework Company of Manchester', 'the first result was a sudden decrease in waste, the men not seeing why they should waste their own property any more than any other master's, and waste is, perhaps, next to bad debts, the greatest source of manufacturing loss'. The same paper finds that the main defect in the Rochdale co-operative experiments* is this: 'They showed that associations of workmen could manage shops, mills, and almost all forms of industry with success, and they immediately improved the condition of the men, but then they did not leave a clear place for masters.' *Quelle horreur!*

*The first co-operative society was set up by the workers of Rochdale in 1844, under the influence of utopian socialist ideas. At first a society of consumers alone, it later entered into production on its own account.

If capitalist direction is thus twofold in content, owing to the twofold nature of the process of production which has to be directed – on the one hand a social labour process for the creation of a product, and on the other hand capital's process of valorization – in form it is purely despotic. As co-operation extends its scale, this despotism develops the forms that are peculiar to it. Just as at first the capitalist is relieved from actual labour as soon as his capital has reached that minimum amount with which capitalist production, properly speaking, first begins, so now he hands over the work of direct and constant supervision of the individual workers and groups of workers to a special kind of wage-labourer. An industrial army of workers under the command of a capitalist requires, like a real army, officers (managers) and N.C.O.s (foremen, overseers), who command during the labour process in the name of capital. The work of supervision becomes their established and exclusive function. When comparing the mode of production of isolated peasants or independent artisans with the plantation economy which rests on slavery, political economists count this labour of superintendence as part of the *faux frais de production*.[16] But when considering the capitalist mode of production they on the contrary identify the function of direction which arises out of the nature of the communal labour process with the function of direction which is made necessary by the capitalist and therefore antagonistic character of that process.[17] It is not because he is a leader of industry that a man is a capitalist; on the contrary, he is a leader of industry because he is a capitalist. The leadership of industry is an attribute of capital, just as in feudal times the functions of general and judge were attributes of landed property.[18]

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[16] Professor Cairnes, after stating that the 'superintendence of labour' is a leading feature of production by slaves in the southern states of the U.S.A., continues: 'The peasant proprietor' (of the North) 'appropriating the whole produce of his toil, needs no other stimulus to exertion. Superintendence is here completely dispensed with' (Cairnes, op. cit., pp. 48–9).

[17] Sir James Steuart, a writer altogether remarkable for his quick eye for the characteristic social distinctions between different modes of production, says: 'Why do large undertakings in the manufacturing way ruin private industry, but by coming nearer to the simplicity of slaves?' (*Principles of Political Economy*, London, 1767, Vol. 1, pp. 167–8).

The worker is the owner of his labour-power until he has finished bargaining for its sale with the capitalist, and he can sell no more than what he has – i.e. his individual, isolated labour-power. This relation between capital and labour is in no way altered by the fact that the capitalist, instead of buying the labour-power of one man, buys that of 100, and enters into separate contracts with 100 unconnected men instead of with one. He can set the 100 men to work, without letting them co-operate. He pays them the value of 100 independent labour-powers, but he does not pay for the combined labour-power of the 100. Being independent of each other, the workers are isolated. They enter into relations with the capitalist, but not with each other. Their co-operation only begins with the labour process, but by then they have ceased to belong to themselves. On entering the labour process they are incorporated into capital. As co-operators, as members of a working organism, they merely form a particular mode of existence of capital. Hence the productive power developed by the worker socially is the productive power of capital. The socially productive power of labour develops as a free gift to capital whenever the workers are placed under certain conditions, and it is capital which places them under these conditions. Because this power costs capital nothing, while on the other hand it is not developed by the worker until his labour itself belongs to capital, it appears as a power which capital possesses by its nature – a productive power inherent in capital.

The colossal effects of simple co-operation are to be seen in the gigantic structures erected by the ancient Asiatics, Egyptians, Etruscans, etc. 'It has happened in times past that these Oriental States, after supplying the expenses of their civil and military establishments, have found themselves in possession of a surplus which they could apply to works of magnificence or utility and in the construction of these their command over the hands and arms of almost the entire non-agricultural population has produced stupendous monuments which still indicate their power. The teeming valley of the Nile . . . produced food for a swarming non-agricultural population, and this food, belonging to the monarch and the priesthood, afforded the means of erecting the mighty monuments which filled the land ... In moving the colossal statues and vast masses of which the transport creates wonder, human labour almost alone was prodigally used ... The number of the labourers and the concentration of their efforts sufficed. We see mighty coral reefs rising from the depths of the ocean into islands and firm land, yet each individual depositor is puny, weak, and contemptible. The non-agricultural labourers of an Asiatic monarchy have little but their individual bodily exertions to bring to the task, but their number is their strength, and the power of directing these masses gave rise to the palaces and temples, the pyramids, and the armies of gigantic statues of which the remains astonish and perplex us. It is that confinement of the revenues which feed them, to one or a few hands, which makes such undertakings possible.'[19] This power of Asiatic and Egyptian kings, of Etruscan theocrats, etc. has in modern society been transferred to the capitalist, whether he appears as an isolated individual or, as in the case of joint-stock companies, in combination with others.

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[18] Hence Auguste Comte and his school might just as well have shown that feudal lords are an eternal necessity, in the same way as they have done in the case of the lords of capital.

Co-operation in the labour process, such as we find it at the beginning of human civilization, among hunting peoples[20] or, say, as a predominant feature of the agriculture of Indian communities, is based on the one hand on the common ownership of the conditions of production, and on the other hand on the fact that in those cases the individual has as little torn himself free from the umbilical cord of his tribe or community as a bee has from his hive. Both of these characteristics distinguish this form of co-operation from capitalist co-operation. The sporadic application of co-operation on a large scale in ancient times, in the Middle Ages, and in modern colonies, rests on direct relations of domination and servitude, in most cases on slavery. As against this, the capitalist form presupposes from the outset the free wage-labourer who sells his labour-power to capital. Historically, however, this form is developed in opposition to peasant agriculture and independent handicrafts, whether in guilds or not.[21]

[19] R. Jones, *Textbook of Lectures, etc.*, pp. 77–8. The ancient Assyrian, Egyptian and similar collections in London and the other European capitals allow us to witness those co-operative labour processes with our own eyes.

[20] Linguet is probably right in his *Théorie des lois civiles* when he declares that hunting was the first form of co-operation, and that the man-hunt (war) was one of the earliest forms of hunting.

[21] Peasant agriculture on a small scale and production by independent artisans, both of which, on the one hand, form the basis of the feudal mode of

From the standpoint of the peasant and the artisan, capitalist co-operation does not appear as a particular historical form of co-operation; instead, co-operation itself appears as a historical form peculiar to, and specifically distinguishing, the capitalist process of production.

Just as the social productive power of labour that is developed by co-operation appears to be the productive power of capital, so co-operation itself, contrasted with the process of production carried on by isolated independent workers, or even by small masters, appears to be a specific form of the capitalist process of production. It is the first change experienced by the actual labour process when subjected to capital. It takes place spontaneously and naturally. The simultaneous employment of a large number of wage-labourers in the same labour process, which is a necessary condition for this change, also forms the starting-point of capitalist production. This starting-point coincides with the birth of capital itself. If then, on the one hand, the capitalist mode of production is a historically necessary condition for the transformation of the labour process into a social process, so, on the other hand, this social form of the labour process is a method employed by capital for the more profitable exploitation of labour, by increasing its productive power.

In its simple shape, as investigated so far, co-operation is a necessary concomitant of all production on a large scale, but it does not in itself represent a fixed form characteristic of a particular epoch in the development of the capitalist mode of production. At the most it appears to do so, and then only approximately, in the handicraft-like beginnings of manufacture[22] and in that kind of large-scale agriculture which corresponds to the period of manufacture, and is distinguished from peasant agriculture mainly by the number of workers simultaneously employed and the mass of means of production concentrated for their

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production, and, on the other hand, appear alongside capitalist production after the dissolution of the feudal mode, equally form the economic foundation of the communities of classical antiquity at their best period, after the primitive oriental system of common ownership of land had disappeared, and before slavery had seized on production in earnest.

[22] 'Whether the united skill, industry, and emulation of many together on the same work be not the way to advance it? And whether it had been otherwise possible for England to have carried on her Woollen Manufacture to so great a perfection?' (Berkeley, *The Querist*, London, 1750, p. 56, query No. 521).

use. Simple co-operation has always been, and continues to be, the predominant form in those branches of production in which capital operates on a large scale, but the division of labour and machinery play only an insignificant part.

Co-operation remains the fundamental form of the capitalist mode of production, although in its simple shape it continues to appear as one particular form alongside the more developed ones.

Chapter 14: The Division of Labour and Manufacture

1. THE DUAL ORIGIN OF MANUFACTURE

That form of co-operation which is based on division of labour assumes its classical shape in manufacture. As a characteristic form of the capitalist process of production it prevails throughout the manufacturing period properly so called, which extends, roughly speaking, from the middle of the sixteenth century to the last third of the eighteenth century.

Manufacture originates in two ways:

1. By the assembling together in one workshop, under the control of a single capitalist, of workers belonging to various independent handicrafts, through whose hands a given article must pass on its way to completion. A carriage, for example, was formerly the product of a great number of independent craftsmen, such as wheelwrights, harness-makers, tailors, locksmiths, upholsterers, turners, fringe-makers, glaziers, painters, polishers, gilders, etc. In the *manufacture* of carriages, however, all these different craftsmen are assembled in one building where the unfinished product passes from hand to hand. It is true that a carriage cannot be gilded before it has been made. But if a number of carriages are being made simultaneously, some may be in the hands of the gilders while others are going through an earlier process. So far, we are still on the footing of simple co-operation, which finds its materials ready to hand in the shape of men and things. But very soon an important change takes place. The tailor, the locksmith and the other craftsmen are now exclusively occupied in the making of carriages; they therefore gradually lose the habit, and therefore the ability, of car ying on their old trade in all its ramifications. But on the other hand, their activity, which is now entirely one-sided, assumes the form most appropriate to its narrowed sphere of effectiveness. At first, the manufacture of carriages appeared as a combination of

various independent handicrafts. But it gradually began to signify the splitting-up of carriage production into its various detailed operations, and each single operation crystallized into the exclusive function of a particular worker, the manufacture as a whole being performed by these partial workers in conjunction. In the same way, cloth manufacture, as also a whole series of other manufactures, arose from combining together different handicrafts under the command of a single capitalist.[1]

2. Manufacture can also arise in exactly the opposite way. One capitalist simultaneously employs in one workshop a number of craftsmen who all do the same work, or the same kind of work, such as making paper, type or needles. This is co-operation in its simplest form. Each of these craftsmen (with the help, perhaps, of one or two apprentices) makes the entire commodity, and he consequently performs in succession all the operations necessary to produce it. He still works in his old handicraft-like way. But very soon external circumstances cause a different use to be made of the concentration of the workers on one spot and the simultaneousness of their work. An increased quantity of the article has perhaps to be delivered within a given time. The work is therefore divided up. Instead of each man being allowed to perform all the various operations in succession, these operations are changed into disconnected, isolated ones, carried on side by side; each is assigned to a different craftsman, and the whole of them together are performed simultaneously by the co-operators. This accidental division is repeated, develops advantages of its own and gradually ossifies into a systematic division of labour.

[1] The following quotation provides a more modern example of this mode of formation of manufacture: The silk spinning and weaving of Lyons and Nîmes 'is entirely patriarchal; it employs a large number of women and children, but without exhausting or ruining them; it allows them to stay in their beautiful valleys of the Drôme, the Var, the Isère, the Vaucluse, cultivating their silkworms and unwinding their cocoons; it never becomes a true factory industry. However, the principle of the division of labour takes on a special character . . . so that it can be applied to the high degree required here. There do indeed exist winders, throwsters, dyers, sizers, and finally weavers; but they are not assembled in the same workshop, nor are they dependent on a single master; they are all independent' (A. Blanqui, *Cours d'économie industrielle, recueilli par A. Blaise*, Paris, 1838–9, p. 79). Since Blanqui wrote this, the various independent workers have to some extent been united in factories. [Addition by Engels to the fourth German edition:] And since Marx wrote the above, the power-loom has invaded these factories, and is now rapidly superseding the hand-loom. The Krefeld silk industry also has a tale to tell about this.

The commodity, from being the individual product of an independent craftsman, becomes the social product of a union of craftsmen, each of whom performs one, and only one, of the constituent partial operations. The same operations which, in the case of a papermaker belonging to a guild in Germany, merged into each other as the successive acts of one craftsman became in Dutch paper manufacture a number of partial operations performed side by side by numerous workers acting in co-operation. The needlemaker of Nuremberg, organized in his guild, laid the foundation for English needle manufacture. But while in Nuremberg that single craftsman performed a series of perhaps twenty operations one after the other, in England it was not long before there were twenty needlemakers side by side, each performing only one operation of the twenty. Finally, as a result of further experience, each of those twenty operations was again split up, isolated and made entirely independent, so that it became the exclusive function of a separate worker.

The mode in which manufacture arises, its growth out of handicrafts, is therefore twofold. On the one hand it arises from the combination of various independent trades, which lose that independence and become specialized to such an extent that they are reduced to merely supplementary and partial operations in the production of one particular commodity. On the other hand, it arises from the co-operation of craftsmen in one particular handicraft; it splits up that handicraft into its various detailed operations, isolating these operations and developing their mutual independence to the point where each becomes the exclusive function of a particular worker. On the one hand, therefore, manufacture either introduces division of labour into a process of production, or further develops that division; on the other hand it combines together handicrafts that were formerly separate. But whatever may have been its particular starting-point, its final form is always the same – a productive mechanism whose organs are human beings.

For a proper understanding of the division of labour in manufacture, it is essential to keep the following points firmly in mind. Firstly, the analysis of a process of production into its particular phases here coincides completely with the decomposition of a handicraft into its different partial operations. Whether complex or simple, each operation has to be done by hand, retains the character of a handicraft, and is therefore dependent on the strength, skill, quickness and sureness with which the individual worker manipulates his tools. Handicraft remains the basis, a technically narrow basis which excludes a really scientific division of the production process into its component parts, since every partial process undergone by the product must be capable of being done by hand, and of forming a separate handicraft. It is precisely because the skill of the craftsman thus continues to be the foundation of the production process that every worker becomes exclusively assigned to a partial function and that his labour-power becomes transformed into the life-long organ of this partial function. Secondly, this division of labour is a particular sort of co-operation, and many of its advantages spring from the nature of co-operation in general, not from this particular form of it.

2. THE SPECIALIZED WORKER AND HIS TOOLS

If we now go into more detail, it is firstly clear that a worker who performs the same simple operation for the whole of his life converts his body into the automatic, one-sided implement of that operation. Consequently, he takes less time in doing it than the craftsman who performs a whole series of operations in succession. The collective worker, who constitutes the living mechanism of manufacture, is made up solely of such one-sidedly specialized workers. Hence, in comparison with the independent handicraft, more is produced in less time, or in other words the productivity of labour is increased.[2] Moreover, once this partial labour is established as the exclusive function of one person, the methods it employs become perfected. The worker's continued repetition of the same narrowly defined act and the concentration of his attention on it teach him by experience how to attain the desired effect with the minimum of exertion. But since there are always several generations of workers living at one time, and working together at the manufacture of a given article, the technical skill, the tricks of the trade thus acquired, become established, and are accumulated and handed down.[3]

Manufacture, in fact, produces the skill of the specialized worker

[2] 'The more any manufacture of much variety shall be distributed and assigned to different artists, the same must needs be better done and with greater expedition, with less loss of time and labour' (*The Advantages of the East-India Trade*, London, 1720, p. 71).

[3] 'Easy labour is transmitted skill' (T. Hodgskin, *Popular Political Economy*, p. 48).

by reproducing and systematically driving to an extreme within the workshop the naturally developed differentiation which it found ready to hand in society. On the other hand, the conversion of a partial task into the life-long destiny of a man corresponds to the tendency shown by earlier societies towards making trades hereditary. The trades either became petrified into castes, or, in cases where definite historical conditions produced a variability in the individual which was incompatible with a caste system, they hardened into guilds. Castes and guilds arise from the action of the same natural law that regulates the differentiation of plants and animals into species and varieties, except that, when a certain degree of development has been reached, the heredity of castes and the exclusiveness of guilds are ordained as a law of society.[4] 'The muslins of Dacca in fineness, the calicoes and other piece goods of Coromandel in brilliant and durable colours, have never been surpassed. Yet they are produced without capital, machinery, division of labour, or any of those means which give such facilities to the manufacturing interest of Europe. The weaver is merely a detached individual, working a web when ordered of a customer, and with a loom of the rudest construction, consisting sometimes of a few branches or bars of wood, put roughly together. There is even no expedient for rolling up the warp; the loom must therefore be kept stretched to its full length, and becomes so inconveniently large that it cannot be contained within the hut of the manufacturer, who is therefore compelled to ply his trade in the open air, where it is interrupted by every vicissitude of the weather.'[5] It is only the special skill accumulated from generation to generation, and transmitted from father to son, that gives to the Hindu, as it gives to the spider, this virtuosity. And yet the work of such a Hindu weaver is very complicated, in comparison with that of the majority of workers under the system of manufacture.

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[4] 'The arts too, in Egypt, have . . . reached the requisite degree of perfection. For it is the only country where craftsmen may not in any way interfere in the affairs of other classes of citizen, but must follow that calling alone which by law is hereditary in their clan . . . Among other peoples it is found that tradesmen divide their attention between too many objects. At one time they try agriculture, at another they take to commerce, at another they busy themselves with two or three occupations at once. In free countries they mostly frequent the popular assemblies . . . In Egypt, on the contrary, a craftsman is severely punished if he meddles with affairs of State, or carries on several trades at once. Thus there is nothing to disturb their application to their calling . . . Moreover, they inherit from their forefathers numerous rules of their trade, and they are eager to discover still more advantageous ways of practising it' (Diodorus Siculus, *Historische Bibliothek*, Bk I, Ch. 74).

[5] H. Murray and J. Wilson, etc., *Historical and Descriptive Account of British India, etc.*, Edinburgh, 1832, Vol. 2, pp. 449–50. The Indian loom is upright, i.e. the warp is stretched vertically.

A craftsman who performs the various partial operations in the production of a finished article one after the other must at one time change his place, at another time his tools. The transition from one operation to another interrupts the flow of his labour and creates gaps in his working day, so to speak. These close up when he is tied to the same operation the whole day long; they vanish in the same proportion as the changes in his work diminish. The resulting increase of productivity is due either to an increased expenditure of labour-power in a given time – i.e. increased intensity of labour – or to a decrease in the amount of labour-power unproductively consumed. The extra expenditure of power required by every transition from rest to motion is compensated for by prolonging the duration of the normal speed of work, when once acquired. As against this, however, constant labour of one uniform kind disturbs the intensity and flow of a man's vital forces, which find recreation and delight in the change of activity itself.

The productivity of labour depends not only on the proficiency of the worker, but also on the quality of his tools. Tools of the same kind, such as knives, drills, gimlets, hammers, etc., may be employed in different processes; and the same tool may serve various purposes in a single process. But as soon as the different operations of a labour process are disconnected from each other, and each partial operation acquires in the hands of the worker a suitable form peculiar to it, alterations become necessary in the tools which previously served more than one purpose. The direction taken by this change of form is determined by the particular difficulties put in the worker's way by the unchanged form of the old tool. Manufacture is characterized by the differentiation of the instruments of labour – a differentiation whereby tools of a given sort acquire fixed shapes, adapted to each particular application – and by the specialization of these instruments, which allows full play to each special tool only in the hands of a specific kind of worker. In Birmingham alone 500 varieties of hammer are produced, and not only is each one adapted to a particular process, but several varieties often serve exclusively for the different operations in the same process. The manufacturing period simplifies, improves and multiplies the implements of labour by adapting them to the exclusive and special functions of each kind of worker.[6] It thus creates at the same time one of the material conditions for the existence of machinery, which consists of a combination of simple instruments.

The specialized worker and his instruments are the simplest elements of manufacture. Let us now turn to look at manufacture as a whole.

3. THE TWO FUNDAMENTAL FORMS OF MANUFACTURE – HETEROGENEOUS AND ORGANIC

Manufacture has two fundamental forms of articulation which, although occasionally intertwined, are essentially different in kind, and moreover play very different roles in the later transformation of manufacture into large-scale industry carried on by machinery. This double character arises from the nature of the article produced, which either results from the merely mechanical assembling of partial products made independently, or owes its completed shape to a series of connected processes and manipulations.

A locomotive, for instance, consists of more than 5,000 independent parts. It cannot however serve as an example of the first kind of genuine manufacture, for it is a creation of large-scale industry. But a watch can, and William Petty used it to illustrate the division of labour in manufacture. Formerly the individual creation of a craftsman from Nuremberg, the watch has been transformed into the social product of an immense number of specialized workers, such as mainspring makers, dial makers, spiral-spring makers, jewelled hole makers, ruby lever makers, hand makers, case makers, screw makers, gilders. Then there are numerous subdivisions, such as wheel makers (with a further division between brass and steel), pin makers, movement makers, *acheveurs de pignon* (who fix the wheels on the axles and polish the facets), pivot makers, *planteurs de finissage* (who put the wheels and springs in the works), *finisseurs de barillet* (who cut teeth in the wheels, make the holes of the right size, etc.), escapement makers, cylinder makers for cylinder escapements, escapement wheel makers, balance-wheel makers, makers of the *raquette* (the apparatus for regulating the watch), *planteurs d'échappement* (escapement makers proper); then *repasseurs de barillet* (who finish the box for the spring), steel polishers, wheel polishers, screw polishers, figure painters, dial enamellers (who melt the enamel on the copper), *fabricants de pendants* (who make the ring by which the case is hung), *finisseurs de charnière* (who put the brass hinges in the cover), *graveurs, ciseleurs, polisseurs de boîte*, etc., etc., and last of all the *repasseurs*, who fit together the whole watch and hand it over in a going state. Only a few parts of the watch pass through several hands; and all these *membra disjecta* come together for the first time in the hand that binds them into one mechanical whole. This external relation between the finished product and its various and diverse elements makes it a matter of chance in this case as in the case of all similar finished articles, whether the specialized workers are brought together in one workshop or not. The subdivided operations themselves may be carried on like so many independent handicrafts, as they are in the Cantons of Vaud and Neuchâtel; while in Geneva there exist large watch factories, i.e. establishments where the specialized workers directly co-operate under the control of a single capitalist. Even in the latter case the dial, springs and case are seldom made in the factory itself. To carry on the trade as a manufacture, with concentration of workers, is profitable only under exceptional conditions, because competition is at its greatest between those workers who desire to work at home, because the splitting-up of the work into a number of heterogeneous processes scarcely permits the use of instruments of labour common to all, and because the capitalist, by scattering the work around, saves any outlay on workshops, etc.[7] Nevertheless, the position of this specialized worker, who, although he works at home, does so for a capitalist (manufacturer, *établisseur*), is very different from that of the independent craftsman, who works for his own customers.[8]

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[6] In his epoch-making work on the origin of species, Darwin remarks with reference to the natural organs of plants and animals: 'As long as the same part has to perform diversified work, we can perhaps see why it should remain variable, that is, why natural selection should not have preserved or rejected each little deviation of form so carefully as when the part has to serve for some one special purpose. In the same way that a knife which has to cut all sorts of things may be of almost any shape; whilst a tool for some particular purpose must be of some particular shape' [Charles Darwin, *The Origin of Species*, Ch. 5, 'Laws of Variation'].

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[7] In the year 1854 Geneva produced 80,000 watches, which is not one-fifth of the production in the Canton of Neuchâtel. La Chaux-de-Fonds alone, which one may look upon as a huge watch factory, produces twice as many as Geneva every year. From 1850 to 1861 Geneva produced 720,000 watches. See 'Report from Geneva on the Watch Trade' in *Reports by H.M.'s Secretaries of Embassy and Legation, on the Manufactures, Commerce, etc.*, No. 6, 1863. When the production of articles that merely consist of parts fitted together is split up into different processes, the lack of connection between

The second kind of manufacture, its perfected form, produces articles that go through connected phases of development, go step by step through a series of processes, like the wire in the manufacture of needles, which passes through the hands of seventy-two, and sometimes even ninety-two, different specialized workers.

In so far as such a manufacture, when first started, combines scattered handicrafts, it lessens the space by which the various phases of production are separated from each other. The time taken in passing from one stage to another is shortened, and so is the labour by means of which these transitions are made.[9] In comparison with a handicraft, productive power is gained, and this gain arises from the general co-operative character of manufacture. On the other hand, division of labour, which is the principle peculiar to manufacture, requires the isolation of the various stages of production and their independence of each other. The establishment and maintenance of a connection between the isolated functions requires that the article be transported incessantly from one hand to another, and from one process to another. From the standpoint of large-scale industry, this requirement emerges as a characteristic and costly limitation, and one that is inherent in the principle of manufacture.[10]

If we confine our attention to some determinate quantity of

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these processes in itself makes it very difficult to convert a manufacture of this kind to large-scale industrial production by means of machines; but in the case of a watch there are two extra impediments, namely the minuteness and delicacy of its parts, and its character as an article of luxury. Hence their variety, which is such that in the best London houses scarcely a dozen watches are made alike in the course of a year. The watch factory of Messrs Vacheron and Constantin, in which machinery has been employed with success, produces at the most three or four different varieties of size and form.

[8] In watchmaking, that classical example of heterogeneous manufacture, we may study with great accuracy the above-mentioned differentiation and specialization of the instruments of labour which arises from the decomposition of the craftsman's activity.

[9] 'In so close a cohabitation of the people, the carriage must needs be less' (*The Advantages of the East-India Trade*, p. 106).

[10] 'The isolation of the different stages of manufacture, consequent upon the employment of manual labour, adds immensely to the cost of production, the loss mainly arising from the mere removals from one process to another' (*The Industry of Nations*, London, 1855, Part II, p. 200).

raw material, to a heap of rags, for instance, in paper manufacture, or a length of wire in needle manufacture, we perceive that it passes successively through a series of stages in the hands of the various specialized workers, until it takes on its final shape. On the other hand, if we look at the workshop as a complete mechanism, we see the raw material in all stages of its production at the same time. The collective worker, formed from the combination of the many specialized workers, draws the wire with one set of tooled-up hands, straightens the wire with another set, armed with different tools, cuts it with another set, points it with another set, and so on. The different stages of the process, previously successive in time, have become simultaneous and contiguous in space. Hence a greater quantity of finished commodities is produced within the same period.[11] This simultaneity, it is true, arises from the general co-operative form of the process as a whole; but manufacture not only finds the conditions for co-operation ready to hand; it also, to some extent, creates them by subdividing handicraft labour. On the other hand, it only accomplishes the social organization of the labour process by riveting each worker to a single fraction of the work.

Since the product of each specialized worker is, at the same time, only a particular stage in the development of a finished article which is the same in each case, each worker, or group of workers, prepares the raw material for another worker or group of workers. The result of the labour of the one is the starting-point for the labour of the other. One worker therefore directly sets the other to work. The labour-time necessary to attain the desired effect in each partial process is learnt by experience, and the mechanism of manufacture, taken as a whole, is based on the assumption that a given result will be obtained in a given time. It is only on this assumption that the various supplementary labour processes can proceed uninterruptedly, simultaneously, and side by side. It is clear that the direct mutual interdependence of the different pieces of work, and therefore of the workers, compels each one of them to spend on his work no more than the necessary time. This creates a continuity, a uniformity, a regularity, an order,[12] and even an intensity of labour, quite different from that found in an independent handicraft or even in simple co-operation. The rule that the labour-time expended on a commodity should not exceed the amount socially necessary to produce it is one that appears, in the production of commodities in general, to be enforced from outside by the action of competition: to put it superficially, each single producer is obliged to sell his commodity at its market price. In manufacture, on the contrary, the provision of a given quantity of the product in a given period of labour is a technical law of the process of production itself.[13]

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[11] 'It' (the division of labour) 'produces also an economy of time by separating the work into its different branches, all of which may be carried on into execution at the same moment ... By carrying on all the different processes at once, which an individual must have executed separately, it becomes possible to produce a multitude of pins completely finished in the same time as a single pin might have been either cut or pointed' (Dugald Stewart, op. cit., p. 319).

Different operations, however, require unequal lengths of time, and therefore, in equal lengths of time, yield unequal quantities of the specialized products. Thus if the same worker has to perform the same operation day after day, there must be a different number of workers for each operation; for instance, in type manufacture there are four founders and two breakers to one rubber: the founder casts 2,000 type an hour, the breaker breaks up 4,000, and the rubber polishes 8,000. Here we have again the principle of co-operation in its simplest form, the simultaneous employment of many people doing the same thing; only now this principle is the expression of an organic relation. The division of labour under the system of manufacture not only simplifies and multiplies the qualitatively different parts of society's collective worker, but also creates a fixed mathematical relation or ratio which regulates the quantitative extent of those parts – i.e. the relative number of workers, or the relative size of the group of workers, for each special function. Thus alongside the qualitative articulation, the division of labour develops a quantitative rule and a proportionality for the social labour process.

Once the most fitting proportion has been established by experience for the number of specialized workers in the various groups producing on a given scale, that scale can be extended only by employing a multiple of each particular group.[14] Moreover, the same individual can do certain kinds of work just as well on a large as on a small scale; for instance the labour of superintendence, the transportation of the parts of the product from one stage to the next, etc. The isolation of such functions, their allotment to a particular worker, becomes advantageous only with an increase in the number of workers employed; but this increase must affect every group proportionally.

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[12] 'The more variety of artists to every manufacture ... the greater the order and regularity of every work, the same must needs be done in less time, the labour must be less' (*The Advantages of the East-India Trade*, p. 68).

[13] Nevertheless, in many branches of production the system of manufacture attains this result only very imperfectly, owing to the absence of the knowledge necessary to control with certainty the general chemical and physical conditions of the production process.

The isolated group of workers to whom any particular specialized function is assigned is made up of homogeneous elements, and is one of the constituent organs of the total mechanism. In many manufactures, however, the group itself is an organized body of labour, the total mechanism being a repetition or multiplication of these elementary organisms of production. Let us take, for example, the manufacture of glass bottles. It may be resolved into three essentially different stages. First, the preliminary stage, which consists of preparing the components of the glass, mixing the sand and lime, etc. and melting them into a fluid mass of glass.[15] Various specialized workers are employed in this first stage, as also in the final one of removing the bottles from the drying furnace, sorting and packing them, etc. In the middle, between these two stages, comes the glass-melting proper, the manipulation of the fluid mass. At each mouth of the furnace there works a group called 'the hole', consisting of one bottlemaker or finisher, one blower, one gatherer, one putter-up or whetter-off, and one taker-in. These five specialized workers are special organs of a single working organism that only acts as a whole, and therefore can operate only by the direct co-operation of all five. The whole body is paralysed if only one of its members is missing. But a glass furnace has several openings (in England from four to six), each of which contains an earthenware melting-pot full of molten glass, and employs a similar five-man group of workers. The organization of each group is based on the division of labour, but the bond between the different groups is simple co-operation, which, by using in common one of the means of production, namely the furnace, causes it to be consumed more economically. A furnace of this kind, with its four to six groups, constitutes a glass house; and a glass factory comprises a number of such glass houses, together with the apparatus and the workers required for the preparatory and the final phases of production.

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[14] 'When (from the peculiar nature of the produce of each manufactory) the number of processes into which it is most advantageous to divide it is ascertained, as well as the number of individuals to be employed, then all other manufactories which do not employ a direct multiple of this number will produce the article at a greater cost . . . Hence arises one of the causes of the great size of manufacturing establishments' (C. Babbage, *On the Economy of Machinery*, 1st edn, London, 1832, Ch. 21, pp. 172–3).

[15] In England, the melting furnace is different from the glass furnace in which the glass is manipulated. In Belgium, the same furnace serves for both processes.

Finally, just as manufacture arises in part from the combination of various handicrafts, so too it develops into a combination of various manufactures. The larger English glass manufacturers, for instance, make their own earthenware melting-pots, because the success or failure of the process depends to a great extent on their quality. The manufacture of one of the means of production is here united with that of the product. On the other hand, the manufacture of the product may be united with other manufactures, in which the very same product serves in turn as raw material, or with whose products the original product is itself subsequently mixed. Thus we find the manufacture of flint glass combined with glass-cutting and brass-founding, brass being needed for the metal settings of various articles of glass. The various manufactures which have been combined together in this way form more or less separate departments of a complete manufacture, but they are at the same time independent processes, each with its own division of labour. In spite of the many advantages offered by this combination of manufactures, it never attains a complete technical unity on its own foundation. This unity only arises when it has been transformed into an industry carried on by machinery.

Early in the period of manufacture, the principle of lessening the labour-time necessary for the production of commodities[16] was consciously formulated and expressed; and the use of machines also appeared sporadically, especially for certain simple primary processes that have to be conducted on a very large scale and with the application of great force. Thus, at an early period in paper manufacture, the tearing-up of the rags was done by paper-mills; and in metal works the pounding of the ores was done by stamping-mills.[17] The Roman Empire handed down the elementary form of all machinery in the shape of the water-wheel.[18] The handicraft period bequeathed to us the great inventions of the compass, gunpowder, type-printing and the automatic clock. But on the whole, machinery played that subordinate part which Adam Smith assigns to it in comparison with division of labour.[19] In the seventeenth century, the sporadic use of machinery was of the greatest importance, because it supplied the great mathematicians of that time with a practical basis and an incentive towards the creation of modern mechanics.

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[16] This can be seen from W. Petty, John Bellers, Andrew Yarranton, the anonymous author of *The Advantages of the East-India Trade* and J. Vanderlint, not to mention others.

The collective worker, formed out of the combination of a number of individual specialized workers, is the item of machinery specifically characteristic of the manufacturing period. The various operations performed in turn by the producer of a commodity, which coalesce during the labour process, make demands of various kinds upon him. In one operation he must exert more strength, in another more skill, in another more attention; and the same individual does not possess all these qualities in an equal degree. After the various operations have been separated, made independent and isolated, the workers are divided, classified

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17. Towards the end of the sixteenth century, mortars and sieves were still used in France for the pounding and washing of ores.

18. The whole history of the development of machinery can be traced in the history of the corn mill. The factory is still described in English as a 'mill'. In German technological writings of the first decade of the nineteenth century the term *'Mühle'* is still found in use, not only for all machinery driven by the forces of nature, but also for all manufactories where any machine-like apparatus is employed.

19. As will be seen in more detail in the fourth volume of this work, Adam Smith said nothing at all new about the division of labour. What characterizes him as the quintessential political economist of the period of manufacture is rather the stress he lays on it. The subordinate part he assigned to machinery provoked a polemic from Lauderdale in the early days of large-scale industry, and from Ure at a later and more developed stage.* Smith also confuses the differentiation of the instruments of labour, in which the specialized workers of the manufacturing epoch themselves took an active part, with the invention of machinery; in the latter case it is not the workers but men of learning, artisans and even peasants (Brindley)† who play the main role.

*Lauderdale's polemic against Smith is quoted in *Grundrisse*, pp. 688–9; Ure's is to be found in *The Philosophy of Manufactures*, p. 19. Lauderdale was writing in 1804, Ure in 1835.

†James Brindley (1716–72), civil engineer. Son of a small farmer in Derbyshire. Responsible for the first important canal in Britain, that between Worsley and Manchester, and for many others in the course of the 1760s.

and grouped according to their predominant qualities. If their natural endowments are the foundation on which the division of labour is built up, manufacture, once introduced, develops in them new powers that are by nature fitted only for limited and special functions. The collective worker now possesses all the qualities necessary for production in an equal degree of excellence, and expends them in the most economical way by exclusively employing all his organs, individualized in particular workers or groups of workers, in performing their special functions.[20] The one-sidedness and even the deficiencies of the specialized individual worker become perfections when he is part of the collective worker.[21] The habit of doing only one thing converts him into an organ which operates with the certainty of a force of nature, while his connection with the whole mechanism compels him to work with the regularity of a machine.[22]

Since the various functions performed by the collective worker can be simple or complex, high or low, the individual labour-powers*, his organs, require different degrees of training, and must therefore possess very different values. Manufacture therefore develops a hierarchy of labour-powers, to which there corresponds a scale of wages. The individual workers are appropriated and annexed for life by a limited function; while the various operations of the hierarchy of labour-powers are parcelled out among the workers according to both their natural and their acquired cap-

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[20] 'The master manufacturer, by dividing the work to be executed into different processes, each requiring different degrees of skill or of force, can purchase exactly that precise quantity of both which is necessary for each process; whereas, if the whole work were executed by one workman, that person must possess sufficient skill to perform the most difficult, and sufficient strength to execute the most laborious of the operations into which the art is divided' (C. Babbage, op. cit., Ch. 19) [pp. 175–6].

[21] For instance, abnormal development of some muscles, curvature of bones, etc.

[22] The question put by one of the Inquiry Commissioners, 'How are the young persons kept steadily to their work?', is very correctly answered by Mr William Marshall, the general manager of a glass works: 'They cannot well neglect their work; when they once begin, they must go on; they are just the same as parts of a machine' (*Children's Employment Commission, Fourth Report*, 1865, p. 247).

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* *Arbeitskräfte.* These are in fact none other than the workers, but the term 'labour-powers' is deliberately employed here to show that, for capital, the worker is merely the repository of labour-power.

acities.[23] Every process of production, however, requires certain simple manipulations, which every man is capable of doing. These actions too are now separated from their constant interplay with those aspects of activity which are richer in content, and ossified into the exclusive functions of particular individuals.

Hence in every craft it seizes, manufacture creates a class of so-called unskilled labourers, a class strictly excluded by the nature of handicraft industry. If it develops a one-sided speciality to perfection, at the expense of the whole of a man's working capacity, it also begins to make a speciality of the absence of all development. Alongside the gradations of the hierarchy, there appears the simple separation of the workers into skilled and unskilled. For the latter, the cost of apprenticeship vanishes; for the former, it diminishes, compared with that required of the craftsman, owing to the simplification of the functions. In both cases the value of labour-power falls.[24] An exception to this law occurs whenever the decomposition of the labour process gives rise to new and comprehensive functions, which either did not appear at all in handicrafts or not to the same extent. The relative devaluation of labour-power caused by the disappearance or reduction of the expenses of apprenticeship directly implies a higher degree of valorization of capital; for everything that shortens the necessary labour-time required for the reproduction of labour-power, extends the domain of surplus labour.

4. THE DIVISION OF LABOUR IN MANUFACTURE, AND THE DIVISION OF LABOUR IN SOCIETY

We first considered the origin of manufacture, then its simple elements, the specialized worker and his tools, and finally the total mechanism. We shall now lightly touch on the relation between the division of labour in manufacture, and the social division of labour which forms the foundation of all commodity production.

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[23] Dr Ure, in his apotheosis of large-scale industry, brings out the peculiar character of manufacture more sharply than previous economists, who did not have his polemical interest in the matter, and more sharply even than his contemporaries – for instance Babbage, who, although much his superior in mathematics and mechanics, treated large-scale industry from the standpoint of manufacture alone. Ure says: 'To each [task], a workman of appropriate value and cost was naturally assigned. This appropriation forms the very essence of the division of labour.' On the other hand, he describes this division as 'adaptation of labour to the different talents of men', and, lastly, characterizes the whole manufacturing system as 'a system for the division or gradation of labour', and as 'the division of labour into degrees of skill', etc. (Ure, op. cit., pp. 19–23 passim).

[24] 'Each handicraftsman being . . . enabled to perfect himself by practice in one point, became . . . a cheaper workman' (Ure, op. cit., p. 19).

If we keep labour alone in view, we may designate the division of social production into its main *genera* such as agriculture, industry, etc. as division of labour in general, and the splitting-up of these broad divisions into species and sub-species as division of labour in particular. Finally, we may designate the division of labour within the workshop as division of labour in detail.[25]

The division of labour within society develops from one starting-point; the corresponding restriction of individuals to particular vocations or callings develops from another starting-point, which is diametrically opposed to the first. This second starting-point is also that of the division of labour within manufacture. Within a family[26] and, after further development, within a tribe, there springs up naturally a division of labour caused by differences of sex and age, and therefore based on a purely physiological foundation. More material for this division of labour is then provided by the expansion of the community, the increase of its population and, in particular, conflicts between the different tribes and the subjugation of one tribe by another. On the other hand, as I have already remarked,* the exchange of products springs up at

[25] 'Division of labour proceeds from the separation of the most widely different professions to that division where several workers divide between them the preparation of one and the same product, as in manufacture' (Storch, *Cours d'économie politique*, Paris edition, Vol. 1, p. 173). 'Among peoples which have reached a certain level of civilization, we meet with three kinds of division of labour: the first, which we shall call general, brings about the division of the producers into agriculturalists, manufacturers, and shopkeepers, it corresponds to the three main branches of the nation's labour; the second, which one could call particular, is the division of each branch of labour into species . . . the third division of labour, which one should designate as a division of tasks, or of labour properly so called, is that which grows up in the individual crafts and trades . . . and takes root in the majority of the workshops and factories' (Skarbek, op. cit., pp. 84–5).

[26] [Note by Engels to the third German edition:] Subsequent and very thorough investigations into the primitive condition of man led the author to the conclusion that it was not the family that originally developed into the tribe, but that, on the contrary, the tribe was the primitive and spontaneously developed form of human association, based on consanguinity, and that out of the first incipient loosening of the tribal bonds, the many and various forms of the family were afterwards developed.

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*See above, p. 182.

the points where different families, tribes or communities come into contact; for at the dawn of civilization it is not private individuals but families, tribes, etc. that meet on an independent footing. Different communities find different means of production and different means of subsistence in their natural environment. Hence their modes of production and living, as well as their products, are different. It is this spontaneously developed difference which, when different communities come into contact, calls forth the mutual exchange of products and the consequent gradual conversion of those products into commodities. Exchange does not create the differences between spheres of production but it does bring the different spheres into a relation, thus converting them into more or less interdependent branches of the collective production of a whole society. In this case, the social division of labour arises from the exchange between spheres of production which are originally distinct from and independent of one another. In the other case, where the physiological division of labour is the starting-point, the particular organs of a compact whole become separated from each other and break off. This process of disintegration receives its main impetus from the exchange of commodities with foreign communities. Afterwards, these organs attain such a degree of independence that the sole bond still connecting the various kinds of work is the exchange of the products as commodities. In the one case, what was previously independent has been made dependent; in the other case, what was previously dependent has been made independent.

The foundation of every division of labour which has attained a certain degree of development, and has been brought about by the exchange of commodities, is the separation of town from country.[27] One might well say that the whole economic history of society is summed up in the movement of this antithesis. However, for the moment we shall not go into this.

Just as a certain number of simultaneously employed workers is the material pre-condition for the division of labour within manufacture, so the number and density of the population, which here corresponds to the collection of workers together in one workshop,

[27] Sir James Steuart has provided the best treatment of this question. How little his book, which appeared ten years before the *Wealth of Nations*,* is known, even at the present time, may be judged from the fact that the

*Steuart's *Inquiry into the Principles of Political Economy* was first published in 1767, the *Wealth of Nations* in 1776.

is a pre-condition for the division of labour within society,[28] Nevertheless, this density is more or less relative. A relatively thinly populated country, with well-developed means of communication, has a denser population than a more numerously populated country with badly developed means of communication. In this sense, the northern states of the U.S.A. for instance, are more thickly populated than India.[29]

Since the production and the circulation of commodities are the general prerequisites of the capitalist mode of production, division of labour in manufacture requires that a division of labour within society should have already attained a certain degree of development. Inversely, the division of labour in manufacture reacts back upon that in society, developing and multiplying it further. With the differentiation of the instruments of labour, the trades which produce these instruments themselves become more and more differentiated.[30] If the system of manufacture seizes upon a trade which was previously carried on in connection with others, either as a chief or a subordinate trade, and by one producer, these trades immediately break their connection and assert their independence

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admirers of Malthus do not know that the first edition of the latter's work on population contains, except in the purely declamatory part, very little but extracts from Steuart, as well as from the clerics Wallace* and Townsend.†

[28] 'There is a certain density of population which is convenient, both for social intercourse, and for that combination of powers by which the produce of labour is increased' (James Mill, op. cit., p. 50). 'As the number of labourers increases, the productive power of society augments in the compound ratio of that increase, multiplied by the effects of the division of labour' (Thomas Hodgskin, op. cit., pp. 125–6).

[29] As a result of the great demand for cotton after 1861, its production was extended at the expense of rice cultivation in some otherwise thickly populated districts of eastern India. In consequence there arose local famines, because, owing to deficiencies in the means of communication, and hence the absence of physical links, failures of the rice crop in one district could not be compensated for by importing supplies from other districts.

[30] Thus the manufacture of shuttles formed a special branch of industry in Holland as early as the seventeenth century.

*Robert Wallace (1697–1771) was a Scottish Presbyterian minister, and author of treatises on population which are reputed to have influenced Malthus, namely *A Dissertation on the Numbers of Mankind in Ancient and Modern Times* (1753), and *Various Prospects of Mankind, Nature, and Providence* (1761).

†Rev. Joseph Townsend (1739–1816) was a Methodist clergyman who, in *A Dissertation on the Poor Laws* (1786), advanced a theory of population later taken over by Malthus.

of each other. If it seizes upon a particular stage in the production of a commodity, the other stages of its production become converted into as many independent trades. It has already been stated that where the finished article consists merely of a number of parts fitted together, the specialized operations may re-establish themselves as genuine and separate handicrafts. In order to accomplish the division of labour in manufacture more completely, a single branch of production is split up into numerous and to some extent entirely new manufactures, according to the varieties of its raw material or the various forms that the same piece of raw material may assume. Thus in France alone, in the first half of the eighteenth century, over 100 different kinds of silk stuffs were woven, and in Avignon, for instance, it was legally required that 'every apprentice should devote himself to only one sort of fabrication, and should not learn the preparation of several kinds of stuff at once'. The territorial division of labour, which confines special branches of production to special districts of a country, acquires fresh stimulus from the system of manufacture, which exploits all natural peculiarities.[31] The colonial system and the extension of the world market, both of which form part of the general conditions for the existence of the manufacturing period, furnish us with rich materials for displaying the division of labour in society. This is not the place, however, for us to show how division of labour seizes upon, not only the economic, but every other sphere of society, and everywhere lays the foundation for that specialization, that development in a man of one single faculty at the expense of all others, which already caused Adam Ferguson, the master of Adam Smith, to exclaim: 'We make a nation of Helots, and have no free citizens.'[32]

But in spite of the numerous analogies and links connecting them, the division of labour in the interior of a society, and that in the interior of a workshop, differ not only in degree, but also in kind. The analogy appears most indisputable where there is an invisible bond uniting the various branches of trade. For instance the cattle-breeder produces hides, the tanner makes the hides into

[31] 'Whether the Woollen Manufacture of England is not divided into several parts or branches, appropriated to particular places, where they are only or principally manufactured; fine cloths in Somersetshire, coarse in Yorkshire, long ells at Exeter, saies [serges] at Sudbury, crapes at Norwich, linseys at Kendal, blankets at Witney, and so forth?' (Berkeley, *The Querist*, 1750, query No. 520).

[32] A. Ferguson, *History of Civil Society*, Edinburgh, 1767, Part IV, Section ii, p. 285.

leather and the shoemaker makes the leather into boots. Here the product of each man is merely a step towards the final form, which is the combined product of their specialized labours. There are, besides, all the various trades which supply the cattle-breeder, the tanner and the shoemaker with their means of production. Now it is quite possible to imagine, with Adam Smith, that the difference between the above social division of labour, and the division in manufacture, is merely subjective, exists merely for the observer, who in the case of manufacture can see at a glance all the numerous operations being performed on one spot, while in the instance given above, the spreading-out of the work over great areas and the great number of people employed in each branch of labour obscure the connection.[33] But what is it that forms the bond between the independent labours of the cattle-breeder, the tanner and the shoemaker? It is the fact that their respective products are commodities. What, on the other hand, characterizes the division of labour in manufacture? The fact that the specialized worker produces no commodities.[34] It is only the common product of all the specialized workers that becomes a commodity.[35] The division of labour within society is mediated through the purchase and sale of the products of different branches of industry, while the connection between the various partial operations in a workshop is mediated through the sale of the labour-power of several workers to one capitalist, who applies it as combined labour-power. The division of labour within manufacture presupposes a concentration of the means of production in the hands of one capitalist; the division of labour within society presupposes a dispersal of those means among many independent producers of commodities. While, within the workshop, the iron law of proportionality subjects definite numbers of workers to definite functions, in the society outside the workshop, the play of chance and caprice results in a motley pattern of distribution of the producers and their means of production among the various branches of social labour. It is true that the different spheres of production constantly tend towards equilibrium, for the following reason. On the one hand, every producer of a commodity is obliged to produce a use-value, i.e. he must satisfy a particular social need (though the extent of these needs differs quantitatively, and there exists an inner bond which attaches the different levels of need to a system which has grown up spontaneously); on the other hand, the law of the value of commodities ultimately determines how much of its disposable labour-time society can expend on each kind of commodity. But this constant tendency on the part of the various spheres of production towards equilibrium comes into play only as a reaction against the constant upsetting of this equilibrium. The planned and regulated *a priori* system on which the division of labour is implemented within the workshop becomes, in the division of labour within society, an *a posteriori* necessity imposed by nature, controlling the unregulated caprice of the producers, and perceptible in the fluctuations of the barometer of market prices. Division of

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[33] In manufacture proper, Smith says, the division of labour appears to be greater, because 'those employed in every different branch of the work can often be collected into the same workhouse, and placed at once under the view of the spectator. In those great manufactures (!), on the contrary, which are destined to supply the great wants of the great body of the people, every different branch of the work employs so great a number of workmen that it is impossible to collect them all into the same workhouse . . . the division is not near so obvious' (A. Smith, *Wealth of Nations*, Bk I, Ch. 1). The famous passage in the same chapter, which begins with the words, 'Observe the accommodation of the most common artificer or day-labourer in a civilized and thriving country', etc., and then proceeds to depict what an enormous number and variety of industries contribute to the satisfaction of the needs of an ordinary worker, is copied almost word for word from the 'Remarks' added by B. de Mandeville to his *Fable of the Bees, or Private Vices, Publick Benefits* (first edition, without the remarks, 1706; with the remarks, 1714).

[34] 'There is no longer anything which we can call the natural reward of individual labour. Each labourer produces only some part of a whole, and each part, having no value or utility in itself, there is nothing on which the labourer can seize, and say: It is my product, this I will keep to myself' (*Labour Defended against the Claims of Capital*, London, 1825, p. 25). The author of this admirable work is Thomas Hodgskin.

[35] This distinction between the division of labour in society and in manufacture has been illustrated to the Yankees in practice. One of the new taxes devised at Washington during the Civil War was the duty of 6 per cent 'on all industrial products'. Question: What is an industrial product? Answer of the legislature: A thing is produced 'when it is made', and it is made when it is

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ready for sale. Now for one example out of many. The New York and Philadelphia manufacturers had previously been in the habit of 'making' umbrellas with all their accessories. But since an umbrella is a composite mixture of very heterogeneous parts, these parts by degrees became the products of various separate industries, carried on independently in different places. They entered as separate commodities into the manufacture of umbrellas, so that all the umbrella manufacturers had to do was fit them together. The Yankees have given the name 'assembled articles' to articles of this kind, and they deserve this name, for they allow taxes to be assembled together as well. Thus an umbrella 'assembles', first 6 per cent on the price of each of its elements, and a further 6 per cent on its own total price.

labour within the workshop implies the undisputed authority of the capitalist over men, who are merely the members of a total mechanism which belongs to him. The division of labour within society brings into contact independent producers of commodities, who acknowledge no authority other than that of competition, of the coercion exerted by the pressure of their reciprocal interests, just as in the animal kingdom the 'war of all against all' more or less preserves the conditions of existence of every species. The same bourgeois consciousness which celebrates the division of labour in the workshop, the lifelong annexation of the worker to a partial operation, and his complete subjection to capital, as an organization of labour that increases its productive power, denounces with equal vigour every conscious attempt to control and regulate the process of production socially, as an inroad upon such sacred things as the rights of property, freedom and the self-determining 'genius' of the individual capitalist. It is very characteristic that the enthusiastic apologists of the factory system have nothing more damning to urge against a general organization of labour in society than that it would turn the whole of society into a factory.

If, in the society where the capitalist mode of production prevails, anarchy in the social division of labour and despotism in the manufacturing division of labour mutually condition each other, we find, on the contrary, in those earlier forms of society in which the separation of trades has been spontaneously developed, then crystallized, and finally made permanent by law, on the one hand, a specimen of the organization of the labour of society in accordance with an approved and authoritative plan, and, on the other, the entire exclusion of division of labour in the workshop or, at the least, its development on a minute scale, sporadically and accidentally.[36]

Those small and extremely ancient Indian communities, for example, some of which continue to exist to this day, are based on the possession of the land in common, on the blending of agriculture and handicrafts and on an unalterable division of labour, which serves as a fixed plan and basis for action whenever a new community is started. The communities occupy areas of from 100 up to several thousand acres, and each forms a compact whole producing all it requires. Most of the products are destined for direct use by the community itself, and are not commodities. Hence production here is independent of that division of labour brought about in Indian society as a whole by the exchange of commodities. It is the surplus alone that becomes a commodity, and a part of that surplus cannot become a commodity until it has reached the hands of the state, because from time immemorial a certain quantity of the community's production has found its way to the state as rent in kind. The form of the community varies in different parts of India. In the simplest communities, the land is tilled in common, and the produce is divided among the members. At the same time, spinning and weaving are carried on in each family as subsidiary industries. Alongside the mass of people thus occupied in the same way, we find the 'chief inhabitant', who is judge, police authority and tax-gatherer in one; the book-keeper, who keeps the accounts of the tillage and registers everything relating to this; another official, who prosecutes criminals, protects strangers travelling through and escorts them to the next village; the boundary man, who guards the boundaries against neighbouring communities; the water-overseer, who distributes the water from the common tanks for irrigation; the Brahmin, who conducts the religious services; the schoolmaster, who on the sand teaches the children reading and writing; the calendar-Brahmin, or astrologer, who makes known the lucky or unlucky days for seed-time and harvest, and for every other kind of agricultural work; a smith and a carpenter, who make and repair all the agricultural implements; the potter, who makes all the pottery of the village; the barber, the washerman, who washes clothes, the silversmith, here and there the poet, who in some communities replaces the silversmith, in others the schoolmaster. This dozen or so of individuals is maintained at the expense of the whole community. If the population increases, a new community is founded, on the pattern of the old one, on unoccupied land. The whole mechanism reveals a systematic division of labour; but a division like that in manufacture is impossible, since the smith, the carpenter, etc. find themselves faced with an unchanging market, and at the most there occur, according to the sizes of the villages, two or three smiths or carpenters, instead of one.[37] The law that regulates the division of labour in the community acts with the irresistible authority of a law of nature, while each individual craftsman, the smith, the carpenter and so on, conducts in his workshop all the operations of his handicraft in the traditional way, but independently, and without recognizing any authority. The simplicity of the productive organism in these self-sufficing communities which constantly reproduce themselves in the same form and, when accidentally destroyed, spring up again on the same spot and with the same name[38] – this simplicity supplies the key to the riddle of the unchangeability of Asiatic societies, which is in such striking contrast with the constant dissolution and refounding of Asiatic states, and their never-ceasing changes of dynasty. The structure of the fundamental economic elements of society remains untouched by the storms which blow up in the cloudy regions of politics.

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[36] 'It can . . . be laid down as a general rule that the less authority presides over the division of labour inside society, the more the division of labour develops inside the workshop, and the more it is subjected there to the authority of a single person. Thus authority in the workshop and authority in society, in relation to the division of labour, are in *inverse ratio* to each other' (Karl Marx, *Misère de la philosophie*, pp. 130–31) [English edition, p. 118].

The rules of the guilds, as I have said before, deliberately hindered the transformation of the single master into a capitalist, by placing very strict limits on the number of apprentices and journeymen he could employ. Moreover, he could employ his journeymen only in the handicraft in which he was himself a master. The guilds zealously repelled every encroachment by merchants' capital, the only free form of capital which confronted them. A merchant could buy every kind of commodity, but he could not buy labour as a commodity. He existed only on sufferance, as a dealer in the products of the handicrafts. If circumstances called for a further division of labour, the existing guilds split themselves up into subordinate sections, or founded new guilds by the side of the old ones. But they did this without concentrating different handicrafts in one workshop. Hence the guild organization, however much it may have contributed to creating the material conditions for the existence of manufacture by separating, isolating and perfecting the handicrafts, excluded the kind of division of labour characteristic of manufacture. On the whole, the worker and his means of production remained closely united, like the snail with its shell, and therefore the principal basis of manufacture was absent, namely the autonomy of the means of production, as capital, *vis-à-vis* the worker.

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[37] Lieut.-Col. Mark Wilks, *Historical Sketches of the South of India*, London, 1810–17, Vol. 1, pp. 118–20. A good account of the various forms of the Indian community is to be found in George Campbell's *Modern India*, London, 1852.

[38] 'Under this simple form ... the inhabitants of the country have lived from time immemorial. The boundaries of the villages have been but seldom altered, and though the villages themselves have been sometimes injured, and even desolated by war, famine, and disease, the same name, the same limits, the same interests, and even the same families, have continued for ages. The inhabitants give themselves no trouble about the breaking up and division of kingdoms; while the village remains entire, they care not to what power it is transferred, or to what sovereign it devolves; its internal economy remains unchanged' (T. Stamford Raffles, late Lieut.-Gov. of Java, *The History of Java*, London, 1817, Vol. 1, p. 285).

While the division of labour in society at large, whether mediated through the exchange of commodities or not, can exist in the most diverse economic formations of society, the division of labour in the workshop, as practised by manufacture, is an entirely specific creation of the capitalist mode of production.

5. THE CAPITALIST CHARACTER OF MANUFACTURE

An increased number of workers under the control of one capitalist is the natural starting-point, both of co-operation in general and of manufacture in particular. But the division of labour in manufacture makes this increase in the number of workers a technical necessity. The minimum number that any given capitalist is bound to employ is here prescribed by the previously established division of labour. On the other hand, the advantages of further division can be obtained only by adding to the number of workers, and this means adding not single individuals but multiples. However, an increase in the variable component of the capital employed necessitates an increase in its constant component too, i.e. both in the available extent of the conditions of production, such as workshops, implements, etc., and, in particular, in raw material, the demand for which grows much more quickly than the number of workers. The quantity of it consumed in a given time, by a given amount of labour, increases in the same ratio as does the productive power of that labour through its division. Hence it is a law, springing from the technical character of manufacture, that the minimum amount of capital which the capitalist must possess has to go on increasing. In other words, the transformation of the social means of production and subsistence into capital must keep extending.[39]

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[39] 'It is not sufficient that the capital' (he should have said the necessary means of subsistence and of production) 'required for the subdivision of

In manufacture, as well as in simple co-operation, the collective working organism is a form of existence of capital. The social mechanism of production, which is made up of numerous individual specialized workers, belongs to the capitalist. Hence the productive power which results from the combination of various kinds of labour appears as the productive power of capital. Manufacture proper not only subjects the previously independent worker to the discipline and command of capital, but creates in addition a hierarchical structure amongst the workers themselves. While simple co-operation leaves the mode of the individual's labour for the most part unchanged, manufacture thoroughly revolutionizes it, and seizes labour-power by its roots. It converts the worker into a crippled monstrosity by furthering his particular skill as in a forcing-house, through the suppression of a whole world of productive drives and inclinations, just as in the states of La Plata* they butcher a whole beast for the sake of his hide or his tallow. Not only is the specialized work distributed among the different individuals, but the individual himself is divided up, and transformed into the automatic motor of a detail operation,[40] thus realizing the absurd fable of Menenius Agrippa,† which

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handicrafts should be in readiness in the society: it must also be accumulated in the hands of the employers in sufficiently large quantities to enable them to conduct their operations on a large scale . . . The more the division increases, the more does the constant employment of a given number of workers require a greater outlay of capital in tools, raw material, etc.' (Storch, *Cours d'économie politique*, Paris edition, Vol. I, pp. 250–51). 'The concentration of the instruments of production and the division of labour are as inseparable one from the other as are, in the political sphere, the concentration of public authority and the division of private interests' (Karl Marx, *Misère de la philosophie*, p. 134) [English edition, p. 121].

[40] Dugald Stewart calls manufacturing workers 'living automatons . . . *employed in the details of the work*' (op. cit., p. 318).

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*This clearly refers to Argentina, Paraguay and Uruguay, the three republics which border the river Plate.

† Menenius Agrippa (d. 493 B.C.) was a Roman patrician who, according to the legend, persuaded the plebeians to refrain from overthrowing patrician rule by using the analogy between the state and the human body. The patricians represented the stomach, the plebeians the limbs; the limbs were required to feed the stomach, and, conversely, if the stomach were not fed, the limbs themselves would soon wither.

presents man as a mere fragment of his own body.[41] If, in the first place, the worker sold his labour-power to capital because he lacked the material means of producing a commodity, now his own individual labour-power withholds its services unless it has been sold to capital. It will continue to function only in an environment which first comes into existence after its sale, namely the capitalist's workshop. Unfitted by nature to make anything independently, the manufacturing worker develops his productive activity only as an appendage of that workshop.[42] As the chosen people bore in their features the sign that they were the property of Jehovah, so the division of labour brands the manufacturing worker as the property of capital.

The knowledge, judgement and will which, even though to a small extent, are exercised by the independent peasant or handicraftsman, in the same way as the savage makes the whole art of war consist in the exercise of his personal cunning, are faculties now required only for the workshop as a whole. The possibility of an intelligent direction of production expands in one direction, because it vanishes in many others. What is lost by the specialized workers is concentrated in the capital which confronts them.[43] It is a result of the division of labour in manufacture that the worker is brought face to face with the intellectual potentialities [*geistige Potenzen*] of the material process of production as the property of another and as a power which rules over him. This process of separation starts in simple co-operation, where the capitalist represents to the individual workers the unity and the will of the whole body of social labour. It is developed in manufacture, which mutilates the worker, turning him into a fragment of himself. It is completed in large-scale industry, which makes science a potentiality for production which is distinct from labour and presses it into the service of capital.[44]

41. In corals, each individual is, in fact, the stomach of the whole group; but it supplies the group with nourishment instead of extracting it, like the Roman patrician.

42. 'The worker who is the master of a whole craft can work and find means of subsistence anywhere: the other' (the manufacturing worker) 'is only an appendage who, when he is separated from his fellows, possesses neither capability nor independence, and finds himself forced to accept any law it is thought fit to impose' (Storch, op. cit., St Petersburg edition, 1815, Vol. 1, p. 204).

43. 'The former may have gained what the other has lost' (A. Ferguson, op. cit., p. 281).

44. 'The man of knowledge and the productive labourer come to be widely

In manufacture, the social productive power of the collective worker, hence of capital, is enriched through the impoverishment of the worker in individual productive power. 'Ignorance is the mother of industry as well as of superstition. Reflection and fancy are subject to err; but a habit of moving the hand or the foot is independent of either. Manufactures, accordingly, prosper most where the mind is least consulted, and where the workshop may . . . be considered as an engine, the parts of which are men.'[45] As a matter of fact, in the middle of the eighteenth century some manufacturers preferred to employ semi-idiots for certain operations which, though simple, were trade secrets.[46]

'The understandings of the greater part of men,' says Adam Smith, 'are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations . . . has no occasion to exert his understanding . . . He generally becomes as stupid and ignorant as it is possible for a human creature to become.' After describing the stupidity of the specialized worker, he goes on: 'The uniformity of his stationary life naturally corrupts the courage of his mind . . . It corrupts even the activity of his body and renders him incapable of exerting his strength with vigour and perseverance in any other employments than that to which he has been bred. His dexterity at his own particular trade seems in this manner to be acquired at the expense of his intellectual, social, and martial virtues. But in every improved and civilized society, this is the state into which the labouring poor, that is, the great body of the people, must necessarily fall.'[47]

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divided from each other, and knowledge, instead of remaining the handmaid of labour in the hand of the labourer to increase his productive powers . . . has almost everywhere arrayed itself against labour.' 'Knowledge' becomes 'an instrument, capable of being detached from labour and opposed to it' (W. Thompson, *An Inquiry into the Principles of the Distribution of Wealth*, London, 1824, p. 274).

[45] A. Ferguson, op. cit., p. 280.

[46] J. D. Tuckett, *A History of the Past and Present State of the Labouring Population*, London, 1846, Vol. 1, p. 148.

[47] A. Smith, *Wealth of Nations*, Bk V, Ch. I [Part III], Art. 2. As a pupil of Adam Ferguson, who had pointed out the harmful effects of the division of labour, Smith was perfectly clear on this point. In the Introduction to his work, where he professedly praises the division of labour, he indicates only in passing that it is the source of social inequalities. It is not till the fifth book, on the 'Revenue of the State', that he reproduces Ferguson. In my *Misère de la philosophie* [*The Poverty of Philosophy*], I have sufficiently explained the historical relation between Ferguson, Adam Smith, Lemontey and Say as

For preventing the complete deterioration of the great mass of the people which arises from the division of labour, Adam Smith recommends education of the people by the state, but in prudently homoeopathic doses. Garnier, his French translator and commentator, who quite naturally developed into a senator under the first French Empire,* is entirely consistent in opposing Smith on this point. Education of the people, he urges, violates the first law of the division of labour, and with it 'our whole social system would be proscribed'. 'Like all other divisions of labour,' he says, 'that between hand labour and head labour[48] is more pronounced and decided in proportion as society' (he rightly uses this word to describe capital, landed property and the state that belongs to them) 'becomes richer. The division of labour, like every other, is an effect of past, and a cause of future progress . . . ought the government then to work in opposition to this division of labour, and to hinder its natural course? Ought it to expend a part of the public money in the attempt to confound and blend together two classes of labour which are striving after division and separation?'[49]

Some crippling of body and mind is inseparable even from the division of labour in society as a whole. However, since manufacture carries this social separation of branches of labour much further, and also, by its peculiar division, attacks the individual at the very roots of his life, it is the first system to provide the materials and the impetus for industrial pathology.[50]

'To subdivide a man is to execute him, if he deserves the sent-

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regards their criticisms of the division of labour, and also shown, for the first time, that the division of labour in manufacture is a specific form of the capitalist mode of production (pp. 122 ff.) [English edition, pp. 112–15].

[48] Ferguson had already said (op. cit., p. 281): 'And thinking itself, in this age of separations, may become a peculiar craft.'

[49] G. Garnier, Vol. 5 of his translation of Adam Smith, pp. 4–5.

[50] Ramazzini, professor of practical medicine at Padua, published in 1713 his work *De morbis artificum*, which was translated into French in 1777, and reprinted in 1841 in the *Encyclopédie des sciences médicales. 7me Div. Auteurs classiques.* The period of large-scale industry has of course very much enlarged this catalogue of the diseases of the workers. See, among others, the work *Hygiène physique et morale de l'ouvrier dans les grandes villes en général, et dans la ville de Lyon en particulier*, by Dr A.-L. Fonteret, Paris, 1858, and

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*Germain Garnier (1754–1821) was secretary to Louis XV's daughter in the 1780s, emigrated in 1792, returned in 1795, declared for Bonaparte, was made a Prefect in 1799, Count and senator in 1804, and President of the Senate in 1809. His translation of Adam Smith came out in 1802.

ence, to assassinate him if he does not ... The subdivision of labour is the assassination of a people.'[51]

Co-operation based on the division of labour, in other words manufacture, begins as a spontaneous formation. As soon as it attains a degree of consistency and extension, it becomes the conscious, methodical and systematic form of capitalist production. The history of manufacture proper shows how the division of labour which is peculiar to it acquires the most appropriate form at first by experience, as it were behind the backs of the actors, and then, like the guild handicrafts, strives to hold fast to that form when once it has been found, and here and there succeeds in keeping it for centuries. Any alteration in this form, except in trivial matters, never results from anything but a revolution in the instruments of labour. Modern manufacture – I am not referring here to large-scale industry, which is based on machinery – either finds the *disjecta membra poetae** ready to hand, and only waiting to be collected together, as is the case in the manufacture of clothes in large towns, or it can easily apply the principles of division, simply by exclusively assigning the various operations of a handicraft (such as book-binding) to particular men. In such cases, a week's experience is enough to determine the proportion between the numbers of the 'hands' necessary for the various functions.[52]

Die Krankheiten, welche verschiedenen Ständen, Altern, und Geschlechtern eigenthümlich sind, 6 vols., Ulm, 1860 [by R. H. Rohatzsch]. In 1854 the Society of Arts appointed a Commission of Inquiry into industrial pathology. The list of documents collected by this commission is to be seen in the catalogue of the Twickenham Economic Museum. Very important are the official *Reports on Public Health*. See also Eduard Reich, M.D., *Über die Entartung des Menschen*, Erlangen, 1868.

51. D. Urquhart, *Familiar Words*, London, 1855, p. 119. Hegel held very heretical views on the division of labour. In his *Philosophy of Right* he says: 'By educated men we may *prima facie* understand those who ... can do what others do.'*

52. The pleasant belief in the inventive genius displayed *a priori* by the individual capitalist in the division of labour exists nowadays only among German professors of the stamp of Herr Roscher, who, to recompense the capitalist from whose Jovian head the division of labour sprang ready formed, dedicates to him 'various wages'. The more or less extensive application of the division of labour depends on the length of the purse, not on the magnitude of the genius.

**Philosophy of Right*, para. 187, addition. English edition, p. 268.

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*'The scattered members of the poet' (Horace, *Satires*, Bk I, Satire 4, line 62). The quotation has been changed slightly.

By dissection of handicraft activity into its separate components, by specialization of the instruments of labour, by the formation of specialized workers and by grouping and combining the latter into a single mechanism, the division of labour in manufacture provides the social process of production with a qualitative articulation and a quantitative proportionality. It thereby creates a definite organization of social labour and at the same time develops new, and social, productive powers of labour. As a specifically capitalist form of the process of social production – and, on the foundations available to it, it could not develop in any other form than a capitalist one – the division of labour in manufacture is merely a particular method of creating relative surplus-value, or of augmenting the self-valorization of capital – usually described as social wealth, 'wealth of nations', etc. – at the expense of the worker. Not only does it increase the socially productive power of labour for the benefit of the capitalist instead of the worker; it also does this by crippling the individual worker. It produces new conditions for the domination of capital over labour. If, therefore, on the one hand, it appears historically as an advance and a necessary aspect of the economic process of the formation of society, on the other hand, it appears as a more refined and civilized means of exploitation.

Political economy, which first emerged as an independent science during the period of manufacture, is only able to view the social division of labour in terms of the division found in manufacture,[53] i.e. as a means of producing more commodities with a given quantity of labour, and consequently of cheapening commodities and accelerating the accumulation of capital. In most striking contrast with this accentuation of quantity and exchange-value is the attitude of the writers of classical antiquity, who are exclusively concerned with quality and use-value.[54] As a result of the separation of the social branches of production, commodities are better made, men's various inclinations and talents select suitable fields of action,[55] and without some restriction no important results can be obtained anywhere.[56] Hence both product and producer are improved by the division of labour. If the growth of the quantity produced is occasionally mentioned, this is only done with reference to the greater abundance of use-values. There is not a word alluding to exchange-value, or to the cheapening of commodities. This standpoint, the standpoint of use-value, is adopted by Plato,[57] who treats the division of labour as the foundation on

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[53] The older writers, like Petty and the anonymous author of *Advantages of the East-India Trade*, bring out the capitalist character of the division of labour as applied to manufacture more clearly than Adam Smith does.

[54] A few eighteenth-century writers such as Beccaria and James Harris form an exception among the moderns and on the division of labour they almost entirely follow the ancients. Thus Beccaria: 'Everyone knows from experience that if the hands and the intelligence are always applied to the same kind of work and the same products, these will be produced more easily, in greater abundance, and in higher quality than if each individual makes for himself the things he needs ... In this way, men are divided up into various classes and conditions, to their own advantage and to that of the community' (Cesare Beccaria, *Elementi di economia pubblica*, edited by Custodi, *Parte moderna*, Vol. II, p. 28). James Harris, later Earl of Malmesbury, famous for

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the *Diaries* he wrote about his embassy at St Petersburg, says in a note to his *Dialogue Concerning Happiness*, London, 1741,* later reprinted in *Three Treatises, etc.*, 3rd edn, London, 1772: 'The whole argument to prove society natural (i.e. by division of employments) . . . is taken from the second book of Plato's *Republic.*'

[55] Thus, in the *Odyssey*, XIV, 228, 'ἄλλος γὰρ τ'ἄλλοισιν ἀνὴρ ἐπιτέρπεται ἔργοις'† and the statement of Archilochus quoted by Sextus Empiricus, 'ἄλλος ἄλλῳ ἐπ' ἔργῳ καρδίην ἰαινεται'.‡

[56] 'πολλ' ἠπίστατο ἔργα, κακῶς δ' ἠπίστατο πάντα' ['He could do many works, but all of them badly']. The Athenian considered himself superior as a producer of commodities to the Spartan; for in time of war the latter had plenty of men at his disposal, but could not command money, as Thucydides makes Pericles say in the speech inciting the Athenians to the Peloponnesian War: 'σωμασι τε ἑτοιμότεροι οἱ αὐτουργοὶ τῶν ἀνθρώπων ἢ χρήμασι πολεμεῖν' (Thucydides, *History of the Peloponnesian War*, Bk I, para. 141). Nevertheless, even with regard to material production, αὐταρκεία [self-sufficiency], as opposed to the division of labour, remained their ideal, 'παρ' ὧν γὰρ τὸ εὖ, παρὰ τούτων καὶ τὸ αὔταρκες.'§ It should be mentioned here that at the date of the fall of the thirty Tyrants|| there were still less than 5,000 Athenians without landed property.

[57] With Plato, the division of labour within the community develops from the many-sidedness of the needs of individuals, and the one-sidedness of their capabilities. The main point with him is that the labourer must adapt himself to the work, not the work to the labourer, a thing which would be unavoidable if the labourer carried on several trades at once, thus making one or the other of them subordinate. 'Οὐ γάρ . . . ἐθέλει τὸ πραττόμενον τήν

*This was written, not by the diplomat James Harris (1746–1820), later Earl of Malmesbury, but by his father, the philosopher James Harris (1709–80). The quotation here is from *Three Treatises, etc.*, p. 292.

†'For different men take joy in different works.'

‡'Men differ as to what things cheer their hearts' (*Adversus mathematicos*, Bk xi, para. 44).

§ 'For with the latter there is well-being, but with the former there is independence' (Thucydides, op. cit.).

|| In 404 B.C., at the end of the Peloponnesian War.

which the division of society into estates is based, and also by Xenophon,[58] who with his characteristic bourgeois instinct already comes closer to the division of labour within the workshop. Plato's *Republic*, in so far as the division of labour is treated in it as the

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τοῦ πράττοντος σχολὴν περιμένειν, ἀλλ' ἀνάγκη τὸν πράττοντα τῳ πραττομένῳ ἐπακολευθεῖν μὴ ἐν παρέργου μέρει. 'Ανάγκη. 'Εκ δὴ τούτων πλείω τε ἕκαστα γίγνεται καὶ καλλιον καὶ ῥᾶον, ὅταν εἶς ἓν κατὰ φύσιν καὶ ἐν καιρῷ, σχολὴν των ἄλλων ἄγων, πράττῃ.'[*] Similarly in Thucydides, loc. cit., para. 142: 'Seafaring is an art like any other, and cannot, as circumstances require, be carried on as a subsidiary occupation; rather is it true that other subsidiary occupations cannot be carried on alongside it.' If the work, says Plato, has to wait for the labourer, the critical point in the process of production is often missed, and the article is spoiled, 'ἔργου καιρόν, διόλλυται.'[†] The same Platonic idea recurs in the protest of the English bleachers against the clause in the Factory Act providing for fixed meal-times for all the workers. Their business cannot await the convenience of the workmen, they say, because 'in the various operations of singeing, washing, bleaching, mangling, calendering, and dyeing, none of them can be stopped at a given moment without risk of damage ... to enforce the same dinner hour for all the workpeople might occasionally subject valuable goods to the risk of damage by incomplete operations.' *Le platonisme où va-t-il se nicher!*[‡]

58. Xenophon says that it is not only an honour to receive food from the table of the King of Persia, but such food is much more tasty than other food. 'And there is nothing wonderful in this, for as the other arts are brought to special perfection in the great towns, so the royal food is prepared in a special way. For in the small towns the same man makes bedsteads, doors, ploughs and tables: often, too, he builds houses into the bargain, and is quite content if he finds custom sufficient for his sustenance. It is altogether impossible for a man who does so many things to do them all well. But in the great towns, where each can find many buyers, one trade is sufficient to maintain the man who carries it on. Indeed, not even one complete trade is needed, but one man makes shoes for men, another for women. Here and there one man gets a living by sewing, another by cutting out shoes; one does nothing but cut out clothes, another nothing but sew the pieces together. It follows necessarily then, that he who does the simplest kind of work undoubtedly does it better than anyone else. So it is with the art of cooking' (Xenophon, *Cyropaedia*, Bk VIII, Ch. 2). Xenophon here lays stress exclusively on the excellence to be attained in the quality of the use-value, although he is already aware that the degree of division of labour reached is dependent on the extent of the market.

[*] 'That ... is because the work will not wait for the leisure of the workman, but the workman must attend to it as his main affair, and not treat it as a subsidiary occupation.' 'He must indeed.' 'The result, then, is that more things are produced, and better, and more easily, when one man performs one task according to his nature, at the right moment, and at leisure from other occupations' (Plato, *Republic*, Bk II, para. 2).

[†] '[If someone lets slip] the right moment for the work, it is spoiled.'

[‡] 'Where will Platonism be found next!'

formative principle of the state,* is merely an Athenian idealization of the Egyptian caste system, Egypt having served as the model of an industrial country to others of his contemporaries, e.g. Isocrates.[59] It retained this importance for the Greeks even at the time of the Roman Empire.[60]

During the manufacturing period proper, i.e. the period in which manufacture is the predominant form taken by capitalist production, the full development of its own peculiar tendencies comes up against obstacles from many directions. Although, as we have already seen, manufacture creates a simple division of the workers into skilled and unskilled, at the same time as it inserts them into a hierarchical structure, the number of unskilled workers remains very limited owing to the preponderant influence of the skilled. Although it adapts the particular operations to the various degrees of maturity, strength and development of the living instruments of labour, and thus tends towards the exploitation of women and children in production, this tendency is largely defeated by the habits and the resistance of the male workers. Although the splitting-up of handicrafts lowers the cost of forming the worker, and thereby lowers his value, a long period of apprenticeship is still necessary for certain more difficult kinds of work; moreover, even where it would be superfluous, the workers jealously retain it. In England, for instance, we find the laws of apprenticeship, with their seven years' probation, in full force down to the end of the manufacturing period; they are not entirely thrown aside until the advent of large-scale industry. Since handicraft skill is the foundation of manufacture, and since the mechanism of manufacture as a whole possesses no objective framework which would be independent of the workers themselves,

[59] 'He' (Busiris) 'divided them all into special castes ... commanded that the same individuals should always carry on the same trade, for he knew that they who change their occupations become skilled in none; but that those who constantly stick to one occupation bring it to the highest perfection. In truth, we shall also find that in relation to the arts and handicrafts, they have outstripped their rivals more than a master does a bungler; and the contrivances for maintaining the monarchy and the other institutions of their state are so admirable that the famous philosophers who have dealt with this subject have praised the constitution of the Egyptian state above all others' (Isocrates, *Busiris*, para. 15).

[60] Diodorus Siculus, op. cit. [Bk I, Ch. 74].

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*Plato, *Republic*, Bk II, para. 2.

capital is constantly compelled to wrestle with the insubordination of the workers. 'By the infirmity of human nature,' says our friend Ure, 'it happens that the more skilful the workman, the more self-willed and intractable he is apt to become, and of course the less fit a component of a mechanical system in which . . . he may do great damage to the whole.'[61] Hence the complaint that the workers lack discipline runs through the whole of the period of manufacture.[62] Even if we did not have the testimony of contemporary writers on this, we have two simple facts which speak volumes: firstly, during the period between the sixteenth century and the epoch of large-scale industry capital failed in its attempt to seize control of the whole disposable labour-time of the manufacturing workers, and secondly, the manufactures are short-lived, changing their locality from one country to another with the emigration or immigration of workers. 'Order must in one way or another be established,' exclaims in 1770 the often-cited author of the *Essay on Trade and Commerce*. 'Order,' echoes Dr Andrew Ure sixty-six years later, was lacking in the system of manufacture, based as it was on 'the scholastic dogma of the division of labour', and 'Arkwright created order'.

At the same time, manufacture was unable either to seize upon the production of society to its full extent, or to revolutionize that production to its very core. It towered up as an artificial economic construction, on the broad foundation of the town handicrafts and the domestic industries of the countryside. At a certain stage of its development, the narrow technical basis on which manufacture rested came into contradiction with requirements of production which it had itself created.

One of its most finished products was the workshop for the production of the instruments of labour themselves, and particularly the complicated pieces of mechanical apparatus already being employed. 'A machine-factory,' says Ure, 'displayed the division of labour in manifold gradations – the file, the drill, the lathe, having each its different workmen in the order of skill.'* This workshop, the product of the division of labour in manufacture, produced in

[61] Ure, op. cit., p. 20.

[62] This is more true for England than for France, and more true for France than for Holland.

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*Ure, op. cit., p. 21. The 'machine-factory' referred to by Ure is the same thing as Marx's 'workshop for the production of the instruments of labour'.

its turn – machines. It is machines that abolish the role of the handicraftsman as the regulating principle of social production. Thus, on the one hand, the technical reason for the lifelong attachment of the worker to a partial function is swept away. On the other hand, the barriers placed in the way of the domination of capital by this same regulating principle now also fall.

Chapter 15: Machinery and Large-Scale Industry

I. THE DEVELOPMENT OF MACHINERY

John Stuart Mill says in his *Principles of Political Economy*: 'It is questionable if all the mechanical inventions yet made have lightened the day's toil of any human being.'[1] That is, however, by no means the aim of the application of machinery under capitalism. Like every other instrument for increasing the productivity of labour, machinery is intended to cheapen commodities and, by shortening the part of the working day in which the worker works for himself, to lengthen the other part, the part he gives to the capitalist for nothing. The machine is a means for producing surplus-value.

In manufacture the transformation of the mode of production takes labour-power as its starting-point. In large-scale industry, on the other hand, the instruments of labour are the starting-point. We have first to investigate, then, how the instruments of labour are converted from tools into machines, or what the difference is between a machine and an implement used in a handicraft. We are concerned here only with broad and general characteristics, for epochs in the history of society are no more separated from each other by strict and abstract lines of demarcation than are geological epochs.

Mathematicians and experts on mechanics – and they are occasionally followed in this by English economists – call a tool a simple machine and a machine a complex tool. They see no essential difference between them, and even give the name of machine to simple mechanical aids such as the lever, the inclined plane, the screw, the wedge, etc.[2] As a matter of fact, every machine is a combination of these simple aids, or powers, no matter how they may be disguised. From the economic standpoint however, this explanation is worth nothing, because the historical element is missing from it. Again, some people try to explain the difference between a tool and a machine by saying that in the case of the tool, man is the motive power, whereas the power behind the machine is a natural force independent of man, as for instance an animal, water, wind and so on.[3] According to this, a plough drawn by oxen, which is common to the most diverse epochs of production, would be a machine, while Claussen's circular loom, which weaves 96,000 picks a minute, though it is set in motion by the hand of one single worker, would be a mere tool. Indeed, this same loom, though a tool when worked by hand, would be a machine if worked by steam. And since the application of animal power is one of man's earliest inventions, production by machinery would have preceded production by handicrafts. When in 1735 John Wyatt announced his spinning machine, and thereby started the industrial revolution of the eighteenth century, he nowhere mentioned that a donkey would provide the motive power instead of a man, yet this is what actually happened. In his programme it was called a machine 'to spin without fingers'.[4]

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[1] Mill should have said, 'of any human being not fed by other people's labour', for there is no doubt that machinery has greatly increased the number of distinguished idlers.

[2] See, for instance, Hutton's *Course of Mathematics*.

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[3] 'From this point of view we may draw a sharp line of demarcation between a tool and a machine: spades, hammers, chisels, etc., combinations of levers and of screws, in all of which, no matter how complicated they may be in other respects, man is the motive power ... all this falls under the category of tool; but the plough, which is drawn by animal power, and windmills, etc. must be classed among machines' (William Schulz, *Die Bewegung der Produktion*, Zürich, 1843, p. 38). In many respects a book to be recommended.

[4] Spinning machines had already been used before his time, although very imperfect ones, and Italy was probably the country where they first appeared. A critical history of technology would show how little any of the inventions of the eighteenth century are the work of a single individual. As yet such a book does not exist. Darwin has directed attention to the history of natural technology, i.e. the formation of the organs of plants and animals, which serve as the instruments of production for sustaining their life. Does not the history of the productive organs of man in society, of organs that are the material basis of every particular organization of society, deserve equal attention? And would not such a history be easier to compile, since, as Vico says, human history differs from natural history in that we have made the former, but not the latter? Technology reveals the active relation of man to nature, the direct process of the production of his life, and thereby it also lays bare the process of the production of the social relations of his life, and of the mental conceptions that flow from those relations. Even a history of religion that is

All fully developed machinery consists of three essentially different parts, the motor mechanism, the transmitting mechanism and finally the tool or working machine. The motor mechanism acts as the driving force of the mechanism as a whole. It either generates its own motive power, like the steam-engine, the caloric-engine, the electro-magnetic machine, etc., or it receives its impulse from some already existing natural force, like the water-wheel from the descent of water down an incline, the windmill from the wind, and so on. The transmitting mechanism, composed of fly-wheels, shafting, toothed wheels, pulleys, straps, ropes, bands, pinions and gearing of the most varied kinds, regulates the motion, changes its form where necessary, as for instance from linear to circular, and divides and distributes it among the working machines. These two parts of the whole mechanism are there solely to impart motion to the working machine; using this motion the working machine then seizes on the object of labour and modifies it as desired. It is this last part of the machinery, the tool or working machine, with which the industrial revolution of the eighteenth century began. And to this day it constantly serves as the starting-point whenever a handicraft or a manufacture is turned into an industry carried on by machinery.

On a closer examination of the working machine proper we rediscover in it as a general rule, though often in highly modified forms, the very apparatus and tools used by the handicraftsman or the manufacturing worker*; but there is the difference that instead of being the tools of a man they are the implements of a mechanism, mechanical implements. Either the entire machine is only a more or less altered mechanical edition of the old handicraft tool, as for

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written in abstraction from this material basis is uncritical. It is, in reality, much easier to discover by analysis the earthly kernel of the misty creations of religion than to do the opposite, i.e. to develop from the actual, given relations of life the forms in which these have been apotheosized. The latter method is the only materialist, and therefore the only scientific one. The weaknesses of the abstract materialism of natural science, a materialism which excludes the historical process, are immediately evident from the abstract and ideological conceptions expressed by its spokesmen whenever they venture beyond the bounds of their own speciality.

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*Here, as elsewhere, the phrase 'manufacturing worker' is used to distinguish the worker under a system of manufacture from the industrial worker of modern times.

instance the power-loom,[5] or the working parts fitted in the frame of the machine are old acquaintances, as spindles are in a mule, needles in a stocking-loom, saw-blades in a sawing-machine and knives in a chopping-machine. The distinction between these tools and the actual framework of the working machine exists from their moment of entry into the world, because they continue for the most part to be produced by handicraft or by manufacture, and are afterwards fitted into the framework of the machine, which is produced by machinery.[6] The machine, therefore, is a mechanism that, after being set in motion, performs with its tools the same operations as the worker formerly did with similar tools. Whether the motive power is derived from man, or in turn from a machine, makes no difference here. From the moment that the tool proper is taken from man and fitted into a mechanism, a machine takes the place of a mere implement. The difference strikes one at once, even in those cases where man himself continues to be the prime mover. The number of implements that he himself can use simultaneously is limited by the number of his own natural instruments of production, i.e. his own bodily organs. In Germany they tried at first to make one spinner work two spinning-wheels, that is to work simultaneously with both hands and both feet. That proved to be too exhausting. Later, a treadle spinning-wheel with two spindles was invented, but adepts in spinning who could spin two threads at once were almost as scarce as two-headed men. The Jenny, on the other hand, even at the very beginning, spun with twelve to eighteen spindles, and the stocking-loom knits with many thousand needles at once. The number of tools that a machine can bring into play simultaneously is from the outset independent of the organic limitations that confine the tools of the handicraftsman.

In many manual implements the distinction between man as mere motive power and man as worker or operator properly so called is very striking indeed. For instance, the foot is merely the prime mover of the spinning-wheel, while the hand, working with the spindle, and drawing and twisting, performs the real operation of spinning. It is the second part of the handicraftsman's implement, in this case the spindle, which is first seized on by the industrial revolution, leaving to the worker, in addition to his new labour of watching the machine with his eyes and correcting its mistakes with his hands, the merely mechanical role of acting as the motive power. On the other hand, in cases where man has always acted as a simple motive power, as for instance by turning the crank of a mill,[7] by pumping, by moving the arm of a bellows up and down, by pounding with a mortar, etc., there is soon a call for the application of animals, water[8] and wind as motive powers. Here and there, long before the period of manufacture, and also to some extent during that period, these implements attain the stature of machines, but without creating any revolution in the mode of production. It becomes evident in the period of large-scale industry that these implements, even in the form of manual tools, are already machines. For instance, the pumps with which the Dutch emptied the Lake of Harlem in 1836–7 were constructed on the principle of ordinary pumps, the only difference being that their pistons were driven by Cyclopean steam-engines, instead of by men. In England, the common and very imperfect bellows of the blacksmith is occasionally converted into a blowing-engine by connecting its arm with a steam-engine. The steam-engine itself, such as it was at its invention during the manufacturing period at the close of the seventeenth century, and such as it continued to be down to 1780,[9] did not give rise to any industrial revolution. It was, on the contrary, the invention of machines that made a revolution in the form of steam-engines necessary. As soon as man, instead of working on the object of labour with a tool, becomes merely the motive power of a machine, it is purely accidental that the motive power happens to be clothed in the form of human muscles; wind, water or steam could just as well take man's place. Of course, this does not prevent such a change of form from producing great technical alterations in a mechanism which was originally constructed to be driven by man alone. Nowadays, all machines that have to break new ground, such as sewing-machines, bread-making machines, etc. are constructed to be driven by human as well as by purely mechanical motive power, unless they have special characteristics which exclude their use on a small scale.

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[5] It is particularly in the original form of the power-loom that we recognize at first glance the old loom. In its modern form the power-loom has undergone essential alterations.

[6] It is only since about 1850 that a constantly increasing portion of these machine tools have been made in England by machinery, and even then not by the same manufacturers as make the machines. Instances of machines for the production of these mechanical tools are the automatic bobbin-making engine, the card-setting engine, shuttle-making machines and machines for forging mule and throstle spindles.

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[7] Moses said: 'Thou shalt not muzzle the ox when he treadeth out the corn' [Deuteronomy 25: 4]. But the Christian philanthropists of Germany fastened a wooden board round the necks of their serfs, whom they used as a motive power for grinding, in order to prevent them from putting flour into their mouths with their hands.

[8] It was partly their lack of streams with a good fall on them, and partly their battles with superfluous quantities of water in other respects, that compelled the Dutch to resort to wind as a motive power. The windmill itself they got from Germany, where its invention called forth a pretty squabble between the nobility, the priests and the Emperor as to which of the three was the 'owner' of the wind. 'The air makes unfree' was the cry in Germany, at the same time as the wind was making Holland free.* What was reduced to bondage in the latter case was not the Dutchman but the land of Holland, in the interests of the Dutchman. In 1836, 12,000 windmills of a total of 6,000 horse-power were still being employed in Holland, to prevent two-thirds of the land from relapsing into a bog.

*'The air makes unfree' is a pun on the medieval German saying, 'town air makes free' (*Stadtluft macht frei*). This was based on the rule that if a serf could escape from his lord and stay within a town for a year and a day he became a free man.

The machine, which is the starting-point of the industrial revolution, replaces the worker, who handles a single tool, by a mechanism operating with a number of similar tools and set in motion by a single motive power, whatever the form of that power.[10] Here we have the machine, but in its first role as a simple element in production by machinery.

An increase in the size of the machine and the number of its working tools calls for a more massive mechanism to drive it; and this mechanism, in order to overcome its own inertia, requires a mightier moving power than that of man, quite apart from the fact that man is a very imperfect instrument for producing uniform and continuous motion. Now assuming that he is acting simply as a motor, that a machine has replaced the tool he was using, it is evident that he can also be replaced as a motor by natural forces. Of all the great motive forces handed down from the period of manufacture, horse-power is the worst, partly because a horse has a head of his own, partly because he is costly and the extent to which he can be used in factories is very limited.[11] Nevertheless, the horse was used extensively during the infancy of large-scale industry. This is proved both by the complaints of the agronomists of that epoch and by the way of expressing mechanical force in terms of 'horse-power', which survives to this day. The wind was too inconstant and uncontrollable and, apart from this, in England, the birthplace of large-scale industry, the use of water-power preponderated even during the period of manufacture. In the seventeenth century attempts had already been made to turn two pairs of millstones with a single water-wheel. But the increased size of the transmitting mechanism came into conflict with the water-power, which was now insufficient, and this was one of the factors which gave the impulse for a more accurate investigation of the laws of friction. In the same way the irregularity caused by the motive power in mills that were set in motion by pushing and pulling a lever led to the theory, and the application, of the fly-wheel,[12] which later played such an important part in large-scale industry. In this way, the first scientific and technical elements of large-scale industry were developed during the period of manufacturing. Arkwright's throstle-spinning mill was from the very first turned by water. Despite this, the use of water-power as the main motive force brought with it various added difficulties. The flow of water could not be increased at will, it failed at certain seasons of the

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[9] It was indeed very much improved by Watt's first so-called single-acting engine, but even in this form it continued to be a mere machine for raising water and brine.

[10] 'The union of all these simple instruments, set in motion by a single motor, constitutes a machine' (Babbage, op. cit., p. 136).

[11] In January 1861, John C. Morton read before the Society of Arts a paper on 'The Forces Employed in Agriculture'. He states there: 'Every improvement that furthers the uniformity of the land makes the steam-

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engine more and more applicable to the production of pure mechanical force . . . Horse-power is needed wherever crooked fences and other obstructions prevent uniform action. These obstructions are vanishing day by day. For operations that demand more exercise of will than actual force, the only power applicable is that controlled every instant by the human mind – in other words, man-power.' Mr Morton then reduces steam-power, horse-power and man-power to the unit in general use for steam-engines, namely the force required to raise 33,000 lb. one foot in one minute, and reckons the cost of one horse-power from a steam-engine to be 3d. per hour, and from a horse 5½d. Furthermore, a horse can work only eight hours a day if it is to maintain its health. At least three out of every seven horses used on cultivated land during the year can be dispensed with by the use of steam-power, at an expense not greater than the cost of the three during the three or four months in which alone they can be used effectively. Lastly, steam-power, in those agricultural operations in which it can be employed, improves the quality of the work in comparison with horse-power. To do the work of a steam-engine would require sixty-six men, at a total cost of 15s. an hour, and to do the work of a horse, thirty-two men, at a total cost of 8s. an hour.

[12] Faulhaber, 1625; De Cous, 1688.*

*See the entries in the bibliography under Faulhaber and Hero Alexandrinus.

year, and above all it was essentially local.[13] Not till the invention of Watt's second and so-called double-acting steam-engine was a prime mover found which drew its own motive power from the consumption of coal and water, was entirely under man's control, was mobile and a means of locomotion, was urban and not – like the water-wheel – rural, permitted production to be concentrated in towns instead of – like the water-wheels – being scattered over the countryside[14] and, finally, was of universal technical application, and little affected in its choice of residence by local circumstances. The greatness of Watt's genius showed itself in the specification of the patent that he took out in April 1784. In that specification his steam-engine is described, not as an invention for a specific purpose, but as an agent universally applicable in industry. Many of the applications he points out in it, for instance the steam-hammer, were not introduced until half a century later. Even so he doubted the applicability of steam to navigation. Yet steam-engines of colossal size for ocean steamers were sent to the Great Exhibition of 1851 by his successors, the firm of Boulton and Watt.

As soon as tools had been converted from being manual implements of man into the parts of a mechanical apparatus, of a machine, the motive mechanism also acquired an independent form, entirely emancipated from the restraints of human strength. Thereupon the individual machine, which we have considered so far, sinks to a mere element in production by machinery. One motive mechanism was now able to drive many machines at once. The motive mechanism grows with the number of the machines that are turned simultaneously, and the transmitting mechanism becomes an extensive apparatus.

We have now to distinguish the co-operation of a number of machines of one kind from a complex system of machinery.

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[13] The modern invention of the turbine has freed the industrial exploitation of water-power from many of its former fetters.

[14] 'In the early days of textile manufactures, the locality of the factory depended upon the existence of a stream having a sufficient fall to turn a water-wheel; and, although the establishment of the water-mills was the commencement of the breaking-up of the domestic system of manufacture, yet the mills necessarily situated upon streams, and frequently at considerable distances the one from the other, formed part of a rural, rather than an urban system; and it was not until the introduction of steam-power as a substitute for the stream that factories were congregated in towns, and localities where the coal and water required for the production of steam were found in sufficient quantities. The steam-engine is the parent of manufacturing towns' (A. Redgrave, in *Reports of the Inspectors of Factories . . . 30 April 1860*, p. 36).

In the one case, the product is entirely made by a single machine, which performs all the various operations previously done by one handicraftsman with his tool, by a weaver with his loom, for instance, or by several handicraftsmen successively, either separately or as members of a system of manufacture.[15] In the modern manufacture of envelopes, for example, one man folded the paper with the folder, another laid on the gum, a third turned over the flap on which the emblem is impressed, a fourth embossed the emblem and so on; and on each occasion the envelope had to change hands. One single envelope machine now performs all these operations at once, and makes more than 3,000 envelopes in an hour. In the London exhibition of 1862, there was an American machine for making paper cornets. It cut the paper, pasted, folded and finished 300 in a minute. Here the whole process, which under the manufacturing system was split up into a series of operations and carried out in that order, is completed by a single machine, operating a combination of different tools. Now whether such a machine is merely a reproduction of a complicated manual implement, or a combination of various simple implements specialized by manufacture, in both cases we meet again with simple co-operation in the factory, i.e. in the workshop in which machinery alone is used; and, leaving the worker out of consideration for the moment, this co-operation appears, in the first instance, as the assembling in one place of similar and simultaneously acting machines. Thus a weaving factory consists of a number of power-looms working side by side, and a sewing factory consists of a number of sewing-machines all in the same building. But there is here a technical unity in that all the machines receive their impulse simultaneously, and in an equal degree, from the pulsations of the common prime mover, which are imparted to them by the transmitting mechanism; and this mechanism, to a certain extent, is also common to them all, since only particular ramifications of it branch off to each machine. Just as a number of tools, then, form the organs of a machine, so a number of machines of one kind constitute the organs of the motive mechanism.

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[15] From the standpoint of the division of labour in manufacture, weaving was not simple, but complicated manual labour, and consequently the power-loom is a machine that does very complicated work. It is quite wrong to suppose that modern machinery originally appropriated only those operations which the division of labour in manufacture had already simplified. Spinning and weaving were split up during the period of manufacture into new varieties, and the tools used were modified and improved; but the labour process itself was in no way split up, and it retained its handicraft-like character. It is not labour, but the instrument of labour, that serves as the starting-point of the machine.

A real machine system, however, does not take the place of these independent machines until the object of labour goes through a connected series of graduated processes carried out by a chain of mutually complementary machines of various kinds. Here we have again the co-operation by division of labour which is peculiar to manufacture, but now it appears as a combination of machines with specific functions. The tools peculiar to the various specialized workers, such as those of the beaters, combers, shearers, spinners, etc. in the manufacture of wool, are now transformed into the tools of specialized machines, each machine forming a special organ, with a special function in the combined mechanism. In those branches in which the machine system is first introduced, manufacture itself provides, in general, a natural basis for the division, and consequently the organization, of the process of production.[16] Nevertheless, an essential difference at once appears. In manufacture, it is the workers who, either singly or in groups, must carry on each particular process with their manual implements. The worker has been appropriated by the process; but the process had previously to be adapted to the worker. This subjective principle of the division of labour no longer exists in production by machinery. Here the total process is examined objectively, viewed in and for itself, and analysed into its constitutive phases.

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16. Before the epoch of large-scale industry, the predominant manufacture in England was that of wool. Hence it was in this industry that, in the first half of the eighteenth century, the most experiments were made. Cotton, which required less careful preparation for its treatment by machinery, derived the benefit of the experience gained on wool, just as afterwards the treatment of wool by machinery was developed on the foundation laid by the use of machinery in spinning and weaving cotton. Certain isolated parts of the manufacture of wool, such as wool-combing, were only incorporated in the factory system during the last decade [i.e. up to 1867]. 'The application of power to the process of combing wool . . . extensively in operation since the introduction of the combing-machine, especially Lister's . . . undoubtedly had the effect of throwing a very large number of men out of work. Wool was formerly combed by hand, most frequently in the cottage of the comber. It is now very generally combed in the factory, and hand-labour is superseded, except in some particular kinds of work, in which hand-combed wool is still preferred. Many of the hand-combers found employment in the factories, but the produce of the hand-combers bears so small a proportion to that of the machine that the employment of a very large number of combers has passed away' (*Reports of the Inspectors of Factories . . . 31 October 1856*, p. 16).

The problem of how to execute each particular process, and to bind the different partial processes together into a whole, is solved by the aid of machines, chemistry, etc.[17] But of course, in this case too, the theoretical conception must be perfected by accumulated experience on a large scale. Each particular machine supplies raw material to the machine next in line; and since they are all working at the same time, the product is always going through the various stages of its formation, and is also constantly in a state of transition from one phase of production to another. Just as in manufacture the direct co-operation of the specialized workers establishes a numerical proportion between the different groups, so in an organized system of machinery, where one machine is constantly kept employed by another, a fixed relation is established between their number, their size and their speed. The collective working machine, which is now an articulated system composed of various kinds of single machine, and of groups of single machines, becomes all the more perfect the more the process as a whole becomes a continuous one, i.e. the less the raw material is interrupted in its passage from the first phase to the last; in other words, the more its passage from one phase to another is effected not by the hand of man, but by the machinery itself. In manufacture, the isolation of each special process is a condition imposed by the division of labour itself, whereas in the fully developed factory the continuity of the special processes is the regulating principle.

A system of machinery, whether it is based simply on the co-operation of similar machines, as in weaving, or on a combination of different machines, as in spinning, constitutes in itself a vast automaton* as soon as it is driven by a self-acting prime mover. But although the whole system may for example be driven by a steam-engine, some of the individual machines may require the aid of the worker for some of their movements (such aid was necessary for the insertion of the mule carriage before the invention of the self-acting mule, and is still necessary in the fine-spinning mills). Equally, certain parts of the machine may have to be handled by the worker like a manual tool, if the machine is

[17] 'The principle of the factory system, then, is to substitute ... the partition of a process into its essential constituents, for the division or graduation of labour among artisans' (Andrew Ure, *The Philosophy of Manufactures*, London, 1835, p. 20).

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*The expression 'vast automaton' is taken from Ure. See below, p. 544.

to do its work. This was the case in machine-makers' workshops, before the conversion of the slide rest into a self-actor. As soon as a machine executes, without man's help, all the movements required to elaborate the raw material, and needs only supplementary assistance from the worker, we have an automatic system of machinery, capable of constant improvement in its details. Such improvements as the apparatus that stops a drawing frame whenever a sliver breaks, and the self-acting stop which stops the power-loom as soon as the shuttle bobbin is empty of weft, are quite modern inventions. As an example both of continuity of production and of the implementation of the automatic principle, we may take a modern paper-mill. In the paper industry generally, we may advantageously study in detail not only the distinctions between modes of production based on different means of production, but also the connection between the social relations of production and those modes of production. The old German paper-making trade provides an example of handicraft production; Holland in the seventeenth century and France in the eighteenth century provide examples of manufacture proper; and modern England provides the example of automatic fabrication. Besides these, there still exist, in India and China, two distinct ancient Asiatic forms of the same industry.

An organized system of machines to which motion is communicated by the transmitting mechanism from an automatic centre is the most developed form of production by machinery. Here we have, in place of the isolated machine, a mechanical monster whose body fills whole factories, and whose demonic power, at first hidden by the slow and measured motions of its gigantic members, finally bursts forth in the fast and feverish whirl of its countless working organs.

There were mules and steam-engines before there were any workers exclusively occupied in making mules and steam-engines, in the same way as men wore clothes before there were any tailors. However the inventions of Vaucanson, Arkwright, Watt and others could be put into practice only because each inventor found a considerable number of skilled mechanical workers available, placed at their disposal by the period of manufacture. Some of these workers were independent handicraftsmen of various trades, others were grouped together in manufactures, in which, as we have mentioned before, a division of labour of particular strictness prevailed. As inventions increased in number, and the demand for the newly discovered machines grew larger, the machine-making industry increasingly split up into numerous independent branches, and the division of labour within these manufactures developed accordingly. Here, therefore in manufacture, we see the immediate technical foundation of large-scale industry. Manufacture produced the machinery with which large-scale industry abolished the handicraft and manufacturing systems in the spheres of production it first seized hold of. The system of machine production therefore grew spontaneously on a material basis which was inadequate to it. When the system had attained a certain degree of development, it had to overthrow this ready-made foundation, which had meanwhile undergone further development in its old form, and create for itself a new basis appropriate to its own mode of production. Just as the individual machine retains a dwarf-like character as long as it is worked by the power of man alone, and just as no system of machinery could be properly developed before the steam-engine took the place of the earlier motive powers, animals, wind and even water; so too large-scale industry was crippled in its whole development as long as its characteristic instrument of production, the machine, owed its existence to personal strength and personal skill, and depended on the muscular development, the keenness of sight and the manual dexterity with which the specialized workers, in manufacture, and the handicraftsmen outside manufacture, wielded their dwarf-like implements. Thus apart from the high cost of machines made in this way – a circumstance which forms the dominant motive for the capitalist's actions – the expansion of industries carried on by means of machinery and the invasion of fresh branches of production by machinery were dependent on the growth of a class of workers who, owing to the semi-artistic nature of their employment, could increase their numbers only gradually, and not by leaps and bounds. But, besides this, at a certain stage of its development large-scale industry also came into conflict with the technical basis provided for it by handicrafts and manufacture. A number of technical problems arose naturally and spontaneously from the very course of development: the size of the prime movers, of the transmitting mechanism and of the machines properly so called increased, the components of the machines became more complicated and diverse in form, they had to operate with stricter regularity, and they accordingly diverged more and more from the model which originally determined their construction under the handicraft system, and acquired an independent form restricted only by their mechanical task.[18] At the same time the automatic system was perfected, and it became more and more unavoidable to use materials which were difficult to work with, as for instance when iron replaced wood. In every case the solution of these problems met with a stumbling-block in the personal restrictions which even the collective worker of manufacture could not break through except to a limited extent. Such machines as the modern hydraulic press, the modern power-loom and the modern carding engine could never have been furnished by the manufacturing period.

The transformation of the mode of production in one sphere of industry necessitates a similar transformation in other spheres. This happens at first in branches of industry which are connected together by being separate phases of a process, and yet isolated by the social division of labour, in such a way that each of them produces an independent commodity. Thus machine spinning made machine weaving necessary, and both together made a mechanical and chemical revolution compulsory in bleaching, printing and dyeing. So too, on the other hand, the revolution in cotton-spinning called forth the invention of the gin, for separating the seeds from the cotton fibre; it was only by means of this invention that the production of cotton became possible on the enormous scale at present required.[19] But as well as this, the revolution in the modes of production of industry and agriculture made necessary a revolution in the general conditions of the social process of production, i.e. in the means of communication and transport. In a society whose pivot, to use Fourier's expression,* was small-scale agriculture, with its subsidiary domestic industries and urban handicrafts, the means of communication and transport were so utterly inadequate to the needs of production in the period of manufacture, with its extended division of social labour, its concentration of instruments of labour and workers and its colonial markets, that they in fact became revolutionized. In the same way the means of communication and transport handed down from the period of manufacture soon became unbearable fetters on large-scale industry, given the feverish velocity with which it produces, its enormous extent, its constant flinging of capital and labour from one sphere of production into another and its newly created connections with the world market. Hence, quite apart from the immense transformation which took place in shipbuilding, the means of communication and transport gradually adapted themselves to the mode of production of large-scale industry by means of a system of river steamers, railways, ocean steamers and telegraphs. But the huge masses of iron that had now to be forged, welded, cut, bored and shaped required for their part machines of Cyclopean dimensions, which the machine-building trades of the period of manufacture were incapable of constructing.

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[18] The power-loom was at first made chiefly of wood; in its improved modern form it is made of iron. To what an extent the old forms of the instruments of production influence their new forms at the beginning is shown, among other things, by the most superficial comparison of the present power-loom with the old one, of the modern blowing apparatus of a blast-furnace with the first inefficient mechanical reproduction of the ordinary bellows, and perhaps more strikingly than in any other way by the fact that, before the invention of the present locomotive, an attempt was made to construct a locomotive with two feet, which it raised from the ground alternately, like a horse. It is only after a considerable development of the science of mechanics, and an accumulation of practical experience, that the form of a machine becomes settled entirely in accordance with mechanical principles, and emancipated from the traditional form of the tool from which it has emerged.

[19] The cotton gin invented by Eli Whitney had until very recent times undergone less essential changes than any other machine of the eighteenth century. It is only during the last decade (i.e. since 1856) that another American, Mr Emery of Albany, New York, has made Whitney's gin out of date by an improvement as simple as it is effective.

Large-scale industry therefore had to take over the machine itself, its own characteristic instrument of production, and to produce machines by means of machines. It was not till it did this that it could create for itself an adequate technical foundation, and stand on its own feet. At the same time as machine production was becoming more general, in the first decades of the nineteenth century, it gradually took over the construction of the machines themselves. But it is only during the last few decades that the construction of railways and ocean steamers on a vast scale has called into existence the Cyclopean machines now employed in the construction of prime movers.

The most essential condition for the production of machines by machines was a prime mover capable of exerting any amount of force, while retaining perfect control. The steam-engine already fulfilled this condition. But at the same time it was necessary to produce the geometrically accurate straight lines, planes, circles, cylinders, cones and spheres for the individual parts of the machines. Henry Maudslay solved this problem in the first decade of the nineteenth century by the invention of the slide-rest, a tool that was soon made automatic, and was applied in a modified form to other machines for constructing machinery besides the lathe, for which it was originally intended. This mechanical appliance replaces not some particular tool but the hand itself, which produces a given form by holding and guiding the cutting tool along the iron or other material of labour. Thus it became possible to produce the geometrical shapes of the individual parts of machinery 'with a degree of ease, accuracy, and speed, that no accumulated experience of the hand of the most skilled workman could give'.[20]

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*In Fourier's table of 'successive characteristics of civilization' (op. cit., pp. 386–7), he describes four 'phases', each of which turns around a 'pivot', such as 'maritime monopoly' or 'industrial feudalism'.

If we now look at the part of the machinery which is employed in the construction of machines, and forms the actual operating tool, we find that the manual implements re-appear, but on a Cyclopean scale. The operating part of the boring machine is an immense drill driven by a steam-engine; without this machine, on the other hand, the cylinders of large steam-engines and of hydraulic presses could not be made. The mechanical lathe is only a Cyclopean reproduction of the ordinary foot-lathe; the planing machine is an iron carpenter that works on iron with the same tools as the human carpenter employs on wood; the instrument that cuts the veneers on the London wharves is a gigantic razor; the tool of the shearing machine, which shears iron as easily as a tailor's scissors cut cloth, is a monster pair of scissors; and the steam-hammer works with an ordinary hammer head, but of such a weight that even Thor himself could not wield it.[21] These steam-hammers are an invention of Nasmyth, and there is one that weighs over 6 tons and strikes with a vertical fall of 7

[20] *The Industry of Nations*, London, 1855, Part II, p. 239. It is also remarked, on the same page: 'Simple and outwardly unimportant as this appendage to lathes may appear, it is not, we believe, averring too much to state that its influence in improving and extending the use of machinery has been as great as that produced by Watt's improvements of the steam-engine itself. Its introduction went at once to perfect all machinery, to cheapen it, and to stimulate invention and improvement.'

[21] One of these machines, used for forging paddle-wheel shafts in London, is in fact called 'Thor'. It forges a shaft of 16½ tons with as much ease as a blacksmith forges a horse-shoe.

feet, on an anvil weighing 36 tons. It is mere child's play for it to crush a block of granite into powder, yet it is no less capable of driving a nail into a piece of soft wood with a succession of light taps.[22]

As machinery, the instrument of labour assumes a material mode of existence which necessitates the replacement of human force by natural forces, and the replacement of the rule of thumb by the conscious application of natural science. In manufacture the organization of the social labour process is purely subjective: it is a combination of specialized workers. Large-scale industry, on the other hand, possesses in the machine system an entirely objective organization of production, which confronts the worker as a pre-existing material condition of production. In simple co-operation, and even in the more specialized form based on the division of labour, the extrusion of the isolated worker by the associated worker still appears to be more or less accidental. Machinery, with a few exceptions to be mentioned later, operates only by means of associated labour, or labour in common. Hence the co-operative character of the labour process is in this case a technical necessity dictated by the very nature of the instrument of labour.

2. THE VALUE TRANSFERRED BY THE MACHINERY TO THE PRODUCT

We saw that the productive forces resulting from co-operation and the division of labour cost capital nothing. They are natural forces of social labour. Other natural forces appropriated to productive processes, such as steam, water, etc., also cost nothing. But just as a man requires lungs to breathe with, so he requires something that is the work of human hands in order to consume the forces of nature productively. A water-wheel is necessary to exploit the force of water, and a steam-engine to exploit the elasticity of steam. Once discovered, the law of the deflection of a magnetic needle in the field of an electric current, or the law of the magnetization of iron by electricity, cost absolutely nothing.[23] But the exploitation of these laws for the purposes of telegraphy, etc., necessitates costly and extensive apparatus. As we have seen, the machine does not drive out the tool. Rather does the tool expand and multiply, changing from a dwarf implement of the human organism to the implement of a mechanism created by man. Capital now sets the worker to work, not with a manual tool, but with a machine which itself handles the tools. Therefore, although it is clear at the first glance that large-scale industry raises the productivity of labour to an extraordinary degree by incorporating into the production process both the immense forces of nature and the results arrived at by natural science, it is by no means equally clear that this increase in productive force is not, on the other hand, purchased with an increase in the amount of labour expended. Machinery, like every other component of constant capital, creates no new value, but yields up its own value to the product it serves to beget. In so far as the machine has value and, as a result, transfers value to the product, it forms an element in the value of the latter. Instead of being cheapened, the product is made dearer in proportion to the value of the machine. And it is crystal clear that machines and systems of machinery, large-scale industry's characteristic instruments of labour, are incomparably more loaded with value than the implements used in handicrafts and in manufacture.

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[22] Wood-working machines that are also capable of being employed on a small scale are mostly American inventions.

[23] Science, generally speaking, costs the capitalist nothing, a fact that by no means prevents him from exploiting it. 'Alien' science is incorporated by capital just as 'alien' labour is. But 'capitalist' appropriation and 'personal'

In the first place, it must be observed that machinery, while always entering as a whole into the labour process, enters only piece by piece into the process of valorization. It never adds more value than it loses, on an average, by depreciation. Hence there is a great difference between the value of a machine and the value transferred in a given time by the machine to the product. Equally, there is a great difference between the machine as a factor in the formation of value and as a factor in the formation of the product. The longer the period during which the machine serves in the same labour process, the greater are those differences. It is no doubt true, as we have seen, that every instrument of labour enters as a whole into the labour process, while only piecemeal, in proportion to its average daily depreciation, into the process of valorization. But this difference between the mere

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appropriation, whether of science or of material wealth, are totally different things. Dr Ure himself deplores the gross ignorance of mechanical science which exists among his beloved machinery-exploiting manufacturers, and Liebig can tell us about the astounding ignorance of chemistry displayed by English chemical manufacturers.

utilization of the instrument and its depreciation is much greater in the case of machinery than it is with a tool, because the machine, being made from more durable material, has a longer life; because it can be employed more economically, from the point of view both of the deterioration of its own components and of its consumption of materials, as its use is regulated by strict scientific laws; and, finally, because its field of production is incomparably larger than that of a tool. Both in the case of the machine and of the tool, we find that after allowing for their average daily cost, that is for the value they transmit to the product by their average daily wear and tear, and for their consumption of auxiliary substances such as oil, coal and so on, they do their work for nothing, like the natural forces which are already available without the intervention of human labour. The greater the productive effectiveness of the machinery compared with that of the tool, the greater is the extent of its gratuitous service. Only in large-scale industry has man succeeded in making the product of his past labour, labour which has already been objectified, perform gratuitous service on a large scale, like a force of nature.[24]

When we considered co-operation and manufacture, we found that certain general conditions of production such as buildings could be consumed more economically than the scattered conditions of production of isolated craftsmen, because they could be consumed in common, and that they therefore made the product cheaper. In a system of machinery, not only is the framework of the machine consumed in common by its numerous working parts, but the prime mover, together with a part of the transmitting mechanism, is consumed in common by a large number of operating machines.

Given the difference between the value of the machinery and the

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24. Ricardo lays such stress on this effect of machinery (of which, in other contexts, he takes no more notice than he does of the general distinction between the labour process and the valorization process) that he occasionally loses sight of the value given up by machines to the product, and puts them on the same footing as natural forces. Thus, for example, 'Adam Smith nowhere undervalues the services which these natural agents and machinery perform for us, but he very justly distinguishes the nature of the value which they add to commodities [by adding to value in use] . . . As they perform their work gratuitously [. . .] the assistance which they afford us adds nothing to value in exchange' (Ricardo, op. cit., pp. 336–7). This observation by Ricardo is of course correct in so far as it is directed against J. B. Say, who drivels on about the 'service' performed by machines when they create value which forms a part of 'profits'.

value transferred by it in a day to the product, the extent to which this latter value makes the product dearer depends in the first instance upon the size of the product, on its area, so to speak. Mr Baynes of Blackburn, in a lecture of 1857, estimates that 'each real[25] mechanical horse-power will drive 450 self-acting mule spindles, with preparation, or 220 throstle spindles, or 15 looms for 40-inch cloth with the appliances for warping, sizing, etc.'* In the first case, it is the daily product of 450 mule spindles, in the second, of 200 throstle spindles, and in the third, of 15 power-looms, over which is spread the daily cost of one horse-power and the deterioration of the machinery set in motion by that power. Hence this deterioration transfers only a minute amount of value to a pound of yarn or a yard of cloth. Similarly with the steam-hammer mentioned earlier. Since its daily deterioration, its consumption of coal, etc. are spread over the immense masses of iron hammered by it in a day, only a small value is added to a hundredweight of iron; but that value would be very great if the Cyclopean instrument were used to drive in small nails.

Given a machine's capacity for work, that is, the number of its

[25] [Note by Engels to the third German edition:] A horse-power is equal to a force of 33,000 foot-pounds per minute, i.e. to a force that raises 33,000 pounds one foot in a minute, or one pound 33,000 feet. This is the horse-power meant in the text. In ordinary language, and also here and there in quotations in this work, a distinction is drawn between the 'normal' and the 'commercial' or 'indicated' horse-power of the same engine. The old or nominal horse-power is calculated exclusively from the length of the piston-stroke and the diameter of the cylinder, and leaves pressure of steam and piston speed out of consideration. What it expresses is in practice this: the engine would be one of, for example, 50 horse-power, if it were driven with the same low pressure of steam and the same slow piston speed as in the days of Boulton and Watt. But the two latter factors have increased enormously since those days. In order to measure the mechanical force exerted today by an engine, an indicator has been invented which shows the pressure of the steam in the cylinder. The piston speed is easily ascertained. Thus the 'indicated' or 'commercial' horse-power of an engine is expressed by a mathematical formula involving diameter of cylinder, length of stroke, piston speed and steam pressure simultaneously, and showing what multiple of 33,000 pounds is really raised by the engine in a minute. Hence, one 'nominal' horse-power may exert three, four or even five 'indicated' or 'real' horse-power. This observation is made for the purpose of explaining various quotations on subsequent pages.

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* J. B. Baynes, *The Cotton Trade. Two lectures on the Above Subject, Delivered before the Members of the Blackburn Literary, Scientific, and Mechanics' Institution, Blackburn,* London, 1857, p. 48.

operating tools or, where it is a question of force, their size, the amount of its product will depend on the velocity of its working parts, on the speed, for instance, of the spindles, or on the number of blows given by the hammer in a minute. Many of these colossal hammers strike seventy times in a minute, and Ryder's patent machine for forging spindles with small hammers gives as many as 700 strokes per minute.

Given the rate at which machinery transfers its value to the product, the amount of value so transferred depends on the total value of the machinery.[26] The less labour it contains, the less value it contributes to the product. The less value it gives up, the more productive it is, and the more its services approach those rendered by natural forces. But the production of machinery lessens its value in relation to its extension and efficacy.

A comparative analysis of the prices of commodities produced by handicrafts or manufacture, and of the prices of the same commodities produced by machinery, shows in general that in the product of machinery the value arising out of the instrument of labour increases relatively, but decreases absolutely. In other words, its absolute amount decreases, but its amount in relation to the total value of the product – of a pound of yarn, for instance – increases.[27]

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[26] The reader who is imbued with capitalist notions will naturally miss here the 'interest' added by the machine to the product in proportion to its capital value. It is however easily seen that since a machine no more creates new value than any other part of constant capital, it cannot add any value under the heading of 'interest'. It is also evident that here, where we are dealing with the production of surplus-value, we cannot *a priori* presuppose the existence of any part of that value as interest. The capitalist mode of calculating, which seems on the face of it to be absurd, and to contradict the laws of the creation of value, will be explained in the third volume of this work.

[27] The portion of value which is added by the machinery decreases both absolutely and relatively when the machinery drives out horses and other animals which are employed merely as motive forces and not as machines for inducing metabolic changes. We may remark here, incidentally, that Descartes, in defining animals as mere machines, saw with the eyes of the period of manufacture. The medieval view, on the other hand, was that animals were assistants to man, and this is also the view taken later by von Haller, in his *Restauration der Staatswissenschaften.** Descartes, like Bacon, thought that the

*Karl Ludwig von Haller (1768–1854) was a Swiss historian and the leading political theorist of the Reaction after 1815. His book, mentioned here, may be translated as 'The Restoration of Political Science'. It is a conscious attempt to return back beyond the eighteenth-century Enlightenment to monarchical absolutism based on natural law, and to adopt an explicitly 'medieval' standpoint.

It is evident that whenever it costs as much labour to produce a machine as is saved by the employment of that machine, all that has taken place is a displacement of labour. Consequently, the total labour required to produce a commodity has not been lessened, in other words, the productivity of labour has not been increased. However, the difference between the labour a machine costs and the labour it saves, in other words the degree of productivity the machine possesses, does not depend on the difference between its own value and the value of the tool it replaces. As long as the labour spent on a machine is such that the portion of its value added to the product remains smaller than the value added by the worker to the product with his tool, there is always a difference of labour saved in favour of the machine. The productivity of the machine is therefore measured by the human labour-power it replaces. According to Mr Baynes, 2½ workers are required for the 450 mule spindles, including preparation machinery, that are driven by one horse-power[28]; each self-acting mule spindle, working 10 hours, produces 13 ounces of yarn

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altered methods of thought would result in an alteration in the shape of production, and the practical subjugation of nature by man. This is shown by a passage in the *Discours de la méthode*: 'It is possible' (using the method he introduced in philosophy) 'to attain knowledge very useful in life and, in place of the speculative philosophy taught in the schools, one can find a practical philosophy by which, given that we know the powers and the effectiveness of fire, water, air, the stars, and all the other bodies that surround us, as well and as accurately as we know the various trades of our craftsmen, we shall be able to employ them in the same manner as the latter to all those uses to which they are adapted, and thus as it were make ourselves the masters and the possessors of nature', thereby contributing 'to the perfection of human life'.[*] In the preface to Sir Dudley North's *Discourses upon Trade* (1691) it is stated that the method of Descartes, as applied to political economy, had begun to free it from the old fables and superstitious notions about money, trade, etc. On the whole, however, the early English economists sided with Bacon and Hobbes as their philosophers, while, at a later period, Locke became 'the philosopher' κατ'ἐξοχήν[†] of political economy in England, France and Italy.

28. According to the annual report of the Essen Chamber of Commerce (October 1863), the Krupp steel works, with its 161 furnaces, 32 steam-engines (in the year 1800 this was roughly the total number of steam-engines working in Manchester), 14 steam-hammers (representing in all 1,236 horse-power), 49 forges, 203 tool-machines and approximately 2,400 workers, produced in 1862 thirteen million pounds of cast steel. Here there are less than two workers to each horse-power.

[*] Descartes, *Discours de la méthode* (1637), Part VI.

[†] *par excellence.*

(average thickness); consequently 2½ workers spin 365⅝ lb. of yarn per week. Hence, if we disregard waste to make the calculation simpler, 366 lb. of cotton absorb only 150 hours of labour during their conversion into yarn, in other words 15 working days of 10 hours each. But with a spinning-wheel, assuming that the hand-spinner produces 13 ounces of yarn in 60 hours, the same weight of cotton would absorb 2,700 working days of 10 hours each, or 27,000 hours of labour.[29] Where block-printing, the old method of printing calico by hand, has been driven out by machine-printing, a single machine, with the aid of one man or boy, prints as much calico of four colours in one hour as it formerly took 200 men to do.[30] Before Eli Whitney invented the cotton gin in 1793, the separation of the seed from a pound of cotton cost an average day's labour. By means of his invention it became possible for one black woman to clean 100 lb. a day, and since then the effectiveness of the gin has been increased considerably. A pound of raw cotton which previously cost 50 cents to produce could subsequently be sold for 10 cents at a greater profit, i.e. with more unpaid labour. In India they use an instrument called a churka, which is half machine and half tool, for separating the seeds from the cotton wool; with this one man and one woman can clean 28 lb. a day. With the churka invented some years ago by Dr Forbes, one man and a boy produce 250 lb. a day. If oxen, steam or water are used for driving it, only a few boys and girls are required, as feeders (providers of material for the machine). Sixteen of these machines driven by oxen do as much work in a day as 750 people did before, on average.[31]

As already stated,* a steam-plough does as much work in one hour at a cost of 3d. as 66 men at a cost of 15s. I come back to this example in order to clear up an erroneous notion. The 15s. are by no means the expression in money of all the labour expended in one hour by the 66 men. If the ratio of surplus

[29] Babbage estimates that in Java 117 per cent is added to the value of cotton by the labour of spinning alone. At the same period (1832) the total value added to cotton by machinery and labour in the fine-spinning industry amounted to about 33 per cent of the initial value of the raw material (*On the Economy of Machinery*, pp. 165–6).

[30] Machine-printing also economizes on colour.

[31] See *Paper read by Dr Watson, Reporter on Products to the Government of India, before the Society of Arts*, 17 April 1860.

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* See above, p. 498.

labour to necessary labour were 100 per cent, these 66 men would produce in one hour a value of 30s., although their wages, 15s., represented only their labour for half an hour. Let us suppose, then, that a machine costs as much as the wages for a year of the 150 men it displaces, say £3,000; this £3,000 is by no means the expression in money of the labour provided by these men and added to the object of labour before the introduction of the machine, but only the expression of that portion of their year's labour which was expended for themselves and is represented by their wages. On the other hand, the £3,000, the monetary value of the machine, expresses all the labour expended to produce it, whatever the proportion between the worker's wages and the capitalist's surplus-value. Therefore, even if the machine costs as much as the labour-power displaced by it, the labour objectified in it is still much smaller in quantity than the living labour it replaces.[32]

The use of machinery for the exclusive purpose of cheapening the product is limited by the requirement that less labour must be expended in producing the machinery than is displaced by the employment of that machinery. For the capitalist, however, there is a further limit on its use. Instead of paying for the labour, he pays only the value of the labour-power employed; the limit to his using a machine is therefore fixed by the difference between the value of the machine and the value of the labour-power replaced by it. Since the division of the day's work into necessary labour and surplus labour differs in different countries, and even in the same country at different periods, or in different branches of industry; and further, since the actual wage of the worker sometimes sinks below the value of his labour-power, and sometimes rises above it, it is possible for the difference between the price of the machinery and the price of the labour-power replaced by that machinery to undergo great variations, while the difference between the quantity of labour needed to produce the machine and the total quantity of labour replaced by it remains constant.[33] But it is only the former difference that determines the cost to the capitalist of producing a commodity, and influences his actions through the pressure of competition. Hence the invention nowadays in England of machines that are employed only in North America; just as in the sixteenth and seventeenth centuries machines were invented in Germany for use exclusively in Holland, and just as many French inventions of the eighteenth century were exploited only in England. In the older countries, machinery itself, when employed in some branches of industry, creates such a superfluity of labour ('redundancy of labour' is how Ricardo puts it*) in other branches that the fall of wages below the value of labour-power impedes the use of machinery in those other branches and, from the standpoint of the capitalist, makes the use of machinery superfluous, and often impossible, because his profit comes from a reduction in the labour paid for, not in the labour employed. In some branches of the wool industry in England the employment of children has been considerably lessened during recent years, and in some cases entirely abolished. Why? Because the Factory Acts made two sets of children necessary, one set working six hours, the other four, or both sets working five hours. But the parents refused to sell the 'half-timers' cheaper than the 'full-timers'. Hence the substitution of machinery for the 'half-timers'.[34] Before the labour of women and children under 10 years old was forbidden in mines, the capitalists considered the employment of naked women and girls, often in company with men, so far sanctioned by their moral code, and especially by their ledgers, that it was only after the passing of the Act that they had recourse to machinery. The Yankees have invented a stone-breaking machine. The English

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[32] 'These mute agents' (the machines) 'are always the produce of much less labour than that which they displace, even when they are of the same money-value' (Ricardo, op. cit., p. 40).

[33] The field of application for machinery would therefore be entirely different in a communist society from what it is in bourgeois society.

[34] 'Employers of labour would not unnecessarily retain two sets of children under 13 . . . In fact one class of manufacturers, the spinners of woollen yarn, now rarely employ children under 13 years of age, i.e. half-timers. They have introduced improved and new machinery of various kinds, which altogether supersedes the employment of children' (i.e. of children under 13 years old); 'for instance, I will mention one process as an illustration of this diminution in the number of children, wherein by the addition of an apparatus, called a piecing machine, to existing machines, the work of six or four half-timers, according to the peculiarity of each machine, can be performed by one young person' (i.e. over 13 years old) . . . 'The half-time system "stimulated" the invention of the piecing machine' (*Reports of the Inspectors of Factories . . . 31 October 1858*) [pp. 42–3].

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* Ricardo refers rather to 'redundancy of people' (op. cit., p. 472) although of course it is clear from the context that it is workers whose redundancy he has in mind.

do not make use of it because the 'wretch'[35] who does this work gets paid for such a small portion of his labour that machinery would increase the cost of production to the capitalist.[36] In England women are still occasionally used instead of horses for hauling barges,[37] because the labour required to produce horses and machines is an accurately known quantity, while that required to maintain the women of the surplus population is beneath all calculation. Hence we nowhere find a more shameless squandering of human labour-power for despicable purposes than in England, the land of machinery.

3. THE MOST IMMEDIATE EFFECTS OF MACHINE PRODUCTION ON THE WORKER

As we have shown, the starting-point of large-scale industry is the revolution in the instruments of labour, and this attains its most highly developed form in the organized system of machinery in the factory. Before we inquire how human material is incorporated with this objective organism, let us consider some general effects of the revolution on the worker himself.

(a) Appropriation of Supplementary Labour-Power by Capital. The Employment of Women and Children

In so far as machinery dispenses with muscular power, it becomes a means for employing workers of slight muscular strength, or whose bodily development is incomplete, but whose limbs are all the more supple. The labour of women and children was therefore the first result of the capitalist application of machinery! That mighty substitute for labour and for workers, the machine, was immediately transformed into a means for increasing the number of wage-labourers by enrolling, under the direct sway of capital, every member of the worker's family, without distinction of age or sex. Compulsory work for the capitalist usurped the place, not only of the children's play, but also of independent labour at home, within customary limits, for the family itself.[38]

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[35] 'Wretch' is the technical expression used in English political economy for the agricultural labourer.

[36] 'Machinery . . . can frequently not be employed until labour' (he means wages) 'rises' (Ricardo, op. cit., p. 479).

[37] See *Report of the Social Science Congress at Edinburgh*, October 1863.

[38] During the cotton crisis caused by the American Civil War, Dr Edward Smith was sent by the English government to Lancashire, Cheshire and other

The value of labour-power was determined, not only by the labour-time necessary to maintain the individual adult worker, but also by that necessary to maintain his family. Machinery, by throwing every member of that family onto the labour-market, spreads the value of the man's labour-power over his whole family. It thus depreciates it. To purchase the labour-power of a family of four workers may perhaps cost more than it formerly did to purchase the labour-power of the head of the family, but, in return, four days' labour takes the place of one day's, and the price falls in proportion to the excess of the surplus labour of four over the surplus labour of one. In order that the family may live, four people must now provide not only labour for the capitalist, but also surplus labour. Thus we see that machinery, while augmenting the human material that forms capital's most characteristic field of exploitation,[39] at the same time raises the degree of that exploitation.

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places to report on the state of health of the cotton operatives. He reported that from a hygienic point of view, and apart from the banishment of the operatives from the factory atmosphere, the crisis had several advantages. The women now had sufficient leisure to give their infants the breast, instead of poisoning them with 'Godfrey's Cordial' (an opiate). They also had the time to learn to cook. Unfortunately, the acquisition of this art occurred at a time when they had nothing to cook. But from this we see how capital, for the purposes of its self-valorization, has usurped the family labour necessary for consumption. This crisis was also utilized to teach sewing to the daughters of the workers in sewing schools. An American revolution and a universal crisis were needed in order that working girls, who spin for the whole world, might learn to sew!

[39] 'The numerical increase of labourers has been great, through the growing substitution of female for male, and above all, of childish for adult labour. Three girls of 13, at wages of from 6 shillings to 8 shillings a week, have replaced the one man of mature age, at wages varying from 18 shillings to 45 shillings' (Thomas de Quincey, *The Logic of Political Economy*, London, 1844, note to p. 147). Since certain family functions, such as nursing and suckling children, cannot be entirely suppressed, the mothers who have been confiscated by capital must try substitutes of some sort. Domestic work, such as sewing and mending, must be replaced by the purchase of ready-made articles. Hence the diminished expenditure of labour in the house is accompanied by an increased expenditure of money outside. The cost of production of the working-class family therefore increases, and balances its greater income. In addition to this, economy and judgement in the consumption and preparation of the means of subsistence become impossible. Abundant material on these facts, which are concealed by official political economy, is to be found in the *Reports of the Inspectors of Factories*, the *Reports of the Children's Employment Commission*, and particularly in the *Reports on Public Health.*

Machinery also revolutionizes, and quite fundamentally, the agency through which the capital-relation is formally mediated, i.e. the contract between the worker and the capitalist. Taking the exchange of commodities as our basis, our first assumption was that the capitalist and the worker confronted each other as free persons, as independent owners of commodities, the one possessing money and the means of production, the other labour-power. But now the capitalist buys children and young persons. Previously the worker sold his own labour-power, which he disposed of as a free agent, formally speaking. Now he sells wife and child. He has become a slave-dealer.[40] Notices of demand for children's labour often resemble in form the inquiries for Negro slaves that were formerly to be read among the advertisements in American journals. 'My attention,' says an English factory inspector, 'was drawn to an advertisement in the local paper of one of the most important manufacturing towns of my district, of which the following is a copy: "Wanted, 12 to 20 young persons, not younger than what can pass for 13 years. Wages, 4 shillings a week. Apply, etc." '[41] The phrase 'what can pass for 13 years' refers to the fact that, according to the Factory Act, children under 13 years old may only work 6 hours a day. An officially appointed doctor (the 'certifying surgeon') must certify their age. The manufacturer, therefore, asks for children who look as if they are already 13 years old. The decrease, often by leaps and bounds, in the number of children under 13 years employed in factories, a decrease that is shown in an astonishing manner by the English statistics of the last twenty years, was for the most part, according to the evidence of the factory inspectors themselves, the work of the certifying surgeons, who adjusted the children's ages in a manner appropriate to the capitalist's greed for exploitation and the parents' need to engage in this traffic. In the notorious London district of Bethnal Green a public market is held every Monday and Tuesday morning, at which children of both sexes, from 9 years of age upwards, hire themselves out to the silk manufacturers. 'The usual terms are 1s. 8d. a week (this belongs to the parents) and "2d. for myself and tea". The Contract is binding only for the week. The scene and language while this market is going on are quite disgraceful.'[42] It still happens in England that women 'take children from the workhouse and let any one have them out for 2s. 6d. a week'.[43] In spite of legislation, the number of boys sold in Great Britain by their parents to act as live chimney-sweeping machines (although machines exist to replace them) is at least 2,000.[44] The revolution effected by machinery in the legal relationship between buyer and seller of labour-power, causing the transaction as a whole to lose the appearance of a contract between free persons, later offered the English Parliament an excuse, founded on juristic principles, for state intervention into factory affairs. Whenever the law limits the labour of children to 6 hours in industries not previously touched, the complaints of the manufacturers resound yet again. They allege that numbers of parents withdraw their children from the industries brought under the Act in order to sell them where 'freedom of labour' still prevails, i.e. where children under 13 years are compelled to work like adults, and for that reason can be sold at a higher price. But since capital is by its nature a leveller, since it insists upon equality in the conditions of exploitation of labour in every sphere of production as its own innate right, the limitation by law of children's labour in one branch of industry results in its limitation in others.

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[40] The shortening of the hours of labour for women and children in English factories was exacted from capital by the adult male workers. In striking contrast with this great fact, we find in the most recent years of the Children's Employment Commission that, in relation to this traffic in children, working-class parents have assumed characteristics that are truly revolting and thoroughly like slave-dealing. But the pharisaical capitalist, as may be seen from the same reports, denounces this bestiality which he himself creates, perpetuates and exploits, and which, moreover, he baptizes 'freedom of labour'. 'Infant labour has been called into aid . . . even to work for their own daily bread. Without strength to endure such disproportionate toil, without instruction to guide their future life, they have been thrown into a situation physically and morally polluted. The Jewish historian has remarked upon the overthrow of Jerusalem by Titus that it was no wonder it should have been destroyed, with such a signal destruction, when an inhuman mother sacrificed her own offspring to satisfy the cravings of absolute hunger' (*Public Economy Concentrated*, Carlisle, 1833, p. 66).

[41] A. Redgrave, in *Reports of the Inspectors of Factories . . . 31 October 1858*, pp. 40–41.

We have already alluded to the physical deterioration of the children and young persons, as well as the women, whom machinery subjects to the exploitation of capital, first directly in the factories that sprout forth on the basis of machinery, and then indirectly in all the remaining branches of industry. Here we shall dwell on one point only, the enormous mortality of the children of the workers during the first few years of their life. In 16 of the registration districts into which England is divided, there are, for every 100,000 children alive under the age of one year, only 9,085 deaths in a year on an average (in one district only 7,047); in 24 districts the deaths are over 10,000 but under 11,000, in 39 districts over 11,000 but under 12,000; in 48 districts over 12,000 but under 13,000; in 22 districts over 20,000; in 25 districts over 21,000; in 17 over 22,000; in 11 over 23,000; in Hoo, Wolverhampton, Ashton-under-Lyne and Preston, over 24,000; in Nottingham, Stockport and Bradford, over 25,000; in Wisbeach, 26,000; and in Manchester, 26,125.[45] As was shown by an official medical inquiry in the year 1861, the high death-rates are, apart from local causes, principally due to the employment of the mothers away from their homes, and to the neglect and maltreatment arising from their absence, which consists in such things as insufficient nourishment, unsuitable food and dosing with opiates; besides this, there arises an unnatural estrangement between mother and child, and as a consequence intentional starving and poisoning of the children.[46] In those agricultural districts 'where a minimum in the employment of women exists, the death-rate is on the other hand very low'.[47] However, the 1861 Commission of Inquiry arrived at the unexpected conclusion that in some purely agricultural districts bordering on the North Sea, the death-rate of children under one year old almost equalled that of the worst factory districts. Dr Julian Hunter was therefore commissioned to investigate this phenomenon on the spot. His report is incorporated into the *Sixth Report on Public Health*.[48] Up to that time it was supposed that the children were decimated by malaria, and other diseases peculiar to low-lying and marshy districts. But the inquiry showed the very opposite, namely 'that the same cause which drove away malaria, the conversion of the land from a morass in winter and a scanty pasture in summer into fruitful corn land, created the exceptional death-rate of the infants'.[49] The seventy medical men whom Dr Hunter examined in those districts were 'wonderfully in accord' on this point. In fact, the revolution in cultivation had led to the introduction of the industrial system. 'Married women, who work in gangs along with boys and girls, are, for a stipulated sum of money, placed at the disposal of the farmer by a man called the "undertaker", who contracts for the whole gang. These gangs will sometimes travel many miles from their own village; they are to be met morning and evening on the roads, dressed in short petticoats, with suitable coats and boots, and sometimes trousers, looking wonderfully strong and healthy, but tainted with a customary immorality and heedless of the fatal results which their love of this busy and independent life is bringing on their unfortunate offspring who are pining at home.'[50] All the phenomena of the factory districts are reproduced here, including a yet higher degree of disguised infanticide and stupefaction of children with opiates.[51] 'My knowledge of such evils,' says Dr Simon, the medical officer of the Privy Council and editor-in-chief of the *Reports on Public Health*, 'may excuse the profound misgiving with which I regard any large industrial employment of adult women.'[52] 'Happy indeed', exclaims Mr Baker, the factory inspector, in his official report, 'happy indeed will it be for the manufacturing districts of England, when every married woman having a family is prohibited from working in any textile works at all.'[53]

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[42] *Children's Employment Commission, Fifth Report*, London, 1866, p. 81, n. 31. [Added by Engels in the fourth German edition:] The Bethnal Green silk industry has now almost disappeared.

[43] *Children's Employment Commission Third Report*, London, 1864, p. 53, n. 15.

[44] ibid., *Fifth Report*, p. xxii, n. 137.

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[45] *Public Health, Sixth Report*, London, 1864, p. 34.

[46] 'It' (the inquiry of 1861) '... showed, moreover, that while, with the described circumstances, infants perish under the neglect and mismanagement which their mothers' occupations imply, the mothers become to a grievous extent denaturalized towards their offspring – commonly not troubling themselves much at the death, and even sometimes ... taking direct measures to insure it' (ibid.).

[47] ibid., p. 454.

[48] pp. 454–63. 'Reports by Dr Henry Julian Hunter on the Excessive Mortality of Infants in Some Rural Districts of England.'

The moral degradation which arises out of the exploitation by capitalism of the labour of women and children has been so exhaustively presented by F. Engels in his *Condition of the Working Class in England*, and by other writers too, that a mere mention will suffice here. But the intellectual degeneration artificially produced by transforming immature human beings into mere machines for the production of surplus-value (and there is a very clear distinction between this and the state of natural ignorance in which the mind lies fallow without losing its capacity for development, its natural fertility) finally compelled even the English Parliament to make elementary education a legal requirement before children under 14 years could be consumed 'productively' by being employed in those industries which are subject to the Factory Acts. The spirit of capitalist production emerges clearly from the ludicrous way the so-called education clauses of the Factory Acts have been drawn up, from the absence of any administrative machinery, whereby this compulsory education is once again made for the most part illusory, from the opposition of the manufacturers themselves to these education clauses, and from the tricks and dodges they use to evade them. 'For this the legislature is alone to blame, by having passed a delusive law, which, while it would seem to provide that the children employed in factories shall be *educated*, contains no enactment by which that professed end can be secured. It provides nothing more than that the children shall on certain days of the week, and for a certain number of hours (three) in each day, be inclosed within the four walls of a place called a school, and that the employer of the child shall receive weekly a certificate to that effect signed by a person designated by the subscriber as a schoolmaster or schoolmistress.'[54] Before the passing of the amended Factory Act of 1844, it happened not infrequently that the certificates of attendance at school were signed by the schoolmaster or schoolmistress with a cross, as they themselves were unable to write. 'On one occasion, on visiting a place called a school, from which certificates of school attendance had issued, I was so struck with the ignorance of the master, that I said to him: "Pray, sir, can you read?" His reply was "Aye, summat!" and as a justification of his right to grant certificates, he added: "At any rate, I am before my scholars."' The inspectors, when the Bill of 1844 was in preparation, did not fail to denounce the disgraceful state of the places called schools, certificates from which they were obliged to admit as a compliance with the laws,

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[49] *Public Health, Sixth Report*, London, 1864, pp. 35, 455–6.

[50] ibid., p. 456.

[51] In the agricultural as well as the factory districts of England the consumption of opium among adult workers, both male and female, is extending daily. 'To push the sale of opiate ... is the great aim of some enterprising wholesale merchants. By druggists it is considered the leading article' (ibid., p. 459). Infants that received opiates 'shrank up into little old men', or 'wizened like little monkeys' (ibid., p. 460). We see here how India and China have taken their revenge on England.

[52] ibid., p. 37.

[53] *Reports of the Inspectors of Factories ... 31 October 1862*, p. 59. This factory inspector was formerly a doctor.

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54. Leonard Horner, in *Reports of the Inspectors of Factories . . . 30 April 1857*, p. 17.

but they were successful only in obtaining this, that since the passing of the Act of 1844, 'the figures in the school certificate must be filled up in the handwriting of the schoolmaster, who must also sign his Christian and surname in full'.[55]

Sir John Kincaid, factory inspector for Scotland, relates similar official experiences. 'The first school we visited was kept by a Mrs Ann Killin. Upon asking her to spell her name, she straightway made a mistake, by beginning with the letter C, but correcting herself immediately, she said her name began with a K. On looking at her signature, however, in the school certificate books. I noticed that she spelt it in various ways, while her handwriting left no doubt as to her unfitness to teach. She herself also acknowledged that she could not keep the register . . . In a second school I found the schoolroom 15 feet long, and 10 feet wide, and counted in this space 75 children, who were gabbling something unintelligible.'[56] 'But it is not only in the miserable places above referred to that the children obtain certificates of school attendance without having received instruction of any value, for in many schools where there is a competent teacher, his efforts are of little avail from the distracting crowd of children of all ages, from infants of 3 years old and upwards; his livelihood, miserable at the best, depending on the pence received from the greatest number of children whom it is possible to cram into the space. To this is to be added scanty school furniture, deficiency of books, and other materials for teaching, and the depressing effect upon the poor children themselves of a close, noisome atmosphere. I have been in many such schools, where I have seen rows of children doing absolutely nothing; and this is certified as school attendance, and, in statistical returns, such children are set down as being educated.'[57] In Scotland the manufacturers do their best to exclude from employment the children who are obliged to attend school. 'It requires no further argument to prove that the educational clauses of the Factory Act, being held in such disfavour among mill-owners, tend in a great measure to exclude that class of children alike from the employment and the benefit of education contemplated by this

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[55] Leonard Horner, in *Reports of the Inspectors of Factories ... 31 October 1855*, pp. 18–19.

[56] Sir John Kincaid, in *Reports of the Inspectors of Factories . . . 31 October 1858*, pp. 31–2.

[57] Leonard Horner, in *Reports of the Inspectors of Factories . . . 31 October 1857*, pp. 17–18.

Act.'[58] This situation appears at its most grotesque and repulsive in calico print works, which are regulated by a special Act.* This Act lays it down that 'every child, before being employed in a print works, must have attended school for at least 30 days, and not less than 150 hours, during the six months immediately preceding such first day of employment, and during the continuance of its employment in the print works, it must attend for a like period of 30 days, and 150 hours during every successive period of six months ... The attendance at School must be between 8 a.m. and 6 p.m. No attendance of less than 2½ hours, nor more than 5 hours on any one day, shall be reckoned as part of the 150 hours. Under ordinary circumstances the children attend school morning and afternoon for 30 days, for at least 5 hours each day, and upon the expiration of the 30 days, the statutory total of 150 hours having been attained, having, in their language, made up their book, they return to the print works, where they continue until the six months have expired, when another instalment of school attendance becomes due, and they again seek the school until the book is again made up ... Many boys having attended school for the required number of hours, when they return to school after the expiration of their six months' work in the print works, are in the same condition as when they first attended school as print-work boys, [and I have been assured] that they have lost all they gained by their previous school attendance ... In other print works the children's attendance at school is made to depend altogether upon the exigencies of the work in the establishment. The requisite number of hours is made up each six months, by instalments consisting of from 3 to 5 hours at a time, spreading over, perhaps, the whole six months ... For instance, the attendance on one day might be from 8 to 11 a.m., on another day from 1 p.m. to 4 p.m., and the child might not appear at school again for several days, when it would attend from 3 p.m. to 6 p.m.; then it might attend for 3 or 4 days consecutively, or for a week, then it would not appear in school for 3 weeks or a month, after that upon some odd days at some odd hours when the operative who employed it chose to spare it; and thus the child was, as it were, buffeted from

[58] Sir John Kincaid, in *Reports of the Inspectors of Factories ... 31 October 1856*, p. 66.

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* The Printworks Act of 1845. See above, p. 408.

school to work, from work to school, until the tale of 150 hours was told.'[59]

Machinery, by this excessive addition of women and children to the working personnel, at last breaks the resistance which the male workers had continued to oppose to the despotism of capital throughout the period of manufacture.[60]

(b) The Prolongation of the Working Day

If machinery is the most powerful means of raising the productivity of labour, i.e. of shortening the working time needed to produce a commodity, it is also, as a repository of capital, the most powerful means of lengthening the working day beyond all natural limits in those industries first directly seized on by it. It creates, on the one hand, new conditions which permit capital to give free rein to this tendency, and on the other hand, new incentives which whet its insatiable appetite for the labour of others.

In the first place, in machinery the motion and the activity of the instrument of labour asserts its independence *vis-à-vis* the worker. The instrument of labour now becomes an industrial form of perpetual motion. It would go on producing for ever, if it did not come up against certain natural limits in the shape of the weak bodies and the strong wills of its human assistants. Because it is capital, the automatic mechanism is endowed, in the person of the capitalist, with consciousness and a will. As capital, therefore, it is animated by the drive to reduce to a minimum the resistance offered by man, that obstinate yet elastic natural barrier.[61] This resistance is moreover lessened by the apparently undemanding nature of work at a machine, and the more pliant and docile character of the women and children employed by preference.[62]

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[59] A. Redgrave, in *Reports of the Inspectors of Factories ... 31 October 1857*, pp. 41–2. In those industries where the Factory Act proper (not the Printworks Act referred to in the text) has been in force for some time, the obstacles in the way of the education clauses have been overcome in recent years. In industries not subject to the Act, the views of Mr Geddes, a glass manufacturer, still extensively prevail. He informed Mr White, one of the Commissioners of Inquiry, 'As far as I can see, the greater amount of education which a part of the working class has enjoyed for some years past is an evil. It is dangerous, because it makes them independent' (*Children's Employment Commission, Fourth Report*, London, 1865, p. 253).

[60] 'Mr E., a manufacturer ... informed me that he employed females exclusively at his power-looms ... gives a decided preference to married females, especially those who have families at home dependent on them for support; they are attentive, docile, more so than unmarried females, and are compelled to use their utmost exertions to procure the necessaries of life. Thus are the virtues, the peculiar virtues of the female character to be perverted to her injury – thus all that is most dutiful and tender in her nature is made a means of her bondage and suffering' (*Ten Hours' Factory Bill. The Speech of Lord Ashley, 15 March*, London, 1844, p. 20).

The productivity of machinery is, as we saw, inversely proportional to the value transferred by it to the product. The longer the period during which it functions, the greater is the mass of the products over which the value transmitted by the machine is spread, and the smaller is the portion of that value added to each single commodity. The active lifetime of a machine, however, is clearly dependent on the length of the working day, or the duration of the daily labour process multiplied by the number of days for which the process is carried on.

The amount of deterioration suffered by a machine does not by any means exactly correspond to the length of time it has been in use. And even if it were so, a machine working 16 hours a day for 7½ years covers as long a working period as the same machine working only 8 hours a day for 15 years and transmits to the total product no more value. Notwithstanding this, the value of the machine would be reproduced twice as quickly in the first case as in the second, and the capitalist, using the same machine, would absorb in 7½ years as much surplus-value as he would in 15 in the second case.

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[61] 'Since the general introduction of machinery, human nature has been forced far beyond its average strength' (Robert Owen, *Observations on the Effects of the Manufacturing System*, 2nd edn, London, 1817, p. 16).

[62] The English, who are very willing to regard the first empirical form of appearance of a thing as its cause, often attribute the long hours of work in factories to the extensive Herod-like kidnappings perpetrated in the early days of the factory system, when children were stolen from the workhouses and the orphanages, and capital thereby incorporated a mass of unresisting human material. Fielden, for instance, himself an English manufacturer, says: 'It is evident that the long hours of work were brought about by the circumstance of so great a number of destitute children being supplied from different parts of the country, that the masters were independent of the hands, and that having once established the custom by means of the miserable materials they had procured in this way, they could impose it on their neighbours with the greater facility' (J. Fielden, *The Curse of the Factory System*, London, 1836, p. 11). With reference to female labour, the factory inspector Saunders says in his report of 1844: 'Amongst the female operatives there are some women who, for many weeks in succession, except for a few days, are employed from 6 a.m. till midnight, with less than 2 hours for meals, so that on 5 days of the week they have only 6 hours left out of the 24, for going to and from their homes and resting in bed.'

The physical deterioration of the machine is of two kinds. The one arises from use, as coins wear away by circulating, the other from lack of use, as a sword rusts when left in its scabbard. This second kind is its consumption by the elements. Deterioration of the first kind is more or less directly proportional, and that of the second kind to a certain extent inversely proportional, to the use of the machine.[63]

But in addition to the material wear and tear, a machine also undergoes what we might call a moral depreciation. It loses exchange-value, either because machines of the same sort are being produced more cheaply than it was, or because better machines are entering into competition with it.[64] In both cases, however young and full of life the machine may be, its value is no longer determined by the necessary labour-time actually objectified in it, but by the labour-time necessary to reproduce either it or the better machine. It has therefore been devalued to a greater or lesser extent. The shorter the period taken to reproduce its total value, the less is the danger of moral depreciation; and the longer the working day, the shorter that period in fact is. When machinery is first introduced into a particular branch of production, new methods of reproducing it more cheaply follow blow upon blow,[65] and so do improvements which relate not only to individual parts and details of the machine, but also to its whole construction. It is therefore in the early days of a machine's life that this special incentive to the prolongation of the working day makes itself felt most acutely.[66]

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[63] '[When they strike, the operatives] occasion ... injury to the delicate moving parts of metallic mechanisms by inaction' (Ure, op. cit., p. 28).

[64] The 'Manchester Spinner' already referred to* (*The Times*, 26 November 1862) enumerates, as part of the cost of machinery, 'an allowance for deterioration of machinery'. 'It is also intended,' he says, 'to cover the loss which is constantly arising from the superseding of machines before they are worn out, by others of a new and better construction.'

[65] 'It has been estimated, roughly, that the first individual of a newly-invented machine will cost about five times as much as the construction of the second' (Babbage, op. cit., pp. 211–12).

[66] 'The improvement which took place not long ago in frames for making patent-net was so great that a machine in good repair which had cost £1,200 sold a few years later for £60 ... improvements succeeded each other so

*See above, p. 315.

Given the length of the working day, and in otherwise identical circumstances, the exploitation of double the number of workers requires not only a doubling of that part of constant capital which is invested in machinery and buildings, but also a doubling of the part laid out in raw material and auxiliary substances. The lengthening of the working day, on the other hand, permits an expansion of the scale of production without any change in the amount of capital invested in machinery and buildings.[67] Not only does surplus-value increase therefore, but the outlay necessary to obtain it diminishes. It is true that this takes place, more or less, with every lengthening of the working day; but here the change is of far greater importance because the part of the capital that has been converted into the instruments of labour now falls more decisively into the balance.[68] The development of machine production ties a constantly increasing portion of the capital to a form in which, on the one hand, it is constantly capable of valorization, and in which, on the other hand, it loses both use-value and exchange-value whenever it is deprived of contact with living labour. Mr Ashworth, an English cotton magnate, imparted the following lesson to Professor Nassau W. Senior: 'When a labourer lays down his spade, he renders useless, for that period, a capital worth eighteenpence. When one of our people leaves the mill, he renders useless a capital that has cost £100,000.'[69] Just imagine that! Making 'useless', if only for a single moment, a piece of capital that has cost £100,000! It is in truth monstrous that a single one of our people should ever leave the factory! The increased use of

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rapidly that machines which had never been finished were abandoned in the hands of their makers, because new improvements had superseded their utility' (Babbage, op. cit., p. 233). In these times of stormy and rapid progress, therefore, the tulle manufacturers soon extended the working day from its original 8 hours to 24, by using double sets of workers.

[67] 'It is self-evident, that, amid the ebbings and flowings of the markets and the alternate expansions and contractions of demand, occasions will constantly recur, in which the manufacturer may employ additional floating capital without employing additional fixed capital . . . if additional quantities of raw material can be worked up without incurring an additional expense for buildings and machinery' (R. Torrens, *On Wages and Combination*, London, 1834, p. 64).

[68] This circumstance is mentioned here only for the sake of completeness, as we shall only come to consider the rate of profit, i.e. the ratio of surplus-value to the total capital advanced, when we reach Volume 3.

[69] Senior, *Letters on the Factory Act*, London, 1837, pp. 13–14.

machinery, as Senior now realizes, having been instructed by Mr Ashworth, makes a constantly increased prolongation of the working day 'desirable'.[70]

Machinery produces relative surplus-value, not only by directly reducing the value of labour-power, and indirectly cheapening it by cheapening the commodities that enter into its reproduction, but also, when it is first introduced sporadically into an industry, by converting the labour employed by the owner of that machinery into labour of a higher degree, by raising the social value of the article produced above its individual value, and thus enabling the capitalist to replace the value of a day's labour-power by a smaller portion of the value of a day's product. During this transitional period, while the use of machinery remains a sort of monopoly, profits are exceptional, and the capitalist endeavours to exploit thoroughly 'the sunny time of this his first love' by prolonging the working day as far as possible. The magnitude of the profit gives him an insatiable hunger for yet more profit.

As machinery comes into general use in a particular branch of production, the social value of the machine's product sinks down to its individual value, and the following law asserts itself: surplus-value does not arise from the labour-power that has been replaced by the machinery, but from the labour-power actually employed in working with the machinery. Surplus-value arises only from the variable part of capital, and we saw that the amount of surplus-value depends on two factors, namely the rate of surplus-value and the number of workers simultaneously employed.* Given the length of the working day, the rate of surplus-value is determined by the relative duration of the necessary labour and the surplus labour performed in the course of a working day. The number of

[70] 'The great proportion of fixed to circulating capital ... makes long hours of work desirable.' With the increased use of machinery, etc., 'the motives to long hours of work will become greater, as the only means by which a large proportion of fixed capital can be made profitable' (ibid., pp. 11–13). 'There are certain expenses upon a mill which go on in the same proportion whether the mill be running short or full time, as, for instance, rent, rates, and taxes, insurance against fire, wages of several permanent servants, deterioration of machinery, with various other charges upon a manufacturing establishment, the proportion of which to profits increases as the production decreases' (*Reports of the Inspectors of Factories ... 31 October 1862*, p. 19).

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*See above, p. 420.

workers simultaneously employed depends, for its part, on the ratio of the variable to the constant capital. Now, however much the use of machinery may increase surplus labour at the expense of necessary labour by raising the productive power of labour, it is clear that it attains this result only by diminishing the number of workers employed by a given amount of capital. It converts a portion of capital which was previously variable, i.e. had been turned into living labour, into machinery, i.e. into constant capital which does not produce surplus-value. It is impossible, for instance, to squeeze as much surplus-value out of two as out of twenty-four workers. If each of these twenty-four men gives only 1 hour of surplus labour in 12, the twenty-four men give together 24 hours of surplus labour, while 24 hours is the total labour of the two men. Hence there is an immanent contradiction in the application of machinery to the production of surplus-value, since, of the two factors of the surplus-value created by a given amount of capital, one, the rate of surplus-value, cannot be increased except by diminishing the other, the number of workers. This contradiction comes to light as soon as machinery has come into general use in a given industry, for then the value of the machine-produced commodity regulates the social value of all commodities of the same kind; and it is this contradiction which in turn drives the capitalist, without his being aware of the fact,[71] to the most ruthless and excessive prolongation of the working day, in order that he may secure compensation for the decrease in the relative number of workers exploited by increasing not only relative but also absolute surplus labour.

The capitalist application of machinery on the one hand supplies new and powerful incentives for an unbounded prolongation of the working day, and produces such a revolution in the mode of labour as well as the character of the social working organism that it is able to break all resistance to this tendency. But on the other hand, partly by placing at the capitalists' disposal new strata of the working class previously inaccessible to him, partly by setting free the workers it supplants, machinery produces a surplus working

[71] Why it is that this immanent contradiction does not enter the head of the individual capitalist, or the political economists who are imbued with his views, will appear from the first part of Volume 3.*

*See *Capital*, Vol. 3, Chapter 15, Section 2, 'Conflict between Expansion of Production and Production of Surplus-Value'.

population,[72] which is compelled to submit to the dictates of capital. Hence that remarkable phenomenon in the history of modern industry, that machinery sweeps away every moral and natural restriction on the length of the working day. Hence too the economic paradox that the most powerful instrument for reducing labour-time suffers a dialectical inversion and becomes the most unfailing means for turning the whole lifetime of the worker and his family into labour-time at capital's disposal for its own valorization. 'If', dreamed Aristotle, the greatest thinker of antiquity, 'if every tool, when summoned, or even by intelligent anticipation, could do the work that befits it, just as the creations of Daedalus moved of themselves, or the tripods of Hephaestus went of their own accord to their sacred work, if the weavers' shuttles were to weave of themselves, then there would be no need either of apprentices for the master craftsmen, or of slaves for the lords.'[73] And Antipater,* a Greek poet of the time of Cicero, hailed the water-wheel for grinding corn, that most basic form of all productive machinery, as the liberator of female slaves and the restorer of the golden age.[74] Oh those heathens! They understood nothing of political economy and Christianity, as the learned Bastiat dis-

[72] It is one of the greatest merits of Ricardo that he saw machinery not only as a means of producing commodities, but also a means of producing a 'redundant population'.*

[73] F. Biese, *Die Philosophie des Aristoteles*, Vol. 2, Berlin, 1842, p. 408.†

[74] I give here the translation of this poem by Stolberg, because, just like our earlier quotations about the division of labour,‡ it brings out the antithesis between the views of the ancients and the moderns. 'Spare the hand that grinds the corn, Oh miller girls, and softly sleep. Let Chanticleer announce the morn in vain! Deo has commanded the work of the girls to be done by the Nymphs, and now they skip lightly over the wheels, so that the shaken axles revolve with their spokes and pull round the load of the revolving stones. Let us live the life of our fathers, and let us rest from work and enjoy the gifts that the Goddess sends us' (*Gedichte aus dem Griechischen Übersetzt von Christian Graf zu Stolberg*, Hamburg, 1782).§

*Ricardo, *On the Principles of Political Economy and Taxation*, 3rd edn, London, 1821, p. 478.

†The passage is taken from Aristotle, *Politics*, Bk I, Ch. 4 (p. 10 of the translation by E. Barker, Oxford, 1946).

‡See above, pp. 486–9.

§ The English translation has been taken from the Moore-Aveling version of *Capital*. The original Greek is in *The Greek Anthology*, Bk IX, No. 418.

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*Antipater of Thessalonica, a minor Greek epigrammatist, fl. first century B.C.

covered, and before him the still wiser MacCulloch. They did not, for example, comprehend that machinery is the surest means of lengthening the working day. They may perhaps have excused the slavery of one person as a means to the full human development of another. But they lacked the specifically Christian qualities which would have enabled them to preach the slavery of the masses in order that a few crude and half-educated parvenus might become 'eminent spinners', 'extensive sausage-makers' and 'influential shoe-black dealers'.

(c) Intensification of Labour

As we have seen, the immoderate lengthening of the working day produced by machinery in the hands of capital leads later on to a reaction on the part of the society, which is threatened in the very sources of its life; and, from there, to a normal working day whose length is fixed by law. On the foundation laid by the latter, something we have already met with, namely the intensification of labour, develops into a phenomenon of decisive importance. Our analysis of absolute surplus-value dealt primarily with the extensive magnitude of labour, its duration, while its intensity was treated as a given factor. We have now to consider the inversion [*Umschlag*] of extensive magnitude into intensive magnitude, or magnitude of degree.

It is self-evident that in proportion as the use of machinery spreads, and the experience of a special class of worker – the machine-worker – accumulates, the rapidity and thereby the intensity of labour undergoes a natural increase. Thus in England, in the course of half a century, the lengthening of the working day has gone hand in hand with an increase in the intensity of factory labour. Nevertheless, the reader will clearly see that we are dealing here, not with temporary paroxysms of labour but with labour repeated day after day with unvarying uniformity. Hence a point must inevitably be reached where extension of the working day and intensification of labour become mutually exclusive so that the lengthening of the working day becomes compatible only with a lower degree of intensity, and inversely, a higher degree of intensity only with a shortening of the working day. As soon as the gradual upsurge of working-class revolt had compelled Parliament compulsorily to shorten the hours of labour, and to begin by imposing a normal working day on factories properly so called, i.e.

from the moment that it was made impossible once and for all to increase the production of surplus-value by prolonging the working day, capital threw itself with all its might, and in full awareness of the situation, into the production of relative surplus-value, by speeding up the development of the machine system. At the same time a change took place in the nature of relative surplus-value. In general, relative surplus-value is produced by raising the productivity of the worker, and thereby enabling him to produce more in a given time with the same expenditure of labour. The same amount of labour-time adds the same value as before to the total product, but this unchanged amount of exchange-value is spread over more use-values. Hence the value of each single commodity falls. But the situation changes with the compulsory shortening of the hours of labour. This gives an immense impetus to the development of productivity and the more economical use of the conditions of production. It imposes on the worker an increased expenditure of labour within a time which remains constant, a heightened tension of labour-power, and a closer filling-up of the pores of the working day, i.e. a condensation of labour, to a degree which can only be attained within the limits of the shortened working day. This compression of a greater mass of labour into a given period now counts for what it really is, namely an increase in the quantity of labour. In addition to the measure of its 'extensive magnitude', labour-time now acquires a measure of its intensity, or degree of density.[75] The denser hour of the 10-hour working day contains more labour, i.e. expended labour-power, than the more porous hour of the 12-hour working day. Thus the product of one of the 10 hours has has as much value as the product of 1⅕ of the 12 hours, or even more. Apart from the increased yield of relative surplus-value which results from the heightened productivity of labour, the same mass of value is now produced for the capitalist by, say, 3⅓ hours of surplus labour and 6⅔ hours of necessary labour, as was previously produced by 4 hours of surplus labour and 8 hours of necessary labour.

We now come to the question of how the labour is intensified.

[75] There are, of course, always differences in intensity in the labour performed in different industries. But, as Adam Smith has shown, these differences are compensated to a partial extent by attendant circumstances peculiar to each sort of labour. Labour-time as a measure of value, however, is not affected in this case, except in so far as intensive and extensive magnitude are two antithetical and mutually exclusive expressions for one and the ame quantity of labour.

The first effect of shortening the working day results from the self-evident law that the efficiency of labour-power is in inverse ratio to the duration of its expenditure. Hence, within certain limits, what is lost by shortening the duration of labour is gained by increasing the degree of power exerted. Moreover, the capitalist ensures by his method of payment that the worker really does expend more labour-power.[76] In manufactures like potteries, where machinery plays little or no part, the introduction of the Factory Act has strikingly shown that the mere shortening of the working day increases to a wonderful degree the regularity, uniformity, order, continuity and energy of labour.[77] It seemed, however, doubtful whether this effect could be produced in the factory proper, because there the dependence of the worker on the continuous and uniform motion of the machinery had already created the strictest discipline. Hence, when in 1844 the reduction of the working day to less than twelve hours was being debated, the manufacturers declared almost unanimously 'that their overlookers in the different rooms took good care that the hands lost no time', that 'the extent of vigilance and attention on the part of the workmen was hardly capable of being increased', and therefore, assuming the speed of the machinery and other conditions remained constant, 'to expect in a well-managed factory any important result from increased attention of the workmen was an absurdity'.[78] This assertion was controverted by means of experiments. Mr Robert Gardner reduced the hours of work in his two large factories at Preston, on and after 20 April 1844, from 12 to 11 hours a day. The result of about a year on this system was that 'the same amount of product for the same cost was received, and the workpeople as a whole earned in 11 hours as much wages as they did before in 12'.[79] I shall pass over the experiments made in the spinning and carding rooms, because they were accompanied by an increase of 2 per cent in the speed of the machines. But in the weaving department, where moreover many sorts of figured fancy articles were woven, there was not the slightest alteration in the objective conditions of production. The result was: 'From 6th January to 20th April 1844, with a 12 hours' day, average weekly wages of each hand 10s. 1½d., from 20th April to 29th June 1844, with a day of 11 hours, average weekly wages 10s. 3½d.'[80] Here we have more produced in 11 hours than previously in 12, entirely as a result of steadier application to the work and a more economical use of time on the part of the workers. While they got the same wages and gained one hour of spare time, the capitalist got the same amount produced and saved the cost of coal, gas and other such items for one hour. Similar equally successful experiments were carried out in the mills of Messrs Horrocks and Jacson.[81]

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[76] Especially by piece-wages, a form we shall investigate in Part VI of this book.

[77] See *Reports of the Inspectors of Factories . . . 31st October 1865.*

[78] *Reports of the Inspectors of Factories for 1844, and the Quarter Ending 30 April 1845*, pp. 20–21.

[79] ibid., p. 19. Since the wages for piece-work were unaltered, the weekly wage depended on the quantity produced.

The shortening of the working day creates, to begin with, the subjective condition for the condensation of labour, i.e. it makes it possible for the worker to set more labour-power in motion within a given time. As soon as that shortening becomes compulsory, machinery becomes in the hands of capital the objective means, systematically employed, for squeezing out more labour in a given time. This occurs in two ways: the speed of the machines is increased, and the same worker receives a greater quantity of machinery to supervise or operate. Improved construction of the machinery is necessary, partly to allow greater pressure to be put on the worker, partly because it is an inevitable concomitant of intensification of labour, since the legal limitation of the working day compels the capitalist to exercise the strictest economy in the cost of production. The improvements in the steam-engine have increased the piston speed and at the same time have made it possible, by means of a greater economy of power, to drive more machinery with the same engine, while consuming the same amount of coal, or even a smaller amount. The improvements in the transmitting mechanism have lessened friction and reduced the diameter and weight of the shafts to a constantly decreasing minimum, something which strikingly distinguishes modern machinery from the older type. Finally, the improvements in the operative machines have, while reducing their size, increased their speed and efficiency, as in the modern power-loom; or, while increasing the size of their frames, they have also increased the extent and number of their working parts, as in spinning-mules, or added to the speed of those working parts by imperceptible alterations of detail, such as those which ten years ago increased the speed of the spindles in self-acting mules by one-fifth.

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[80] ibid., p. 20.

[81] ibid., p. 21. The moral element played an important part in the above experiments. The workers told the factory inspector: 'We work with more spirit, we have the reward ever before us of getting away sooner at night, and one active and cheerful spirit pervades the whole mill, from the youngest piecer to the oldest hand, and we can greatly help each other' (ibid.).

The reduction of the working day to 12 hours dates in England from 1832. In 1836 a manufacturer stated: 'The labour now undergone in the factories is much greater than it used to be ... compared with thirty or forty years ago ... owing to the greater attention and activity required by the greatly increased speed which is given to the machinery.'[82] In the year 1844, Lord Ashley, now Lord Shaftesbury, made in the House of Commons the following statements, which were supported by documentary evidence:

'The labour performed by those engaged in the processes of manufacture, is three times as great as in the beginning of such operations. Machinery has executed, no doubt, the work that would demand the sinews of millions of men; but it has also prodigiously multiplied the labour of those who are governed by its fearful movements ... In 1815, the labour of following a pair of mules spinning cotton of No. 40 – reckoning 12 hours to the working day – involved a necessity of walking 8 miles. In 1832, the distance travelled in following a pair of mules, spinning cotton yarn of the same number, was 20 miles, and frequently more. In 1825 the spinner put up daily, on each of these mules, 208 stretches, making a total of 1,640 stretches in the course of the day. In 1832, the spinner put up on each mule 2,200 stretches, making a total of 4,400. In 1844, 2,400 stretches, making a total of 4,800; and in some cases the amount of labour required is even still greater ... I have another document sent to me in 1842, stating that the labour is progressively increasing – increasing not only because the distance to be travelled is greater, but because the quantity of goods produced is multiplied, while the hands are fewer in proportion than before; and, moreover, because an inferior species of cotton is now often spun, which it is more difficult to work ... In the carding-room there has also been a great increase of labour. One person there does the work formerly divided between two.

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[82] John Fielden, op. cit., p. 32.

In the weaving-room, where a vast number of persons are employed, and principally females ... the labour has increased within the last few years fully 10 per cent, owing to the increased speed of the machinery in spinning. In 1838, the number of hanks spun per week was 18,000, in 1843 it amounted to 21,000. In 1819, the number of picks in power-loom weaving per minute was 60 – in 1842 it was 140, showing a vast increase of labour.'[83]

In the face of this remarkable level of intensity, which labour had already reached in 1844 under the Twelve Hours' Act, there appeared to be a justification for the assertion made at that time by the English manufacturers that any further progress in that direction was impossible, and therefore that any further reduction in the hours of labour would necessarily bring with it a drop in production. The apparent correctness of their reasoning will best be shown by the following contemporary statement by Leonard Horner, the factory inspector and tireless censor of the manufacturers.

'Now, as the quantity produced must, in the main, be regulated by the speed of the machinery, it must be the interest of the mill-owner to drive it at the utmost rate of speed consistent with these following conditions, viz., the preservation of the machinery from too rapid deterioration; the preservation of the quality of the article manufactured; and the capability of the workman to follow the motion without a greater exertion than he can sustain for a constancy. One of the most important problems, therefore, which the owner of a factory has to solve, is to find out the maximum speed at which he can run, with a due regard to the above conditions. It frequently happens that he finds he has gone too fast, that breakages and bad work more than counterbalance the increased speed, and that he is obliged to slacken his pace. I therefore concluded, that as an active and intelligent mill-owner would find out the safe maximum, it would not be possible to produce as much in 11 hours as in 12. I further assumed that the operative paid by piece-work, would exert himself to the utmost consistent with the power of continuing at the same rate.'[84] Horner therefore came to the conclusion, despite the experiments of Gardner and others,

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83. Lord Ashley, op. cit., pp. 6–9 passim.

84. *Reports of the Inspectors of Factories for the Quarter Ending 30 September 1844, and from 1 October 1844 to 30 April 1845*, p. 20.

that a further reduction of the working day below 12 hours would necessarily diminish the quantity of the product.[85] He himself cited his opinion of 1845 ten years later in order to show how much at that time he still under-estimated the elasticity of machinery and of human labour-power, both of which are simultaneously stretched to their utmost by the compulsory shortening of the working day.

We now come to the period following the introduction of the Ten Hours' Act in 1847 into the English cotton, woollen, silk and flax mills.

'The speed of the spindles has increased upon throstles 500, and upon mules 1,000 revolutions a minute, i.e. the speed of the throstle spindle, which in 1839 was 4,500 times a minute, is now' (1862) '5,000; and of the mule spindle, that was 5,000, is now 6,000 times a minute, amounting in the former case to one-tenth; and in the second case to one-fifth additional increase.'[86] James Nasmyth, the eminent civil engineer of Patricroft, near Manchester, explained in a letter to Leonard Horner, written in 1852, the nature of the improvements in the steam-engine made between the years 1848 and 1852. After remarking that the horse-power of steam-engines, being always estimated in the official returns according to the power of similar engines in 1828,[87] is only nominal, and can serve only as an index of their real power, he goes on to say: 'I am confident that from the same weight of steam-engine machinery, we are now obtaining at least 50 per cent more duty or work performed on the average, and that in many cases the identical steam-engines which in the days of the restricted speed of 220 feet per minute, yielded 50 horse-power, are now yielding upwards of

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[85] ibid., p. 22.

[86] *Reports of the Inspectors of Factories ... 31 October 1862*, p. 62.

[87] This changed with the 'Parliamentary Return' of 1862.* There the actual horse-power of the modern steam-engines and water-wheels appears in place of the nominal horse-power.† The doubling spindles, too, are no longer included with the actual spinning spindles (as they were in the 'Returns' of 1839, 1850 and 1856); further, in the case of woollen mills, the number of 'gigs' is added, a distinction is made between jute and hemp mills on the one hand, and flax mills on the other, and finally, stocking-weaving is for the first time inserted in the report.

*Full title: *Factories. Return to an Address of the Honourable House of Commons, Dated 24 April 1861. Ordered by the House of Commons to be Printed, 11 February 1862.*

†See above, p. 511, n. 25, for the distinction between 'nominal' and 'indicated' horse-power (called here 'actual' horse-power).

100 . . . The modern steam-engine of 100 horse-power is capable of being driven at a much greater force than formerly, arising from improvements in its construction, the capacity and construction of the boilers, etc. . . . Although the same number of hands are employed in proportion to the horse-power as at former periods, there are fewer hands employed in proportion to the machinery.'[88] In the year 1850, the factories of the United Kingdom employed 134,217 nominal horse-power to move 25,638,716 spindles and 301,445 looms. The number of spindles and looms in 1856 was, respectively, 33,503,580 and 369,205, which, if we reckon the nominal horse-power required to move them to be the same as in 1850, would call for a total horse-power of 175,000. But according to the official return for 1856 the actual horse-power was 161,435, in other words over 10,000 horse-power less than the result arrived at by calculating on the basis of the return of 1850.[89] 'The facts thus brought out by the Return' (of 1856) 'appear to be that the factory system is increasing rapidly; that although the same number of hands are employed in proportion to the horse-power as at former periods, there are fewer hands employed in proportion to the machinery; that the steam-engine is enabled to drive an increased weight of machinery by economy of force and other methods, and that an increased quantity of work can be turned off by improvements in machinery, and in methods of manufacture, by increase of speed of the machinery, and by a variety of other causes.'[90]

'The great improvements made in machines of every kind have raised their productive power very much. Without any doubt, the shortening of the hours of labour . . . gave the impulse to these improvements. The latter, combined with the more intense strain on the workman, have had the effect that at least as much is produced in the shortened working day' (shortened by two hours or one-sixth) 'as was previously produced during the longer one.'[91]

One fact is sufficient to show how greatly the wealth of the manufacturers increased along with the more intensive exploitation of labour-power. From 1838 to 1850 the average annual increase in English cotton and other factories was 32, from 1850 to 1856 it was 86.*

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[88] *Reports of the Inspectors of Factories . . . 31 October 1856*, pp. 13–14, 20, and *1852*, p. 23.

[89] ibid., pp. 14–15.

[90] ibid., p. 20.

[91] *Reports of the Inspectors of Factories . . . 31 October 1858*, pp. 9–10. Compare the *Reports* for 30 April 1860, pp. 30 ff.

But however great the progress of English industry had been during the eight years from 1848 to 1856 under the influence of a working day of 10 hours, it was far surpassed during the next period of six years from 1856 to 1862. In silk factories, for instance, there were 1,093,799 spindles in 1856, 1,388,544 spindles in 1862; 9,260 looms in 1856, 10,709 looms in 1862. The number of workers, however, was 56,131 in 1856 and 52,429 in 1862. The increase in spindles was therefore 26·9 per cent, and in looms 15·6 per cent, while the number of workers decreased by 7 per cent. In the year 1850, 875,830 spindles were used in worsted mills; in 1856 the figure was 1,324,549 (an increase of 51·2 per cent); and in 1862 it was 1,289,172 (a decrease of 2·7 per cent). But if we deduct the doubling spindles which figure in the total for 1856, but not in that for 1862, it will be found that after 1856 the number of spindles remained nearly stationary. On the other hand, after 1850 the speed of the spindles and looms was in many cases doubled. The number of power-looms in worsted mills was 32,617 in 1850, 38,956 in 1856, and 43,048 in 1862. The number of workers was 79,737 in 1850, 87,794 in 1856, and 86,063 in 1862. But the number of children under 14 years old included in these figures was 9,956 in 1850, 11,228 in 1856, and 13,178 in 1862. Thus in spite of the greatly increased number of looms in 1862, compared with 1856, the total number of workers employed decreased, and the number of children exploited increased.[92]

On the 27 April 1863, Mr Ferrand said in the House of Commons: 'I have been informed by delegates from sixteen districts of Lancashire and Cheshire, in whose behalf I speak, that the work in the factories is, in consequence of the improvements in machinery, constantly on the increase. Instead of as formerly one person with two helps tenting two looms, one person now tents three looms without helps, and it is no uncommon thing for one person to tent four. 12 hours' work, as is evident from the facts adduced,

[92] *Reports of the Inspectors of Factories . . . 31 October 1862*, pp. 100, 103, 129–130.

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*Cf. *Reports of the Inspectors of Factories . . . 31 October 1856*, p. 12. This is not a percentage increase, but a figure arrived at by dividing the absolute increase in the number of factories (in one case 383, in the other case 517) by the number of years between each return.

is now compressed into less than 10 hours. It is therefore self-evident, to what an enormous extent the toil of the factory operative has increased during the last ten years.'[93]

Thus, although the factory inspectors unceasingly, and quite rightly, commend the results of the Acts of 1844 and 1850, they admit that the shortening of the working day has already produced such an intensification of the labour itself as is injurious to the health of the worker and therefore to his labour-power as well. 'In most of the cotton, worsted, and silk mills, an exhausting state of excitement necessary to enable the workers satisfactorily to mind the machinery, the motion of which has been greatly accelerated within the last few years, seems to me not unlikely to be one of the causes of that excess of mortality from lung disease, which Dr Greenhow has pointed out in his recent report on this subject.'[94] Capital's tendency, as soon as a prolongation of the hours of labour is once for all forbidden, is to compensate for this by systematically raising the intensity of labour, and converting every improvement in machinery into a more perfect means for soaking up labour-power. There cannot be the slightest doubt that this process must soon lead once again to a critical point at which a further reduction in the hours of labour will be inevitable.[95] On the other hand, the rapid advance of English industry between 1848 and the present time, i.e. during the period of the 10-hour working day, surpasses the advance made between 1833 and 1847, during the period of the 12-hour working day, by far more than the latter surpasses the advance made during the half century after the first introduction of the factory system, i.e. during the period of the unrestricted working day.[96]

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[93] A weaver, working with two modern power-looms, now makes in a week of 60 hours twenty-six pieces of a given quality, length and breadth, while on the old power-looms he could make no more than four similar pieces. The cost of weaving a piece of cloth of this kind had already fallen from 2s. 9d. to 5⅛d. at the beginning of the 1850s. 'Thirty years ago' (in 1841) 'one spinner with three piecers was not required to attend to more than one pair of mules with 300–324 spindles. At the present time' (the end of 1871) 'he has to mind with the help of five piecers 2,200 spindles, and produces not less than seven times as much yarn as in 1841' (Alexander Redgrave, factory inspector, writing in *Journal of the Society of Arts*, 5 January 1872).

[94] *Reports of the Inspectors of Factories . . . 31 October 1861*, pp. 25–6.

[95] Agitation for a working day of 8 hours has now (1867) begun in Lancashire among the factory workers.

[96] The following few figures will show the progress of the actual 'factories' in the United Kingdom since 1848:

ty ed	Quantity exported 1851	Quantity exported 1860	Quantity exported 1865
31,162	143,966,106	197;343,655	103,751,455
	4,392,176	6,297,554	4,648,611
73,930	1,543,161,789	2,776,218,427	2,015,237,851
22,182	18,841,326	31,210,612	36,777,334
01,519	129,106,753	143,996,773	247,021,529
56,825	462,513	897,402	812,589
	1,181,455	1,307,293	†2,869,837
	14,670,880	27,533,968	31,669,267
	151,231,153	190,371,537	278,837,418

*1846. †In yards.

Value exported 1848 £	Value exported 1851 £	Value exported 1860 £	Value exported 1865 £
5,927,831	6,634,026	9,870,875	10,351,049
16,753,369	23,454,810	42,141,505	46,903,796
493,449	951,426	1,801,272	2,505,497
2,802,789	4,107,396	4,804,803	9,155,318
77,789	196,380	826,107	768,064
	1,130,398	1,587,303	1,409,221
776,975	1,484,544	3,843,450	5,424,017
5,733,828	8,377,183	12,156,998	20,102,259

ks, *Statistical Abstract for the United Kingdom*, No. 8, 1861, and 1866.) In Lancashire the number of mills

4. THE FACTORY

At the beginning of this chapter we considered the physical constituents of the factory, the organization of the system of machinery. We saw there how machinery, by appropriating the labour of women and children, augments the quantity of human material for capital to exploit, how it confiscates the whole of the worker's lifetime by its immoderate extension of the working day, and finally how its progress, which permits an enormous increase in production within a shorter and shorter amount of time, serves as a means of systematically getting more work done within a given period of time, or, in other words, constantly exploiting labour-power more intensively. We now turn to the factory as a whole, and indeed in its most developed form.

Dr Ure, the Pindar of the automatic factory, describes it, on the one hand, as 'combined co-operation of many orders of work-people, adult and young, in tending with assiduous skill a system of productive machines continuously impelled by a central power' (the prime mover); and on the other hand as 'a vast automaton, composed of various mechanical and intellectual organs, acting in uninterrupted concert for the production of a common object, all of them being subordinate to a self-regulated moving force'.* These two descriptions are far from being identical. In one, the combined collective worker appears as the dominant subject [*übergreifendes Subjekt*], and the mechanical automaton as the object; in the other, the automaton itself is the subject, and the workers are merely conscious organs, co-ordinated with the unconscious organs of the automaton, and together with the latter

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increased only 4 per cent between 1839 and 1850, 19 per cent between 1850 and 1856, and 33 per cent between 1856 and 1862; while the number of persons employed in them during each of the above periods of 11 years increased absolutely, but diminished relatively. (See *Reports of the Inspectors of Factories . . . 31 October 1862*, p. 63.) In Lancashire the cotton trade predominates. But the very important role cotton plays in the textile industry as a whole may be seen from the following comparative figures: the cotton trade accounts for 45·2 per cent of the total number of textile factories in the United Kingdom, 83·3 per cent of the spindles, 81·4 per cent of the power-looms, 72·6 per cent of the horse-power that sets them in motion, and 58·2 per cent of the total number of persons employed (ibid., pp. 62–3).

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* These quotations are from Ure, *Philosophy of Manufactures*, p. 13.

subordinated to the central moving force. The first description is applicable to every possible employment of machinery on a large scale, the second is characteristic of its use by capital, and therefore of the modern factory system. Ure therefore prefers to present the central machine from which the motion comes as not only an automaton but an autocrat. 'In these spacious halls the benignant power of steam summons around him his myriads of willing menials.'[97]

Along with the tool, the skill of the worker in handling it passes over to the machine. The capabilities of the tool are emancipated from the restraints inseparable from human labour-power. This destroys the technical foundation on which the division of labour in manufacture was based. Hence, in place of the hierarchy of specialized workers that characterizes manufacture, there appears, in the automatic factory, a tendency to equalize and reduce to an identical level every kind of work that has to be done by the minders of the machines;[98] in place of the artificially produced distinctions between the specialized workers, it is natural differences of age and sex that predominate.

In so far as the division of labour re-appears in the factory, it takes the form primarily of a distribution of workers among the specialized machines, and of quantities of workers, who do not however form organized groups, among the various departments of the factory, in each of which they work at a number of similar machines placed together; only simple co-operation therefore takes place between them. The organized group peculiar to manufacture is replaced by the connection between the head worker and his few assistants. The essential division is that between workers who are actually employed on the machines (among whom are included a few who look after the engine) and those who merely attend them (almost exclusively children). More or less all the 'feeders' who supply the machines with the material which is to be worked up are counted as attendants. In addition to these two principal classes, there is a numerically unimportant group whose occupation it is to look after the whole of the machinery and repair it from time to time, composed of engineers, mechanics, joiners etc. This is a superior class of workers, in part scientifically educated, in part trained in a handicraft; they stand outside the realm of the factory workers, and are added to them only to make up an aggregate.[99] This division of labour is purely technical.

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[97] Ure, op. cit., p. 18.

[98] ibid., p. 20. Cf. Karl Marx, *Misère de la philosophie*, pp. 140–41 [English edition, pp. 124–5].

All work at a machine requires the worker to be taught from childhood upwards, in order that he may learn to adapt his own movements to the uniform and unceasing motion of an automaton. Since the machinery, taken as a whole, forms a system of machines of various kinds, working simultaneously and in combination, co-operation based upon it requires the distribution of various groups of workers among the different kinds of machine. But machine production abolishes the necessity of fixing this distribution in the manner of manufacture, i.e. by constantly appropriating the same worker to the same function.[1] Since the motion of the whole factory proceeds not from the worker but from the machinery, the working personnel can continually be replaced without any interruption in the labour process. The most striking proof of this is afforded by the *relay system*, put into operation by the manufacturers during their revolt of 1848 to 1850.* Lastly, the speed with which machine work is learnt by young people does away with the need to bring up a special class of worker for exclusive employment by machinery.[2] The work of

[99] It is characteristic of the English intention to deceive by use of statistics (and this is demonstrable in detail in other cases as well) that the English factory legislation expressly excludes from its area of competence, as being 'not factory workers', the class of workers last mentioned, while the 'Returns' published by Parliament just as expressly include in the category of factory workers not only engineers, mechanics, etc. but also managers, salesmen, messengers, warehousemen, packers etc., in short, everybody except the owner of the factory himself.

[1] Ure concedes this. He says that 'in case of need' the workers can be moved at the will of the manager from one machine to another, and triumphantly exclaims: 'Such a change is in flat contradiction with the old routine, that divides the labour, and to one workman assigns the task of fashioning the head of a needle, to another the sharpening of the point.'* He ought rather to have asked himself why the 'old routine' is abandoned only 'in case of need' in the automatic factory.

[2] When distress is very great, as for instance during the American Civil War, the factory worker is now and then, and by way of exception, employed by the bourgeois to do the roughest work, such as road-making, etc. The English *'ateliers nationaux'*† of 1862 and the following years, established for the unemployed cotton workers, differ from the French ones of 1848 in that in the latter the workers had to do unproductive work at the expense of the

* Ure, op. cit., p. 22. † 'National workshops'.

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* See above, pp. 400–405.

those people who are merely attendants can, to some extent, be replaced in the factory by the use of machines.[3] In addition to this, the very simplicity of the work allows a rapid and constant turnover of the individuals burdened with this drudgery.

Thus although, from a technical point of view, the old system of division of labour is thrown overboard by machinery, it hangs on in the factory as a tradition handed down from manufacture, and is then systematically reproduced and fixed in a more hideous form by capital as a means of exploiting labour-power. The lifelong speciality of handling the same tool now becomes the lifelong speciality of serving the same machine. Machinery is misused in order to transform the worker, from his very childhood, into a part of a specialized machine.[4] In this way, not only are the expenses necessary for his reproduction considerably lessened, but at the same time his helpless dependence upon the factory as a whole, and therefore upon the capitalist, is rendered complete. Here, as everywhere else, we must distinguish between the increased productivity which is due to the development of the social process of production, and that which is due to the exploitation by the capitalists of that development.

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state, and in the former they had do to productive municipal work to the advantage of the bourgeois, and indeed more cheaply than the regular workers, with whom they were thus thrown into competition. 'The physical appearance of the cotton operatives is unquestionably improved. This I attribute ... as do the men, to outdoor labour on public works' (*Reports of the Inspectors of Factories ... 31 October 1863*, p. 59). The reference here is to the factory workers of Preston, who were set to work on Preston Moor.

[3] An example: the various pieces of mechanical apparatus introduced into woollen mills since the Act of 1844 in order to replace the labour of children. When the children of the manufacturers themselves have to go through a course of schooling as assistants in the factory, this hitherto almost unexplored area of mechanics will make remarkable progress. 'Of machinery, perhaps self-acting mules are as dangerous as any other kind. Most of the accidents from them happen to little children, from their creeping under the mules to sweep the floor whilst the mules are in motion. Several "minders" have been fined for this offence, but without much general benefit. If machine makers would only invent a self-sweeper, by whose use the necessity for these little children to creep under the machinery might be prevented, it would be a happy addition to our protective measures' (*Reports of the Inspectors of Factories ... 31 October 1866*, p. 63).

[4] So much then for Proudhon's wonderful idea: he 'construes' machinery not as a synthesis of instruments of labour, but as a synthesis of instruments of different partial operations for the benefit of the worker himself.*

* See Marx, *Poverty of Philosophy*, pp. 116–17.

In handicrafts and manufacture, the worker makes use of a tool; in the factory, the machine makes use of him. There the movements of the instrument of labour proceed from him, here it is the movements of the machine that he must follow. In manufacture the workers are the parts of a living mechanism. In the factory we have a lifeless mechanism which is independent of the workers, who are incorporated into it as its living appendages. 'The wearisome routine of endless drudgery in which the same mechanical process is ever repeated, is like the torture of Sisyphus; the burden of toil, like the rock, is ever falling back upon the worn-out drudge.'[5]

Factory work exhausts the nervous system to the uttermost; at the same time, it does away with the many-sided play of the muscles, and confiscates every atom of freedom, both in bodily and in intellectual activity.[6] Even the lightening of the labour becomes an instrument of torture, since the machine does not free the worker from the work, but rather deprives the work itself of all content. Every kind of capitalist production, in so far as it is not only a labour process but also capital's process of valorization, has this in common, but it is not the worker who employs the conditions of his work, but rather the reverse, the conditions of work employ the worker. However, it is only with the coming of machinery that this inversion first acquires a technical and palpable reality. Owing to its conversion into an automaton, the instrument of labour confronts the worker during the labour process in the shape of capital, dead labour, which dominates and soaks up living labour-power. The separation of the intellectual faculties of the production process from manual labour, and the transformation of those faculties into powers exercised by capital over labour, is, as we have already shown, finally completed by large-scale industry erected on the foundation of machinery. The special skill of each individual machine-operator, who has now been deprived of all significance, vanishes as an infinitesimal quantity in the face of the science, the gigantic natural forces, and the mass of social labour embodied in the system of machinery, which, together with those three forces, constitutes the power of the 'master'. This 'master', therefore, in whose mind the machinery and his monopoly of it are inseparably united, contemptuously tells his 'hands', whenever he comes into conflict with them: 'The factory operatives should keep in wholesome remembrance the fact that theirs is really a low species of skilled labour; and that there is none which is more easily acquired, or of its quality more amply remunerated, or which by a short training of the least expert can be more quickly, as well as abundantly, acquired . . . The master's machinery really plays a far more important part in the business of production than the labour and the skill of the operative, which six months' education can teach, and a common labourer can learn.'[7] The technical subordination of the worker to the uniform motion of the instruments of labour, and the peculiar composition of the working group, consisting as it does of individuals of both sexes and all ages, gives rise to a barrack-like discipline, which is elaborated into a complete system in the factory, and brings the previously mentioned labour of superintendence to its fullest development, thereby dividing the workers into manual labourers and overseers, into the private soldiers and the N.C.O.s of an industrial army. 'The main difficulty' (in the automatic factory) 'lay . . . above all in training human beings to renounce their desultory habits of work, and to identify themselves with the unvarying regularity of the complex automaton. To devise and administer a successful code of factory discipline, suited to the necessities of factory diligence, was the Herculean enterprise, the noble achievement of Arkwright! Even at the present day, when the system is perfectly organized and its labour lightened to the utmost, it is found nearly impossible to convert persons past the age of puberty into useful factory hands.'[8] In the factory code, the capitalist formulates his autocratic power over his workers like a private legislator, and purely as an emanation of his own will, unaccompanied by either that division of responsibility otherwise so much approved of by the bourgeoisie, or the still more approved representative system. This code is merely the capitalist caricature of the social regulation of the labour process which becomes necessary in co-operation on a large scale and in the employment in common of instruments of labour, and especially of machinery. The overseer's book of penalties replaces the slave-driver's lash. All punishments naturally resolve themselves into fines and deductions from wages, and the law-giving talent of the factory Lycurgus* so arranges matters that a violation of his laws is, if possible, more profitable to him than the keeping of them.[9]

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[5] F. Engels, *Lage etc.*, p. 217 [English edition, p. 205].* Even a very ordinary and optimistic free-trader like Molinari makes this remark: 'A man becomes exhausted more quickly when he watches over the uniform motion of a mechanism for fifteen hours a day, than when he applies his physical strength throughout the same period of time. This labour of surveillance, which might perhaps serve as a useful exercise for the mind, if it did not go on too long, destroys both the mind and the body in the long run through excessive application' (G. de Molinari, *Études économiques*, Paris, 1846 [p. 49]).

[6] F. Engels, op. cit., p. 216 [English edition, p. 204].

*This is in fact a quotation from Engels' footnote reference to a book by Dr J. P. Kay, *The Moral and Physical Condition of the Working Classes Employed in the Cotton Manufacture in Manchester* (1832).

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[7] *The Master Spinners' and Manufacturers' Defence Fund. Report of the Committee*, Manchester, 1854, p. 17. We shall see later that the 'master' can sing quite a different tune when he is threatened with the loss of his 'living' automaton.

[8] Ure, op. cit., p. 15. Anyone who knows Arkwright's biography will be

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unlikely to apply the epithet 'noble' to this barber-genius.* Of all the great inventors of the eighteenth century, he was unquestionably the greatest thief of other people's inventions and the meanest character.

[9] 'The slavery in which the bourgeoisie holds the proletariat chained is nowhere more conspicuous than in the factory system. Here ends all freedom in law and in fact. The operative must be in the mill at half past five in the morning; if he comes a couple of minutes too late, he is fined; if he comes ten minutes too late, he is not let in until breakfast is over, and a quarter of the day's wages is withheld ... He must eat, drink and sleep at command ... The despotic bell calls him from his bed, his breakfast, his dinner. What a time he has of it, too, inside the factory! Here the employer is absolute law-giver; he makes regulations at will, changes and adds to his codex at pleasure; and even if he inserts the craziest stuff, the courts say to the working man: Since you have freely entered into this contract, you must be bound to it ... These operatives are condemned from their ninth year to their death to live under the sword, physically and mentally' (F. Engels, op. cit., p. 217 [English translation, pp. 205–7]). I shall illustrate 'what the courts say' with two examples. One case occurred at Sheffield at the end of 1866. In that town a worker had engaged himself for two years in a steelworks. As a result of a dispute with his employer he left the works, and declared that under no circumstances would he work for that master any more. He was prosecuted for breach of contract, and condemned to two months' imprisonment. (If the master breaks the contract, only a civil action can be

*Sir Richard Arkwright (1732–92) started out as a barber, and gleaned such mechanical knowledge as he had from conversations with customers. Despite this, he patented a spinning-frame in 1769. It was later claimed that he had thereby stolen the invention of a certain Thomas Highs. Then, in 1775, he patented a whole series of other inventions, none of which he had invented himself. Though deprived of his patents in 1781, a decision which was confirmed after a court action in 1785, he continued to develop new factories, and died leaving £500,000.

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*The legendary author of the constitution of Sparta.

brought; all he risks is an award of damages.) After the worker had served his two months' imprisonment, the master invited him to return to the works, pursuant to the contract. The worker said no, he had already been punished for the breach of contract. The master prosecuted again, the court condemned again, although one of the judges, Mr Shee, publicly denounced it as a legal monstrosity that a man can periodically, as long as he lives, be punished over and over again for the same offence or crime. This judgement was handed down not by the 'Great Unpaid',* the provincial Dogberries, but by one of the highest courts of justice in London. [Added by Engels in the fourth German edition: This has now been done away with. With a few exceptions, such as when public gas-works are involved, the worker in England is now on an equal footing with the employer in case of breach of contract and can only be sued under civil law.] The second case occurred i Wiltshire at the end of November 1863. Around thirty power-loom weavers employed by one Harrup, a cloth manufacturer at Leower's Mill, Westbury Leigh, struck work because the same Harrup indulged in the agreeable habit of making deductions from their wages for being late in the morning; 6d. for two minutes; 1s. for three minutes, and 1s. 6d. for ten minutes. This is at the rate of 9s. per hour, and £4 10s. 0d. per day; whereas the annual average wage of the weavers never exceeded 10s. to 12s. a week. Harrup also appointed a boy to announce the starting time by a whistle, which he often did before six o'clock in the morning; and if the 'hands' were not all there at the moment the whistle ceased, the doors were closed and those who were shut out were fined. As there was no clock on the premises, the unfortunate workers were at the mercy of the young Harrup-inspired time-keeper. The striking 'hands', mothers of families as well as girls, offered to resume work if the time-keeper were replaced by a clock, and a more reasonable scale of fines introduced. Harrup summoned nineteen women and girls before the magistrates for breach of contract. To the utter indignation of all those present, they were each mulcted of 6d. and 2s. 6d. for costs. Harrup was followed from the court by a crowd of people who hissed him. A favourite operation with manufacturers is to punish workers by making deductions from their wages for faults in the material supplied to them. This method gave rise in 1866 to a widespread strike in the English pottery districts. The reports of the Childrens' Employment Commission (1863–6) give cases where the worker not only receives no wages, but becomes, by means of his labour, and owing to the penal regulations, the debtor of his worthy master. The recent cotton crisis has also furnished edifying examples of the sharp-wittedness shown by the factory autocrats in making deductions from wages. Mr R. Baker, the inspector of factories, says 'I have myself had lately to direct prosecutions against one cotton mill occupier for having in these pinching and painful times deducted 10d. a piece from some of the young workers employed by him, for the surgeon's certificate (for which he himself had only paid 6d.), when only allowed by the law to deduct 3d., and by custom nothing at all . . . And I have been informed of another, who, in order to keep within the law, but to attain the same object, charges the poor children who work for him a shilling each, as a fee for learning them the art and mystery of cotton spinning, so soon as they are declared by the surgeon fit and proper persons for that occupation. There

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*See above, p. 401, n. 23.

Here we shall merely allude to the material conditions under which factory labour is performed. Every sense organ is injured by the artificially high temperatures, by the dust-laden atmosphere, by the deafening noise, not to mention the danger to life and limb among machines which are so closely crowded together, a danger which, with the regularity of the seasons, produces its list of those killed and wounded in the industrial battle.[10] The economical use of the social means of production, matured and forced as in a hothouse by the factory system, is turned in the hands of capital

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may therefore be undercurrent causes for such extraordinary exhibitions as strikes, not only wherever they arise, but particularly at such times as the present, which without explanation, render them inexplicable to the public understanding.' He alludes here to a strike of power-loom weavers at Darwen, in June 1863. (*Reports of the Inspectors of Factories ... 30 April 1863*, pp. 50–51.) The reports always go beyond their official dates.

[10] The protection afforded by the Factory Acts against dangerous machinery has had a beneficial effect. 'But ... there are other sources of accident which did not exist twenty years since; one especially, viz., the increased speed of the machinery. Wheels, rollers, spindles and shuttles are now propelled at increased and increasing rates; fingers must be quicker and defter in their movements to take up the broken thread, for, if placed with hesitation or carelessness, they are sacrificed ... A large number of accidents are caused by the eagerness of the workpeople to get through their work expeditiously. It must be remembered that it is of the highest importance to manufacturers that their machinery should be in motion, i.e. producing yarns and goods. Every minute's stoppage is not only a loss of power, but of production, and the workpeople are urged by the overlookers, who are interested in the quantity of work turned off, to keep the machinery in motion; and it is no less important to those of the operatives who are paid by the weight or piece, that the machines should be kept in motion. Consequently, although it is strictly forbidden in many, nay in most factories, that machinery should be cleaned while in motion, it is nevertheless the constant practice in most, if not in all, that the workpeople do, unreproved, pick out waste, wipe rollers and wheels, etc., while their frames are in motion. Thus from this cause only, 906 accidents have occurred during the six months ... Although a great deal of cleaning is constantly going on day by day, yet Saturday is generally the day set apart for the thorough cleansing of the machinery, and a great deal of this is done while the machinery is in motion. Since cleaning is not paid for, the workpeople seek to get done with it as speedily as possible. Hence the number of accidents which occur on Fridays, and especially on Saturdays, is much larger than on any other day. On the former day the excess is nearly 12 per cent over the average number of the four first days of the week, and on the latter day the excess is 25 per cent over the average of the preceding five or, if the number of working-hours on Saturday is taken into account – 7½ hours on Saturday as compared with 10½ on other days – there is an excess of 65 per cent on Saturdays over the average of the other five days' (*Reports of the Inspectors of Factories ... 31 October 1866*, pp. 9, 15–17).

into systematic robbery of what is necessary for the life of the worker while he is at work, i.e. space, light, air and protection against the dangerous or the unhealthy concomitants of the production process, not to mention the theft of appliances for the comfort of the worker.[11] Was Fourier wrong when he called factories 'mitigated jails'?[12]*

5. THE STRUGGLE BETWEEN WORKER AND MACHINE

The struggle between the capitalist and the wage-labourer starts with the existence of the capital-relation itself. It rages throughout the period of manufacture.[13] But only since the introduction of

[11] In Part I of Volume 3 I shall give an account of a recent campaign by the English manufacturers against the clauses in the Factory Acts that protect the 'hands' against dangerous machinery.* For the present, let this one quotation from the official report of Leonard Horner suffice: 'I have heard some mill-owners speak with inexcusable levity of some of the accidents; such, for instance, as the loss of a finger being a trifling matter. A working-man's living and prospects depend so much upon his fingers that any loss of them is a very serious matter to him. When I have heard such inconsiderate remarks made, I have usually put this question: Suppose you were in want of an additional workman, and two were to apply, both equally well qualified in other respects, but one had lost a thumb or a forefinger, which would you engage? There never was a hesitation as to the answer.' The manufacturers 'have mistaken prejudices against what they have heard represented as pseudo-philanthropic legislation' (*Reports of the Inspectors of Factories . . . 31 October 1855*). These manufacturers are 'clever folk' and it was not without reason that they were enthusiastically in favour of the Slave-holders' Rebellion.†

[12] In those factories that have been longest subject to the Factory Acts, with their compulsory limitation of the hours of labour, and other regulations, many of the older abuses have vanished. The improvement of machinery in itself requires, to a certain extent, 'improved construction of the buildings', and this is of advantage to the workers. (See *Reports of the Inspectors of Factories . . . 31 October 1863*, p. 109.)

[13] See, among others, John Houghton, *Husbandry and Trade Improved*, London, 1727; *The Advantages of the East-India Trade*, 1720; and John Bellers, *Essays about the Poor*, London, 1699. 'The masters and their workmen are, unhappily, in a perpetual war with each other. The invariable object of the former is to get their work done as cheaply as possible; and they do not

*See *Capital*, Vol. 3, Part I, Chapter 5, Section 2.
†The American Civil War.

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* *'Les bagnes mitigés'*. The quotation is from Fourier, *La Fausse Industrie morcelée, répugnante, mensongère, et l'antidote, l'industrie naturelle, combinée, attrayante, véridique, donnant quadruple produit*, Paris, 1835, p. 59.

machinery has the worker fought against the instrument of labour itself, capital's material mode of existence. He is in revolt against this particular form of the means of production because it is the material foundation of the capitalist mode of production.

In the seventeenth century nearly all Europe experienced workers' revolts against the ribbon-loom, a machine for weaving ribbons and lace trimmings called in Germany *Bandmühle*, *Schnurmühle*, or *Mühlenstuhl*.[14] In the 1630s, a wind-driven saw-mill, erected near London by a Dutchman, succumbed to the rage of the mob. Even as late as the beginning of the eighteenth century, saw-mills driven by water overcame the opposition of the people only with great difficulty, supported as this opposition was by Parliament. No sooner had Everett constructed the first wool-shearing machine to be driven by water-power (1758) than it was set on fire by 100,000 people who had been thrown out of work. Fifty thousand workers, who had previously lived by carding wool, petitioned Parliament against Arkwright's scribbling mills and carding engines. The large-scale destruction of machinery which occurred in the English manufacturing districts during the first fifteen years of the nineteenth century, largely as a result of the employment of the power-loom, and known as the Luddite movement, gave the anti-Jacobin government, composed of such people as Sidmouth and Castlereagh, a pretext for the most violent and reactionary measures. It took both time and experience before the workers learnt to distinguish between machinery and its employment by capital, and therefore to transfer their attacks from the

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fail to employ every artifice to this purpose, whilst the latter are equally attentive to every occasion of distressing their masters into a compliance with higher demands' (*An Enquiry into the Causes of the Present High Price of Provisions*, 1767, pp. 61–2. The author, the Reverend Nathaniel Forster, is entirely on the side of the workers).

[14] The ribbon-loom was invented in Germany. The Italian abbé Lancellotti, in a work that appeared in Venice in 1637, but was written in 1623, says this: 'Anthony Müller of Danzig saw about fifty years ago in that town a very ingenious machine, which weaves four to six pieces at once. But the mayor of the town became apprehensive that this invention might throw a large number of workmen onto the streets, and therefore had the invention suppressed and the inventor secretly strangled or drowned.'* In Leyden, this machine was

*Marx is here citing the work by Secondo Lancellotti, *L'hoggidì, overo Gl'ingegni non inferiori à' passati*, Parte 2, Venice, 1637, on the basis of Johann Beckmann, *Beyträge zur Geschichte der Erfindungen*, Vol. I, Leipzig, 1786, pp. 125–32.

material instruments of production to the form of society which utilizes those instruments.[15]

The struggles over wages within the manufacturing system presuppose manufacture, and are in no sense directed against its existence. The opposition to the establishment of manufactures proceeds from the guild-masters and the privileged towns, not from the wage-labourers. Hence the writers of the manufacturing period treat the division of labour predominantly as a means of virtually making up for a shortage of workers, and not of actually displacing them. This distinction is very clear. If someone says that 100 million people would be required in England to spin with the old spinning-wheel the cotton that is now spun with mules by 500,000 people, this does not mean that the mules took the place of those millions who never existed. It means only that many million workers would be required to replace the spinning machinery. If, on the other hand, we say that in England the power-loom threw 800,000 weavers onto the streets, we do not refer to existing machinery, which would have to be replaced by a

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not used until 1629; there riots by the lace-makers at length compelled the town council to prohibit it. The States General of Holland, after imposing various restrictions on its use by the decrees of 1623, 1639, etc., at length permitted it, still under certain conditions, by the decree of 15 December 1661. 'In this town', says Boxhorn (*Inst. Pol.*, 1663),* referring to the introduction of the ribbon-loom into Leyden, 'about twenty years ago certain people invented an instrument for weaving, with which a single person could weave more cloth, and more easily, than many others in the same length of time. As a result there arose disturbances and complaints from the weavers, until the town council finally prohibited the use of this instrument.' It was also prohibited in Cologne in 1676, at the same time as its introduction into England was causing disturbances among the workers. By an Imperial Edict of 19 February 1685, its use was forbidden throughout Germany. In Hamburg it was burnt in public by order of the Senate. The Emperor Charles VI, on 9 February 1719, renewed the edict of 1685, and not till 1765 was its use openly allowed in the Electorate of Saxony. This machine, which caused so much disturbance throughout Europe, was in fact the precursor of the mule and the power-loom, and of the industrial revolution of the eighteenth century. It enabled a boy with no previous experience of weaving to set the whole loom with all its shuttles in motion, simply by moving a rod backwards and forwards, and, in its improved form, it produced from forty to fifty pieces at once.

[15] In old-fashioned manufactures the revolts of the workers against machinery, even to this day, occasionally take this crude form, as for instance in the case of the Sheffield file grinders in 1865.

*Full reference: M. Z. Boxhorn, *Marci Zuerii Boxhornii institutionum politicarum liber primus*, Amsterdam, 1663.

certain number of workers, but to an actually existing number of workers who were in fact replaced or displaced by the looms. Handicraft labour, even if it was subdivided into many different parts, remained the basis throughout the period of manufacture. The demands of the new colonial markets could not be satisfied by the relatively small number of urban workers handed down from the Middle Ages, and the manufactures proper opened out new fields of production to the rural population which had been driven from the land by the dissolution of the feudal system. At that time, therefore, it was the positive side of the division of labour and co-operation in the workshops which emerged most clearly, i.e. the fact that they allowed the workers to be employed more productively.[16] Long before the period of large-scale industry, co-operation and the concentration of the instruments of labour in the hands of a few people gave rise, in numerous countries where these methods were applied to agriculture, to great, sudden and forcible revolutions in the mode of production, and, as a result, in the conditions of existence and the means of employment of the rural population. But here the struggle at first takes place more between large and small landed proprietors than between capital and wage-labour; on the other hand, when labourers are displaced by the instruments of labour, by sheep, horses, etc., in that case direct acts of violence are in the first instance the pre-condition of the industrial revolution. First the labourers are driven from the land, and then the sheep arrive. Very extensive thefts of land, as perpetrated in England for instance, are the means whereby large-scale agriculture first gains a field of application.[17] Hence this transformation in agriculture initially tends to have the appearance of a political revolution.

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[16] This is also how Sir James Steuart conceives the impact of machinery. 'I consider machines, then, as means of securing a virtual increase in the number of working people, without being obliged to feed any more than before... In what way does the effect of a machine differ from that of new inhabitants?' (French translation, Vol. 1, Bk I, Ch. 19). More naïve is Petty, who says it replaces 'polygamy'.* That point of view is, at most, admissible only for certain parts of the United States. On the other hand, 'machinery can seldom be used with success to abridge the labour of an individual; more time would be lost in its construction than could be saved by its application. It is only really useful when it acts on great masses, when a single machine can assist the work of thousands. It is accordingly in the most populous countries, where there are most idle men, that it is most abundant ... It is not called into use by a scarcity of men, but by the facility with which they can be brought to work in masses' (Piercy Ravenstone, *Thoughts on the Funding System, and Its Effects*, London, 1824, p. 45).

*'Upon producing food and necessaries for the whole people of the land, by few hands; by introducing the Compendium and Facilitations of Art, which is equivalent to what men vainly hoped from Polygamy' (*Verbum Sapienti*, London, 1691, p. 22).

The instrument of labour, when it takes the form of a machine, immediately becomes a competitor of the worker himself.[18] The self-valorization of capital by means of the machine is related directly to the number of workers whose conditions of existence have been destroyed by it. The whole system of capitalist production is based on the worker's sale of his labour-power as a commodity. The division of labour develops this labour-power in a one-sided way, by reducing it to the highly particularized skill of handling a special tool. When it becomes the job of the machine to handle this tool, the use-value of the worker's labour-power vanishes, and with it its exchange-value. The worker becomes unsaleable, like paper money thrown out of currency by legal enactment. The section of the working class thus rendered superfluous by machinery, i.e. converted into a part of the population no longer directly necessary for the self-valorization of capital, either goes under in the unequal contest between the old handicraft and manufacturing production and the new machine production, or else floods all the more easily accessible branches of industry, swamps the labour-market, and makes the price of labour-power fall below its value. It is supposed to be a great consolation to the pauperized workers that, firstly, their sufferings are only temporary ('a temporary inconvenience') and, secondly, machinery only gradually seizes control of the whole of a given field of production, so that the extent and the intensity of its destructive effect is diminished. The first consolation cancels out the second. When machinery seizes on an industry by degrees, it produces chronic misery among the workers who compete with it. Where the transition is rapid, the effect is acute and is felt by great masses of people. World history offers no spectacle more frightful than the gradual extinction of the English hand-loom weavers; this tragedy dragged on for decades, finally coming to an end in 1838. Many of the weavers died of starvation, many vegetated with their families for a long period on 2½d. a day.[19] In India, on the other hand, the English cotton machinery produced an *acute* effect. The Governor General reported as follows in 1834–5: 'The misery hardly finds a parallel in the history of commerce. The bones of the cotton-weavers are bleaching the plains of India.' Of course, in turning the weavers out of this 'temporal' world, the machinery caused them a 'temporary inconvenience'.* But in any case, since machinery is continually seizing on new fields of production, its 'temporary' effect is really permanent. Hence the character of independence from and estrangement towards the worker, which the capitalist mode of production gives to the conditions of labour and the product of labour, develops into a complete and total antagonism with the advent of machinery.[20] It is therefore when machinery arrives on the scene that the

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[17] [Note by Engels to the fourth German edition:] This applies to Germany too. Wherever large-scale agriculture exists in our country, hence particularly in the East, it has become possible only through the clearing of peasants from the estates ('*Bauernlegen*'), a practice which became widespread after the sixteenth century, and especially after 1648.

[18] 'Machinery and labour are in constant competition' (Ricardo, op. cit., p. 479).

[19] The competition between hand-weaving and power-weaving in England was prolonged before the introduction of the Poor Law of 1834 by the fact that wages, which had fallen considerably below the minimum, could be supplemented with parish relief. 'The Reverend Mr Turner was, in 1827, rector of Wilmslow, in Cheshire, a manufacturing district. The questions of the Committee on Emigration, and Mr Turner's answers, show how the competition of human labour is maintained against machinery. "Question: Has not the use of the power-loom superseded the use of the hand-loom? Answer: Undoubtedly; it would have superseded them much more than it has done, if the hand-loom weavers were not enabled to submit to a reduction of wages." "Question: But in submitting he has accepted wages which are insufficient to support him, and looks to parochial contribution as the remainder of his support? Answer: Yes, and in fact the competition between the hand-loom and the power-loom is maintained out of the poor-rates." Thus degrading pauperism or expatriation, is the benefit which the industrious receive from the introduction of machinery, to be reduced from the respectable and in some degree independent mechanic, to the cringing wretch who lives on the debasing bread of charity. This they call a temporary inconvenience' (*A Prize Essay on the Comparative Merits of Competition and Co-operation*, London, 1834, p. 29).

[20] 'The same cause which may increase the [net] revenue of the country' (i.e., as Ricardo explains in the same passage, 'the revenues of landlords and capitalists', whose wealth, from the economic point of view, is equivalent to the wealth of the nation), 'may at the same time render the population redundant and deteriorate the condition of the labourer' (Ricardo, op. cit., p. 469). 'The constant aim and the tendency of every improvement in machinery is, in fact, to do away entirely with the labour of man, or to lessen its price by substituting the labour of women and children for that of grown-up men, or of unskilled for that of skilled workmen' (Ure, op. cit., p. 23).

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*This play on the words 'temporal' and 'temporary' is possible because the German word *zeitlich* covers both senses.

worker for the first time revolts savagely against the instruments of labour.

The instrument of labour strikes down the worker. The direct antagonism between the two is at its most apparent whenever newly introduced machinery enters into competition with handicrafts or manufactures handed down from former times. But within large-scale industry itself the continual improvement of machinery and the development of the automatic system has an analogous effect. 'The object of improved machinery is to diminish manual labour, to provide for the performance of a process or the completion of a link in a manufacture by the aid of an iron instead of the human apparatus.'[21] 'The adaptation of power to machinery heretofore moved by hand is almost of daily occurrence . . . the minor improvements in machinery having for their object economy of power, the production of better work, the turning off more work in the same time, or in supplying the place of a child, a female, or a man, are constant, and although sometimes apparently of no great moment, have somewhat important results.'[22] 'Whenever a process requires peculiar dexterity and steadiness of hand, it is withdrawn, as soon as possible, from the cunning workman, who is prone to irregularities of many kinds, and it is placed in charge of a peculiar mechanism, so self-regulating that a child can superintend it.'[23] 'On the automatic plan skilled labour gets progressively superseded.'[24] 'The effect of improvements in machinery, not merely in superseding the necessity for the employment of the same quantity of adult labour as before, in order to produce a given result, but in substituting one description of human labour for another, the less skilled for the more skilled, juvenile for adult, female for male, causes a fresh disturbance in the rate of wages.'[25] 'The effect of substituting the self-acting mule for the common mule, is to discharge the greater part of the men spinners, and to retain adolescents and children.'[26] The machine system's extraordinary capacity for expansion is a result of accumulated practical experience, the extent of the mechanical instruments already available for use, and the constant advance of technology; it has shown what giant strides it can take under the pressure of the shortened working day. But who in 1860, the year in which the English cotton industry reached its zenith, would have dreamt of the galloping pace of improvements in machinery, and the corresponding displacement of manual labour, which the stimulus of the American Civil War called forth in the following three years? A couple of examples from the *Reports of the Inspectors of Factories* will suffice on this point. A Manchester manufacturer states: 'We formerly had seventy-five carding engines, now we have twelve, doing the same quantity of work ... We are doing with fewer hands by fourteen, at a saving in wages of £10 a week. Our estimated saving in waste is about 10 per cent in the quantity of cotton consumed.' 'In another fine-spinning mill in Manchester, I was informed that through increased speed and the adoption of some self-acting processes, a reduction had been made, in number, of a fourth in one department, and of above half in another, and that the introduction of the combing machine in place of the second carding, had considerably reduced the number of hands formerly employed in the carding-room.' Another spinning-mill is estimated to effect a saving of 'hands' of 10 per cent. Messrs Gilmour, spinners at Manchester, make this statement: 'In our blowing-room department we consider our expense with new machinery is fully one-third less in wages and hands ... in the jack-frame and drawing-frame room, about one-third less in expense, and likewise one-third less in hands; in the spinning-room about one-third less in expenses. But this is not all; when our yarn goes to the manufacturers, it is so much better by the application of our new machinery, that they will produce a greater quantity of cloth, and cheaper than from the yarn produced by old machinery.'[27] Mr Redgrave, the factory inspector, remarks in connection with this: 'The reduction of hands against increased production is, in fact, constantly taking place; in woollen mills the reduction commenced some time since, and is continuing; a few days since, the master of a school in the neighbourhood of Rochdale said to me, that the great falling off in the girls' school is not only caused by the distress, but by the changes of machinery in the woollen mills, in consequence of which a reduction of seventy short-timers had taken place.'[28]

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[21] *Reports of the Inspectors of Factories . . . 31 October 1858*, p. 43.

[22] *Reports of the Inspectors of Factories . . . 31 October 1856*, p. 15.

[23] Ure, op. cit., p. 19. 'The great advantage of the machinery employed in brick-making consists in this, that the employer is made entirely independent of skilled labourers' (*Children's Employment Commission, Fifth Report*, London, 1866, p. 130, n. 46). Mr A. Sturrock, superintendent of the machine department of the Great Northern Railway, says with regard to the building of machines (locomotives, etc.): 'Expensive English workmen are being less used every day. The production of the workshops of England is being increased by the use of improved tools and these tools are again served by a low class of labour . . . Formerly their skilled labour necessarily produced all the parts of engines. Now the parts of engines are produced by labour with less skill, but with good tools. By tools, I mean engineer's machinery, lathes, planing machines, drills, and so on' (*Royal Commission on Railways, Minutes of Evidence*, n. 17862 and n. 17863, London, 1867).

[24] Ure, op. cit., p. 20.

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[25] Ure, op. cit., p. 321. [26] ibid., p. 23.

[27] *Reports of the Inspectors of Factories ... 31 October 1863*, pp. 108–9.

The following table shows the total result of the mechanical improvements in the English cotton industry resulting from the American Civil War*:

NUMBER OF FACTORIES

	1858	1861	1868
England and Wales	2,046	2,715	2,405
Scotland	152	163	131
Ireland	12	9	13
United Kingdom	2,210	2,887	2,549

NUMBER OF POWER-LOOMS

	1858	1861	1868
England and Wales	275,590	368,125	344,719
Scotland	21,624	30,110	31,864
Ireland	1,633	1,757	2,746
United Kingdom	298,847	399,992	379,329

[28] ibid., p. 109. The rapid improvement of machinery during the crisis allowed the English manufacturers, immediately after the end of the American Civil War, and almost in no time, to glut the world market once again. During the last six months of 1866 cloth was almost unsaleable. This was followed by the sending of goods on consignment to India and China, which of course merely intensified the 'glut'. At the beginning of 1867 the manufacturers resorted to their usual way out of the difficulty: they reduced wages by 5 per cent. The workers resisted this, and made the theoretically quite correct assertion that the only remedy was to work short time, four days a week. After holding out for some time, the self-appointed captains of industry had to make up their minds to introduce short time, with reduced wages in some places, and in others without reduced wages.

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*The table was compiled from the following three Parliamentary Returns: *Return to an Address of the Honourable the House of Commons*, 15 April 1856; *Return to an Address of the Honourable the House of Commons*, 24 April 1861; *Return to an Address of the Honourable the House of Commons*, 5 December 1867.

NUMBER OF SPINDLES

	1858	1861	1868
England and Wales	25,818,576	28,352,152	30,478,228
Scotland	2,041,129	1,915,398	1,397,546
Ireland	150,512	119,944	124,240
United Kingdom	28,010,217	30,387,494	32,000,014

NUMBER OF PERSONS EMPLOYED

	1858	1861	1868
England and Wales	341,170	407,598	357,052
Scotland	34,698	41,237	39,809
Ireland	3,345	2,734	4,203
United Kingdom	379,213	451,569	401,064

Hence, between 1861 and 1868, 338 cotton factories disappeared, in other words, more productive machinery on a larger scale was concentrated in the hands of a smaller number of capitalists. The number of power-looms decreased by 20,663; but since their product increased in the same period, an improved loom yielded more than an old one. Finally, the number of spindles increased by 1,612,541, while the number of workers employed decreased by 50,505. The 'temporary' misery inflicted on the workers by the cotton crisis was therefore heightened and made permanent by the rapid and continuous progress of machinery.

But machinery does not just act as a superior competitor to the worker, always on the point of making him superfluous. It is a power inimical to him, and capital proclaims this fact loudly and deliberately, as well as making use of it. It is the most powerful weapon for suppressing strikes, those periodic revolts of the working class against the autocracy of capital.[29] According to Gaskell, the steam-engine was from the very first an antagonist of 'human power', an antagonist that enabled the capitalists to tread underfoot the growing demands of the workers, which threatened to drive the infant factory system into crisis.[30] It would be possible to write a whole history of the inventions made since 1830 for the sole purpose of providing capital with weapons against working-class revolt. We would mention, above all, the self-acting mule, because it opened up a new epoch in the automatic system.[31]

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[29] 'The relation of master and man in the blown flint and bottle trades amounts to a chronic strike.' Hence the impetus given to the manufacture of pressed glass, in which the chief operations are done by machinery. One firm in Newcastle, which formerly produced 350,000 lb. of blown flint glass *per annum*, now produces instead 3,000,500 lb. of pressed glass. (*Children's Employment Commission, Fourth Report*, 1865, pp. 261–2.)

Nasmyth, the inventor of the steam-hammer, gave the following evidence before the Commission on Trades Unions, with regard to the improvements in machinery he himself introduced as a result of the wide-spread and long-lasting strikes of the engineers in 1851. 'The characteristic feature of our modern mechanical improvements, is the introduction of self-acting tool machinery. What every mechanical workman has now to do, and what every boy can do, is not to work himself but to superintend the beautiful labour of the machine. The whole class of workmen that depend exclusively on their skill, is now done away with. Formerly, I employed four boys to every mechanic. Thanks to these new mechanical combinations, I have reduced the number of grown-up men from 1,500 to 750. The result was a considerable increase in my profits.'*

Ure says this of the colouring machines used in calico printing: 'At length capitalists sought deliverance from this intolerable bondage' (namely the terms of their contracts with the workers, which they saw as burdensome) 'in the resources of science, and were speedily re-instated in their legitimate rule, that of the head over the inferior members.' Then, speaking of an invention for dressing warps, whose immediate occasion was a strike, he says: 'The combined malcontents, who fancied themselves impregnably intrenched behind the old lines of division of labour, found their flanks turned and their defences rendered useless by the new mechanical tactics, and were obliged to surrender at discretion.' Of the invention of the self-acting mule, he says: 'A creation destined to restore order among the industrious classes . . . This invention confirms the great doctrine already propounded, that

[30] Gaskell, *The Manufacturing Population of England*, London, 1833, pp. 11–12.

[31] Mr Fairbairn* discovered several very important applications of machinery to the construction of machines as a result of strikes in his own factory.

* Sir Peter Fairbairn, 1799–1861, engineer and inventor. He set up a machine factory in Leeds in 1828.

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* *Tenth Report of the Commissioners Appointed to Inquire into the Organization and Rules of Trades Unions and Other Associations: Together with Minutes of Evidence*, London, 1868, pp. 63–4.

when capital enlists science into her service, the refractory hand of labour will always be taught docility.'[32] Although Ure's work appeared in 1835, at a time when the factory system was still comparatively little developed, it remains the classical expression of the spirit of the factory, not only because of its undisguised cynicism, but also because of the naïveté with which it blurts out the thoughtless contradictions of the capitalist brain. For instance, after unfolding the above-mentioned 'doctrine' that capital, with the aid of science, which has been taken onto the payroll, always reduces the refractory hand of labour to docility, he waxes indignant because 'physico-mechanical science ... has been accused of lending itself to the rich capitalist as an instrument for harassing the poor'. After preaching a long sermon to show how advantageous the rapid development of machinery is to the workers, he warns them that by their obstinacy and their strikes they hasten that development. 'Violent revulsions of this nature,' he says, 'display short-sighted man in the contemptible character of a self-tormentor.' A few pages before this he states the contrary: 'Had it not been for the violent collisions and interruptions resulting from erroneous views among the factory operatives, the factory system would have been developed still more rapidly and beneficially for all concerned.' Then he exclaims again: 'Fortunately for the state of society in the cotton districts of Great Britain, the improvements in machinery are gradual.' 'It' (the introduction of improvements in machinery) 'is said to lower the rate of earnings of adults by displacing a portion of them, and thus rendering their number superabundant as compared with the demand for their labour. It certainly augments the demand for the labour of children and increases the rate of *their* wages.' On the other hand, this same dispenser of consolation defends the lowness of the children's wages on the ground that it prevents parents from sending their children into the factory at too early an age. The whole of his book is a vindication of a working day of unrestricted length; that Parliament should forbid children of 13 years of age to be exhausted by working 12 hours a day reminds his liberal soul of the darkest days of the Middle Ages. This does not prevent him from calling upon the factory workers to thank Providence, which by means of machinery has given them 'the leisure to think of their immortal interests'.[33]

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32. Ure, op. cit., pp. 367–70.

33. ibid., pp. 368, 7, 370, 280, 281, 321, 370, 475.

6. THE COMPENSATION THEORY, WITH REGARD TO THE WORKERS DISPLACED BY MACHINERY

A whole series of bourgeois political economists, including James Mill, MacCulloch, Torrens, Senior and John Stuart Mill, assert that all machinery that displaces workers simultaneously, and necessarily, sets free an amount of capital adequate to employ precisely those workers displaced.[34]

Let us assume that a capitalist employs 100 workers at £30 a year each in a carpet factory. The variable capital annually laid out therefore amounts to £3,000. Let us then assume that he dismisses fifty of his workers, and employs the remaining fifty with machinery that costs him £1,500. To simplify matters, we take no account of buildings, coal, etc. Finally, let the raw material annually consumed cost £3,000, both before and after the change.[35] Is any capital 'set free' by this metamorphosis? Before the change, the total sum of £6,000 consisted half of constant and half of variable capital. After the change it consists of £4,500 constant (£3,000 raw material and £1,500 machinery) and £1,500 variable capital. The variable capital, instead of being one-half, is only one-quarter of the total capital. Instead of being set free, a part of the capital is here locked up in such a way as to cease to be exchanged for labour-power; variable has been changed into constant capital. Other things being equal, the capital of £6,000 can now employ no more than fifty men. With each improvement in the machinery, it will employ fewer people. If the newly introduced machinery had cost less than the labour-power and implements displaced by it, if for instance instead of costing £1,500, it has cost only £1,000, a variable capital of £1,000 would have been converted into constant capital, and locked up in it, and a capital of £500 would have been set free. The latter sum, given the same annual wage-bill, would form a fund sufficient to employ about sixteen out of the fifty men dismissed, or rather less than sixteen, for, in order to be employed as capital, a part of this £500 must in its turn be transformed into constant capital, thus leaving only the remainder to be laid out in the purchase of labour-power.

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[34] Ricardo originally shared this view, but afterwards expressly disclaimed it, with the scientific impartiality and love of truth characteristic of him. See Ricardo, op. cit., Ch. 31, 'On Machinery'.

[35] N. B. My illustration is entirely on the lines of those given by the above-mentioned economists.

But suppose, in addition to this, that the making of the new machinery employs an increased number of mechanics. Can this be regarded as compensation for the carpet-makers who have been thrown on the streets? At best, the construction of the machinery will still employ fewer men than its application displaces. The sum of £1,500, which previously represented the wages of the dismissed carpet-makers, now represents in the shape of machinery, (1) the value of the means of production used in the construction of that machinery, (2) the wages of the mechanics who constructed it and (3) the surplus-value falling to the share of their 'master'. Moreover, the machinery need not be renewed until it is worn out. Hence, in order to keep the increased number of mechanics in constant employment, one carpet manufacturer after another must replace workers with machines.

In fact the apologists for capitalism do not have in mind this sort of liberation of capital. They are thinking more of the means of subsistence of the workers who have been 'set free'. It cannot be denied in the above instance that the machinery not only liberates fifty men, thus placing them at the disposal of other capitalists, but also, at the same time, withdraws from their consumption, and sets free, £1,500 worth of means of subsistence. The simple and by no means new fact that machinery sets the workers free from their means of subsistence is expressed in economic language by saying that machinery sets free means of subsistence for the workers, or converts those means of subsistence into capital with which to employ them. Everything, as you see, depends on the way things are put, *Nominibus mollire licet mala.**

This theory implies that the £1,500 worth of means of subsistence was capital that was being valorized by the labour of the fifty men dismissed. Accordingly, the capital ceases to be employed as soon as the workers begin their forced holiday, and never rests until it has found a new 'placing' in which the above-mentioned fifty can again consume it productively. On this theory, the capital and the workers must sooner or later come together again, and that is when the compensation will appear. Hence the sufferings of the workers displaced by machinery are as transient as worldly wealth.

But the £1,500 worth of means of subsistence never confronted the dismissed workers as capital. This role was reserved for the

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*'It is proper to lighten evils with words' (Ovid, *Artis Amatoriae*, Bk 2, line 657).

sum of £1,500 later on, when it had been transformed into machinery. If we look more closely, it will be seen that the initial sum of £1,500 represented only a portion of the carpets produced in a year by the fifty dismissed men, and they received this part as wages from their employer, paid in money instead of in kind. With the carpets thus transformed into £1,500 they bought means of subsistence to the same value. These means, therefore, were to them not capital but commodities, and they, as regards these commodities, were not wage-labourers, but buyers. The circumstance that they were 'set free' by the machinery from the means of purchase changed them from buyers into non-buyers. Hence a lessened demand for those commodities. *Voilà tout*. If this diminution of demand is not compensated for by an increase in demand from another direction, the market price of the commodities falls. If this state of things lasts for some time, and increases in extent, there follows the displacement of the workers employed in the production of those commodities. A part of the capital, which previously produced the necessary means of subsistence, is now reproduced in another form. While prices are falling, and capital is being displaced, the workers employed in the production of the necessary means of subsistence are in turn 'set free' from a part of their wages. Instead, therefore, of proving that when machinery frees the worker from his means of subsistence, it simultaneously converts those means into capital for his further employment, our friends the apologists, with their well-tried law of supply and demand, prove the opposite, namely that machinery throws workers onto the streets, not only in that branch of production into which it has been introduced, but also in branches into which it has not been introduced.

The real facts, which are travestied by the optimism of the economists, are these: the workers, when driven out of the workshop by the machinery, are thrown onto the labour-market. Their presence in the labour-market increases the number of labour-powers which are at the disposal of capitalist exploitation. In Part VII we shall see that this effect of machinery, which has been represented as a compensation for the working class, is, on the contrary, a most frightful scourge. For the present I will only say this: workers who have been thrown out of work in a given branch of industry can no doubt look for employment in another branch. If they find it, and thus renew the bond between them and the means of subsistence, this takes place only through the agency of a new, additional capital which is seeking investment, and in no way through the agency of the capital that was already functioning previously and was then converted into machinery. And even if they do find employment, what a miserable prospect they face! Crippled as they are by the division of labour, these poor devils are worth so little outside their old trade that they cannot find admission into any industries except a few inferior and therefore over-supplied and under-paid branches.[36] Furthermore, every branch of industry attracts each year a new stream of men, who furnish a contingent from which to fill up vacancies, and to draw a supply for expansion. As soon as machinery has set free a part of the workers employed in a given branch of industry, the reserve men are also diverted into new channels of employment, and become absorbed in other branches; meanwhile the original victims, during the period of transition, for the most part starve and perish.

It is an undoubted fact that machinery is not as such responsible for 'setting free' the worker from the means of subsistence. It cheapens and increases production in the branch it seizes on, and at first leaves unaltered the quantity of the means of subsistence produced in other branches. Hence, after the introduction of machinery, society possesses as much of the necessaries of life as before, if not more, for the workers who have been displaced, not to mention the enormous share of the annual product wasted by non-workers. And this is the point relied on by our economic apologists! The contradictions and antagonisms inseparable from the capitalist application of machinery do not exist, they say, because they do not arise out of machinery as such, but out of its capitalist application! Therefore, since machinery in itself shortens the hours of labour, but when employed by capital it lengthens them; since in itself it lightens labour, but when employed by capital it heightens its intensity; since in itself it is a victory of man over the forces of nature but in the hands of capital it makes man the slave of those forces; since in itself it increases the wealth of the producers, but in the hands of capital it makes them into paupers, the bourgeois economist simply states that the contemplation of machinery in itself demonstrates with exactitude that all these evident contradictions are a mere semblance, present in everyday reality, but not existing in themselves, and therefore having no theoretical existence either. Thus he manages to avoid racking his brains any more, and in addition implies that his opponent is guilty of the stupidity of contending, not against the capitalist application of machinery, but against machinery itself.

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[36] A disciple of Ricardo, in reply to the insipid nonsense uttered by J. B. Say,* remarks on this point: 'Where division of labour is well developed, the skill of the labourer is available only in that particular branch in which it has been acquired; he himself is a sort of machine. It does not therefore help matters one jot, to repeat in parrot fashion, that things have a tendency to find their level. On looking around us we cannot but see, that they are unable to find their level for a long time; and that when they do find it, the level is always lower than at the commencement of the process' (*An Inquiry into Those Principles Respecting the Nature of Demand, etc.*, London, 1821, p. 72).

*This passage is an attack on the view expressed by Say in *Traité d'économie politique*, Vol. 1, 4th edn, p. 60, that the workers derived an advantage, as consumers, from the introduction of machines.

No doubt the bourgeois economist is far from denying that temporary inconveniences may result from the capitalist use of machinery. But where is the medal without its reverse side! Any other utilization of machinery than the capitalist one is to him impossible. Exploitation of the worker by the machine is therefore identical for him with exploitation of the machine by the worker. Therefore whoever reveals the real situation with the capitalist employment of machinery does not want machinery to be employed at all, and is an enemy of social progress![37] This is exactly the reasoning of Bill Sikes, the celebrated cut-throat.* 'Gentlemen of the jury, no doubt the throat of this commercial traveller has been cut. But that is not my fault, it is the fault of the knife. Must we, for such a temporary inconvenience, abolish the use of the knife? Only consider! Where would agriculture and trade be without the knife? Is it not as salutary in surgery, as it is skilled in anatomy? And a willing assistant at the festive table? If you abolish the knife – you hurl us back into the depths of barbarism.'[38]

37. MacCulloch, amongst others, is a past master at this kind of pretentious cretinism. 'If,' he says, with the affected naïveté of an eight-year-old, 'if it be advantageous, to develop the skill of the workman more and more, so that he is capable of producing, with the same or with a less quantity of labour, a constantly increasing quantity of commodities, it must also be advantageous that he should avail himself of the help of such machinery as will assist him most effectively in the attainment of this result' (MacCulloch, *Principles of Political Economy*, London, 1830, p. 182).

38. 'The inventor of the spinning machine has ruined India, a fact that is however of little concern to us' (A. Thiers, *De la propriété*, p. 275). M.

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*This purported speech by Bill Sikes is a parody by Marx of Dickens' *Oliver Twist*. The Bill Sikes of the novel was not much given to ratiocination.

Although machinery necessarily throws men out of work in those industries into which it is introduced, it may, despite this, bring about an increase in employment in other industries. This effect of machinery, however, has nothing in common with the so-called theory of compensation. Since every article produced by a machine is cheaper than a similar article produced by hand, we deduce the following absolute law: if the total quantity of the article produced by machinery is equal to the total quantity of the article previously produced by a handicraft or by manufacture, and now made by machinery, then total labour expended is diminished. The increase in the labour required to produce the instruments of labour themselves, the machinery, coal, etc. must be less than the reduction in labour achieved by the employment of machinery; otherwise the product of the machine would be as dear as, or dearer than, the product of the manual labour. But as a matter of fact, the total quantity of the article produced by machinery with a diminished number of workers, instead of remaining equal to the total quantity of the hand-made article that has been displaced, exceeds this by far. Suppose that 400,000 yards of cloth have been produced on power-looms by fewer weavers than could weave 100,000 yards by hand. The quadrupled product contains four times as much raw material. Hence the production of raw material must be quadrupled. But as regards the instruments of labour consumed, such as buildings, coal, machinery and so on, it is different; the limit of the possible increase in the amount of additional labour required to produce them varies with the difference between the quantity of the machine-made article and the quantity of the same article that the same number of workers could make by hand.

Hence, as the use of machinery extends in a given industry, the immediate effect is to increase production in the other industries that provide the first with means of production. How far employment is thereby found for an increased number of workers depends, given the length of the working day and the intensity of

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Thiers* here confuses the spinning machine with the power-loom, 'a fact that is however of little concern to us'.

*This is the French historian and politician Louis-Adolphe Thiers (1797–1877), representative *par excellence* of the French bourgeoisie, who accepted each of the successive governmental forms in nineteenth-century France, provided he could fill them with a bourgeois content, and finally presided over the crushing of the Paris Commune of 1871 as head of the French state.

labour, on the composition of the capital employed, i.e. on the ratio of its constant to its variable component.* This ratio, in its turn, varies considerably with the extent to which machinery has already penetrated, or is engaged in penetrating, those trades. The number of men condemned to work in coal and metal mines has been enormously swollen by the progress of machine production in England, although the growth in numbers has been slowed down during the last few decades by the introduction of new machinery into the mining industries.[39] Along with the machine, a new type of worker springs to life: the machine-maker. We have already learnt that machinery is seizing control even of this branch of production on an ever-increasing scale.[40] As to raw materials,[41] there can be no doubt that the rapid advance of cotton spinning not only promoted as if in a hot house the growing of cotton in the United States, and with it the African slave trade, but also made slave-breeding the chief business of the so-called border slave states.† In 1790, when the first census of slaves was taken in the United States, their number was 697,000; in 1861 it had nearly reached four millions. On the other hand, it is no less certain that the blossoming of the English woollen factories, together with the

[39] According to the census of 1861 (Vol. 2, London, 1863) the number of people employed in coal-mines in England and Wales amounted to 246,613, of whom 73,546 were under 20, and 173,067 over 20. In the first category there were 835 between 5 and 10 years old, 30,701 between 10 and 15, and 42,010 between 15 and 19. The number of people employed in iron, copper, lead, tin and other mines was 319,222.

[40] In England and Wales in 1861 the total number of people employed in the production of machinery was 60,807. This includes the manufacturers and their assistants, etc., as well as all the agents and business people connected with this industry, but it excludes the makers of small machines, such as sewing-machines, etc., and those who produce the operative parts of machines, such as spindles. The total number of civil engineers was 3,329.

[41] Since iron is one of the most important raw materials, let me say here that in 1861, in England and Wales, there were 125,771 people working in iron foundries, of whom 123,430 were male and 2,341 female. Of the males, 30,810 were under 20 years old, and 92,620 over.

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*This is the first mention of the concept of the '(organic) composition of capital', which plays such an important part in *Capital* later on. See below, p. 762, for a fuller definition.

†The states on the border between the South and North of the United States, where slavery co-existed with free labour until the American Civil War: Delaware, Maryland, Virginia, North Carolina, Kentucky, Tennessee, Missouri and Arkansas.

progressive transformation of arable land into sheep pasture, brought about the conversion of agricultural labourers into 'supernumeraries' and drove them in their masses from the land. Ireland, having during the last twenty years reduced its population by nearly one-half, is at this moment undergoing the process of still further reducing the number of its inhabitants to a level which will correspond exactly with the requirements of its landlords and the English woollen manufacturers.

When machinery penetrates into any of the preliminary or intermediate stages through which an object of labour has to pass on its way to its final form, there is an increased yield of material in those stages, and simultaneously an increased demand for labour in the handicrafts or manufactures supplied by the machines. Spinning by machinery, for example, supplied yarn so cheaply and so abundantly that the hand-loom weavers were at first able to work full-time without increased outlay. Their earnings accordingly rose.[42] This produced a flow of people into the cotton-weaving trade, until at length the 800,000 weavers called into existence by the jenny, the throstle and the mule were overwhelmed by the power-loom. So also, owing to the abundance of clothing materials produced by machinery, the number of tailors, seamstresses and needle-women went on increasing until the appearance of the sewing-machine.

In proportion as machinery, with the aid of a relatively small number of workers, increases the mass of raw materials, half-finished products and instruments of labour, the working-up of these raw materials and half-finished products becomes split up into innumerable subdivisions. There is thus an increase in the number of the branches of social production. Machine production drives the social division of labour immeasurably further than manufacture does, because it increases the productive power of the industries it seizes upon to a much greater degree.

The immediate result of machinery is to augment surplus-value and the mass of products in which surplus-value is embodied. It also increases the quantity of substances for the capitalists and their dependants to consume, and therefore the size of these social strata themselves. Their growing wealth, and the relatively diminished number of workers required to produce the means of subsistence, begets both new luxury requirements and the means of satisfying them. A larger portion of the social product is converted into surplus product, and a larger portion of the surplus product is reproduced and consumed in a multitude of refined shapes. In other words, the production of luxuries increases.[43] The products are also made more refined and more varied by the new world market relations created by large-scale industry. Not only are greater quantities of foreign luxury articles exchanged for home products, but a greater mass of foreign raw materials, ingredients and half-finished articles are used as means of production in the home industries. Owing to these relations with the world market, the demand for labour increases in the transport industry, and splits the latter into numerous extra subdivisions.[44]

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[42] 'A family of four grown-up persons, with two children as winders, earned at the end of the last, and the beginning of the present century, by ten hours' daily labour, £4 a week. If the work was very pressing, they could earn more ... Before that, they had always suffered from a deficient supply of yarn' (Gaskell, op. cit., pp. 25–7).

The increase in means of production and subsistence, accompanied by a relative diminution in the number of workers, provides the impulse for an extension of work that can only bear fruit in the distant future, such as the construction of canals, docks, tunnels, bridges and so on. Entirely new branches of production, creating new fields of labour, are also formed as the direct result either of machinery or of the general industrial changes brought about by it. But the place occupied by these branches in total production is far from important, even in the most developed countries. The number of workers they employ is directly proportional to the demand created by these industries for the crudest form of manual labour. The chief industries of this kind are, at present, gas-works, telegraphy, photography, steam navigation and railways. According to the census of 1861 for England and Wales, we find in the gas industry (gas-works, production of mechanical apparatus, servants of the gas companies, etc.), 15,211 persons; in telegraphy, 2,399; in photography, 2,366; in steam navigation, 3,570; and in railways, 70,599, of whom the unskilled 'navvies', more or less permanently employed, and the whole administrative and commercial staff, make up about 28,000. The total number of persons, therefore, employed in these five new industries amounts to 94,145.

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[43] F. Engels, in *Lage, etc.* [*Condition of the Working Class in England*], points out the miserable condition of a large number of precisely those luxury-workers. See also numerous instances in the Reports of the Children's Employment Commission.

[44] In 1861, in England and Wales, there were 94,665 sailors in the merchant service.

Lastly, the extraordinary increase in the productivity of large-scale industry, accompanied as it is by both a more intensive and a more extensive exploitation of labour-power in all other spheres of production, permits a larger and larger part of the working class to be employed unproductively. Hence it is possible to reproduce the ancient domestic slaves, on a constantly extending scale, under the name of a servant class, including men-servants, women-servants, lackeys, etc. According to the census of 1861, the population of England and Wales was 20,066,224; 9,776,259 of these were males and 10,289,965 females. If we deduct from this population, firstly, all who are too old or too young for work, all 'unproductive' women, young persons and children; then the 'ideological' groups, such as members of the government, priests, lawyers, soldiers, etc.; then all the people exclusively occupied in consuming the labour of others in the form of ground rent, interest, etc.; and lastly, paupers, vagabonds and criminals, there remain in round numbers eight millions of the two sexes of every age, including in that number every capitalist who is in any way engaged in industry, commerce or finance. These eight millions are distributed as follows:

Agricultural labourers (including shepherds, farm servants and maidservants living in the houses of farmers)	1,098,261
Those employed in cotton, woollen, worsted, flax, hemp, silk and jute factories, in stocking-making and lace-making by machinery	642,607[45]
Those employed in coal-mines and metal mines	565,835
Those employed in metal works (blast-furnaces, rolling-mills, etc.) and metal manufactures of every kind	396,998[46]
The servant class	1,208,648[47]

[45] Of these, only 177,596 are males above 13 years of age.

[46] Of these, 30,501 are females.

[47] Of these, 137,447 are males. Persons not serving in private houses are excluded from the total of 1,208,648. Between 1861 and 1870 the number of male servants nearly doubled, increasing to 267,671. In the year 1847 there were 2,694 gamekeepers (for the landlords' preserves), and in 1869 there were 4,921. The young servant girls in the houses of the London lower middle class are in common parlance called 'little slaveys'.

All the persons employed in textile factories and in mines, taken together, number 1,208,442; those employed in textile factories and metal industries, taken together, number 1,039,605; in both cases less than the number of modern domestic slaves. What an elevating consequence of the capitalist exploitation of machinery!

7. REPULSION AND ATTRACTION OF WORKERS THROUGH THE DEVELOPMENT OF MACHINE PRODUCTION. CRISES IN THE COTTON INDUSTRY

All the more respectable representatives of political economy concede that the introduction of new machinery has a baneful effect on the workers in the old handicrafts and manufactures with which this machinery at first competes. Almost all of them bemoan the slavery of the factory worker. And what is the great trump-card they play? That machinery, after the horrors of the period of its introduction and development have subsided, in the final analysis increases, rather than diminishing, the number of wage-slaves! Yes, political economy joyfully proclaims the theory, which is hideous to every 'philanthropist' who believes that the capitalist mode of production is an eternal necessity ordained by nature, that after a period of growth and transition, and even when it is already founded on production by machinery, the factory system grinds down more workers than it originally threw onto the streets.[48]

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[48] Ganilh, on the other hand, considers that the final result of machine production would be an absolute reduction in the number of wage-slaves, at whose expense an increased number of 'decent people' would live and develop their well-known 'perfectible perfectibility'. Little as he understands the movement of production, at least he feels that machinery must be a very fatal institution if its introduction converts busy workers into paupers and its development calls into existence more wage-slaves than it has suppressed. It is not possible to bring out the cretinous character of his standpoint except by quoting his own words: 'The classes which are condemned to produce and to consume grow smaller, and the classes which direct labour and bring relief, consolation and enlightenment to the whole population increase in size . . . and appropriate all the advantages which result from the reduction in the cost of labour, from the abundant supply of commodities and from the low prices of consumer goods. Under this leadership, the human species rises to the highest creations of genius, penetrates the mysterious depths of religion and establishes the salutary principles of morality' (which consist in 'the appropriation of all the advantages etc.'), 'the laws for the protection of liberty' (the liberty of 'the classes condemned to produce'?) 'and power, of obedience and justice, of obligation and humanity.' This twaddle is to be found in C. Ganilh, *Des systèmes d'économie politique*, 2nd edn, Paris, 1821, Vol. 1, p. 224, and see p. 212.

It is true that in some cases, as we saw from the example of the English worsted and silk factories, an extraordinary extension of the factory system may, at a certain stage of its development, be accompanied not only by a relative, but by an absolute decrease in the number of workers employed.* In 1860, when a special census of all the factories in the United Kingdom was taken by order of Parliament, the factories in those parts of Lancashire, Cheshire and Yorkshire included in the district of Mr R. Baker, the factory inspector, numbered 652; 570 of these contained 85,622 power-looms and 6,819,146 spindles (not including doubling-spindles), utilized 27,439 horse-power in steam-engines and 1,390 horse-power in water-wheels, and employed 94,119 persons. In 1865, the same factories contained 95,163 looms and 7,025,031 spindles, utilized 28,925 horse-power in steam-engines and 1,445 horse-power in water-wheels, and employed 88,913 persons. Between 1860 and 1865, therefore, the increase in looms was 11 per cent, in spindles 3 per cent, and in engine-power 3 per cent, while the number of persons employed decreased 5½ per cent.[49] Between 1852 and 1862 considerable growth occurred in English woollen manufacture, while the number of workers employed in that industry remained almost stationary. 'This shows to what a great extent the introduction of new machines had superseded the labour of preceding periods.'[50] In certain cases, the increase in the number of factory workers employed is only apparent, i.e. it is not due to the extension of industries already based on machine production but to the gradual annexation of neighbouring

[49] *Reports of the Inspectors of Factories ... 31 October 1865*, pp. 58 ff. At the same time, however, the material foundation had already been laid for the employment of a growing number of workers in 110 new factories, with 11,625 looms, 628,576 spindles and 2,695 horse-power in the form both of steam-engines and water-wheels (ibid.).

[50] *Reports of the Inspectors of Factories . . . 31 October 1862*, p. 79. At the end of December 1871, Mr A. Redgrave, the factory inspector, in a lecture given at Bradford, in the New Mechanics' Institution, said, 'What has struck me for some time past is the altered appearance of the woollen factories. Formerly they were filled with women and children, now machinery seems to do all the work. At my asking for an explanation of this from a manufacturer, he gave me the following: "Under the old system I employed 63 persons; after the introduction of improved machinery I reduced my hands to 33, and lately, in consequence of new and extensive alterations, I have been in a position to reduce those 33 to 13."'

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*See above, pp. 540–41.

branches of industry. For instance, the increase in power-looms and in the number of factory workers employed by them between 1838 and 1856 was, in the cotton trade, simply a result of the extension of this branch of industry; but in the other trades it resulted from the application of steam-power to the carpet-loom, the ribbon-loom and the linen-loom, which had previously been driven by muscle-power.[51] Hence the increase in the number of workers in these latter trades was merely an expression of the reduction in the total number of workers employed. Finally, we have considered this question entirely apart from the fact that everywhere, except in the metallurgical industries, young persons (under 18), women and children form by far the most preponderant element in the factory personnel.

Nevertheless, in spite of the mass of workers actually driven out and virtually replaced by machinery, we can understand how workers in factories may become more numerous than the manufacturing artisans and handicraftsmen they have displaced; their numbers grow through the building of more factories or the extension of old factories in a given industry. Suppose, for example, that under the old method of running the factory a capital of £500 is employed every week, two-fifths being constant and three-fifths variable capital, i.e. £200 being laid out in means of production, and £300, say £1 per man, in labour-power. With the introduction of machinery the composition of the total capital is altered. We will assume that it consists now of four-fifths constant and one-fifth variable, which means that only £100 is now laid out in labour-power. Consequently, two-thirds of the workers are dismissed. If now the business expands, and the total capital employed grows to £1,500, the other conditions of production remaining the same, the number of workers employed will increase to 300, just as many as before the introduction of the machinery. If the capital employed grows some more, to £2,000, 400 men will be employed, or one-third more than under the old system. Their numbers have in fact increased by 100, but in relative terms, i.e. in proportion to the total capital advanced, they have diminished by 800, for the £2,000 of capital would under the old method of running the enterprise have employed 1,200 instead of 400 workers. Hence a relative decrease in the number of workers employed is consistent with an actual increase in that number. We assumed above that while the total capital increased, its composition remained the same, because the conditions of production remained constant. But we have already seen that every advance in the use of machinery entails an increase in the constant component of capital, that part which consists of machinery, raw material, etc., and a decrease in its variable component, the part laid out in labour-power. We also know that in no other system of production is improvement so continuous and the composition of the capital employed so subject to variation as in the factory system. This constant variation is however equally constantly interrupted by periods of rest, during which there is a merely quantitative extension of factories on the existing technical basis. During such periods the number of workers employed increases. Thus in 1835 the total number of workers in the cotton, woollen, worsted, flax and silk factories of the United Kingdom was only 354,684; while in 1861 the number of power-loom weavers alone (of both sexes and all ages, from 8 years old upwards) was 230,654. Admittedly, this growth appears less significant when we consider that in 1838 the hand-loom weavers with their families (employed by the weavers themselves) still numbered 800,000,[52] not to mention those thrown out of work in Asia and on the European Continent.

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[51] See *Reports of the Inspectors of Factories . . . 31 October 1856*, p. 16.

In the few remarks I have still to make on this point, I shall refer in part to relations of a purely practical nature, the existence of which has not yet been revealed by our theoretical presentation.

As long as machine production expands in a given branch of industry at the expense of the old handicrafts or of manufacture, the result is as certain as is the result of an encounter between an army with breach-loading rifles and one with bows and arrows. This first period, during which machinery conquers its field of operations, is of decisive importance, owing to the extraordinary profits it helps to produce. These profits not only form a source of accelerated accumulation, they also attract into the favoured sphere of production a large part of the additional social capital that is constantly being created, and is always seeking out new areas of investment. The special advantages of this initial period of furious activity are felt in every branch of production when it is newly penetrated by machinery. However, as soon as the factory system has attained a reasonable space to exist in, and reached a definite degree of maturity, and in particular as soon as the technical basis peculiar to it, machinery, is itself produced by machinery, as soon as coal-mining and iron-mining, the metallurgical industries, and the means of transport have been revolutionized; in short, as soon as the general conditions of production appropriate to large-scale industry have been established, this mode of production acquires an elasticity, a capacity for sudden extension by leaps and bounds, which comes up against no barriers but those presented by the availability of raw materials and the extent of sales outlets. On the one hand, the immediate effect of machinery is to increase the supply of raw material: thus, for example, the invention of the cotton gin increased the production of cotton.[53] On the other hand, the cheapness of the articles produced by machinery and the revolution in the means of transport and communication provide the weapons for the conquest of foreign markets. By ruining handicraft production of finished articles in other countries, machinery forcibly converts them into fields for the production of its raw material. Thus India was compelled to produce cotton, wool, hemp, jute and indigo for Great Britain.[54] By constantly turning workers into 'supernumeraries', large-scale industry, in all countries where it has taken root, spurs on rapid increases in emigration and the colonization of foreign lands, which are thereby converted into settlements for growing the raw material of the mother country, just as Australia, for example, was converted into a colony for growing wool.[55] A new and international division of labour ings up, one suited to the requirements of the main industrial untries, and it converts one part of the globe into a chiefly icultural field of production for supplying the other part, ich remains a pre-eminently industrial field. This revolution is ked with far-reaching changes in agriculture which we need discuss any further at this point.[56]

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[52] 'The sufferings of the hand-loom weavers were the subject of an inquiry by a Royal Commission, but although their distress was acknowledged and lamented, the amelioration of their condition was left, and probably necessarily so, to the chances and changes of time, which it may now be hoped' (twenty years later!) 'have *nearly* obliterated those miseries, and not improbably by the present great extension of the power-loom' (*Reports of the Inspectors of Factories . . . 31 October 1856*, p. 15).

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[53] Other ways in which machinery affects the production of raw material will be mentioned in Volume 3.*

[54] Export of cotton from India to Great Britain: 34,540,143 lb. in 1846; 204,141,168 lb. in 1860; 445,947,600 lb. in 1865.

Export of wool from India to Great Britain: 4,570,581 lb. in 1846; 20,214,173 lb. in 1860; 20,679,111 lb. in 1865.

[55] Export of wool from the Cape of Good Hope to Great Britain: 2,958,457 lb. in 1846; 16,574,345 lb. in 1860; 29,920,623 lb. in 1865.

Export of wool from Australia to Great Britain: 21,789,346 lb. in 1846; 59,166,616 lb. in 1860; 109,734,261 lb. in 1865.

* As it turned out, Volume 3 of *Capital*, when published, contained nothing on this subject, although Chapters 40–44 (on the second form of differential rent) did deal with the related topic of the impact of extra amounts of capital directly invested in land.

)n the motion of Mr Gladstone, the House of Commons ered, on 17 February 1867, that a return be made of the total ntity of grain, corn and flour of all sorts imported into and orted from the United Kingdom between 1831 and 1866. I e on the opposite page a summary of the result. The flour is en in quarters of corn.

'he factory system's tremendous capacity for expanding with den immense leaps, and its dependence on the world market, essarily give rise to the following cycle: feverish production, a sequent glut on the market, then a contraction of the market, ch causes production to be crippled. The life of industry omes a series of periods of moderate activity, prosperity, r-production, crisis and stagnation. The uncertainty and ability to which machinery subjects the employment, and con-

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6. The economic development of the United States is itself a product of large-scale industry of Europe, or, to be more precise, of England. In resent form (1866) the United States must still be considered a European ny. [Added by Engels to the fourth German edition: 'Since then it has loped into a country whose industry holds second place in the world, out on that account entirely losing its colonial character.']

ort of Cotton from the United States to Great Britain

6: 401,949,393 lb. 1852: 765,630,543 lb.
9: 961,707,264 lb. 1860: 1,115,890,608 lb.

ort of Corn from the United States to Great Britain

	1850	1862
eat, cwt	16,202,312	41,033,503
ey, cwt	3,669,653	6,624,800
, cwt	3,174,801	4,426,994
, cwt	388,749	7,108
ır, cwt	3,819,440	7,207,113
wheat, cwt	1,054	19,571
ze, cwt	5,473,161	11,694,818
or Bigg (kinds of Barley), cwt	2,039	7,675
, cwt	811,620	1,024,722
s, cwt	1,822,972	2,037,137
l exports of corn	34,365,801 cwt	74,083,351 cwt

ANNUAL AVERAGE	1831–5	1836–40	1841–5	1846–50	1851–5	1856–60	1861–5
Import (qrs)	1,096,373	2,389,729	2,843,865	8,776,552	8,345,237	10,913,612	15,009,871
Export (qrs)	225,263	251,770	139,056	155,461	307,491	341,150	302,754
Excess of import over export	871,110	2,137,959	2,704,809	8,621,091	8,037,746	10,572,462	14,707,117
POPULATION: Yearly average in each period	24,261,107	25,929,507	27,262,569	27,797,598	27,572,923	28,391,544	29,381,460
Average quantity of corn, etc., in quarters, consumed annually per head over and above the home produce consumed	0·036	·0082	0·099	0·310	0·291	0·372	0·501

sequently the living conditions, of the workers becomes a normal state of affairs, owing to these periodic turns of the industrial cycle. Except in the periods of prosperity, a most furious combat rages between the capitalists for their individual share in the market. This share is directly proportional to the cheapness of the product. Apart from the rivalry this struggle gives rise to in the use of improved machinery for replacing labour-power, and the introduction of new methods of production, there also comes a time in every industrial cycle when a forcible reduction of wages beneath the value of labour-power is attempted so as to cheapen commodities.[57]

A necessary condition for the growth of the number of factory workers is thus a proportionally much more rapid growth in the amount of capital invested in factories. But this process of growth takes place only within the ebbs and flows of the industrial cycle. It is, in addition, constantly interrupted by the technical progress that at one time virtually takes the place of additional workers, and at another time actually drives workers out of employment. This qualitative change in machine production continually removes workers from the factories, or closes their doors to the fresh stream of recruits, while the purely quantitative extension of the factories absorbs not only the men thrown out of work but also fresh contingents of workers. The latter are thus continually repelled and attracted, slung backwards and forwards, while, at the same time, constant changes take place in the sex, age and skill of the industrial conscripts.

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[57] In an appeal made in July 1866 to the 'Trade Societies of England' by the shoemakers of Leicester, who had been thrown onto the streets by a lock-out, it is stated: 'Twenty years ago the Leicester shoe trade was revolutionized by the introduction of riveting in the place of stitching. At that time good wages could be earned. Great competition was shown between the different firms as to which could turn out the neatest article. Shortly afterwards, however, a worse kind of competition sprang up, namely, that of underselling one another in the market. The injurious consequences soon manifested themselves in reductions of wages, and so sweepingly quick was the fall in the price of labour, that many firms now pay only one half of the original wages. And yet, though wages sink lower and lower, profits appear, with each alteration in the scale of wages, to increase.' Even bad times are utilized by the manufacturers for making exceptional profits by excessive wage-reductions, i.e. by directly robbing the worker of his means of subsistence. Here is one example, relating to the crisis in the ribbon trade in Coventry:* 'From information I have received from manufacturers as well as workmen, there seems to be no doubt that wages have been reduced to a greater extent than either the competition of the foreign producers or other circumstances have rendered necessary... the majority of weavers are working at a reduction of 30 to 40 per cent in their wages. A piece of ribbon for making which the weaver got 6s. or 7s. five years back, now only brings them 3s. 3d. or 3s. 6d.; other work is now priced at 2s. and 2s. 3d. which was formerly priced at 4s. and 4s. 3d. The reduction in wage seems to have been carried to a greater extent than is necessary for increasing the demand. Indeed the reduction in the cost of weaving, in the case of many descriptions of ribbons, has not been accompanied by any corresponding reduction in the selling price of the manufactured article' (Report of Mr F. D. Longe, in *Children's Employment Commission, Fifth Report*, 1866, p. 114, n. 1).

* A severe recession in the Coventry ribbon trade began in 1857 under the impact of the general industrial and commercial crisis of that year, and deepened from 1860 onwards owing to the Anglo-French Trade Treaty, which opened the door to competition from Lyons. A further blow was struck to the trade by the fierce conflict of 1860 between the capitalists and the workers over the attempt of the former to replace the 'cottage factories' with factories proper (see below, p. 589).

The fate of the factory workers will best be depicted if we make a rapid survey of developments in the English cotton industry.

From 1770 until 1815 the cotton trade underwent only five years of depression or stagnation. During this period of forty-five years the English manufacturers had a monopoly of machinery and a monopoly of the world market. From 1815 to 1821 depression; 1822 and 1823 prosperity; 1824, repeal of the Combination Laws, great extension of factories everywhere; 1825, crisis; 1826, great misery and riots among the factory workers; 1827, slight improvement; 1828, great increase in power-looms, and in exports; 1829, exports, especially to India, surpass all former years; 1830, glutted markets, great distress; 1831 to 1833, continued depression, the monopoly of the trade with India and China withdrawn from the East India Company; 1834, great increase of factories and machinery, shortage of hands. The new poor law furthers the migration of agricultural labourers into the factory districts. The country districts swept clear of children. White slave trade; 1835, great prosperity, simultaneous starvation of the hand-loom weavers; 1836, great prosperity; 1837 and 1838, depression and crisis; 1839, revival; 1840, great depression, riots, the military called out to intervene; 1841 and 1842, frightful suffering among the factory workers; 1842, the manufacturers lock their hands out of the factories in order to enforce the repeal of the Corn Laws. Workers stream in their thousands into the towns of Lancashire and Yorkshire, are driven back by the military, and their leaders brought to trial at Lancaster; 1842, great misery; 1844, revival; 1845, great prosperity; 1846, continued improvement at first, then reaction. Repeal of the Corn Laws; 1847, crisis, general reduction of wages by 10 and more per cent in honour of the 'big loaf';* 1848, continued depression; Manchester under military protection; 1849, revival; 1850, prosperity; 1851, falling prices, low wages, frequent strikes; 1852, the situation begins to improve, strikes continue, the manufacturers threaten to import workers from abroad; 1853, increasing exports. Strike for three months, and great misery at Preston; 1854, prosperity, glutted markets; 1855, news of bankruptcies streams in from the United States, Canada and the markets of the Far East; 1856, great prosperity; 1857, crisis; 1858, improvement; 1859, great prosperity, increase in factories; 1860, zenith of the English cotton trade, the Indian, Australian and other markets so glutted with goods that even in 1863 they had not absorbed the whole lot; the French Treaty of Commerce, enormous growth of factories and machinery; 1861, prosperity continues for a time, reaction, the American Civil War, cotton famine; 1862 to 1863, complete collapse.

The history of the cotton famine is too typical for us not to dwell on it for a moment. From indications as to conditions in the world market in 1860 and 1861, we see that the cotton famine came in the nick of time for the manufacturers, and was to some extent advantageous to them, a fact acknowledged in the reports of the Manchester Chamber of Commerce, proclaimed in Parliament by Palmerston and Derby, and confirmed by events.[58] Of course, among the 2,887 cotton mills in the United Kingdom in 1861 there were many small ones. According to the report of the factory inspector, Mr A. Redgrave, 392 out of the 2,109 mills included in his district, or 19 per cent, employed less than 10 horse-power each; 345, or 16 per cent, employed between 10 and 20 horse-power; while 1,372 employed upwards of 20 horse-power.[59] The majority of the small mills were weaving sheds built during the period of prosperity after 1858, for the most part by speculators, of whom one supplied the yarn, another the machinery, a third the buildings, and they were run by men who

[58] Compare *Reports of the Inspectors of Factories ... 31 October 1862* p. 30.

[59] ibid., p. 19.

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*The supporters of the Anti-Corn Law League claimed that repeal would mean the replacement of the 'small loaf', provided to the workers under the existing system, with a 'big loaf', thanks to the advantages of free trade in corn.

had been overseers, or by other persons of small means. These small manufacturers mostly went to the wall. The same fate would have overtaken them in the commercial crisis which was staved off only by the cotton famine. Although they formed one-third of the total number of manufacturers, their mills absorbed much less than a third of the capital invested in the cotton trade. As to the extent of the stoppage, it appears from authentic estimates that in October 1862, 60·3 per cent of the spindles, and 58 per cent of the looms, were at a standstill. This refers to the cotton trade as a whole, and of course requires considerable modification for individual districts. Very few mills worked full time (60 hours a week); all the others worked at intervals. Even in those few cases where full time was worked, and at the customary piece-rate, the weekly wages of the workers necessarily shrank, because good cotton was replaced by bad, Sea Island by Egyptian (in fine-spinning mills), American and Egyptian by Surat (Indian) and pure cotton by a mixture of waste and Surat. The shorter fibre of the Surat cotton and its dirty condition, the greater fragility of the thread, the substitution of all sorts of heavy ingredients for flour in sizing the warps, all these things lessened the speed of the machinery, or the number of looms that could be superintended by one weaver, increased the amount of labour necessitated by defects in the machinery, and reduced the piece-wage by reducing the amount of the product actually leaving the mill. Where Surat cotton was used, the loss to the workers when on full time amounted to 20 per cent, 30 per cent or more. But on top of this, the majority of the manufacturers reduced the piece-rate by 5, 7½ and 10 per cent. We can therefore grasp the situation of these workers employed for only 3, 3½ or 4 days a week, or for only 6 hours a day. Even in 1863, after a comparative improvement had set in, the weekly wages of spinners and weavers were 3s. 4d., 3s. 10d., 4s. 6d. and 5s. 1d.[60] Even in this miserable state of affairs, however, the inventive spirit of the manufacturer did not stand still, but was exercised in making deductions from wages. These were to some extent inflicted as a penalty for defects in the finished article that were really due to his own bad cotton and his unsuitable machinery. Moreover, where the manufacturer owned the workers' cottages, he paid himself his rents by deducting the amount from these miserable wages. Mr Redgrave tells us of self-acting minders (i.e. workers in

[60] *Reports of the Inspectors of Factories ... 31 October 1863*, pp. 41–5.

charge of a pair of self-acting mules) 'earning at the end of a fortnight's full work 8s. 11d., and . . . from this sum was deducted the rent of the house, the manufacturer, however, returning half the rent as a gift. The minders took away the sum of 6s. 11d. In many places the self-acting minders ranged from 5s. to 9s. per week, and the weavers from 2s. to 6s. per week, during the latter part of 1862.'[61] Even when short time was being worked, the rent was frequently deducted from the workers' wages.[62] No wonder that in some parts of Lancashire a kind of famine fever broke out. But more characteristic than all this was the revolution that took place in the production process at the expense of the workers. *Experimenta in corpore vili*,* like those of anatomists on frogs, were actually being made here. 'Although,' says Mr Redgrave, 'I have given the actual earnings of the operatives in the several mills, it does not follow that they earn the same amount week by week. The operatives are subject to great fluctuation from the constant experimentalizing of the manufacturers . . . the earnings of the operatives rise and fall with the quality of the cotton mixings; sometimes they have been within 15 per cent of former earnings, and then, in a week or two, they have fallen off from 50 to 60 per cent.'[63] These experiments were not made just at the expense of the worker's means of subsistence. His five senses also had to pay the penalty. 'The people who are employed in making up Surat cotton complain very much. They inform me, on opening the bales of cotton there is an intolerable smell, which causes sickness . . . In the mixing, scribbling and carding rooms, the dust and dirt which are disengaged, irritate the air passages, and give rise to cough and difficulty of breathing. A disease of the skin, no doubt from the irritation of the dirt contained in the Surat cotton, also prevails . . . The fibre being so short, a great amount of size, both animal and vegetable, is used . . . Bronchitis is more prevalent owing to the dust. Inflammatory sore throat is common, from the same cause. Sickness and dyspepsia are produced by the frequent breaking of the weft, when the weaver sucks the weft through the eye of the shuttle.' On the other hand, these flour-substitutes were a Fortunatus's purse† to the manu-

[61] *Reports of the Inspectors of Factories . . . 31 October 1863*, pp. 41–2.
[62] ibid., p. 57. [63] ibid., pp. 50–51.

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*'Experiments on a worthless body'.

†Fortunatus was a figure of Teutonic legend, whose purse never became empty.

facturers because they increased the weight of the yarn. They caused '15 lb. of raw material to weigh 26 lb. after it was woven'.[64] In the *Reports of the Inspectors of Factories* for the half-year ending 30 April 1864, we read the following: 'The trade is availing itself of this resource at present to an extent which is even discreditable. I have heard on good authority of a cloth weighing 8 lb. which was made of 5¼ lb. cotton and 2¾ lb. size; and of another cloth weighing 5¼ lb., of which 2 lb. was size. These were ordinary export shirtings. In cloths of other descriptions, as much as 50 per cent size is sometimes added; so that a manufacturer may, and does truly boast, that he is getting rich by selling cloth for less money per pound than he paid for the mere yarn of which they [*sic*] are composed.'[65] But the workers did not just have to suffer from the experiments of the manufacturers inside the mills, and of the municipalities outside, from reduced wages and absence of work, from want and from charity, and from the eulogies uttered in the Lords and the Commons. 'Unfortunate females, in consequence of the cotton famine, were at its commencement thrown out of employment, and have thereby become outcasts of society; and now, though trade has revived, and work is plentiful, continue members of that unfortunate class, and are likely to continue so. There are also in the borough more youthful prostitutes than I have known for the last twenty-five years.'[66]

We find, then, in the first forty-five years of the English cotton industry, from 1770 to 1815, only five years of crisis and stagnation; but this was the period of monopoly. The second period from 1815 to 1863 counts, during its forty-eight years, only twenty years of revival and prosperity against twenty-eight of depression and stagnation. Between 1815 and 1830 competition with the continent of Europe and with the United States sets in. After 1833, the extension of the Asiatic markets is enforced by 'destruction of the human race'.* After the repeal of the Corn Laws, from 1846 to 1863, there are eight years of moderate

[64] ibid., pp. 62–3.

[65] *Reports of the Inspectors of Factories . . . 30 April 1864*, p. 27.

[66] From a letter by Mr Harris, Chief Constable of Bolton, in *Reports of the Inspectors of Factories . . . 31 October 1865*, pp. 61–2.

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*This is a reference to the opium trade with China, enforced by a series of measures, beginning with the appointment in 1833 of a British representative in Canton, and culminating in the Opium War of 1839 to 1842, after which the Chinese market was opened to British trade by the Treaty of Nanking.

activity and prosperity against nine years of depression and stagnation. The situation of the adult male workers, even during the years of prosperity, may be judged from the appended note.[67]

8. THE REVOLUTIONARY IMPACT OF LARGE-SCALE INDUSTRY ON MANUFACTURE, HANDICRAFTS AND DOMESTIC INDUSTRY

(a) Overthrow of Co-operation Based on Handicrafts and on the Division of Labour

We have seen how machinery does away with co-operation based on handicrafts, and with manufacture based on the handicraft division of labour. An example of the first sort is the reaping-machine; it replaces co-operation between reapers. A striking example of the second kind is the needle-making machine. According to Adam Smith, ten men in his time, using the system of the division of labour, made 48,000 sewing-needles every day.

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[67] In a proclamation issued in 1863 by some cotton workers, for the purpose of forming an emigration society, we find the following: 'That a large emigration of factory workers is now absolutely essential to raise them from their present prostrate condition, few will deny; but to show that a continuous stream of emigration is at all times demanded, without which it is impossible for them to maintain their position in ordinary times, we beg to call attention to the subjoined facts: In 1814 the official value of cotton goods exported was £17,665,378, whilst the real marketable value was £20,070,824. In 1858 the official value of cotton goods exported was £182,221,681; but the real or marketable value was only £43,001,322, being a ten-fold quantity sold for little more than double the former price. To produce results so disadvantageous to the country generally, and to the factory workers in particular, several causes have co-operated, which, had circumstances permitted, we should have brought more prominently under your notice; suffice it for the present to say that the most obvious one is the constant redundancy of labour, without which a trade so ruinous in its effects never could have been carried on, and which requires a constantly extending market to save it from annihilation. Our cotton mills may be brought to a stand by the periodical stagnations of trade, which, under present arrangements, are as inevitable as death itself; but the human mind is constantly at work, and although we believe we are under the mark in stating that six millions of persons have left these shores during the last 25 years, yet, from the natural increase of population, and the displacement of labour to cheapen production, a large percentage of the male adults in the most prosperous times find it impossible to obtain work in factories on any conditions whatever' (*Reports of the Inspectors of Factories . . . 30 April 1863*, pp. 51–2). We shall see in a later chapter how the manufacturers endeavoured, during the catastrophe in the cotton trade, to prevent the emigration of the factory workers by every means, including state intervention.

A single needle-making machine, however, makes 145,000 needles in a working day of 11 hours. One woman or one girl superintends four such machines, and so produces nearly 600,000 needles in a day, and over 3,000,000 in a week.[68] A single machine, when it takes the place of co-operation or of manufacture, may itself serve as the basis of an industry of a handicraft character. But this reproduction of the handicraft system on the basis of machinery only forms a transition to the factory system which, as a rule, makes its appearance as soon as human muscles are replaced, for the purpose of driving the machines, by a mechanical motive power such as steam or water. Here and there, but in any case only for a time, an industry may be carried on, on a small scale, by means of mechanical power. This is effected by hiring steam power, as is done in some of the Birmingham trades, or by the use of small caloric engines, as in some branches of weaving.[69] In the Coventry ribbon industry the experiment of 'cottage factories' was a quite natural and spontaneous development. In the centre of a square surrounded by rows of cottages, an engine-house was built and the engine was connected by shafts with the looms in the cottages. In all cases the power was hired out at so much per loom. The rent was payable weekly, whether the looms were working or not. Each cottage held from two to six looms; some belonged to the weaver, some were bought on credit, some were hired. The struggle between these cottage factories and the factory proper lasted over twelve years. It ended with the complete ruin of the 300 cottage factories.[70] Wherever the nature of the process has not necessitated production on a large scale, the new industries that have sprung up in the last few decades, such as envelope making, steel pen making, etc., have, as a general rule, first passed through the handicraft stage, and then the manufacturing stage, as short phases of transition to the factory stage. The transition is very difficult in those cases where the production of the article by manufacture consists, not of a series of graduated processes, but of a great number of disconnected ones. This circumstance formed a great hindrance to the establishment of steel pen factories. Nevertheless, about fifteen years ago a machine was invented that automatically performed six separate operations at once. The first steel pens were supplied by the handicraft system, in the year 1820, at £7 4s. the gross; in 1830 they were supplied by manufacture at 8s., and today the factory system supplies them at a wholesale price of from 2d. to 6d. the gross.[71]

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[68] *Children's Employment Commission, Third Report*, 1864, p. 108, n. 447.

[69] In the United States the restoration in this way of handicrafts based on machinery is frequent; and therefore, when the inevitable transition to the factory system takes place, the process of concentration will, compared with Europe and even with England, stride forward in seven-league boots.

[70] Compare *Reports of the Inspectors of Factories ... 31 October 1865*, p. 64.

(b) The Impact of the Factory System on Manufacture and Domestic Industries

With the development of the factory system and the revolution in agriculture that accompanies it, production in all the other branches of industry not only expands, but also alters its character. The principle of machine production, namely the division of the production process into its constituent phases, and the solution of the problems arising from this by the application of mechanics, chemistry and the whole range of the natural sciences, now plays the determining role everywhere. Hence machinery penetrates into manufacture for one specialized process after another. The solid crystallization of a hierarchy of specialized processes, which arose from the old division of labour, ceases to exist; it is dissolved, and makes way for constant changes. Quite apart from this, a fundamental transformation takes place in the composition of the collective labourer or, in other words, the combined working personnel. In contrast with the period of manufacture, the division of labour is now based, wherever possible, on the employment of women, of children of all ages and of unskilled workers, in short, of 'cheap labour', as the Englishman typically describes it. This is true not only for all large-scale production, whether machinery is employed or not, but also for the so-called domestic industries, whether carried on in the private dwellings of the workers, or in small workshops. This modern 'domestic industry' has nothing except the name in common with old-fashioned domestic industry, the existence of which presupposes independent urban handicrafts, independent peasant farming and, above all, a dwelling-house for the worker and his family. That kind of industry has now been converted into an external department of the factory, the manufacturing workshop, or the warehouse. Besides the factory worker, the workers engaged in manufacture, and the handicraftsmen, whom it concentrates in large masses at one spot, and directly commands, capital also sets another army in motion, by means of invisible threads: the outworkers in the domestic industries, who live in the large towns as well as being scattered over the countryside. An example: the shirt factory of Messrs Tillie at Londonderry, which employs 1,000 workers in the factory itself, and 9,000 outworkers spread over the country districts.[72]

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[71] Mr Gillott erected the first large-scale steel pen factory in Birmingham. As early as 1851 it was producing over 180,000,000 pens a year, and consuming 120 tons of steel. Birmingham has the monopoly of this industry in the United Kingdom, and at present produces thousands of millions of steel pens. According to the census of 1861, the number of persons employed was 1,428, of whom 1,268 were female workers, enrolled from 5 years of age upwards.

The exploitation of cheap and immature labour-power is carried out in a more shameless manner in modern manufacture than in the factory proper. This is because the technical foundation of the factory system, namely the substitution of machines for muscular power, and the light character of the labour, is almost entirely absent in manufacture, and at the same time women and excessively young children are subjected quite unscrupulously to the influence of poisonous substances. In the so-called domestic industries this exploitation is still more shameless than in modern manufacture, because the workers' power of resistance declines with their dispersal; because a whole series of plundering parasites insinuate themselves between the actual employer and the worker he employs; because a domestic industry has always to compete either with the factory system, or with manufacturing in the same branch of production; because poverty robs the worker of the conditions most essential to his labour, of space, light and ventilation; because employment becomes more and more irregular; and, finally, because in these last places of refuge for the masses made 'redundant' by large-scale industry and agriculture, competition for work necessarily attains its maximum. Economical use of the means of production, first systematically carried out in the factory system and coinciding there, from the very beginning, with the most reckless squandering of labour-power, and the theft of the normal requirements for the labour-function, now, in a given branch of industry, turns uppermost its antagonistic and murderous side; and the less the social productivity of labour and the technical basis for the combination of labour processes are developed in that branch, the more does the murderous side of this economy emerge.

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[72] *Children's Employment Commission, Second Report*, 1864, p. lxviii, n. 415.

(c) Modern Manufacture

I shall now illustrate the principles laid down above with a few examples. As a matter of fact, the reader is already familiar with a whole mass of instances given in the chapter on the working day. In the hardware manufactures of Birmingham and the neighbourhood, there are employed, mostly in very heavy work, 30,000 children and young persons, besides 10,000 women. They are to be found in a range of unhealthy jobs: in brass-foundries, button factories, and enamelling, galvanizing and lacquering works.[73] Owing to the excessive labour performed by their workers, both adult and non-adult, certain London firms where newspapers and books are printed have gained for themselves the honourable name of 'slaughter-houses'.[74] Similar excesses occur in book-binding, where the victims are chiefly women, girls and children; young persons have to do heavy work in rope-works, and night-work in salt mines, candle factories and chemical works; young people are worked to death at turning the looms in silk weaving, when it is not carried on by machinery.[75] One of the most shameful, dirtiest and worst paid jobs, a kind of labour on which women and young girls are by preference employed, is the sorting of rags. It is well known that Great Britain, apart from its own immense store of rags, is the emporium for the rag trade of the whole world. The rags flow in from Japan, from the most remote countries of South America, and from the Canary Islands. But the chief sources of supply are Germany, France, Russia, Italy, Egypt, Turkey, Belgium and Holland. They are used for manure, for making bed-flocks, for shoddy, and they serve as the raw material of paper. The rag-sorters are carriers for the spread of small-pox and other infectious diseases, and they themselves are the first victims.[76] A classic example of over-work, of hard and unsuitable labour, and of its brutalizing effects on the worker from his childhood upwards, is afforded not only by coal-mining and mining in general, but also by tile and brick making, in which industry the recently invented machinery is, in England, used only here and there. Between May and September the work lasts from 5 in the morning till 8 in the evening, and where the drying is done in the open air, it often lasts from 4 in the morning till 9 in the evening. Work from 5 in the morning till 7 in the evening is considered 'reduced' and 'moderate'. Boys and girls of 6 and even 4 years of age are employed. They work for the same number of hours as the adults, often longer. The work is hard and the summer heat increases the exhaustion. In a brickfield at Moxley, for example, a young woman (24 years old) was in the habit of making 2,000 bricks a day, with the assistance of two little girls who carried the clay for her and stacked the bricks. Every day these girls carried 10 tons up the slippery sides of the clay pits, from a depth of 30 feet, and then for a distance of 210 feet. 'It is almost impossible as things are for a child to pass through the ordeal of a brickfield without great moral degradation ... the low language, which they are accustomed to hear from their tenderest years, the filthy, indecent, and shameless habits, amidst which, unknowing, and half wild, they grow up, make them in after-life lawless, abandoned, dissolute ... A frightful source of demoralization is the mode of living. Each moulder, who is always a skilled labourer, and the chief of a group, supplies his seven subordinates with board and lodging in his cottage. Whether members of his family or not, the men, boys and girls all sleep in the cottage, which contains generally two, exceptionally three rooms, all on the ground floor, and badly ventilated. These people are so exhausted after the day's hard work, that neither the rules of health, of cleanliness, nor of decency are in the least observed. Many of these cottages are models of untidiness, dirt, and dust ... The greatest evil of the system that employs young girls on this sort of work, consists in this, that, as a rule, it chains them fast from childhood for the whole of their after-life to the most abandoned rabble. They become rough, foulmouthed boys, before Nature has taught them that they are women. Clothed in a few dirty rags, the legs naked far above the knees, hair and face besmeared with dirt, they learn to treat all feelings of decency and shame with contempt. During meal-times they lie at full length in the fields, or watch the boys bathing in a neighbouring canal. Their heavy day's work at length completed, they put on better clothes, and accompany the men to the public houses.' That excessive drunkenness is prevalent from childhood upwards among the whole of this class, is only natural. 'The worst is that the brickmakers despair of themselves. You might as well, said one of the better kind to a chaplain of the Southall fields, try to raise and improve the devil as a brickie, sir!'[77]

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[73] And now children are even employed at file-grinding in Sheffield!

[74] *Children's Employment Commission, Fifth Report*, 1866, p. 3, n. 24; p. 6, n. 55, 56; p. 7, n. 59, 60.

[75] ibid., pp. 114, 115, n. 6, 7. The commissioner rightly says that though as a rule machines take the place of men, here young persons literally replace machines.

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[76] See the report on the rag trade, with numerous examples, in *Public Health, Eighth Report*, London, 1866, pp. 196, 208.

There is a rich collection of official material to be found in the fourth and sixth *Public Health Reports* (1862 and 1864) on the way in which capital economizes on the requirements for labour in modern manufacture (in which I include all workshops on a large scale, except factories proper). The descriptions of the workshops, more especially those of the London printers and tailors, surpass the most loathsome fantasies of the novelists. The effect on the health of the workers is self-evident. Dr Simon, the chief medical officer of the Privy Council and the official editor of the *Public Health Reports*, says among other things: 'In my fourth report (1861) [published 1862] I showed, how it is practically impossible for the work-people to insist upon that which is their first sanitary right, viz., the right that, no matter what the work for which their employer brings them together, the labour, so far as it depends upon him, should be freed from all avoidably unwholesome conditions. I pointed out, that while the workpeople are practically incapable of doing themselves this sanitary justice, they are unable to obtain any effective support from the paid administrations of the sanitary policy . . . The life of myriads of workmen and workwomen is now uselessly tortured and shortened by the never-ending physical suffering that their mere occupation begets.'[78] In illustration of the way in which the workrooms influence the state of health, Dr Simon gives the following table of mortality.[79]

[77] *Children's Employment Commission, Fifth Report*, 1866, pp. xvi–xviii, n. 86–97, and pp. 130–33, n. 39–71. See also the *Third Report*, 1864, pp. 48, 56.

[78] *Public Health, Sixth Report*, London, 1864, pp. 29, 31.

[79] ibid., p. 30. Dr Simon remarks that mortality among the London tailors and printers between the ages of 25 and 35 is in fact much greater [than it appears], because employers in London obtain from the country a great number of young people up to 30 years of age, as 'apprentices' and 'improvers',

Number of persons of all ages employed in the respective industries	Industries compared as regards health	Death-rate per 100,000 men in the respective industries between the stated ages		
		Age 25–35	Age 35–45	Age 45–55
958,265	Agriculture in England and Wales	743	805	1,145
22,301 men 12,379 women	London tailors	958	1,262	2,093
13,803	London printers	894	1,747	2,367

(d) Modern Domestic Industry

I now come to so-called domestic industry. In order to get an idea of the horrors of this sphere, in which capital conducts its exploitation against the background of large-scale industry, one might well look, for instance, at the apparently idyllic trade of nail-making, carried on in a few remote villages of England.[80] Here, however, it will be enough to give a few examples from industries, some of whose branches are either not yet carried on with the aid of machinery, or do not as yet compete against machine and factory products: lace-making and straw-plaiting.

Of the 150,000 persons employed in England in the production of lace, about 10,000 fall within the sphere of the Factory Act of 1861. Almost the whole of the remaining 140,000 are women, young persons, and children of both sexes, although the male sex is only weakly represented here. The state of health of this 'cheap' material for exploitation can be seen from the following table, worked out by Dr Trueman, physician to the Nottingham General Dispensary. Out of 686 female patients who were lace-makers,

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who come to perfect their skill in their trade. These figure in the census as Londoners, and they swell out the number of heads on which the London death-rate is calculated, without adding proportionally to the number of deaths there. The greater part of them in fact return to the country, and indeed especially in cases of severe illness (ibid.).

[80] I refer here to hammered nails, as opposed to nails cut out and made by machinery. See *Children's Employment Commission, Third Report*, pp. xi, xix, n. 125–30, p. 52, n. 11, p. 114, n. 487, p. 137, n. 674.

most of them between the ages of 17 and 24, the proportion of consumptives was:

1852 – 1 in 45
1853 – 1 in 28
1854 – 1 in 17
1855 – 1 in 18
1856 – 1 in 15
1857 – 1 in 13
1858 – 1 in 15
1859 – 1 in 9
1860 – 1 in 8
1861 – 1 in 8[81]

This advance in the rate of consumption ought to suffice for the most optimistic advocate of progress, or for the most mendacious free-trade bagman in Germany.

The Factory Act of 1861 regulates the actual making of the lace, in so far as it is done by machinery, and it is done by machinery as a rule in England. The branches we are about to examine, solely with regard to those who work at home, and are not concentrated in workshops or warehouses, fall into two categories, namely (1) finishing, and (2) mending. The former gives the finishing touches to the machine-made lace, and includes numerous subdivisions.

The lace finishing is done either in what are called 'mistresses' houses', or by women in their own houses, with or without the help of their children. The women who keep the 'mistresses' houses' are themselves poor. The workroom is in a private house. The mistresses take orders from manufacturers, or from warehousemen, and employ as many women, girls and young children as the size of their rooms and the fluctuating demand of the business will allow. The number of women employed in these workrooms varies from twenty to forty in some, and from ten to twenty in others. The average age at which the children start work is 6 years, but in many cases it is below 5. The usual working hours are from 8 in the morning until 8 in the evening, with 1½ hours for meals, which are taken at irregular intervals, and often in the stinking workrooms. When business is brisk, the labour frequently lasts from 8 or even 6 o'clock in the morning until 10, 11 or 12 o'clock at night. In English barracks the regulation space allotted to each soldier is 500 to 600 cubic feet, and in the military hospitals 1,200 cubic feet. But in those finishing sties there are between 67 and 100 cubic feet for each person. At the same time the oxygen of the air is consumed by gas-lights. In order to keep the lace clean, the children are often compelled to pull off their shoes, even in winter, although the floor is tiled or flagged. 'It is not at all uncommon in Nottingham to find fourteen to twenty children huddled together in a small room, of, perhaps, not more than 12 feet square, and employed for 15 hours out of the 24, at work that of itself is exhausting, from its weariness and monotony, and is besides carried on under every possible unwholesome condition . . . Even the very youngest children work with a strained attention and a rapidity that is astonishing, hardly ever giving their fingers rest or slowing their motion. If a question is asked them, they never raise their eyes from their work from fear of losing a single moment.' The 'long cane' is increasingly used as a stimulant by the mistresses as the working hours drag towards their close. 'The children gradually tire and become as restless as birds towards the end of their long detention at an occupation that is monotonous, eye-straining, and exhausting from the uniformity in the posture of the body. Their work is like slavery.'[82] When women and their children work at home, which nowadays means in a hired room, often in a garret, their situation is, if that is possible, still worse. This sort of work is given out within a radius of 80 miles from Nottingham. On leaving the warehouse at 9 or 10 o'clock at night, the children are often given a bundle of lace to take home with them and finish. The pharisee of a capitalist, represented by one of his paid lackeys, accompanies this action, of course, with the unctuous phrase 'That's for mother', yet he knows very well that the poor children must sit up and help.[83]

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[81] *Children's Employment Commission, Second Report*, p. xxii, n. 166.

Pillow lace-making is chiefly carried on in England in two agricultural districts; one, the Honiton lace district, extending from 20 to 30 miles along the south coast of Devonshire, and including a few places in North Devon; the other comprising a great part of the counties of Buckingham, Bedford and Northampton, and also the adjoining portions of Oxfordshire and Huntingdonshire. The cottages of the agricultural labourers are the places where the work is usually carried on. Many manufacturers employ upwards of 3,000 of these lace-makers, who are chiefly children and young persons, and always female. The conditions we have just described for the lace-finishing trade also prevail here, except that instead of the 'mistresses' houses' we find what are called 'lace-schools' kept by poor women in their cottages. From their fifth year and often earlier, until their twelfth or fifteenth year, the children work in these schools; during the first year the very young ones work from four to eight hours, and later on, from six in the morning till eight and ten o'clock at night. 'These rooms are generally the living rooms of small cottages, with the fireplace stopped up to prevent draught, and sometimes even in winter, the animal heat of the inmates being thought sufficient; in other cases, they are small pantry-like rooms without any fireplaces . . . The crowding in these rooms and the foulness of air produced by it are sometimes extreme. Added to this is the injurious effect of drains, privies, decomposing substances, and other filth usual in the purlieus of the smaller cottages.' With regard to space: 'In one lace-school eighteen girls and a mistress, 33 cubic feet to each person; in another, where the smell was unbearable, eighteen persons and 24½ cubic feet per head. In this industry are to be found employed children of 2 and 2½ years.'[84]

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[82] *Children's Employment Commission, Second Report,* 1864, pp. xix, xx, xxi.

[83] ibid., pp. xxi, xxii.

Where lace-making ends in the counties of Buckingham and Bedford, straw-plaiting begins, and extends over a large part of Hertfordshire and the westerly and northerly parts of Essex. In 1861, there were 40,043 persons employed in straw-plaiting and straw-hat making; of these, 3,815 were males of all ages, the rest females, of whom 14,913, including about 7,000 children, were under 20 years of age. In the place of the lace-schools we find here the 'straw-plait schools'. The children generally start to be instructed in straw-plaiting at the age of 4, often between 3 and 4 years. They get no education, of course. The children themselves call the elementary schools 'natural schools', distinguishing them in this way from these blood-sucking institutions, in which they are kept at work simply to get through the task, generally 30 yards a day, which is prescribed by their half-starved mothers. These same mothers often make them work at home, after school is over, till 10, 11 and 12 o'clock at night. The straw cuts their mouths, with which they constantly moisten it, and their fingers. Dr Ballard gives it as the general opinion of the whole body of medical officers in London that 300 cubic feet is the minimum space proper for each person in a bedroom or workroom. But in the straw-plait schools space is more sparingly allotted than in the lace-schools, '12⅔, 17, 18½ and below 22 cubic feet for each person'. The smaller of these numbers, says one of the commissioners, Mr White, represents less space than the half of what a child would occupy if packed in a box measuring 3 feet in each direction. Thus do the children enjoy life till the age of 12 or 14. The wretched half-starved parents think of nothing but getting as much as possible out of their children. The latter, as soon as they are grown up, do not care a farthing, and naturally so, for their parents, and leave them. 'It is no wonder that ignorance and vice abound in a population so brought up ... Their morality is at the lowest ebb ... a great number of the women have illegitimate children, and that at such an immature age that even those most conversant with criminal statistics are astounded.'[85] And the native land of these model families is itself the model Christian country in Europe; at least, this is what Count Montalembert says, and he is certainly a competent authority on Christianity!

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[84] *Children's Employment Commission, Second Report,* 1864, pp. xxix–xxx.

Wages in the above industries, miserable as they are (the maximum wages of a child in the straw-plait schools rising in rare cases to 3 shillings), are reduced far below their nominal amount by the prevalence of the truck system everywhere, but especially in the lace districts.[86]

(e) Transition from Modern Manufacture and Domestic Industry to Large-Scale Industry. The Hastening of this Revolution by the Application of the Factory Acts to those Industries

The cheapening of labour-power, by sheer abuse of the labour of women and children, by sheer robbery of every normal condition needed for working and living, and by the sheer brutality of overwork and night-work, finally comes up against certain insuperable natural obstacles. This is also true of the cheapening of commodities, and of capitalist exploitation in general, which rest on these foundations. When this point has at last been reached – and this takes many years – the hour has struck for the introduction of machinery, and for a thenceforth rapid transformation of the scattered domestic industries, as well as the manufactures, into factory industries.

An example of this process, on the most colossal scale, is afforded by the production of 'wearing apparel'. This industry, according to the classification of the Children's Employment Commission, comprises straw-hat makers, ladies'-hat makers, cap-makers, tailors, milliners and dressmakers, shirtmakers, corset-makers, glove-makers, shoemakers, besides many minor branches, such as the making of neck-ties, collars, etc. In 1861 the number of females employed in these industries, in England and Wales, amounted to 586,299, of whom 115,242 at least were under 20, and 16,650 under 15 years of age. The number of these working women in the United Kingdom in 1861 was 750,334. The number of males employed in England and Wales, in hat-making, shoemaking, glove-making and tailoring was 437,969; of these, 14,964 were under 15 years, 89,285 between 15 and 20, and 333,117 over 20 years. Many of the smaller branches are not included in these figures. But take the figures as they stand; we then have for England and Wales alone, according to the census of 1861, a total of 1,024,277 persons, about as many as are taken up by agriculture and cattle-breeding. We begin to understand the purpose for which machinery conjures up such immense quantities of goods, and 'sets free' such enormous masses of workers.

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[85] ibid., pp. xl–xli.

[86] *Children's Employment Commission, First Report*, 1863, p. 185.

The production of 'wearing apparel' is carried on partly in manufacturing workshops within which there is merely a reproduction of the division of labour whose *membra disjecta** were already to hand; partly by small master-craftsmen, who do not, however, work as before for individual consumers, but for factories and warehouses, and to such an extent that often whole towns and stretches of country carry on certain branches, such as shoemaking, as a speciality; finally, on a very large scale, by the so-called domestic workers, who form an external department of the factories and warehouses, and even of the workshops of the smaller masters.[87]

The raw material for this labour, either in its raw shape or already semi-fabricated, is supplied by large-scale industry, and the mass of cheap human material (*taillable à merci et miséricorde*)† consists of the individuals 'set free' by large-scale industry and agriculture. The manufactures of this sphere owed their origin chiefly to the capitalists' need to have at hand an army equipped

[87] In England millinery and dressmaking are for the most part carried on on the premises of the employer, by female workers who sometimes live there and sometimes elsewhere.

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*'Scattered elements'.

†'Taxable at pleasure and mercy'. This was the term applied in France to serfs in the Middle Ages, and later, to express their lack of legal rights.

to respond to any increase in demand.[88] These manufactures, nevertheless, allowed the scattered handicrafts and domestic industries to continue to exist as a broad foundation. The great production of surplus-value in these branches of labour, and the progressive cheapening of their articles, were and are chiefly due to the minimum wages paid, which just sufficed for a miserable, vegetable existence, and to the extension of the hours of labour to the maximum endurable by the human organism. It was in fact the cheapness of the human sweat and the human blood which were converted into commodities, which permitted the constant extension of the market; this was especially true of England's colonial market where, besides, English tastes and habits prevail. At last the critical point was reached. The basis of the old method, sheer brutality in the exploitation of the workers, accompanied by a more or less systematic division of labour, no longer sufficed for the extending markets and for the still more rapidly extending competition of the capitalists. The hour of the machine had struck. The decisively revolutionary machine, the machine which attacks in an equal degree all the innumerable branches of this sphere of production, such as dressmaking, tailoring, shoemaking, sewing, hat-making and so on, is the sewing-machine.

Its immediate effect on the workers is like that of all machinery, which, during the epoch of large-scale industry, has seized on new branches of trade. Children who are too young are removed. The wage of those who work with machines rises compared with that of the domestic workers, many of whom belong among the 'poorest of the poor'. The wage of the better situated handicraftsmen sinks, however, since the machine is in competition with them. The new machine-minders are exclusively girls and young women. With the help of mechanical force, they destroy the monopoly that male labour had of the heavier work, and they drive off from the lighter work numbers of old women and very young children. The overpowering competition crushes the weakest manual workers. The fearful increase in death from starvation during the last ten years in London runs parallel with the extension of machine sewing.[89]

[88] Commissioner White visited a military clothing factory that employed 1,000 to 1,200 persons, almost all females, and a shoe factory with 1,300 persons; of these nearly one-half were children and young persons (*Children's Employment Commission, Second Report*, p. xlvii, n. 319).

[89] One example. The weekly report of deaths issued by the Registrar-General contains, under the date of 26 February 1864, five cases of death

The new female workers turn the machines by hand and foot, or by hand alone, sometimes sitting, sometimes standing, according to the weight, size and special make of the machine, and expend a great deal of labour-power. Their occupation is unwholesome, owing to the long hours, although in most cases these are not so long as under the old system. Wherever the sewing-machine is located in narrow and already over-crowded workrooms, it adds to the unwholesome influences. 'The effect,' says Mr Lord, 'of entering a low pitched room where thirty to forty machinists are working under such conditions . . . is almost overpowering . . . the heat, partly owing to gas stoves for heating irons, was dreadful . . . Even when moderate hours of work, i.e., from 8 in the morning till 6 in the evening, prevail in such places, yet three or four persons fall into a swoon regularly every day.'[90]

The revolution in the social mode of production which is the necessary product of the revolution in the means of production is accomplished through a variegated medley of transitional forms. These forms vary according to the extent to which the sewing-machine has become prevalent in one branch of industry or the other, the time during which it has been in operation, the previous condition of the workers, the degree to which manufacture, handicrafts or domestic industry preponderates, the level of rent of the workrooms,[91] and so on. In dress-making, for instance, where the labour for the most part was already organized, chiefly by simple co-operation, the sewing-machine at first formed nothing but a fresh element in the already existing system of manufacture. In tailoring, shirtmaking, shoemaking, etc., all the forms are intermingled. Here we see the factory system proper. We see middlemen receiving the raw material from the capitalist *en chef*, and setting to work at sewing-machines, in 'chambers' and 'garrets', groups of from ten to fifty or more female workers. Finally, as is always

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from starvation. On the same day *The Times* reports another case. Six victims of starvation in one week!

[90] *Children's Employment Commission, Second Report*, 1864, p. lxvii, n. 406–9, p. 84, n. 124, p. lxxiii, n. 441, p. 68, n. 6, p. 84, n. 126, p. 78, n. 85, p. 76, n. 69, p. lxxii, n. 438.

[91] 'The rental of premises required for work-rooms seems to be the element which ultimately determines this point, and consequently it is in the metropolis that the old system of giving work out to small employers and families has been longest retained, or earliest returned to' (ibid., p. 83, n. 123).

the case with machinery when not organized into a system, and when it can also be used on a very small scale, handicraftsmen and domestic workers, along with their families, or with a little extra labour from outside, make use of their own sewing-machines.[92] The system actually prevalent in England is this: the capitalist concentrates a large number of machines on his premises, and then distributes the product of those machines amongst the domestic workers to work it up into its finished form.[93] The variety of these transitional forms does not, however, conceal the tendency operating to transform them into the factory system proper. This tendency is nurtured by the very nature of the sewing-machine, the manifold uses of which tend to compel the concentration, under one roof and one management, of previously separated branches of a trade. It is also favoured by the circumstance that preparatory needlework and certain other operations are most conveniently done on the premises where the machine is at work, as well as by the inevitable expropriation of the hand sewers, and the domestic workers who work with their own machines. This fate has already in part overtaken them. The constantly increasing amount of capital invested in sewing-machines[94] spurs on the production of machine-made articles and gluts the market with them, thereby signalling to the domestic workers that they must sell their machines. The over-production of sewing-machines themselves causes their producers, who need to sell at all costs, to let them out for so much a week, thus crushing the small sewing-machine owners by their deadly competition.[95] Constant changes in the construction of the machines, and their ever-increasing cheapness, cause the older makes to depreciate daily and compel their sale in great numbers, at absurd prices, to large capitalists, who are now the only people who can employ them at a profit. Finally, the substitution of the steam-engine for man strikes the final blow in this, as in all similar processes of transformation. Initially the use of steam-power meets with certain technical difficulties, such as unsteadiness in the machines, difficulty in controlling their speed, rapid wear and tear of the lighter machines, etc. But these are all soon overcome by experience.[96] If, on the one hand, the concentration of many machines in large factories leads to the use of steam power, on the other hand the competition of steam with human muscles hastens on the concentration of workers and machines in large factories. Thus England is at present experiencing, not only in the colossal industry of making 'wearing apparel', but also in most of the other trades mentioned above, the conversion of manufacture, handicrafts and domestic work into the factory system, after each of those forms of production, totally changed and disorganized under the influence of large-scale industry, has long ago reproduced and even overdone all the horrors of the factory system, without reproducing any of the positive aspects of its development.[97]

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[92] In glove-making and other industries where the condition of the workers is hardly to be distinguished from that of paupers, this does not happen.

[93] ibid., p. 83, n. 122.

[94] In the wholesale boot and shoe trade of Leicester alone, there were in 1864 800 sewing-machines already in use.

[95] ibid., p. 84, n. 124.

This industrial revolution, which advances naturally and spontaneously, is also helped on artificially by the extension of the Factory Acts to all industries in which women, young persons and children are employed. The compulsory regulation of the working day, as regards its length, pauses, beginning and end, the introduction of the relay system for children, the exclusion from the factory of all children under a certain age, etc., necessitate on the one hand more machinery[98] and the substitution of steam as a motive power in the place of muscles.[99] On the other hand, in order to make up for the loss of time, an expansion occurs of the means of production used in common, of the furnaces, buildings, etc., in one word, a greater concentration of the means of production and a corresponding increase in the number of workers conglomerated in one place. The chief objection, raised repeatedly and passionately on behalf of each manufacture threatened with the Factory Act, is in fact this, that in order to continue the business on the old scale a greater outlay of capital will be necessary. But, as regards labour in the so-called domestic industries and the intermediate forms between them and manufacture, as soon as limits are set to the working day and to the employment of children, those industries go to the wall. Unlimited exploitation of cheap labour-power is the sole foundation of their ability to compete.

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[96] Instances: the Army Clothing Depot at Pimlico, London, the shirt factory of Tillie and Henderson at Londonderry, and the clothes factory of Messrs Tait at Limerick, which employs about 1,200 'hands'.

[97] 'Tendency to Factory System' (ibid., p. lxvii). 'The whole employment is at this time in a state of transition, and is undergoing the same change as that effected in the lace trade, weaving, etc.' (ibid., n. 405). 'A complete revolution' (ibid., p. xlvi, n. 318). At the time of the Children's Employment Commission report of 1840 stockings were still being made by manual labour. Since 1846 various sorts of machine have been introduced, and they are now driven by steam. The total number of persons of both sexes and all ages from 3 years upwards employed in the making of stockings in England was in 1862 about 129,000. Of these only 4,063 were, according to the Parliamentary Return of 11 February 1862, working under the Factory Acts.

[98] Here is an example taken from the earthenware trade. Messrs Cochrane, of the Britannia Pottery, Glasgow, report: 'To keep up our quantity we have gone extensively into machines wrought by unskilled labour, and every day convinces us that we can produce a greater quantity than by the old method' (*Reports of the Inspectors of Factories ... 31 October 1865*, p. 13). 'The effect of the Factory Acts is to force on the further introduction of machinery' (ibid., pp. 13–14).

[99] Thus, after the extension of the Factory Act to the potteries, there was a great increase of power-jiggers in place of hand-moved jiggers.

One of the essential conditions for the existence of the factory system, especially when the length of the working day is fixed, is certainty in the result, i.e. the production in a given time of a given quantity of commodities, or of a given useful effect. The statutory pauses in the working day, moreover, imply the assumption that periodic and sudden cessations in the work do no harm to the article undergoing the process of production. This certainty in the result, and this possibility of interrupting the work, are of course more easily attained in the purely mechanical industries than in those in which chemical and physical processes play a part; as, for instance, in the earthenware trade, in bleaching, dyeing, baking, and in most of the metallurgical industries. Wherever there is a working day whose length is not restricted, wherever there is night-work and unrestricted waste of human life, there the slightest obstacle presented by the nature of the work to a change for the better is soon looked on as an eternal 'natural barrier' inherent in production. No poison kills vermin with more certainty than the Factory Act removes such 'natural barriers'. No one made a greater outcry over 'impossibilities' than the gentlemen who are involved in the manufacture of earthenware. In 1864, however, they were brought under the Act, and within sixteen months every 'impossibility' had vanished. 'The improved method', called forth by the Act, 'of making slip by pressure instead of by evaporation, the newly-constructed stoves for drying the ware in its green state, etc., are each events of great importance in the pottery art, and mark an advance which the preceding century could not rival ... It has even considerably reduced the temperature of the stoves themselves with a considerable saving of fuel, and with a readier effect on the ware.'[1] In spite of every prophecy, the cost price of earthenware did not rise, but the quantity produced did, and to such an extent that the export for the twelve months ending December 1865 exceeded in value by £138,628 the average of the preceding three years. In the manufacture of matches it was thought to be an indispensable requirement that boys, even while bolting their dinner, should go on dipping the matches in melted phosphorus, whose poisonous vapour rose into their faces. The Factory Act (1864) made the saving of time a necessity, and so forced into existence a dipping machine, whose vapour could not come into contact with the workers.[2] Similarly, at the present time, in those branches of lace manufacture not yet subject to the Factory Act, it is maintained that meal-times cannot be regular owing to the different periods required by the various kinds of lace for drying, periods which vary from three minutes to up to an hour and more. To this the Children's Employment Commissioners answer: 'The circumstances of this case are precisely analogous to that of the paper-stainers, dealt with in our first report. Some of the principal manufacturers in the trade urged that, in consequence of the nature of the materials used, and their various processes, they would be unable, without serious loss, to stop for meal-times at any given moment. But it was seen from the evidence that, by due care and previous arrangement, the apprehended difficulty could be got over; and accordingly by clause 6 of section 6 of the Factory Acts Extension Act passed during this Session of Parliament, an interval of eighteen months is given to them, from the passing of the Act, before they are required to conform to the meal hours specified by the Factory Acts.'[3] The Act had hardly received the sanction of Parliament when the manufacturers also discovered this: 'The inconveniences we expected to arise from the introduction of the Factory Acts into our branch of manufacture, I am happy to say, have not arisen. We do not find the production at all interfered with; in short we produce more in the same time.'[4] It is evident that the British Parliament, which no one will reproach with being excessively endowed with genius, has been led by experience to the conclusion that a simple compulsory law is sufficient to enact away all the so-called impediments opposed by the nature of the process to the restriction and regulation of the working day. Hence, on the introduction of the Factory Act into a given industry, a period varying from six to eighteen months is fixed within which it is incumbent on the manufacturers to remove all technical impediments to the working of the Act. Mirabeau's '*Impossible! ne me dites jamais ce bête de mot!*'* is particularly applicable to modern technology. But though the Factory Acts thus artificially ripen the material elements necessary for the conversion of the manufacturing system into the factory system, yet at the same time, because they make it necessary to lay out a greater amount of capital, they hasten the decline of the small masters, and the concentration of capital.[5]

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[1] *Reports of the Inspectors of Factories . . . 31 October 1865*, pp. 96 and 127.

[2] The introduction of this and other machinery into match-making had the effect, in one department alone, that 230 young persons were replaced by 32 boys and girls of 14 to 17 years of age. This saving in labour was carried still further in 1865 by the employment of steam power.

[3] *Children's Employment Commission, Second Report*, 1864, p. ix, n. 50.

[4] *Reports of the Inspectors of Factories . . . 31 October 1865*, p. 22.

Apart from the purely technical impediments, which can be removed by technical means, the irregular habits of the workers themselves obstruct the regulation of the hours of labour. This is especially the case where piece-wages predominate, and where loss of time in one part of the day or week can be made good by subsequent overtime or by night-work, a process which brutalizes the adult worker and ruins his wife and children.[6] Although this

[5] 'But it must be borne in mind that those improvements, though carried out fully in some establishments, are by no means general, and are not capable of being brought into use in many of the old manufactories without an expenditure of capital beyond the means of many of the present occupiers.' 'I cannot but rejoice,' writes Sub-Inspector May, 'that notwithstanding the temporary disorganization which inevitably follows the introduction of such a measure' (as the Factory Acts Extension Act) 'and is, indeed, directly indicative of the evils which it was intended to remedy, etc.' (*Reports of the Inspectors of Factories . . . 31 October 1865*, pp. 96–7).

[6] With blast-furnaces, for instance, 'work towards the end of the week being generally much increased in duration, in consequence of the habit of the men of idling on Mondays and occasionally during a part of the whole of Tuesdays also' (*Children's Employment Commission, Third Report*, p. vi [n. 15]). 'The little masters generally have very irregular hours. They lose two or three days, and then work all night to make it up . . . They always employ their own children, if they have any' (ibid., p. vii [n. 19]). 'The want of regularity in coming to work, encouraged by the possibility and practice of making up for this by working longer hours' (ibid., p. xviii [n. 115]). 'In Birmingham . . . an enormous amount of time is lost . . . idling part of the time and slaving the rest' (ibid., p. xi [n. 61]).

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* 'Impossible! Never use that ridiculous word to me!'

absence of regularity in the expenditure of labour-power is a natural and crudely spontaneous reaction against the tedium of monotonous drudgery, it also originates, and to a much greater degree, from the anarchy in production itself, an anarchy that in its turn presupposes unbridled exploitation of labour-power by the capitalist. Alongside the general and periodic changes in the industrial cycle, and the special fluctuations in the markets to which each industry is subject, we may also reckon what is called 'the season', dependent either on the periodicity of favourable seasons of the year for navigation, or on fashion, and the sudden placing of large orders that have to be executed in the shortest possible time. The habit of giving such orders becomes more frequent with the extension of railways and telegraphs. 'The extension of the railway system throughout the country has tended very much to encourage giving short notice. Purchasers now come up from Glasgow, Manchester, and Edinburgh once every fortnight or so to the wholesale city warehouses which we supply, and give small orders requiring immediate execution, instead of buying from stock as they used to do. Years ago we were always able to work in the slack times so as to meet the demand of the next season, but now no one can say beforehand what will be in demand then.'[7]

In factories and places of manufacture which are not yet subject to the Factory Acts, the most fearful over-work prevails periodically during what is called the season, as a result of sudden orders. In the outside departments of factory, workshop and warehouse, the so-called domestic workers, whose employment is at best irregular, are entirely dependent for their raw material and their orders on the caprice of the capitalist, who, in this industry, is not hampered by any regard for depreciation of his buildings and machinery, and risks nothing by a stoppage of work but the skin of the worker himself. Here then he sets himself systematically to work to form an industrial reserve force that shall be ready at a moment's notice; during one part of the year he decimates this force by the most inhuman toil, during the other part he lets it starve for lack of work. 'Employers . . . avail themselves of the habitual irregularity [in work at home] when any extra work is wanted at a push, so that work goes on till 11 and 12 p.m., or 2

[7] *Children's Employment Commission, Fourth Report,* p. xxxii [n. 202]. 'The extension of the railway system is said to have contributed greatly to this custom of giving sudden orders, and the consequent hurry, neglect of meal-times, and late hours of the workpeople' (ibid., p. xxxi [n. 202]).

a.m., or as the usual phrase is, "all hours",' and in places where 'the stench is enough to knock you down; you go to the door, perhaps, and open it, but shudder to go further'.[8] 'They are curious men,' said one of the witnesses, a shoemaker, speaking of the masters, 'and think it does a boy no harm to work too hard for half the year, if he is nearly idle for the other half.'[9]

Like the technical impediments, these 'usages which have grown with the growth of trade', or business customs, were also proclaimed by interested capitalists (and still are proclaimed) to be 'natural barriers' inherent in production. This was a favourite cry of the cotton lords at the time when they were first threatened with the Factory Acts. Although their industry depends, more than any other, on the world market, and therefore on shipping, experience showed they were lying. Since then, every pretended 'obstruction to business' has been treated by the Factory Inspectors as a mere sham.[10] The thoroughly conscientious investigations of the Children's Employment Commission prove that the effect of the regulation of the hours of work, in some industries, was to spread the mass of labour previously employed more evenly over the whole year;[11] that this regulation was the first rational bridle on the murderous, meaningless caprices of fashion,[12] caprices which fit in very badly with the system under which large-scale industry operates; that the development of ocean navigation and of the means of communication in general has destroyed the actual technical foundation of seasonal labour,[13] and that all other so-called uncontrollable circumstances are swept away by the increased size of the buildings, the additional machinery, the increased number of workers employed simultaneously,[14] and the automatic impact of all these changes on the mode of conducting the wholesale trade.[15] But for all that, capital never becomes reconciled to such changes – and this is admitted over and over again by its own representatives – except 'under the pressure of a General Act of Parliament'[16] for the compulsory regulation of the hours of labour.

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[8] *Children's Employment Commission, Fourth Report*, p. xxxv, n. 235, 237.

[9] ibid., p. 127, n. 56.

[10] 'With respect to the loss of trade by non-completion of shipping orders in time, I remember that this was the pet argument of the factory masters in 1832 and 1833. Nothing that can be advanced now on this subject, could have the force that it had then, before steam had halved all distances and established new regulations for transit. It quite failed at that time of proof when put to the test, and again it will certainly fail should it have to be tried' (*Reports of the Inspectors of Factories . . . 31 October 1862*, pp. 54–5).

[11] *Children's Employment Commission, Third Report*, p. xviii, n. 118.

[12] John Bellers remarked as long ago as 1699: 'The uncertainty of fashions does increase necessitous Poor. It has two great mischiefs in it. 1st). The journeymen are miserable in winterf or want of work, the mercers and master-weavers not daring to lay out their stocks to keep the journeymen employed before the spring comes, and they know what the fashion will then be, 2ndly). In the spring the journeymen are not sufficient, but the master-weavers must draw in many prentices, that they may supply the trade of the kingdom in a quarter or half a year, which robs the plough of hands, drains the country of labourers, and in a great part stocks the city with beggars, and starves some in winter that are ashamed to beg' (*Essays about the Poor, Manufactures, etc.*, p. 9).

9. THE HEALTH AND EDUCATION CLAUSES OF THE FACTORY ACTS. THE GENERAL EXTENSION OF FACTORY LEGISLATION IN ENGLAND

Factory legislation, that first conscious and methodical reaction of society against the spontaneously developed form of its production process, is, as we have seen, just as much the necessary product of large-scale industry as cotton yarn, self-actors and the electric telegraph. Before we go on to consider the extension of that legislation in England, we shall briefly notice certain clauses contained in the Factory Acts which do not relate to the hours of work.

Quite apart from their wording, which makes it easy for the capitalist to evade them, the clauses relating to health are extremely meagre, and in fact limited to provisions for whitewashing the walls, for insuring cleanliness in some other matters, for ventilation and for protection against dangerous machinery. We shall return again in Volume 3* to the fanatical opposition of the manufacturers to those clauses which imposed on them a slight expenditure on appliances for protecting the arms and legs of their 'hands'. Here is yet another dazzling vindication of the free-trade dogma that, in a society of mutually antagonistic interests, each individual furthers the common welfare by seeking his own personal advantage! One example will suffice. It is a well-known fact that during the last twenty years the flax industry has expanded considerably, and that, with that expansion, the number of scutching mills in Ireland has increased. In 1864 there were in that country 1,800 of these mills. Regularly, in autumn and winter, women and 'young persons', the wives, sons and daughters of the neighbouring small farmers, a class of people entirely unaccustomed to machinery, are taken from field labour to feed the rollers of the scutching mills with flax. The accidents, both as regards number and kind, are wholly unparalleled in the history of machinery. In one scutching mill, at Kildinan, near Cork, there occurred between 1852 and 1856 six fatal accidents and sixty mutilations. Every one of these might have been prevented by the simplest appliances, costing a few shillings. Dr W. White, the certifying surgeon for factories at Downpatrick, states in his official report, dated 15 December 1865: 'The serious accidents at the scutching mills are of the most fearful nature. In many cases a quarter of the body is torn from the trunk, and either involves death or a future of wretched incapacity and suffering. The increase of mills in the country will of course extend these dreadful results, and it will be a great boon if they are brought under the legislature. I am convinced that by proper supervision of scutching mills a vast sacrifice of life and limb would be averted.'[17]

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[13] *Children's Employment Commission, Fifth Report*, p. 171, n. 34.

[14] The evidence of some Bradford export houses is as follows: 'Under these circumstances it seems clear that no boys need be worked longer than from 8 a.m. to 7 or 7.30 p.m. in making up . . . It is merely a question of extra hands and extra outlay; if some masters were not so greedy, the boys would not work late; an extra machine costs only £16 or £18 . . . Much of such overtime as does occur is to be referred to an insufficiency of appliances and a want of space' (*Children's Employment Commission, Fifth Report*, p. 171, n. 35, 36, 38).

[15] ibid. (p. 81, n. 32). A London manufacturer, who by the way looks upon the compulsory regulation of the hours of labour as a protection for the workers against the manufacturers, and for the manufacturers themselves against the wholesale trade, states: 'The pressure in our trade is caused by the desire of shipping houses to send either by a sailing vessel in order to be in time for a particular season, and to save the difference in freight between that and steam, or by the earlier of two steamers so as to be the first in the foreign market.'

[16] 'This could be obviated,' says a manufacturer, 'at the expense of an enlargement of the works under the pressure of a General Act of Parliament' (ibid., p. x, n. 38).

What could be more characteristic of the capitalist mode of production than the fact that it is necessary, by Act of Parliament, to force upon the capitalists the simplest appliances for maintaining cleanliness and health? In the potteries the Factory Act of

[17] ibid., p. xv, n. 72 ff.

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*Cf. *Capital*, Vol. 3, Part I, Chapter 5, Section II, 'Savings in Labour Conditions at the Expense of the Workers'.

1864 'has whitewashed and cleansed upwards of 200 workshops, after a period of abstinence from any such cleaning, in many cases of 20 years, and in some entirely' (this is the 'abstinence' of the capitalist!), 'in which were employed 27,800 artisans, hitherto breathing through protracted days and often nights of labour, a mephitic atmosphere, and which rendered an otherwise comparatively innocuous occupation, pregnant with disease and death. The Act has improved the ventilation very much.'[18] At the same time, this part of the Act strikingly demonstrates that the capitalist mode of production, by its very nature, excludes all rational improvement beyond a certain point. It has been repeatedly noted that the English doctors are unanimous in declaring that where the work is continuous 500 cubic feet is the very smallest space that should be allowed for each person. Now, just as the Factory Acts, owing to their compulsory provisions, indirectly hasten the conversion of small workshops into factories, thus indirectly attacking the proprietary rights of the smaller capitalists, and assuring a monopoly to the big ones, so too, in the same way, thousands of small employers would be expropriated directly, at a single stroke, if it were made obligatory to provide the proper space for each worker in each workshop. This would strike at the very roots of the capitalist mode of production, i.e. the self-valorization of capital, whether on a small or a large scale, by means of the 'free' purchase and consumption of labour-power. Factory legislation is therefore brought to a dead halt before these 500 cubic feet of breathing space. The health officers, the industrial inquiry commissioners, the factory inspectors, all repeat, over and over again, that it is both necessary for the workers to have these 500 cubic feet, and impossible to impose this rule on capital. They are, in reality, declaring that consumption and the other pulmonary diseases of the workers are conditions necessary to the existence of capital.[19]

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[18] *Reports of the Inspectors of Factories . . . 31 October 1865*, p. 127.

[19] It has been found out by experiment that with each breath of average intensity taken by an average, healthy individual, about 25 cubic inches of air are consumed, and that about twenty breaths are taken in each minute. Hence the air inhaled in 24 hours by each individual is about 720,000 cubic inches, or 416 cubic feet. It is clear, however, that air which has once been breathed cannot serve again for the same process until it has been purified in the great workshop of nature. According to the experiments of Valentin and Brunner, it appears that a healthy man gives off about 1,300 cubic inches of carbonic acid per hour; this would give about 8 ounces of solid carbon

Paltry as the education clauses of the Act appear on the whole, they do proclaim that elementary education is a compulsory precondition for the employment of children.[20] The success of those clauses proved for the first time the possibility of combining education and gymnastics[21] with manual labour, and consequently of combining manual labour with education and gymnastics. The factory inspectors soon found out, by questioning the schoolmasters, that the factory children, although they received only one half the education of the regular day students, yet learnt quite as much and often more. 'This can be accounted for by the simple fact that, with only being at school for one half of the day, they are always fresh, and nearly always ready and willing to receive instruction. The system on which they work, half manual labour, and half school, renders each employment a rest and a relief to the other; consequently, both are far more congenial to the child, than would be the case were he kept constantly at one. It is quite clear that a boy who has been at school all the morning, cannot (in hot weather particularly) cope with one who comes fresh and bright from his work.'[22] Further evidence of this will be found in Senior's speech at the Social Science Congress at Edinburgh in 1863. He shows there, amongst other things, how the monotonous,

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thrown off from the lungs in 24 hours. 'Every man should have at least 800 cubic feet' (Huxley). [*Lessons in Elementary Physiology*, London, 1866, p. 105.]

[20] According to the English Factory Act, parents cannot send their children under 14 years of age into factories under the control of the Act, unless at the same time they allow them to receive elementary education. The manufacturer is responsible for compliance with the Act. 'Factory education is compulsory, and it is a condition of labour' (*Reports of the Inspectors of Factories ... 31 October 1865*, p. 111).

[21] On the very advantageous results achieved by combining gymnastics (and military exercises in the case of boys) with compulsory education for factory children and pauper students, see the speech of N. W. Senior at the seventh annual congress of the National Association for the Promotion of Social Science, in *Report of Proceedings, etc.*, London, 1863, pp. 63-4, and also the *Reports of the Inspectors of Factories ... 31 October 1865*, pp. 118-19, 120, 126 ff.

[22] *Reports of the Inspectors of Factories ... 31 October 1865*, pp. 118-19. A silk manufacturer naïvely stated to the Children's Employment Commissioners: 'I am quite sure that the true secret of producing efficient workpeople is to be found in uniting education and labour from a period of childhood. Of course the occupation must not be too severe, nor irksome or unhealthy. But of the advantage of the union I have no doubt. I wish my own children could have some work as well as play, to give variety to their schooling' (*Children's Employment Commission, Fifth Report*, p. 82, n. 36).

unproductive and long school day undergone by the children of the upper and middle classes uselessly adds to the labour of the teacher, 'while he not only fruitlessly but absolutely injuriously, wastes the time, health, and energy of the children'.[23] As Robert Owen has shown us in detail, the germ of the education of the future is present in the factory system; this education will, in the case of every child over a given age, combine productive labour with instruction and gymnastics, not only as one of the methods of adding to the efficiency of production, but as the only method of producing fully developed human beings.

As we have seen, large-scale industry sweeps away by technical means the division of labour characteristic of manufacture, under which each man is bound hand and foot for life to a single specialized operation. At the same time, the capitalist form of large-scale industry reproduces this same division of labour in a still more monstrous shape; in the factory proper, by converting the worker into a living appendage of the machine; and everywhere outside the factory by the sporadic use of machinery and machine workers,[24] or by the introduction of the labour of women, children and unskilled men as a new foundation for the division of labour. The contradiction between the division of labour under manufacture and the essential character of large-scale industry makes itself forcibly felt. It appears, for example, in the frightful fact that a great part of the children employed in modern factories and manufactures are from their earliest years riveted to the most simple manipulations, and exploited for years, without being taught a single kind of skill that would afterwards make them of use, even in the same factory. In the English letter-press printing trade, for example, there formerly existed a system, corresponding to that in the old manufactures and handicrafts, of advancing the apprentices from easy to more and more difficult work. They went through a course of teaching till they were finished printers. To be able to read and write was for every one of them a requirement of their trade. All this was changed by the printing machine. It employs two sorts of worker. On the one hand there are adults, tenters, and on the other hand there are boys, mostly from 11 to 17 years of age, whose sole occupation is either to spread the sheets of paper under the machine, or to take from it the printed sheets. They perform this weary task, in London especially, for 14, 15 and 16 hours at a stretch, during several days in the week, and frequently for 36 hours, with only 2 hours' rest for meals and sleep.[25] A great proportion of them cannot read, and they are, as a rule, utter savages and very extraordinary creatures. 'To qualify them for the work which they have to do they require no intellectual training; there is little room in it for skill, and less for judgement; their wages, though rather high for boys, do not increase proportionately as they grow up, and the majority of them cannot look for advancement to the better paid and more responsible post of machine minder, because, while each machine has but one minder, it has at least two, and often four boys attached to it.'[26] As soon as they get too old for such children's work, that is at about 17 years old, at the latest, they are discharged from the printing establishments. They become recruits for crime. Attempts to procure them employment elsewhere come to grief owing to their ignorance and brutality, their mental and bodily degradation.

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[23] Senior, op. cit., p. 66. The way in which large-scale industry, when it has reached a certain level, is capable of revolutionizing people's minds through the transformation it brings about in the material mode of production and the social relations of production, is strikingly demonstrated by a comparison of Senior's speech in 1863 with his philippic against the Factory Act of 1833. It could also be shown by a comparison of the views of the above-mentioned congress with the fact that in certain country districts of England poor parents are forbidden, on pain of death by starvation, to educate their children. Thus Mr Snell for example reports that it is a common occurrence in Somersetshire that, when a poor person claims parish relief, he is compelled to take his children out of school. Mr Wollaston, the clergyman at Feltham, also tells of cases where all relief was denied to certain families 'because they were sending their children to school!'

[24] Wherever handicraft-machines, driven by men, compete directly or indirectly with more developed machines driven by mechanical power, a great change takes place with regard to the worker who drives the machine. At first the steam-engine replaces this worker, afterwards he must replace the steam-engine. Hence the tension and the amount of labour-power expended become monstrous. This is especially true in the case of the children who are condemned to this torture. Thus Mr Longe, one of the commissioners, found that in Coventry and the neighbourhood boys from 10 to 15 years were employed in turning the ribbon-looms, not to mention younger children who had to drive smaller machines. It is extraordinarily fatiguing work. 'The boy is a mere substitute for steam power' (*Children's Employment Commission, Fifth Report*, 1866, p. 114, n. 6). As to the fatal consequences of 'this system of slavery', as the official report styles it [p. 115, n. 63], see ibid., pp. 114 ff.

What is true of the division of labour within the workshop under the system of manufacture is also true of the division of labour within society. As long as handicrafts and manufacture form the universal basis of social production, the subjection of the producer to a single branch, the breaking-up of the originally multifarious parts of his employment,[27] is a necessary aspect of the process of development. It is on that basis that each separate branch of production acquires its technically appropriate shape empirically, and slowly perfects it. Then, as soon as a particular degree of maturity has been reached, it rapidly crystallizes. Once this has happened, the only thing that here and there gives rise to a change, apart from the provision of new materials for labour through the medium of trade, is the gradual alteration of the instruments of labour. But their form, too, once it has been definitively laid down by experience, undergoes a process of petrifaction, as is proved by their frequent transmission from one generation to another, unaltered, through thousands of years. It is characteristic of this situation that, right down to the eighteenth century, the different trades were called 'mysteries' (*mystères*),[28] into whose secrets none but those initiated by their profession and their practical experience could penetrate. Large-scale industry tore aside the veil that concealed from men their own social process of production and turned the various spontaneously divided branches of production into riddles, not only to outsiders but even to the initiated. Its principle, which is to view each process of production in and for itself, and to resolve it into its constituent elements without looking first at the ability of the human hand to perform the new processes, brought into existence the whole of the modern science of technology. The varied, apparently unconnected and petrified forms of the social production process were now dissolved into conscious and planned applications of natural science, divided up systematically in accordance with the particular useful effect aimed at in each case. Similarly, technology discovered the few grand fundamental forms of motion which, despite all the diversity of the instruments used, apply necessarily to every productive action of the human body, just as the science of mechanics is not misled by the immense complication of modern machinery into viewing this as anything other than the constant re-appearance of the same simple mechanical processes.

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[25] ibid., p. 3, n. 24.

[26] ibid., p. 7, n. 60.

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[27] 'In some parts of the Highlands of Scotland ... not many years ago, every peasant, according to the Statistical Account, made his own shoes of leather tanned by himself. Many a shepherd and cottar too, with his wife and children, appeared at Church in clothes which had been touched by no hands but their own, since they were shorn from the sheep and sown in the flaxfield. In the preparation of these, it is added, scarcely a single article had been purchased, except the awl, needle, thimble, and a very few parts of the iron-work employed in the weaving. The dyes, too, were chiefly extracted by the women from trees, shrubs, and herbs' (Dugald Stewart, *Works*, ed. Hamilton, Vol. 8, p. 327–8).

[28] In the famous *Livre des métiers* of Étienne Boileau, we find it prescribed that a journeyman, on being admitted among the masters, had to swear 'to love his brethren with brotherly love, to support them in their respective trades, not wilfully to betray the secrets of the trade, and besides, in the interests of all, not to recommend his own wares by calling the attention of the buyer to defects in the articles made by others.'

Modern industry never views or treats the existing form of a production process as the definitive one. Its technical basis is therefore revolutionary, whereas all earlier modes of production were essentially conservative.[29] By means of machinery, chemical processes and other methods, it is continually transforming not only the technical basis of production but also the functions of the worker and the social combinations of the labour process. At the same time, it thereby also revolutionizes the division of labour within society, and incessantly throws masses of capital and of workers from one branch of production to another. Thus large-scale industry, by its very nature, necessitates variation of labour, fluidity of functions, and mobility of the worker in all directions. But on the other hand, in its capitalist form it reproduces the old division of labour with its ossified particularities. We have seen how this absolute contradiction* does away with all repose,

29. 'The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form, was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses, his real conditions of life, and his relations with his kind' (F. Engels and Karl Marx, *Manifest der Kommunistischen Partei*, London, 1848, p. 5) [English translation: 'Manifesto of the Communist Party', pp. 70–71, in Karl Marx, *The Revolutions of 1848*, Pelican Marx Library, 1973].

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*Namely the contradiction between the revolutionary technical basis of large-scale industry and the form it takes under capitalism. The reference back is mainly to Section 3 of this chapter.

all fixity and all security as far as the worker's life-situation is concerned; how it constantly threatens, by taking away the instruments of labour, to snatch from his hands the means of subsistence,[30] and, by suppressing his specialized function, to make him superfluous. We have seen, too, how this contradiction bursts forth without restraint in the ceaseless human sacrifices required from the working class, in the reckless squandering of labour-powers, and in the devastating effects of social anarchy. This is the negative side. But if, at present, variation of labour imposes itself after the manner of an overpowering natural law, and with the blindly destructive action of a natural law that meets with obstacles everywhere,[31] large-scale industry, through its very catastrophes, makes the recognition of variation of labour and hence of the fitness of the worker for the maximum number of different kinds of labour into a question of life and death. This possibility of varying labour must become a general law of social production, and the existing relations must be adapted to permit its realization in practice. That monstrosity, the disposable working population held in reserve, in misery, for the changing requirements of capitalist exploitation, must be replaced by the individual man who is absolutely available for the different kinds of labour required of him; the partially developed individual, who is merely the bearer of one specialized social function, must be replaced by the totally developed individual, for whom the different social functions are different modes of activity he takes up in turn.

One aspect of this process of transformation, which has developed spontaneously from the foundation provided by large-scale industry, is the establishment of technical and agricultural schools. Another is the foundation of '*écoles d'enseignement pro-*

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[30] 'You take my life
When you do take the means whereby I live.'
(Shakespeare, *The Merchant of Venice*, Act 4, Scene 1)

[31] A French worker wrote as follows on his return from San Francisco: 'I could never have believed that I was capable of working at all the trades I practised in California. I was firmly convinced that I was fit for nothing but the printing of books . . . Once I was in the midst of this world of adventurers, who change their jobs as often as their shirts, then, upon my faith, I did as the others. As mining did not pay well enough, I left it for the city, and there I became in succession a typographer, a slater, a plumber, etc. As a result of this discovery that I am fit for any sort of work, I feel less of a mollusc and more of a man' (A. Corbon, *De l'enseignement professionnel*, 2nd edn, p. 50).

fessionel',* in which the children of the workers receive a certain amount of instruction in technology and in the practical handling of the various implements of labour. Though the Factory Act, that first and meagre concession wrung from capital, is limited to combining elementary education with work in the factory, there can be no doubt that, with the inevitable conquest of political power by the working class, technological education, both theoretical and practical, will take its proper place in the schools of the workers. There is also no doubt that those revolutionary ferments whose goal is the abolition of the old division of labour stand in diametrical contradiction with the capitalist form of production, and the economic situation of the workers which corresponds to that form. However, the development of the contradictions of a given historical form of production is the only historical way in which it can be dissolved and then reconstructed on a new basis. '*Ne sutor ultra crepidam*',† a phrase which was the absolute summit of handicraft wisdom, became sheer nonsense from the moment the watchmaker Watt invented the steam-engine, the barber Arkwright the throstle and the jeweller Fulton the steamship.[32]

As long as factory legislation is confined to regulating the labour done in factories, etc., it is regarded only as an interference

[32] John Bellers, a veritable phenomenon in the history of political economy, already saw very clearly, at the end of the seventeenth century, the need to abolish the present system of education and division of labour, which gives rise to hypertrophy and atrophy at the two opposite extremities of society. Amongst other things he says this: 'An idle learning being little better than the learning of idleness ... Bodily labour, it's a primitive institution of God ... Labour being as proper for the bodies' health as eating is for its living; for what pains a man saves by ease, he will find in disease ... Labour adds oil to the lamp of life, when thinking inflames it ... A childish silly employ' (an anticipatory warning against the Basedows* and their modern imitators) 'leaves the children's minds silly' (*Proposals for Raising a Colledge of Industry of All Useful Trades and Husbandry*, London, 1696, pp. 12, 14, 16, 18).

*J. B. Basedow (1724–90) was a German educational theorist, whose endeavours to reform the educational system were influenced by Rousseau and Comenius. He ran a school in which the children learned no Latin and came into closer contact with reality through practical activities.

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* 'Schools for vocational teaching'.

† 'Let the cobbler stick to his last,' the reply supposed to have been made by the Greek painter Apelles to a shoemaker who criticized one of his works. It is reported by Pliny the Elder, *Historia Naturalis*, Bk xxxv, para. 84.

with capital's rights of exploitation. But when it comes to regulating so-called 'domestic labour',[33] this is immediately viewed as a direct attack on the *patria potestas*, or, in modern terms, parental authority. The tender-hearted English Parliament long affected to shrink from taking this step. The power of facts, however, at last compelled it to acknowledge that large-scale industry, in overturning the economic foundation of the old family system, and the family labour corresponding to it, had also dissolved the old family relationships. The rights of the children had to be proclaimed. The concluding report of the Children's Employment Commission, published in 1866, says: 'It is, unhappily, to a painful degree apparent throughout the whole of the evidence, that against no persons do the children of both sexes so much require protection as against their parents.' The system of unlimited exploitation of children's labour in general and so-called domestic labour in particular is 'maintained only because the parents are able, without check or control, to exercise this arbitrary and mischievous power over their young and tender offspring ... Parents must not possess the absolute power of making their children mere machines to earn so much weekly wage ... The children and young persons, therefore, in all such cases may justifiably claim from the legislature, as a natural right, that an exemption should be secured to them, from what destroys prematurely their physical strength, and lowers them in the scale of intellectual and moral beings.'[34] It was not however the misuse of parental power that created the direct or indirect exploitation of immature labour-powers by capital, but rather the opposite, i.e. the capitalist mode of exploitation, by sweeping away the economic foundation which corresponded to parental power, made the use of parental power into its misuse. However terrible and disgusting the dissolution of the old family ties within the capitalist system may appear, large-scale industry, by assigning an important part in socially organized processes of production, outside the sphere of the domestic economy, to women, young persons and children of both sexes, does nevertheless create a new economic foundation for a higher form of the family and of relations between the sexes. It is of course just as absurd to regard the Christian-Germanic form of the family as absolute and final as it would have been in the case of the ancient Roman, the ancient Greek or the Oriental forms, which, moreover, form a series in historical development. It is also obvious that the fact that the collective working group is composed of individuals of both sexes and all ages must under the appropriate conditions turn into a source of humane development, although in its spontaneously developed, brutal, capitalist form, the system works in the opposite direction, and becomes a pestiferous source of corruption and slavery, since here the worker exists for the process of production, and not the process of production for the worker.[35]

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[33] This sort of labour goes on mostly in small workshops, as we have seen when dealing with the lace-making and straw-plaiting trades,* and as we could demonstrate in more detail if we looked at the metal manufactures of Sheffield, Birmingham, etc.

[34] *Children's Employment Commission, Fifth Report*, p. xxv, n. 162, and *Second Report*, p. xxxviii, n. 285, 289, p. xxv, pp. xxv–xxvi, n. 191.

* See above, pp. 596–9.

The necessity for a generalization of the Factory Acts, for transforming them from exceptional laws relating to mechanical spinning and weaving – those first creations of machinery – into the general law for all social production, arose, as we have seen, from the path of historical development taken by large-scale industry, for, in its wake, the traditional shape of manufacture, handicrafts and domestic industry is entirely revolutionized; manufactures are constantly passing over into the factory system, and handicrafts into manufactures; and, at the end, the spheres of handicrafts and domestic industry become, in what is relatively an amazingly short time, dens of misery where capitalist exploitation is given free rein to commit the most frightful iniquities. There are two circumstances which finally turn the scale: first, the constantly recurring experience that as soon as capital is subjected to state control, even at a handful of points on the periphery of society, it seeks compensation all the more unrestrainedly at all other points;[36] and second, the cry of the capitalists for equality in the conditions of competition, i.e. for equality of restraint on the exploitation of labour.[37] Let us listen to two heartfelt outpourings on this matter. Messrs W. Cooksley of Bristol, nail and chain manufacturers, voluntarily introduced the regulations of the Factory Acts into their business. 'As the old irregular system prevails in neighbouring works, the Messrs Cooksley are subject to the disadvantage of having their boys enticed to continue their labour elsewhere after 6 p.m. "This", they naturally say, "is an injustice and loss to us, as it exhausts a portion of the boy's strength of which we ought to have the full benefit."'[38] Mr J. Simpson (paper box and bagmaker, of London) states before the commissioners of the Children's Employment Commission: 'He would sign any petition for it' (legislative intervention) ... 'As it was, he always felt restless at night, when he had closed his place, lest others should be working later than him and getting away his orders.'[39] Summing up, the commissioners declare: 'It would be unjust to the larger employers that their factories should be placed under regulation, while the hours of labour in the small places in their own branch of business were under no legislative restriction. And to the injustice arising from the unfair conditions of competition, in regard to hours, that would be created if the smaller places of work were exempt, would be added the disadvantage to the larger manufacturers of finding their supply of juvenile and female labour drawn off to the places of work exempt from legislation. Further, a stimulus would be given to the multiplication of the smaller places of work, which are almost invariably the least favourable to the health, comfort, education, and general improvement of the people.'[40]

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[35] 'Factory labour may be as pure and as excellent as domestic labour, and perhaps more so' (*Reports of the Inspectors of Factories . . . 31 October 1865*, p. 129).

[36] *Reports of the Inspectors of Factories . . . 31 October 1865*, pp. 27–32.

[37] A large number of examples can be found in the *Reports of the Inspectors of Factories*.

In its concluding report, the Children's Employment Commission proposes to subject to the Factory Act more than 1,400,000 children, young persons and women, of whom about one-half are exploited in small industries and in so-called domestic labour.[41] It says this: 'But if it should seem fit to Parliament to place the whole of that large number of children, young persons and females under the protective legislation above adverted to . . . it cannot be doubted that such legislation would have a most beneficent effect, not only upon the young and the feeble who are its more immediate objects, but upon the still larger body of adult workers who would, in all those employments, both directly and indirectly, come immediately under its influence. It would enforce upon them regular and moderate hours; it would lead to their places of work being kept in a healthy and cleanly state; it would therefore husband and improve that store of physical strength on which their own well-being and that of the country so much depends; it would save the rising generation from that over-exertion at an early age which undermines their constitutions and leads to premature decay; finally, it would ensure them – at least up to the age of 13 – the opportunity of receiving the elements of education, and would put an end to that utter ignorance . . . which – as faithfully exhibited in the Reports of our Assistant Commissioners – cannot be regarded without the deepest pain, and a profound sense of national humiliation.'[42]

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[38] *Children's Employment Commission, Fifth Report*, p. x, n. 35.

[39] ibid., p. ix, n. 28.

[40] ibid., p. xxv, n. 165–7. As to the advantages of large-scale, compared with small-scale, industries, see *Children's Employment Commission, Third Report*, p. 13, n. 144, p. 25, n. 121, p. 26, n. 125, p. 27, n. 140, etc.

[41] The branches they propose to regulate are as follows: lace-making, stocking-weaving, straw-plaiting, the manufacture of wearing apparel with its numerous subdivisions, artificial flower-making, shoe-making, hat-making, glove-making, tailoring, all metal works, from blast-furnaces down to needle factories, etc., paper-mills, glass-works, tobacco factories, india-rubber works, braid-making (for weaving), hand carpet-making, umbrella and parasol making, the manufacture of spindles and spools, letterpress printing, book-binding, the manufacture of stationery (including paper bags, cards, coloured paper, etc.), rope-making, the manufacture of jet ornaments, brick-making,

The Tory government announced on 5 February 1867, in the Speech from the Throne, that it had incorporated the proposals of the Children's Employment Commission into Bills.[43] To get that far, an extra twenty years of *experimenta in corpore vili** had been required. Already in 1840 a Parliamentary Commission of Inquiry into child labour had been appointed. Its report, issued in 1842, unfolded, in the words of Nassau W. Senior, 'the most frightful picture of avarice, selfishness and cruelty on the part of

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silk-manufacture when carried on by hand, Coventry weaving, salt works, tallow chandlers, cement works, sugar refineries, biscuit-making, various industries connected with timber, and other mixed trades.

[42] ibid., p. xxv, n. 169.

[43] The Factory Acts Extension Act was passed on 12 August 1867. It regulates all foundries, smithies and metal works, including machine shops; and also glass-works, paper-mills, gutta-percha and india-rubber works, tobacco factories, letterpress printing and book-binding works. Finally it regulates all workshops in which more than fifty persons are employed. The Hours of Labour Regulation Act,* passed on 17 August 1867, regulates the smaller workshops and the so-called domestic industries. I shall revert to these Acts, and to the new Mining Act of 1872, in Volume 2.

*This is simply another way of describing the Workshops Regulation Act, cited on p. 624.

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*'Experiments on a worthless body'.

masters and parents, and of juvenile and infantile misery, degradation and destruction ever presented ... It may be supposed that it describes the horrors of a past age. But there is unhappily evidence that those horrors continue as intense as they were. A pamphlet [on the Lace Trade and Factory Act] published by Hardwicke in 1860 states that the abuses complained of in 1842 are in full bloom at the present day [1863]. It is a strange proof of the general neglect of the morals and health of the children of the working class, that this report lay unnoticed for twenty years, during which the children, "bred up without the remotest sign of comprehension as to what is meant by the term morals, who had neither knowledge, nor religion, nor natural affection", were allowed to become the parents of the present generation.'[44]

In the meantime, the social situation had undergone a change.* Parliament did not dare to shelve the demands of the Commission of 1862 as it had done those of the Commission of 1840. Hence, in 1864, when the Commission had not yet published more than a part of its reports, the earthenware industries (including the potteries), the manufacture of wallpaper, matches, cartridges, and percussion caps, and the cutting of fustian were placed under the Acts in force in the textile industry. It was then that the Tory government which was now in power announced, in the Speech from the Throne, the introduction of further Bills, founded on the final recommendations of the Commission, which had completed its labours in 1866.

The Factory Acts Extension Act received the royal assent on 15 August 1867, the Workshops Regulation Act on 21 August 1867; the first Act regulated the large industries, the second the small.

The Factory Acts Extension Act applies to blast-furnaces, iron and copper mills, foundries, machine shops, metal works, gutta-percha works, paper-mills, glass-works, tobacco factories, letter-press printing works, book-binding works, in short to all industrial establishments of this kind, in which fifty individuals or more are occupied simultaneously, and for not less than 100 days a year.

To give an idea of the extent of the sphere embraced by the

[44] Senior, *Social Science Congress*, pp. 55–8.

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*The following paragraphs, from 'In the meantime' to 'actually put these measures into practice' (p. 626), were added by Engels to the fourth German edition.

Workshops Regulation Act in its application, we shall cite the definitions it lays down:

'*Handicraft* shall mean any manual labour exercised by way of trade, or for purposes of gain in, or incidental to, the making any article or part of an article, or in, or incidental to, the altering, repairing, ornamenting, finishing, or otherwise adapting for sale any article.'

'*Workshop* shall mean any room or place whatever in the open air or under cover, in which any handicraft is carried on by any child, young person, or woman, and to which and over which the person by whom such child, young person, or woman is employed, has the right of access and control.'

'*Employed* shall mean occupied in any handicraft, whether for wages or not, under a master or under a parent as herein defined.'

'*Parent* shall mean parent, guardian, or person, having the custody of, or control over, any . . . child or young person.'

Clause 7, which imposes a penalty for the employment of children, young persons and women in contravention of the provisions of the Act, lays down fines, not only for the occupier of the workshop, whether a parent or not, but also for 'the parent of, or the person deriving any direct benefit from the labour of, or having the control over, the child, young person or woman'.

The Factory Acts Extension Act, which affects the large establishments, regresses from the Factory Act by a mass of vicious exceptions and cowardly compromises with the masters.

The Workshops Regulation Act, wretched as far as its detailed provisions were concerned, remained a dead letter in the hands of the municipal and local authorities who were charged with its execution. When in 1871, Parliament withdrew this power from them, in order to confer it on the factory inspectors, to whose province it thus added at a single stroke more than 100,000 workshops, as well as 300 brickworks, care was taken at the same time not to add more than eight assistants to their already undermanned staff.[45]

What strikes us, then, in the English legislation of 1867, is, on the one hand, the necessity imposed on the Parliament of the ruling classes of adopting, in principle, such extraordinary and extensive measures against the excesses of capitalist exploitation; and, on the other hand, the hesitation, the unwillingness and the bad faith with which it actually put these measures into practice.

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[45] The personnel of the factory inspectorate consisted of two inspectors, two assistant inspectors and forty-one sub-inspectors. Eight additional sub-inspectors were appointed in 1871. The total cost of administering the Acts in England, Scotland and Ireland amounted for the year 1871–2 to no more than £25,347, including legal expenses incurred in prosecuting offenders.

The 1862 Inquiry Commission also proposed a renewed regulation of the mining industry,* an industry distinguished from all others by the fact that in it the interests of the landowner and the capitalist coincide. The antagonism between these two interests had been favourable to factory legislation, and the absence of that antagonism is sufficient to explain the delays and the chicanery surrounding the legislation on mines.

The 1840 Inquiry Commission had made revelations so terrible and shocking, and created such a scandal throughout Europe, that to salve its conscience Parliament passed the Mining Act of 1842. But this did no more than forbid the employment underground of children under 10 years of age and of females.

Then, in 1860, there came the Mines Inspection Act, which provides that mines shall be inspected by public officials appointed specially for that purpose, and that boys between the ages of 10 and 12 years shall not be employed, unless they have a school certificate, or go to school for a certain number of hours. This Act was a complete dead letter, owing to the ridiculously small number of inspectors, the meagreness of their powers, and other causes that will become apparent as we proceed.

One of the most recent Blue Books on mines is the *Report from the Select Committee on Mines, together with ... Evidence, 23 July 1866*. This is the work of a Parliamentary Committee selected from members of the House of Commons, and authorized to summon and examine witnesses. It is a thick folio volume, but the Report itself occupies only five lines, to this effect; the committee has nothing to say, and more witnesses must be examined!

The mode of examining the witnesses reminds one of the cross-examination of witnesses in English courts of justice, where the advocate tries, by means of impudent, confusing and unexpected questions, to intimidate and confound the witness, and to give a forced meaning to the answers thus extorted. In this inquiry the members of the committee themselves are the cross-examiners, and among them are to be found both mine-owners and mine-exploiters; the witnesses are mining workers, mostly coal miners. The whole farce is too characteristic of the spirit of capital not to call for a few extracts from this Report. For the sake of conciseness, I have classified them under headings. I should also add that every question and its obligatory answer are numbered in the English Blue Books, and that the witnesses whose depositions are cited here are all workers in coal mines.

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*The following paragraphs, from 'an industry' to 'capitalist production' (p. 634), were transferred by Engels from a footnote to the text in the fourth German edition.

1. *Employment in mines of boys of 10 years and upwards.* In the mines the work, including the obligatory journey to and from the mine, usually lasts 14 or 15 hours, in exceptional cases even longer, from 3, 4 and 5 a.m. until 5 and 6 p.m. in the evening (n. 6, 452, 83). The adults work in two shifts, of 8 hours each; but there is no such alternation with the boys, on account of the expense (n. 80, 203, 204). The younger boys are chiefly employed in opening and shutting the ventilating doors in the various parts of the mine; the older ones are employed on heavier work, in carrying coal, etc. (n. 122, 739, 740). They work these long hours underground until their 18th or 22nd year, when they are put to miner's work proper (n. 161). Children and young persons are at present worse treated and harder worked than at any previous period (n. 1663–7). The miners almost unanimously demand an Act of Parliament prohibiting the employment of children under 14 in mines. And now Hussey Vivian (himself a mine-owner) asks: 'Would not the opinion of the workman depend upon the poverty of the workman's family?' Mr Bruce: 'Do you not think it would be a very hard case, where a parent had been injured, or where he was sickly, or where a father was dead, and there was only a mother, to prevent a child between 12 and 14 earning 1s. 7d. a day for the good of the family? . . . You must lay down a general rule? . . . Are you prepared to recommend legislation which would prevent the employment of children under 12 and 14, whatever the state of their parents might be?' 'Yes' (n. 107–10). Vivian: 'Supposing that an enactment were passed preventing the employment of children under the age of 14, would it not be probable that . . . the parents of children would seek employment for their children in other directions, for instance, in manufacture?' 'Not generally I think' (n. 174). Kinnaird: 'Some of the boys are keepers of doors?' 'Yes'. 'Is there not generally a very great draught every time you open a door or close it?' 'Yes, generally there is.' 'It sounds a very easy thing, but it is in fact rather a painful one?' 'He is imprisoned there just the same as if he was in a cell of a gaol.' Bourgeois Vivian: 'Whenever a boy is furnished with a lamp

cannot he read?' 'Yes, he can read, if he finds himself in candles [i.e. if he buys himself candles] . . . I suppose he would be found fault with if he were discovered reading; he is there to mind his business, he has a duty to perform, and he has to attend to it in the first place, and I do not think it would be allowed down the pit' (n. 139, 141, 143, 158, 160).

2. *Education.* The mining workers want a law for the compulsory education of their children, as in factories. They declare that the clauses of the Act of 1860 which require a school certificate to be obtained before employing boys of 10 and 12 years of age are quite illusory. The 'painstaking' cross-examination conducted by the capitalist investigating magistrates on this subject is positively droll. 'Is it (the Act) required more against the masters or against the parents?' 'It is required against both I think.' 'You cannot say whether it is required against one more than against the other?' 'No; I can hardly answer that question' (n. 115, 116). 'Does there appear to be any desire on the part of the employers that the boys should have such hours as to enable them to go to school?' 'No; the hours are never shortened for that purpose' (n. 137). 'Should you say that the colliers generally improve their education; have you any instances of men who have, since they began to work, greatly improved their education, or do they not rather go back, and lose any advantage that they may have gained?' 'They generally become worse; they do not improve; they acquire bad habits; they get on to drinking and gambling and such like, and they go completely to wreck' (n. 211). 'Do they make any attempt of the kind' (for providing instruction) 'by having schools at night?' 'There are few collieries where night schools are held, and perhaps at those collieries a few boys do go to those schools; but they are so physically exhausted that it is to no purpose that they go there' (n. 454). 'You are then,' concludes the bourgeois, 'against education?' 'Most certainly not; but,' etc. (n. 443). 'But are they' (the employers) 'not compelled to demand them?' (school certificates) 'By law they are; but I am not aware they are demanded by the employers.' 'Then it is your opinion, that this provision of the Act as to requiring certificates, is not generally carried out in the collieries?' 'It is not carried out' (n. 443, 444). 'Do the men take a great interest in this question?' (of education) 'The majority of them do' (n. 717). 'Are they very anxious to see the law enforced?' 'The majority are' (n. 718). 'Do you think that in this country

any law that you pass . . . can really be effectual unless the population themselves assist in putting it into operation?' 'Many a man might wish to object to employing a boy, but he would perhaps become marked by it' (n. 720). 'Marked by whom?' 'By the employers' (n. 721). 'Do you think that the employers would find any fault with a man who obeyed the law . . .?' 'I believe they would' (n. 722). 'Have you ever heard of any workman objecting to employ a boy between 10 and 12, who could not write or read?' 'It is not left to men's option' (n. 123). 'Would you call for the interference of Parliament?' 'I think that if anything effectual is to be done in the education of the colliers' children, it will have to be made compulsory by Act of Parliament' (n. 1634). 'Would you lay that obligation upon the colliers only, or all the workpeople of Great Britain?' 'I came to speak for the colliers' (n. 1636). 'Why should you distinguish them' (the colliery boys) 'from other boys?' 'Because I think they are an exception to the rule' (n. 1638). 'In what respect?' 'In a physical respect' (n. 1639). 'Why should education be more valuable to them than to other classes of lads?' 'I do not know that it is more valuable; but through the over-exertion in mines there is less chance for the boys that are employed there to get education, either at Sunday schools, or at day schools' (n. 1640). 'It is impossible to look at a question of this sort absolutely by itself?' (n. 1644). 'Is there a sufficiency of schools?' 'No' (n. 1646). 'If the State were to require that every child should be sent to school, would there be schools for the children to go to?' 'No; but I think if the circumstances were to spring up, the schools would be forthcoming' (n. 1647). 'Some of them' (the boys) 'cannot read and write at all, I suppose?' 'The majority cannot . . . The majority of the men themselves cannot' (n. 705, 725).

3. *Employment of women.* Since 1842, women are no longer employed underground, but occupied on the surface in loading the coal, etc., in drawing the tubs to the canals and railway wagons, in sorting, etc. The numbers have increased considerably during the past three or four years (n. 1727). They are mostly the wives, daughters and widows of colliers, and their ages range from 12 to 50 or 60 years (n. 645, 1779). 'What is the feeling among the working miners as to the employment of women?' 'I think they generally condemn it' (n. 648). 'What objection do you see to it?' 'I think it is degrading to the sex' (n. 649). 'There is a peculiarity of dress?' 'Yes . . . it is rather a man's dress, and I believe in some

cases, it drowns all sense of decency.' 'Do the women smoke?' 'Some do.' 'And I suppose it is very dirty work?' 'Very dirty.' 'They get black and grimy?' 'As black as those who are down the mines ... I believe that a woman having children (and there are plenty on the banks that have) cannot do her duty to her children' (n. 650–54, 710). 'Do you think that those widows could get employment anywhere else, which would bring them in as much wages as that?' (from 8s. to 10s. a week). 'I cannot speak to that' (n. 709). 'You would still be prepared, would you' (stony-hearted fellow!) 'to prevent their obtaining a livelihood by these means?' 'I would' (n. 710). 'What is the general feeling in the district ... as to the employment of women?' 'The feeling is that it is degrading; and we wish as miners to have more respect to the fair sex than to see them placed on the pit bank ... Some part of the work is very hard; some of these girls have raised as much as 10 tons of stuff a day' (n. 1715, 1717). 'Do you think that the women employed about the collieries are less moral than the women employed in the factories?' '... the percentage of bad ones may be a little more ... than with the girls in the factories' (n. 1237). 'But you are not quite satisfied with the state of morality in the factories?' 'No' (n. 1733). 'Would you prohibit the employment of women in factories also?' 'No, I would not' (n. 1734). 'Why not?' 'I think it a more honourable occupation for them in the mills' (n. 1735). 'Still it is injurious to their morality, you think?' 'Not so much as working on the pit bank; but it is more on the social position I take it; I do not take it on its moral ground alone. The degradation, in its social bearing on the girls, is deplorable in the extreme. When these 400 or 500 girls become colliers' wives, the men suffer greatly from this degradation, and it causes them to leave their homes and drink' (n. 1736). 'You would be obliged to stop the employment of women in the ironworks as well, would you not, if you stopped it in the collieries?' 'I cannot speak for any other trade' (n. 1737). 'Can you see any difference in the circumstances of women employed in ironworks, and the circumstances of women employed above ground in collieries?' 'I have not ascertained anything as to that' (n. 1740). 'Can you see anything that makes a distinction between one class and the other?' 'I have not ascertained that, but I know from house to house visitation, that it is a deplorable state of things in our district ...' (n. 1741). 'Would you interfere in every case with the employment of women where that employment was degrading?' 'It would become injurious, I think, in this way; the best feelings of Englishmen have been gained from the instruction of a mother . . .' (n. 1750). 'That equally applies to agricultural employments, does it not?' 'Yes, but that is only for two seasons, and they have work all the four seasons . . . They often work day and night, wet through to the skin, their constitution undermined and their health ruined' (n. 1751). 'You have not inquired more generally into that subject [i.e. the employment of women] perhaps?' 'I have certainly taken note of it as I have gone along, and certainly I have seen nothing parallel to the effects of the employment of women on the pit bank . . . It is the work of a man . . . a strong man' (n. 1753, 1793, 1794). 'Your feeling upon the whole subject is that the better class of colliers who desire to raise themselves and humanize themselves, instead of deriving help from the women, are pulled down by them?' 'Yes' (n. 1808).

After some further crooked questions from these bourgeois, the secret of their 'sympathy' for widows, poor families and so on emerges into the daylight. 'The coal proprietor appoints certain gentlemen to take the oversight of the workings, and it is their policy, in order to receive approbation, to place things on the most economical basis they can, and these girls are employed at from 1s. up to 1s. 6d. a day, where a man at the rate of 2s. 6d. a day would have to be employed' (n. 1816).

4. *Coroner's Juries.* 'With regard to coroner's inquests in your district, have the workmen confidence in the proceedings at those inquests when accidents occur?' 'No; they have not' (n. 360). 'Why not?' 'Chiefly because the men who are generally chosen, are men who know nothing about mines and such like.' 'Are not workmen summoned at all upon the juries?' 'Never but as witnesses to my knowledge.' 'Who are the people who are generally summoned upon these juries?' 'Generally tradesmen in the neighbourhood . . . from their circumstances they are sometimes liable to be influenced by their employers . . . the owners of the works. They are generally men who have no knowledge, and can scarcely understand the witnesses who are called before them, and the terms which are used and such like.' 'Would you have the jury composed of persons who had been employed in mining?' 'Yes, partly . . . they' (the workers) 'think that the verdict is not in accordance with the evidence given generally' (n. 361, 364, 366, 368, 371, 375). 'One great object in summoning a jury is to have an impartial one, is it not?' 'Yes, I should think so.' 'Do you think

that the juries would be impartial if they were composed to a considerable extent of workmen?' 'I cannot see any motive which the workmen would have to act partially . . . they necessarily have a better knowledge of the operations in connection with the mine.' 'You do not think there would be a tendency on the part of the workmen to return unfairly severe verdicts?' 'No, I think not' (n. 378, 379, 380).

5. *False weights and measures.* The workers demand to be paid by the week instead of by the fortnight, and by weight instead of by the cubic content of the tubs; they also demand protection against the use of false weights, etc. (n. 1071). 'If the tubs were fraudulently increased, a man could discontinue working by giving 14 days' notice?' 'But if he goes to another place, there is the same thing going on there' (n. 1071). 'But he can leave that place where the wrong has been committed?' 'It is general; wherever he goes, he has to submit to it' (n. 1072). 'Could a man leave by giving 14 days' notice?' 'Yes' (n. 1073). So much for that!

6. *Inspection of mines.* Casualties from gas explosions are not the only things the workers suffer from (n. 234 ff.). 'Our men complained very much of the bad ventilation of the collieries . . . the ventilation is so bad in general that the men can scarcely breathe; they are quite unfit for employment of any kind after they have been for a length of time in connection with their work; indeed, just at the part of the mine where I am working, men have been obliged to leave their employment and come home in consequence of that . . . some of them have been out of work for weeks just in consequence of the bad state of the ventilation where there is not explosive gas . . . there is plenty of air generally in the main courses, yet pains are not taken to get air into the workings where men are working.' 'Why do you not apply to the inspector?' 'To tell the truth there are many men who are timid on that point; there have been cases of men being sacrificed and losing their employment in consequence of applying to the inspector.' 'Why; is he a marked man for having complained?' 'Yes.' 'And he finds it difficult to get employment in another mine?' 'Yes.' 'Do you think the mines in your neighbourhood are sufficiently inspected to insure a compliance with the provisions of the Act?' 'No; they are not inspected at all . . . the inspector has been down just once in the pit, and it has been going seven years . . . In the district to which I belong there are not a sufficient

number of inspectors. We have one old man more than 70 years of age to inspect more than 130 collieries.' 'You wish to have a class of sub-inspectors?' 'Yes' (n. 234, 241, 251, 254, 274, 275, 554, 276, 293). 'But do you think it would be possible for Government to maintain such an army of inspectors as would be necessary to do all that you want them to do, without information from the men?' 'No, I should think it would be next to impossible.' 'It would be desirable the inspectors should come oftener?' 'Yes, and without being sent for' (n. 280, 277). 'Do you not think that the effect of having these inspectors examining the collieries so frequently would be to shift the responsibility (!) of supplying proper ventilation from the owners of the collieries to the Government officials?' 'No, I do not think that, I think that they should make it their business to enforce the Acts which are already in existence' (n. 285). 'When you speak of sub-inspectors, do you mean men at a less salary, and of an inferior stamp to the present inspectors?' 'I would not have them inferior, if you could get them otherwise' (n. 294). 'Do you merely want more inspectors, or do you want a lower class of men as an inspector?' 'A man who would knock about, and see that things are kept right; a man who would not be afraid of himself' (n. 295). 'If you obtained your wish in getting an inferior class of inspectors appointed, do you think that there would be no danger from want of skill, etc.?' 'I think not, I think that the Government would see after that, and have proper men in that position' (n. 297).

This kind of examination at last becomes too much even for the chairman of the investigating committee, and he interrupts with the observation: 'You want a class of men who would look into all the details of the mine, and would go into all the holes and corners, and go into the real facts ... they would report to the chief inspector, who would then bring his scientific knowledge to bear on the facts they had stated?' (n. 298, 299). 'Would it not entail very great expense if all these old workings were kept ventilated?' 'Yes, expense might be incurred, but life would be at the same time protected' (n. 531). A mining worker protests against Section 17 of the Act of 1860; he says: 'At the present time, if the inspector of mines finds a part of the mine unfit to work in, he has to report it to the mine-owner and the Home Secretary. After doing that, there is given to the owner 20 days to look over the matter; at the end of 20 days he has the power to refuse making any alteration in the mine; but, when he refuses, the mine-owner writes to the Home Secretary, at the same time nominating five engineers, and from those five engineers named by the mine-owner himself, the Home Secretary appoints one, I think, as arbitrator, or appoints arbitrators from them; now we think in that case the mine-owner virtually appoints his own arbitrator' (n. 581). Bourgeois examiner, himself a mine-owner: 'But . . . is this a merely speculative objection?' (n. 586). 'Then you have a very poor opinion of the integrity of mining engineers?' 'It is most certainly unjust and inequitable' (n. 588). 'Do not mining engineers possess a sort of public character, and do not you think that they are above making such a partial decision as you apprehend?' 'I do not wish to answer such a question as that with respect to the personal character of those men. I believe that in many cases they would act very partially indeed, and that it ought not to be in their hands to do so, where men's lives are at stake' (n. 589). The same bourgeois has the impudence to put this question: 'Do you not think that the mine-owner also suffers loss from an explosion?' Finally, 'Are not you workmen in Lancashire able to take care of your own interests without calling in the Government to help you?' 'No' (n. 1042).

In the year 1865 there were 3,217 coal mines in Great Britain, and twelve inspectors. A Yorkshire mine-owner himself calculates (*The Times*, 26 January 1867) that, leaving aside the purely bureaucratic activities which absorb the whole of their time, each mine can be visited only once in ten years by an inspector. No wonder mining disasters have increased progressively, both in number and extent (sometimes with a loss of 200 to 300 men) during the last ten years. These are the beauties of 'free' capitalist production!

Defective* as it is, the Act passed in 1872 is the first that regulates the hours of labour of children employed in mines, and makes exploiters and owners, to a certain extent, responsible for so-called accidents.

The Royal Commission appointed in 1867 to inquire into the employment in agriculture of children, young persons and women has published some very important reports. Several attempts have been made to apply the principles of the Factory Acts, in a modified form, to agriculture, but so far these attempts have failed totally.

*The following two paragraphs were added by Engels in the fourth German edition to replace the sentence: 'Finally Professor Fawcett made similar proposals in the House of Commons (1867) for the agricultural labourers.'

However, all I wish to point out here is that there exists an irresistible tendency towards the general application of those principles.

If the general extension of factory legislation to all trades for the purpose of protecting the working class both in mind and body has become inevitable, on the other hand, as we have already pointed out, that extension hastens on the general conversion of numerous isolated small industries into a few combined industries carried on upon a large scale; it therefore accelerates the concentration of capital and the exclusive predominance of the factory system. It destroys both the ancient and the transitional forms behind which the dominion of capital is still partially hidden, and replaces them with a dominion which is direct and unconcealed. But by doing this it also generalizes the direct struggle against its rule. While in each individual workshop it enforces uniformity, regularity, order and economy, the result of the immense impetus given to technical improvement by the limitation and regulation of the working day is to increase the anarchy and the proneness to catastrophe of capitalist production as a whole, the intensity of labour, and the competition of machinery with the worker. By the destruction of small-scale and domestic industries it destroys the last resorts of the 'redundant population', thereby removing what was previously a safety-valve for the whole social mechanism. By maturing the material conditions and the social combination of the process of production, it matures the contradictions and antagonisms of the capitalist form of that process, and thereby ripens both the elements for forming a new society and the forces tending towards the overthrow of the old one.[46]

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[46] Robert Owen, who was the father of the co-operative factories and stores, but who, as we have remarked earlier, in no way shared the illusions of his followers about the field of effectiveness of these isolated elements of transformation, not only made the factory system in practice the sole foundation of his experiments, but also declared that system to be theoretically the point of departure for the social revolution. Herr Vissering, Professor of Political Economy in the University of Leyden, appears to have an inkling of the last point when, in his *Handboek van Praktische Staatshuishoudkunde*, 1860–62, which presents all the platitudes of vulgar economics in their most appropriate form, he expresses his enthusiasm for handicrafts as opposed to large-scale industry. [Added by Engels to the fourth German edition:] The 'inextricable tangle of contradictory enactments' (p. 414) which English legislation called into life by means of the mutually conflicting Factory Acts, the Factory Acts Extension Act and the Workshops Act, finally became intolerable, and thus all legislative enactments on this subject were codified in the Factory and Workshop Act of 1878. We cannot of course present here a

10. LARGE-SCALE INDUSTRY AND AGRICULTURE

The revolution called forth by large-scale industry in agriculture, and in the social relations of agricultural producers, will be investigated later on. Here we shall merely indicate a few results by way of anticipation. If the use of machinery in agriculture is for the most part free from the injurious physical effect it has on the factory worker,[47] its effect in making workers 'redundant' is more

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detailed critique of the English industrial code which is now in effect. The following remarks will have to suffice. The Act comprises:

(1) Textile mills. Here everything remains roughly as it was: children more than 10 years of age may work 5½ hours a day, or 6 hours and Saturday off; young persons and women, 10 hours on the five weekdays, and at most 6½ on Saturday.

(2) Non-textile factories. Here the regulations are brought closer than before to those of No. 1, but there are still several exceptions which favour the capitalists and which in certain cases may be expanded by special permission of the Home Secretary.

(3) Workshops, defined approximately as in the former Act. As for the children, young workers and women employed there, the workshops are roughly on a par with the non-textile factories, but again the regulations are made less stringent in certain cases.

(4) Workshops in which no children or young workers are employed, but only persons of both sexes above the age of 18. For this category the regulations are even less stringent.

(5) Domestic workshops, where only members of the family are employed, in the family dwelling. Still more elastic regulations and simultaneously the restriction that, without special permission from the Ministry or a Court, the inspector may only enter rooms which are not also used for dwelling purposes; lastly, unrestricted freedom for straw-plaiting and lace- and glove-making by members of the family. Yet, with all its defects, this Act shares with the Swiss Federal Factory Law of 23 March 1877 the honour of being by far the best piece of legislation in this field. A comparison of it with the said Swiss federal law is of particular interest because it clearly demonstrates the merits and demerits of the two legislative methods – the English, 'historical' method, which intervenes when occasion requires, and the Continental method, which is built up on the traditions of the French Revolution and attempts to frame more general regulations. Unfortunately the English code is still largely a dead letter as regards its application to workshops, owing to the insufficient numbers of inspecting personnel provided.

[47] An exhaustive description of the machinery employed in agriculture in England is to be found in a book by Dr W. Hamm, *Die Landwirthschaftlichen Geräthe und Maschinen Englands*, 2nd edn, 1856. In his sketch of the course of development of English agriculture, the author follows Léonce de Lavergne too uncritically.* [Added by Engels to the fourth German edition:] The book is now out of date, of course.

*Léonce de Lavergne, *The Rural Economy of England, Scotland, and Ireland*, London, 1855, is the book Marx has in mind here.

intense and comes up against less resistance, as we shall see later in detail. In the counties of Cambridgeshire and Suffolk, for example, the area of cultivated land has been much extended within the last twenty years* while in the same period the rural population has diminished, not only relatively, but absolutely. In the United States of America the workers are as yet only virtually replaced by agricultural machinery, i.e. the machines allow the producer to cultivate a larger area, but do not actually expel any agricultural labourers employed. In 1861 the number of persons occupied in England and Wales in the manufacture of agricultural machinery was 1,034, while the number of agricultural labourers employed in using agricultural machinery and steam-engines was only 1,205.

In the sphere of agriculture, large-scale industry has a more revolutionary effect than elsewhere, for the reason that it annihilates the bulwark of the old society, the 'peasant', and substitutes for him the wage-labourer. Thus the need for social transformation, and the antagonism of the classes, reaches the same level in the countryside as it has attained in the towns. A conscious, technological application of science replaces the previous highly irrational and slothfully traditional way of working. The capitalist mode of production completes the disintegration of the primitive familial union which bound agriculture and manufacture together when they were both at an undeveloped and childlike stage. But at the same time it creates the material conditions for a new and higher synthesis, a union of agriculture and industry on the basis of the forms that have developed during the period of their antagonistic isolation. Capitalist production collects the population together in great centres, and causes the urban population to achieve an ever-growing preponderance. This has two results. On the one hand it concentrates the historical motive power of society; on the other hand, it disturbs the metabolic interaction between man and the earth, i.e. it prevents the return to the soil of its constituent elements consumed by man in the form of food and clothing; hence it hinders the operation of the eternal natural condition for the lasting fertility of the soil. Thus it destroys at the same time the physical health of the urban worker, and the intellectual life of the rural worker.[48] But by destroying the circum-

[48] 'You divide the people into two hostile camps of clownish boors and emasculated dwarfs. Good heavens! a nation divided into agricultural and commercial interests, calling itself sane; nay, styling itself enlightened and

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* i.e. from 1846 to 1866.

stances surrounding that metabolism, which originated in a merely natural and spontaneous fashion, it compels its systematic restoration as a regulative law of social production, and in a form adequate to the full development of the human race. In agriculture, as in manufacture, the capitalist transformation of the process of production also appears as a martyrology for the producer; the instrument of labour appears as a means of enslaving, exploiting and impoverishing the worker; the social combination of labour processes appears as an organized suppression of his individual vitality, freedom and autonomy. The dispersal of the rural workers over large areas breaks their power of resistance, while concentration increases that of the urban workers. In modern agriculture, as in urban industry, the increase in the productivity and the mobility of labour is purchased at the cost of laying waste and debilitating labour-power itself. Moreover, all progress in capitalist agriculture is a progress in the art, not only of robbing the worker, but of robbing the soil; all progress in increasing the fertility of the soil for a given time is a progress towards ruining the more long-lasting sources of that fertility. The more a country proceeds from large-scale industry as the background of its development, as in the case of the United States, the more rapid is this process of destruction.[49] Capitalist production, therefore, only develops the techniques and the degree of combination of the social process of production by simultaneously undermining the original sources of all wealth – the soil and the worker.

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civilized, not only in spite of, but in consequence of this monstrous and unnatural division' (David Urquhart, op. cit., p. 119). This passage demonstrates both the strengths and the weaknesses of the kind of criticism which knows how to judge and condemn the present, but not how to comprehend it.

[49] See Liebig, *Die Chemie in ihrer Anwendung auf Agricultur und Physiologie*, 7th edn, 1862, and especially the 'Einleitung in die Naturgesetze des Feldbaus' ['Introduction to the Natural Laws of Agriculture'] in Vol. 1. To have developed from the point of view of natural science the negative, i.e. destructive side of modern agriculture, is one of Liebig's immortal merits. Moreover, his brief comments on the history of agriculture, although not free from gross errors, contain flashes of insight. It is however to be regretted that he ventures quite at random on such assertions as the following: 'By greater pulverizing and more frequent ploughing, the circulation of air in the interior of porous soil is aided, and the surface exposed to the action of the atmosphere is increased and renewed; but it is easily seen that the increased yield of the land cannot be proportional to the labour spent on that land, but increases in a much smaller proportion. This law,' adds Liebig, 'was first enunciated by John Stuart Mill in his *Principles of Political Economy*, Vol. I,

p. 17, as follows: "That the produce of land increases, *caeteris paribus*, in a diminishing ratio to the increase of the labourers employed" (Mill here reproduces the law formulated by the Ricardian school in an erroneous form, for since the advance of agriculture in England was accompanied by a "*de*crease of the labourers employed", this law, although discovered in, and applied to, England, could have no application in that country) "is the universal law of agricultural industry." This is very remarkable, since Mill was ignorant of the reason for this law' (Liebig, op. cit., Vol. 1, p. 143, and note). Apart from Liebig's incorrect interpretation of the word 'labour', a word he used in quite a different sense from that adopted by political economy, it is, in any case, 'very remarkable' that he should make John Stuart Mill the first proponent of a theory which James Anderson was the first to publish, in the days of Adam Smith,[*] and which was repeated in various works down to the beginning of the nineteenth century; a theory which Malthus, that master in plagiarism (his whole population theory is a shameless plagiarism), appropriated in 1815;[†] which West[‡] developed at the same time and independently of Anderson; which in the year 1817 was linked by Ricardo with the general theory of value, then made the round of the world as Ricardo's theory,[§] and in 1820 was vulgarized by James Mill, the father of John Stuart Mill; and which was finally reproduced by John Stuart Mill and others as a dogma already quite commonplace, and known to every schoolboy. It is undeniable that the second Mill owes his certainly 'remarkable' authority almost entirely to such mistaken attributions.

[*] James Anderson (1739–1808), Scottish farmer and economist, first stated this theory in *An Enquiry into the Nature of the Corn Laws; with a View to the new Corn-Bill Proposed for Scotland*, Edinburgh, 1777.

[†] *An Inquiry into the Nature and Progress of Rent, and the Principles by Which It is Regulated*, London, 1815.

[‡] Sir Edward West, *Essay on the Application of Capital to Land*, London, 1815.

[§] Cf. *Theories of Surplus-Value*, Part 2, Ch. 9, 'History of the Ricardian Law of Rent', for a detailed exposition of these matters.

Part Five

The Production of Absolute and Relative Surplus-Value

Chapter 16: Absolute and Relative Surplus-Value

In considering the labour process, we began by treating it in the abstract, independently of its historical forms, as a process between man and nature (see Chapter 5). We stated there: 'If we look at the whole [labour] process from the point of view of its result, the product, it is plain that both the instruments of labour and the object of labour are means of production, and that the labour itself is productive labour.'* And in note 8 we added further: 'This method of determining what is productive labour, from the standpoint of the simple labour process, is by no means sufficient to cover the capitalist process of production.' We must now develop this point further.

In so far as the labour process is purely individual, the same worker unites in himself all the functions that later on become separated. When an individual appropriates natural objects for his own livelihood, he alone supervises his own activity. Later on he is supervised by others. The solitary man cannot operate upon nature without calling his own muscles into play under the control of his own brain. Just as head and hand belong together in the system of nature, so in the labour process mental and physical labour are united. Later on they become separate; and this separation develops into a hostile antagonism. The product is transformed from the direct product of the individual producer into a social product, the joint product of a collective labourer, i.e. a combination of workers, each of whom stands at a different distance from the actual manipulation of the object of labour. With the progressive accentuation of the co-operative character of the labour process, there necessarily occurs a progressive extension of the concept of productive labour, and of the concept of the bearer of that labour, the productive worker. In order to work productively, it is no longer necessary for the individual himself to put his hand to the object; it is sufficient for him to be an organ of the collective labourer, and to perform any one of its subordinate functions. The definition of productive labour given above, the original definition, is derived from the nature of material production itself, and it remains correct for the collective labourer, considered as a whole. But it no longer holds good for each member taken individually.

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*See above, p. 287.

Yet the concept of productive labour also becomes narrower. Capitalist production is not merely the production of commodities, it is, by its very essence, the production of surplus-value. The worker produces not for himself, but for capital. It is no longer sufficient, therefore, for him simply to produce. He must produce surplus-value. The only worker who is productive is one who produces surplus-value for the capitalist, or in other words contributes towards the self-valorization of capital. If we may take an example from outside the sphere of material production, a schoolmaster is a productive worker when, in addition to belabouring the heads of his pupils, he works himself into the ground to enrich the owner of the school. That the latter has laid out his capital in a teaching factory, instead of a sausage factory, makes no difference to the relation. The concept of a productive worker therefore implies not merely a relation between the activity of work and its useful effect, between the worker and the product of his work, but also a specifically social relation of production, a relation with a historical origin which stamps the worker as capital's direct means of valorization. To be a productive worker is therefore not a piece of luck, but a misfortune. In Volume 4 of this work, which deals with the history of the theory,* we shall show that the classical political economists always made the production of surplus-value the distinguishing characteristic of the productive worker. Hence their definition of a productive worker varies with their conception of the nature of surplus-value. Thus the Physiocrats insist that only agricultural labour is productive, since that alone, they say, yields a surplus-value. For the Physiocrats, indeed, surplus-value exists exclusively in the form of ground rent.

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*The intended fourth volume was never published by Marx or by Engels, but the manuscripts on the history of the theory of surplus-value, written by Marx between January 1862 and July 1863, were preserved, and published by Kautsky between 1905 and 1910. The first complete English translation was issued in three parts between 1963 and 1972 by Lawrence and Wishart, under the title *Theories of Surplus-Value.*

The prolongation of the working day beyond the point at which the worker would have produced an exact equivalent for the value of his labour-power, and the appropriation of that surplus labour by capital – this is the process which constitutes the production of absolute surplus-value. It forms the general foundation of the capitalist system, and the starting-point for the production of relative surplus-value. The latter presupposes that the working day is already divided into two parts, necessary labour and surplus labour. In order to prolong the surplus labour, the necessary labour is shortened by methods for producing the equivalent of the wage of labour in a shorter time. The production of absolute surplus-value turns exclusively on the length of the working day, whereas the production of relative surplus-value completely revolutionizes the technical processes of labour and the groupings into which society is divided.

It therefore requires a specifically capitalist mode of production, a mode of production which, along with its methods, means and conditions, arises and develops spontaneously on the basis of the formal subsumption [*Subsumtion*]* of labour under capital. This formal subsumption is then replaced by a real subsumption.

It will be sufficient if we merely refer to certain hybrid forms, in which although surplus labour is not extorted by direct compulsion from the producer, the producer has not yet become formally subordinate to capital. In these forms, capital has not yet acquired a direct control over the labour process. Alongside the independent producers, who carry on their handicrafts or their agriculture in the inherited, traditional way, there steps the usurer or merchant with his usurer's capital or merchant's capital, which feeds on them like a parasite. The predominance of this form of exploitation in a society excludes the capitalist mode of production, although it may form the transition to capitalism, as in the later Middle Ages. Finally, as in the case of modern 'domestic industry', certain hybrid forms are reproduced here and there against the background of large-scale industry, though their physiognomy is totally changed.

A merely formal subsumption of labour under capital suffices for the production of absolute surplus-value. It is enough, for example, that handicraftsmen who previously worked on their own account, or as apprentices of a master, should become wage-labourers under the direct control of a capitalist. But we have seen how methods of producing relative surplus-value are, at the same time, methods of producing absolute surplus-value. Indeed, the unrestricted prolongation of the working day turned out to be a very characteristic product of large-scale industry. The specifically capitalist mode of production ceases in general to be a mere means of producing relative surplus-value as soon as it has conquered an entire branch of production; this tendency is still more powerful when it has conquered all the important branches of production. It then becomes the universal, socially predominant form of the production process. It only continues to act as a special method of producing relative surplus-value in two respects: first, in so far as it seizes upon industries previously only formally subordinate to capital, that is, in so far as it continues to proselytize, and second, in so far as the industries already taken over continue to be revolutionized by changes in the methods of production.[8]

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*See below, pp. 1019–38, for Marx's own exposition of the concepts of formal and real subsumption.

From one standpoint the distinction between absolute and relative surplus-value appears to be illusory. Relative surplus-value is absolute, because it requires the absolute prolongation of the working day beyond the labour-time necessary to the existence of the worker himself. Absolute surplus-value is relative, because it requires a development of the productivity of labour which will allow the necessary labour-time to be restricted to a portion of the working day. But if we keep in mind the movement of surplus-value, this semblance of identity vanishes. Once the capitalist mode of production has become the established and universal mode of production, the difference between absolute and relative surplus-value makes itself felt whenever there is a question of raising the rate of surplus-value. Assuming that labour-power is paid for at its value, we are confronted with this alternative: on the one hand, if the productivity of labour and its normal degree of intensity is given, the rate of surplus-value can be raised only by prolonging the working day in absolute terms; on the other hand, if the length of the working day is given, the rate of surplus-value can be raised only by a change in the relative magnitudes of the components of the working day, i.e. necessary labour and surplus labour, and if wages are not to fall below the value of labour-power, this change presupposes a change in either the productivity or the intensity of the labour.

If the worker needs to use all his time to produce the necessary means of subsistence for himself and his family, he has no time left in which to perform unpaid labour for other people. Unless labour has attained a certain level of productivity, the worker will have no such free time at his disposal, and without superfluous time there can be no surplus labour, hence no capitalists, as also no slave-owners, no feudal barons, in a word no class of large-scale landed proprietors.[1]

Thus we may say that surplus-value rests on a natural basis, but only in the very general sense that there is no natural obstacle absolutely preventing one man from lifting from himself the burden of the labour necessary to maintain his own existence, and imposing it on another, just as there is no unconquerable natural obstacle to the consumption of the flesh of one man by another.[2] It would be absolutely mistaken to attach mystical notions to this spontaneously developed productivity of labour, as is sometimes done. It is only when men have worked their way out of their initial animal condition, when therefore their labour has been to some extent socialized, that a situation arises in which the surplus labour of one person becomes a condition of existence for another. At the dawn of civilization, the productive powers acquired by labour are small, but so too are the needs which develop with and upon the means of their satisfaction. Furthermore, at that early period, the portion of society that lives on the labour of others is infinitely small compared with the mass of direct producers. As the social productivity of labour advances, this small portion of society increases both absolutely and relatively.[3] Besides, the capital-relation arises out of an economic soil that is the product of a long process of development. The existing productivity of labour, from which it proceeds as its basis, is a gift, not of nature, but of a history embracing thousands of centuries.

Even if we leave aside the question of the level of development attained by social production, the productivity of labour remains fettered by natural conditions. These conditions can all be traced back to the nature of man himself (his race, etc.) and to the natural objects which surround him. External natural conditions can be divided from the economic point of view into two great classes, namely (1) natural wealth in the means of subsistence, i.e. a fruitful soil, waters teeming with fish, etc., and (2) natural wealth in the instruments of labour, such as waterfalls, navigable rivers, wood, metal, coal, etc. At the dawn of civilization, it is the first class that turns the scale; at a higher stage of development, it is the second. Compare for example England with India, or, in ancient times, Athens and Corinth with the shores of the Black Sea.

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[1] 'The very existence of the master-capitalists, as a distinct class, is dependent on the productiveness of industry' (Ramsay, op. cit., p. 206). 'If each man's labour were but enough to produce his own food, there could be no property' (Ravenstone, op. cit., pp. 14, 15).

[2] According to a recent calculation there are still at least 4,000,000 cannibals in those parts of the earth which have so far been explored.

[3] 'Among the wild Indians in America, almost everything is the labourer's, 99 parts of a hundred are to be put upon the account of labour. In England, perhaps, the labourer has not two thirds' (*The Advantages of the East-India Trade, etc.*, pp. 72, 73).

The smaller the number of natural requirements imperatively calling for satisfaction, and the greater the natural fertility of the soil and the kindness of the climate, the smaller the amount of labour-time necessary for the maintenance and reproduction of the producer. Hence the greater the quantity of excess labour the producer can perform for others, in addition to the labour he does for himself. This was pointed out long ago by Diodorus when discussing the ancient Egyptians: 'It is altogether incredible how little trouble and expense the bringing-up of their children causes them. They cook for them the first simple food at hand; they also give them the lower part of the papyrus stem to eat, if it can be roasted in the fire, and the roots and stalks of marsh plants, some raw, some boiled and roasted. Most of the children go without shoes and unclothed, since the air is very mild. Hence a child, until he is grown up, costs his parents not more than twenty drachmas altogether. This is the main reason why the population of Egypt is so numerous, and, therefore, why so many great works can be undertaken.'[4] Nevertheless, the gigantic building projects of ancient Egypt owed less to the size of the population than to the large proportion of it that was freely disposable. Just as, in the case of the individual worker, the less his necessary labour-time, the more surplus labour he can provide, so, in the case of the working population, the smaller the portion of it required for the production of the necessary means of subsistence, the greater the portion available for other work.

If we assume capitalist production, then, with all other circumstances remaining the same, and the length of the working day a given factor, the quantity of surplus labour will vary according to the natural conditions within which labour is carried on, in particular the fertility of the soil. But it by no means follows, inversely, that the most fertile soil is the most fitted for the growth of the capitalist mode of production. The latter presupposes the domination of man over nature. Where nature is too prodigal with her gifts, she 'keeps him in hand, like a child in leading-strings'. Man's own development is not in that case a nature-imposed necessity.[5] The mother country of capital is not the tropical region, with its luxuriant vegetation, but the temperate zone. It is not the absolute fertility of the soil but its degree of differentiation, the variety of its natural products, which forms the natural basis for the social division of labour, and which, by changes in the natural surroundings, spurs man on to the multiplication of his needs, his capacities, and the instruments and modes of his labour. It is the necessity of bringing a natural force under the control of society, of economizing on its energy, of appropriating or subduing it on a large scale by the work of the human hand, that plays the most decisive role in the history of industry. Thus, for example, the regulation of the flow of water in Egypt,[6] Lombardy and Holland. Or irrigation in India, Persia and so on, where artificial canals not only supply the soil with the water indispensable to it, but also carry down mineral fertilizers from the hills, in the shape of sediment. The secret of the flourishing state of industry in

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[4] Diodorus Siculus, op. cit., Bk I, 80.

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[5] 'The first' (natural wealth) 'as it is most noble and advantageous, so doth it make the people careless, proud, and given to all excesses; whereas the second [wealth acquired through labour] enforceth vigilancy, literature, arts, and policy' (*England's Treasure by Forraign Trade. Or the Balance of our Forraign Trade is the Rule of our Treasure.* Written by Thomas Mun of London, merchant, and now published for the common good by his son John Mun, London, 1669, pp. 181, 182). 'Nor can I conceive a greater curse upon a body of people, than to be thrown upon a spot of land, where the productions for subsistence and food were, in great measure, spontaneous, and the climate required or admitted little care for raiment and covering... there may be an extreme on the other side. A soil incapable of produce by labour is quite as bad as a soil that produces plentifully without any labour' ([N. Forster,] *An Enquiry into the Causes of the Present High Price of Provisions*, London, 1767, p. 10).

[6] The necessity for predicting the rise and fall of the Nile created Egyptian astronomy, and with it the domination of the priests as the directors of agriculture. 'The solstice is the moment of the year when the Nile begins to rise, and it is the moment the Egyptians have had to watch for with the greatest attention ... It was the evolution of this tropical year which they had to establish firmly so as to conduct their agricultural operations in accordance with it. They therefore had to search the heavens for a visible sign of the solstice's return' (Cuvier, *Discours sur les révolutions du globe*, ed. Hoefer, Paris, 1863, p. 141).

Spain and Sicily under the rule of the Arabs lay in their irrigation works.[7]

Favourable natural conditions can provide in themselves only the possibility, never the reality of surplus labour, nor, accordingly, the reality of surplus-value and a surplus product. The result of differences in the natural conditions of labour is this: the same quantity of labour satisfies a different mass of requirements[8] in different countries, and consequently under otherwise analogous circumstances, the quantity of necessary labour-time is different. These conditions affect surplus labour only as natural limits, i.e. by determining the point at which labour for others can begin. In proportion as industry advances these natural limits recede. In the midst of our Western European society, where the worker can only purchase the right to work for his own existence by performing surplus labour for others, it is very easy to imagine that it is an inherent quality of human labour to furnish a surplus product.[9] But consider, for example, an inhabitant of the islands of the East Indies, where sago grows wild in the forests. 'When the inhabi-

[7] One of the material foundations of the power of the state over the small and unconnected producing organisms of India was the regulation of the water supply. Its Mohammedan rulers understood this better than their English successors. It is sufficient to recall the famine of 1866, which cost the lives of more than a million Hindus in the district of Orissa, in the Bengal Presidency.

[8] 'There are no two countries which furnish an equal number of the necessaries of life in equal plenty, and with the same quantity of labour. Men's wants increase or diminish with the severity or temperateness of the climate they live in; consequently, the proportion of trade which the inhabitants of different countries are obliged to carry on through necessity cannot be the same, nor is it practicable to ascertain the degree of variation farther than by the degrees of Heat and Cold; from whence one may make this general conclusion, that the quantity of labour required for a certain number of people is greatest in cold climates, and least in hot ones; for in the former men not only want more clothes, but the earth more cultivating than in the latter' (*An Essay on the Governing Causes of the Natural Rate of Interest*, London, 1750, p. 59). The author of this epoch-making anonymous work, from which Hume took his theory of interest, was J. Massie.*

[9] 'All labour must' (apparently this is also part of the 'rights and duties of the citizen') 'leave a surplus' (Proudhon).†

* Hume's essay, 'Of Interest', was published in 1752. In it he expressed the view that the rate of interest was dependent on 'the level of profits arising from commerce'. This was anticipated by Massie, in the work quoted. Cf. *Theories of Surplus-Value*, Part I, pp. 373–7.

† Proudhon, *Système des contradictions économiques, ou philosophie de la misère*, Vol. 1, Paris, 1846, p. 73.

tants have convinced themselves, by boring a hole in the tree, that the pith is ripe, the trunk is cut down and divided into several pieces, the pith is extracted, mixed with water and filtered: it is then quite fit for use as sago. One tree commonly yields 300 lb., and occasionally 500 to 600 lb. There, then, people go into the forests and cut bread for themselves, just as with us they cut firewood.'[10] Suppose now that an East Indian bread-cutter of this kind requires 12 working hours a week for the satisfaction of all his needs. Nature's direct gift to him is plenty of leisure time. Before he can apply this leisure time productively for himself, a whole series of historical circumstances is required; before he spends it in surplus labour for others, compulsion is necessary. If capitalist production were introduced, the good fellow would perhaps have to work six days a week, in order to appropriate to himself the product of one working day. In that case, the bounty of nature would not explain why he now has to work six days a week, or why he must provide five days of surplus labour. It explains only why his necessary labour-time would be limited to one day a week. But in no case would his surplus product arise from some innate, occult quality of human labour.

Thus both the historically developed productive forces of labour in society, and its naturally conditioned productive forces, appear as productive forces of the capital into which that labour is incorporated.

Ricardo never concerns himself with the origin of surplus-value. He treats it as an entity inherent in the capitalist mode of production, and in his eyes the latter is the natural form of social production. Whenever he discusses the productivity of labour, he seeks in it not the cause of the existence of surplus-value, but the cause that determines the magnitude of that value. On the other hand, his school has loudly proclaimed that the productive power of labour is the originating cause of profit (read: surplus-value). This is at least an advance in comparison with the Mercantilists, who derive the excess of the price of a product over its cost of production from the act of exchange, from the sale of the product above its value. Nevertheless, Ricardo's school also merely evaded the problem rather than solving it. In fact, these bourgeois economists instinctively and rightly saw that it was very dangerous to penetrate too deeply into the burning question of the origin of surplus-value. But what are we to think of John Stuart Mill, who, half a century after Ricardo, solemnly claims superiority over the Mercantilists by clumsily repeating the wretched evasions of Ricardo's earliest vulgarizers?

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[10] F. Schouw, *Die Erde, die Pflanze und der Mensch*, 2nd edn, Leipzig, 1854, p. 148.

Mill says: 'The cause of profit is that labour produces more than is required for its support.' So far, nothing but the old story: but Mill, wishing to add something of his own, proceeds as follows: 'To vary the form of the theorem; the reason why capital yields a profit, is because food, clothing, materials and tools, last longer than the time which was required to produce them.' Here he confuses the duration of labour-time with the duration of its products. On this view, a baker, whose products last only a day, could never extract the same profit from his workers as a machine manufacturer, whose products last for twenty years or more. Of course, it is very true that if a bird's nest did not last longer than the time it takes to build, the birds would have to do without nests.

This fundamental truth once established, Mill asserts his own superiority over the Mercantilists: 'We thus see that profit arises, not from the incident of exchange, but from the productive power of labour; and the general profit of the country is always what the productive power of labour makes it, whether any exchange takes place or not. If there were no division of employments, there would be no buying or selling, but there would still be profit.' For Mill then, exchange, buying and selling, i.e. the general conditions of capitalist production, are a mere incident, and there would always be profits even without the purchase and sale of labour-power!

'If,' he continues, 'the labourers of the country collectively produce 20 per cent more than their wages, profits will be 20 per cent, whatever prices may or may not be.' This is, in one respect, a rare piece of tautology; for if the workers produce a surplus-value of 20 per cent for the capitalist, his profit will be related to their total wages in the proportion 20 : 100. Nevertheless, it is absolutely false to say that 'profits will be 20 per cent'. They will always be less, because they are calculated upon the sum total of the capital advanced. If, for example, the capitalist has advanced £500, of which £400 is laid out in means of production and £100 in wages, and if the rate of surplus-value is 20 per cent, the rate of profit will be 20 : 500, i.e. not 20 per cent but 4 per cent.

There follows a splendid example of Mill's way of handling the different historical forms of social production: 'I assume, throughout, the state of things which, [where the labourers and capitalists are separate classes], prevails, with few exceptions, universally; namely, that the capitalist advances the whole expenses, including the entire remuneration of the labourer.' Strange optical illusion, to see everywhere a situation which as yet exists only exceptionally on our earth! But let us proceed. Mill is good enough to make this concession: 'That he should do so is not a matter of inherent necessity.'* On the contrary, 'the labourer might wait, until the production is complete, for all that part of his wages which exceeds mere necessaries; and even for the whole, if he has funds in hand sufficient for his temporary support. But in the latter case, the labourer is to that extent really a capitalist in the concern, by supplying a portion of the funds necessary for carrying it on.' Mill might just as well have said that the worker who advances to himself not only the means of subsistence but also the means of production is in reality his own wage-labourer, or, indeed, that the American peasant is his own slave, because he does forced labour for himself instead of doing it for someone who is his master.

After thus proving clearly that capitalist production would still continue to exist even if it did not exist, Mill now proceeds, quite consistently, to show that it would not exist even if it did exist. 'And even in the former case' (where the worker is a wage-labourer to whom the capitalist advances the whole of his means of subsistence) 'he' (the worker) 'may be looked upon in the same light' (i.e. as a capitalist) 'since, contributing his labour at less than the market price (!), he may be regarded as lending the difference (?) to his employer and receiving it back with interest, etc.'[11] In

[11] J. St. Mill, *Principles of Political Economy*, London, 1868, pp. 252–3 passim.

*If he had had the opportunity, Marx would certainly have altered this passage. The addition of the phrase in square brackets, 'where the labourers and capitalists are separate classes', omitted inadvertently by Marx, clears Mill, at least formally, from the charge of being guilty of an 'optical illusion'. Hence, in a letter of 28 November 1878 to N. F. Danielson, Marx proposed the replacement of the passage beginning 'Strange optical illusion' with this: 'Mr Mill is willing to concede that it is not absolutely necessary for it to be so, even under an economic system where workers and capitalists confront each other as separate classes.' [This note draws heavily on information provided in *MEW* 23, p. 540.]

reality, the worker advances his labour gratuitously to the capitalist during, say, one week, in order to receive its market price at the end of the week, etc.: according to Mill this makes him into a capitalist! On a level plain, simple mounds look like hills; and the insipid flatness of our present bourgeoisie is to be measured by the altitude of its 'great intellects'.

Chapter 17: Changes of Magnitude in the Price of Labour-Power and in Surplus-Value

The value of labour-power is determined by the value of the means of subsistence habitually required by the average worker. The quantity of the means of subsistence required is given at any particular epoch in any particular society, and can therefore be treated as a constant magnitude. What changes is the value of this quantity. There are, besides, two other factors that enter into the determination of the value of labour-power. One is the cost of developing that power, which varies with the mode of production. The other is the natural diversity of labour-power, the difference between the labour-power of men and women, children and adults. The utilization of these different sorts of labour-power, which is in turn conditioned by the mode of production, makes for great variations in the cost of reproducing the worker's family, and in the value of the labour-power of the adult male. Both these factors, however, are excluded in the following investigation.[1]

I assume (1) that commodities are sold at their value, (2) that the price of labour-power occasionally rises above its value, but never sinks below it.

On these assumptions, we have already found that the relative magnitudes of surplus-value and of price of labour-power are determined by three circumstances: (1) the length of the working day, or the extensive magnitude of labour, (2) the normal intensity of labour, or its intensive magnitude, whereby a given quantity of labour is expended in a given time and (3) the productivity of labour, whereby the same quantity of labour yields, in a given time, a greater or a smaller quantity of the product, depending on the degree of development attained by the conditions of production. Very different combinations are clearly possible, since one of the three factors can be constant while the other two vary, two factors can be constant while one varies, and, finally, all three may vary. In addition, the number of possible combinations is augmented by the fact that, when all these factors vary simultaneously, the amount and direction of their respective variations may differ. In what follows the chief combinations alone are considered.

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[1] [Note by Engels to the third German edition:] The case considered on pages 433–6 is also excluded here, of course.

I. THE LENGTH OF THE WORKING DAY AND THE INTENSITY OF LABOUR CONSTANT; THE PRODUCTIVITY OF LABOUR VARIABLE

On these assumptions the value of labour-power and the magnitude of surplus-value are determined by three laws.

Firstly, a working day of a given length always creates the same amount of value, no matter how the productivity of labour, and, with it, the mass of the product and the price of each single commodity produced may vary. If the value created by a working day of 12 hours is, say, 6 shillings, then, although the mass of the use-values produced varies with the productivity of labour, the value represented by 6 shillings will simply be spread over a greater or a less number of commodities.

Secondly, the value of labour-power and surplus-value vary in opposite directions. A variation in the productivity of labour, its increase or diminution, causes the value of labour-power to move in the opposite direction, while surplus-value moves in the same direction.

The value created by a working day of 12 hours is a constant quantity, say 6 shillings. This constant quantity is the sum of the surplus-value plus the value of the labour-power, the value of the labour-power being replaced with an equivalent by the worker himself. It is self-evident that if a constant quantity consists of two parts, neither of them can increase without the other diminishing. Let the two parts be equal at the beginning, and let 3 shillings be the value of the labour-power, and the same for the surplus-value. Then the value of the labour-power cannot rise from 3 shillings to 4 without the surplus-value falling from 3 shillings to 2; and the surplus-value cannot rise from 3 shillings to 4 without the value of the labour-power falling from 3 shillings to 2. Under these circumstances, then, no change can take place in the absolute magnitude either of the surplus-value or of the value of the labour-power without a simultaneous change in their relative magnitudes. It is impossible for them to rise or fall simultaneously.

Further, the value of the labour-power cannot fall, and consequently surplus-value cannot rise, without a rise in the productivity of labour. For instance, in the above case, the value of the labour-power cannot sink from 3 shillings to 2 unless an increase in the productivity of labour makes it possible to produce in 4 hours the same quantity of means of subsistence as could only be produced previously in 6 hours. On the other hand, the value of the labour-power cannot rise from 3 shillings to 4 without a decrease in the productivity of labour, so that 8 hours are required to produce the same quantity of means of subsistence as were previously produced in 6 hours. It follows from this that an increase in the productivity of labour causes a fall in the value of labour-power and a consequent rise in surplus-value, while, on the other hand, a decrease in the productivity of labour causes a rise in the value of labour-power and a fall in surplus-value.

In formulating this law,* Ricardo overlooked one thing: although a change in the magnitude of the surplus-value or surplus labour causes a change in the opposite direction in the magnitude of the value of labour-power, or in the quantity of necessary labour, it by no means follows that they vary in the same proportion. It is true that they increase or diminish by the same *quantity*. But their proportional increase or diminution depends on their original magnitude, before the change in the productivity of labour took place. If the value of the labour-power is 4 shillings, or the necessary labour-time is 8 hours, and the surplus-value is 2 shillings, or the surplus labour 4 hours, and if, owing to an increase in the productivity of labour, the value of the labour-power falls to 3 shillings, or the necessary labour-time to 6 hours, the surplus-value will rise to 3 shillings, or the surplus labour to 6 hours. The same quantity, 1 shilling or 2 hours, is added in one case, and subtracted in the other. But the proportional change of magnitude is different in the two cases. The value of the labour-power falls from 4 shillings to 3, i.e. it falls by ¼, or 25 per cent,

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*Cf. Ricardo, *On the Principles of Political Economy*, p. 31, where the following formulation is given: 'There can be no rise in the value of labour without a fall of profits.' This could be re-formulated in Marxist terms as 'There can be no rise in the value of labour-power without a fall in surplus-value.' The whole question of Ricardo's theory of surplus-value is discussed in far more detail in *Theories of Surplus-Value*, Part 2, London, 1969, pp. 373–425.

but the surplus-value rises from 2 shillings to 3, i.e. it rises by ½, or 50 per cent. It therefore follows that the proportional increase or diminution in surplus-value resulting from a given change in the productivity of labour depends on the original magnitude of that portion of the working day which is embodied in surplus-value; the smaller that portion, the greater the proportional change; the greater that portion, the less the proportional change.

(3) Increase or diminution in surplus-value is always the consequence, and never the cause, of the corresponding diminution or increase in the value of labour-power.[2]

Since the working day is constant in magnitude, and is represented by a value of constant magnitude, since there corresponds to every variation in the magnitude of surplus-value an inverse variation in the value of labour-power, and since the value of labour-power cannot change except as a result of a change in the productivity of labour, it clearly follows under these conditions that every change of magnitude in surplus-value arises from an inverse change of magnitude in the value of labour-power. If, then, as we have already seen, there can be no change of absolute magnitude in the value of labour-power, and in surplus-value, unaccompanied by a change in their relative magnitudes, it now follows that no change in their relative magnitudes is possible without a change in the absolute magnitude of the value of labour-power.

According to the third law, a change in the magnitude of surplus-value presupposes a movement in the value of labour-power, brought about by a change in the productivity of labour. The limit of this change is given by the altered value of labour-power. Nevertheless, even when circumstances allow the law to operate, subsidiary movements may occur. For example, if, as a result of an increase in the productivity of labour, the value of labour-power falls from 4 shillings to 3, or the necessary labour-

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2. MacCulloch, among other people, has made the following absurd addition to this third law: he says that a rise in surplus-value which is not accompanied by a fall in the value of labour-power can occur as a result of the abolition of taxes formerly payable by the capitalist. But the abolition of such taxes makes no change whatever in the quantity of surplus-value extorted by the capitalist at first hand from the worker. It only alters the proportion in which that surplus-value is divided between the capitalist himself and third persons. It therefore produces no change whatsoever in the relation between surplus-value and the value of labour-power. MacCulloch's exception therefore proves only his failure to understand the rule, a misfortune that as often happens to him in the vulgarization of Ricardo as it does to J. B. Say in the vulgarization of Adam Smith.

time from 8 hours to 6, the price of labour-power might well fall only to 3s. 8d., 3s. 6d. or 3s. 2d., thus allowing the amount of surplus-value to rise only to 3s. 4d., 3s. 6d. or 3s. 10d. The amount of this fall, the lowest limit of which is 3 shillings (the new value of labour-power), depends on the relative weight thrown into the scale by the pressure of capital on the one side, and the resistance of the worker on the other.

The value of labour-power is determined by the value of a certain quantity of means of subsistence. It is the value and not the mass of these means of subsistence that varies with the productivity of labour. It is however possible that owing to an increase in the productivity of labour both the worker and the capitalist may simultaneously be able to appropriate a greater quantity of means of subsistence, without any change in the price of labour-power or in surplus-value. Let the value of labour-power be 3 shillings, and let the necessary labour-time amount to 6 hours. Let the surplus-value be, similarly, 3 shillings, and the surplus labour 6 hours. Now, if the productivity of labour were to be doubled without any alteration in the ratio between necessary labour and surplus labour, there would be no change in the magnitude either of the surplus-value or of the price of labour-power. The only result would be that each of these would represent twice as many use-values as before, and that each use-value would be twice as cheap as it was before. Although labour-power would be unchanged in price, it would have risen above its value. However, now assume a fall in the price of labour-power, not as far as 1s. 6d., the lowest possible point consistent with its new value, but to 2s. 10d. or 2s. 6d. This lower price would still represent an increased quantity of means of subsistence. In this way it is possible, given increasing productivity of labour, for the price of labour-power to fall constantly and for this fall to be accompanied by a constant growth in the mass of the worker's means of subsistence. But in relative terms, i.e. in comparison with surplus-value, the value of labour-power would keep falling, and thus the abyss between the life-situation of the worker and that of the capitalist would keep widening.[3]

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[3] 'When an alteration takes place in the productiveness of industry, so that either more or less is produced by a given quantity of labour and capital, the proportion of wages may obviously vary, whilst the quantity, which that proportion represents, remains the same, or the quantity may vary, whilst the proportion remains the same' ([J. Cazenove,] *Outlines of Political Economy, etc.* p. 67).

Ricardo was the first to give an accurate formulation of the three laws we have just stated. But his presentation of them suffers from the following defects: (1) he views the special conditions under which these laws hold good as the self-evident, universal, and exclusive conditions of capitalist production. He recognizes no change either in the length of the working day or in the intensity of labour, so that with him the productivity of labour becomes the only variable factor; (2), and this error vitiates his analysis much more than (1), he has not, any more than the other economists, investigated surplus-value as such, i.e. independently of its particular forms, such as profit, ground rent, etc. He therefore fails to differentiate between the laws governing the rate of surplus-value and those governing the rate of profit. The rate of profit is, as we have already said, the ratio of the surplus-value to the total capital advanced; the rate of surplus-value is the ratio of the surplus-value to the variable part of that capital. Assume that a capital C of £500 is made up of raw material, instruments of labour, etc. which, taken together, we shall call c, to the amount of £400, and of wages v, to the amount of £100; and assume, further, that the surplus value $s = £100$. Then the rate of surplus-value will be $\frac{s}{v} = \frac{£100}{£100} = 100$ per cent. But the rate of profit will be $\frac{s}{C} = \frac{£100}{£500} = 20$ per cent. It is obvious, moreover, that the rate of profit may depend on circumstances which in no way affect the rate of surplus-value. I shall show in Volume 3 that the same rate of surplus-value may be expressed in the most diverse rates of profit, and that different rates of surplus-value may, under certain circumstances, be expressed in the same rate of profit.*

2. THE LENGTH OF THE WORKING DAY AND THE PRODUCTIVITY OF LABOUR CONSTANT; THE INTENSITY OF LABOUR VARIABLE

Increased intensity of labour means increased expenditure of labour in a given time. Hence a working day of more intense labour is embodied in more products than is one of less intense labour, the length of each working day being the same. Admit-

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*Cf. *Capital*, Vol. 3, Chapter 3, 'The Relation of the Rate of Profit to the Rate of Surplus-Value'.

tedly, an increase in the productivity of labour will also supply more products in a given working day. But in that case the value of each single product falls, for it costs less labour than before, whereas in the case mentioned here that value remains unchanged, because each article costs the same amount of labour as before. Here we have an increase in the number of products unaccompanied by a fall in their individual prices: as their number increases, so does the sum of their prices, whereas in the case of an increase in productivity, a given value is spread over a greater mass of products. Hence, if the length of the working day remains constant, a day's labour of increased intensity will be incorporated in an increased amount of value, and, assuming no change in the value of money, in an increased amount of money. The value created varies with the extent to which the intensity of labour diverges from its normal social level of intensity. A given working day, therefore, no longer creates a constant value, but a variable one; in a day of 12 hours of ordinary intensity, the value created is, say, 6 shillings, but, with increased intensity, the value created may be 7, 8 or more shillings. It is clear that if the value created by a day's labour increases from, say, 6 to 8 shillings, then the two parts into which this value is divided, namely the price of labour-power and surplus-value, may both increase simultaneously, and either equally or unequally. They may both simultaneously increase from 3 shillings to 4. Here, the rise in the price of labour-power does not necessarily imply that it has risen above the value of labour-power. On the contrary, this rise in price may be accompanied by a fall below its value. This always occurs when the rise in the price of labour-power does not compensate for its more rapid deterioration.

We know that, with exceptions which are purely temporary, a change in the productivity of labour does not cause any change in the value of labour-power, nor, consequently, in the magnitude of surplus-value, unless the products of the industries affected are articles habitually consumed by the workers. But here this limitation falls to the ground. Whether the magnitude of the labour changes in extent or in intensity, there is always a corresponding change in the magnitude of the value created, independently of the nature of the article in which that value is embodied.

If the intensity of labour were to increase simultaneously and equally in every branch of industry, then the new and higher degree of intensity would become the normal social degree of intensity, and would therefore cease to count as an extensive magnitude. But even so, the intensity of labour would still be different in different countries, and would modify the application of the law of value to the working days of different nations. The more intensive working day of one nation would be represented by a greater sum of money than the less intensive day of another nation.[4]

3. THE PRODUCTIVITY AND INTENSITY OF LABOUR CONSTANT; THE LENGTH OF THE WORKING DAY VARIABLE

The working day may vary in two directions. It may be either shortened or lengthened. (From our present data, and within the limits of the assumptions made on p. 655, we obtain the following laws:

(1) The working day creates a greater or lesser amount of value in proportion to its length – thus, a variable and not a constant quantity of value.

(2) Every change in the relation between the magnitude of surplus-value and the value of labour-power arises from a change in the absolute magnitude of the surplus labour, and consequently of the surplus-value.

(3) The absolute value of labour-power can change only in consequence of the reaction exercised by the prolongation of surplus labour upon the wear and tear of labour-power. Every change in this absolute value is therefore the effect, but never the cause, of a change in the magnitude of surplus-value.

We begin with the case in which the working day is shortened.)*

(1) A shortening of the working day under the conditions given, i.e. with the productivity and the intensity of labour constant,

[4] 'All things being equal, the English manufacturer can turn out a considerably larger amount of work in a given time than a foreign manufacturer, so much as to counterbalance the difference of the working days, between 60 hours a week here, and 72 or 80 elsewhere' (*Reports of the Inspectors of Factories ... 31 October 1855*, p. 65). The most infallible means of reducing this difference between the product of the English and of the Continental working hour would be a law shortening the length of the working day in Continental factories.

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*The passage in parentheses is not to be found in any of the German editions of *Capital*. It first appears in the French translation of 1872, and was presumably inserted by Engels into the first English translation.

leaves the value of labour-power, and therefore the necessary labour-time, as it was before. It reduces the surplus labour and the surplus-value. Along with the absolute magnitude of the latter, its relative magnitude also falls, i.e. its magnitude in relation to the magnitude of the value of labour-power, which remains constant. Only by reducing the price of labour-power below its value could the capitalist compensate himself for this fall.

All the usual arguments against the shortening of the working day depend on the assumption that the phenomenon occurs under the conditions presupposed here. But in reality the very opposite is the case: a shortening of the working day either follows upon, or immediately precedes, a change in the productivity and the intensity of labour.[5]

(2) Lengthening of the working day. Let the necessary labour-time be 6 hours, or the value of labour-power 3 shillings; also let the surplus labour be 6 hours, or the surplus-value 3 shillings. The whole working day then amounts to 12 hours and is embodied in a value of 6 shillings. If the working day is lengthened by 2 hours and the price of labour-power remains the same, the surplus-value increases both absolutely and relatively. Although there is no absolute change in the value of labour-power, it suffers a relative fall. Under the conditions assumed in I,* there could not be a change of relative magnitude in the value of labour-power without a change in its absolute magnitude. Here, on the contrary, the change of relative magnitude in the value of labour-power is the result of the change of absolute magnitude in surplus-value.

Since the value-product in which a day of labour is embodied increases with the length of that day, it is evident that the surplus-value and the price of labour-power may simultaneously increase, either by equal or unequal quantities. This simultaneous increase is therefore possible in two cases. The first case is an absolute increase in the length of the working day, and the second case is an increase in the intensity of labour unaccompanied by an increase in length.

[5] 'There are compensating circumstances . . . which the working of the Ten Hours' Act has brought to light' (*Reports of the Inspectors of Factories . . . 31 October 1848*, p. 7).

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*This refers to the case considered on pp. 656–60, i.e. when the length of the working day and the intensity of labour remain constant, and the productivity of labour is the only variable factor.

When the working day is prolonged, the price of labour-power may fall below its value, although that price nominally remains unchanged, or even rises. The value of a day's labour-power is estimated, as will be remembered, on the basis of its normal average duration, or the normal duration of the life of a worker, and on the basis of the appropriate normal standard of conversion of living substances into motion as it applies to the nature of man.[6] Up to a certain point, the increased deterioration of labour-power inseparable from a lengthening of the working day may be compensated for by making amends in the form of higher wages. But beyond this point deterioration increases in geometrical progression, and all the requirements for the normal reproduction and functioning of labour-power cease to be fulfilled. The price of labour-power and the degree of its exploitation cease to be commensurable quantities.

4. SIMULTANEOUS VARIATIONS IN THE DURATION, PRODUCTIVITY AND INTENSITY OF LABOUR

It is obvious that a large number of combinations are possible here. Any two of the factors may vary and the third remain constant, or all three may vary at once. They may vary equally or unequally, in the same direction or in opposed directions, with the result that the variations cancel each other out, either wholly or in part. Nevertheless, every possible case can easily be analysed by using the results obtained in cases I, II and III. The effect of every possible combination may be found by treating each factor in turn as variable, and the other two as constant for the time being. We shall therefore restrict ourselves here to a brief discussion of two important cases.

(1) *Diminishing productivity of labour with simultaneous lengthening of the working day*

In speaking here of diminishing productivity of labour, we are particularly concerned with those industries whose products determine the value of labour-power; we have in mind, for example, diminishing productivity resulting from the decreasing fertility of the soil, and from the corresponding increase in the prices of its products. Assume a working day of 12 hours and a value-product of 6 shillings, half of which replaces the value of the labour-power, the other half forming the surplus-value. Then let a rise in the prices of the products of the soil occur, so that the value of labour-power goes up from 3 shillings to 4, and the necessary labour-time therefore rises from 6 hours to 8. If the length of the working day remains unaltered, the surplus labour will fall from 6 hours to 4, and the surplus-value from 3 shillings to 2. If the day is lengthened by 2 hours, i.e. from 12 hours to 14 hours, the surplus labour will remain at 6 hours, the surplus-value will remain at 6 shillings, but the relative magnitude of the surplus value will decrease in comparison with the magnitude of the value of labour-power, as measured by the necessary labour-time. If the day is lengthened by 4 hours, i.e. from 12 hours to 16, the proportional magnitudes of surplus-value and value of labour-power, of surplus labour and necessary labour, will continue unchanged, but the absolute magnitude of surplus-value will rise from 3 shillings to 4, and that of the surplus labour from 6 hours to 8, an increment of ⅓ or 33⅓ per cent. Therefore, with diminishing productivity of labour and a simultaneous lengthening of the working day, the absolute magnitude of surplus-value may continue unaltered, at the same time as its relative magnitude diminishes; its relative magnitude may continue unaltered at the same time as its absolute magnitude increases; and, finally, if the working day is lengthened to a sufficient extent, both may increase.

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[6] 'The amount of labour which a man had undergone in the course of 24 hours might be approximately arrived at by an examination of the chemical changes which had taken place in his body, changed forms in matter indicating the anterior exercise of dynamic force' (Grove, *On the Correlation of Physical Forces* [pp. 308–9]).

In the period between 1799 and 1815 an increase in the prices of the means of subsistence led in England to a nominal rise in wages, although there was a fall in real wages, as expressed in the quantity of the means of subsistence they would purchase. From this fact, West and Ricardo drew the conclusion that the diminution in the productivity of agricultural labour had brought about a fall in the rate of surplus-value, and they made this assumption (which was purely a product of their own imagination) the starting-point of important investigations into the relative magnitudes of wages, profits and ground rent.* But as a matter of fact surplus-value had at that time increased both in absolute and in relative magnitude, thanks to the increased intensity of labour, and to the prolongation of the working day which had been forced upon the workers. This was the period in which the right to prolong the working day without any restriction at all became accepted as one of the basic rights of the citizen[7]; it was also a period especially characterized, on the one hand, by a rapid growth of capital, and, on the other hand, by a rapid growth of pauperism.[8]

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* West, *Essay on the Application of Capital to Land*, London, 1815; Ricardo, *An Essay on the Influence of a Low Price of Corn on the Profits of Stock*, London, 1815. These pamphlets were contributions to the controversy of 1815 over the Corn Laws.

(2) *Increasing intensity and productivity of labour with simultaneous shortening of the working day*

Increased productivity and greater intensity of labour both have a similar effect. They both augment the mass of articles produced in a given time. Both therefore shorten that portion of the working day which the worker needs to produce his means of subsistence or their equivalent. The minimum length of the working day is fixed by this necessary component, which is however itself capable of further contraction. If the whole working day were to shrink to the length of its necessary component, surplus labour would vanish, something which is impossible under the regime of capital. Only the abolition of the capitalist form of production would permit the reduction of the working day to the necessary labour-time. But even in that case the latter would expand to take up more of the day, and for two reasons: first, because the worker's conditions of life would improve, and his aspirations become greater, and second, because a part of what is now surplus labour would then count as necessary labour, namely the labour which is necessary for the formation of a social fund for reserve and accumulation.

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[7] 'Corn and labour rarely march quite abreast; but there is an obvious limit, beyond which they cannot be separated. With regard to the unusual exertions made by the labouring classes in periods of dearness, which produce the fall of wages noticed in the evidence' (i.e. the evidence presented to the Parliamentary Committees of Inquiry held in 1814 and 1815) 'they are most meritorious in the individuals, and certainly favour the growth of capital. But no man of humanity could wish to see them constant and unremitted. They are most admirable as a temporary relief; but if they were constantly in action, effects of a similar kind would result from them, as from the population of a country being pushed to the very extreme limits of its food' (Malthus, *Inquiry into the Nature and Progress of Rent*, London, 1815, p. 48, n.). All honour to Malthus that he lays stress on the lengthening of the hours of labour, a fact to which he directly draws attention elsewhere in his pamphlet, whereas Ricardo and others, flying in the face of the most notorious facts, make invariability in the length of the working day the groundwork of all their investigations. Nevertheless the conservative interests Malthus served prevented him from seeing that unlimited prolongation of the working day, combined with an extraordinary development of machinery and the exploitation of the labour of women and children, inevitably made a great portion of the working class 'redundant', particularly after the cessation of wartime demand and the ending of the English monopoly of the world market. It was of course far more convenient, and much more in conformity with the interests of the ruling classes, whom Malthus idolized like a true priest, to explain this 'over-population' by the eternal laws of nature, rather than the merely historical laws of the nature of capitalist production.

[8] 'A principal cause of the increase of capital, during the war, proceeded from the greater exertions, and perhaps the greater privations of the labouring classes, the most numerous in every society. More women and children were compelled by necessitous circumstances to enter upon laborious occupations, and former workmen, from the same cause, obliged to devote a greater portion of their time to increase production' (*Essays on Political Economy: In Which are Illustrated the Principal Causes of the Present National Distress*, London, 1830, p. 248).

The more the productivity of labour increases, the more the working day can be shortened, and the more the working day is shortened, the more the intensity of labour can increase. From the point of view of society the productivity of labour also grows when economies are made in its use. This implies not only economizing on the means of production, but also avoiding all useless labour. The capitalist mode of production, while it enforces economy in each individual business, also begets, by its anarchic system of competition, the most outrageous squandering of labour-power and of the social means of production, not to mention the creation of a vast number of functions at present indispensable, but in themselves superfluous.

The intensity and productivity of labour being given, the part of the social working day necessarily taken up with material production is shorter and, as a consequence, the time at society's disposal for the free intellectual and social activity of the individual is greater, in proportion as work is more and more evenly divided among all the able-bodied members of society, and a particular social stratum is more and more deprived of the ability to shift the burden of labour (which is a necessity imposed by nature) from its own shoulders to those of another social stratum. The absolute minimum limit to the shortening of the working day is, from this point of view, the universality [*Allgemeinheit*] of labour. In capitalist society, free time is produced for one class by the conversion of the whole lifetime of the masses into labour-time.

Chapter 18: Different Formulae for the Rate of Surplus-Value

We have seen that the rate of surplus-value is represented by the following formulae:

$$\text{I.}\quad \frac{\text{Surplus-value}}{\text{Variable capital}}\left(\frac{s}{v}\right) = \frac{\text{Surplus-value}}{\text{Value of labour-power}} = \frac{\text{Surplus labour}}{\text{Necessary labour}}$$

The first two formulae represent, as a ratio of values, what is represented in the third formula as a ratio of the times during which those values are produced. These mutually replaceable formulae are rigorously definite and correct. We therefore find them worked out in classical political economy in substance, but not in a conscious form. Political economy in fact provides us with derivative formulae, as follows:

$$\text{II.}\quad \frac{\text{Surplus labour*}}{\text{Working day}} = \frac{\text{Surplus-value}}{\text{Value of the product}} = \frac{\text{Surplus product}}{\text{Total product}}$$

One and the same proportion is expressed here alternately in the form of labour-times, of the values in which those labour-times are embodied, and of the products in which those values exist. It is of course understood that by 'value of the product' the political economists mean only the value newly created in a working day, the constant part of the value of the product being excluded.

In all the formulae included under II the actual degree of exploitation of labour, or the rate of surplus-value, is falsely expressed. Let the working day be 12 hours long. Then, making

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*In the French translation of *Capital* Marx placed parentheses round this formula, 'because the concept of surplus labour is not found clearly expressed in bourgeois political economy'.

the same assumptions as we have before, the real degree of exploitation of labour will be represented by the following proportions:

$$\frac{\text{6 hours surplus labour}}{\text{6 hours necessary labour}} = \frac{\text{Surplus-value of 3s.}}{\text{Variable capital of 3s.}} = \text{100 per cent}$$

From the formulae included under II, we get, on the contrary:

$$\frac{\text{6 hours surplus labour}}{\text{Working day of 12 hours}} = \frac{\text{Surplus-value of 3s.}}{\text{Value-product of 6s.}} = \text{50 per cent}$$

These derivative formulae express, in reality, only the proportion in which the working day, or the value produced by it, is divided between the capitalist and the worker. If they are to be treated as direct expressions of the degree of capital's self-valorization, the following erroneous law would hold good: surplus labour or surplus-value can never reach 100 per cent.[1] Since the surplus labour is only an aliquot part of the working day, or since surplus-value is only an aliquot part of the value-product, surplus labour must always be less than the working day, or the surplus-value always less than the total value-product. In order, however, to attain the ratio of 100:100 they must be equal. In order for the surplus labour to absorb the whole day (i.e. an average day of any week or year) the necessary labour would have to sink to zero. But if necessary labour vanishes, surplus labour does as well, since it is only a function of the necessary labour. The ratio $\frac{\text{Surplus labour}}{\text{Working day}}$, or $\frac{\text{Surplus-value}}{\text{Value-product}}$ can therefore never reach the limit of $\frac{100}{100}$, still less rise to $\frac{100+x}{100}$. The rate of surplus-value, however, the real degree of exploitation of labour, is able to do this. Take, for example, the estimate of L. de Lavergne, according to which the English agricultural labourer gets only $\frac{1}{4}$ of the product[2] or of its value, while the capitalist farmer gets $\frac{3}{4}$, whatever the subsequent division of the booty between the capitalist, the landowner and others. On this calculation, the surplus labour of the English agricultural labourer is related to his necessary labour in the ratio of 3:1, which gives a rate of exploitation of 300 per cent.

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[1] Thus, for example, in Rodbertus, *Sociale Briefe an von Kirchmann, Dritter Brief: Widerlegung der Ricardo'schen Lehre von der Grundrente und Begründung einer neuen Rententheorie*, Berlin, 1851. I shall return to this pamphlet later on*; in spite of its erroneous theory of rent, it sees through the nature of capitalist production.

*Marx did so in *Theories of Surplus-Value*, Part 2, Ch. 8, pp. 15–114, Ch. 9, pp. 127–61.

[Added by Engels to the third German edition:] It may be seen from this how favourably Marx judged his predecessors, whenever he found in them a real advance, or new and sound ideas. In the meantime, the publication of Rodbertus's letters to Rudolf Meyer has shown that the above acknowledgement need to be restricted to some extent. In those letters this passage occurs: 'Capital must be rescued not only from labour, but from itself, and that will be best effected by treating the acts of the industrial capitalist as economic and political functions that have been delegated to him with his capital, and by treating his profit as a form of salary, because we still know no other social organization. But salaries may be regulated, and may also be reduced if they take too much from wages. The irruption of Marx into society, as I may call his book, must be warded off ... Altogether, Marx's book is not so much an investigation of capital as a polemic against the present form of capital, a form which he confuses with the concept of capital itself' (*Briefe, etc., von Dr Rodbertus-Jagetzow*, ed. by Dr Rudolf Meyer, Berlin, 1881, Vol. 1, p. 111, 48th letter from Rodbertus). The bold onslaught mounted by Rodbertus in his 'social letters' finally dwindled down to ideological commonplaces of this kind.

Through the use of the formulae given under II, the political economists' favourite method of treating the working day as constant in magnitude became a fixed usage, because in those formulae surplus labour is always compared with a working day of a given length.

When the political economists treat surplus-value and the value of labour-power as fractions of the value-product – a mode of presentation which arises, by the way, out of the capitalist mode of production itself, and whose significance we shall unearth later on – they conceal the specific character of the capital-relation, namely the fact that variable capital is exchanged for living labour-power, and that the worker is accordingly excluded from the product. Instead of revealing the capital-relation they show us the false semblance of a relation of association, in which worker and capitalist divide the product in proportion to the different elements which they respectively contribute towards its formation.[3]

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[2] That part of the product which merely replaces the constant capital advanced is of course left out in this calculation. De Lavergne, as a blind admirer of England, is inclined to estimate the share of the capitalist too low, rather than too high.*

*Léonce de Lavergne, *Rural Economy of England, Scotland, and Ireland*, London, 1855, p. 87. 'We find that in England a fourth only of gross production is appropriated to the payment of wages – whilst in France and Ireland one half is thus disposed of.'

But in any case, the formulae given under III can always be reconverted into the original formulae. If, for instance, we have

$$\frac{\text{Surplus labour of 6 hours}}{\text{Working day of 12 hours}}$$

then the necessary labour-time is the 12 hours of the working day minus the surplus labour of 6 hours, and we get the following result:

$$\frac{\text{Surplus labour of 6 hours}}{\text{Necessary labour of 6 hours}} = \frac{100}{100}$$

There is a third formula, which I have occasionally anticipated:

$$\text{III. } \frac{\text{Surplus-value}}{\text{Value of labour-power}} = \frac{\text{Surplus labour}}{\text{Necessary labour}} = \frac{\text{Unpaid labour}}{\text{Paid labour}}$$

After the analysis given above, it is no longer possible to be misled by the formula $\frac{\text{unpaid labour}}{\text{paid labour}}$ into concluding that the capitalist pays for labour and not for labour-power. $\frac{\text{Unpaid labour}}{\text{Paid labour}}$ is only a popular expression for $\frac{\text{surplus labour}}{\text{necessary labour}}$. The capitalist pays the value of the labour-power (or, if the price diverges from this, he pays the price) and receives in exchange the right to dispose of the living labour-power itself. The length of time during which he utilizes this labour-power is divided into two separate periods. During one period, the worker produces a value that is only equal to the value of his labour-power, i.e. he produces its equivalent. Thus the capitalist receives, in return for advancing the price of the labour-power, a product of the same price. It is the same as if he had bought the product ready-made in the market. During the other period, the period of surplus labour, the utilization of the labour-power creates a value for the capitalist without costing him any value in return[4]. He is thus able to set labour-power in motion without paying for it. It is in this sense that surplus labour can be called unpaid labour.

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[3] As all the developed forms of the capitalist process of production are forms of co-operation, nothing is easier, of course, than to make abstraction from their specifically antagonistic character, and, merely by verbal alterations, make them sound like forms of free association. This is what Count A. de Laborde does in *De l'esprit d'association dans tous les intérêts de la communauté*, Paris, 1818. H. Carey, the Yankee, occasionally performs this conjuring trick, with similar success, even with the relations prevailing under slavery.

Capital, therefore, is not only the command over labour, as Adam Smith thought. It is essentially the command over unpaid labour. All surplus-value, whatever particular form (profit, interest or rent) it may subsequently crystallize into, is in substance the materialization of unpaid labour-time. The secret of the self-valorization of capital resolves itself into the fact that it has at its disposal a definite quantity of the unpaid labour of other people[*fremder Arbeit*].

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[4] Although the Physiocrats could not penetrate the mystery of surplus-value, this much was clear to them, that it was 'independent and disposable wealth, which he' (the possessor of the surplus value) 'has not bought, and nevertheless sells' (Turgot, *Réflexions sur la formation et la distribution des richesses*, p. 11).

Part Six

Wages

Chapter 19: The Transformation of the Value (and Respectively the Price) of Labour-Power into Wages

On the surface of bourgeois society the worker's wage appears as the price of labour, as a certain quantity of money that is paid for a certain quantity of labour. Thus people speak of the value of labour, and call its expression in money its necessary or natural price. On the other hand they speak of the market prices of labour, i.e. prices which oscillate above or below its necessary price.

But what is the value of a commodity? The objective form of the social labour expended in its production. And how do we measure the quantity of this value? By the quantity of the labour contained in it. How then is the value, e.g., of a 12-hour working day to be determined? By the 12 working hours contained in a working day of 12 hours, which is an absurd tautology.[1]

In order to be sold as a commodity in the market, labour must at all events exist before it is sold. But if the worker were able to endow it with an independent existence, he would be selling a commodity, and not labour.[2]

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[1] 'Mr Ricardo, ingeniously enough, avoids a difficulty which, on a first view, threatens to encumber his doctrine, that value depends on the quantity of labour employed in production. If this principle is rigidly adhered to, it follows that the value of labour depends on the quantity of labour employed in producing it – which is evidently absurd. By a dexterous turn, therefore, Mr Ricardo makes the value of labour depend on the quantity of labour required to produce wages; or, to give him the benefit of his own language, he maintains that the value of labour is to be estimated by the quantity of labour required to produce wages; by which he means the quantity of labour required to produce the money or commodities given to the labourer. This is similar to saying, that the value of cloth is estimated, not by the quantity of labour bestowed on its production, but by the quantity of labour bestowed on the production of the silver, for which the cloth is exchanged' ([S. Bailey,] *A Critical Dissertation on the Nature, etc., of Value*, pp. 50–51).

[2] 'If you call labour a commodity, it is not like a commodity which is first produced in order to exchange, and then brought to market where it must exchange with other commodities according to the respective quantities

Apart from these contradictions, a direct exchange of money, i.e. of objectified labour, with living labour, would either supersede the law of value, which only begins to develop freely on the basis of capitalist production, or supersede capitalist production itself, which rests directly on wage-labour. The working day of 12 hours is represented in a monetary value of, for example, 6 shillings. There are two alternatives. Either equivalents are exchanged, and then the worker receives 6 shillings for 12 hours of labour; the price of his labour would be equal to the price of his product. In that case he produces no surplus-value for the buyer of his labour, the 6 shillings are not transformed into capital, and the basis of capitalist production vanishes. But it is precisely on that basis that he sells his labour and that his labour is wage-labour. Or else he receives, in return for 12 hours of labour, less than 6 shillings, i.e. less than 12 hours of labour. 12 hours of labour are exchanged for 10, 6, etc. hours of labour. But to equate unequal quantities in this way does not just do away with the determination of value. Such a self-destructive contradiction cannot be in any way even enunciated or formulated as a law.[3]

It is no use deducing the exchange of more labour against less from the differences in form in each case, one piece of labour being objectified, the other living.[4] In fact, this way out is even more absurd because the value of a commodity is determined not

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of each which there may be in the market at the time; labour is created the moment it is brought to market; nay, it is brought to market before it is created' (*Observations on Certain Verbal Disputes, etc*., pp. 75–6).

[3] 'Treating labour as a commodity, and capital, the produce of labour, as another, then, if the value of these two commodities were regulated by equal quantities of labour, a given amount of labour would . . . exchange for that quantity of capital which had been produced by the same amount of labour; antecedent labour would . . . exchange for the same amount as present labour. But the value of labour in relation to other commodities . . . is not determined by equal quantities of labour' (E. G. Wakefield, in his edition of Adam Smith's *Wealth of Nations*, Vol. 1, London, 1835, pp. 230, 231, n.).

[4] 'It was necessary to reach an agreement' (yet another edition of the *contrat social*!) 'that every time completed labour was exchanged for labour still to be performed, the latter' (the capitalist) 'would receive a higher value than the former' (the worker). Simonde (i.e. Sismondi),* *De la richesse commerciale* (Vol. 1, Geneva, 1803, p. 37).

* Jean-Charles-Léonard Simonde (1773–1842), the Swiss political economist and historian, in 1807 added the words de Sismondi to his name, having discovered a tenuous connection with an Italian aristocratic family called Sismondi, long resident in Pisa.

by the quantity of labour actually objectified in it, but by the quantity of living labour necessary to produce it. A commodity represents, say, 6 working hours. If an invention is made by which it can be produced in 3 hours, the value, even of the commodity already produced, falls by half. It now represents 3 hours of socially necessary labour instead of the 6 formerly required. It is therefore the quantity of labour required to produce it, not the objectified form of that labour, which determines the amount of the value of a commodity.

It is not labour which directly confronts the possessor of money on the commodity-market, but rather the worker. What the worker is selling is his labour-power. As soon as his labour actually begins, it has already ceased to belong to him; it can therefore no longer be sold by him. Labour is the substance, and the immanent measure of value, but it has no value itself.[5]

In the expression 'value of labour', the concept of value is not only completely extinguished, but inverted, so that it becomes its contrary. It is an expression as imaginary as the value of the earth. These imaginary expressions arise, nevertheless, from the relations of production themselves. They are categories for the forms of appearance of essential relations. That in their appearance things are often presented in an inverted way is something fairly familiar in every science, apart from political economy.[6]

Classical political economy borrowed the category 'price of labour' from everyday life without further criticism, and then simply asked the question, how is this price determined? It soon recognized that changes in the relation between demand and supply explained nothing, with regard to the price of labour or any other commodity, except those changes themselves, i.e. the oscillations of the market price above or below a certain mean. If demand and supply balance, the oscillation of prices ceases, all other circumstances remaining the same. But then demand and supply also cease to explain anything. The price of labour, at the moment when demand and supply are in equilibrium, is its natural price, determined independently of the relation of demand and supply. It was therefore found that the natural price was the object which actually had to be analysed. Or a longer period of oscillation in the market price was taken, for example a year, and the oscillations were found to cancel each other out, leaving a mean average quantity, a constant magnitude. This naturally had to be determined otherwise than by its own mutually compensatory variations. This price, which ultimately predominates over the accidental market prices of labour and regulates them, this 'necessary price' (according to the Physiocrats) or 'natural price' of labour (according to Adam Smith) can only be its value expressed in money, as with all other commodities. In this way, the political economists believed they could penetrate to the value of labour through the medium of the accidental prices of labour. As with other commodities, this value was then further determined by the cost of production. But what is the cost of production ... of the *worker*, i.e. the cost of producing or reproducing the worker himself? The political economists unconsciously substituted this question for the original one, for the search after the cost of production of labour as such turned in a circle, and did not allow them to get any further forward at all. Therefore what they called the 'value of labour' is in fact the value of labour-power, as it exists in the personality of the worker, and it is as different from its function, labour, as a machine is from the operations it performs. Because they were concerned with the difference between the market price of labour and its so-called value, with the relation of

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[5] 'Labour the exclusive standard of value . . . the creator of all wealth, no commodity' (Thomas Hodgskin, *Popular Political Economy*, p. 186).

[6] On the other hand, the attempt to explain such expressions as merely poetic licence only shows the impotence of the analysis. Hence, in answer to Proudhon's phrase, 'Labour is said to *have value* not as a commodity itself, but in view of the values which it is supposed potentially to contain. The value of labour is a figurative expression', etc., I have remarked 'In labour as a commodity, which is a grim reality, he' (Proudhon) 'sees nothing but a grammatical ellipsis. Thus the whole of existing society, founded on labour as a commodity, is henceforth founded on a poetic licence, a figurative expression. If society wants to "eliminate all the drawbacks" that assail it, well, let it eliminate all the ill-sounding terms, change the language; and to this end it has only to apply to the *Académie* for a new edition of its dictionary' (Karl Marx, *Misère de la philosophie*, pp. 34–5) [*The Poverty of Philosophy*, pp. 49–50]. It is naturally still more convenient to understand by value nothing at all. Then one can without difficulty subsume everything under this category. Thus, for instance, J. B. Say asks 'What is value?' Answer: 'It is what a thing is worth.' What is price? 'The value of a thing expressed in money.' And why has 'labour on the land . . . a value?' 'Because a price is put upon it.' Therefore value is what a thing is worth, and the land has its

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'value' because its value is 'expressed in money'. This is, anyhow, a very simple way of explaining the why and wherefore of things.*

*J. B. Say, *Traité d'économie politique*, 4th edn, Paris, 1819, Vol. 2, pp. 486, 507. (These quotations are from a list of definitions added to editions from the fourth onwards.)

this value to the rate of profit and to the values of the commodities produced by means of labour, etc., they never discovered that the course of the analysis had led not only from the market prices of labour to its presumed value, but also to the resolution of this value of labour itself into the value of labour-power. Classical political economy's unconsciousness of this result of its own analysis and its uncritical acceptance of the categories 'value of labour', 'natural price of labour', etc. as the ultimate and adequate expression for the value-relation under consideration, led it into inextricable confusions and contradictions, as will be seen later,* while it offered a secure base of operations to the vulgar economists who, in their shallowness, make it a principle to worship appearances only.

Let us first see how the value (and the price) of labour-power is represented in its converted form as wages.

We know that the daily value of labour-power is calculated upon a certain length of the worker's life, and that this corresponds, in turn, to a certain length of the working day. Assume that the usual working day is 12 hours and the daily value of labour-power 3 shillings, which is the expression in money of a value embodying 6 hours of labour. If the worker receives 3 shillings, then he receives the value of his labour-power, which functions through 12 hours. If this value of a day's labour-power is now expressed as the value of a day's labour itself, we have the formula: 12 hours of labour has a value of 3 shillings. The value of labour-power thus determines the value of labour, or, expressed in money, its necessary price. If, on the other hand, the price of labour-power differs from its value, the price of labour will similarly differ from its so-called value.

As the value of labour is only an irrational expression for the value of labour-power, it follows of course that the value of labour must always be less than its value-product, for the capitalist always makes labour-power work longer than is necessary for the reproduction of its own value. In the above example, the value of the labour-power that functions through 12 hours is 3 shillings, which requires 6 hours for its reproduction. The value which the labour-power produces is however 6 shillings, because it in fact functions during 12 hours, and its value-product depends, not on its own value, but on the length of time it is in action. Thus we reach a result which is at first sight absurd: labour which creates a value of 6 shillings possesses a value of 3 shillings.[7]

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* A reference forward to the projected Volume 4, known now as *Theories of Surplus-Value.*

We see, further: the value of 3 shillings, which represents the paid portion of the working day, i.e. 6 hours of labour, appears as the value or price of the whole working day of 12 hours, which thus includes 6 hours which have not been paid for. The wage-form thus extinguishes every trace of the division of the working day into necessary labour and surplus labour, into paid labour and unpaid labour. All labour appears as paid labour. Under the *corvée* system it is different. There the labour of the serf for himself, and his compulsory labour for the lord of the land, are demarcated very clearly both in space and time. In slave labour, even the part of the working day in which the slave is only replacing the value of his own means of subsistence, in which he therefore actually works for himself alone, appears as labour for his master. All his labour appears as unpaid labour.[8] In wage-labour, on the contrary, even surplus labour, or unpaid labour, appears as paid. In the one case, the property-relation conceals the slave's labour for himself; in the other case the money-relation conceals the uncompensated labour of the wage-labourer.

~~We may therefore understand the decisive importance~~ of the transformation of the value and price of labour-power into the form of wages, or into the value and price of labour itself. All the notions of justice held by both the worker and the capitalist, all the mystifications of the capitalist mode of production, all capitalism's illusions about freedom, all the apologetic tricks of vulgar economics, have as their basis the form of appearance discussed above, which makes the actual relation invisible, and indeed presents to the eye the precise opposite of that relation.

World history has taken a long time to get to the bottom of the mystery of wages; but, despite this, nothing is easier to understand than the necessity, the *raison d'être*, of this form of appearance.

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[7] Cf. *Zur Kritik der Politischen Ökonomie*, p. 40 [*A Contribution to the Critique of Political Economy*, p. 62], where I state that, in my analysis of capital, I shall solve the following problem: 'how does production on the basis of exchange-value solely determined by labour-time lead to the result that the exchange-value of labour is less than the exchange-value of its product?'

[8] The *Morning Star*, a London free-trade organ which is so naïve as to be positively foolish, protested again and again during the American Civil War, with all the moral indignation of which man is capable, that the Negroes in the 'Confederate States' worked absolutely for nothing. It should have compared the daily cost of a Negro in the southern states with that of a free worker in the East End of London.

The exchange between capital and labour at first presents itself to our perceptions in exactly the same way as the sale and purchase of all other commodities. The buyer gives a certain sum of money, the seller an article which is something other than money. The legal mind recognizes here at most a material difference, expressed in the legally equivalent formulae: '*Do ut des, do ut facias, facio ut des, facio ut facias.*'*

Further. Since exchange-value and use-value are in themselves incommensurable magnitudes, the expressions 'value of labour', 'price of labour', do not seem more irrational than the expressions 'value of cotton', 'price of cotton'. Moreover, the worker is paid after he has given his labour. In its function as a means of payment, money realizes, but only subsequently, the value or price of the article supplied – i.e. in this particular case, the value or price of the labour supplied. Finally, the use-value supplied by the worker to the capitalist is not in fact his labour-power but its function, a specific form of useful labour, such as tailoring, cobbling, spinning, etc. That this same labour is, on the other hand, the universal value-creating element, and thus possesses a property by virtue of which it differs from all other commodities, is something which falls outside the frame of reference of the everyday consciousness.

Let us put ourselves in the place of the worker who receives for 12 hours of labour the value-product of, say, 6 hours of labour, namely 2 shillings. For him, in fact, his 12 hours of labour is the means of buying the 3 shillings. The value of his labour-power may vary, with the value of his usual means of subsistence, from 3 to 4 shillings, or from 3 to 2 shillings; or, if the value of labour-power remains constant, its price may rise to 4 shillings or fall to 2 shillings as a result of changes in the relation of demand and supply. He always gives 12 hours of labour. Every change in the amount of the equivalent that he receives therefore necessarily appears to him as a change in the value or price of his 12 hours of labour. This circumstance misled Adam Smith, who treated the working day as a constant quantity,[9] into the opposite assertion

[9] Adam Smith only incidentally alludes to the variation of the working day, when he is dealing with piece-wages.*

*In *Wealth of Nations*, Bk I, Ch. 8, 'Of the Wages of Labour'.

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*'I give, that you may give; I give, that you may do; I do, that you may give; I do, that you may do.'

that the value of labour is constant, although the value of the means of subsistence may vary, and the same working day, therefore, may represent more or less money for the worker.

Let us consider, on the other hand, the capitalist. He wishes to receive as much labour as possible for as little money as possible. In practice, therefore, the only thing that interests him is the difference between the price of labour-power and the value which its function creates. But he tries to buy all commodities as cheaply as possible, and his own invariable explanation of his profit is that it is a result of mere sharp practice, of buying under the value and selling over it. Hence he never comes to see that if such a thing as the value of labour really existed, and he really paid this value, no capital would exist, and his money would never be transformed into capital.

Moreover, the actual movement of wages presents phenomena which seem to prove that it is not the value of labour-power which is paid, but the value of its function, of labour itself. We may reduce these phenomena to two great classes. (1) Changes in wages owing to changes in the length of the working day. One might as well conclude that it is not the value of a machine which is paid, but that of its operation, because it costs more to hire a machine for a week than for a day. (2) Individual differences between the wages of different workers who perform the same function. These individual differences also exist in the system of slavery, but there they do not give rise to any illusions, for labour-power is in that case itself sold frankly and openly, without any embellishment. Only, in the slave system, the advantage of a labour-power above the average, and the disadvantage of a labour-power below the average, affects the slave-owner; whereas in the system of wage-labour it affects the worker himself, because his labour-power is, in the one case, sold by himself, in the other, by a third person.

For the rest, what is true of all forms of appearance and their hidden background is also true of the form of appearance 'value and price of labour', or 'wages', as contrasted with the essential relation manifested in it, namely the value and price of labour-power. The forms of appearance are reproduced directly and spontaneously, as current and usual modes of thought; the essential relation must first be discovered by science. Classical political economy stumbles approximately onto the true state of affairs, but without consciously formulating it. It is unable to do this as long as it stays within its bourgeois skin.

Chapter 20: Time-Wages

Wages themselves again take many forms. This fact is not apparent from the ordinary economic treatises, which, in their crude obsession with the material side [*Stoff*], ignore all differences of form. An exposition of all these forms belongs to the special study of wage-labour, and not, therefore, to this work. Nevertheless, we shall have to give a brief description of the two fundamental forms here.

The sale of labour-power, as will be remembered, always takes place for definite periods of time. The converted form in which the daily value, weekly value, etc. of labour-power is directly presented is hence that of time-wages, therefore day-wages, etc.

Next it is to be noted that the laws set forth in Chapter 17, on the changes in the relative magnitudes of price of labour-power and surplus-value, can be transformed, by a simple alteration in their form, into laws of wages. Similarly, the distinction between the exchange-value of labour-power and the sum of means of subsistence into which this value is converted now appears as the distinction between nominal and real wages. It would be useless to repeat here, when dealing with the form of appearance, what we have already worked out in relation to the essential form. We shall therefore limit ourselves to a few points which characterize time-wages.

The sum of money[1] which the worker receives for his daily or weekly labour forms the amount of his nominal wages, or of his wages estimated in value. But it is clear that according to the length of the working day, that is, according to the amount of actual labour supplied every day, the same daily or weekly wage may represent very different prices of labour, i.e. very different sums of money for the same quantity of labour.[2] We must, therefore, in considering time-wages, again distinguish between the sum total of the daily or weekly wages, etc., and the price of labour. How then can we find this price, i.e. the money-value of a given quantity of labour? The average price of labour is the average daily value of labour-power divided by the average number of hours in the working day. If, for instance, the daily value of labour-power is 3 shillings, which is the value-product of 6 working hours, and if the working day is 12 hours, the price of 1 working hour is $\frac{3}{12}$ shillings, i.e. 3d. The price of the working hour thus found serves as the unit measure for the price of labour.

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[1] Here we always assume that the value of money itself remains constant.

[2] 'The price of labour is the sum paid for a given quantity of labour' (Sir Edward West, *Price of Corn and Wages of Labour*, London, 1826, p. 67).

It follows therefore that daily and weekly wages may remain the same, although the price of labour falls constantly. If, for example, the usual working day is 10 hours and the daily value of labour-power 3 shillings, the price of the working hour is $3\frac{3}{5}$d. It falls to 3d. as soon as the working day rises to 12 hours, and to $2\frac{2}{5}$d. as soon as it rises to 15 hours. Despite all this, daily or weekly wages remain unchanged. Inversely, daily or weekly wages may rise, although the price of labour remains constant or even falls. If, for instance, the working day is 10 hours and the daily value of labour-power 3 shillings, the price of one working hour is $3\frac{3}{5}$d. If the worker, owing to an increase in the number of orders, works for 12 hours, and the price of labour remains the same, his daily wage now rises to 3s. $7\frac{1}{5}$d., without any variation having taken place in the price of labour. The same result might follow if, instead of the extensive magnitude of labour, its intensive magnitude increased.[3] The rise of nominal daily or weekly wages may therefore be unaccompanied by any change in the price of labour, or may even be accompanied by a fall in the latter. The same thing holds for the income of the worker's family, when the quantity of labour provided by the head of the family is augmented by the labour of the members of his family. There are therefore methods

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West is the author of an epoch-making work in the history of political economy, published anonymously, the *Essay on the Application of Capital to Land, By a Fellow of the University College of Oxford*, London, 1815.

[3] 'The wages of labour depend upon the price of labour and the quantity of labour performed . . . An increase in the wages of labour does not necessarily imply an enhancement of the price of labour. From fuller employment, and greater exertions, the wages of labour may be considerably increased, while the price of labour may continue the same' (West, op. cit., pp. 67–8, 112). However, West dismisses the main question, 'How is the price of labour determined?', with mere banalities.

of lowering the price of labour which are independent of any reduction in the nominal daily or weekly wage.[4]

However, as a general law it follows that, given the amount of daily, weekly labour, etc., the daily or weekly wage depends on the price of labour, which itself varies either with the value of labour-power, or with the divergencies between its price and its value. Given the price of labour, on the other hand, the daily or weekly wage depends on the quantity of labour expended daily or weekly.

The unit of measurement for time-wages, the price of the working hour, is the value of a day's labour-power divided by the number of hours in the average working day. Let the latter be 12 hours, and the daily value of labour-power 3 shillings, the value-product of 6 hours of labour. Under these circumstances, the price of a working hour is 3d., and the value produced in it is 6d. If the worker is now employed for less than 12 hours a day (or for less than 6 days in the week), for instance only for 6 or 8 hours, he receives, at the price of labour just mentioned, only 2s. or 1s. 6d. a day.[5] As, on our hypothesis, he must work on average 6 hours a day in order to produce a day's wage which corresponds to nothing more than the value of his labour-power, and as, on the same hypothesis, he works only half of every hour for himself, and half for the capitalist, it is clear that he cannot obtain for himself the value-product of 6 hours if he is employed for less than 12 hours. In previous chapters we saw the destructive consequences of overwork; but here we come upon the origin of the sufferings which arise for the worker out of his being insufficiently employed.

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[4] This is perceived by the most fanatical representative of the eighteenth-century industrial bourgeoisie, the author of the *Essay on Trade and Commerce* we have often quoted already, although he puts the matter in a confused way: 'It is the quantity of labour and not the price of it' (he means by this the nominal daily or weekly wage) 'that is determined by the price of provisions and other necessaries: reduce the price of necessaries very low, and of course you reduce the quantity of labour in proportion. Master-manufacturers know that there are various ways of raising and falling the price of labour, besides that of altering its nominal amount' (op. cit., pp. 48, 61). N. W. Senior, in his *Three Lectures on the Rate of Wages*, London, 1830, where he uses West's work without mentioning it, has this to say: 'The labourer is principally interested in the amount of wages' (p. 15), that is to say, the worker is principally interested in what he receives, the nominal sum of his wages, not in what he gives, the quantity of labour!

[5] The effect of such an abnormal under-employment is *quite different* from that of a general reduction of the working day, enforced by law. The former has nothing to do with the absolute length of the working day, and may just as well occur in a working day of 15 hours as in one of 6. The normal price of labour is in the first case calculated on the basis of an average working day of 15 hours, and in the second case a working day of 6 hours. The result is therefore the same if the worker is employed in the one case for only 7½ hours, and in the other case for only 3 hours.

If the hour's wage is fixed in such a way that the capitalist does not bind himself to pay a day's or a week's wage, but only to pay wages for the hours during which he chooses to employ the worker, he can employ him for a shorter time than that which is originally the basis of the calculation of the wages for the hour, or the unit of measurement of the price of labour. Since this unit is determined by the ratio of the daily value of labour-power to the working day of a given number of hours, it naturally loses all meaning as soon as the working day ceases to contain a definite number of hours. The connection between the paid and the unpaid labour is destroyed. The capitalist can now wring from the worker a certain quantity of surplus labour without allowing him the labour-time necessary for his own subsistence. He can annihilate all regularity of employment, and according to his own convenience, caprice, and the interest of the moment, make the most frightful over-work alternate with relative or absolute cessation of work. He can abnormally lengthen the working day without giving the worker any corresponding compensation, under the pretence of paying 'the normal price of labour'. Hence the perfectly rational revolt of the London building workers in 1860* against the attempt of the capitalists to impose on them this sort of wage by the hour. The legal limitation of the working day puts an end to mischievous acts of this kind, though it does not of course end the diminution of employment caused by the competition of machinery, by changes in the quality of the workers employed, and partial or general crises.

With an increase in the daily or weekly wage, the price of labour may remain nominally constant, and yet fall below its normal level. This occurs every time the working day is prolonged beyond its customary length, while the price of labour (reckoned per working hour) remains constant. If, in the fraction $\frac{\text{daily value of labour-power}}{\text{working day}}$, the denominator increases, the numerator increases still more rapidly. The amount of deterioration in labour-power, and therefore its value, increases with the duration of its functioning, and to a more rapid degree than the increase of that duration. In many branches of industry, where time-wages are the general rule and there are no legal limits to the length of the working day, the habit has therefore spontaneously grown up of regarding the working day as normal only up to a point in time, for instance up to the expiration of the tenth hour ('normal working day', 'the day's work', 'the regular hours of work'). Beyond this limit the working time is overtime, and is paid at a better hourly rate ('extra pay)', although often in a proportion which is ridiculously small.[6] The normal working day exists here as a fraction of the actual working day, and over the year as a whole the latter is often more common than the former.[7] The increase in the price of labour when the working day is extended beyond a certain normal limit takes place in various British industries in such a way that the low price of labour during the so-called normal time compels the worker to work during the better paid overtime, if he wishes to obtain a sufficient wage at all.[8]

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*This strike began in fact in July 1859 and ended in February 1860.

6. 'The rate of payment for overtime' (in lace-making) 'is so small, from ½d. and ¾d. to 2d. per hour, that it stands in painful contrast to the amount of injury produced to the health and stamina of the workpeople ... The small amount thus earned is also often obliged to be spent in extra nourishment' (*Children's Employment Commission, Second Report*, p. xvi, n. 117).

7. As for instance in paper-staining until the recent introduction into this trade of the Factory Act. 'We work on with no stoppage for meals, so that the day's work of 10½ hours is finished by 4.30 p.m., and all after that is overtime, and we seldom leave off working before 6 p.m., so that we are really working overtime the whole year round' (Mr Smith's evidence, in *Children's Employment Commission, First Report*, p. 125).

8. As for instance in the bleaching-works of Scotland. 'In some parts of Scotland this trade' (before the introduction of the Factory Act in 1862) 'was carried on by a system of overtime, i.e. ten hours a day were the regular hours of work, for which a nominal wage of 1s. 2d. per day was paid to a man, there being every day overtime for 3 or 4 hours, paid at the rate of 3d. per hour. The effect of this system' (was as follows:) 'a man could not earn more than 8s. per week when working the ordinary hours ... without overtime they could not earn a fair day's wages' (*Reports of the Inspectors of Factories ... 30 April 1863*, p. 10). 'The higher wages, for getting adult males to work longer hours, are a temptation too strong to be resisted' (*Reports of the Inspectors of Factories ... 30 April 1848*, p. 5). The book-binding trade in the city of London employs a large number of young girls from 14 to 15 years old, under indentures which prescribe certain definite hours of labour. Nevertheless, they work in the last week of each month until 10, 11, 12 or 1 o'clock at night, along with the older male workers, in very mixed company. 'The masters tempt them by extra pay and supper,' which they eat in neighbouring public houses. The great debauchery thus produced among these 'young immortals' (*Children's Employment Commission, Fifth Report*, p. 44,

Legal limitation of the working day puts an end to this pastime.[9]

It is a generally known fact that the longer the working day in a branch of industry, the lower the wages are.[10] The factory inspector Alexander Redgrave illustrates this by a comparative review of the twenty years from 1839 to 1859, according to which wages rose in the factories under the Ten Hours' Act, while they fell in the factories where the work went on for 14 and 15 hours every day.[11]

From the law stated above,* namely that the price of labour being given, the daily or weekly wage depends on the quantity of labour expended, it follows, first of all, that the lower the price of labour, the greater must be the quantity of labour, or the longer must be the working day, for the worker to secure even a miserable average wage. The low level of the price of labour acts here as a stimulus to the extension of the labour-time.[12]

However, the extension of the period of labour produces in its turn a fall in the price of labour, and with this a fall in the daily or the weekly wage.

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n. 191) finds its compensation in the fact that, among other things, they bind many Bibles and other edifying books.

[9] See *Reports of the Inspectors of Factories ... 30 April 1863*, op. cit. The London building workers showed a very accurate apprec ation of this state of affairs when, during the great strike and lock-out of 1860,* they declared that they would accept wages by the hour under only two conditions: (1) that, alongside the price of the working hour, a normal working day of 9 and 10 hours respectively should be laid down, and that the price of the hour for the 10-hour working day should be higher than that for an hour of the 9-hour working day; and (2) that every hour beyond the normal working day should be reckoned as overtime and proportionally more highly paid.

[10] 'It is a very notable thing, too, that where long hours are the rule, small wages are also so' (*Reports of the Inspectors of Factories ... 31 October 1863*, p. 9). 'The work which obtains the scanty pittance of food, is, for the most part, excessively prolonged' (*Public Health, Sixth Report*, 1864, p. 15).

[11] *Reports of the Inspectors of Factories ... 30 April 1860*, pp. 31–2.

[12] The hand nail-makers of England, for example, have to work 15 hours a day, because of the low price of their labour, in order to hammer out an extremely wretched weekly wage. 'It's a great many hours in a day (6 a.m. to 8 p.m.), and he has to work hard all the time to get 11d. or 1s., and there is the wear of the tools, the cost of firing, and something for waste iron to go out

*See above, p. 686.

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*See above, p. 685.

The determination of the price of labour by use of the ratio $\frac{\text{daily value of labour-power}}{\text{working day of a given number of hours}}$ shows that a mere prolongation of the working day lowers the price of labour, if no compensatory factor enters. But the same circumstances which allow the capitalist in the long run to prolong the working day also allow him at first, and compel him finally, to reduce the price of labour nominally as well until the total price of the increased number of hours goes down, and therefore the daily or weekly wage falls. Here we need only refer to two kinds of circumstance. If one man does the work of 1½ or 2 men, the supply of labour increases, although the supply of labour-power on the market remains constant. The competition thus created between the workers allows the capitalist to force down the price of labour, while the fall in the price of labour allows him, on the other hand, to force up the hours of work still further.[13] Soon, however, this command over abnormal quantities of unpaid labour, i.e. quantities in excess of the average social amount, becomes a source of competition amongst the capitalists themselves. A part of the price of the commodity consists of the price of labour. The unpaid part of the price of labour does not need to be reckoned as part of the price of the commodity. It may be given to the buyer as a present. This is the first step taken under the impulse of competition. The second step, also compelled by competition, is the exclusion from the selling price of the commodity of at least a part of the abnormal surplus-value created by the extension of the working day. In this way, an abnormally low selling price of the commodity arises, at first sporadically, and becomes fixed by degrees; this lower selling price henceforward becomes the constant basis of a miserable wage for excessive hours of work, just as originally it was the product of those very circumstances. This movement is simply in-

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of this, which takes off altogether 2½d. or 3d' (*Children's Employment Commission, Third Report*, p. 136, n. 671). The women, although they work for the same length of time, earn a weekly wage of only 5s. (ibid., p. 137, n. 674).

[13] For instance, if a factory worker refuses to work the long hours which are customary, 'he would very shortly be replaced by somebody who would work any length of time, and thus be thrown out of employment' (*Reports of the Inspectors of Factories . . . 30 April 1848*, Evidence, p. 39, n. 58). 'If one man performs the work of two . . . the rate of profits will generally be raised . . . in consequence of the additional supply of labour having diminished its price' (Senior, op. cit., p. 15).

dicated here, as the analysis of competition does not belong to this part of the investigation. Nevertheless, let the capitalist speak for himself, for a moment. 'In Birmingham there is so much competition of masters one against another, that many are obliged to do things as employers that they would otherwise be ashamed of; and yet no more money is made, but only the public gets the benefit.'[14] The reader will remember the two sorts of London bakers, of whom one sold the bread at its full price (the 'full-priced' bakers), the other below its normal price ('the underpriced', 'the undersellers').* The 'full-priced' denounced their rivals before the Parliamentary Committee of Inquiry: 'They only exist now by first defrauding the public, and next getting 18 hours' work out of their men for 12 hours' wages ... The unpaid labour of the men was made ... the source whereby the competition was carried on, and continues so to this day ... The competition among the master-bakers is the cause of the difficulty in getting rid of night-work. An underseller, who sells his bread below the cost-price according to the price of flour, must make it up by getting more out of the labour of the men ... If I got only 12 hours' work out of my men, and my neighbour got 18 or 20, he must beat me in the selling price. If the men could insist on payment for overwork, this would be set right ... A large number of those employed by the undersellers are foreigners and youths, who are obliged to accept almost any wages they can obtain.'[15]

This jeremiad is also interesting because it shows how it is only the semblance of the relations of production which is reflected by the brain of the capitalist. He does not know that the normal price of labour also includes a definite quantity of unpaid labour, and that this very unpaid labour is the normal source of his profits. The category of surplus labour-time does not exist at all for him, since it is included in the normal working day, which he thinks he

[14] *Children's Employment Commission, Third Report*, Evidence, p. 66, n. 22.

[15] *Report, etc., Relative to the Grievances Complained of by the Journeymen Bakers*, London, 1862, p. lii, and, in the same place, Evidence, notes 479, 359, 27. In any case, the 'full-priced' themselves, as was mentioned above, and as their spokesman, Bennett, himself admits, make their men 'generally begin work at 11 p.m. ... up to 8 o'clock the next morning ... they are then engaged all day long ... as late as 7 o'clock in the evening' (ibid., p. 22).

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* See above, pp. 278–9, n. 14.

has paid for in the day's wages. But overtime, namely the prolongation of the working day beyond the limits corresponding to the usual price of labour, certainly does exist for him. When faced with his underselling competitor, he even insists upon extra pay for this overtime. Again, he does not know that this extra pay also includes unpaid labour, just as much as the price of the customary hour of labour does. For example, the price of one hour of the 12-hour working day is 3d., say the value-product of half a working hour, while the price of an overtime working hour is 4d., or the value-product of ⅔ of a working hour. In the first case the capitalist appropriates one-half of the working hour, in the second case one third, without making any payment in return.

Chapter 21: Piece-Wages

The piece-wage is nothing but a converted form of the time-wage, just as the time-wage is a converted form of the value or price of labour-power.

In piece-wages it seems at first sight as if the use-value bought from the worker is not his labour-power as it actually functions, living labour, but labour already objectified in the product. It also seems as if the price of this labour is determined not, as with time-wages, by the fraction $\frac{\text{daily value of labour-power}}{\text{working day of a given number of hours}}$ but by the producer's capacity for work.[1]

The confidence that trusts in this, the mere appearance of things, ought to receive an initial severe shock from the fact that both forms of wages exist side by side, at the same time, in the same branches of industry. For example, 'the compositors of London, as a general rule, work by the piece, time-work being the exception, while those in the country work by the day, the exception being work by the piece. The shipwrights of the port of London work by the job or piece, while those of all other ports work by the day.'[2]

In the same saddlery shops of London, often for the same work, piece-wages are paid to Frenchmen, and time-wages are paid to Englishmen. In the actual factories, where piece-wages are the general rule, certain specific operations have to be excepted from this form of evaluation on technical grounds, and they are therefore paid by time-wages.[3] However, it is in itself obvious that the difference of form in the payment of wages in no way alters their essential nature, although the one form may be more favourable to the development of capitalist production than the other.

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[1] 'The system of piece-work illustrates an epoch in the history of the working-man; it is halfway between the position of the mere day-labourer depending upon the will of the capitalist and the co-operative artisan, who in the not distant future promises to combine the artisan and the capitalist in his own person. Piece-workers are in fact their own masters, even whilst working upon the capital of the employer' (John Watts, *Trade Societies and Strikes, Machinery and Co-operative Societies*, Manchester, 1865, pp. 52–3). I quote this little work because it is a veritable gutter full of long-decayed and apologetic commonplaces. The same Mr Watts previously dabbled in Owenism, and published in 1842 another pamphlet, *Facts and Fictions of Political Economy*, in which among other things he declared that 'property is robbery'. But that is already in the distant past.

[2] T. J. Dunning, *Trades' Unions and Strikes*, London, 1860, p. 22.

Let the ordinary working day contain 12 hours, of which 6 are paid, 6 unpaid. Let its value-product be 6 shillings; the value-product of one hour of labour will therefore be 6d. Let us suppose that, as the result of experience, a worker, working with the average amount of intensity and skill, and therefore devoting to the production of an article only the amount of labour-time socially necessary, produces, in the course of 12 hours, twenty-four pieces, either distinct products or measurable parts of some integral construction. The value of these twenty-four pieces, after we have subtracted the amount of constant capital contained in them, will be 6 shillings, the value of a single piece will be 3d. The worker receives 1½d. per piece, and thus earns 3 shillings in 12 hours. Just as, with time-wages, it does not matter whether we assume that the worker works 6 hours for himself and 6 hours for the capitalist, or half of every hour for himself, and the other half for the capitalist, so here it does not matter whether we say that each individual piece is half paid for, and half unpaid for, or that the price of only twelve of the pieces is the equivalent of the value of the labour-power, while in the other twelve pieces surplus-value is incorporated.

The form of piece-wages is just as irrational as that of time-wages. While, in our example, two pieces of a commodity, after subtraction of the value of the means of production consumed in them, are worth 6d., as the product of one hour of labour, the worker receives for them a price of 3d. Piece-wages are not in fact a direct expression of any relation of value. It is not, therefore, a question of measuring the value of the piece by the labour-time incorporated in it. It is rather the reverse: the labour the worker has expended must be measured by the number of pieces he has produced. In time-wages the labour is measured by its immediate duration, in piece-wages by the quantity of products in which the labour has become embodied during a given time.[4] The price of labour-time itself is finally determined by this equation: value of a day of labour = daily value of labour-power. The piece-wage is therefore only a modified form of the time-wage.

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[3] Here is how the simultaneous coexistence of these two forms of wage favours cheating on the part of the manufacturers: 'A factory employs 400 people, the half of which work by the piece, and have a direct interest in working longer hours. The other 200 are paid by the day, work equally long with the others, and get no more money for their overtime ... The work of these 200 people for half an hour a day is equal to one person's work for 50 hours, or $\frac{5}{6}$ of one person's labour in a week, and is a positive gain to the employer' (*Reports of the Inspectors of Factories ... 31 October 1860*, p. 9). 'Over-working to a very considerable extent still prevails; and, in most instances, with that security against detection and punishment which the law itself affords. I have in many former reports shown ... the injury to workpeople who are not employed on piece-work, but receive weekly wages' (Leonard Horner, in *Reports of the Inspectors of Factories ... 30 April 1859*, pp. 8–9).

Let us now look a little more closely at the characteristic peculiarities of piece-wages.

The quality of the labour is here controlled by the work itself, which must be of good average quality if the piece-price is to be paid in full. Piece-wages become, from this point of view, the most fruitful source of reductions in wages, and of frauds committed by the capitalists.

This is because they provide an exact measure of the intensity of labour. Only the labour-time which is embodied in a quantity of commodities laid down in advance and fixed by experience counts as socially necessary labour-time and is paid as such. In the larger workshops of the London tailors, therefore, a certain piece of work, a waistcoat for instance, is called an hour, or half an hour, the hour being valued at 6d. Practice determines the size of the average product of one hour. With new fashions, repairs, etc. a contest arises between the employer and the worker as to whether a particular piece of work is one hour, and so on, until here also experience decides. Similarly in the London furniture workshops, etc. If the worker cannot provide labour of an average degree of efficiency, and if he cannot therefore supply a certain minimum of work per day, he is dismissed.[5]

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[4] 'Wages can be measured in two ways: either by the duration of the labour, or by its product' (*Abrégé élémentaire des principes de l'économie politique*, Paris, 1796, p. 32). The author of this anonymous work is G. Garnier.

[5] 'So much weight of cotton is delivered to him' (the spinner) 'and he has to return by a certain time, in lieu of it, a given weight of twist or yarn, of a certain degree of fineness, and he is paid so much per pound for all that he so

Since the quality and intensity of the work are here controlled by the very form of the wage, superintendence of labour becomes to a great extent superfluous. Piece-wages therefore form the basis for the modern 'domestic labour' we described earlier,* as well as for a hierarchically organized system of exploitation and oppression. The latter has two fundamental forms. On the one hand piece-wages make it easier for parasites to interpose themselves between the capitalist and the wage-labourer, thus giving rise to the 'sub-letting of labour'. The profits of these middlemen come entirely from the difference between the price of labour which the capitalist pays, and the part of that price they actually allow the worker to receive.[6] In England, this system is called, characteristically, the 'sweating system'. On the other hand, piece-wages allow the capitalist to make a contract for so much per piece with the most important worker – in manufacture, with the chief of some group, in mines with the extractor of the coal, in the factory with the actual machine-worker – at a price for which this man himself undertakes the enlisting and the payment of his assistants. Here the exploitation of the worker by capital takes place through the medium of the exploitation of one worker by another.[7]

Given the system of piece-wages, it is naturally in the personal interest of the worker that he should strain his labour-power as intensely as possible; this in turn enables the capitalist to raise the normal degree of intensity of labour more easily.[8] Moreover, the

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returns. If his work is defective in quality, the penalty falls on him, if less in quantity than the minimum fixed for a given time, he is dismissed and an abler operative procured' (Ure, op. cit., pp. 316–17).

[6] 'It is when work passes through several hands, each of which is to take its share of profits, while only the last does the work, that the pay which reaches the workwoman is miserably disproportioned' (*Children's Employment Commission, Second Report*, p. lxx, n. 424).

[7] Even the apologist Watts remarks: 'It would be a great improvement to the system of piece-work, if all the men employed on a job were partners in the contract, each according to his abilities, instead of one man being interested in over-working his fellows for his own benefit' (op. cit., p. 53). On the vile nature of the piece-work system, cf. *Children's Employment Commission, Third Report*, p. 66, n. 22, p. 11, n. 124, p. xi, n. 13, 53, 59, etc.

[8] This spontaneous result is often artificially helped along, as for instance in London, in the engineering trade, where a customary trick is 'the selecting of a man who possesses superior physical strength and quickness, as the principal of several workmen, and paying him an additional rate, by the

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*See above, pp. 595–9.

lengthening of the working day is now in the personal interest of the worker, since with it his daily or weekly wages rise.[9] This gradually brings on a reaction like that already described in time-wages, quite apart from the fact that the prolongation of the working day, even if the piece-wage remains constant, includes of necessity a fall in the price of the labour.

In time-wages, with few exceptions, the same wage is paid for the same function, while in piece-wages, although the price of the labour-time is measured by a definite quantity of the product, the daily or weekly wage will vary with the individual differences between the workers, one of whom will supply, within a given period, the minimum of product only, another the average, and a third more than the average. With regard to their actual income, then, there is great variety among the individual workers, according to their different degrees of skill, strength, energy and staying-power.[10] Of course, this does not alter the general relation between capital and wage-labour. First, the individual differences cancel each other out in the workshop as a whole, which thus supplies the average product within a given period of labour, and the total wages paid will be the average wage of that particular branch

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quarter or otherwise, with the understanding that he is to exert himself to the utmost to induce the others, who are only paid the ordinary wages, to keep up to him ... without any comment this will go far to explain many of the complaints of stinting the action, superior skill, and working-power, made by the employers against the men' (i.e. when they are organized in trade unions) (Dunning, op. cit., pp. 22–3). As the author of this passage is himself a worker and the secretary of a trade union, this might be taken for an exaggeration. But compare, for example, the article 'Labourer' in the 'highly respectable' *Cyclopaedia of Agriculture*, ed. by J. C. Morton, where the method is recommended to the farmers as an approved one.

[9] 'All those who are paid by piece-work ... profit by the transgression of the legal limits of work. This observation as to the willingness to work overtime is especially applicable to the women employed as weavers and reelers' (*Reports of the Inspectors of Factories ... 30 April 1858*, p. 9). 'This system' (piece-work) 'so advantageous to the employer ... tends directly to encourage the young potter greatly to over-work himself during the four or five years during which he is employed in the piece-work system, but at low wages ... This is ... another great cause to which the bad constitutions of the potters are to be attributed' (*Children's Employment Commission, First Report*, p. xiii).

[10] 'Where the work in any trade is paid for by the piece at so much per job ... wages may very materially differ in amount ... But in work by the day there is generally an uniform rate ... recognized by both employer and employed as the standard of wages for the general run of workmen in the trade' (Dunning, op. cit., p. 17).

of industry. Second, the proportion between wages and surplus-value remains unaltered, since the mass of surplus labour supplied by each particular worker corresponds with the wage he receives. But the wider scope that piece-wages give to individuality tends to develop both that individuality, and with it the worker's sense of liberty, independence and self-control, and also the competition of workers with each other. The piece-wage therefore has a tendency, while raising the wages of individuals above the average, to lower this average itself. However, where a particular rate of piece-wage has for a long time been a fixed tradition, and its lowering, therefore, has presented especial difficulties, in such exceptional cases the masters have sometimes had recourse to the forcible transformation of piece-wages into time-wages. In 1860, for instance, this action set off a big strike among the ribbon-weavers of Coventry.[11] Finally, the piece-wage is one of the chief supports of the hour-system described in the preceding chapter.[12]

From what has been shown so far, it is apparent that the piece-wage is the form of wage most appropriate to the capitalist mode of production. Although by no means new – it figures officially side by side with time-wages in the French and English labour statutes of the fourteenth century – it only conquered a larger field of action during the period of manufacture properly so-called. In the stormy youth of large-scale industry, and particularly from 1797 to 1815, it served as a lever for the lengthening of the working day and the lowering of wages. Very important material bearing on the movement of wages during that period is to be found in the two Blue Books *Report and Evidence from the Select Committee on Petitions Respecting the Corn Laws* (Parliamentary Session of 1813–14), and *Report from the Lords' Committee, on the State of the Growth, Commerce, and Consumption of Grain, and all Laws Relating Thereto* (Session of 1814–15). Here we find documentary evidence of the constant lowering of the price of labour from the beginning of the Anti-Jacobin War. In the weaving industry, for example, piece-wages had fallen so low that in spite of the very great lengthening of the working day, the daily wage was then lower than it had been before. 'The real earnings of the cotton weaver are now far less than they were; his superiority over the common labourer, which at first was very great, has now almost entirely ceased. Indeed ... the difference in the wages of skilful and common labour is far less now than at any former period.'[13] How little the increased intensity and extension of labour through piece-wages benefited the agricultural proletariat can be seen from the following passage from a pamphlet in favour of the landlords and farmers: 'By far the greater part of agricultural operations is done by people, who are hired for the day or on piece-work. Their weekly wages are about 12 shillings, and although it may be assumed that a man earns on piece-work under the greater stimulus to labour, 1 shilling, or perhaps 2 shillings more than on weekly wages, yet it is found, on calculating his total income, that his loss of employment, during the year, outweighs this gain ... Further, it will generally be found that the wages of these men bear a certain proportion to the price of the necessary means of subsistence, so that a man with two children is able to bring up his family without recourse to parish relief.'[14] Malthus remarked at that time, with reference to the facts published by Parliament: 'I confess that I see,

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[11] 'The labour of the journeymen craftsmen is regulated by the day or by the piece . . . The master-craftsmen know approximately how much work a journeyman can do every day in each trade, and they often pay them in proportion to the amount of work they perform; thus the journeymen do as much work as they can, in their own interest, and without needing any further supervision' ([Richard] Cantillon, *Essai sur la nature du commerce en général*, Amsterdam, 1756, pp. 185, 202. The first edition appeared in 1755). Cantillon, from whom Quesnay, Sir James Steuart and Adam Smith have largely drawn, here already presents the piece-wage as merely a modified form of the time-wage. The French edition of Cantillon professes in its title to be a translation from the English, but the English edition, *The Analysis of Trade, Commerce, etc., by Philip Cantillon, late of the City of London, Merchant*, is not only of later date (1759), but proves by its contents that it is a later and revised edition. For instance, in the French edition, Hume is not yet mentioned, while in the English edition, on the other hand, Petty hardly figures any longer. The English is of less theoretical significance, but it contains all kinds of details relating specifically to English commerce, bullion trade, etc. which are absent from the French text. The words on the title-page of the English edition, according to which the work is 'Taken chiefly from the manuscript of a very ingenious gentleman, deceased, and adapted, etc.', seem, therefore, a pure fiction, very customary at that time.

[12] 'How often have we not seen many more workers taken on, in some workshops, than were needed actually to do the work? Workers are often set on in the expectation of work which is uncertain, or even completely imaginary; as they are paid piece-wages, the employers say to themselves that they run no risk, because any loss of working time will be at the expense of the workers who are unoccupied' (H. Grégoir, *Les Typographes devant le tribunal correctionnel de Bruxelles*, Brussels, 1865, p. 9).

[13] *Remarks on the Commercial Policy of Great Britain*, London, 1815, p. 48.

[14] *A Defence of the Landowners and Farmers of Great Britain*, London, 1814, pp. 4–5.

with misgiving, the great extension of the practice of piece-wage. Really hard work during 12 or 14 hours of the day, or for any longer time, is too much for any human being.'[15]

In those workshops which are subject to the Factory Act, the piece-wage becomes the general rule, because there capital can increase the yield of the working day only by intensifying labour.[16]

Changes in the productivity of labour mean that the same quantity of a given product represents an amount of labour-time which varies. Therefore, the piece-wage also varies, for it is the expression of the price of a definite amount of labour-time. In our earlier example, twenty-four pieces were produced in 12 hours, while the value-product of the 12 hours was 6 shillings, the daily value of the labour-power was 3 shillings, the price of an hour of labour was 3d., and the wage for one piece was 1½d. Half an hour of labour was absorbed in one piece. If the productivity of labour is now doubled, so that the same working day supplies forty-eight pieces instead of twenty-four, and all other circumstances remain unchanged, then the piece-wage falls from 1½d. to ¾d., as every piece now only represents ¼ instead of ½ a working hour. 24 × 1½d. = 3s., and, similarly, 48 × ¾d. = 3s. In other words, the piece-wage is lowered in the same proportion as the number of pieces produced in the same time rises,[17] and therefore in the same proportion as the amount of labour-time employed on the same piece falls. This change in the piece-wage, so far purely nominal, leads to constant struggles between the capitalist and the worker, either because the capitalist uses it as a pretext for actually lowering the price of labour, or because an increase in the productivity of labour is accompanied by an increase in its intensity, or because the worker takes the outward appearance of piece-wages seriously, i.e. he thinks his product is being paid for and not his labour-power, and he therefore resists any reduction of wages which is not accompanied by a reduction in the selling price of the commodity. 'The operatives ... carefully watch the price of the raw material and the price of manufactured goods, and are thus enabled to form an accurate estimate of their master's profits.'[18]

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[15] Malthus, *Inquiry into the Nature and Progress of Rent*, London, 1815 [p. 49, note].

[16] 'Those who are paid by piece-work ... constitute probably four-fifths of the workers in the factories' (*Reports of the Inspectors of Factories ... 30 April 1858*, p. 9).

[17] 'The productive power of his spinning-machine is accurately measured, and the rate of pay for work done with it decreases with, though not *as*, the increase of its productive power' (Ure, op. cit., p. 317). Ure himself later contradicts this last apologetic phrase. He admits that, for example, a lengthening of the mule causes some increase in the quantity of labour required. The amount of labour does not, therefore, diminish in the same ratio as its productivity increases. Further: 'By this increase the productive power of the machine will be augmented one-fifth. When this event happens the spinner will not be paid at the same rate for work done as he was before, but as that rate will not be diminished in the ratio of one-fifth, the improvement will augment his money earnings for any given number of hours of work,' but ... 'the foregoing statement requires a certain modification ... The spinner has to pay something additional for juvenile aid out of his additional sixpence' (ibid., p. 321). Improvements in machinery also 'displace a portion of adults' (ibid.) and this certainly does not tend to raise wages.

The capitalist rightly rejects such pretensions as being gross errors as to the nature of wage-labour.[19] He cries out against this presumptuous attempt to lay taxes on the progress of industry, and declares roundly that the productivity of labour does not concern the worker in the least.[20]

[18] H. Fawcett, *The Economic Position of the British Labourer*, Cambridge and London, 1865, p. 178.

[19] In the London *Standard* of 26 October 1861, there is a report of proceedings taken by the firm of John Bright and Co. before the Rochdale magistrates, 'to prosecute for intimidation the agents of the Carpet Weavers Trades' Union. Bright's partners had introduced new machinery which would turn out 240 yards of carpet in the time and with the labour (!) previously required to produce 160 yards. The workmen had no claim whatever to share in the profits made by the investment of their employer's capital in mechanical improvements. Accordingly, Messrs Bright proposed to lower the rate of pay from 1½d. per yard to 1d., leaving the earnings of the men exactly the same as before for the same labour. But there was a nominal reduction, of which the operatives, it is asserted, had not fair warning beforehand.'

[20] 'Trades' Unions, in their desire to maintain wages, endeavour to share in the benefits of improved machinery!' (*Quelle horreur!*) 'The demanding higher wages, because labour is abbreviated, is in other words the endeavour to establish a duty on mechanical improvements' (*On Combinations of Trades*, new edn, London, 1834, p. 42).

Chapter 22: National Differences in Wages

In Chapter 17 we were concerned with the manifold combinations which may bring about a change in the magnitude of the value of labour-power – this magnitude being considered either absolutely or relatively (i.e. as compared with surplus-value). We found also that the quantity of the means of subsistence in which the price of labour-power was realized might again undergo fluctuations independent of,[1] or different from, the changes in this price. As has been said already, the simple translation of the value, or respectively of the price, of labour-power, into the exoteric form of wages transforms all these laws into laws governing the movement of wages. What appears within the movement of wages as a series of varying combinations may appear for different countries as a set of simultaneous differences in national wage-levels. In comparing wages in different nations, we must therefore take into account all the factors that determine changes in the amount of the value of labour-power; the price and the extent of the prime necessities of life in their natural and historical development, the cost of training the workers, the part played by the labour of women and children, the productivity of labour, and its extensive and intensive magnitude. Even the most superficial comparison requires the prior reduction of the average daily wage for the same trades, in different countries, to a uniform working day. After this reduction of the daily wage to the same terms, the time-wage must again be translated into the piece-wage, as only the latter can be a measure both of the productivity and of the intensity of labour.

In every country there is a certain average intensity of labour, below which the labour for the production of a commodity requires more than the time socially necessary, and therefore does not count as labour of normal quality. In a given country, only a degree of intensity which is above the national average alters the measurement of value by the mere duration of labour-time. It is otherwise on the world market, whose integral parts are the individual countries. The average intensity of labour changes from country to country; here is it greater, there less. These national averages form a scale whose unit of measurement is the average unit of universal labour. The more intense national labour, therefore, as compared with the less intense, produces in the same time more value, which expresses itself in more money.

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[1] 'It is not accurate to say that wages' (he is dealing here with the price of labour-power) 'are increased, because they purchase more of a cheaper article' (David Buchanan, in his edition of Adam Smith's *Wealth of Nations*, 1814, Vol. I, p. 417, n.).

But the law of value is yet more modified in its international application by the fact that, on the world market, national labour which is more productive also counts as more intensive, as long as the more productive nation is not compelled by competition to lower the selling price of its commodities to the level of their value.

In proportion as capitalist production is developed in a country, so, in the same proportion, do the national intensity and productivity of labour there rise above the international level.[2] The different quantities of commodities of the same kind, produced in different countries in the same working time, have, therefore, unequal international values, which are expressed in different prices, i.e. in sums of money varying according to international values. The relative value of money will therefore be less in the nation with a more developed capitalist mode of production than in the nation with a less developed capitalism. It follows then that nominal wages, the equivalent of labour-power expressed in money, will also be higher in the first nation than in the second; but this by no means proves that the same can be said of real wages, i.e. the means of subsistence placed at the disposal of the worker.

But even apart from these relative differences in the value of money in different countries, it will frequently be found that the daily or weekly wage in the first nation is higher than in the second while the relative price of labour, i.e. the price of labour as compared both with surplus-value and with the value of the product, stands higher in the second than in the first.[3]

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[2] We shall inquire, in another place, what circumstances in relation to productivity may modify this law for individual branches of production.

[3] James Anderson remarks, in a polemic against Adam Smith: 'It deserves, likewise, to be remarked, that although the apparent price of labour is usually

J. W. Cowell, a member of the Factory Commission of 1833, came to the conclusion, after careful investigation of the spinning trade, that 'in England wages are *virtually* lower to the capitalist, though higher to the operative than on the Continent of Europe' (Ure, p. 314). The English factory inspector Alexander Redgrave, in his *Report* of 31 October 1866, proves, by comparing the statistics of Continental states, that in spite of lower wages and much longer hours of work, Continental labour is, in proportion to the product, dearer than English. The English manager of a cotton factory in Oldenburg declared that the working hours there were from 5.30 a.m. to 8 p.m., Saturdays included, and that the workers, when under English overseers, did not supply during this time quite so much of the product as the English in 10 hours, while they supplied much less when under German overseers. Wages are much lower than in England, in many cases lower by 50 per cent, but the number of 'hands' in proportion to the machinery is much greater, in certain departments in the proportion of 5: 3. Mr Redgrave also gives very precise details as to the Russian cotton factories. The data were given him by an English manager until recently employed there. On this Russian soil, so fruitful of all infamies, the old horrors of the early days of English factories are in full swing. The managers are, of course, English, as the native Russian capitalist is incapable of handling factory business. Despite all the over-work, which continues throughout the day and the night, despite the most shameful under-payment of the workers, Russian manufacturing only manages to vegetate thanks to the prohibition of foreign competition. I give, in conclusion, a comparative table of Mr Redgrave's on the average number of

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lower in poor countries, where the produce of the soil, and grain in general, is cheap; yet it is in fact for the most part really higher than in other countries. For it is not the wages that is given to the labourer per day that constitutes the real price of labour, although it is its apparent price. The real price is that which a certain quantity of work performed actually costs the employer; and considered in this light, labour is in almost all cases cheaper in rich countries than in those that are poorer, although the price of grain, and other provisions, is usually much lower in the last than in the first ... Labour estimated by the day, is much lower in Scotland than in England ... Labour by the piece is generally cheaper in England' (James Anderson, *Observations on the Means of Exciting a Spirit of National Industry, etc.*, Edinburgh, 1777, pp. 350–51). In fact, the inverse process also occurs: a low level of wages produces, in its turn, dearness of labour. 'Labour being dearer in Ireland than it is in England ... because the wages are so much lower' (N. 2074, in *Royal Commission on Railways, Minutes*, 1867).

spindles per factory and per spinner in the different countries of Europe. He himself remarks that these figures were collected a few years ago, and that since that time the size of the factories and the number of spindles per worker in England has increased. He assumes, however, that an approximately equal advance has been made in the Continental countries mentioned, so that the numbers given would still retain their value for purposes of comparison.

AVERAGE NUMBER OF SPINDLES PER FACTORY

England	12,600
France	1,500
Prussia	1,500
Belgium	4,000
Saxony	4,500
Austria	7,000
Switzerland	8,000

AVERAGE NUMBER OF SPINDLES PER PERSON

	One person to:
France	14 spindles
Russia	28 „
Prussia	37 „
Bavaria	46 „
Austria	49 „
Belgium	50 „
Saxony	50 „
Switzerland	55 „
Smaller German states	55 „
Great Britain	74 „

'This comparison,' says Mr Redgrave, 'is yet more unfavourable to Great Britain, inasmuch as there is so large a number of factories in which weaving by power is carried on in conjunction with spinning' (while in the table the weavers are not deducted) 'and the factories abroad are chiefly spinning factories; if it were possible to compare like with like, strictly, I could find many cotton spinning factories in my district in which mules containing 2,200 spindles are minded by one man (the "minder") and two assistants only, turning off daily 220 lb. of yarn, measuring 400 miles in length' (*Reports of the Inspectors of Factories . . . 31 October 1866*, pp. 31–7, passim).

It is well known that in Eastern Europe, as well as in Asia, English companies have undertaken the construction of railways, and have, in making them, employed a certain number of English workers side by side with the locals. Practical necessity has thus compelled them to take into account the national differences in the intensity of labour, but this has not brought them any loss. Their experience shows that even if the level of wages more or less corresponds with the average intensity of labour, the relative price of labour (i.e. the price of labour in relation to the product) generally varies in the inverse direction.

In an *Essay on the Rate of Wages*,[4] one of his first economic writings, H. Carey tries to prove that differences in national wage-levels are directly proportional to the degree of productivity of the working day of each nation, in order to draw from this international ratio the deduction that wages everywhere rise and fall in proportion to the productivity of labour. The whole of our analysis of the production of surplus-value shows that this deduction would be absurd even if Carey himself had demonstrated his premises, instead of shuffling a confused mass of statistical material to and fro in his usual uncritical and superficial manner. The best of all is that he does not assert that things actually are as they ought to be according to his theory. For state intervention has falsified the natural economic relation. The different national wages must therefore be calculated on the assumption that the part of them that goes to the state in the form of taxes was received by the worker himself. Ought not Mr Carey to consider further whether these 'state expenses' are not the 'natural fruits' of capitalist development? His reasoning is quite worthy of the man who, first of all, declared that capitalist relations of production were eternal laws of nature and reason, whose free and harmonious working was only disturbed by the intervention of the state, and then discovered afterwards that state intervention, i.e. the defence of those laws of nature and reason by the state, *alias* the system of protection, was necessitated by the diabolical influence of England on the world market, an influence which, it appears, does not spring from the natural laws of capitalist production. He discovered, further, that the theorems of Ricardo and others, in which existing social antagonisms and contradictions are formulated, are not the ideal product of the real economic movement, but, on the contrary, that the real antagonisms of capitalist production in England and elsewhere are the result of the theories of Ricardo and others! Finally he discovered that it is, in the last resort, trade which destroys the inborn beauties and harmonies of the capitalist mode of production. A step further, and he will perhaps discover that the one evil in capitalist production is capital itself. Only a man with such an atrocious lack of the critical faculty, and such spurious erudition, deserved, in spite of his Protectionist heresy, to become the secret source of the harmonious wisdom of a Bastiat, and of all the other free-trade optimists of the present day.

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[4] *Essay on the Rate of Wages: With an Examination of the Causes of the Differences in the Condition of the Labouring Population throughout the World*, Philadelphia, 1835.

Part Seven

The Process of Accumulation of Capital

The transformation of a sum of money into means of production and labour-power is the first phase of the movement undergone by the quantum of value which is going to function as capital. It takes place in the market, within the sphere of circulation. The second phase of the movement, the process of production, is complete as soon as the means of production have been converted into commodities whose value exceeds that of their component parts, and therefore contains the capital originally advanced plus a surplus-value. These commodities must then be thrown back into the sphere of circulation. They must be sold, their value must be realized in money, this money must be transformed once again into capital, and so on, again and again. This cycle, in which the same phases are continually gone through in succession, forms the circulation of capital.

The first condition of accumulation is that the capitalist must have contrived to sell his commodities, and to reconvert into capital the greater part of the money received from their sale. In the following pages, we shall assume that capital passes through its process of circulation in the normal way. The detailed analysis of the process will be found in Volume 2.

The capitalist who produces surplus-value, i.e. who extracts unpaid labour directly from the workers and fixes it in commodities, is admittedly the first appropriator of this surplus-value, but he is by no means its ultimate proprietor. He has to share it afterwards with capitalists who fulfil other functions in social production taken as a whole, with the owner of the land, and with yet other people. Surplus-value is therefore split up into various parts. Its fragments fall to various categories of person, and take on various mutually independent forms, such as profit, interest, gains made through trade, ground rent, etc. We shall be able to deal with these modified forms of surplus-value only in Volume 3.

On the one hand, then, we assume here that the capitalist sells the commodities he has produced at their value, and we shall not concern ourselves with their later return to the market, or the new forms that capital assumes while in the sphere of circulation, or the concrete conditions of reproduction hidden within those forms. On the other hand, we treat the capitalist producer as the owner of the entire surplus-value, or, perhaps better, as the representative of all those who will share the booty with him. We shall therefore begin by considering accumulation from an abstract point of view, i.e. simply as one aspect of the immediate process of production.

In so far as accumulation actually takes place, the capitalist must have succeeded in selling his commodities, and in reconverting the money shaken loose from them into capital. Moreover, the break-up of surplus-value into various fragments does not affect either its nature or the conditions under which it becomes an element in accumulation. Whatever the proportion of surplus-value which the capitalist producer retains for himself, or yields up to others, he is the one who in the first instance appropriates it. In our presentation of accumulation, then, we assume no more than is assumed by the actual process of accumulation itself. On the other hand, the simple, fundamental form of the process of accumulation is obscured both by the splitting-up of surplus-value and by the mediating movement of circulation. An exact analysis of the process, therefore, demands that we should, for a time, disregard all phenomena that conceal the workings of its inner mechanism.

Chapter 23: Simple Reproduction

Whatever the social form of the production process, it has to be continuous, it must periodically repeat the same phases. A society can no more cease to produce than it can cease to consume. When viewed, therefore, as a connected whole, and in the constant flux of its incessant renewal, every social process of production is at the same time a process of reproduction.

The conditions of production are at the same time the conditions of reproduction. No society can go on producing, in other words no society can reproduce, unless it constantly reconverts a part of its products into means of production, or elements of fresh products. All other circumstances remaining the same, the society can reproduce or maintain its wealth on the existing scale only by replacing the means of production which have been used up – i.e. the instruments of labour, the raw material and the auxiliary substances – with an equal quantity of new articles. These must be separated from the mass of the yearly product, and incorporated once again into the production process. Hence a definite portion of each year's product belongs to the sphere of production. Destined for productive consumption from the very first, this portion exists, for the most part, in forms which by their very nature exclude the possibility of individual consumption.

If production has a capitalist form, so too will reproduction. Just as in the capitalist mode of production the labour process appears only as a means towards the process of valorization, so in the case of reproduction it appears only as a means of reproducing the value advanced as capital, i.e. as self-valorizing value. The economic character of capitalist becomes firmly fixed to a man only if his money constantly functions as capital. If, for instance, a sum of £100 has this year been converted into capital, and has produced a surplus-value of £20, it must continue during the next year, and subsequent years, to repeat the same operation. As a periodic increment of the value of the capital, or a periodic fruit borne by capital-in-process, surplus-value acquires the form of a revenue arising out of capital.[1]

If this revenue serves the capitalist only as a fund to provide for his consumption, and if it is consumed as periodically as it is gained, then, other things being equal, simple reproduction takes place. And although this reproduction is a mere repetition of the process of production, on the same scale as before, this mere repetition, or continuity, imposes on the process certain new characteristics, or rather, causes the disappearance of some apparent characteristics possessed by the process in isolation.

The purchase of labour-power for a fixed period is the prelude to the production process; and this prelude is constantly repeated when the period of time for which the labour-power has been sold comes to an end, when a definite period of production, such as a week or a month, has elapsed. But the worker is not paid until after he has expended his labour-power, and realized both the value of his labour-power and a certain quantity of surplus-value in the shape of commodities. He has therefore produced not only surplus-value, which we for the present regard as a fund to meet the private consumption of the capitalist, but also the variable capital, the fund out of which he himself is paid, before it flows back to him in the shape of wages; and his employment lasts only as long as he continues to reproduce this fund. This is the reason for the formula of the economists, mentioned in Chapter 18, under II, which presents wages as a share in the product itself.[2] What flows back to the worker in the shape of wages is a portion of the product he himself continuously reproduces. The capitalist, it is true, pays him the value of the commodity in money, but this money is merely the transmuted form of the product of his labour. While he is converting a portion of the means of production into products, a portion of his former product is being turned into money. It is his labour of last week, or of last year, that pays for his labour-power this week or this year. The illusion created by the money-form vanishes immediately if, instead of taking a single capitalist and a single worker, we take the whole capitalist class and the whole working class. The capitalist class is constantly giving to the working class drafts, in the form of money, on a portion of the product produced by the latter and appropriated by the former. The workers give these drafts back just as constantly to the capitalists, and thereby withdraw from the latter their allotted share of their own product. The transaction is veiled by the commodity-form of the product and the money-form of the commodity.

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[1] 'The rich, who consume the products of the labour of others, can only obtain them by making exchanges' (purchases of commodities). 'They therefore seem to be exposed to an early exhaustion of their reserve funds ... But, in the social order, wealth has acquired the power of reproducing itself through the labour of others . . . Wealth, like labour, and by means of labour, bears fruit every year, but this fruit can be destroyed every year without making the rich man any poorer thereby. This fruit is the revenue which arises out of capital' (Sismondi, *Nouveaux Principes d'économie politique*, Paris, 1819, Vol. 1, pp. 81–2).

[2] 'Wages as well as profits are to be considered, each of them, as really a portion of the finished product' (Ramsay, op. cit., p. 142). 'The share of the product which comes to the worker in the form of wages' (J. Mill, *Élémens, etc.*, tr. Parisot, Paris, 1823, pp. 33–4).

Variable capital is therefore only a particular historical form of appearance of the fund for providing the means of subsistence, or the labour-fund, which the worker requires for his own maintenance and reproduction, and which, in all systems of social production, he must himself produce and reproduce. If the labour-fund constantly flows to him in the form of money that pays for his labour, it is because his own product constantly moves away from him in the form of capital. But this form of appearance of the labour-fund makes no difference to the fact that it is the worker's own objectified labour which is advanced to him by the capitalist.[3] Let us take a peasant liable to do compulsory labour services. He works on his own land with his own means of production for, say, three days a week. The other three days are devoted to forced labour on the lord's domain. He constantly reproduces his own labour-fund, which never, in his case, takes the form of a money payment for his labour, advanced by another person. But in return his unpaid and forced labour for the lord never acquires the character of voluntary and paid labour. If one, fine morning, the landowner appropriates to himself the plot of land, the cattle, the seed, in short, the means of production of the peasant, the latter will thenceforth be obliged to sell his labour-power to the former. He will, other things being equal, labour six days a week as before, three for himself, three for his former lord, who thenceforth becomes a wage-paying capitalist. As before, he will use up the means of production as means of production, and transfer their value to the product. As before, a definite portion of the product will be devoted to reproduction. But from the moment that forced labour is changed into wage-labour, the labour-fund, which the peasant himself continues as before to produce and reproduce, takes the form of a quantity of capital advanced in the form of wages by the lord of the land. The bourgeois economist, whose limited mentality is unable to separate the form of appearance from the thing which appears within that form, shuts his eyes to the fact that even at the present time the labour-fund only crops up exceptionally on the face of the globe in the form of capital.[4]

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[3] 'When capital is employed in advancing to the workman his wages, it adds nothing to the funds for the maintenance of labour' (Cazenove, in a note to his edition of Malthus's *Definitions in Political Economy*, London, 1853, p. 22).

Variable capital, it is true, loses its character of a value advanced out of the capitalist's funds[5] only when we view the process of capitalist production in the flow of its constant renewal. But that process must have had a beginning of some kind. From our present standpoint it therefore seems likely that the capitalist, once upon a time, became possessed of money by some form of primitive* accumulation [*ursprüngliche Akkumulation*] that took place independently of the unpaid labour of other people, and that this was therefore how he was able to frequent the market as a buyer of labour-power. However this may be, the mere continuity of the process of capitalist production, or simple reproduction, brings about other remarkable transformations which seize hold of not only the variable, but the total capital.

If a surplus-value of £200 is generated every year by the use of a capital of £1,000, and if this surplus-value is consumed every year, it is clear that when this process has been repeated for five years, the surplus-value consumed will amount to 5 × £200, or the £1,000 originally advanced. If only a part were consumed, say one-half, the same result would follow at the end of ten years, since 10 ×

[4] 'The wages of labour are advanced by capitalists in the case of less than one-fourth of the labourers of the earth' (Richard Jones, *Textbook of Lectures on the Political Economy of Nations*, Hertford, 1852, p. 36).

[5] 'Though the manufacturer' (i.e. the worker engaged in manufacture) 'has his wages advanced to him by his master, he in reality costs him no expense, the value of those wages being generally restored, together with a profit, in the improved value of the subject upon which his labour is bestowed' (A. Smith, op. cit., Bk II, Ch. 3, [Vol. 2, p. 355 in Wakefield's edition of 1835–9.]

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* We have preferred 'primitive accumulation' to 'original accumulation' as the phrase has become established by now as part of the English language.

£100 = £1,000. The following general formulation emerges: the value of the capital advanced divided by the surplus-value annually consumed gives the number of years, or periods of reproduction, at the expiration of which the capital originally advanced has been consumed by the capitalist and has disappeared. The capitalist thinks that he is consuming the produce of the unpaid labour of others, i.e. the surplus-value, and is keeping intact the value of his original capital; but what he thinks cannot alter the actual situation. After the lapse of a certain number of years, the value of the capital he possesses is equal to the sum total of the surplus-value he has appropriated during those years, and the total value he has consumed is equal to the value of his original capital. It is true that he has in hand a quantity of capital whose magnitude has not changed, and that part of it, such as buildings, machinery, etc., was already there when he began to conduct his business operations. But we are not concerned here with the material components of the capital. We are concerned with its value. When a person consumes the whole of his property, by taking upon himself debts equal to the value of that property, it is clear that his property represents nothing but the sum total of his debts. And so it is with the capitalist; when he has consumed the equivalent of his original capital, the value of his present capital represents nothing but the total amount of surplus-value appropriated by him without payment. Not a single atom of the value of his old capital continues to exist.

Therefore, entirely leaving aside all accumulation, the mere continuity of the production process, in other words simple reproduction, sooner or later, and necessarily, converts all capital into accumulated capital, or capitalized surplus-value. Even if that capital was, on its entry into the process of production, the personal property of the man who employs it, and was originally acquired by his own labour, it sooner or later becomes value appropriated without an equivalent, the unpaid labour of others materialized either in the money-form or in some other way. We saw in Chapter 4 that for the transformation of money into capital something more was required than the production and circulation of commodities. We saw that on the one hand the possessor of value or money, on the other hand the possessor of the value-creating substance – on the one hand, the possessor of the means of production and subsistence, on the other, the possessor of nothing but labour-power – must confront each other as buyer and seller.

A division between the product of labour and labour itself, between the objective conditions of labour and subjective labour-power, was therefore the real foundation and the starting-point of the process of capitalist production.

But what at first was merely a starting-point becomes, by means of nothing but the continuity of the process, by simple reproduction, the characteristic result of capitalist production, a result which is constantly renewed and perpetuated. On the one hand, the production process incessantly converts material wealth into capital, into the capitalist's means of enjoyment and his means of valorization. On the other hand, the worker always leaves the process in the same state as he entered it – a personal source of wealth, but deprived of any means of making that wealth a reality for himself. Since, before he enters the process, his own labour has already been alienated [*entfremdet*] from him, appropriated by the capitalist, and incorporated with capital, it now, in the course of the process, constantly objectifies itself so that it becomes a product alien to him [*fremder Produkt*]. Since the process of production is also the process of the consumption of labour-power by the capitalist, the worker's product is not only constantly converted into commodities, but also into capital, i.e. into value that sucks up the worker's value-creating power, means of subsistence that actually purchase human beings, and means of production that employ the people who are doing the producing.[6] Therefore the worker himself constantly produces objective wealth, in the form of capital, an alien power that dominates and exploits him; and the capitalist just as constantly produces labour-power, in the form of a subjective source of wealth which is abstract, exists merely in the physical body of the worker, and is separated from its own means of objectification and realization; in short, the capitalist produces the worker as a wage-labourer.[7] This incessant reproduction, this perpetuation of the worker, is the absolutely necessary condition for capitalist production.

[6] 'This is a remarkably peculiar property of productive labour. Whatever is productively consumed is capital, and it becomes capital by consumption' (James Mill, op. cit., p. 242). James Mill, however, was never able to track down this 'remarkably peculiar property'.

[7] 'It is true indeed, that the first introducing a manufacture emploies many poor, but they cease not to be so, and the continuance of it makes many' (*Reasons for a Limited Exportation of Wool*, London, 1677, p. 19). 'The farmer now absurdly asserts, that he keeps the poor. They are indeed kept in misery' (*Reasons for the late Increase of the Poor Rates: or a comparative view of the prices of labour and provisions*, London 1777, p. 31).

The worker's consumption is of two kinds. While producing he consumes the means of production with his labour, and converts them into products with a higher value than that of the capital advanced. This is his productive consumption. It is at the same time consumption of his labour-power by the capitalist who has bought it. On the other hand, the worker uses the money paid to him for his labour-power to buy the means of subsistence; this is his individual consumption. The worker's productive consumption and his individual consumption are therefore totally distinct. In the former, he acts as the motive power of capital, and belongs to the capitalist. In the latter, he belongs to himself, and performs his necessary vital functions outside the production process. The result of the first kind of consumption is that the capitalist continues to live, of the second, that the worker himself continues to live.

When dealing with the 'working day', we saw that the worker is often compelled to make his individual consumption into a merely incidental part of the production process. In such a case, he provides himself with means of subsistence in order to keep his labour-power in motion, just as coal and water are supplied to the steam-engine, and oil to the wheel. His means of consumption are then merely the means of consumption of a means of production; his individual consumption is directly productive consumption. This, however, appears to be an abuse, rather than an essential attribute of the capitalist process of production.[8]

The matter takes quite another aspect if we contemplate not the single capitalist and the single worker, but the capitalist class and the working class, not an isolated process of production, but capitalist production in full swing, and on its actual social scale. By converting part of his capital into labour-power, the capitalist valorizes the value of his entire capital. He kills two birds with one stone. He profits not only by what he receives from the worker, but also by what he gives him. The capital given in return for labour-power is converted into means of subsistence which have to be consumed to reproduce the muscles, nerves, bones and brains of existing workers, and to bring new workers into existence. Within the limits of what is absolutely necessary, therefore, the individual consumption of the working class is the reconversion of the means of subsistence given by capital in return for labour-power into fresh labour-power which capital is then again able to exploit. It is the production and reproduction of the capitalist's most indispensable means of production: the worker. The individual consumption of the worker, whether it occurs inside or outside the workshop, inside or outside the labour process, remains an aspect of the production and reproduction of capital, just as the cleaning of machinery does, whether it is done during the labour process, or when intervals in that process permit. The fact that the worker performs acts of individual consumption in his own interest, and not to please the capitalist, is something entirely irrelevant to the matter. The consumption of food by a beast of burden does not become any less a necessary aspect of the production process because the beast enjoys what it eats. The maintenance and reproduction of the working class remains a necessary condition for the reproduction of capital. But the capitalist may safely leave this to the worker's drives for self-preservation and propagation. All the capitalist cares for is to reduce the worker's individual consumption to the necessary minimum, and an immense distance separates his attitude from the crudeness of the South American mine-owners, who force their workers to consume the more substantial, rather than the less substantial, kind of food.[9]

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[8] Rossi would not have declaimed so emphatically on this point if he had really penetrated the secret of 'productive consumption'.*

*Cf., for example, P. Rossi, *Cours d'économie politique*, Brussels, 1843, p. 370: 'To conceive capacity for labour in abstraction from the workers' means of subsistence during the production process is to conceive a phantom.'

Hence both the capitalist and his ideologist, the political economist, consider only that part of the worker's individual consumption to be productive which is required for the perpetuation of the working class, and which therefore must take place in order that the capitalist may have labour-power to consume. What the worker consumes over and above that minimum for his own pleasure is seen as unproductive consumption.[10] If the accumulation of capital were to cause a rise of wages and an increase in the worker's consumption unaccompanied by an increase in the consumption of labour-power by capital, the additional capital would be consumed unproductively.[11] In reality, the individual consumption of the worker is unproductive even from his own point of view, for it simply reproduces the needy individual; it is productive to the capitalist and to the state, since it is the production of a force which produces wealth for other people.[12]

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[9] 'The workers in the mines of South America, whose daily task (the heaviest perhaps in the world) consists in bringing to the surface on their shoulders a load of metal weighing from 180 to 200 pounds, from a depth of 450 feet, live on bread and beans only; they themselves would prefer the bread alone for food, but their masters, who have found out that the men cannot work so hard on bread, treat them like horses, and compel them to eat beans; beans are relatively much richer in bone-ash than is bread' (Liebig, op. cit., Vol. 1, p. 194, n.).

[10] James Mill, op. cit., pp. 238 ff.

From the standpoint of society, then, the working class, even when it stands outside the direct labour process, is just as much an appendage of capital as the lifeless instruments of labour are. Even its individual consumption is, within certain limits, a mere aspect of the process of capital's reproduction. That process, however, takes good care to prevent the workers, those instruments of production who are possessed of consciousness, from running away, by constantly removing their product from one pole to the other, to the opposite pole of capital. Individual consumption provides, on the one hand, the means for the workers' maintenance and reproduction; on the other hand, by the constant annihilation of the means of subsistence, it provides for their continued re-appearance on the labour-market. The Roman slave was held by chains; the wage-labourer is bound to his owner by invisible threads. The appearance of independence is maintained by a constant change in the person of the individual employer, and by the legal fiction of a contract.

In former times, capital resorted to legislation, whenever it seemed necessary, in order to enforce its proprietary rights over the free worker. For instance, down to 1815 the emigration of mechanics employed in machine-making was forbidden in England, on pain of severe punishment.

The reproduction of the working class implies at the same time the transmission and accumulation of skills from one generation to another.[13] The capitalist regards the existence of such a skilled working class as one of the conditions of production which belong to him, and in fact views it as the real existence of his variable capital. This becomes very clear as soon as a crisis threatens him with its loss. As a result of the American Civil War and the accompanying cotton famine, the majority of the cotton workers of Lancashire were, as is well known, thrown out of work. Both from the working class itself, and from other social strata, there arose a cry for state aid, or voluntary national subscriptions, in order to make possible the emigration of those who were 'redundant' to the English colonies or to the United States. That was the time when *The Times* published a letter (24 March 1863) from Edmund Potter, a former President of the Manchester Chamber of Commerce. This letter was rightly described in the House of Commons as 'the manifesto of the manufacturers'.[14] We shall reproduce here a few characteristic passages, in which the proprietary rights of capital over labour-power are unblushingly asserted.

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[11] 'If the price of labour should rise so high that, notwithstanding the increase of capital, no more could be employed, I should say that such increase of capital would be still unproductively consumed' (Ricardo, op. cit., p. 163).

[12] 'The only productive consumption, properly so called, is the consumption or destruction of wealth' (he means the using up of the means of production) 'by capitalists with a view to reproduction . . . The workman . . . is a productive consumer to the person who employs him, and to the state, but not, strictly speaking, to himself' (Malthus, *Definitions, etc.*, p. 30).

[13] 'The only thing, of which one can say, that it is stored up and prepared beforehand, is the skill of the labourer . . . The accumulation and storage of skilled labour, that most important operation, is, as regards the great mass of labourers, accomplished without any capital whatever' (Hodgskin, *Labour Defended, etc.*, p. 13).

'He' (the man out of work) 'may be told the supply of cotton-workers is too large . . . and . . . must . . . in fact be reduced by a third, perhaps, and that then there will be a healthy demand for the remaining two-thirds . . . Public opinion . . . urges emigration . . . The master cannot willingly see his labour supply being removed; he may think, and perhaps justly, that it is both wrong and unsound . . . But if the public funds are to be devoted to assist emigration, he has a right to be heard, and perhaps to protest.' The same Potter then proceeds to point out how useful the cotton industry is, how 'it has undoubtedly drawn the surplus population from Ireland and from the agricultural districts', how immense is its extent, how it yielded $\frac{5}{13}$ths of total English exports in the year 1860, how, after a few years, it will again expand by the extension of the market, particularly of the Indian market, and by calling forth a plentiful supply of cotton at 6d. per lb. He then continues: '[It is not to be denied that] time – one, two, or three years it may be – will produce the quantity . . . The question I would put then is this – Is the trade worth retaining? Is it worth while to keep the machinery' (he means the living labour-machines) 'in order, and is it not the greatest folly to think of parting with that? I think it is. I allow that the workers are not a property, not the property of Lancashire and the masters; but they are the strength of both; they are the mental and trained power which cannot be replaced for a generation; the mere machinery which they work might much of it be beneficially replaced, nay improved, in a twelvemonth.[15] Encourage or allow (!) the working-power to emigrate, and what of the capitalist?' This cry from the heart reminds one of Lord Chamberlain Kalb.* 'Take away the cream of the workers, and fixed capital will depreciate in a great degree, and the floating will not subject itself to a struggle with the short supply of inferior labour . . . We are told the workers wish it' (emigration). 'Very natural it is that they should do so . . . Reduce, compress the cotton trade by taking away its working power and reducing their wages expenditure, say one-fifth, or five millions, and what then would happen to the class above, the small shopkeepers; and what of the rents, the cottage rents . . . Trace out the effects upward to the small farmer, the better householder, and . . . the landowner, and say if there could be any suggestion more suicidal to all classes of the country than enfeebling a nation by exporting the best of its manufacturing population, and destroying the value of some of its most productive capital and enrichment . . . I advise a loan (of five or six millions sterling) . . . extending it may be over two or three years, administered by special commissioners added to the Boards of Guardians in the cotton districts, under special legislative regulations, enforcing some occupation or labour, as a means of keep-

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[14] 'That letter might be looked upon as the manifesto of the manufacturers' (Ferrand, 'Motion on the Cotton Famine', House of Commons, 27 April 1863).

15. It will not be forgotten that this same capital sings quite another tune under ordinary circumstances, when it is a question of reducing wages. Then the 'masters' exclaim with one voice (see above, p. 549): 'The factory operatives should keep in wholesome remembrance the fact that theirs is really a low species of skilled labour; and that there is none which is more easily acquired, or of its quality more amply remunerated, or which, by a short training of the least expert, can be more quickly, as well as abundantly, acquired . . . The master's machinery' (which we now learn can advantageously be replaced and improved within twelve months) 'really plays a far more important part in the business of production than the labour and skill of the operative' (who cannot now be replaced in less than thirty years), 'which six months' education can teach, and a common labourer can learn.'

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*Kalb was a character in Schiller's tragedy *Kabale und Liebe*. In Act 3, Scene 2, Kalb, who is Lord Chamberlain of a petty German princely court, hears of the decision of the President (another court official) to resign, which would bring him down as well. 'But what of me? You can at least talk well' (he says, addressing the President), 'you are a man of learning. But what would become of me if his highness dismissed me?'

ing up at least the moral standard of the recipients of the loan . . . can anything be worse for landowners or masters than parting with the best of the workers, and demoralizing and disappointing the rest by an extended depletive emigration, a depletion of capital and value in an entire province?'

Potter, the chosen mouthpiece of the cotton manufacturers, distinguishes between two sorts of 'machinery'. Both belong to the capitalist, but one stands in his factory, while the other is housed in cottages outside the factory at night-time and on Sundays. The one is inanimate, the other living. The inanimate machinery not only wears out and loses value from day to day, but also much of it becomes out of date so quickly, owing to constant technical progress, that it can be replaced with advantage by new machinery after a few months. With the living machinery the reverse is true: it gets better the longer it lasts, and in proportion as the skill handed down from one generation to another accumulates. Here is the answer given by *The Times* to the cotton magnate:

'Mr Edmund Potter is so impressed with the exceptional and supreme importance of the cotton masters that, in order to preserve this class and perpetuate their profession, he would keep half a million of the labouring class confined in a great moral workhouse against their will. "Is the trade worth retaining?" asks Mr Potter. "Certainly by all honest means it is," we answer. "Is it worth while keeping the machinery in order?" again asks Mr Potter. Here we hesitate. By the "machinery", Mr Potter means the human machinery, for he goes on to protest that he does not mean to use them as an absolute property. We must confess that we do not think it "worth while", or even possible, to keep the human machinery in order – that is to shut it up and keep it oiled till it is wanted. Human machinery *will* rust under inaction, oil and rub it as you may. Moreover, the human machinery will, as we have just seen, get the steam up of its own accord, and burst or run amuck in our great towns. It might, as Mr Potter says, require some time to reproduce the workers, but, having machinists and capitalists at hand, we could always find thrifty, hard, industrious men wherewith to improvise more master-manufacturers than we can ever want. Mr Potter talks of the trade reviving "in one, two, or three years", and he asks us not "to encourage or allow (!) the working power to emigrate". He says that it is very natural the workers should wish to emigrate; but he thinks that in spite of their desire, the nation ought to keep this half million of workers with their 700,000 dependants, shut up in the cotton districts; and as a necessary consequence, he must of course think that the nation ought to keep down their discontent by force, and sustain them by alms – and upon the chance that the cotton masters may some day want them . . . The time is come when the great public opinion of these islands must operate to save this "working power" from those who would deal with it as they would deal with iron, and coal, and cotton.'[16]

This article was only a *jeu d'esprit*. The 'great public opinion' was in fact of Mr Potter's own opinion, it too thought that the factory workers were movable accessories to the factories. Their emigration was prevented.[17] They were locked up in that 'moral workhouse', the cotton districts, and they form, as before, 'the strength' of the cotton manufacturers of Lancashire.

Capitalist production therefore reproduces in the course of its own process the separation between labour-power and the conditions of labour. It thereby reproduces and perpetuates the conditions under which the worker is exploited. It incessantly forces him to sell his labour-power in order to live, and enables the capitalist to purchase labour-power in order that he may enrich himself.[18] It is no longer a mere accident that capitalist and worker confront each other in the market as buyer and seller. It is the alternating rhythm of the process itself which throws the worker back onto the market again and again as a seller of his labour-power and continually transforms his own product into a means by which another man can purchase him. In reality, the worker belongs to capital before he has sold himself to the capitalist. His economic bondage[19] is at once mediated through, and concealed by, the periodic renewal of the act by which he sells himself, his change of masters, and the oscillations in the market-price of his labour.[20]

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[16] *The Times*, 24 March 1863.

[17] Parliament did not vote a single farthing in aid of emigration, but simply passed some Act empowering the municipal corporations to keep the workers in a state of semi-starvation, i.e. to exploit them without paying the normal wages. On the other hand, when the cattle disease broke out three years later, Parliament hastened to break even its own normal customs, and immediately voted millions for the indemnification of the millionaire landlords, whose farmers in any event came out of it without losing anything, owing to the rise in the price of meat. The bestial howls of the landed proprietors at the opening of Parliament, in 1866, showed that a man can worship the cow Sabala without being a Hindu, and can change himself into an ox without being a Jupiter.

[18] 'The worker asked for means of subsistence in order to live, the master asked for labour in order to make a profit' (Sismondi, op. cit., p. 91).

[19] A clumsy agricultural form of this bondage exists in the county of Durham. This is one of the few counties in which circumstances do not

The capitalist process of production, therefore, seen as a total, connected process, i.e. a process of reproduction, produces not only commodities, not only surplus-value, but it also produces and reproduces the capital-relation itself; on the one hand the capitalist, on the other the wage-labourer.[21]

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secure to the farmer undisputed proprietary rights over the agricultural labourers. The existence of the mining industry allows the latter some freedom of choice. Here, therefore, and in contrast with the general rule which prevails elsewhere, the farmer rents only such farms as have on them labourers' cottages. The rent of the cottage forms part of the wage. These cottages are known as 'hinds' houses'. They are let to the labourers in consideration of certain feudal services, under a contract called 'bondage', which, among other things, binds the labourer, during the time he is employed elsewhere, to leave someone, say his daughter, etc., to fill his place. The labourer himself is called a 'bondsman'. This relationship also shows, from an entirely new angle, how individual consumption by the worker is consumption on behalf of capital, in other words productive consumption: 'It is curious to observe that the very dung of the hind and bondsman is the perquisite of the calculating lord . . . and the lord will allow no privy but his own to exist in the neighbourhood, and will rather give a bit of manure here and there for a garden than bate any part of his seigneurial right' (*Public Health, Seventh Report*, 1864, p. 188).

[20] It will not be forgotten that, where the labour of children is concerned, even the formality of a voluntary sale vanishes.

[21] 'Capital presupposes wage-labour; wage-labour presupposes capital. They reciprocally condition each other's existence; they reciprocally bring forth each other. Does a worker in a cotton factory merely produce cotton goods? No, he produces capital. He produces values which serve afresh to command his labour and by means of it to create new values' (Karl Marx, 'Lohnarbeit und Kapital', in *Neue Rheinische Zeitung*, No. 266, 7 April 1849) ['Wage Labour and Capital', in Karl Marx and Frederick Engels, *Selected Works* in three volumes, Vol. 1, p. 162]. The articles published under the above heading in the *Neue Rheinische Zeitung* are parts of some lectures given by me on that topic in 1847 in the *Deutscher Arbeiterverein* in Brussels;* their publication was interrupted by the February revolution.

*The *Deutscher Arbeiterverein* was founded in 1847 in Brussels by Marx and Engels, with the aim of educating the German workers living there in the principles of communism. In February 1848 the Belgian authorities compelled it to disband by arresting most of its leading members.

Chapter 24: The Transformation of Surplus-Value into Capital

I. CAPITALIST PRODUCTION ON A PROGRESSIVELY INCREASING SCALE. THE INVERSION WHICH CONVERTS THE PROPERTY LAWS OF COMMODITY PRODUCTION INTO LAWS OF CAPITALIST APPROPRIATION

Earlier we considered how surplus-value arises from capital; now we have to see how capital arises from surplus-value. The employment of surplus-value as capital, or its reconversion into capital, is called accumulation of capital.[1]

Let us first consider this process from the standpoint of the individual capitalist. Suppose a master-spinner has advanced a capital of £10,000, of which four-fifths (£8,000) is laid out in cotton, machinery, etc. and one-fifth (£2,000) in wages. Let him produce 240,000 lb. of yarn every year, and let the value of this yarn be £12,000. The rate of surplus-value being 100 per cent, the surplus-value is contained in the surplus, or net product, of 40,000 lb. of yarn, which is one-sixth of the gross product, and has a value of £2,000 which will be realized by a sale. £2,000 is £2,000. Neither seeing nor smelling will tell us that this sum of money is surplus-value. When we know that a given value is surplus-value, we know how its owner came by it; but that does not alter the nature either of value or of money.

In order to transform this newly acquired sum of £2,000 into capital, the master-spinner will, all circumstances remaining as before, advance four-fifths of it (£1,600) in the purchase of cotton, etc. and one-fifth (£400) in the purchase of additional spinning workers, who will find in the market the means of subsistence whose value the master has advanced to them. The new capital of

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[1] 'Accumulation of capital; the employment of a portion of revenue as capital' (Malthus, *Definitions, etc.*, ed. Cazenove, p. 11). 'Conversion of revenue into capital' (Malthus, *Principles of Political Economy*, 2nd edn, London, 1836, p. 320).

£2,000 then functions in the spinning-mill and in its turn brings in a surplus value of £400.

The capital-value was originally advanced in the form of money. The surplus-value, however, existed from the outset as the value of a definite portion of the gross product. If this gross product is sold, converted into money, the capital-value regains its original form. From this moment on, the capital-value and surplus-value are both sums of money, and their reconversion into capital takes place in precisely the same way. The one as well as the other is laid out by the capitalist in the purchase of commodities that place him in a position to start making his goods again, and indeed, on a larger scale this time. But in order to be able to buy these commodities, he must find them ready in the market.

His own yarn circulates only because he brings his annual product to market, as do all other capitalists with their commodities. But these commodities, before coming to market, were already part of the annual production fund, i.e. part of the total mass of objects of every kind into which the sum total of the individual capitals, or the total social capital, had been converted in the course of the year, and of which each capitalist had in hand only a small fraction. All the transactions in the market can accomplish is the interchange of the individual components of this annual product, their transfer from one hand to another. They cannot increase the total annual production, nor can they alter the nature of the objects produced. Hence the use that can be made of the total annual product depends entirely on its own composition, and in no way on circulation.

Annual production must in the first place furnish all those objects (use-values) from which the material components of capital, used up in the course of the year, have to be replaced. After we have deducted this, there remains the net or surplus product, which contains the surplus-value. And what does this surplus product consist of? Only of things destined to satisfy the needs and desires of the capitalist class, things which consequently enter into the consumption fund of the capitalists? If that were all, the cup of surplus-value would be drained to the very dregs, and nothing but simple reproduction would ever take place.

Accumulation requires the transformation of a portion of the surplus product into capital. But we cannot, except by a miracle, transform into capital anything but such articles as can be employed in the labour process (i.e. means of production), and such further articles as are suitable for the sustenance of the worker (i.e. means of subsistence). Consequently, a part of the annual surplus labour must have been applied to the production of additional means of production and subsistence, over and above the quantity of these things required to replace the capital advanced. In a word, surplus-value can be transformed into capital only because the surplus product, whose value it is, already comprises the material components of a new quantity of capital.[2]

Now, in order that these components may actually function as capital, the capitalist class requires additional labour. If the exploitation of the workers already employed does not increase, either extensively or intensively, additional labour-powers must be enlisted. The mechanism of capitalist production has already provided for this in advance, by reproducing the working class as a class dependent on wages, a class whose ordinary wages suffice, not only to maintain itself, but also to increase its numbers. All capital needs to do is to incorporate this additional labour-power, annually supplied by the working class in the shape of labour-powers of all ages, with the additional means of production comprised in the annual product, and the transformation of surplus-value into capital has been accomplished. Looked at concretely, accumulation can be resolved into the production of capital on a progressively increasing scale. The cycle of simple reproduction alters its form and, to use Sismondi's expression, changes into a spiral.[3]

Let us now return to our example. It is the old story: Abraham begat Isaac, Isaac begat Jacob and so on. The original capital of £10,000 brings in a surplus-value of £2,000, which is capitalized. The new capital of £2,000 brings in a surplus-value of £400, and this too is capitalized, transformed into a second additional capital, which in its turn produces a further surplus-value of £80. And the process continues in this way.

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[2] Here we take no account of the export trade, by means of which a nation can change articles of luxury either into means of production or means of subsistence, and *vice versa*. In order to examine the object of our investigation in its integrity, free from all disturbing subsidiary circumstances, we must treat the whole world of trade as one nation, and assume that capitalist production is established everywhere and has taken possession of every branch of industry.

[3] Sismondi's analysis of accumulation suffers from the great defect that he contents himself, to too great an extent, with the phrase 'conversion of revenue into capital',* without trying to investigate the material conditions of this operation.

*Sismondi, *Nouveaux Principes d'économie politique*, Vol. 1, Paris, 1819, p. 119.

We leave out of account here the portion of the surplus-value consumed by the capitalist. We are also not interested, for the moment, in whether the additional capital is joined on to the original capital, or separated from it so that it can valorize itself independently. Nor are we concerned whether the same capitalist employs it who originally accumulated it, or whether he hands it over to others. All we must remember is this: by the side of the newly formed capital, the original capital continues to reproduce itself and to produce surplus-value, and this is true of all accumulated capital in relation to the additional capital engendered by it.

The original capital was formed by the advance of £10,000. Where did its owner get it from? 'From his own labour and that of his forefathers', is the unanimous answer of the spokesmen of political economy.[4] And, in fact, their assumption appears to be the only one consonant with the laws of commodity production.

But it is quite otherwise with regard to the additional capital of £2,000. We know perfectly well how that originated. There is not one single atom of its value that does not owe its existence to unpaid labour. The means of production with which the additional labour-power is incorporated, as well as the necessaries with which the workers are sustained, are nothing but component parts of the surplus product, parts of the tribute annually exacted from the working class by the capitalist class. Even if the latter uses a portion of that tribute to purchase the additional labour-power at its full price, so that equivalent is exchanged for equivalent, the whole thing still remains the age-old activity of the conqueror, who buys commodities from the conquered with the money he has stolen from them.

If the additional capital employs the person who produced it, this producer must not only continue to valorize the value of the original capital, but must buy back the fruits of his previous labour with more labour than they cost. If we view this as a transaction between the capitalist class and the working class, it makes no difference that additional workers are employed by means of the unpaid labour of the previously employed workers. The capitalist may even convert the additional capital into a machine that throws the producers of that capital out of work, and replaces them with a few children. In every case, the working class creates by the surplus labour of one year the capital destined to employ additional labour in the following year.[5] And this is what is called creating capital out of capital.

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[4] 'The original labour, to which his capital owed its origin' (Sismondi, op. cit., Vol. 1, p. 109).

The accumulation of the first additional capital of £2,000 presupposes that a value of £10,000 exists, advanced by the capitalist, and belonging to him by virtue of his 'original labour'. The second additional capital of £400 presupposes, on the contrary, only the prior accumulation of the £2,000, of which the £400 is the capitalized surplus-value. The ownership of past unpaid labour is thenceforth the sole condition for the appropriation of living unpaid labour on a constantly increasing scale. The more the capitalist has accumulated, the more is he able to accumulate.

The surplus-value that makes up additional capital no. 1 is the result of the purchase of labour-power with part of the original capital, a purchase which conformed to the laws of commodity exchange and which, from a legal standpoint, presupposes nothing beyond the worker's power to dispose freely of his own capacities, and the money-owner's or commodity-owner's power to dispose freely of the values that belong to him; equally, additional capital no. 2 is merely the result of additional capital no. 1, and is therefore a consequence of the relations described above; hence each individual transaction continues to conform to the laws of commodity exchange, with the capitalist always buying labour-power and the worker always selling it at what we shall assume is its real value. It is quite evident from this that the laws of appropriation or of private property, laws based on the production and circulation of commodities, become changed into their direct opposite through their own internal and inexorable dialectic. The exchange of equivalents, the original operation with which we started, is now turned round in such a way that there is only an apparent exchange, since, firstly, the capital which is exchanged for labour-power is itself merely a portion of the product of the labour of others which has been appropriated without an equivalent; and, secondly, this capital must not only be replaced by its producer, the worker, but replaced together with an added surplus. The relation of exchange between capitalist and worker becomes a mere semblance belonging only to the process of circulation, it becomes a mere form, which is alien to the content of the transaction itself, and merely mystifies it. The constant sale and purchase of labour-power is the form; the content is the constant appropriation by the capitalist, without equivalent, of a portion of the labour of others which has already been objectified, and his repeated exchange of this labour for a greater quantity of the living labour of others. Originally the rights of property seemed to us to be grounded in a man's own labour. Some such assumption was at least necessary, since only commodity-owners with equal rights confronted each other, and the sole means of appropriating the commodities of others was the alienation of a man's own commodities, commodities which, however, could only be produced by labour. Now, however, property turns out to be the right, on the part of the capitalist, to appropriate the unpaid labour of others or its product, and the impossibility, on the part of the worker, of appropriating his own product. The separation of property from labour thus becomes the necessary consequence of a law that apparently originated in their identity.[6]

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[5] 'Labour creates capital before capital employs labour' (E. G. Wakefield, *England and America*, London, 1833, Vol. 2, p. 110).

Therefore,* however much the capitalist mode of appropriation may seem to fly in the face of the original laws of commodity production, it nevertheless arises, not from a violation of these laws but, on the contrary, from their application. Let us make this clear once more by briefly reviewing the consecutive phases of motion whose culminating point is capitalist accumulation.

We saw, in the first place, that the original transformation of a sum of values into capital was achieved in complete accordance with the laws of exchange. One party to the contract sells his labour-power, the other buys it. The former receives the value of his commodity, whose use-value – labour – is thereby alienated to the buyer. Means of production which already belong to the latter are then transformed by him, with the aid of labour equally belonging to him, into a new product which is likewise lawfully his.

The value of this product includes: first, the value of the means

6. The property of the capitalist in the product of the labour of others 'is a strict consequence of the law of appropriation, the fundamental principle of which was the reverse, the exclusive entitlement of the worker to the product of his own labour' (Cherbuliez, *Richesse ou pauvreté*, Paris, 1841, p. 58, where, however, the dialectical inversion is not correctly developed).

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*This passage, up to p. 734, 'laws of capitalist appropriation', was added by Engels to the fourth German edition on the basis of a similar passage included by Marx in the French translation of 1872.

of production which have been used up. Useful labour cannot consume these means of production without transferring their value to the new product; but, to be saleable, labour-power must be capable of supplying useful labour in the branch of industry in which it is to be employed.

The value of the new product includes, further, the equivalent of the value of the labour-power together with a surplus-value. This is so because the value of the labour-power – sold for a definite length of time, say a day, a week, etc. – is less than the value created by its use during that time. But the worker has received payment for the exchange-value of his labour-power and by so doing has alienated its use-value – this being the case in every sale and purchase.

The fact that this particular commodity, labour-power, possesses the peculiar use-value of supplying labour, and therefore of creating value, cannot affect the general law of commodity production. If, therefore, the amount of value advanced in wages is not merely found again in the product, but augmented by a surplus-value, this is not because the seller has been defrauded, for he has really received the value of his commodity; it is due solely to the fact that this commodity has been used up by the buyer.

The law of exchange requires equality only between the exchange-values of the commodities given in exchange for one another. From the very outset, indeed, it presupposes a difference between their use-values and it has nothing whatever to do with their consumption, which begins only after the contract has been concluded and executed.

Thus the original transformation of money into capital takes place in the most exact accordance with the economic laws of commodity production and with the rights of property derived from them. Nevertheless, its result is:

(1) that the product belongs to the capitalist and not to the worker;

(2) that the value of this product includes, apart from the value of the capital advanced, a surplus-value which costs the worker labour but the capitalist nothing, and which none the less becomes the legitimate property of the capitalist;

(3) that the worker has retained his labour-power and can sell it anew if he finds another buyer.

Simple reproduction is only the periodic repetition of this first operation; each time, money is freshly transformed into capital. Thus the law is not broken; on the contrary, it gains the opportunity to operate continuously. 'Several successive acts of exchange have only made the last represent the first.'[7]

And yet we have seen that simple reproduction suffices to stamp this first operation, in so far as it is conceived as an isolated process, with a totally changed character. 'Of those who share the national income among themselves, the one side' (the workers) 'acquire each year a fresh right to their share by fresh labour; the others' (the capitalists) 'have already acquired, by their original labour, a permanent right to their share.'[8] It is indeed a well-known fact that the sphere of labour is not the only one in which primogeniture works miracles.

Nor does it matter if simple reproduction is replaced by reproduction on an extended scale, by accumulation. In the former case the capitalist squanders the whole of the surplus-value in dissipation, in the latter he demonstrates his bourgeois virtue by consuming only a portion of it and converting the rest into money.

The surplus-value is his property; it has never belonged to anyone else. If he advances it for the purposes of production, the advances made come from his own funds, exactly as on the day when he first entered the market. The fact that on this occasion the funds are derived from the unpaid labour of his workers makes absolutely no difference. If worker B is paid out of the surplus-value which worker A produced, then, in the first place, A furnished that surplus-value without having the fair price of his commodity cut by even a farthing, and, in the second place, the transaction is no concern of B's whatever. What B claims, and has a right to claim, is that the capitalist should pay him the value of his labour-power. 'Both of them still benefited: the worker because he was advanced the fruits of his labour' (should read: of the unpaid labour of other workers) 'before the work was done' (should read: before his own labour had borne fruit); 'the employer, because the labour of this worker was worth more than his wages' (should read: produced more value than the value of his wages).[9]

To be sure, the matter looks quite different if we consider capitalist production in the uninterrupted flow of its renewal, and if, in place of the individual capitalist and the individual worker, we view them in their totality, as the capitalist class and the working class confronting each other. But in so doing we should be applying standards entirely foreign to commodity production.

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[7] Sismondi, op. cit., Vol. 1, p. 70.
[8] ibid., pp. 110, 111.
[9] ibid., p. 135.

Only the mutually independent buyer and seller face each other in commodity production. Relations between them cease on the day when the term stipulated in the contract they concluded expires. If the transaction is repeated, it is repeated as the result of a new agreement which has nothing to do with the previous one and in which it is only an accident that brings the same seller together again with the same buyer.

If, therefore, commodity production, or one of its associated processes, is to be judged according to its own economic laws, we must consider each act of exchange by itself, apart from any connection with the act of exchange preceding it and that following it. And since sales and purchases are negotiated solely between particular individuals, it is not admissible to look here for relations between whole social classes.

However long a series of periodic reproductions and preceding accumulations the capital functioning today may have passed through, it always preserves its original virginity. As long as the laws of exchange are observed in every single act of exchange – taken in isolation – the mode of appropriation can be completely revolutionized without in any way affecting the property rights which correspond to commodity production. The same rights remain in force both at the outset, when the product belongs to its producer, who, exchanging equivalent for equivalent, can enrich himself only by his own labour, and in the period of capitalism, when social wealth becomes to an ever-increasing degree the property of those who are in a position to appropriate the unpaid labour of others over and over again.

This result becomes inevitable from the moment there is a free sale, by the worker himself, of labour-power as a commodity. But it is also only from then onwards that commodity production is generalized and becomes the typical form of production; it is only from then onwards that every product is produced for sale from the outset and all wealth produced goes through the sphere of circulation. Only where wage-labour is its basis does commodity production impose itself upon society as a whole; but it is also true that only there does it unfold all its hidden potentialities. To say that the intervention of wage-labour adulterates commodity production is to say that commodity production must not develop if it is to remain unadulterated. To the extent that commodity production, in accordance with its own immanent laws, undergoes a further development into capitalist production, the property laws of commodity production must undergo a dialectical inversion so that they become laws of capitalist appropriation.[10]

We have seen that even in the case of simple reproduction, all capital, whatever its original source, is transformed into accumulated capital, or capitalized surplus-value. But in the flood of production the total capital originally advanced becomes a vanishing quantity (*magnitudo evanescens* in the mathematical sense), in comparison with the directly accumulated capital, i.e. the surplus-value or surplus product that is reconverted into capital. This occurs whether the capital originally advanced is functioning in the hands of the man who accumulated it, or in the hands of other people. Hence the political economists describe capital in general as 'accumulated wealth' (transformed surplus-value or revenue) 'that is employed over again in the production of surplus-value',[11] and the capitalist himself as 'the owner of surplus-value'.[12] This same way of looking at things is merely expressed in another form in the statement that all existing capital is accumulated or capitalized interest, for interest is nothing but a fragment of surplus-value.[13]

2. THE POLITICAL ECONOMISTS' ERRONEOUS CONCEPTION OF REPRODUCTION ON AN INCREASING SCALE

Before we attempt to give a more detailed characterization of accumulation or the reconversion of surplus-value into capital, we must clear out of the way an ambiguity concocted by the classical economists.

The commodities the capitalist buys with a part of the surplus-value for his own consumption do not serve as means of production or means of valorization; similarly, the labour he buys for the satisfaction of his natural and social requirements does not serve as productive labour. Instead of transforming surplus-value into capital, he rather consumes or expends it as revenue when he purchases those commodities and that labour. It was of decisive importance for the bourgeois economists, when confronted with the habitual mode of life of the old nobility, which, as Hegel rightly says, 'consists in consuming what is available',* and is displayed in particular in the luxury of personal retainers, to promulgate the doctrine that the accumulation of capital is the first duty of every citizen, and to preach unceasingly that accumulation is impossible if a man eats up all his revenue, instead of spending a good part of it on the acquisition of additional productive workers, who bring in more than they cost. On the other hand, the economists also had to contend against the popular prejudice which confuses capitalist production with hoarding,[14] and therefore imagines that accumulated wealth is either wealth that is rescued from destruction in its existing natural form, i.e. withdrawn from consumption, or wealth that does not enter into circulation. The exclusion of money from circulation would constitute precisely the opposite of its valorization as capital, and the accumulation of commodities in the sense of hoarding them would be sheer foolishness.[15] In fact the accumulation of commodities in great masses is the result either of a bottleneck in circulation or of over-production.[16] It is true that the popular mind is impressed, on the one hand, by the sight of the mass of goods that are stored up for gradual consumption by the rich,[17] and on the other hand by the

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[10] We may well, therefore, feel astonished at the cleverness of Proudhon, who would abolish capitalist property – by enforcing the eternal laws of property which are themselves based on commodity production!

[11] 'Capital, viz., accumulated wealth employed with a view to profit' (Malthus, op. cit. [p. 262]). 'Capital . . . consists of wealth saved from revenue, and used with a view to profit' (R. Jones, *Textbook of Lectures on the Political Economy of Nations*, Hertford, 1852, p. 16).

[12] 'The possessors of surplus-produce or capital' (*The Source and Remedy of the National Difficulties. A Letter to Lord John Russell*, London, 1821 [p. 4).

[13] 'Capital, with compound interest on every portion of capital saved, is so all engrossing that all the wealth in the world from which income is derived, has long ago become the interest on capital' (*The Economist*, London, 19 July 1851).

[14] 'No political economist of the present day can by saving mean mere hoarding: and beyond this contracted and insufficient proceeding, no use of the term in reference to the national wealth can well be imagined, but that which must arise from a different application of what is saved, founded upon a real distinction between the different kinds of labour maintained by it' (Malthus, op. cit., pp. 38–9).

[15] Thus for instance Balzac, who so thoroughly studied every shade of avarice, represents the old usurer Gobseck as being in his second childhood when he begins to create a hoard by piling up commodities.

[16] 'Accumulation of stocks ... non-exchange ... over-production' (T. Corbet, op. cit., p. 104).

[17] It is in this sense that Necker speaks of the 'articles of pomp and magnificence' whose 'accumulation has increased with time', and which 'the

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* Hegel, *Philosophy of Right*, para. 203, addition (English edition, op. cit., p. 270).

formation of a reserve. The latter is a phenomenon which is common to all modes of production, and we shall dwell on it for a moment when we come to analyse the process of circulation.*

The classical economists are therefore quite right to maintain that the consumption of the surplus product by productive, instead of unproductive, workers is a characteristic feature of the process of accumulation. But at this point the mistakes also begin. Adam Smith has made it the fashion to present accumulation as nothing more than the consumption of the surplus product by productive workers. This amounts to saying that the capitalization of surplus-value consists merely in turning surplus-value into labour-power. Let us listen to Ricardo on this point: 'It must be understood that all the productions of a country are consumed; but it makes the greatest difference imaginable whether they are consumed by those who reproduce, or by those who do not reproduce another value. When we say that revenue is saved, and added to capital, what we mean is, that the portion of revenue, so said to be added to capital, is consumed by productive instead of unproductive labourers. There can be no greater error than in supposing that capital is increased by non-consumption.'[18] There can be no greater error than the one repeated after Adam Smith by Ricardo and all subsequent political economists, namely the view that 'the portion of revenue so said to be added to capital, is consumed by productive labourers'. According to this, all surplus-value that is transformed into capital becomes variable capital. However, in actual fact the surplus-value, like the value originally advanced, divides up into constant and variable capital, into means of production and labour-power. Labour-power is the form in which variable capital exists during the process of production. In this process the labour-power is itself consumed by the capitalist while the means of production are consumed by the labour-power in the exercise of its function, i.e. labour. At the same time, the money paid for the purchase of the labour-power is converted into

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laws of property have assembled together in the hands of a single class of society' (*Œuvres de M. Necker*, Paris and Lausanne, 1789, Vol. 2, *De l'administration des finances de la France*, p. 291).*

[18] Ricardo, op. cit., p. 163, note.

*This note is not in any of the German editions, but was included in the French translation of 1872.

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*See *Capital*, Volume 2, Chapter 2, Section 4, 'Reserve Fund'.

means of subsistence, which are consumed, not by 'productive labour', but by the 'productive worker'. Adam Smith, at the end of a quite preposterous analysis, comes to the absurd conclusion that even though each individual capital is divided into a constant and a variable part, the capital of society can be entirely resolved into variable capital, i.e. it is laid out exclusively in the payment of wages.* For instance, suppose a cloth manufacturer converts £2,000 into capital. He lays out one part of the money in buying weavers, the other in woollen yarn, machinery, etc. But the people from whom he buys the yarn and the machinery themselves use a part of the purchase money to pay for labour, and so on until the whole £2,000 is spent in the payment of wages, i.e. until the entire product represented by the £2,000 has been consumed by productive workers. It is evident that the entire thrust of this argument lies in the words 'and so on', which send us from pillar to post. In fact, Adam Smith breaks off the investigation just where the difficulties begin.[19]

The annual process of reproduction is easily understood, as long as we look solely at the sum total of the year's production. But every single component of this annual product must be brought into the market as a commodity, and there the difficulties begin. The movements of the individual capitals and personal revenues cross and intermingle, and become lost in a general alternation of positions, i.e. in the circulation of society's wealth. This confuses the onlooker, and provides the investigation with very complicated problems to solve. In the third part of Volume 2 I shall give an analysis of the way the whole system is actually linked together. It is one of the great merits of the Physiocrats that in their *Tableau économique*† they were the first to attempt to depict the

[19] In spite of his 'Logic' John Stuart Mill never manages to detect even such a faulty analysis as this on the part of his predecessors, even when it cries out for rectification from a purely technical standpoint, entirely within the bourgeois field of vision. In every case he registers the confusion of his masters with the dogmatism of a disciple. And so it is here: 'The capital itself in the long run becomes entirely wages, and when replaced by the sale of produce becomes wages again.'

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*Adam Smith, *Wealth of Nations*, Bk II, Ch. 1. Smith, of course, refers not to constant and variable capital but to fixed and circulating capital.

†Marx discussed Quesnay's *Tableau économique* both in *Capital*, Volume 2, Chapter 19, and in *Theories of Surplus-Value*, Part I, Chapter 2, 'The Physiocrats'.

year's production in the shape in which it emerges from circulation.[20]

For the rest, it goes without saying that political economy has not failed to exploit, in the interests of the capitalist class, Adam Smith's doctrine that the whole of that part of the net product which is transformed into capital is consumed by the working class.

3. DIVISION OF SURPLUS-VALUE INTO CAPITAL AND REVENUE. THE ABSTINENCE THEORY

In the previous chapter, we treated surplus-value (or the surplus product) solely as a fund for satisfying the capitalist's individual consumption requirements. In this chapter, so far, we have treated it solely as a fund for accumulation. In fact, however, it is neither the one nor the other: it is both. One part of the surplus-value is consumed by the capitalist as revenue,[21] the other part is employed as capital, i.e. it is accumulated.

With a given mass of surplus-value, then, the larger the one part, the smaller the other. Other things being equal, the ratio of these parts determines the magnitude of the accumulation. But it is the owner of the surplus-value, the capitalist, who makes this division. It is an act of his will. That part of the tribute exacted by him which he accumulates is said to be saved by him, because he does not consume it, i.e. because he performs his function as a capitalist, and enriches himself.

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[20] In his analysis of the process of reproduction, hence also that of accumulation, Adam Smith not only failed to advance, but even retrogressed considerably, in comparison with his predecessors, especially the Physiocrats. Connected with the illusion mentioned in the text is the really extraordinary dogma that the price of commodities is made up of wages, profit (interest) and ground rent, i.e. merely of wages and surplus-value.* Starting from this basis, Storch naïvely confesses, 'It is impossible to resolve the necessary price into its simplest elements' (Storch, op. cit., St Petersburg, 1815, Vol. 2, p. 141, note). A fine kind of economic science this is, which declares it impossible to resolve the price of a commodity into its simplest elements! This point will be further investigated in Part Three of Volume 2 and part seven of Volume 3.

[21] The reader will notice that the word revenue is used in a double sense: first, to designate surplus-value, as the fruit periodically yielded by capital; and second, to designate the part of that fruit which is periodically consumed by the capitalist, or added to his private consumption-fund. I retain this double meaning because it harmonizes with the language of the English and French economists.

*'The whole price of the annual produce ... naturally divides itself into three parts; the rent of land, the wages of labour, and the profits of stock' (*Wealth of Nations*, Bk I, Ch. 11, Conclusion).

Except as capital personified, the capitalist has no historical value, and no right to that historical existence which, to use Lichnowsky's amusing expression, 'ain't got no date'.* It is only to this extent that the necessity of the capitalist's own transitory existence is implied in the transitory necessity of the capitalist mode of production. But, in so far as he is capital personified, his motivating force is not the acquisition and enjoyment of use-values, but the acquisition and augmentation of exchange-values. He is fanatically intent on the valorization of value; consequently he ruthlessly forces the human race to produce for production's sake. In this way he spurs on the development of society's productive forces, and the creation of those material conditions of production which alone can form the real basis of a higher form of society, a society in which the full and free development of every individual forms the ruling principle. Only as a personification of capital is the capitalist respectable. As such, he shares with the miser an absolute drive towards self-enrichment. But what appears in the miser as the mania of an individual is in the capitalist the effect of a social mechanism in which he is merely a cog. Moreover, the development of capitalist production makes it necessary constantly to increase the amount of capital laid out in a given industrial undertaking, and competition subordinates every individual capitalist to the immanent laws of capitalist production, as external and coercive laws. It compels him to keep extending his capital, so as to preserve it, and he can only extend it by means of progressive accumulation.

In so far, therefore, as his actions are a mere function of capital – endowed as capital is, in his person, with consciousness and a will – his own private consumption counts as a robbery committed against the accumulation of his capital, just as, in double-entry book-keeping, the private expenditure of the capitalist is placed on the debit side of his account against his capital. Accumulation is the conquest of the world of social wealth. It is the extension of the

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*'*Keinen Datum nicht hat.*' This phrase was uttered in the Frankfurt National Assembly on 31 August 1848 by the reactionary Silesian landowner, Prince Felix von Lichnowsky, in the course of a speech attacking Poland's historical right to independence. Lichnowsky naturally became a byword for the intellectual narrowness and backwardness of the old Prussian nobility; he was greeted with laughter by most of the Assembly. The whole scene was described by Engels in the *Neue Rheinische Zeitung* (*MEW* 5, pp. 350–53).

area of exploited human material and, at the same time, the extension of the direct and indirect sway of the capitalist.[22]

But original sin is at work everywhere. With the development of the capitalist mode of production, with the growth of accumulation and wealth, the capitalist ceases to be merely the incarnation of capital. He begins to feel a human warmth towards his own Adam, and his education gradually enables him to smile at his former enthusiasm for asceticism, as an old-fashioned miser's prejudice. While the capitalist of the classical type brands individual consumption as a sin against his function, as 'abstinence' from accumulating, the modernized capitalist is capable of viewing accumulation as 'renunciation' of pleasure. 'Two souls, alas, do dwell within his breast; The one is ever parting from the other.'*

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[22] Taking the usurer, that old-fashioned but ever-renewed specimen of the capitalist, for his text, Luther shows very aptly that the love of power is an element in the desire to get rich. 'The heathen were able, by the light of reason, to conclude that a usurer is a double-dyed thief and murderer. We Christians, however, hold them in such honour, that we fairly worship them for the sake of their money... Whoever eats up, robs, and steals the nourishment of another, that man commits as great a murder (so far as in him lies) as he who starves a man or utterly undoes him. Such does a usurer, and sits the while safe on his stool, when he ought rather to be hanging on the gallows, and be eaten by as many ravens as he has stolen guilders, if only there were so much flesh on him, that so many ravens could stick their beaks in and share it. Meanwhile, we hang the small thieves... Little thieves are put in the stocks, great thieves go flaunting in gold and silk... Therefore is there, on this earth, no greater enemy of man (after the devil) than a gripe-money, and usurer, for he wants to be God over all men. Turks, soldiers, and tyrants are also bad men, yet must they let the people live, and confess that they are bad, and enemies, and do, nay, must, now and then show pity to some. But a usurer and money-glutton, such a one would have the whole world perish of hunger and thirst, misery and want, so far as in him lies, so that he may have all to himself, and every one may receive from him as from a God, and be his serf for ever more. [This is what gladdens his heart, and also] to wear fine cloaks, golden chains, rings, to wipe his mouth, to be deemed and taken for a worthy, pious man... Usury is a great huge monster, like a were-wolf, who lays waste all, more than any Cacus, Gerion or Antaeus. And yet decks himself out, and would be thought pious, so that people may not see where the oxen have gone, that he drags backwards into his den. But Hercules shall hear the cry of the oxen and of his prisoners, and shall seek Cacus even in cliffs and among rocks, and shall set the oxen loose again from the villain. For Cacus means the villain that is a pious usurer, and steals, robs, eats everything. And will not own that he has done it, and thinks no one will find him out, because the oxen, drawn backwards into his den, make it seem, from their foot-prints, that they have been let out. So the usurer would deceive the world, as though he were of use and gave the world oxen, which he, however, rends, and eats all alone... And since we break on the wheel, and behead, highwaymen, murderers, and housebreakers, how much more ought we to break on the wheel and kill... hunt down, curse, and behead all usurers' (Martin Luther, op. cit.).

At the historical dawn of the capitalist mode of production – and every capitalist upstart has to go through this historical stage individually – avarice, and the drive for self-enrichment, are the passions which are entirely predominant. But the progress of capitalist production not only creates a world of delights; it lays open, in the form of speculation and the credit system, a thousand sources of sudden enrichment. When a certain stage of development has been reached, a conventional degree of prodigality, which is also an exhibition of wealth, and consequently a source of credit, becomes a business necessity to the 'unfortunate' capitalist. Luxury enters into capital's expenses of representation. Moreover, the capitalist gets rich, not, like the miser, in proportion to his personal labour and restricted consumption, but at the same rate as he squeezes out labour-power from others, and compels the worker to renounce all the enjoyments of life. Thus although the expenditure of the capitalist never possesses the *bona fide* character of the dashing feudal lord's prodigality, but, on the contrary, is always restrained by the sordid avarice and anxious calculation lurking in the background, this expenditure nevertheless grows with his accumulation, without the one necessarily restricting the other. At the same time, however, there develops in the breast of the capitalist a Faustian conflict between the passion for accumulation and the desire for enjoyment.

Dr Aikin says, in a work published in 1795: 'The trade of Manchester may be divided into four periods. First, when manufacturers were obliged to work hard for their livelihood.' They enriched themselves chiefly by robbing the parents whose children were bound as apprentices to them: the parents paid a high premium, while the apprentices were starved. On the other hand, the average profits were low, and, in order to accumulate, extreme parsimony was needed. They lived like misers, and were far from consuming even the interest on their capital. 'The second period, when they had begun to acquire little fortunes, but worked as hard as before' (for the direct exploitation of labour costs labour, as every slave-driver knows) 'and lived in as plain a manner as before . . . The third, when luxury began, and the trade was pushed by sending out riders for orders into every market town in the

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* Cf. Goethe, *Faust*, Part I, Before the City Gate, lines 1112–13.

Kingdom ... It is probable that few or no capitals of £3,000 to £4,000 acquired by trade existed here before 1690. However, about that time, or a little later, the traders had got money beforehand, and began to build modern brick houses, instead of those of wood and plaster.' Even in the early part of the eighteenth century, a Manchester manufacturer who placed a pint of foreign wine before his guests exposed himself to the remarks and headshakings of all his neighbours. Before the rise of machinery, a manufacturer's evening expenditure at the public house where they all met never exceeded sixpence for a glass of punch, and a penny for a screw of tobacco. It was not till 1758, and this marks an epoch, that a person actually engaged in business was seen with a carriage of his own. 'The fourth period,' the last thirty years of the eighteenth century, 'is that in which expense and luxury have made great progress, supported by a trade extended by means of riders and factors through every part of Europe.'[23] What would the good Dr Aikin say if he could rise from the grave and see the Manchester of today?

Accumulate, accumulate! That is Moses and the prophets! 'Industry furnishes the material which saving accumulates.'[24] Therefore save, save, i.e. reconvert the greatest possible portion of surplus-value or surplus product into capital! Accumulation for the sake of accumulation, production for the sake of production: this was the formula in which classical economics expressed the historical mission of the bourgeoisie in the period of its domination. Not for one instant did it deceive itself over the nature of wealth's birth-pangs.[25] But what use is it to lament a historical necessity? If, in the eyes of classical economics, the proletarian is merely a machine for the production of surplus-value, the capitalist too is merely a machine for the transformation of this surplus-value into surplus capital. Classical economics takes the historical function of the capitalist in grim earnest. In order to conjure away

[23] Dr Aikin, *Description of the Country from Thirty to Forty Miles round Manchester*, London, 1795, pp. 182 ff. [181, 188 as well].

[24] Adam Smith, op. cit., Bk II, Ch. 3.

[25] Even J. B. Say says: 'The savings of the rich are made at the expense of the poor.'* 'The Roman proletarian lived almost entirely at the expense of society ... One might almost say that modern society lives at the expense of the proletarians, on the portion of the wages of labour which it withdraws from their pockets' (Sismondi, *Études etc.*, Vol. 1, p. 24).

* J. B. Say, *Traité d'économie politique*, 5th edn, Vol. 1, Paris, 1826, pp. 130–31.

the awful conflict between the desire for enjoyment and the drive for self-enrichment, Malthus, around the beginning of the 1820s, advocated a division of labour which assigned the business of accumulating to the capitalist actually engaged in production, and the business of spending to the other sharers in surplus-value, the landed aristocracy, the place-men, the beneficed clergy and so on. It is of the highest importance, he says, 'to keep separate the passion for expenditure and the passion for accumulation'.[26] The capitalists, who had long since turned themselves into good livers and men of the world, complained loudly at this. What, exclaimed one of their spokesmen, a follower of Ricardo, does Mr Malthus preach high rents, heavy taxation, etc. so that the industrious may constantly be kept up to the mark by the pressure of unproductive consumers? By all means let there be production, production on a constantly increasing scale, runs the shibboleth, but 'production will, by such a process, be far more curbed in than spurred on. Nor is it quite fair thus to maintain in idleness a number of persons, only to pinch others, who are likely, from their characters, if you can force them to work, to work with success.'[27] Though he finds it unfair to spur on the industrial capitalist by depriving his bread of its butter, he still thinks it necessary to reduce the worker's wages to a minimum, 'to keep him industrious'. Nor does he for a moment conceal the fact that the appropriation of unpaid labour is the secret of making a profit. 'Increased demand on the part of the labourers means nothing more than their disposition to take less of their own product for themselves, and leave a greater part of it to their employers; and if it be said, that this begets glut, by lessening consumption' (on the part of the workers) 'I can only reply that glut is synonymous with large profits.'[28]

The learned dispute between the industrial capitalist and the wealthy landowning idler as to how the booty pumped out of the workers may most advantageously be divided for the purposes of accumulation had to fall silent in the face of the July Revolution. Shortly afterwards, the urban proletariat sounded the tocsin of revolution at Lyons, and the rural proletariat began to set fire to farmyards and hayricks in England. On this side of the Channel Owenism began to spread; on the other side, Saint-Simonism and

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[26] Malthus, op. cit., pp. 319–20.

[27] *An Inquiry into Those Principles, Respecting the Nature of Demand, etc.*, p. 67.

[28] ibid., p. 59.

Fourierism. The hour of vulgar economics had arrived. Exactly a year before Nassau W. Senior discovered at Manchester that the profit (including interest) of capital is the product of the unpaid 'last hour of the twelve hours of labour',* he had announced to the world another discovery. 'I substitute,' he proudly says, 'for the word capital, considered as an instrument of production, the word abstinence.'[29] An unparalleled example of the 'discoveries' of vulgar economics! It replaces an economic category with a sycophantic phrase, and that is all. 'When the savage,' says Senior, 'makes bows, he exercises an industry, but he does not practise abstinence.' This is supposed to explain how and why, in the earlier states of society, the implements of labour were constructed 'without the abstinence' of the capitalist. 'The more society progresses, the more abstinence is demanded,'[30] namely from those whose business it is to appropriate the industry and the products of others. All the conditions necessary for the labour process are now converted into acts of abstinence on the part of the capitalist. If the corn is not all eaten, but in part also sown – abstinence of the capitalist. If the wine gets time to mature – abstinence of the capi-

[29] Senior, *Principes fondamentaux de l'économie politique*, tr. Arrivabene, Paris, 1836, p. 309. This was rather too much for the adherents of the old classical school. 'Mr Senior has substituted for it' (the expression 'labour and profit') 'the expression Labour and Abstinence. He who converts his revenue abstains from the enjoyment which its expenditure would afford him. It is not the capital, but the use of the capital productively, which is the cause of profits' (John Cazenove, op. cit., p. 130, n.). John Stuart Mill, on the contrary, both copies Ricardo's theory of profit, and annexes to it Senior's 'remuneration of abstinence'. He is as much at home with absurd and flat contradictions as he is at sea with the Hegelian 'contradiction', which is the source of all dialectics. It has never occurred to the vulgar economist to make the simple reflection that every human action may be conceived as an 'abstinence' from its opposite. Eating is abstinence from fasting, walking is abstinence from standing still, working is abstinence from idling, idling is abstinence from working, etc. These gentlemen would do well to ponder occasionally over Spinoza's *'Determinatio est negatio'*.*

[30] Senior, op. cit., pp. 342–3.

*Spinoza made this statement in a letter of 2 June 1674 to J. Jelles. But it should be noted that it is quoted and commented on a number of times by Hegel. The formulation in the *Logic* is particularly appropriate here: 'The foundation of all determinateness is negation' (*Logic*, para. 91, Addition). In this case, eating is not-fasting, working is not-idling, etc.

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*See above, pp. 333–8, 'Senior's Last Hour'.

talist.[31] The capitalist robs himself whenever he 'lends (!) the instruments of production to the worker', in other words, whenever he valorizes their value as capital by incorporating labour-power into them instead of eating them up, steam-engines, cotton, railways, manure, horses and all; or, as the vulgar economist childishly conceives, instead of dissipating 'their value' in luxuries and other articles of consumption.[32] How the capitalist class can perform the latter feat is a secret which vulgar economics has so far obstinately refused to divulge. Enough that the world continues to live solely through the self-chastisement of this modern penitent of Vishnu, the capitalist. Not only accumulation, but the simple 'conservation of a capital requires a constant effort to resist the temptation of consuming it'.[33] The simple dictates of humanity therefore plainly enjoin the release of the capitalist from his martyrdom and his temptation, in the same way as the slave-owners of Georgia, U.S.A., have recently been delivered by the abolition of slavery from the painful dilemma over whether they should squander the surplus product extracted by means of the whip from their Negro slaves entirely in champagne, or whether they should reconvert a part of it into more Negroes and more land.

In economic formations of society of the most diverse kinds, there occurs not only simple reproduction but also, though in varying degrees, reproduction on an increasing scale. Progressively more is produced and consumed, and therefore more products have to be converted into means of production. However, this process does not appear as an accumulation of capital, and consequently it does not appear as the function of a capitalist, as long as the worker's means of production, and with them his product and means of subsistence, do not confront him in the shape of capital.[34] Richard Jones, who died a few years ago, and was the successor of Malthus in the chair of Political Economy at Haileybury, the college that trains people for the Indian Civil Service, discusses this point well in the light of two important facts. Since the greater part of the Indian population are peasants cultivating their land themselves, their products, their instruments of labour and their means of subsistence never take 'the shape of a fund saved from revenue, which fund has, therefore, gone through a previous process of accumulation'.[35] On the other hand, in those provinces where English rule has least disturbed the old system, the non-agricultural workers are directly employed by the magnates, to whom a portion of the agricultural surplus product is rendered in the shape of tribute or rent. One part of this product is consumed by the magnates in its natural form, another part is converted by the workers into articles of luxury and other consumption goods for the use of the magnates, and the remainder forms the wage of the workers, who own their implements of labour. Here, production and reproduction on an increasing scale go on their way without any intervention from that peculiar saint, that knight of the woeful countenance, the 'abstaining' capitalist.

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[31] 'No one ... will sow his wheat, for instance, and allow it to remain a twelvemonth in the ground, or leave his wine in a cellar for years, instead of consuming these things or their equivalent at once ... unless he expects to acquire additional value, etc.' (Scrope, *Political Economy*, ed. A. Potter, New York, 1841, pp. 133–4).*

[32] 'The deprivation the capitalist imposes on himself by lending' (this euphemism is used, according to the approved method of vulgar economics, in order to identify the exploited wage-labourer with the industrial capitalist himself, who borrows money from other capitalists!) 'his instruments of production to the worker, instead of devoting their value to his own consumption, by transforming them into objects of utility or pleasure' (G. de Molinari, op. cit., p. 36).

[33] Courcelle-Seneuil, op. cit., p. 20.

*This is in fact a reference to A. Potter's book, *Political Economy: Its Objects, Uses, and Principles*, New York, 1841. However, much of Potter's book is merely a reprint of Scrope's *Principles of Political Economy*, published in England in 1833.

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[34] 'The particular classes of income which yield the most abundantly to the progress of national capital, change at different stages of their progress, and are, therefore, entirely different in nations occupying different positions in that progress . . . Profits . . . unimportant source of accumulation, compared with wages and rents, in the earlier stages of society . . . When a considerable advance in the powers of national industry has actually taken place, profits rise into comparative importance as a source of accumulation' (Richard Jones, *Textbook, etc.*, pp. 16, 21).

[35] ibid., pp. 36 ff. [Note by Engels to the fourth German edition: 'This must be an oversight, as the passage cannot be traced.'*]

*On the contrary, the passage is there on p. 36, but the quotation is highly compressed. It reads as follows, in full: 'The wages of the agriculturalists are not advanced out of funds which have been saved and accumulated from revenues.' (In other words) 'they have undergone no process of accumulation . . . but are produced by the labourers themselves, and never exist in any other shape than that of a stock for their own immediate consumption.'

4. THE CIRCUMSTANCES WHICH, INDEPENDENTLY OF THE PROPORTIONAL DIVISION OF SURPLUS-VALUE INTO CAPITAL AND REVENUE, DETERMINE THE EXTENT OF ACCUMULATION, NAMELY, THE DEGREE OF EXPLOITATION OF LABOUR-POWER, THE PRODUCTIVITY OF LABOUR, THE GROWING DIFFERENCE IN AMOUNT BETWEEN CAPITAL EMPLOYED AND CAPITAL CONSUMED, AND THE MAGNITUDE OF THE CAPITAL ADVANCED

If we assume the proportion in which surplus-value breaks up into capital and revenue as a given factor, the magnitude of the capital accumulated clearly depends on the absolute magnitude of the surplus-value. Suppose that 80 per cent of the surplus-value is capitalized, and 20 per cent is eaten up, then the accumulated capital will be £2,400 or £1,200, according to whether the total amount of surplus-value was £3,000 or £1,500. Hence all the circumstances that determine the mass of surplus-value operate to determine the magnitude of the accumulation. Here we shall summarize them once again, but only in so far as they offer fresh material which relates to accumulation.

It will be remembered that the rate of surplus-value depends, in the first place, on the degree of exploitation of labour-power. Political economy lays such great stress on this point that it occasionally identifies the acceleration of accumulation which results from an increase in the productivity of labour with the acceleration which arises from an increase in the exploitation of the worker.[36] In the chapters on the production of surplus-value we constantly assumed that wages were at least equal to the value of labour-power. But the forcible reduction of the wage of labour beneath its value plays too important a role in the practical movement of affairs for us not to stay with this phenomenon for a moment. In fact, it transforms the worker's necessary fund for consumption, within certain limits, into a fund for the accumulation of capital.

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[36] 'Ricardo says: "In different stages of society the accumulation of capital or of the means of employing" (i.e. exploiting) "labour is more or less rapid, and must in all cases depend on the productive powers of labour. The productive powers of labour are generally greatest where there is an abundance of fertile land." If, in the first sentence, the productive powers of labour mean the smallness of that aliquot part of any produce that goes to those whose manual labour produced it, the sentence is nearly identical [i.e. tautologous], because the remaining aliquot part is the fund whence capital can, *if the owner pleases*, be accumulated. But then this does not generally happen, where there is most fertile land' (*Observations on Certain Verbal Disputes, etc.*, pp. 74–5).

'Wages,' says John Stuart Mill, 'have no productive power; they are the price of a productive power. Wages do not contribute, along with labour, to the production of commodities, no more than the price of tools contributes along with the tools themselves. If labour could be had without purchase, wages might be dispensed with.'[37] But if the workers could live on air, it would not be possible to buy them at any price. This zero cost of labour is therefore a limit in a mathematical sense, always beyond reach, although we can always approximate more and more nearly to it. The constant tendency of capital is to force the cost of labour back towards this absolute zero. An eighteenth-century writer we have often quoted already, the author of the 'Essay on Trade and Commerce', actually reveals the innermost secret of English capital when he declares that England's historical mission is to force down English wages to the French and Dutch level.[38] He says, naïvely: 'But if our poor' (a technical term for the workers) 'will live luxuriously ... then labour must, of course, be dear ... One has only to consider what luxuries the manufacturing populace consume, such as brandy, gin, tea, sugar, foreign fruit, strong beer, printed linens, snuff, tobacco, etc.'[39] He quotes the work of a Northamptonshire manufacturer, who, with one eye on heaven, laments: 'Labour is one-third cheaper in France than in England; for their poor work hard, and fare hard, as to their food and clothing. Their chief diet is bread, fruit, herbs, roots, and dried fish; for they very seldom eat flesh; and when wheat is dear, they eat very little bread.'[40] 'To which may be added,' our essayist con-

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37. John Stuart Mill, *Essays on Some Unsettled Questions of Political Economy*, London, 1844, p. 90.

38. *An Essay on Trade and Commerce*, London, 1770, p. 44. In December 1866 and January 1867 *The Times* published similar effusions by English mine-owners depicting the happy situation of the Belgian miners, who asked, and received, no more money than was strictly necessary to keep them alive for their 'masters'. The Belgian workers tolerate a great deal – but to figure in *The Times* as model proletarians! The answer came at the beginning of February 1867: a strike of Belgian mineworkers, at Marchienne, which was put down with powder and lead.

39. ibid., pp. 44, 46.

40. The Northamptonshire manufacturer commits a pious fraud, pardonable in one whose heart is so full. He pretends to compare the life of the

tinues, 'that their drink is either water or other small liquors, so that they spend very little money . . . These things are very difficult to be brought about; but they are not impracticable, since they have been effected both in France and in Holland.'[41] Twenty years later, an American humbug, the ennobled Yankee Benjamin Thompson (*alias* Count Rumford),* pursued the same line in philanthropy, to the great satisfaction of God and man. His *Essays* are a cookery book with recipes of all kinds for replacing the ordinary, but expensive food of the worker with various surrogates. The following is a particularly successful recipe issued by this remarkable 'philosopher': '5 lb. of barley-meal, 7½d.; 5 lb. of Indian corn, 6¼d.; 3d. worth of red herring, 1d. salt, 1d. vinegar, 2d. pepper and sweet herbs, in all 20¾d.; make a soup for 64 men, and at the medium price of barley and of Indian corn . . . this soup may be provided at ¼d. the portion of 20 ounces.'[42]

English and French manufacturing workers, but in the words just quoted he is in fact depicting the French agricultural labourers, as he himself later confesses in his confused way.

41. ibid., pp. 70–71. [Note by Engels to the third German edition:] Today, thanks to the competition on the world market which has grown up since then, we have advanced much further. 'If China,' says Mr Stapleton, M.P., to his constituents, 'should become a great manufacturing country, I do not see how the manufacturing population of Europe could sustain the contest without descending to the level of their competitors' (*The Times*, 3 September 1873, p. 8). The desired goal of English capital is no longer Continental wages, oh no, it is Chinese wages!

42. Benjamin Thompson, *Essays, Political, Economical, and Philosophical, etc.*, 3 vols., London, 1796–1802, Vol. 1, p. 294. In his book *The State of the Poor; or an History of the Labouring Classes in England, etc.*, Sir F. M. Eden strongly recommends the Rumfordian beggar-soup to workhouse overseers, and reproachfully warns the English workers that 'many poor people, particularly in Scotland, live, and that very comfortably, for months together, upon oat-meal and barley-meal, mixed with only water and salt' (Vol. 1, Bk I, Ch. 2, p. 503). The same sort of hints are made in the nineteenth century. 'The most wholesome mixtures of flour having been refused (by the English agricultural labourer) . . . in Scotland, where education is better, this prejudice is, probably, unknown' (Charles H. Parry, M.D., *The Question of the*

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* Sir Benjamin Thompson (1753–1814) was born in Massachusetts, fought for England in the American War of Independence (which won him a knighthood), then spent the years between 1784 and 1795 in the service of the Elector of Bavaria. He eventually rose to the position of Minister of War. In 1790 the Elector created him Count von Rumford in the German imperial peerage, a title he continued to use for the rest of his life, which was spent in England and France.

With the advance of capitalist production, the adulteration of food has rendered Thompson's ideal superfluous.[43]

At the end of the eighteenth and during the first ten years of the nineteenth century, the English farmers and landlords enforced the absolute minimum of wages by paying the agricultural labourers less than the minimum in the actual form of wages, and the remainder in the form of parochial relief. Here is an example of the buffoonery of the English Dogberries, when they were 'legally' laying down a wage-tariff: 'The squires of Norfolk had dined, says Mr Burke, when they fixed the rate of wages; the squires of Berks evidently thought the labourers ought not to do so, when they fixed the rate of wages at Speenhamland, 1795 ... There they decided that, "income (weekly) should be 3s., for a man", when the gallon or half-peck loaf of 8 lb. 11 oz. is at 1s., and increase regularly till bread is 1s. 5d.; when it is above that sum, decrease regularly till it be at 2s., and then his food should be ⅕th less.'[44] Before the Committee of Inquiry of the House of Lords (1814) a certain A. Bennett, a big farmer, magistrate, poor-law guardian and wage-regulator, was asked: 'Has any proportion of the value of daily labour been made up to the labourers out of the poors' rate?' Answer: 'Yes, it has; the weekly income of every family is made up to the gallon loaf (8 lb. 11 oz.), and 3d. per head! ... The gallon loaf per week is what we suppose sufficient for the maintenance of every person in the family for the week; and the 3d. is for clothes, and if the parish think proper to find clothes, the 3d. is deducted. This practice goes through all the western part of Wiltshire, and, I believe, throughout the country.'[45]

Necessity of the Existing Corn Laws Considered, London, 1816, p. 69). This same Parry, however, complains that the English worker is now (1815) in a much worse condition than in Eden's time (1797).

[43] From the reports of the most recent Parliamentary Commission on adulteration of the means of subsistence,* it will be seen that the adulteration even of medicines is the rule, not the exception, in England. For example, the examination of thirty-four specimens of opium, bought from the same number of different chemists in London, showed that thirty-one were adulterated with poppy heads, wheat-flour, gum, clay, sand, etc. Several specimens did not contain an atom of morphine.

[44] G. L. Newnham (barrister-at-law), *A Review of the Evidence before the Committee of the Two Houses of Parliament on the Corn Laws*, London, 1815, p. 20, note.

[45] ibid., pp. 19–20.

*This is the *Report from the Select Committee on the Working of the Adulteration of Food Act* (*1872*), 1874.

'For years', exclaims a bourgeois writer of the time, 'they (the farmers) have degraded a respectable class of their countrymen, by forcing them to have recourse to the workhouse ... the farmer, while increasing his own gains, has prevented any accumulation on the part of his labouring dependants.'[46] The case of so-called 'domestic industry' shows the part played in our own time by direct robbery from the worker's necessary consumption-fund in the formation of surplus-value, and therefore in the formation of the fund for the accumulation of capital.* We shall give further facts on this subject later.

Although that portion of the constant capital which consists of the instruments of labour must, in all branches of industry, be sufficient for a certain number of workers (this number being determined by the size of the enterprise), it by no means always necessarily increases in the same proportion as the quantity of labour employed. Let us suppose that 100 workers, working 8 hours a day in a given factory, yield 800 hours of labour. If the capitalist wishes to raise this total by one half, he can employ 50 more workers; but then he must also advance more capital, not merely for wages, but for instruments of labour. But he might also let the 100 workers work 12 hours instead of 8, and then the instruments of labour already to hand would suffice. They would merely be consumed more rapidly. Thus additional labour, arising from a greater exertion of labour-power, can augment the surplus product and surplus-value, which is the substance of accumulation, without a proportional augmentation in the constant part of capital.

In the extractive industries, mines etc., the raw materials do not form part of the capital advanced. The object of labour is in this case not a product of previous labour, but something provided by nature free of charge, as in the case of metals, minerals, coal, stone, etc. Here the constant capital consists almost exclusively of instruments of labour which can very easily absorb an increased quantity of labour (day and night shifts, for example). All other

[46] C. H. Parry, op. cit., pp. 77, 69. The landlords, on their side, not only 'indemnified' themselves for the Anti-Jacobin War, which they waged in the name of England, but enriched themselves enormously. Their rents doubled, trebled, quadrupled, 'and in one instance, increased sixfold in eighteen years' (ibid., pp. 100–101).

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* See above, pp. 601–4.

things being equal, the mass and value of the product will rise in direct proportion to the labour expended. As on the first day of production, the two original agencies working to form the product, man and nature, continue to co-operate, and now, as creators of the products, they are also creators of the material elements of capital. Thanks to the elasticity of labour-power, the domain of accumulation has extended without any prior increase in the size of the constant capital.

In agriculture, the amount of land under cultivation cannot be increased without laying out more seed and manure. But once this has been done, the purely mechanical ploughing of the soil itself produces a marvellous effect on the size of the product. A greater quantity of labour, performed by the same number of workers as before, thus increases the fertility of the land without requiring any new contribution in the form of instruments of labour. It is once again the direct action of man on nature which becomes an immediate source of greater accumulation, without the intervention of any new capital.

Finally, in industry proper, every additional expenditure of labour presupposes a corresponding additional expenditure of raw materials, but not necessarily of instruments of labour. And as extractive industry and agriculture supply manufacturing industry both with its own raw materials and with those for its instruments of labour, the additional product provided by extractive industry and agriculture without any additional advance of capital also redounds to the advantage of manufacturing industry.

We arrive, therefore, at this general result: by incorporating with itself the two primary creators of wealth, labour-power and land, capital acquires a power of expansion that permits it to augment the elements of its accumulation beyond the limits apparently fixed by its own magnitude, or by the value and the mass of the means of production which have already been produced, and in which it has its being.

Another important factor in the accumulation of capital is the degree of productivity of social labour.

The mass of the products in which a certain value, and therefore a surplus-value of a given magnitude is embodied, increases along with the productivity of labour. If the rate of surplus-value remains the same (or even if it falls, provided that it falls more slowly than the productivity of labour rises), the mass of the surplus product increases. If the division of this product into revenue and additional capital remains the same, the consumption of the capitalist may accordingly increase without any decrease in the fund for accumulation. The relative magnitude of the accumulation-fund may even increase at the expense of the consumption-fund, while the cheapening of commodities places at the disposal of the capitalist as many means of enjoyment as formerly, or even more. But the increasing productivity of labour is accompanied by a cheapening of the worker, as we have seen, and it is therefore accompanied by a higher rate of surplus-value, even when real wages are rising. The latter never rise in proportion to the productivity of labour. The same value in variable capital therefore sets in motion more labour-power and, consequently, more labour. The same value in constant capital is embodied in more means of production, i.e. in more instruments of labour, materials of labour and auxiliary materials. It therefore supplies both more product-creating agencies and more value-creating agencies, in other words absorbers of labour. Therefore, even if the value of the additional capital remains the same or diminishes, accelerated accumulation still takes place. Not only does the scale of reproduction materially extend, but the production of surplus-value increases more rapidly than the value of the additional capital.

The growth of the productivity of labour also has an impact on the original capital, i.e. the capital which is already engaged in the production process. A part of the functioning constant capital consists of instruments of labour such as machinery, etc., which are not consumed, and therefore not reproduced or replaced, until long periods of time have elapsed. However, every year some of these instruments of labour perish, or reach the ultimate limit of their productive function. At this point, then, they reach the time for their periodic reproduction, for their replacement with other, similar machines. If the productivity of labour has increased in the place where these instruments of labour are constructed (and it does develop continually, owing to the uninterrupted advance of science and technology), the old machines, tools, apparatus, etc. will be replaced by more efficient and (considering their increased efficiency) cheaper ones. The old capital is replaced in a more productive form, not to mention continual improvements in the details of the instruments of labour actually in operation. The other part of the constant capital, raw material and auxiliary substances, is reproduced over and over again within the space of a year; the part of constant capital produced by agriculture is reproduced annually, by and large. Every time improved methods are introduced, therefore, this has an almost simultaneous impact on the new capital and the capital already engaged in its function. Every advance in chemistry not only multiplies the number of useful materials, and the useful applications of those already known, thus extending capital's sphere of investment along with its growth; it also teaches capital how to throw back the waste from the processes of production and consumption into the cycle of the process of reproduction, and thus, without any previous outlay of capital, it creates fresh materials for it. Like the increased exploitation of natural wealth resulting from the simple act of increasing the pressure under which labour-power has to operate, science and technology give capital a power of expansion which is independent of the given magnitude of the capital actually functioning. They react at the same time on that part of the original capital which has entered the stage of its renewal. This, in passing into its new shape, incorporates, free of charge, the social advances made while its old shape was being used up. Of course, this development of productivity is accompanied by a partial depreciation of the functioning capital; but in so far as this depreciation makes itself acutely felt in competition, the main burden falls on the worker, in whose increased exploitation the capitalist seeks compensation for his loss.

Labour transmits to the product the value of the means of production consumed by it. On the other hand, the value and mass of the means of production set in motion by a given quantity of labour increase as the labour becomes more productive. Although the same quantity of labour adds to its products only the same sum of new value, the old capital-value, transmitted by the labour to the products, nevertheless continues to increase in line with the growth in productivity.

An English spinner and a Chinese spinner, for example, may work the same number of hours with the same intensity; they will then both create equal values in the course of a week. But in spite of this equality, an immense difference exists between the value of the weekly product of the Englishman, who works with a mighty automatic machine, and that of the Chinese, who only has a spinning-wheel. In the same time as the Chinese spins one pound of cotton, the Englishman spins several hundreds of pounds. A sum of old values, many hundred times as great, swells the value of his product, for in that product the old values re-appear in a new useful form, and can thus function anew as capital. 'In 1782,' as

Friedrich Engels informs us, 'the whole wool crop of the preceding three years' (in England) 'lay unused for want of workers, and would have continued so to lie if the newly invented machinery had not come to its assistance and spun it.'[47] The labour which was objectified in the form of machinery did not of course directly cause men to spring out of the earth, but it made it possible for a smaller number of workers, adding relatively less living labour, not only to consume the wool productively, and put into it new value, but also to preserve its old value, in the form of yarn, etc. At the same time, it provided the means and the incentive for an increased reproduction of wool. It is the natural property of living labour to keep old value in existence while it creates new. Hence, with the increase in efficacy, extent and value of its means of production and therefore with the accumulation which accompanies the development of its productivity, labour maintains and perpetuates an always increasing capital-value in an ever-renewed form.[48] This natural power of labour appears as a power incorporated into capital for the latter's own self-preservation, just as the productive forces of social labour appear as inherent characteristics of capital, and just as the constant appropriation of surplus labour by the capitalists appears as the constant self-valorization of capital. All the powers of labour project themselves as powers of capital, just as all the value-forms of the commodity do as forms of money. With the growth of capital, the difference between the capital employed and the capital consumed increases. In other words, there is an increase in the value and the material mass of the instruments of labour, such as buildings, machinery, drain-pipes, ploughing oxen, apparatus of every kind that functions for a longer or shorter time in constantly repeated processes of production, or serves for the attainment of particular useful effects, while the instruments of labour themselves only gradually wear out, therefore only lose their value piecemeal, and transfer

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[47] Friedrich Engels, *Lage der arbeitenden Klasse in England*, p. 20 [English translation, p. 44].

[48] Classical economics, because of deficiencies in its analysis of the labour process and the valorization process, has never properly grasped this important aspect of reproduction. This can be seen from Ricardo, who says, for example, that whatever change may occur in productivity, 'a million men always produce in manufactures the same value'.* This is correct, if the extension and degree of intensity of their labour are constant. But what Ricardo overlooks in certain conclusions he draws is that the above fact does not prevent a million men, with different degrees of productivity in their labour, from turning into products very different masses of the means of production, and therefore preserving in their products very different masses of value; in consequence of which the values of the products yielded may vary considerably. It may be noted in passing that Ricardo tried in vain to make clear to J. B. Say, by that very example, the difference between use-value (which he here calls wealth or material riches) and exchange-value. Say answers: 'As for the difficulty raised by Ricardo when he says that, by using better methods of production, a million people can produce two or three times as much wealth, without producing any more value, this difficulty disappears when one bears in mind, as one should, that production is like an exchange in which a man contributes the productive services of his labour, his land, and his capital, in order to obtain products. It is by means of these productive services that we acquire all the products existing in the world. Therefore ... we are the richer, our productive services have the more value, the greater the quantity of useful things they bring in through the exchange which is called production' (J. B. Say, *Lettres à M. Malthus*, Paris, 1820, pp. 168–9). The 'difficulty' – it exists for him, not for Ricardo – Say means to clear up is this: Why does the exchange-

*Ricardo, *On the Principles of Political Economy*, London, 1821, p. 320.

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value of the use-values not increase, when their quantity increases in consequence of an increase in the productivity of labour? Answer: the difficulty is met by calling use-value exchange-value, if you please. Exchange-value is a thing which, one way or another, is connected with exchange. If therefore production is called an exchange of labour and means of production for the product, it is crystal-clear that you obtain more exchange-value in proportion as production yields more use-value. In other words, the more use-values, e.g. stockings, a working day yields to the stocking manufacturer, the richer is he in stockings. Suddenly, however, it occurs to Say that 'with a greater quantity' of stockings their 'price' (which of course has nothing to do with their exchange-value!) falls, 'because competition obliges them (the producers) to sell their products for what they cost to make'. But where does the profit come from if the capitalist sells the commodities at their cost price? Never mind! Say declares that, in consequence of increased productivity, everyone now receives in return for a given equivalent two pairs of stockings instead of one as before. The result he arrives at is precisely Ricardo's proposition, the proposition he aimed to disprove. After this mighty intellectual effort, he triumphantly exclaims to Malthus: 'This, Sir, is the well-founded doctrine without which it is impossible, I say, to explain the greatest difficulties in political economy, and, in particular, to explain why *it* is that a nation can be richer when its products fall in value, even though wealth is value' (ibid., p. 170). An English economist remarks on similar conjuring tricks which also appear in Say's *Lettres*: 'Those affected ways of talking make up in general that which M. Say is pleased to call his doctrine and which he earnestly urges Malthus to teach at Hertford, as it is already taught "in numerous parts of Europe". He says, "If all these propositions appear paradoxical to you, look at the things they express, and I venture to believe that they will then appear very simple and very rational." Doubtless, and in consequence of the same process, they will appear everything else, except original' (*An Inquiry into Those Principles Respecting the Nature of Demand, etc.*, pp. 116, 110).

that value to the product only bit by bit. In the same proportion as these instruments of labour serve as agencies in the formation of products without adding value to those products, i.e. in the same proportion as they are wholly employed but only partly consumed, to that degree do they perform, as we saw earlier, the same free service as the forces of nature, such as water, steam, air and electricity. This free service of past labour, when it is seized on and filled with vitality by living labour, accumulates progressively as accumulation takes place on a larger and larger scale.

Since past labour always disguises itself as capital, i.e. since the debts owed to the labour of A, B, C etc. are disguised as the assets of the non-worker X, bourgeois citizens and political economists are full of praise for the services performed by past labour, which, according to that Scottish genius MacCulloch, ought indeed to receive a special remuneration in the shape of interest, profit, etc.[49] The ever-growing weight of the assistance given by past labour to the living labour process in the form of means of production is therefore attributed to that form of past labour in which it is alienated [*entfremdet*], as unpaid labour, from the worker himself, i.e. it is attributed to its form as capital. The practical agents of capitalist production and their ideological word-spinners are as incapable of thinking of the means of production separately from the antagonistic social mask they wear at present as a slave-owner is of thinking of the worker himself as distinct from his character as a slave.

With a given degree of exploitation of labour-power, the mass of surplus-value produced is determined by the number of workers simultaneously exploited; this corresponds, although in varying proportions, with the magnitude of the capital. Thus the more that capital increases by means of successive accumulations, the more does the sum of value increase that is divided into a fund for consumption and a fund for accumulation. The capitalist can therefore live a more pleasant life, and at the same time 'renounce' more. And, finally, the more the scale of production extends, along with the mass of the capital advanced, the greater the expansive capacity of its driving forces.

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[49] MacCulloch took out a patent on the 'wages of past labour' long before Senior patented the 'wages of abstinence'.*

*J. R. MacCulloch, *The Principles of Political Economy*, London, 1825, p. 291: 'The profits of capital are only another name for the wages of accumulated labour.'

5. THE SO-CALLED LABOUR FUND

It has been shown in the course of this inquiry that capital is not a fixed magnitude, but a part of social wealth which is elastic, and constantly fluctuates with the division of surplus-value into revenue and additional capital. It has been seen further that, even with a given magnitude of functioning capital, the labour-power, science and land (which means, economically speaking, all the objects of labour furnished by nature without human intervention) incorporated in it form elastic powers of capital, allowing it, within certain limits, a field of action independent of its own magnitude. In this inquiry we have ignored all relations arising from the process of circulation, which may produce very different degrees of efficiency in the same mass of capital. And since we presupposed the limits set by capitalist production, i.e. we presupposed the social process of production in a form developed by purely spontaneous growth, we disregarded any more rational combination which could be effected directly and in a planned way with the means of production and the labour-power at present available. Classical political economy has always liked to conceive social capital as a fixed magnitude of a fixed degree of efficiency. But this prejudice was first established as a dogma by the arch-philistine, Jeremy Bentham, that soberly pedantic and heavy-footed oracle of the 'common sense' of the nineteenth-century bourgeoisie.[50] Bentham is among philosophers what Martin Tupper* is among poets. Both could only have been manufactured in England.[51]

[50] Cf. among other passages, Jeremy Bentham, *Théorie des peines et des récompenses*, tr. Ét. Dumont, 3rd edn, Paris, 1826, Vol. 2, Bk IV, Ch. 2.

[51] Bentham is a purely English phenomenon. Not even excepting our own philosopher, Christian Wolff,* in no time and in no country has the most homespun manufacturer of commonplaces ever strutted about in so self-satisfied a way. The principle of utility was no discovery made by Bentham. He simply reproduced in his dull way what Helvétius and other Frenchmen had said with wit and ingenuity in the eighteenth century. To know what is useful for a dog, one must investigate the nature of dogs. This nature is not

* Christian Wolff (1679–1754) was a German philosopher and mathematician, a disciple of Leibniz. His philosophy was in fact a common-sense adaptation and watering down of Leibniz's ideas, and it held the field in Germany from the 1730s until Kant's time.

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*Martin Tupper (1810–89) was an English man of letters and poet. His fame in Victorian times rested on his *Proverbial Philosophy* (1838–67), a long series of commonplace didactic moralizings in blank verse.

This dogma in fact renders the commonest phenomena of the production process, for instance its sudden expansions and contractions, and even accumulation itself, absolutely incomprehensible.[52] It was used by Bentham himself, as well as by Malthus, James Mill, MacCulloch, etc., for apologetic purposes, and in particular so as to represent one part of capital, namely variable capital, or that part convertible into labour-power, as being of fixed size. Variable capital in its material existence, i.e. the mass of the means of subsistence it represents for the worker, or the so-called labour fund, was turned by this fable into a separate part of social wealth, confined by natural chains and unable to cross the boundary to the other parts. To set in motion the part of social wealth which is to function as constant capital, or, to express it in a material form, as means of production, a definite mass of living labour is required. This mass is given by technology. But the number of workers required to put this mass of labour-power in a fluid

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itself deducible from the principle of utility. Applying this to man, he that would judge all human acts, movements, relations, etc. according to the principle of utility would first have to deal with human nature in general, and then with human nature as historically modified in each epoch. Bentham does not trouble himself with this. With the dryest naïveté he assumes that the modern petty bourgeois, especially the English petty bourgeois, is the normal man. Whatever is useful to this peculiar kind of normal man, and to his world, is useful in and for itself. He applies this yardstick to the past, the present and the future. The Christian religion, for example, is 'useful', 'because it forbids in the name of religion the same faults that the penal code condemns in the name of the law'. Art criticism is 'harmful' because it disturbs worthy people in their enjoyment of Martin Tupper, etc. This is the kind of rubbish with which the brave fellow, with his motto *'nulla dies sine linea'*,* has piled up mountains of books. If I had the courage of my friend Heinrich Heine, I should call Mr Jeremy a genius in the way of bourgeois stupidity.

[52] 'Political economists are too apt to consider a certain quantity of capital and a certain number of labourers as productive instruments of uniform power, or operating with a certain uniform intensity ... Those ... who maintain ... that commodities are the sole agents of production ... prove that production could never be enlarged, for it requires as an indispensable condition to such an enlargement that food, raw materials, and tools should be previously augmented; which is in fact maintaining that no increase of production can take place without a previous increase, or, in other words, that an increase is impossible' (S. Bailey, *Money and Its Vicissitudes*, pp. 58, 70). Bailey criticizes the dogma mainly from the point of view of the process of circulation.

*'No day without its line'. This statement was ascribed in antiquity to the painter Apelles, who (it is said) let no day go by without adding something to a painting. (Pliny the Elder, *Historia naturalis*, Bk XXXV, para. 84.)

state is not given, for it changes with the degree of exploitation of the individual labour-power. Nor is the price of this labour-power given, but only its minimum limit, which is moreover very elastic. The facts on which the dogma is based are these: on the one hand, the worker has no right to interfere in the division of social wealth into means of enjoyment for the non-worker and means of production. On the other hand, it is only in favourable and exceptional cases that he can enlarge the so-called 'labour fund' at the expense of the 'revenue' of the rich.[53]

How absurd a tautology results from the attempt to represent the capitalist limits of the labour fund as social barriers imposed by its very nature may be seen, for example, in Professor Fawcett.[54] 'The circulating capital of a country,' he says, 'is its wage-fund. Hence, if we desire to calculate the average money wages received by each labourer, we have simply to divide the amount of this capital by the number of the labouring population.'[55] That is to say, we first add together the individual wages actually paid, and then we assert that the sum thus obtained forms the total value of the 'labour fund' handed down to us by the grace of God and Nature. Lastly, we divide the sum thus obtained by the number of workers, in order to find out how much each is permitted to receive on the average. A very shrewd way of proceeding, this is. It does not prevent Mr Fawcett from saying, in the same breath: 'The aggregate wealth which is annually saved in England, is divided into two portions; one portion is employed as capital to maintain our industry, and the other portion is exported to foreign countries . . . Only a portion, and perhaps, not a large portion of the wealth which is annually saved in this country, is invested in our own industry.'[56]

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[53] In his *Principles of Political Economy* [1868 edition, p. 128], John Stuart Mill says this: 'The produce of labour is apportioned at present in an inverse ratio to the labour – the largest portions to those who have never worked at all, the next largest to those whose work is almost nominal, and so in a descending scale, the remuneration dwindling as the work grows harder and more disagreeable, until the most fatiguing and exhausting bodily labour cannot count with certainty on being able to earn even the necessaries of life.' To avoid misunderstandings, let me say that, while it is quite right to rebuke men like John Stuart Mill for the contradiction between their traditional economic dogmas and their modern tendencies, it would be very unjust to lump them together with the herd of vulgar economic apologists.

[54] H. Fawcett, Professor of Political Economy at Cambridge, *The Economic Position of the British Labourer*, London, 1865, p. 120.

[55] Let me remind the reader here that I was the first to use the categories 'variable capital' and 'constant capital'. Political economy since the time of Adam Smith has confusedly mixed up the determining characteristics contained in these categories with the merely formal distinction, arising out of the process of circulation, between fixed and circulating capital. For further details on this point, see Volume 2, Part II.

The greater part of the yearly accruing surplus product, which is embezzled from the English workers without any equivalent being given in return, is thus used as capital, not in England, but in foreign countries. But with the additional capital thus exported, a part of the 'labour fund' invented by God and Bentham naturally also flows out of the country.[57]

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56. Fawcett, op. cit., pp. 122–3

57. It might be said that not only capital but also workers, in the shape of emigrants, are annually exported from England. In the text, however, there is no question of the *peculium** of the emigrants, who are in great part not workers. Most of them are the sons of farmers. The additional capital annually transported abroad to be put out at interest is a much greater proportion of the annual accumulation than the yearly emigration is of the yearly increase of population.

*In Roman law, the small amount of property a father allowed his child, or a master his slave, to hold as his own. Here the meaning is the portion of the labour fund the emigrants have presumably left behind them, thus counterbalancing the loss of the capital exported, or rather the loss of that part of the capital exported which would have contributed to the labour fund if it had remained in the country.

Chapter 25: The General Law of Capitalist Accumulation

1. A GROWING DEMAND FOR LABOUR-POWER ACCOMPANIES ACCUMULATION IF THE COMPOSITION OF CAPITAL REMAINS THE SAME

In this chapter we shall consider the influence of the growth of capital on the fate of the working class. The most important factor in this investigation is the composition of capital, and the changes it undergoes in the course of the process of accumulation.

The composition of capital is to be understood in a twofold sense. As value, it is determined by the proportion in which it is divided into constant capital, or the value of the means of production, and variable capital, or the value of labour-power, the sum total of wages. As material, as it functions in the process of production, all capital is divided into means of production and living labour-power. This latter composition is determined by the relation between the mass of the means of production employed on the one hand, and the mass of labour necessary for their employment on the other. I call the former the value-composition, the latter the technical composition of capital. There is a close correlation between the two. To express this, I call the value-composition of capital, in so far as it is determined by its technical composition and mirrors the changes in the latter, the organic composition of capital. Wherever I refer to the composition of capital, without further qualification, its organic composition is always understood.

The many individual capitals invested in a particular branch of production have compositions which differ from each other to a greater or lesser extent. The average of their individual compositions gives us the composition of the total capital in the branch of production under consideration. Finally, the average of all the average compositions in all branches of production gives us the composition of the total social capital of a country, and it is with this alone that we are concerned here in the final analysis.

Growth of capital implies growth of its variable constituent, in other words, the part invested in labour-power. A part of the surplus-value which has been transformed into additional capital must always be re-transformed into variable capital, or additional labour fund. If we assume that, while all other circumstances remain the same, the composition of capital also remains constant (i.e. a definite mass of the means of production continues to need the same mass of labour-power to set it in motion), then the demand for labour, and the fund for the subsistence of the workers, both clearly increase in the same proportion as the capital, and with the same rapidity. Since the capital produces a surplus-value every year, of which one part is added every year to the original capital; since this increment itself grows every year along with the augmentation of the capital already functioning; and since, lastly, under conditions especially liable to stimulate the drive for self-enrichment, such as the opening of new markets, or of new spheres for the outlay of capital resulting from newly developed social requirements, the scale of accumulation may suddenly be extended merely by a change in the proportion in which the surplus-value or the surplus product is divided into capital and revenue – for all these reasons the requirements of accumulating capital may exceed the growth in labour-power or in the number of workers; the demand for workers may outstrip the supply, and thus wages may rise. This must indeed ultimately be the case if the conditions assumed above continue to prevail. For since in each year more workers are employed than in the preceding year, sooner or later a point must be reached at which the requirements of accumulation begin to outgrow the customary supply of labour, and a rise of wages therefore takes place. Complaints were to be heard about this in England during the whole of the fifteenth century, and the first half of the eighteenth. The more or less favourable circumstances in which the wage-labourers support and multiply themselves in no way alter the fundamental character of capitalist production. As simple reproduction constantly reproduces the capital-relation itself, i.e. the presence of capitalists on the one side, and wage-labourers on the other side, so reproduction on an expanded scale, i.e. accumulation, reproduces the capital-relation on an expanded scale, with more capitalists, or bigger capitalists, at one pole, and more wage-labourers at the other pole. The reproduction of labour-power which must incessantly be re-incorporated into capital as its means of valorization, which cannot get free of capital, and whose enslavement to capital is only concealed by the variety of individual capitalists to whom it sells itself, forms, in fact, a factor in the reproduction of capital itself. Accumulation of capital is therefore multiplication of the proletariat.[1]

Classical political economy grasped this fact so thoroughly that Adam Smith, Ricardo, etc., as mentioned earlier, inaccurately identified accumulation with the consumption, by productive workers, of the whole of the capitalized part of the surplus product, or with the transformation of the surplus product into additional wage-labourers. John Bellers was already saying this in 1696: 'For if one had a hundred thousand acres of land and as many pounds in money, and as many cattle, without a labourer, what would the rich man be, but a labourer? And as the labourers make men rich, so the more labourers there will be, the more rich men ... the labour of the poor being the mines of the rich.'[2] So also Bernard de Mandeville at the beginning of the eighteenth century: 'It would be easier, where property is well secured, to live without money than without poor; for who would do the work? ... As they [the poor] ought to be kept from starving, so they should receive nothing worth saving. If here and there one of the lowest class, by uncommon industry, and pinching his belly, lifts himself above the condition he was brought up in, nobody ought to hinder him; nay, it is undeniably the wisest course for every person in the society, and for every private family to be frugal; but it is the interest of all rich nations, that the greatest part of the poor should almost never be idle, and yet continually spend what they get ... Those that get their living by their daily labour ... have nothing to stir them up to be serviceable but their wants which it is prudence to relieve, but folly to cure. The only thing then that can render the labouring man industrious, is a moderate quantity of money, for as too little will, according as his temper is, either dispirit or make him desperate, so too much will make him insolent and lazy ... From what has been said, it is manifest, that, in a free nation, where slaves are not allowed of, the surest wealth consists in a multitude of laborious poor; for besides that they are the never failing nursery of fleets and armies, without them there could be no enjoyment, and no product of any country could be valuable. To make the society' (which of course consists of non-workers) 'happy and people easier under the meanest circumstances, it is requisite that great numbers of them should be ignorant as well as poor; knowledge both enlarges and multiplies our desires, and the fewer things a man wishes for, the more easily his necessities may be supplied.'[3]

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[1] Karl Marx, 'Wage Labour and Capital', op. cit.* 'If the masses are all oppressed equally, the more proletarians a country has, the richer it will be' (Colins, *L'Économie politique. Source des révolutions et des utopies prétendues socialistes*, Paris, 1857, Vol. 3, p. 331). 'Proletarian' must be understood to mean, economically speaking, nothing other than 'wage-labourer', the man who produces and valorizes 'capital', and is thrown onto the street as soon as he becomes superfluous to the need for valorization possessed by 'Monsieur Capital', as Pecqueur calls this person. 'The sickly proletarian of the primitive forest' is a pretty Roscherian fancy. The primitive forester is the owner of the primitive forest and uses it as his property, meeting as few obstacles to this as an orang-utang. He is not, therefore, a proletarian. This would only be the case if the primitive forest exploited him, instead of being exploited by him. As far as his health is concerned, such a man would well bear comparison, not only with the modern proletarian, but also with the syphilitic and scrofulous 'quality'. However, Herr Wilhelm Roscher no doubt means his native heath of Lüneburg when he talks about a 'primitive forest'.

[2] John Bellers, op. cit., p. 2.

*Karl Marx and Frederick Engels, *Selected Works*, Vol. 1, p. 162.

What Mandeville, an honest man with a clear mind, had not yet grasped was the fact that the mechanism of the accumulation process itself not only increases the amount of capital but also the mass of the 'labouring poor', i.e. the wage-labourers, who turn their labour-power into a force for increasing the valorization of the growing capital, and who are thereby compelled to make their relation of dependence on their own product, as personified in the capitalist, into an eternal relation. In reference to this relation of dependence, Sir F. M. Eden remarks, in his *The State of the Poor; or an History of the Labouring Classes in England*, 'the natural produce of our soil is certainly not fully adequate to our subsistence; we can neither be clothed, lodged nor fed but in consequence of some previous labour. A portion at least of the society must be indefatigably employed ... There are others who, though they "neither toil nor spin", can yet command the produce of industry, but who owe their exemption from labour solely to civilization and order ... They are peculiarly the creatures of civil institutions,[4] which have recognized that individuals may acquire property by various other means besides the exertion of labour ... Persons of independent fortune ... owe their superior advantages by no means to any superior abilities of their own, but almost entirely ... to the industry of others. It is not the possession of land, or of money, but the command of labour which distinguishes the opulent from the labouring part of the community ... This [the scheme approved by Eden] would give the people of property sufficient influence and authority over those who ... work for them; and it would place such labourers, not in an abject or servile condition, but in such a state of easy and liberal dependence as all who know human nature, and its history, will allow to be necessary for their own comfort.'[5] Sir F. M. Eden, it may be remarked in passing, was the only disciple of Adam Smith to have achieved anything of importance during the eighteenth century.[6]

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[3] Bernard de Mandeville, *The Fable of the Bees*, 5th edn, London, 1728, remarks, pp. 212–13, 328. 'Temperate living and constant employment is the direct road, for the poor, to rational happiness' (by which the author means the longest possible working days and the smallest possible amount of the means of subsistence), 'and to riches and strength for the state' (namely for the landowners, capitalists, and their political dignitaries and agents) (*An Essay on Trade and Commerce*, London, 1770, p. 54).

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[4] Eden should have asked whose creatures 'the civil institutions' were. From the standpoint he adopts, that of juridical illusion, he does not regard the law as a product of the material relations of production, but rather the reverse: he sees the relations of production as products of the law. Linguet overthrew Montesquieu's illusory *'esprit des lois'* with one word: *'L'esprit des lois, c'est la propriété'*.*

[5] Eden, op. cit., Vol. 1, Bk I, Ch. 1, pp. 1–2, and Preface, p. xx.

[6] If the reader thinks at this point of Malthus, whose *Essay on Population* appeared in 1798, I would remind him that this work in its first form is nothing more than a schoolboyish, superficial plagiarism of Defoe, Sir James Steuart, Townsend, Franklin, Wallace, etc., declaimed in the manner of a sermon, but not containing a single original proposition of Malthus himself. The great sensation this pamphlet caused was due solely to the fact that it corresponded to the interests of a particular party. The French Revolution had found passionate defenders in the United Kingdom; the 'principle of population', slowly worked out in the eighteenth century, and then, in the midst of a great social crisis, proclaimed with drums and trumpets as the infallible antidote to the doctrines of Condorcet, etc., was greeted jubilantly by the English oligarchy as the great destroyer of all hankerings after a progressive development of humanity. Malthus, greatly astonished at his success, then set himself to the task of stuffing into the old framework of his book various bits of superficially compiled material, and adding to it new matter; but this new matter was not discovered by Malthus, it was merely annexed by him. Let us note incidentally that although Malthus was a parson of the Church of England he had taken the monastic vow of celibacy. For this is one of the conditions of holding a Fellowship in (Protestant) Cambridge University: *'Socios collegiorum*

*'The spirit of the laws is property'. S. Linguet, *Théorie des lois civiles, ou principes fondamentaux de la société*, Vol. 1, London, 1767, p. 236.

maritos esse non permittimus, sed statim postquam quis uxorem duxerit, socius collegii desinat esse '* (*Reports of Cambridge University Commission*, p. 172). This circumstance favourably distinguishes Malthus from other Protestant parsons, who have flung off the Catholic requirement of the celibacy of the priesthood, and taken 'Be fruitful and multiply' as their special Biblical mission to such an extent that they generally contribute to the increase of population to a really unbecoming extent, whilst at the same time preaching the 'principle of population' to the workers. It is characteristic that the fall of man, as economically travestied, the apple of Adam, the 'urgent appetite', 'the checks which tend to blunt the shafts of Cupid', as Parson Townsend waggishly puts it – it is characteristic that this delicate question was and is monopolized by the representatives of Protestant theology, or rather of the Protestant Church. With the exception of the Venetian monk Ortes, an original and clever writer, most of the population theorists are Protestant clerics. For instance, Bruckner's *Théorie du système animal* (Leyden, 1767), in which the whole of the modern theory of population is exhaustively treated, using ideas furnished by the passing dispute between Quesnay and his pupil, the elder Mirabeau;† then Parson Wallace, Parson Townsend, Parson Malthus and his pupil, the arch-Parson Thomas Chalmers, to say nothing of lesser reverend scribblers in this line. Originally, political economy was studied by philosophers such as Hobbes, Locke and Hume; by businessmen and statesmen, like Thomas More, Temple, Sully, De Witt, North, Law, Vanderlint, Cantillon and Franklin; and the theoretical aspects especially were studied, and with the greatest success, by medical men like Petty, Barbon, Mandeville and Quesnay. Even in the middle of the eighteenth century, the Rev. Mr Tucker, a notable economist for that time, made his excuses for meddling with Mammon. Later on, and indeed with the entry of the 'principle of population', the hour of the Protestant parsons struck. Petty, who regarded population as the basis of wealth, and was, like Adam Smith, an outspoken enemy of the parsons, said, as if he had a presentiment of their bungling interference, 'that Religion best flourishes when the Priests are most mortified, as was before said of the Law, which best flourisheth when lawyers have least to do'. He advises the Protestant priests, therefore, if they, once for all, will not follow the Apostle Paul and 'mortify' themselves by celibacy, 'not to breed more Churchmen than the Benefices, as they now stand shared out, will receive, that is to say, if there be places for about 12,000 in England and

*'We do not permit the Fellows of the Colleges to be married, but rather, as soon as anyone takes a wife, he ceases to be a Fellow of his College.'

†Victor Riqueti, marquis de Mirabeau (1715–89), French economist, of the Physiocratic school. In *L'Ami des Hommes, ou traité de la population* (Avignon, 1756), the elder Mirabeau asserted that the level of population was always limited by the quantity of the means of subsistence. He differed from Quesnay in asserting that the decline of the population of France could be remedied by breaking up the great estates and making France a land of small proprietors, who would live frugally and be self-sufficient. Quesnay, on the other hand, supported large-scale agriculture, as he approached the question from the angle of agricultural production rather than that of population. The dispute was only temporary, for in 1763, in his *Philosophie rurale*, Mirabeau adopted all Quesnay's ideas, and disavowed his 'errors' of the past.

Under the conditions of accumulation we have assumed so far, conditions which are the most favourable to the workers, their relation of dependence on capital takes on forms which are endurable or, as Eden says, 'easy and liberal'. Instead of becoming more intensive with the growth of capital, this relation of dependence only becomes more extensive, i.e. the sphere of capital's exploitation and domination merely extends with its own di-

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Wales, it will not be safe to breed up 24,000 ministers, for then the 12,000 which are unprovided for, will seek ways how to get themselves a livelihood, which they cannot do more easily than by persuading the people that the 12,000 incumbents do poison or starve their souls, and misguide them in their way to Heaven' (Petty, *A Treatise of Taxes and Contributions*, London, 1667, p. 57). Adam Smith's position with the Protestant priesthood of his time is shown by the following. In *A Letter to A. Smith, L.L.D., on the Life, Death, and Philosophy of His Friend, David Hume. By one of the People Called Christians*, 4th edn, Oxford, 1784, Dr Horne, Bishop of Norwich, reproves Adam Smith, because in a published letter to Mr Strahan, he 'embalmed his friend David' (i.e. Hume), because he told the world how 'Hume amused himself on his deathbed with Lucian and Whist', and because he even had the impudence to write of Hume: 'I have always considered him, both in his life-time and since his death, as approaching as nearly to the idea of a perfectly wise and virtuous man, as, perhaps, the nature of human frailty will permit.' The bishop cries out, in a passion: 'Is it right in you, Sir, to hold up to our view as "perfectly wise and virtuous" the *character* and *conduct* of one, who seems to have been possessed with an incurable antipathy to all that is called *Religion*; and who strained every nerve to explode, suppress and extirpate the spirit of it among men, that its very name, if he could effect it, might no more be had in remembrance?' (ibid., p. 8). 'But let not the lovers of truth be discouraged, Atheism cannot be of long continuance' (p. 17). Adam Smith 'had the atrocious wickedness to propagate atheism through the land' (namely by his *Theory of Moral Sentiments*). 'Upon the whole, Doctor, your meaning is good; but I think you will not succeed this time. You would persuade us, by the example of *David Hume, Esq.*, that atheism is the only cordial for low spirits, and the proper antidote against the fear of death ... You may smile over *Babylon* in ruins and congratulate the hardened *Pharaoh* on his overthrow in the Red Sea' (ibid., pp. 21–2). One orthodox individual among Adam Smith's college friends wrote after his death: 'Smith's well-placed affection for Hume ... hindered him from being a Christian ... When he met with honest men whom he liked ... he would believe almost anything they said. Had he been a friend of the worthy ingenious Horrocks he would have believed that the moon sometimes disappeared in a clear sky without the interposition of a cloud ... He approached to republicanism in his political principles' (*The Bee*, by James Anderson, 18 vols., Edinburgh, 1791–3, Vol. 3, pp. 166, 165). Parson Thomas Chalmers was inclined to suspect that Adam Smith invented the category of 'unproductive labourers' out of pure malice, so that he could put the Protestant parsons in it, in spite of their blessed work in the vineyard of the Lord.

mensions and the number of people subjected to it. A larger part of the worker's own surplus product, which is always increasing and is continually being transformed into additional capital, comes back to them in the shape of means of payment, so that they can extend the circle of their enjoyments, make additions to their consumption fund of clothes, furniture, etc., and lay by a small reserve fund of money. But these things no more abolish the exploitation of the wage-labourer, and his situation of dependence, than do better clothing, food and treatment, and a larger *peculium*, in the case of the slave. A rise in the price of labour, as a consequence of the accumulation of capital, only means in fact that the length and weight of the golden chain the wage-labourer has already forged for himself allow it to be loosened somewhat. In the controversies on this question, the essential fact has generally been overlooked, namely the *differentia specifica* of capitalist production. Labour-power is not purchased under this system for the purpose of satisfying the personal needs of the buyer, either by its service or through its product. The aim of the buyer is the valorization of his capital, the production of commodities which contain more labour than he paid for, and therefore contain a portion of value which costs him nothing and is nevertheless realized [*realisiert*] through the sale of those commodities. The production of surplus-value, or the making of profits, is the absolute law of this mode of production. Labour-power can be sold only to the extent that it preserves and maintains the means of production as capital, reproduces its own value as capital, and provides a source of additional capital in the shape of unpaid labour.[7] The conditions of its sale, whether more or less favourable to the worker, include therefore the necessity of its constant re-sale, and the constantly extended reproduction of wealth as capital. Wages, as we have seen, imply by their very nature that the worker will always provide a certain quantity of unpaid labour. Even if we leave aside the case where a rise of wages is accompanied by a fall in the price of labour, it is clear that at the best of times an increase in wages means only a quantitative reduction in the amount of unpaid labour the worker has to supply. This reduction can never go so far as to threaten the system itself. Apart from violent conflicts over the rate of wages (and Adam Smith already showed that in such a conflict the master, by and large, remained the master) a rise in the price of labour resulting from accumulation of capital implies the following alternatives:

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[7] 'The limit, however, to the employment of both the operative and the labourer is the same; namely, the possibility of the employer realizing a *profit* on the produce of their industry. If the rate of wages is such as to reduce the master's gains below the average profit of capital, he will cease to employ them, or he will only employ them on condition of submission to a reduction of wages' (John Wade, op. cit., p. 241).

Either the price of labour keeps on rising, because its rise does not interfere with the progress of accumulation. There is nothing remarkable in this, for as Adam Smith says, 'after these' (profits) 'are diminished, stock may not only continue to increase, but to increase much faster than before ... A great stock, though with small profits, generally increases faster than a small stock with great profits' (op. cit., Vol. 1, p. 189). In this case it is evident that a reduction in the amount of unpaid labour in no way interferes with the extension of the domain of capital. Or, the other alternative, accumulation slackens as a result of the rise in the price of labour, because the stimulus of gain is blunted. The rate of accumulation lessens; but this means that the primary cause of that lessening itself vanishes, i.e. the disproportion between capital and exploitable labour-power. The mechanism of the capitalist production process removes the very obstacles it temporarily creates. The price of labour falls again to a level corresponding with capital's requirements for self-valorization, whether this level is below, the same as, or above that which was normal before the rise of wages took place. We see therefore that in the first case it was not the diminished rate, either of the absolute or of the proportional increase in labour-power, or the working population, which caused the excess quantity of capital, but rather the converse; the increase in capital made the exploitable labour-power insufficient. In the second case it was not the increased rate, either of the absolute or of the proportional increase in labour-power, or the working population, that made the capital insufficient, but rather the converse; the relative reduction in the amount of capital caused the exploitable labour-power, or rather its price, to be in excess. It is these absolute movements of the accumulation of capital which are reflected as relative movements of the mass of exploitable labour-power, and therefore seem produced by the latter's own independent movement. To put it mathematically: the rate of accumulation is the independent, not the dependent variable; the rate of wages is the dependent, not the independent variable. Thus, when the industrial cycle is in its phase of crisis, a general fall in the price of commodities is expressed as a rise in the relative value of money, and, in the phase of prosperity, a general rise in the price of commodities is expressed as a fall in the relative value of money. The so-called Currency School* conclude from this that with high prices too much money is in circulation, with low prices too little. Their ignorance and complete misunderstanding of the facts[8] are worthily paralleled by the economists, who interpret the above phenomena of accumulation by saying that in one case there are too few, and in the other, too many wage-labourers in existence.

The law of capitalist production which really lies at the basis of the supposed 'natural law of population' can be reduced simply to this: the relation between capital, accumulation and the rate of wages is nothing other than the relation between the unpaid labour which has been transformed into capital and the additional paid labour necessary to set in motion this additional capital. It is therefore in no way a relation between two magnitudes which are mutually independent, i.e. between the magnitude of the capital and the numbers of the working population; it is rather, at bottom, only the relation between the unpaid and the paid labour of the same working population. If the quantity of unpaid labour supplied by the working class and accumulated by the capitalist class increases so rapidly that its transformation into capital requires an extraordinary addition of paid labour, then wages rise and, all other circumstances remaining equal, the unpaid labour diminishes in proportion. But as soon as this diminution touches the point at which the surplus labour that nourishes capital is no longer supplied in normal quantity, a reaction sets in: a smaller part of revenue is capitalized, accumulation slows down, and the rising movement of wages comes up against an obstacle. The rise of wages is therefore confined within limits that not only leave intact the foundations of the capitalist system, but also secure its reproduction on an increasing scale. The law of capitalist accumulation, mystified by the economists into a supposed law of nature, in fact expresses the situation that the very nature of accumulation excludes every diminution in the degree of exploitation of labour, and every rise in the price of labour, which could seriously imperil

[8] Cf. Karl Marx, *Zur Kritik der Politischen Ökonomie*, pp. 165 ff. [English edition, pp. 182–5].

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*See above, p. 242, for a sketch of the doctrines of the Currency School, or adherents of the 'currency principle'.

the continual reproduction, on an ever larger scale, of the capital-relation. It cannot be otherwise in a mode of production in which the worker exists to satisfy the need of the existing values for valorization, as opposed to the inverse situation, in which objective wealth is there to satisfy the worker's own need for development. Just as man is governed, in religion, by the products of his own brain, so, in capitalist production, he is governed by the products of his own hand.[9]

2. A RELATIVE DIMINUTION OF THE VARIABLE PART OF CAPITAL OCCURS IN THE COURSE OF THE FURTHER PROGRESS OF ACCUMULATION AND OF THE CONCENTRATION ACCOMPANYING IT

According to the economists themselves, it is neither the actual extent of social wealth nor the magnitude of the capital already acquired that leads to a rise of wages, but only the constant growth of accumulation and the degree of rapidity of that growth (Adam Smith, Book I, Chapter 8). So far, we have considered only one special phase of this process, that in which the increase of capital occurs while the technical composition of capital remains constant. But the process goes beyond this phase.

Given the general basis of the capitalist system, a point is reached in the course of accumulation at which the development of the productivity of social labour becomes the most powerful lever of accumulation. 'The same cause,' says Adam Smith, 'which raises the wages of labour, the increase of stock, tends to increase its productive powers, and to make a smaller quantity of labour produce a greater quantity of work.'*

[9] 'If we now return to our first inquiry, where we showed that capital itself is only a product of human labour ... it seems quite incomprehensible that man can have fallen under the domination of capital, his own product, and can be subordinated to it; and as in reality this is indisputably the case, the question involuntarily forces itself on us: How has the worker been able to pass from being the master of capital – as its creator – to being its slave?' (Von Thünen, *Der isolirte Staat*, Part II, Section 2, Rostock, 1863, pp. 5–6). It is to Thünen's credit that he asked this question. His answer is simply childish.

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*Adam Smith, *Wealth of Nations*, Bk I, Cha. 8 (p. 142 of Volume 1 in the 1814 edition).

Apart from natural conditions, such as the fertility of the soil, etc., and apart from the skill of independent and isolated producers (shown rather qualitatively in the high standard of their products than quantitatively in their mass), the level of the social productivity of labour is expressed in the relative extent of the means of production that one worker, during a given time, with the same degree of intensity of labour-power, turns into products. The mass of means of production with which he functions in this way increases with the productivity of his labour. But those means of production play a double role. The increase of some is a consequence, that of the others is a condition, of the increasing productivity of labour. For example, the consequence of the division of labour (under manufacture) and the application of machinery is that more raw material is worked up in the same time, and therefore a greater mass of raw material and auxiliary substances enters into the labour process. That is the consequence of the increasing productivity of labour. On the other hand, the mass of machinery, beasts of burden, mineral manures, drain-pipes, etc. is a condition of the increasing productivity of labour. This is also true of the means of production concentrated in buildings, furnaces, means of transport, etc. But whether condition or consequence, the growing extent of the means of production, as compared with the labour-power incorporated into them, is an expression of the growing productivity of labour. The increase of the latter appears, therefore, in the diminution of the mass of labour in proportion to the mass of means of production moved by it, or in the diminution of the subjective factor of the labour process as compared with the objective factor.

This change in the technical composition of capital, this growth in the mass of the means of production, as compared with the mass of the labour-power that vivifies them, is reflected in its value-composition by the increase of the constant constituent of capital at the expense of its variable constituent. There may be, for example, originally 50 per cent of a capital laid out in means of production, and 50 per cent in labour-power; later on, with the development of the productivity of labour, 80 per cent may be laid out in means of production, 20 per cent in labour-power and so on. This law of the progressive growth of the constant part of capital in comparison with the variable part is confirmed at every step (as already shown) by the comparative analysis of the prices of commodities, whether we compare different economic epochs or different nations in the same epoch. The relative magnitude of the part of the price which represents the value of the means of production, or the constant part of the capital, is in direct proportion to the progress of accumulation, whereas the relative magnitude of the other part of the price, which represents the variable part of the capital, or the payment made for labour, is in inverse proportion to the progress of accumulation.

However, this diminution in the variable part of capital as compared with the constant part, or, in other words, this change in the composition of the value of the capital, provides only an approximate indication of the change in the composition of its material constituents. The value of the capital employed today in spinning is $\frac{7}{8}$ constant and $\frac{1}{8}$ variable, while at the beginning of the eighteenth century it was $\frac{1}{2}$ constant and $\frac{1}{2}$ variable.[*] Yet, in contrast to this, the mass of raw material, instruments of labour, etc. that a certain quantity of spinning labour consumes productively today is many hundred times greater than at the beginning of the eighteenth century. The reason is simple: with the increasing productivity of labour, the mass of the means of production consumed by labour increases, but their value in comparison with their mass diminishes. Their value therefore rises absolutely, but not in proportion to the increase in their mass. The increase of the difference between constant and variable capital is therefore much less than that of the difference between the mass of the means of production into which the constant capital, and the mass of the labour-power into which the variable capital, is converted. The former difference increases with the latter, but in a smaller degree.

The progress of accumulation lessens the relative magnitude of the variable part of capital, therefore, but this by no means thereby excludes the possibility of a rise in its absolute magnitude. Suppose that a capital-value[†] is divided at first into 50 per cent constant and 50 per cent variable capital, and later into 80 per cent constant and 20 per cent variable capital. If, in the meantime, the original capital, say £6,000, has increased to £18,000, its variable constituent has also increased, in fact by 20 per cent. It was £3,000, it is now £3,600. But whereas formerly an increase of capital by 20 per cent would have sufficed to raise the demand for labour by 20 per cent, now the original capital needs to be tripled to secure an increase of 20 per cent in the demand for labour.

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[*] These proportions are notional ones, used for the purposes of illustration.

[†] *Kapitalwert.* This is a compressed way of saying: a quantity of capital possessing a given amount of value.

We showed in Part IV how the development of the social productivity of labour presupposes co-operation on a large scale; how the division and combination of labour can only be organized on that basis, and the means of production economized by concentration on a vast scale; how instruments of labour which, by their very nature, can only be used in common, such as systems of machinery, can be called into existence; how gigantic natural forces can be pressed into the service of production; and how the production process can be transformed into a process of the technological application of scientific knowledge. When the prevailing system is the production of commodities, i.e. where the means of production are the property of private persons and the artisan therefore either produces commodities in isolation and independently of other people, or sells his labour-power as a commodity because he lacks the means to produce independently, the above-mentioned presupposition, namely co-operation on a large scale, can be realized only through the increase of individual capitals, only in proportion as the social means of production and subsistence are transformed into the private property of capitalists. Where the basis is the production of commodities, large-scale production can occur only in a capitalist form. A certain accumulation of capital in the hands of individual producers therefore forms the necessary pre-condition for a specifically capitalist mode of production. We had therefore to presuppose this when dealing with the transition from handicrafts to capitalist industry. It may be called primitive accumulation [*ursprüngliche Akkumulation*], because it is the historical basis, instead of the historical result, of specifically capitalist production. How it itself originates we need not investigate as yet. It is enough that it forms the starting-point. But all methods for raising the social productivity of labour that grow up on this basis are at the same time methods for the increased production of surplus-value or surplus product, which is in its turn the formative element of accumulation. They are, therefore, also methods for the production of capital by capital, or methods for its accelerated accumulation. The continual re-conversion of surplus-value into capital now appears in the shape of the increasing magnitude of the capital that enters into the production process. This is in turn the basis of an extended scale of production, of the methods for raising the productivity of labour that accompany it, and of an accelerated production of surplus-value. If, therefore, a certain degree of accumulation of capital appears as a pre-condition for the specifically capitalist mode of production, the latter reacts back to cause an accelerated accumulation of capital. With the accumulation of capital, therefore, the specifically capitalist mode of production develops, and, with the capitalist mode of production, the accumulation of capital. These two economic factors bring about, in the compound ratio of the impulses they give to each other, that change in the technical composition of capital by which the variable component becomes smaller and smaller as compared with the constant component.

Every individual capital is a larger or smaller concentration of means of production, with a corresponding command over a larger or smaller army of workers. Every accumulation becomes the means of new accumulation. With the increasing mass of wealth which functions as capital, accumulation increases the concentration of that wealth in the hands of individual capitalists, and thereby widens the basis of production on a large scale and extends the specifically capitalist methods of production. The growth of the social capital is accomplished through the growth of many individual capitals. All other circumstances remaining the same, the individual capitals grow, and with their growth the concentration of the means of production increases, in the proportion in which they form aliquot parts of the total social capital. At the same time offshoots split off from the original capitals and start to function as new and independent capitals. Apart from other causes, the division of property within capitalist families plays a great part in this. With the accumulation of capital, therefore, the number of capitalists grows to a greater or lesser extent. Two features characterize this kind of concentration, which grows directly out of accumulation, or rather is identical with it. Firstly: the increasing concentration of the social means of production in the hands of individual capitalists is, other things remaining equal, limited by the degree of increase of social wealth. Secondly: the part of the social capital domiciled in each particular sphere of production is divided among many capitalists who confront each other as mutually independent and competitive commodity-producers. Therefore not only are accumulation and the concentration accompanying it scattered over many points, but the increase of each functioning capital is thwarted by the formation of new capitals and the subdivision of old. Accumulation, therefore, presents itself on the one hand as increasing concentration of the means of production, and of the command over labour; and on the other hand as repulsion of many individual capitals from one another.

This fragmentation of the total social capital into many individual capitals, or the repulsion of its fractions from each other, is counteracted by their attraction. The attraction of capitals no longer means the simple concentration of the means of production and the command over labour, which is identical with accumulation. It is concentration of capitals already formed, destruction of their individual independence, expropriation of capitalist by capitalist, transformation of many small into few large capitals. This process differs from the first one in this respect, that it only presupposes a change in the distribution of already available and already functioning capital. Its field of action is therefore not limited by the absolute growth of social wealth, or in other words by the absolute limits of accumulation. Capital grows to a huge mass in a single hand in one place, because it has been lost by many in another place. This is centralization proper, as distinct from accumulation and concentration.

The laws of this centralization of capitals, or of the attraction of capital by capital, cannot be developed here. A few brief factual indications must suffice. The battle of competition is fought by the cheapening of commodities. The cheapness of commodities depends, all other circumstances remaining the same, on the productivity of labour, and this depends in turn on the scale of production. Therefore the larger capitals beat the smaller. It will further be remembered that, with the development of the capitalist mode of production, there is an increase in the minimum amount of individual capital necessary to carry on a business under its normal conditions. The smaller capitals, therefore, crowd into spheres of production which large-scale industry has taken control of only sporadically or incompletely. Here competition rages in direct proportion to the number, and in inverse proportion to the magnitude, of the rival capitals. It always ends in the ruin of many small capitalists, whose capitals partly pass into the hands of their conquerors, and partly vanish completely. Apart from this, an altogether new force comes into existence with the development of capitalist production: the credit system.* In its first stages, this system furtively creeps in as the humble assistant of accumulation, drawing into the hands of individual or associated capitalists by invisible threads the money resources, which lie scattered in larger or smaller amounts over the surface of society; but it soon becomes a new and terrible weapon in the battle of competition and is finally transformed into an enormous social mechanism for the centralization of capitals.

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* [The passage which follows, from 'In its first stages' to 'movement towards centralization' (p. 780) was added by Engels to the fourth German

Commensurately with the development of capitalist production and accumulation there also takes place a development of the two

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edition, on the basis of the French translation of 1872. It replaces the following passage, written by Marx and retained throughout the first three German editions:] 'Not only is this itself a new and mighty weapon in the battle of competition. By unseen threads it also draws the disposable money, scattered in larger or smaller masses over the surface of society, into the hands of individual or associated capitalists. It is the specific machine for the centralization of capitals. The centralization of capitals, or the process of their attraction, becomes more intense in proportion as the specifically capitalist mode of production develops along with accumulation. In its turn, centralization becomes one of the greatest levers of this development. It shortens and quickens the transformation of separate processes of production into processes socially combined and carried out on a large scale. The increasing bulk of individual masses of capital becomes the material basis of an uninterrupted revolution in the mode of production itself. The capitalist mode of production continually conquers branches of industry not yet wholly, or only sporadically or formally, subjugated by it. At the same time there grow up on its soil new branches of industry, which could not exist without it. Finally, in the branches of industry already carried on upon the capitalist basis, the productivity of labour is made to ripen as in a hothouse. In all these cases, the number of workers falls in proportion to the mass of the means of production worked up by them. An ever increasing part of the capital is turned into means of production, an ever decreasing part into labour-power. The degree to which the means of production are means of employment for the workers lessens progressively as those means become more extensive, more concentrated, and technically more efficient. A steam plough is an incomparably more efficient means of production than an ordinary plough, but the capital-value laid out in it is an incomparably smaller means for employing men than if it were laid out in ordinary ploughs. At first, it is the mere adding of new capital to old which allows the objective conditions of the process of production to be extended and undergo technical transformations. But soon these changes of composition, and technical transformations, get a more or less complete grip on all the old capital that has reached the term of its period of reproduction and therefore has to be replaced. This metamorphosis of old capital is independent, to a certain extent, of the absolute growth of social capital, in the same way as is its centralization. But this centralization, which only redistributes the social capital already to hand, and melts a number of old capitals into one, works in its turn as a powerful agent in the metamorphosis of old capital.'

most powerful levers of centralization – competition and credit. At the same time the progress of accumulation increases the material amenable to centralization, i.e. the individual capitals, while the expansion of capitalist production creates, on the one hand, the social need, and on the other hand, the technical means, for those immense industrial undertakings which require a previous centralization of capital for their accomplishment. Today, therefore, the force of attraction which draws together individual capitals, and the tendency to centralization, are both stronger than ever before. But if the relative extension and energy of the movement towards centralization is determined, to a certain degree, by the magnitude of capitalist wealth and the superiority of the economic mechanism already attained, the advance of centralization does not depend in any way on a positive growth in the magnitude of social capital. And this is what distinguishes centralization from concentration, the latter being only another name for reproduction on an extended scale. Centralization may result from a mere change in the distribution of already existing capitals, from a simple alteration in the quantitative grouping of the component parts of social capital. Capital can grow into powerful masses in a single hand in one place, because in other places it has been withdrawn from many individual hands. In any given branch of industry centralization would reach its extreme limit if all the individual capitals invested there were fused into a single capital.[10] In a given society this limit would be reached only when the entire social capital was united in the hands of either a single capitalist or a single capitalist company.

Centralization supplements the work of accumulation by enabling industrial capitalists to extend the scale of their operations. Whether this latter result is the consequence of accumulation or centralization, whether centralization is accomplished by the violent method of annexation – where certain capitals become such preponderant centres of attraction for others that they shatter the individual cohesion of the latter and then draw the separate fragments to themselves – or whether the fusion of a number of capitals already formed or in process of formation takes place by the smoother process of organizing joint-stock companies – the

[10] [Note by Engels to the fourth German edition:] The latest English and American 'trusts' are already striving to attain this goal by attempting to unite at least all the large-scale concerns in one branch of industry into a single great joint-stock company with a practical monopoly.

economic effect remains the same. Everywhere the increased scale of industrial establishments is the starting-point for a more comprehensive organization of the collective labour of many people, for a broader development of their material motive forces, i.e. for the progressive transformation of isolated processes of production, carried on by customary methods, into socially combined and scientifically arranged processes of production.

But accumulation, the gradual increase of capital by reproduction as it passes from the circular to the spiral form, is clearly a very slow procedure compared with centralization, which needs only to change the quantitative groupings of the constituent parts of social capital. The world would still be without railways if it had had to wait until accumulation had got a few individual capitals far enough to be adequate for the construction of a railway. Centralization, however, accomplished this in the twinkling of an eye, by means of joint-stock companies. And while in this way centralization intensifies and accelerates the effects of accumulation, it simultaneously extends and speeds up those revolutions in the technical composition of capital which raise its constant portion at the expense of its variable portion, thus diminishing the relative demand for labour.

The masses of capital welded together overnight by centralization reproduce and multiply as the others do, only more rapidly, and they thereby become new and powerful levers of social accumulation. Therefore, when we speak of the progress of social accumulation, we tacitly include – these days – the effects of centralization.

The additional capitals formed in the normal course of accumulation (see Chapter 24, Section 1) serve above all as vehicles for the exploitation of new inventions and discoveries, and industrial improvements in general. But in time the old capital itself reaches the point where it has to be renewed in all its aspects, a time when it sheds its skin and is reborn like the other capitals in a perfected technical shape, in which a smaller quantity of labour will suffice to set in motion a larger quantity of machinery and raw material. The absolute reduction in the demand for labour which necessarily follows from this is obviously so much the greater, the higher the degree to which the capitals undergoing this process of renewal are already massed together by virtue of the movement towards centralization.

On the one hand, therefore, the additional capital formed in the course of further accumulation attracts fewer and fewer workers in proportion to its magnitude. On the other hand, the old capital periodically reproduced with a new composition repels more and more of the workers formerly employed by it.

3. THE PROGRESSIVE PRODUCTION OF A RELATIVE SURPLUS POPULATION OR INDUSTRIAL RESERVE ARMY

The accumulation of capital, which originally appeared only as its quantitative extension, comes to fruition, as we have seen, through a progressive qualitative change in its composition, i.e. through a continuing increase of its constant component at the expense of its variable component.[11]

The specifically capitalist mode of production, the development of the productivity of labour which corresponds to it, and the change in the organic composition of capital which results from it, are things which do not merely keep pace with the progress of accumulation, or the growth of social wealth. They develop at a much quicker rate, because simple accumulation, or the absolute expansion of the total social capital, is accompanied by the centralization of its individual elements, and because the change in the technical composition of the additional capital goes hand in hand with a similar change in the technical composition of the original capital. With the progress of accumulation, therefore, the proportion of constant to variable capital changes. If it was originally say 1:1, it now becomes successively 2:1, 3:1, 4:1, 5:1, 7:1, etc., so that as the capital grows, instead of $\frac{1}{2}$ its total value, only $\frac{1}{3}$, $\frac{1}{4}$, $\frac{1}{5}$, $\frac{1}{6}$, $\frac{1}{8}$, etc. is turned into labour-power, and, on the other hand, $\frac{2}{3}$, $\frac{3}{4}$, $\frac{4}{5}$, $\frac{5}{6}$, $\frac{7}{8}$, into means of production. Since the demand for labour is determined not by the extent of the total capital but by its variable constituent alone, that demand falls progressively with the growth of the total capital, instead of rising in proportion to it, as was previously assumed. It falls relatively to the magnitude of the total capital, and at an accelerated rate, as this magnitude increases. With the growth of the total capital, its variable constituent, the labour incorporated in it, does admittedly increase, but in a constantly diminishing proportion. The intermediate pauses in which accumulation works as simple extension of production on a given technical basis are shortened. It is not merely that an accelerated accumulation of the total capital, accelerated in a constantly growing progression, is needed to absorb an additional number of workers, or even, on account of the constant metamorphosis of old capital, to keep employed those already performing their functions. This increasing accumulation and centralization also becomes in its turn a source of new changes in the composition of capital, or in other words of an accelerated diminution of the capital's variable component, as compared with its constant one. This accelerated relative diminution of the variable component, which accompanies the accelerated increase of the total capital and moves more rapidly than this increase, takes the inverse form, at the other pole, of an apparently absolute increase in the working population, an increase which always moves more rapidly than that of the variable capital or the means of employment. But in fact it is capitalist accumulation itself that constantly produces, and produces indeed in direct relation with its own energy and extent, a relatively redundant working population, i.e. a population which is superfluous to capital's average requirements for its own valorization, and is therefore a surplus population.

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[11] [Note by Engels to the third German edition:] In Marx's own copy there is here the marginal note: 'Note here for working out later: if the extension is only quantitative, then for a greater and a smaller capital in the same branch of business the profits are as the magnitudes of the capitals advanced. If the quantitative extension induces a qualitative change, then the rate of profit on the larger capital rises at the same time.'

If we consider the total social capital, we can say that the movement of its accumulation sometimes causes periodic changes, and at other times distributes various phases simultaneously over the different spheres of production. In some spheres a change in the composition of capital occurs without any increase in its absolute magnitude, as a consequence of simple concentration*; in others the absolute growth of capital is connected with an absolute diminution in its variable component, or in other words, in the labour-power absorbed by it; in others again, capital continues to grow for a time on its existing technical basis, and attracts additional labour-power in proportion to its increase, while at other times it undergoes organic change and reduces its variable component; in all spheres, the increase of the variable part of the capital, and therefore of the number of workers employed by it, is always connected with violent fluctuations and the temporary production of a surplus population, whether this takes the more striking form of the extrusion of workers already employed, or the less evident, but not less real, form of a greater difficulty in absorbing the additional working population through its customary outlets.[12] Owing to the magnitude of the already functioning social capital, and the degree of its increase, owing to the extension of the scale of production, and the great mass of workers set in motion, owing to the development of the productivity of their labour, and the greater breadth and richness of the stream springing from all the sources of wealth, there is also an extension of the scale on which greater attraction of workers by capital is accompanied by their greater repulsion; an increase takes place in the rapidity of the change in the organic composition of capital and in its technical form, and an increasing number of spheres of production become involved in this change, sometimes simultaneously, and sometimes alternatively. The working population therefore produces both the accumulation of capital and the means by which it is itself made relatively superfluous; and it does this to an extent which is always increasing.[13] This is a law of population peculiar to the capitalist mode of production; and in fact every particular historical mode of production has its own special laws of population, which are historically valid within that particular sphere. An abstract law of population exists only for plants and animals, and even then only in the absence of any historical intervention by man.

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*The first three editions have here 'centralization' instead of 'concentration'.

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[12] The census of England and Wales shows, for instance, all persons employed in agriculture (landlords, farmers, gardeners, shepherds, etc. included): 1851: 2,011,447; 1861: 1,924,110; a reduction of 87,337. Worsted manufacture, 1851: 102,714 persons; 1861: 79,242. Silk weaving, 1851: 111,940; 1861: 101,678. Calico-printing, 1851: 12,098; 1861: 12,556; a small increase, despite the enormous extension of this industry, which implies a great proportional reduction in the number of workers employed. Hat-making, 1851: 15,957; 1861: 13,814. Straw-hat and bonnet-making, 1851: 20,393; 1861: 18,176. Malting, 1851: 10,566; 1861: 10,677. Chandlery, 1851: 4,949; 1861: 4,686; this fall is due, among other things, to the increase in lighting by gas. Comb-making, 1851: 2,038; 1861: 1,478. Sawyers, 1851: 30,552; 1861: 31,647; a small increase, owing to the spread of sawing-machines. Nail-making, 1851: 26,940; 1861: 26,130; a fall, owing to the competition of machinery. Tin- and copper-mining, 1851: 31,360; 1861: 32,041. As against this, however, we have cotton-spinning and weaving, 1851: 371,777; 1861: 456,646; and coal-mining, 1851: 183,389; 1861: 246,613. 'The increase of labourers is generally greatest, since 1851, in those branches of industry in which machinery has not up to the present been employed with success' (*Census of England and Wales for the Year 1861*, Vol. 3, London, 1863, p. 36).

[13] (The law of progressive diminution of the relative magnitude of variable capital, together with its effect on the situation of the class of wage-labourers, is suspected rather than understood by some of the prominent economists of the classical school. In this respect the greatest merit is due to John Barton, although he, like all the others, mixes up constant with fixed capital, and variable with circulating capital. He says:*) 'The demand for labour depends

*The passage in parentheses was added by Engels to the fourth German edition on the authority of changes made by Marx in the French edition. The whole of note 13 appears in fact in the main text of the French edition.

But if a surplus population of workers is a necessary product of accumulation or of the development of wealth on a capitalist basis, this surplus population also becomes, conversely, the lever of capitalist accumulation, indeed it becomes a condition for the existence of the capitalist mode of production. It forms a disposable industrial reserve army, which belongs to capital just as absolutely as if the latter had bred it at its own cost. Independently of the limits of the actual increase of population, it creates a mass of human material always ready for exploitation by capital in the interests of capital's own changing valorization requirements. With accumulation, and the development of the productivity

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on the increase of circulating, and not of fixed capital. Were it true that the proportion between these two sorts of capital is the same at all times, and in all circumstances, then, indeed, it follows that the number of labourers employed is in proportion to the wealth of the state. But such a proposition has not the semblance of probability. As arts are cultivated, and civilization is extended, fixed capital bears a larger and larger proportion to circulating capital. The amount of fixed capital employed in the production of a piece of British muslin is at least a hundred, probably a thousand times greater than that employed in a similar piece of Indian muslin. And the proportion of circulating capital is a hundred or thousand times less . . . the whole of the annual savings, added to the fixed capital, would have no effect in increasing the demand for labour' (John Barton, *Observations on the Circumstances which Influence the Condition of the Labouring Classes of Society*, London, 1817, pp. 161–7). 'The same cause which may increase the net revenue of the country may at the same time render the population redundant, and deteriorate the condition of the labourer' (Ricardo, op. cit., p. 469). With the increase of capital, 'the demand' (for labour) 'will be in a diminishing ratio' (ibid., p. 480, n.). 'The amount of capital devoted to the maintenance of labour may vary, independently of any changes in the whole amount of capital . . . Great fluctuations in the amount of employment, and great suffering may become more frequent as capital itself becomes more plentiful' (Richard Jones, *An Introductory Lecture on Political Economy*, London, 1833, p. 12). 'Demand' (for labour) 'will rise . . . not in proportion to the accumulation of the general capital . . . Every augmentation, therefore, in the national stock destined for reproduction, comes, in the progress of society, to have less and less influence upon the condition of the labourer' (Ramsay, op. cit., pp. 90–91).

of labour that accompanies it, capital's power of sudden expansion also grows; it grows, not merely because the elasticity of the capital already functioning increases, not merely because the absolute wealth of society expands (and capital only forms an elastic part of this), not merely because credit, under every special stimulus, at once places an unusual part of this wealth at the disposal of production in the form of additional capital; it grows also because the technical conditions of the production process – machinery, means of transport, etc. – themselves now make possible a very rapid transformation of masses of surplus product into additional means of production. The mass of social wealth, overflowing with the advance of accumulation and capable of being transformed into additional capital, thrusts itself frantically into old branches of production, whose market suddenly expands, or into newly formed branches, such as railways, etc., which now become necessary as a result of the further development of the old branches. In all such cases, there must be the possibility of suddenly throwing great masses of men into the decisive areas without doing any damage to the scale of production in other spheres. The surplus population supplies these masses. The path characteristically described by modern industry, which takes the form of a decennial cycle (interrupted by smaller oscillations) of periods of average activity, production at high pressure, crisis, and stagnation, depends on the constant formation, the greater or less absorption, and the re-formation of the industrial reserve army or surplus population. In their turn, the varying phases of the industrial cycle recruit the surplus population, and become one of the most energetic agencies for its reproduction.

This peculiar cyclical path of modern industry, which occurs in no earlier period of human history, was also impossible when capitalist production was in its infancy. The composition of capital at that time underwent only very gradual changes. By and large, therefore, the proportional growth in the demand for labour has corresponded to the accumulation of capital. Even though the advance of accumulation was slow in comparison with that of the modern epoch, it came up against a natural barrier in the shape of the exploitable working population; this barrier could only be swept away by the violent means we shall discuss later. The expansion by fits and starts of the scale of production is the precondition for its equally sudden contraction; the latter again evokes the former, but the former is impossible without disposable human material, without an increase in the number of workers, which must occur independently of the absolute growth of the population. This increase is effected by the simple process that constantly 'sets free' a part of the working class; by methods which lessen the number of workers employed in proportion to the increased production. Modern industry's whole form of motion therefore depends on the constant transformation of a part of the working population into unemployed or semi-employed 'hands'. The superficiality of political economy shows itself in the fact that it views the expansion and contraction of credit as the cause of the periodic alternations in the industrial cycle, whereas it is a mere symptom of them. Just as the heavenly bodies always repeat a certain movement, once they have been flung into it, so also does social production, once it has been flung into this movement of alternate expansion and contraction. Effects become causes in their turn, and the various vicissitudes of the whole process, which always reproduces its own conditions, take on the form of periodicity.* When this periodicity has once become consolidated, even political economy sees that the production of a relative surplus population – i.e. a population surplus in relation to capital's average requirements for valorization – is a necessary condition for modern industry.

'Suppose,' says H. Merivale, formerly Professor of Political Economy at Oxford, and later on employed at the Colonial Office, 'suppose that, on the occasion of some of these crises, the nation were to rouse itself to the effort of getting rid by emigration of some hundreds of thousands of superfluous arms, what would be the consequence? That, at the first returning demand for labour, there would be a deficiency. However rapid reproduction may be, it takes, at all events, the space of a generation to replace the loss of adult labour. Now, the profits of our manufacturers depend mainly on the power of making use of the prosperous moment when demand is brisk, and thus compensating themselves for the interval during which it is slack. This power is secured to them only by the command of machinery and of manual labour. They must have hands ready by them, they must be able to increase the activity of their operations when required, and to slacken it again, according to the state of the market, or they cannot possibly maintain that pre-eminence in the race of competition on which the wealth of the country is founded.'[14] Even Malthus recognizes that a surplus population is a necessity of modern industry, although he explains this, in his narrow fashion, not by saying that part of the working population has been rendered relatively superfluous, but by referring to its excessive growth. He says: 'Prudential habits with regard to marriage, carried to a considerable extent among the labouring class of a country mainly depending upon manufactures and commerce, might injure it . . . From the nature of a population, an increase of labourers cannot be brought into market in consequence of a particular demand till after the lapse of 16 or 18 years, and the conversion of revenue into capital, by saving, may take place much more rapidly; a country is always liable to an increase in the quantity of the funds for the maintenance of labour faster than the increase of population.'[15] After political economy has thus declared that the constant production of a relative surplus population of workers is a necessity of capitalist accumulation, she very aptly adopts the shape of an old maid and puts into the mouth of her ideal capitalist the following words addressed to the 'redundant' workers who have been thrown onto the streets by their own creation of additional capital: 'We manufacturers do what we can for you, whilst we are increasing that capital on which you

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*The following passage is inserted at this point in the French edition: 'But only after mechanical industry had struck root so deeply that it exerted a preponderant influence on the whole of national production; only after foreign trade began to predominate over internal trade, thanks to mechanical industry; only after the world market had successively annexed extensive areas of the New World, Asia and Australia; and finally, only after a sufficient number of industrial nations had entered the arena – only after all this had happened can one date the repeated self-perpetuating cycles, whose successive phases embrace years, and always culminate in a general crisis, which is the end of one cycle and the starting-point of another. Until now the duration of these cycles has been ten or eleven years, but there is no reason to consider this duration as constant. On the contrary, we ought to conclude, on the basis of the laws of capitalist production as we have just expounded them, that the duration is variable, and that the length of the cycles will gradually diminish.'

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14. H. Merivale, *Lectures on Colonization and Colonies*, London, 1841, Vol. 1, p. 146.

15. Malthus, *Principles of Political Economy*, pp. 215, 319–20. In this work Malthus finally discovers, with the help of Sismondi, the beautiful trinity of capitalist production: over-production, over-population and over-consumption. Three very delicate monsters, indeed! Cf. F. Engels, *Umrisse zu einer Kritik der Nationalökonomie*, op. cit., p. 107 ff. [English translation, pp. 437–40].

must subsist, and you must do the rest by accommodating your numbers to the means of subsistence.'[16]

Capitalist production can by no means content itself with the quantity of disposable labour-power which the natural increase of population yields. It requires for its unrestricted activity an industrial reserve army which is independent of these natural limits.

We have so far assumed that the increase or diminution of the variable capital corresponds precisely with the increase or diminution of the number of workers employed.

But the number of workers under the command of capital may remain the same, or even fall, while the variable capital increases. This is the case if the individual worker provides more labour, and his wages thus increase, although the price of labour remains the same or even falls, only more slowly than the mass of labour rises. Increase of variable capital, in this case, becomes an index of more labour, but not of more workers employed. It is the absolute interest of every capitalist to extort a given quantity of labour out of a smaller rather than a greater number of workers, if the cost is about the same. In the latter case, the outlay of constant capital increases in proportion to the mass of labour set in motion; in the former that increase is much smaller. The more extended the scale of production, the more decisive is this motive. Its force increases with the accumulation of capital.

We have seen that the development of the capitalist mode of production, and of the productivity of labour – which is at once the cause and the effect of accumulation – enables the capitalist, with the same outlay of variable capital, to set in motion more labour by greater exploitation (extensive or intensive) of each individual labour-power. We have further seen that the capitalist buys with the same capital a greater mass of labour-power, as he progressively replaces skilled workers by less skilled, mature labour-power by immature, male by female, that of adults by that of young persons or children.

On the one hand, therefore, with the progress of accumulation a larger variable capital sets more labour in motion without enlisting more workers; on the other, a variable capital of the same magnitude sets in motion more labour with the same mass of labour-power; and, finally, a greater number of inferior labour-powers is set in motion by the displacement of more skilled labour-powers.

[16] Harriet Martineau, 'A Manchester Strike', 1832, p. 101.

The production of a relative surplus population, or the setting free of workers, therefore proceeds still more rapidly than the technical transformation of the process of production that accompanies the advance of accumulation and is accelerated by it, and more rapidly than the corresponding diminution of the variable part of capital as compared with the constant. If the means of production, as they increase in extent and effective power, become to a lesser extent means for employing workers, this relation is itself in turn modified by the fact that in proportion as the productivity of labour increases, capital increases its supply of labour more quickly than its demand for workers. The over-work of the employed part of the working class swells the ranks of its reserve, while, conversely, the greater pressure that the reserve by its competition exerts on the employed workers forces them to submit to over-work and subjects them to the dictates of capital. The condemnation of one part of the working class to enforced idleness by the over-work of the other part, and *vice versa*, becomes a means of enriching the individual capitalists,[17] and accelerates at the same time the production of the industrial reserve army on a scale corresponding with the progress of social accumulation. The importance of this element in the formation of the relative surplus population is shown by the example of England. Her technical means for the 'saving' of labour are colossal. Nevertheless, if tomorrow morning labour were universally to be reduced to a rational amount, and proportioned to the different sections of the working class according to age and sex, the available working population would be absolutely insufficient to carry on the nation's production on its present scale. The great majority of the now 'unproductive' workers would have to be turned into 'productive' ones.

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[17] Even in the cotton famine of 1863, we find, in a pamphlet by the cotton-spinning operatives of Blackburn, fierce denunciations of over-work, which of course only affected adult male workers, as a result of the Factory Act. 'The adult operatives at this mill have been asked to work from 12 to 13 hours per day, while there are hundreds who are compelled to be idle who would willingly work partial time, in order to maintain their families and save their brethren from a premature grave through being over-worked ... We,' it goes on to say, 'would ask if the practice of working overtime by a number of hands, is likely to create a good feeling between masters and servants. Those who are worked overtime feel the injustice equally with those who are condemned to forced idleness. There is in the district almost sufficient work to give to all partial employment if fairly distributed. We are only asking what is right in requesting the masters generally to pursue a system of short hours, particularly until a better state of things begins to dawn upon us, rather than to work a portion of the hands overtime, while others, for want of work, are compelled to exist upon charity' (*Reports of the Inspectors of Factories ... 31 October 1863*, p. 8). The author of the *Essay on Trade and Commerce* grasps the effect of a relative surplus population on the employed workers with his usual unerring bourgeois instinct. 'Another cause of idleness in this kingdom is the want of a sufficient number of labouring hands ... Whenever from an extraordinary demand for manufactures, labour grows scarce, the labourers feel their own consequence, and will make their masters feel it likewise – it is amazing; but so depraved are the dispositions of these people, that in such cases a set of workmen have combined to distress the employer by idling a whole day together' (*Essay, etc.*, pp. 27–8). Those fellows were actually asking for a wage-increase!

Taking them as a whole, the general movements of wages are exclusively regulated by the expansion and contraction of the industrial reserve army, and this in turn corresponds to the periodic alternations of the industrial cycle. They are not therefore determined by the variations of the absolute numbers of the working population, but by the varying proportions in which the working class is divided into an active army and a reserve army, by the increase or diminution in the relative amount of the surplus population, by the extent to which it is alternately absorbed and set free. The appropriate law for modern industry, with its decennial cycles and periodic phases which, as accumulation advances, are complicated by irregular oscillations following each other more and more quickly, is the law of the regulation of the demand and supply of labour by the alternate expansion and contraction of capital, i.e. by the level of capital's valorization requirements at the relevant moment, the labour-market sometimes appearing relatively under-supplied because capital is expanding, and sometimes relatively over-supplied because it is contracting. It would be utterly absurd, in place of this, to lay down a law according to which the movement of capital depended simply on the movement of the population. Yet this is the dogma of the economists. According to them, wages rise as a result of the accumulation of capital. Higher wages stimulate the working population to more rapid multiplication, and this goes on until the labour-market becomes over-supplied, and hence capital becomes insufficient in relation to the supply of labour. Wages fall, and now we have the obverse side of the medal. The working population is, little by little, decimated by the fall in wages, so that capital is again in excess in relation to the workers, or, as others explain it, the fall in wages and the corresponding increase in the exploitation of the workers again accelerates accumulation, while, at the same time, the lower wages hold the growth of the working class in check. Then the time comes round again when the supply of labour is less than the demand, wages rise, and so on. This would indeed be a beautiful form of motion for developed capitalist production! Before the rise in wages could produce any positive increase of the population really fit for work, the deadline would long since have passed within which the industrial campaign would have to have been carried through, and the battle fought to a conclusive finish.

Between 1849 and 1859 a rise of wages which was in practice merely nominal, although it was accompanied by a fall in the price of corn, took place in the English agricultural districts. In Wiltshire, for example, the weekly wage rose from 7s. to 8s.; in Dorsetshire it rose from 7s. or 8s. to 9s., and so on. This was the result of an unusual exodus of the agricultural surplus population caused by wartime demands,* and by the vast extension of railways, factories, mines etc. The lower the wage, the higher is the proportion in which even a very insignificant increase is expressed. If the weekly wage, for instance, is 20s. and it rises to 22s., that is a rise of 10 per cent; but if it is only 7s., and it rises to 9s., that is a rise of $28\frac{4}{7}$ per cent, which sounds very fine. Anyway, the farmers howled, and the London *Economist*, with reference to these starvation wages, prattled quite seriously of 'a general and substantial advance'.[18] What did the farmers do now? Did they wait until the agricultural labourers had so increased and multiplied as a result of this splendid remuneration that their wages had to fall again, which is the way things are supposed to happen according to the dogmatic economic brain? No, they introduced more machinery, and in a moment the labourers were 'redundant' again to a degree satisfactory even to the farmers. There was now 'more capital' laid out in agriculture than before, and in a more productive form. With this the demand for labour fell, not only relatively, but absolutely.

The economic fiction we have been dealing with confuses the laws that regulate the general movement of wages, or the ratio between the working class – i.e. the total sum of labour-power – and the total social capital, with the laws that distribute the working

[18] *The Economist*, 21 January 1860.

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*The Crimean War took place between 1854 and 1856.

population over the different spheres of production. If, for example owing to a favourable conjuncture, accumulation in a particular sphere of production becomes especially active, and profits in it, being greater than the average profits, attract additional capital, then of course the demand for labour rises, and wages rise as well. The higher wages draw a larger part of the working population into the more favoured sphere until it is glutted with labour-power, and wages at length fall again to their average level or below it, if the pressure is too great. At that point the influx of workers into the branch of industry in question not only ceases, but gives place to an outflow of workers. Here the political economist thinks he can grasp the situation, he thinks he can see an absolute diminution of workers accompanying an increase of wages, and a diminution of wages accompanying an absolute increase of workers. But he really sees only the local oscillations of the labour-market in a particular sphere of production – he sees only the phenomena which accompany the distribution of the working population into the different spheres of outlay of capital, according to its varying needs.

The industrial reserve army, during the periods of stagnation and average prosperity, weighs down the active army of workers; during the periods of over-production and feverish activity, it puts a curb on their pretensions. The relative surplus population is therefore the background against which the law of the demand and supply of labour does its work. It confines the field of action of this law to the limits absolutely convenient to capital's drive to exploit and dominate the workers.

This is the place to return to one of the great exploits of economic apologetics. It will be remembered that if through the introduction of new machinery, or the extension of old, a portion of variable capital is transformed into constant capital, the economic apologist interprets this operation, which 'fixes' capital and by that very act 'sets free' workers, in exactly the opposite way, pretending that capital is thereby set free *for* the workers. Only now can one evaluate the true extent of the effrontery of these apologists. Not only are the workers directly turned out by the machines set free, but so are their future replacements in the rising generation, as well as the additional contingent which, with the usual extension of business on its old basis, would regularly be absorbed. They are now all 'set free' and every new bit of capital looking round for a function can take advantage of them. Whether it attracts them or others, the effect on the general demand for labour will be nil, if this capital is just sufficient to take out of the market as many workers as the machines threw into it. If it employs a smaller number, the number of 'redundant workers' increases; if it employs a greater, the general demand for labour increases only to the extent of the excess of the employed over those 'set free'. The impulse that additional capital seeking an outlet would otherwise have given to the general demand for labour is therefore in every case neutralized until the supply of workers thrown out of employment by the machine has been exhausted. That is to say, the mechanism of capitalist production takes care that the absolute increase of capital is not accompanied by a corresponding rise in the general demand for labour. And the apologist calls this a compensation for the misery, the sufferings, the possible death of the displaced workers during the transitional period when they are banished into the industrial reserve army! The demand for labour is not identical with increase of capital, nor is supply of labour identical with increase of the working class. It is not a case of two independent forces working on each other. *Les dés sont pipés.** Capital acts on both sides at once. If its accumulation on the one hand increases the demand for labour, it increases on the other the supply of workers by 'setting them free', while at the same time the pressure of the unemployed compels those who are employed to furnish more labour, and therefore makes the supply of labour to a certain extent independent of the supply of workers. The movement of the law of supply and demand of labour on this basis completes the despotism of capital. Thus as soon as the workers learn the secret of why it happens that the more they work, the more alien wealth they produce, and that the more the productivity of their labour increases, the more does their very function as a means for the valorization of capital become precarious; as soon as they discover that the degree of intensity of the competition amongst themselves depends wholly on the pressure of the relative surplus population; as soon as, by setting up trade unions, etc., they try to organize planned co-operation between the employed and the unemployed in order to obviate or to weaken the ruinous effects of this natural law of capitalist production on their class, so soon does capital and its sycophant, political economy, cry out at the infringement of the 'eternal' and so to speak 'sacred' law of supply and demand. Every combination between employed and unemployed disturbs the 'pure' action of this law. But on the other hand, as soon as (in the colonies, for example) adverse circumstances prevent the creation of an industrial reserve army, and with it the absolute dependence of the working class upon the capitalist class, capital, along with its platitudinous Sancho Panza, rebels against the 'sacred' law of supply and demand, and tries to make up for its inadequacies by forcible means.

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*'The dice are loaded'.

4. DIFFERENT FORMS OF EXISTENCE OF THE RELATIVE SURPLUS POPULATION. THE GENERAL LAW OF CAPITALIST ACCUMULATION

The relative surplus population exists in all kinds of forms. Every worker belongs to it during the time when he is only partially employed or wholly unemployed. Leaving aside the large-scale and periodically recurring forms that the changing phases of the industrial cycle impress on it, so that it sometimes appears acute, in times of crisis, and sometimes chronic, in times when business is slack, we can identify three forms which it always possesses: the floating, the latent, and the stagnant.

In the centres of modern industry – factories, workshops, ironworks, mines, etc. – the workers are sometimes repelled, sometimes attracted again in greater masses, so that the number of those employed increases on the whole, although in a constantly decreasing proportion to the scale of production. Here the surplus population exists in the floating form.

Both in the factories proper, and in the large workshops, where machinery enters as one factor, or even where no more than a division of labour of a modern type has been put into operation, large numbers of male workers are employed up to the age of maturity, but not beyond. Once they reach maturity, only a very small number continue to find employment in the same branches of industry, while the majority are regularly dismissed. This majority forms an element of the floating surplus population, which grows with the extension of those branches of industry. Some of these workers emigrate; in fact they are merely following capital, which has itself emigrated. A further consequence is that the female population grows more rapidly than the male – witness England. That the natural increase of the number of workers does not satisfy the requirements of the accumulation of capital, and yet, at the same time, exceeds those requirements, is a contradiction inherent in capital's very movement. Capital demands more youthful workers, fewer adults. This contradiction is no more glaring than the other contradiction, namely that a shortage of 'hands' is complained of, while, at the same time, many thousands are out of work, because the division of labour chains them to a particular branch of industry.[19]

Moreover, the consumption of labour-power by capital is so rapid that the worker has already more or less completely lived himself out when he is only half-way through his life. He falls into the ranks of the surplus population, or is thrust down from a higher to a lower step in the scale. It is precisely among the workers in large-scale industry that we meet with the shortest life-expectancy. 'Dr Lee, Medical Officer of Health for Manchester, stated that the average age at death of the Manchester . . . upper middle class was 38 years, while the average age at death of the labouring class was 17; while at Liverpool those figures were represented as 35 against 15. It thus appeared that the well-to-do classes had a lease of life which was more than double the value of that which fell to the lot of the less favoured citizens.'[20] Under these circumstances, the absolute increase of this section of the proletariat must take a form which swells their numbers, despite the rapid wastage of their individual elements. Hence, rapid replacement of one generation of workers by another (this law does not hold for the other classes of the population). This social requirement is met by early marriages, which are a necessary consequence of the conditions in which workers in large-scale industry live, and by the premium that the exploitation of the workers' children sets on their production.

As soon as capitalist production takes possession of agriculture, and in proportion to the extent to which it does so, the demand for a rural working population falls absolutely, while the accumulation of the capital employed in agriculture advances, without this repulsion being compensated for by a greater attraction of workers, as is the case in non-agricultural industries. Part of the agricultural population is therefore constantly on the point of passing over into an urban or manufacturing proletariat, and on the lookout for opportunities to complete this transformation. (The term 'manufacture' is used here to cover all non-agricultural industries.)[21] There is thus a constant flow from this source of the relative surplus population. But the constant movement towards the towns presupposes, in the countryside itself, a constant latent surplus population, the extent of which only becomes evident at those exceptional times when its distribution channels are wide open. The wages of the agricultural labourer are therefore reduced to a minimum, and he always stands with one foot already in the swamp of pauperism.

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[19] During the last six months of 1866, 80–90,000 people in London were thrown out of work. This is what the Factory Report for that same half year says: 'It does not appear absolutely true to say that demand will always produce supply just at the moment when it is needed. It has not always done so with labour, for much machinery has been idle last year for want of hands' (*Reports of the Inspectors of Factories . . . 31 October 1866*, p. 81).

[20] [Added by Engels to the third German edition:] Opening address to the Sanitary Conference, Birmingham, 14 January 1875, by J. Chamberlain, at that time Mayor of Birmingham, and now (1883) President of the Board of Trade.

The third category of the relative surplus population is the stagnant population. This forms a part of the active labour army, but with extremely irregular employment. Hence it offers capital an inexhaustible reservoir of disposable labour-power. Its conditions of life sink below the average normal level of the working class, and it is precisely this which makes it a broad foundation for special branches of capitalist exploitation. It is characterized by a maximum of working time and a minimum of wages. We have already become familiar with its chief form under the rubric of 'domestic industry'. It is constantly recruited from workers in large-scale industry and agriculture who have become redundant, and especially from those decaying branches of industry where handicraft is giving way to manufacture, and manufacture to machinery. Its extent grows in proportion as, with the growth in the extent and energy of accumulation, the creation of a surplus population also advances. But it forms at the same time a self-reproducing and self-perpetuating element of the working class, taking a proportionally greater part in the general increase of that class than the other elements. In fact, not only the number of births and deaths, but the absolute size of families, stands in inverse proportion to the level of wages, and therefore to the amount of the means of subsistence at the disposal of different categories of worker. This law of capitalist society would sound absurd to savages, or even to civilized colonists. It calls to mind the boundless reproduction of animals individually weak and constantly hunted down.[22]

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[21] The 781 towns enumerated in the census of England and Wales for 1861 'contained 10,960,998 inhabitants, while the villages and country parishes contained 9,105,226. In 1851, 580 towns were distinguished, and the population in them and in the surrounding country was nearly equal. But while in the subsequent ten years the population in the villages and the country increased half a million, the population in the 580 towns increased by a million and a half (1,554,067). The increase of the population of the country parishes is 6·5 per cent, and of the towns 17·3 per cent. The difference in the rates of increase is due to the migration from country to town. Three-fourths of the total increase of population has taken place in the towns' (*Census, etc.*, Vol. 3, pp. 11–12).

Finally, the lowest sediment of the relative surplus population dwells in the sphere of pauperism. Apart from vagabonds, criminals, prostitutes, in short the actual lumpenproletariat, this social stratum consists of three categories. First, those able to work. One need only glance superficially at the statistics of English pauperism to find that the quantity of paupers increases with every crisis of trade, and diminishes with every revival. Second, orphans and pauper children. These are candidates for the industrial reserve army, and in times of great prosperity, such as the year 1860, for instance, they are enrolled in the army of active workers both speedily and in large numbers. Third, the demoralized, the ragged, and those unable to work, chiefly people who succumb to their incapacity for adaptation, an incapacity which results from the division of labour; people who have lived beyond the worker's average life-span; and the victims of industry, whose number increases with the growth of dangerous machinery, of mines, chemical works, etc., the mutilated, the sickly, the widows, etc. Pauperism is the hospital of the active labour-army and the dead weight of the industrial reserve army. Its production is included in that of the relative surplus population, its necessity is implied by their necessity; along with the surplus population, pauperism forms a condition of capitalist production, and of the capitalist development of wealth. It forms part of the *faux frais** of capitalist production: but capital usually knows how to transfer these from its own shoulders to those of the working class and the petty bourgeoisie.

[22] 'Poverty seems favourable to generation' (Adam Smith, *Wealth of Nations*, Bk I, Ch. 8). Indeed, according to the gallant and witty Abbé Galiani, this is a specially wise arrangement made by God. 'God has decreed that the men who carry on the most useful crafts should be born in abundant numbers' (Galiani, op. cit., p. 78). 'Misery up to the extreme point of famine and pestilence, instead of checking, tends to increase population' (S. Laing, *National Distress*, 1844, p. 69). After Laing has illustrated this by statistics, he continues: 'If the people were all in easy circumstances, the world would soon be depopulated.'

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* 'Incidental expenses'.

The greater the social wealth, the functioning capital, the extent and energy of its growth, and therefore also the greater the absolute mass of the proletariat and the productivity of its labour, the greater is the industrial reserve army. The same causes which develop the expansive power of capital, also develop the labour-power at its disposal. The relative mass of the industrial reserve army thus increases with the potential energy of wealth. But the greater this reserve army in proportion to the active labour-army, the greater is the mass of a consolidated surplus population, whose misery is in inverse ratio to the amount of torture it has to undergo in the form of labour. The more extensive, finally, the pauperized sections of the working class and the industrial reserve army, the greater is official pauperism. ***This is the absolute general law of capitalist accumulation.*** Like all other laws, it is modified in its working by many circumstances, the analysis of which does not concern us here.

We can now understand the foolishness of the economic wisdom which preaches to the workers that they should adapt their numbers to the valorization requirements of capital. The mechanism of capitalist production and accumulation itself constantly effects this adjustment. The first word of this adaptation is the creation of a relative surplus population, or industrial reserve army. Its last word is the misery of constantly expanding strata of the active army of labour, and the dead weight of pauperism.

On the basis of capitalism, a system in which the worker does not employ the means of production, but the means of production employ the worker, the law by which a constantly increasing quantity of means of production may be set in motion by a progressively diminishing expenditure of human power, thanks to the advance in the productivity of social labour, undergoes a complete inversion, and is expressed thus: the higher the productivity of labour, the greater is the pressure of the workers on the means of employment, the more precarious therefore becomes the condition for their existence, namely the sale of their own labour-power for the increase of alien wealth, or in other words the self-valorization of capital. The fact that the means of production and the productivity of labour increase more rapidly than the productive population expresses itself, therefore, under capitalism, in the inverse form that the working population always increases more rapidly than the valorization requirements of capital.

We saw in Part IV, when analysing the production of relative surplus-value, that within the capitalist system all methods for raising the social productivity of labour are put into effect at the cost of the individual worker; that all means for the development of production undergo a dialectical inversion so that they become means of domination and exploitation of the producers; they distort the worker into a fragment of a man, they degrade him to the level of an appendage of a machine, they destroy the actual content of his labour by turning it into a torment; they alienate [*entfremden*] from him the intellectual potentialities of the labour process in the same proportion as science is incorporated in it as an independent power; they deform the conditions under which he works, subject him during the labour process to a despotism the more hateful for its meanness; they transform his life-time into working-time, and drag his wife and child beneath the wheels of the juggernaut of capital. But all methods for the production of surplus-value are at the same time methods of accumulation, and every extension of accumulation becomes, conversely, a means for the development of those methods. It follows therefore that in proportion as capital accumulates, the situation of the worker, be his payment high or low, must grow worse. Finally, the law which always holds the relative surplus population or industrial reserve army in equilibrium with the extent and energy of accumulation rivets the worker to capital more firmly than the wedges of Hephaestus held Prometheus to the rock. It makes an accumulation of misery a necessary condition, corresponding to the accumulation of wealth. Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, the torment of labour, slavery, ignorance, brutalization and moral degradation at the opposite pole, i.e. on the side of the class that produces its own product as capital.

This antagonistic character of capitalist accumulation[23] is enunciated in various forms by political economists, although they lump it together with other phenomena which are admittedly to some extent analogous, but nevertheless essentially distinct, since they appear only in pre-capitalist modes of production.

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[23] 'From day to day it thus becomes clearer that the relations of production in which the bourgeoisie moves do not have a simple, uniform character but rather a dual one; that in the same relations in which wealth is produced, poverty is produced also; that in the same relations in which there is a development of the forces of production, there is also the development of a repressive force; that these relations produce bourgeois wealth, i.e. the wealth of the bourgeois class, only by continually annihilating the wealth of the individual members of this class and by producing an ever-growing proletariat' (Karl Marx, *Misère de la philosophie*, p. 116) [English edition, p. 107].

The Venetian monk Ortes, one of the great economic writers of the eighteenth century, regards the antagonism of capitalist production as a universal natural law of social wealth. 'In the economy of a nation, advantages and evils always balance each other' (*il bene ed il male economico in una nazione sempre all'istessa misura*): 'the abundance of wealth with some people is always equal to the lack of wealth with others' (*la copia dei beni in alcuni sempre eguale alla mancanza di essi in altri*): 'The great riches of a small number are always accompanied by the absolute deprivation of the essential necessities of life for many others. The wealth of a nation corresponds with its population, and its misery corresponds with its wealth. Diligence in some compels idleness in others. The poor and idle are a necessary consequence of the rich and active,' and so on.[24] About ten years after Ortes, the High Church Protestant parson, Townsend, glorified misery as a necessary condition of wealth in a thoroughly brutal way. 'Legal constraint' (to labour) 'is attended with too much trouble, violence, and noise, ... whereas hunger is not only a peaceable, silent, unremitted pressure, but as the most natural motive to industry and labour, it calls forth the most powerful exertions.' Everything therefore depends on making hunger permanent among the working class, and this is provided for, according to Townsend, by the principle of population, which is especially applicable to the poor. 'It seems to be a law of Nature that the poor should be to a certain degree improvident' (i.e. so improvident as to be born without silver spoons in their mouths) 'that there may always be some to fulfil the most servile, the most sordid, and the most ignoble offices in the community. The stock of human happiness is thereby much increased, whilst the more delicate are not only relieved from drudgery ... but are left at liberty without interruption to pursue those callings which are suited to their various dispositions ... it' (the Poor Law) 'tends to destroy the harmony and beauty, the symmetry and order of that system which God and Nature have established in the world.'[25] If the Venetian monk found in the fatal destiny that makes misery eternal a justification for the existence of Christian charity, celibacy, monasteries and pious foundations, the beneficed Protestant finds in it a pretext for condemning the laws by which the poor possessed a right to a miserable amount of public relief.

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[24] G. Ortes, *Della economia nazionale libri sei*, 1777, in Custodi, *Parte moderna*, Vol. 21, pp. 6, 9, 22, 25, etc. Ortes says, op. cit., p. 32: 'Instead of projecting useless systems for achieving the happiness of peoples, I shall limit myself to investigating the reasons for their unhappiness.'

[25] *A Dissertation on the Poor Laws. By a Well-Wisher of Mankind* (the

'The progress of social wealth,' says Storch, 'begets this useful class of society ... which performs the most wearisome, the vilest, the most disgusting functions, which, in a word, takes on its shoulders all that is disagreeable and servile in life, and procures thus for other classes leisure, serenity of mind and conventional' (*c'est bon, ça*) 'dignity of character.'[26] Storch then asks himself what the actual advantage is of this capitalist civilization, with its misery and its degradation of the masses, as compared with barbarism. He can find only one answer: security!

'Thanks to the advance of industry and science,' says Sismondi, 'every worker can produce every day much more than he needs to consume. But at the same time, while his labour produces wealth, that wealth would, were he called on to consume it himself, make him less fit for labour.' According to him, 'men' (i.e. non-workers) 'would probably prefer to do without all artistic perfection, and all the enjoyments that industry procures for us, if it were necessary that all should buy them by constant toil like that of the worker ... Exertion today is separated from its recompense; it is not the same man that first works, and then reposes; but it is because the one works that the other rests ... The indefinite multiplication of the productive powers of labour can have no other

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Rev. J. Townsend), 1786, republished London, 1817, pp. 15, 39, 41. This 'delicate' parson, from whose work just quoted, as well as from his *Journey through Spain*, Malthus often copies whole pages, himself borrowed the greater part of his doctrine from Sir James Steuart, though distorting Steuart's views in the process. For example, Steuart says: 'Here, in slavery, was a forcible method of making mankind diligent' (in the interests of the non-workers) ... 'Men were then forced to work' (i.e. to work for others without return) 'because they were slaves of others; men are now forced to work' (i.e. to work for non-workers without return) 'because they are the slaves of their necessities.'* But, unlike our fat benefice-holder, he does not conclude from this that the wage-labourer must always go fasting. He wishes, on the contrary, to multiply their needs, and to make the increasing number of their needs a stimulus to their labour on behalf of the 'more delicate'.

[26] Storch, op. cit., Vol. 3, p. 223.

*Sir James Steuart, *An Inquiry into the Principles of Political Economy*, Vol. 1, Dublin, 1770, pp. 39–40.

result than the increase of luxury and enjoyment on the part of the idle rich.'[27]

And finally, that fish-blooded bourgeois doctrinaire Destutt de Tracy makes the point in the most brutal fashion: 'In poor nations the people are comfortable, in rich nations they are generally poor.'[28]

5. ILLUSTRATIONS OF THE GENERAL LAW OF CAPITALIST ACCUMULATION

(a) England from 1846 to 1866

No period of modern society is so favourable for the study of capitalist accumulation as the period of the last twenty years. It is as if Fortunatus's purse* had been discovered. But of all countries England again provides the classical example, because it holds the foremost place in the world market, because capitalist production is fully developed only in England, and finally because the introduction of the free-trade millennium since 1846 has cut off the last retreat of vulgar economics. We have already sufficiently indicated the titanic progress of production in Part IV; in fact, in the latter half of the twenty-year period under discussion it has gone far beyond its progress in the former half.

Although the absolute growth of the English population in the last half century has been very great, the relative increase or rate of growth has fallen constantly, as is shown by the following table, borrowed from the census, which gives the average annual increase of the population of England and Wales over successive ten-year periods:

	per cent.
1811–21	1·533
1821–31	1·446
1831–41	1·326
1841–51	1·216
1851–61	1·141

[27] Sismondi, op. cit., pp. 79–80, 85.

[28] Destutt de Tracy, op. cit., p. 231: '*Les nations pauvres, c'est là où le peuple est à son aise; et les nations riches, c'est là où il est ordinairement pauvre.*'

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* See above, p. 586.

Let us now, on the other hand, consider the increase of wealth. Here the movement of profits, ground rent, etc., which are subject to income tax, provides the surest basis. The increase of profits liable to income tax in Great Britain from 1853 to 1864 (farmers and some other categories not included) amounted to 50·47 per cent (or an annual average of 4·58 per cent),[29] while the population itself increased during the same period by about 12 per cent. The augmentation of the rent of land subject to taxation (including houses, railways, mines, fisheries, etc.) amounted for 1853 to 1864 to 38 per cent, or $3\frac{5}{12}$ per cent annually. Under this heading, the following categories showed the greatest increase:[30]

	Percentage excess of annual income of 1864 over that of 1853	Percentage increase per year
Houses	38·60	3·50
Quarries	84·76	7·70
Mines	68·85	6·26
Ironworks	39·92	3·63
Fisheries	57·37	5·21
Gasworks	126·02	11·45
Railways	83·29	7·57

If we compare the years from 1853 to 1864 in three sets of four consecutive years each, the rate of increase of these incomes accelerates constantly. Incomes arising from profits increased between 1853 and 1857 at 1·73 per cent a year; 1857–61, 2·74 per cent, and 1861–4, 9·30 per cent a year. The sum of the incomes of the United Kingdom that come under the income tax was, in 1856, £307,068,898; in 1859, £328,127,416; in 1862, £351,745,241; in 1863, £359,142,897; in 1864, £362,462,279; in 1865, £385,530,020.[31]

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[29] *Tenth Report of the Commissioners of H. M. Inland Revenue*, London, 1866, p. 38.

[30] ibid.

[31] These figures are sufficient for comparison, but taken absolutely they are false, since some £100,000,000 of income is not declared every year. The complaints of the Inland Revenue Commissioners about systematic fraud, especially on the part of the commercial and industrial classes, are repeated in each of their reports. For example: 'A joint-stock company returns £6,000 as assessable profits, the surveyor raises the amount to £88,000, and upon that sum duty is ultimately paid. Another company which returns £190,000 is finally compelled to admit that the true return should be £250,000' (ibid., p. 42).

The accumulation of capital was accompanied at the same time by its concentration and centralization. Although no official statistics of agriculture existed for England (they did for Ireland) they were voluntarily given in ten counties. It emerged from these statistics that between 1851 and 1861 the number of farms of less than 100 acres had fallen from 31,583 to 26,597, so that 5,016 had been thrown together into larger farms.[32] From 1815 to 1825 no personal estate of more than £1,000,000 came under the succession duty; from 1825 to 1855, however, eight did; and from 1856 to June 1859, i.e. in 4½ years, four did.[33] The centralization will best be seen, however, from a short analysis of the Income Tax Schedule D (profits, exclusive of farms, etc.), in the years 1864 and 1865. I note in advance that incomes from this source pay income tax on everything over £60. These taxable incomes amounted in England, Wales and Scotland in 1864 to £95,844,222, and in 1865 to £105,435,579.[34] The number of persons taxed was, in 1864, 308,416 out of a population of 23,891,009; in 1865, 332,431 out of a population of 24,127,003. The following table shows the distribution of these incomes in the two years:

	Year ending 5 April 1864		Year ending 5 April 1865	
	Income from profits £	Persons	Income from profits £	Persons
Total income of persons in this category	95,844,222	308,416	105,435,738	332,431
" "	57,028,289	23,334	64,554,297	24,265
" "	36,415,225	3,619	42,535,576	4,021
" "	22,809,781	832	27,555,313	973
" "	8,744,762	91	11,077,238	107

In 1855 there were produced in the United Kingdom 61,543,079 tons of coal, of value £16,113,167; in 1864, 92,787,873 tons, of value £23,197,968; in 1855, 3,218,154 tons of pig-iron, of value £8,045,385; in 1864, 4,767,951 tons, of value £11,919,877. In 1854 the length of railways in use in the United Kingdom was 8,054 miles, with a paid-up capital of £286,068,794; in 1864 the length was 12,789 miles, with a paid-up capital of £425,719,613. In 1854 the total sum of the exports and imports of the United Kingdom was £268,210,145; in 1865, £489,923,285. The following table shows the movement of exports:

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[32] *Census, etc.*, op. cit., p. 29. John Bright's assertion that 150 landlords own half the soil of England, and twelve own half the soil of Scotland, has never been refuted.

[33] *Fourth Report of the Commissioners of H.M. Inland Revenue*, London, 1860, p. 17.

[34] These are the net incomes after certain legally authorized abatements.

1846	£58,842,377
1849	£63,596,052
1856	£115,826,948
1860	£135,842,817
1865	£165,862,402
1866	£188,917,563[35]

After these few examples one understands the cry of triumph uttered by the Registrar-General: 'Rapidly as the population has increased, it has not kept pace with the progress of industry and wealth.'[36]

Let us now turn to the direct agents of this industry, or the producers of this wealth, the working class. 'It is one of the most melancholy features in the social state of this country,' says Gladstone, 'that we see, beyond the possibility of denial, that while there is at this moment a decrease in the consuming powers of the people, an increase of the pressure of privations and distress' (upon the working class) 'there is at the same time a constant accumulation of wealth in the upper classes, an increase of the luxuriousness of their habits, and of their means of enjoyment' (and a constant increase of capital).[37] Thus spake this unctuous minister in the House of Commons on 13 February 1843. On 16 April 1863, twenty years later, in the speech in which he introduced his Budget, he said: 'From 1842 to 1852 the taxable income of the

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35. At this moment, in March 1867, the Indian and Chinese markets are again overstocked by the consignments of the British cotton manufacturers. In 1866 a reduction in wages of 5 per cent took place among the cotton workers. In 1867, as a result of a similar operation, there was a strike of 20,000 men at Preston. [Added by Engels to the fourth German edition:] That was the prelude to the crisis which broke out immediately afterwards.*

36. *Census, etc.*, op. cit., p. 11.

37. Gladstone, in the House of Commons, on 13 February 1843, reported in *The Times*, 14 February 1843.

*The financial and economic crisis of 1866–8.

country increased by 6 per cent ... In the eight years from 1853 to 1861 it had increased from the basis taken in 1853 by 20 per cent! The fact is so astonishing as to be almost incredible ... this intoxicating augmentation of wealth and power ... entirely confined to classes of property ... must be of indirect benefit to the labouring population, because it cheapens commodities of general consumption. While the rich have been growing richer, the poor have been growing less poor. At any rate, whether the extremes of poverty are less, I do not presume to say.'[38] How lame an anticlimax! If the working class has remained 'poor', only 'less poor' in proportion as it produces for the wealthy class 'an intoxicating augmentation of wealth and power', then it has remained relatively just as poor. If the extremes of poverty have not lessened, they have increased, because the extremes of wealth have. As for the cheapening of the means of subsistence, the official statistics, for instance the accounts of the London Orphan Asylum, show an increase in price of 20 per cent over the last ten years, if we compare the average of the three years 1860 to 1862 with the average of 1851 to 1853. In the following three years, 1863 to 1865, there was a progressive rise in the price of meat, butter, milk, sugar, salt, coal and a number of other necessary means of subsistence.[39] Gladstone's next Budget speech of 7 April 1864 is a Pindaric dithyramb on the progress of surplus-value extraction and the happiness of the people, moderated by 'poverty'. He speaks of masses 'on the border of pauperism', of branches of trade in which 'wages have not increased', and finally sums up the happiness of the working class in the words: 'human life is but, in nine cases out of ten, a struggle for existence'.[40] Professor Fawcett, not bound like Gladstone by official considerations, declares roundly: 'I do not, of course, deny that money wages have been augmented by this increase of capital' (in the last ten years) 'but this apparent advantage is to a great extent lost, because many of the necessaries of life are becoming dearer' (he believes that this is because of the fall in value of the precious metals) . . . 'the rich grow rapidly richer, whilst there is no perceptible advance in the comfort enjoyed by the industrial classes . . . They' (the workers) 'become almost the slaves of the tradesman, to whom they owe money.'[41]

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[38] Gladstone, in the House of Commons, 16 April 1863, reported in the *Morning Star*, 17 April 1863.

[39] See the official accounts in the Blue Book entitled *Miscellaneous Statistics of the United Kingdom*, Part VI, London, 1866, pp. 260–73, passim. Instead of the statistics of orphan asylums, etc., the declamations of the ministerial journals in recommending dowries for the royal children might also serve. The greater dearness of the means of subsistence is never forgotten there.

[40] Gladstone, in the House of Commons, 7 April 1864. The Hansard version of the last sentence is 'Again, and yet more at large, what is human life, but, in the majority of cases, a struggle for existence.' The continual crying contradictions in Gladstone's Budget speeches of 1863 and 1864 were characterized by an English writer with the following quotation from Boileau:

Voilà l'homme en effet. Il va du blanc au noir,
Il condamne au matin ses sentiments du soir.

In the chapters on the 'Working Day' and 'Machinery' the reader has seen the circumstances under which the British working class created an 'intoxicating augmentation of wealth and power' for the possessing classes. There we were chiefly concerned with the worker while he was exercising his social function. But for a full elucidation of the law of accumulation, his condition outside the workshop must also be looked at, his condition as to food and accommodation. The limits of this book compel us to concern ourselves chiefly with the worst paid part of the industrial proletariat and the agricultural labourers, who together form the majority of the working class.

But before this, just one word about official pauperism, or the part of the working class which has forfeited its condition of existence (the sale of labour-power), and vegetates on public alms. The official list of paupers in England[42] numbered 851,369 persons in 1855; 877,767 in 1856; and 971,433 in 1865. As a result of the cotton famine, it swelled to 1,079,382 in 1863 and 1,014,978 in 1864. The crisis of 1866, which hit London most severely, created there, in the centre of the world market, a city with more inhabitants than the kingdom of Scotland, an increase of pauperism

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Importun à tout autre, à soi-même incommode,
*Il change à tout moment d'esprit comme de mode.**

([H. Roy,] *The Theory of Exchanges, etc.*, London, 1864, p. 135).

[41] H. Fawcett, op. cit., pp. 67–82. As far as the increasing dependence of workers on the retail shopkeepers is concerned, this is the consequence of the frequent oscillations and interruptions in their employment.

[42] Wales is here always include in England.

*'Such is the man: he goes from black to white. He condemns in the morning what he felt in the evening. A nuisance to everyone else, and an inconvenience to himself, he changes his way of thinking as easily as he changes his way of dressing.'

for the year 1866 of 19·5 per cent compared with 1865, and of 24·4 per cent compared with 1864, and a still greater increase for the first months of 1867 as compared with 1866. Two points emerge clearly when we analyse the statistics of pauperism. On the one hand, the rise and fall of the number of paupers reflects the periodic changes of the industrial cycle. On the other, the official statistics become more and more misleading as to the actual extent of pauperism in proportion as, with the accumulation of capital, the class struggle develops, and hence the class-consciousness of the workers as well. For example, the barbarous nature of the treatment of the paupers, at which the English press (*The Times*, *Pall Mall Gazette*, etc.) has cried out so loudly during the last two years, is in fact of ancient date. F. Engels, in 1844, demonstrated exactly the same horrors, and exactly the same transient, canting outcries of 'sensational literature'.[*] But the frightful increase in the number of deaths by starvation in London during the last ten years proves beyond doubt the growing horror in which the workers hold the slavery of the workhouse,[43] that place of punishment for poverty.

(b) The Badly Paid Strata of the British Industrial Working Class

During the cotton famine of 1862[–3], Dr Edward Smith was charged by the Privy Council to make an investigation into the conditions of nourishment of the distressed cotton workers of Lancashire and Cheshire. His observations during many preceding years had led him to the conclusion that 'to avert starvation diseases' the daily food of an average woman ought to contain at least 3,900 grains of carbon and 180 grains of nitrogen; the daily food of an average man, at least 4,300 grains of carbon and 200 grains of nitrogen; for women, about the same quantity of nutritive elements as are contained in 2 lb. of good wheaten bread, for men $\frac{1}{9}$ more; for the weekly average of adult men and women, at

43. A peculiar light is thrown on the advances made since the time of Adam Smith by the fact that he still occasionally uses the word 'workhouse' as a synonym for 'manufactory'. For example, the opening of his chapter on the division of labour: 'those employed in every different branch of the work can often be collected into the same workhouse.'[*]

[*] Adam Smith, *Wealth of Nations*, Vol. 1, Edinburgh, 1814, p. 6.

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[*] In his *The Condition of the Working Class in England*, published in 1845, but written over the years 1844 and 1845.

least 28,600 grains of carbon and 1,330 grains of nitrogen. His calculation was practically confirmed in a surprising manner by its agreement with the miserable quantity of nourishment to which the emergency had reduced the consumption of the cotton workers. This was, in December 1862, 29,211 grains of carbon and 1,295 grains of nitrogen a week.

In 1863, the Privy Council ordered an investigation into the state of distress of the worst-nourished part of the English working class. Dr Simon, medical officer to the Privy Council, chose for this work the above-mentioned Dr Smith. His inquiry covers on the one hand the agricultural labourers, on the other hand silk-weavers, needlewomen, kid-glovers, stocking-weavers, glove-weavers and shoemakers. The latter categories are, with the exception of the stocking-weavers, exclusively town-dwellers. It was made a rule in the inquiry to select in each category the most healthy families, and those comparatively in the best circumstances.

As a general result it was found that 'in only one of the examined classes of indoor operatives did the average nitrogen supply just exceed, while in another it nearly reached, the estimated standard of bare sufficiency' (i.e. sufficient to avert starvation diseases) 'and that in two classes there was defect – in one, a very large defect – of both nitrogen and carbon. Moreover, as regards the examined families of the agricultural population, it appeared that more than a fifth were with less than the estimated sufficiency of carbonaceous food, that more than one-third were with less than the estimated sufficiency of nitrogenous food, and that in three counties (Berkshire, Oxfordshire, and Somersetshire), insufficiency of nitrogenous food was the average local diet.'[44] Among the agricultural labourers, those of England, the wealthiest part of the United Kingdom, were the worst fed.[45] The insufficiency of food among the agricultural labourers fell as a rule chiefly on the women and children, for 'the man must eat to do his work'. Still greater penury ravaged the urban workers he examined. 'They are so ill fed that assuredly among them there must be many cases of severe and injurious privation.'[46] (This is all 'abstinence' on the part of the capitalist! For it is 'abstinence' from paying for the means of subsistence absolutely necessary for the mere vegetation of his 'hands'.)

The following table shows the conditions of nourishment of the

[44] *Public Health, Sixth Report, 1863*, London, 1864, p. 13.

[45] ibid., p. 17.

[46] ibid., p. 13.

above-named categories of purely town-dwelling workers, as compared with the minimum assumed by Dr Smith, and with the food-allowance of the cotton workers during the time of their greatest distress:[47]

(Both sexes)	Average weekly carbon (in grains)	Average weekly nitrogen (in grains)
Five indoor occupations	28,876	1,192
Unemployed Lancashire operatives	28,211	1,295
Minimum quantity to be allowed to the Lancashire operatives, equal number of males and females	28,600	1,330

Just under one-half ($\frac{60}{125}$) of the categories of industrial worker investigated had absolutely no beer, and 28 per cent no milk. The weekly average of liquid means of nourishment in the families varied from seven ounces in the case of the needlewomen to 24¾ ounces in the case of the stocking-makers. The majority of those who did not obtain milk were needlewomen in London. The quantity of bread consumed weekly varied from 7¾ lb. for the needlewomen to 11½ lb. for the shoemakers, and gave a total average of 9·9 lb. per adult weekly. Sugar (treacle, etc.) varied from 4 ounces weekly for the kid-glovers to 11 ounces for the stocking-makers; and the total average per week for all categories was 8 ounces per adult per week. The total weekly average butter intake (fat, etc.) was 5 ounces per adult. The weekly average of meat (bacon, etc.) varied from 7¼ ounces for the silk-weavers to 18¼ ounces for the kid-glovers; total average for the different categories, 13·6 ounces. The weekly cost of food per adult was expressed in the following average figures: silk-weavers 2s. 2½d., needlewomen 2s. 7d., kid-glovers 2s. 9½d., shoemakers 2s. 7¾d., stocking-weavers 2s. 6¼d. For the silk-weavers of Macclesfield the average was only 1s. 8½d. The worst-nourished categories were the needlewomen, silk-weavers and kid-glovers.[48]

In his General Health Report, Dr Simon says this about the state of nourishment: 'That cases are innumerable in which defective diet is the cause or the aggravator of disease can be affirmed by any one who is conversant with poor law medical practice, or with the wards and out-patient rooms of hospitals . . . Yet in this point of view there is, in my opinion, a very important sanitary context to be added. It must be remembered that privation of food is very reluctantly borne, and that as a rule great poorness of diet will only come when other privations have preceded it. Long before insufficiency of diet is a matter of hygienic concern, long before the physiologist would think of counting the grains of nitrogen and carbon which intervene between life and starvation, the household will have been utterly destitute of material comfort; clothing and fuel will have been even scantier than food – against inclemencies of weather there will have been no adequate protection – dwelling space will have been stinted to the degree in which over-crowding produces or increases disease; of household utensils and furniture there will have been scarcely any – even cleanliness will have been found costly or difficult, and if there still be self-respectful endeavours to maintain it, every such endeavour will represent additional pangs of hunger. The home, too, will be where shelter can be cheapest bought; in quarters where commonly there is least fruit of sanitary supervision, least drainage, least scavenging, least suppression of public nuisances, least or worst water supply, and, if in town, least light and air. Such are the sanitary dangers to which poverty is almost certainly exposed, when it is poverty enough to imply scantiness of food. And while the sum of them is of terrible magnitude against life, the mere scantiness of food is in itself of very serious moment . . . These are painful reflections, especially when it is remembered that the poverty to which they advert is not the deserved poverty of idleness. In all cases it is the poverty of working populations. Indeed, as regards the indoor operatives, the work which obtains the scanty pittance of food, is for the most part excessively prolonged. Yet evidently it is only in a qualified sense that the work can be deemed self-supporting . . . And on a very large scale the nominal self-support can be only a circuit, longer or shorter, to pauperism.'[49]

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[47] *Public Health, Sixth Report, 1863,* London, 1864, Appendix, p. 232.

[48] ibid., pp. 232–3.

The intimate connection between the pangs of hunger suffered by the most industrious layers of the working class, and the extravagant consumption, coarse or refined, of the rich, for which capitalist accumulation is the basis, is only uncovered when the economic laws are known. It is otherwise with the housing situation. Every unprejudiced observer sees that the greater the centrali-

[49] ibid., pp. 14–15.

zation of the means of production, the greater is the corresponding concentration of workers within a given space; and therefore the more quickly capitalist accumulation takes place, the more miserable the housing situation of the working class. 'Improvements' of towns which accompany the increase of wealth, such as the demolition of badly built districts, the erection of palaces to house banks, warehouses etc., the widening of streets for business traffic, for luxury carriages, for the introduction of tramways, obviously drive the poor away into even worse and more crowded corners. On the other hand, everyone knows that the dearness of houses stands in inverse ratio to their quality, and that the mines of misery are exploited by house speculators with more profit and at less cost than the mines of Potosi were ever exploited. The antagonistic character of capitalist accumulation, and thus of capitalist property-relations in general,[50] is here so evident that even the official English reports on this subject teem with heterodox onslaughts on 'property and its rights'. This evil makes such progress alongside the development of industry, the accumulation of capital and the growth and 'improvement' of towns that the sheer fear of contagious diseases, which do not spare even 'respectable people', brought into existence from 1847 to 1864 no less than ten Acts of Parliament on sanitation, and that the frightened middle classes in certain towns, such as Liverpool, Glasgow and so on, took strenuous measures to deal with the problem through their municipalities. Nevertheless, Dr Simon says in his report of 1865: 'Speaking generally, it may be said that the evils are uncontrolled in England.' By order of the Privy Council, in 1864, an inquiry was made into the condition of the housing of agricultural labourers, and in 1865 the same thing was done for the poorer classes of the towns. The results of the admirable work of Dr Julian Hunter are to be found in the seventh (1865) and eighth (1866) Reports on Public Health. I shall come back to the agricultural labourers later on. On the condition of urban dwellings, I quote, as a preliminary, a general remark made by Dr Simon. 'Although my official point of view,' he says, 'is one exclusively physical, common humanity requires that the other aspect of this evil should not be ignored ... In its higher degrees it' (i.e. overcrowding) 'almost necessarily involves such negation of all delicacy, such unclean confusion of bodies and bodily functions, such exposure of animal and sexual nakedness, as is rather bestial than human. To be subject to these influences is a degradation which must become deeper and deeper for those on whom it continues to work. To children who are born under its curse, it must often be a very baptism into infamy. And beyond all measure hopeless is the wish that persons thus circumstanced should ever in other respects aspire to that atmosphere of civilization which has its essence in physical and moral cleanliness.'[51]

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[50] 'In no particular have the rights of *persons* been so avowedly and shamefully sacrificed to the rights of *property* as in regard to the lodging of the labouring class. Every large town may be looked upon a place of human sacrifice, a shrine where thousands pass yearly through the fire as offerings to the moloch of avarice' (S. Laing, op. cit., p. 150).

London takes the first place in overcrowded habitations, absolutely unfit for human beings. 'I feel clear,' says Dr Hunter, 'on two points; first, that there are about twenty large colonies in London, of about 10,000 persons each, whose miserable condition exceeds almost anything I have seen elsewhere in England, and is almost entirely the result of their bad house accommodation; and second, that the crowded and dilapidated condition of the houses of these colonies is much worse than was the case twenty years ago.'[52] 'It is not too much to say that life in parts of London and Newcastle is infernal.'[53]

Furthermore, the better-off part of the working class, together with the small shopkeepers and other elements of the lower middle class, falls in London more and more under the curse of these vile housing conditions, in proportion as 'improvements', and with them the demolition of old streets and houses, advance, in proportion as factories spring up and the influx of people into the metropolis grows, and finally in proportion as house rents rise owing to increases in urban ground rent. 'Rents have become so heavy that few labouring men can afford more than one room.'[54] There is almost no house property in London that is not overburdened with a number of middlemen. For the price of land in London is always very high in comparison with its yearly revenue, and therefore every buyer speculates on getting rid of it again at a 'jury price' (the expropriation valuation fixed by jurymen), or on pocketing an extraordinary increase of value arising from the proximity of some large-scale undertaking. As a result of this, there is a regular trade in the purchase of 'fag-ends of leases'. 'Gentlemen in this business may be fairly expected to do as they do – get all they can from the tenants while they have them, and leave as little as they can for their successors.'[55]

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[51] *Public Health, Eighth Report*, 1866, p. 14, n.

[52] ibid., p. 89. With reference to the children in these 'colonies' Dr Hunter says: 'People are not now alive to tell us how children were brought up before this age of dense agglomerations of poor began, and he would be a rash prophet who should tell us what future behaviour is to be expected from the present growth of children, who, under circumstances probably never before paralleled in this country, are now completing their education for future practice, as "dangerous classes" by sitting up half the night with persons of every age, half naked, drunken, obscene, and quarrelsome' (ibid., p. 56).

[53] ibid., p. 62.

[54] *Report of the Officer of Health of St Martin's in the Fields*, 1865.

The rents are weekly, and these gentlemen run no risk. Owing to the construction of railways within the city, 'the spectacle has lately been seen in the East of London of a number of families wandering about some Saturday night with their scanty worldly goods on their backs, without any resting place but the workhouse.'[56] The workhouses are already overcrowded, and the 'improvements' already sanctioned by Parliament have only just begun. If the workers are driven away by the demolition of their old houses, they either do not leave the old parish, or at the most they settle down on its borders, as near as they can get to it. 'They try, of course, to remain as near as possible to their workshops. The inhabitants do not go beyond the same or the next parish, parting their two-room tenements into single rooms, and crowding even those ... Even at an advanced rent, the people who are displaced will hardly be able to get an accommodation so good as the meagre one they have left ... Half the workmen ... of the Strand ... walked two miles to their work.' This same Strand, a main thoroughfare which gives strangers an imposing idea of the wealth of London, may serve as an example of the way human beings are packed together in that city. In one of its parishes, the Public Health Officer reckoned 581 persons per acre, although half the width of the Thames was included in the parish. It will of course be understood that all the measures for the improvement of public health which have been taken so far in London have in fact, by demolishing uninhabitable houses, driven the workers out of some districts only to crowd them together still more closely in other districts. 'Either,' says Dr Hunter, 'the whole proceeding will of necessity stop as an absurdity, or the public compassion (!) be effectually

[55] *Public Health, Eighth Report*, 1866, p. 91.

[56] ibid., p. 88.

aroused to the obligation which may now be without exaggeration called national, of supplying cover to those who will provide it for them.'[57] Capitalist justice is truly to be wondered at! The owner of land and houses, the businessman, when expropriated by 'improvements' such as railways, the building of new streets, etc., does not just receive full compensation. He must also be comforted, both according to human law and divine law, by receiving a substantial profit in return for his compulsory 'abstinence'. The worker, with his wife and child and chattels, is thrown out into the street, and, if he crowds in too large numbers near districts where the local authority insists on decency, he is prosecuted in the name of public health!

Except London, there was at the beginning of the nineteenth century no single town in England of more than 100,000 inhabitants. Only five had more than 50,000. Now there are twenty-eight towns with more than 50,000 inhabitants. 'The result of this change is not only that the class of town people is enormously increased, but the old close-packed little towns are now centres built round on every side, open nowhere to air, and being no longer agreeable to the rich are abandoned by them for the pleasanter outskirts. The successors of these rich are occupying the larger houses at the rate of a family to each room . . . and find accommodation for two or three lodgers . . . and a population, for which the houses were not intended and quite unfit, has been created, whose surroundings are truly degrading to the adults and ruinous to the children.'[58] The more rapidly capital accumulates in an industrial or commercial town, the more rapidly flows the stream of exploitable human material, the more miserable are the improvised dwellings of the workers.

Newcastle-on-Tyne, as the centre of a coal and iron district which is becoming more and more productive, takes second place after London in the housing inferno. Not less than 34,000 persons live there in single rooms. Because of their absolute danger to the community, houses in great numbers have recently been pulled down by the authorities in Newcastle and Gateshead. The building of new houses progresses very slowly, business very quickly. The town was therefore more full than ever in 1865. There was scarcely a room to let. Dr Embleton, of the Newcastle Fever Hospital,

[57] ibid., p. 89.

[58] ibid., pp. 55–6.

says: 'There can be little doubt that the great cause of the continuance and spread of the typhus has been the over-crowding of human beings, and the uncleanliness of their dwellings. The rooms, in which labourers in many cases live, are situated in confined and unwholesome yards or courts, and for space, light, air, and cleanliness, are models of insufficiency and insalubrity, and a disgrace to any civilized community; in them, men, women, and children lie at night huddled together; and as regards the men, the night-shift succeed the day-shift, and the day-shift the night-shift, in unbroken series for some time together, the beds having scarcely time to cool; the whole house badly supplied with water and worse with privies; dirty, unventilated, and pestiferous.'[59] The price per week of such lodgings ranges from 8d. to 3s. 'The town of Newcastle-on-Tyne,' says Dr Hunter, 'contains a sample of the finest tribe of our countrymen, often sunk by external circumstances of house and street into an almost savage degradation.'[60]

As a result of the ebb and flow of capital and labour, the state of the dwellings of an industrial town may today be tolerable, tomorrow frightful. Or the local magistracy of the town may have summoned up the energy to remove the most shocking abuses. The next day, masses of ragged Irishmen or decayed English agricultural labourers may come crowding in, like a swarm of locusts. They are stowed away in cellars and lofts, or a hitherto respectable working-class dwelling is transformed into a lodging-house whose personnel changes as quickly as soldiers' quarters in the Thirty Years War. Take Bradford for example. There the municipal philistine had just been engaged in making improvements to the town. Besides, there were still 1,751 uninhabited houses in Bradford in 1861. But now comes that revival of trade which the sweet-natured Liberal Mr Forster, the Negro's friend, recently crowed over so gracefully.* With the revival of trade there naturally occurred an overflow from the wages of the ever-fluctuating 'reserve army' or 'relative surplus population'. The

[59] *Public Health, Eighth Report*, 1866, p. 149.

[60] ibid., p. 50.

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*William Edward Forster (1818–86), son of a Quaker minister, leading Bradford wool manufacturer, Liberal M.P. for that city from 1861 to 1886. He spent much of the 1850s campaigning on the issue of American slavery, and was strongly in favour of the North in the Civil War.

frightful cellar habitations and rooms registered in the list,[61] which Dr Hunter obtained from the agent of an insurance company, were for the most part inhabited by well-paid workers. They declared that they would willingly pay for better dwellings if they were to be had. Meanwhile they become degraded and fall ill, every man jack of them, while that sweet-natured Liberal, Forster M.P., sheds tears of joy over the blessings of free trade, and the profits of the eminent men of Bradford who deal in worsted. In the report of 5 September 1865, Dr Bell, one of the poor law doctors of Bradford, ascribes the frightful mortality of fever patients in his district to the conditions in which they live. 'In one small cellar measuring 1,500 cubic feet ... there are ten persons ... Vincent Street, Green Aire Place, and the Leys include 223 houses having 1,450 inhabitants, 453 beds, and 36 privies ... The beds – and in that term I include any roll of dirty old rags, or an armful of

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[61] Here is the Bradford collecting agent's list:

(1) Houses		
Vulcan Street, No. 122	1 room	16 persons
Lumley Street, No. 13	1 „	11 „
Bower Street, No. 41	1 „	11 „
Portland Street, No. 112	1 „	10 „
Hardy Street, No. 17	1 „	10 „
North Street, No. 18	1 „	16 „
North Street, No. 17	1 „	13 „
Wymer Street, No. 19	1 „	8 adults
Jowett Street, No. 56	1 „	12 persons
George Street, No. 150	1 „	3 families
Rifle Court, Marygate, No. 11	1 „	11 persons
Marshall Street, No. 28	1 „	10 „
Marshall Street, No. 49	3 „	3 families
George Street, No. 128	1 „	18 persons
George Street, No. 130	1 „	16 „
Edward Street, No. 4	1 „	17 „
George Street, No. 49	1 „	2 families
York Street, No. 34	1 „	2 „
Salt Pie Street (bottom)	2 „	26 persons
(2) Cellars		
Regent Street	1 cellar	8 persons
Acre Street	1 „	7 „
33 Roberts Court	1 „	7 „
Back Pratt Street, used as a brazier's shop	1 „	7 „
27 Ebenezer Street	1 „	6 „

(List taken from ibid., p. 111)

shavings – have an average of 3·3 persons to each, many have 5 and 6 persons to each, and some people, I am told, are absolutely without beds; they sleep in their ordinary clothes, on the bare boards – young men and women, married and unmarried, all together. I need scarcely add that many of these dwellings are dark, damp, dirty, stinking holes, utterly unfit for human habitations; they are the centres from which disease and death are distributed amongst those in better circumstances, who have allowed them thus to fester in our midst.'[62]

Bristol takes the third place after London in the misery of its dwellings. 'Bristol, where the blankest poverty and domestic misery abound in the wealthiest town of Europe.'[63]

(c) The Nomadic Population

We now turn to a group of people whose origin is rural, but whose occupation is for the most part industrial. They are the light infantry of capital, thrown from one point to another according to its present needs. When they are not on the march they 'camp'. Nomadic labour is used for various building and draining works, for brick-making, lime-burning, railway-making, etc. A flying column of pestilence, it carries smallpox, typhus, cholera and scarlet fever into the places in whose neighbourhood it pitches its camp.[64] In undertakings which involve a large outlay of capital, such as railways etc., the contractor himself generally provides his army with wooden huts and so on, thus improvising villages which lack all sanitary arrangements, are outside the control of the local authorities, and are very profitable to the gentleman who is doing the contracting, for he exploits his workers in two directions at once – as soldiers of industry, and as tenants. Depending on whether the wooden hut contains one, two or three holes, its inhabitant, the navvy or whatever he may be, has to pay 2, 3 or 4 shillings a week.[65] One example will suffice. Dr Simon reports that in September 1864 the Chairman of the Nuisances Removal Committee of the parish of Sevenoaks sent the following denunciation to Sir George Grey, the Home Secretary: 'Small-pox cases were rarely heard of in this parish until about twelve months ago. Shortly before that time, the works for a railway from Lewisham to Tunbridge were commenced here, and, in addition to the principal works being in the immediate neighbourhood of this town, here was also established the depot for the whole of the works, so that a large number of persons was of necessity employed here. As cottage accommodation could not be obtained for them all, huts were built in several places along the line of the works by the contractor, Mr Jay, for their especial occupation. These huts possessed no ventilation nor drainage, and, besides, were necessarily over-crowded, because each occupant had to accommodate lodgers, whatever the number in his own family might be, although there were only two rooms to each tenement. The consequences were, according to the medical report we received, that in the night-time these poor people were compelled to endure all the horror of suffocation to avoid the pestiferous smells arising from the filthy, stagnant water, and the privies close under their windows. Complaints were at length made to the Nuisances Removal Committee by a medical gentleman who had occasion to visit these huts, and he spoke of their condition as dwellings in the most severe terms, and he expressed his fears that some very serious consequences might ensue, unless some sanitary measures were adopted. About a year ago, Mr Jay promised to appropriate a hut, to which persons in his employ, who were suffering from contagious diseases, might at once be removed. He repeated that promise on the 23rd July last, but although since the date of the last promise there have been several cases of small-pox in his huts, and two deaths from the same disease, yet he has taken no steps whatever to carry out his promise. On the 9th September instant, Mr Kelson, surgeon, reported to me further cases of small-pox in the same huts, and he described their condition as most disgraceful. I should add, for your' (the Minister's) 'information that an isolated house, called the Pest-house, which is set apart for parishioners who might be suffering from infectious diseases, has been continually occupied by such patients for many months past, and is also now occupied; that in one family five children died from small-pox and fever; that from the 1st April to the 1st September this year, a period of five months, there have been no fewer than ten deaths from small-pox in the parish, four of them being in the huts already referred to; that it is impossible to ascertain the exact number of persons who have suffered from that disease although they are known to be many, from the fact of the families keeping it as private as possible.'[66]

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[62] *Public Health, Eighth Report,* 1866, p. 114.

[63] ibid., p. 50.

[64] *Public Health, Seventh Report,* 1865, p. 18.

[65] ibid., p. 165.

Workers in coal and other mines belong to the best paid categories of the British proletariat. The price they pay for their wages was shown on an earlier page.[67] Here I shall merely glance at their housing conditions. As a rule, the exploiter of a mine, whether he is the proprietor or a tenant, builds a number of cottages for his 'hands'. They receive cottages and coal for firing 'for nothing' – i.e. these form part of their wages, paid in kind. Those who cannot be housed in this way receive in compensation £4 per annum. The mining districts rapidly attract a large population, made up of the miners themselves and the artisans, shopkeepers, etc. who group themselves around them. The ground rent is high, as it generally is where population is dense. The mining employer therefore tries to put up, within the smallest space possible at the entrance to the pit, exactly the number of cottages necessary to pack together his workers and their families. If new mines are opened in the neighbourhood, or old ones are again set working, the pressure increases. In the construction of the cottages, only one point of view is of significance, the 'abstinence' of the capitalist from all expenditure that is not absolutely unavoidable. 'The lodging which is obtained by the pitmen and other labourers connected with the collieries of Northumberland and Durham,' says Dr Julian Hunter, 'is perhaps, on the whole, the worst and the dearest of which any large specimens can be found in England, the similar parishes of Monmouthshire excepted ... The extreme badness is in the high number of men found in one room, in the smallness of the ground-plot on which a great number of houses are thrust, the want of water, the absence of privies, and the frequent placing of one house on the top of another, or distribution into flats, ... the lessee acts as if the whole colony were encamped, not resident.'[68] 'In pursuance of my instructions,' says Dr Stevens, 'I visited most of the large colliery villages in the Durham Union ... With very few exceptions, the general statement that no means are taken to secure the health of the inhabitants would be true of all of them ... All colliers are bound' ('bound', an expression which, like 'bondage', dates from the age of serfdom) 'to the colliery lessee or owner for twelve months ... If the colliers express discontent, or in any way annoy the "viewer", a mark of memorandum is made against their names, and, at the annual "binding", such men are turned off ... It appears to me that no part of the "truck system" could be worse than what obtains in these densely-populated districts. The collier is bound to take as part of his hiring a house surrounded with pestiferous influences; he cannot help himself, and it appears doubtful whether anyone else can help him except his proprietor (he is, to all intents and purposes, a serf), and his proprietor first consults his balance-sheet, and the result is tolerably certain. The collier is also often supplied with water by the proprietor, which, whether it be good or bad, he has to pay for, or rather he suffers a deduction for from his wages.'[69]

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[66] *Public Health, Seventh Report*, 1865, p. 18, n. The Relieving Officer of the Chapel-en-le-Frith Union reported to the Registrar General as follows: 'At Doveholes, a number of small excavations have been made into a large hillock of lime ashes, which are used as dwellings, and occupied by labourers and others employed in the construction of a railway now in course of construction through that neighbourhood. The excavations are small and damp, and have no drains or privies about them, and not the slightest means of ventilation except up a hole pushed through the top, and used for a chimney. In consequence of this defect, small-pox has been raging for some time, and some deaths' (amongst the troglodytes) 'have been caused by it' (ibid., note 2).

[67] The details given on pp. 626–34 refer especially to the coal-miners. On conditions in the metal mines, which are even worse, see the very conscientious report of the Royal Commission of 1864.

In a conflict with 'public opinion', or even with the Officers of Health, capital has no difficulty in 'justifying' the partly dangerous and partly degrading conditions to which it confines the working and domestic life of the mine-worker, on the ground that they are necessary for profitable exploitation. It is the same thing when capital 'abstains' from protective measures against dangerous machinery in the factory, from safety appliances and means of ventilation in the mines, and so on. It is the same here with the housing of the miners. Dr Simon, medical officer of the Privy Council, says in his official report: 'In apology for the wretched household accommodation ... it is alleged that mines are commonly worked on lease; that the duration of the lessee's interest (which in collieries is commonly for twenty-one years), is not so long that he should deem it worth his while to create good accommodation for his labourers, and for the tradespeople and others whom the work attracts; that even if he were disposed to act liberally in the matter, this disposition would commonly be defeated by his landlord's tendency to fix on him, as ground-rent, an exorbitant additional charge for the privilege of having on the surface of the ground the decent and comfortable village which the labourers of the subterranean property ought to inhabit, and that prohibitory price (if not actual prohibition) equally excludes others who might desire to build. It would be foreign to the purpose of this report to enter upon any discussion of the merits of the above apology. Nor here is it even needful to consider where it would be that, if decent accommodation were provided, the cost . . . would eventually fall – whether on landlord, or lessee, or labourer, or public. But in presence of such shameful facts as are vouched for in the annexed reports' (those of Dr Hunter, Dr Stevens, etc.) 'a remedy may well be claimed . . . Claims of landlordship are being so used as to do great public wrong. The landlord in his capacity of mine-owner invites an industrial colony to labour on his estate, and then in his capacity of surface-owner makes it impossible that the labourers whom he collects, should find proper lodging where they must live. The lessee' (the capitalist exploiter of the mine) 'meanwhile has no pecuniary motive for resisting that division of the bargain; well knowing that if its latter conditions be exorbitant, the consequences fall not on him, that his labourers on whom they fall have not education enough to know the value of their sanitary rights, that neither obscenest lodging nor foulest drinking water will be appreciable inducements towards a "strike".'[70]

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[68] ibid., pp. 180, 182.

[69] ibid., pp. 515, 517.

(d) Effect of Crises on the Best Paid Section of the Working Class

Before I turn to the agricultural labourers, I shall just show, by one example, how crises have an impact even on the best paid section of the working class, on its aristocracy. It will be remembered that the year 1857 brought one of the gigantic crises with which the industrial cycle always terminates. The next crisis was due in 1866. Already discounted in the actual factory districts by the cotton famine, which threw much capital from its accustomed sphere into the great centres of the money-market, the crisis assumed this time a predominantly financial character. Its outbreak in May 1866 was signalled by the failure of a giant London bank, immediately followed by the collapse of countless swindling companies. One of the great London branches of industry involved in the catastrophe was iron shipbuilding. The magnates of this trade had not only overproduced beyond all measure during the swindling period,* but they had, apart from this, entered into enormous contracts on the speculative assumption that credit would be forthcoming to an equivalent extent. A terrible reaction then set in, which continues even now (at the end of March 1867) both in shipbuilding and in other London industries.[71] Let me characterize the situation of the workers by quoting the following from a very detailed report by a correspondent of the *Morning Star*, who visited the chief centres of distress at the end of 1866 and the beginning of 1867: 'In the East End districts of Poplar, Millwall, Greenwich, Deptford, Limehouse and Canning Town, at least 15,000 workmen and their families were in a state of utter destitution, and 3,000 skilled mechanics were breaking stones in the workhouse yard (after distress of over half a year's duration) . . . I had great difficulty in reaching the workhouse door, for a hungry crowd besieged it . . . They were waiting for their tickets, but the time had not yet arrived for the distribution. The yard was a great square place with an open shed running all round it, and several large heaps of snow covered the paving-stones in the middle. In the middle, also, were little wicker-fenced spaces, like sheep pens, where in finer weather the men worked; but on the day of my visit the pens were so snowed up that nobody could sit in them. Men were busy, however, in the open shed breaking paving-stones into macadam. Each man had a big paving-stone for a seat, and he chipped away at the rime-covered granite until he had broken up, and think! five bushels of it, and then he had done his day's work, and got his day's pay – threepence and an allowance of food. In another part of the yard

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[70] *Public Health, Seventh Report*, 1865, p. 16.

[71] 'Wholesale starvation of the London Poor . . . Within the last few days the walls of London have been placarded with large posters, bearing the following remarkable announcement: "Fat oxen! Starving men! The fat oxen from their palace of glass have gone to feed the rich in their luxurious abode, while the starving men are left to rot and die in their wretched dens." The placards bearing these ominous words are put up at certain intervals. No sooner has one set been defaced or covered over, than a fresh set is placarded in the former, or some equally public place . . . this . . . reminds one of the secret revolutionary associations which prepared the French people for the events of 1789 . . . At this moment, while English workmen with their wives and children are dying of cold and hunger, there are millions of English gold – the produce of English labour – being invested in Russian, Spanish, Italian, and other foreign enterprises' (*Reynolds' Newspaper*, 20 January 1867).

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*A reference to the period of unsound speculation which immediately preceded the collapse of Overend and Gurney in 1866.

was a rickety little wooden house, and when we opened the door of it, we found it filled with men who were huddled together shoulder to shoulder, for the warmth of one another's bodies and breath. They were picking oakum and disputing the while as to which could work the longest on a given quantity of food – for endurance was the point of honour. Seven thousand . . . in this one workhouse . . . were recipients of relief . . . many hundreds of them . . . it appeared, were, six or eight months ago, earning the highest wages paid to artisans . . . Their number would be more than doubled by the count of those who, having exhausted all their savings, still refuse to apply to the parish, because they have a little left to pawn. Leaving the workhouse, I took a walk through the streets, mostly of little one-storey houses, that abound in the neighbourhood of Poplar. My guide was a member of the Committee of the Unemployed . . . My first call was on an ironworker who had been seven and twenty weeks out of employment. I found the man with his family sitting in a little back room. The room was not bare of furniture, and there was a fire in it. This was necessary to keep the naked feet of the young children from getting frost bitten, for it was a bitterly cold day. On a tray in front of the fire lay a quantity of oakum, which the wife and children were picking in return for their allowance from the parish. The man worked in the stone yard of the workhouse for a certain ration of food, and threepence per day. He had now come home to dinner quite hungry, as he told us with a melancholy smile, and his dinner consisted of a couple of slices of bread and dripping, and a cup of milkless tea . . . The next door at which we knocked was opened by a middle-aged woman, who, without saying a word, led us into a little back parlour, in which sat all her family, silent and fixedly staring at a rapidly dying fire. Such desolation, such hopelessness was about these people and their little room, as I should not care to witness again. "Nothing have they done, sir," said the woman, pointing to her boys, "for six and twenty weeks; and all our money gone – all the twenty pounds that me and father saved when times were better, thinking it would yield a little to keep us when we got past work. Look at it," she said, almost fiercely, bringing out a bankbook with all its well-kept entries of money paid in, and money taken out, so that we could see how the little fortune had begun with the first five shilling deposit, and had grown by little and little to be twenty pounds, and how it had melted down again till the sum in hand got from pounds to shillings, and the last entry made the book as worthless as a blank sheet. This family received relief from the workhouse, and it furnished them with just one scanty meal per day . . . Our next visit was to an iron labourer's wife, whose husband had worked in the yards. We found her ill from want of food, lying on a mattress in her clothes, and just covered with a strip of carpet, for all the bedding had been pawned. Two wretched children were tending her, themselves looking as much in need of nursing as their mother. Nineteen weeks of enforced idleness had brought them to this pass, and while the mother told the history of that bitter past, she moaned as if all her faith in a future that should atone for it were dead . . . On getting outside a young fellow came running after us, and asked us to step inside his house and see if anything could be done for him. A young wife, two pretty children, a cluster of pawn-tickets, and a bare room were all he had to show.'*

On the after-pains of the crisis of 1866, we shall quote an extract from a Tory newspaper. It must not be forgotten that the East End of London, which is dealt with here, is not only the location of the iron shipbuilding mentioned above, but also of the so-called domestic industry, which is always paid less than the minimum wage. 'A frightful spectacle was to be seen yesterday in one part of the metropolis. Although the unemployed thousands of the East-end did not parade with their black flags *en masse*, the human torrent was imposing enough. Let us remember what these people suffer. They are dying of hunger. That is the simple and terrible fact. There are 40,000 of them . . . In our presence, in one quarter of this wonderful metropolis, are packed – next door to the most enormous accumulation of wealth the world ever saw – cheek by jowl with this are 40,000 helpless, starving people. These thousands are now breaking in upon the other quarters; always half-starving, they cry their misery in our ears, they cry to Heaven, they tell us from their miserable dwellings, that it is impossible for them to find work, and useless for them to beg. The local ratepayers themselves are driven by the parochial charges to the verge of pauperism' (*Standard*, 5 April 1867).

As it is the fashion amongst English capitalists to quote Belgium as the workers' paradise, because 'freedom of labour' or, what is the same thing, 'freedom of capital' is there limited neither by the despotism of the trade unions nor by the shackles of the Factory

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* *Morning Star*, 7 January 1867.

Acts, we shall say a word or two here about the 'good fortune' of the Belgian worker. Assuredly no one was more thoroughly initiated into the mysteries of this good fortune than the late M. Ducpétiaux, inspector-general of Belgian prisons and charitable institutions, and member of the Central Statistical Commission of Belgium. Let us take his work *Budgets économiques des classes ouvrières de la Belgique* (Brussels, 1855). Here we find, among other things, a discussion of a normal Belgian worker's family, whose yearly income and expenditure he calculates on very exact data, and whose conditions of nourishment are then compared with those of the soldier, the sailor and the prisoner. The family 'consists of father, mother, and four children'. Of these six persons, 'four may be usefully employed the whole year through'. It is assumed that 'there is no sick person among them, or anyone incapable of work', nor are there 'expenses for religious, moral and intellectual purposes, except a very small sum for church pews', nor contributions to savings banks or benefit societies, 'nor expenses due to luxury or the result of improvidence'. The father and eldest son, however, allow themselves 'the use of tobacco', and on Sundays 'go to the ale-house', for which a whole 86 centimes a week are reckoned. 'From a general compilation of wages allowed to workers in different trades, it follows that the highest average daily wage is 1 franc 56 centimes for men, 89 centimes for women, 56 centimes for boys, and 55 centimes for girls. Calculated at this rate, the resources of the family would amount, at the maximum, to 1,068 francs a year . . . In the family taken as typical we have calculated all possible resources. In ascribing wages to the mother of the family, however, we thereby remove the household from her management. But who will look after the house and the young children? Who will prepare the meals, do the washing and mending? This is the dilemma presented every day to the workers.' According to this the budget of the family is:

The father 300 working days at fr.	1.56	fr. 468
The mother 300 working days at fr.	89	fr. 267
The boy 300 working days at fr.	56	fr. 168
The girl 300 working days at fr.	55	fr. 165
	Total	fr. 1,068

The annual expenditure of the family would result in the following deficits, according to whether the worker has the food of:

The sailor in the fleet	fr. 1,828	Deficit fr. 760
The soldier	fr. 1,473	Deficit fr. 405
The prisoner	fr. 1,112	Deficit fr. 44

'We see that few workers' families can reach, we will not say the average of the sailor or soldier, but even that of the prisoner. The general average (of the cost of each prisoner in the different prisons during the period 1847 to 1849), has been 63 centimes for all prisons. This figure, compared with that of the daily maintenance of the worker, shows a difference of 13 centimes. It must be remarked further that if in the prisons it is necessary to set down in the account the expenses of administration and surveillance, on the other hand, the prisoners do not have to pay for their lodgings ... How does it happen, then, that a great number, we might say the great majority of workers, live even more economically than prisoners? It is because they adopt expedients whose secrets are only known by the workers: they reduce their daily rations; they substitute rye-bread for wheat; they eat less meat, or even none at all, and the same with butter and condiments; they content themselves with one or two rooms where the family is crammed together, where boys and girls sleep side by side, often on the same mattress; they economize on clothing, washing, and decency; they give up the diversions of Sunday; in short, they resign themselves to the most painful privations. Once this extreme limit has been reached, the least rise in the price of food, the shortest stoppage of work, the slightest illness, increases the worker's distress and brings him to complete disaster: debts accumulate, credit fails, the most necessary clothes and furniture are pawned, and finally the family asks to be enrolled on the list of paupers.'[72]

In fact, in this 'paradise for capitalists', the smallest change in the prices of the most essential means of subsistence is followed by a change in the number of deaths and crimes! (See *Manifest der Maatschappij 'De Vlamingen Vooruit!'*, Brussels, 1860, pp. 15–16.)*

[72] Ducpétiaux, op. cit., pp. 151, 154, 155–6.

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*This is the manifesto of the Association 'Forward the Flemings!', an early Flemish nationalist group.

There are 930,000 families in Belgium, of whom, according to the official statistics, 90,000 are wealthy and on the list of voters, i.e. 450,000 persons; 390,000 families of the lower middle class in towns and villages, the greater part of them constantly sinking into the proletariat, i.e. 1,950,000 persons. Finally, 450,000 working-class families, i.e. 2,250,000 persons, of whom the model ones enjoy the good fortune depicted by Ducpétiaux. Of the 450,000 working-class families, over 200,000 are on the pauper list!

(e) The British Agricultural Proletariat

Nowhere does the antagonistic character of capitalist production and accumulation assert itself more brutally than in the progress of English agriculture (including cattle-breeding) and the retrogression of the English agricultural labourer. Before I turn to his present situation, a rapid look back. Modern agriculture dates in England from the middle of the eighteenth century, although the revolution in property relations on the land which is the basis of the altered mode of production occurred much earlier.

If we take the statements of Arthur Young, a careful observer though a superficial thinker, about the agricultural labourer of 1771, the latter plays a very pitiable role as compared with his predecessor of the end of the fourteenth century, 'when the labourer ... could live in plenty, and accumulate wealth',[73] not to speak of the fifteenth century, 'the golden age of the English labourer in town and country'. We need not, however, go back as far as that. In a very instructive book produced in 1777 we read: 'The great farmer is nearly mounted to a level with him' (the gentleman); 'while the poor labourer is depressed almost to the earth. His unfortunate situation will fully appear, by taking a comparative view of it, only forty years ago, and at present ... Landlord and tenant ... have both gone hand in hand in keeping the labourer down.'[74] It is then proved in detail that real agricultural wages fell by nearly ¼, or 25 per cent, between 1737 and 1777.

[73] James E. Thorold Rogers (Professor of Political Economy in the University of Oxford), *A History of Agriculture and Prices in England*, Oxford, 1866, Vol. 1, p. 690. This work, the fruit of diligent labour, comprises only the period from 1259 to 1400, in the two volumes that have so far appeared, and the second volume consists exclusively of statistical material. It is the first authentic 'history of prices' that we have for that time.

[74] *Reasons for the Late Increase of the Poor-Rates: Or a Comparative View of the Prices of Labour and Provisions*, London, 1777, pp. 5, 11.

'Modern policy,' as Dr Richard Price was saying at the same time, 'is, indeed, more favourable to the higher classes of people; and the consequences may in time prove that the whole kingdom will consist of only gentry and beggars, or of grandees and slaves.'[75]

Nevertheless, the position of the English agricultural labourer from 1770 to 1780, with respect to his food and dwelling, as well as his self-respect, amusements, etc., is an ideal never attained again since that time. His average wage expressed in pints of wheat was, from 1770 to 1771, 90 pints, in Eden's time (1797) only 65, and in 1808, 60.[76]

The state of the agricultural labourer at the end of the Anti-Jacobin War, during which landed proprietors, farmers, manufacturers, merchants, bankers, stockbrokers, army contractors and so on enriched themselves to such an enormous extent, has been already indicated above. The nominal wage rose, partly as a result of the depreciation of banknotes, and partly owing to a rise in the prices of the primary means of subsistence which occurred independently of this depreciation. But the real movement of wages can be demonstrated quite simply, without entering into details that are unnecessary here. The Poor Law was the same, and was administered in the same way, in 1795 and in 1814. It will be remembered how this law was put into effect in the country districts: in the form of alms, the parish made up the nominal wage to the nominal sum required for the simple vegetation of the labourer. The ratio between the wage paid by the farmer and the wage-deficit made good by the parish shows us two things. First, the fact that wages had fallen below their minimum; second, the degree to which the agricultural labourer was a combination of wage-labourer and pauper, or the degree to which he had been turned into a serf of his parish. Let us take one county that represents the average situation in all counties. In Northamptonshire, in 1795, the average weekly wage was 7s. 6d.; the total yearly expenditure of a family of six persons, £36 12s. 5d.; their total income, £29 18s.; deficit made good by the parish, £6 14s. 5d. In 1814, in the same county, the weekly wage was 12s. 2d.; the total yearly expenditure of a family of five persons £54 18s. 4d.; their total income, £36 2s.; deficit made good by the parish, £18 6s. 4d.[77] In 1795 the deficit was less than a quarter of the wage, in 1814 it was more than a half. It is self-evident that under these circumstances the meagre comforts that Eden still found in the cottage of the agricultural labourer had vanished by 1814.[78] Of all the animals kept by the farmer, the labourer, the *instrumentum vocale*,* was thenceforth the most oppressed, the worst nourished, the most brutally treated.

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[75] Dr Richard Price, *Observations on Reversionary Payments*, 6th edn, by W. Morgan, London, 1803, Vol. 2, pp. 158–9. Price remarks on p. 159: 'The nominal price of day-labour is at present no more than about four times, or, at most five times higher than it was in the year 1514. But the price of corn is seven times, and of flesh-meat and raiment about fifteen times higher. So far, therefore, has the price of labour been even from advancing in proportion to the increase in the expenses of living, that it does not appear that it bears now half the proportion to those expenses that it did bear.'

[76] Barton, op. cit., p. 26. For the end of the eighteenth century, cf. Eden, op. cit.

This state of affairs continued quietly until 'the Swing riots, in 1830, revealed to us' (i.e. to the ruling classes) 'by the light of blazing corn-stacks, that misery and black mutinous discontent smouldered quite as fiercely under the surface of agricultural as of manufacturing England.'[79] It was at this time that Sadler, in the House of Commons, christened the agricultural labourers 'white slaves', and a bishop echoed the epithet in the House of Lords. The most notable political economist of that period – E. G. Wakefield – says: 'The peasant of the South of England . . . is not a freeman, nor is he a slave; he is a pauper.'[80]

The time just before the repeal of the Corn Laws threw new light on the condition of the agricultural labourers. On the one hand, it was in the interest of the middle-class agitators to prove how little the Corn Laws protected the actual producers of the corn. On the other hand, the industrial bourgeoisie was seething with wrath at the denunciations of the factory system made by the landed aristocracy, at the affectation of sympathy displayed by those utterly corrupt, heartless and genteel idlers for the woes of the factory workers, and at their 'diplomatic zeal' for factory legislation. There is an old English proverb to the effect that when thieves fall out, honest men come into their own, and in fact the noisy and passionate dispute between the two factions of the

[77] Parry, op. cit., p. 80.

[78] op. cit., p. 213.

[79] S. Laing, op. cit., p. 62.

[80] *England and America*, London, 1833, Vol. 1, p. 47.

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* 'Speaking implement'. See above, p. 303, n. 18.

ruling class as to which of them exploited the workers more shamelessly was the midwife of truth on both sides of the question. Earl Shaftesbury, then Lord Ashley, was the protagonist of the aristocratic philanthropic campaign against the factories. He therefore formed a favourite target for the revelations of the *Morning Chronicle* in 1844 and 1845 on the condition of the agricultural labourers. This newspaper, at that time the most important Liberal organ, sent special commissioners into the agricultural districts, commissioners who did not content themselves with mere general descriptions and statistics, but published the names both of the families of labourers examined and of their landlords. The following list [p. 832] gives the wages paid in three villages in the neighbourhood of Blandford, Wimborne and Poole. The villages are the property of Mr G. Bankes and the Earl of Shaftesbury. It will be noted that, just like Bankes, the pope of the Low Church, the head of the English pietists, also pockets a large part of the miserable wages of the labourers under the pretext of the rent of their houses.

The repeal of the Corn Laws gave a marvellous impulse to English agriculture. Drainage on the most extensive scale,[82] new methods of stall-feeding and the artificial cultivation of green crops, the introduction of mechanical manuring apparatus, new treatment of clay soils, increased use of mineral manures, employment of the steam-engine and all kinds of new machinery, more intensive cultivation in general, are all characteristic of this epoch. Mr Pusey, Chairman of the Royal Agricultural Society, declares that the (relative) expenses of farming have been reduced nearly 50 per cent by the introduction of new machinery. On the other hand, the actual productive return of the soil rose rapidly. Greater outlay of capital per acre, and as a consequence more rapid concentration of farms, were essential conditions of the new method.[83] At the same time, the area under cultivation increased,

[82] To do this, the landed aristocracy gave themselves an advance, through Parliament of course, of funds from the Treasury, at a very low rate of interest, which the farmers have to return to them at double the rate.

[83] The decline of the medium-sized farmer can be seen especially in the census category 'Farmer's son, grandson, brother, nephew, daughter, granddaughter, sister, niece', in other words, the members of his own family employed by the farmer. This category numbered 216,851 persons in 1851 and only 176,151 in 1861. From 1851 to 1871, farms of under 20 acres fell by more than 900; those of between 50 and 75 acres fell from 8,253 to 6,370; the same thing occurred with all other farms of under 100 acres. On the other

First Village[81]

Children (a)	Number of Members in Family (b)	Weekly Wage of the Men (c)	Weekly Wage of the Children (d)	Weekly Income of the Whole Family (e)	Weekly Rent (f)	Total Weekl Wage After Deduction of Rent (g)
		s. d.		s. d.	s. d.	s. d.
2	4	8 0	—	8 0	2 0	6 0
3	5	8 0	—	8 0	1 6	6 6
2	4	8 0	—	8 0	1 0	7 0
2	4	8 0	—	8 0	1 0	7 0
6	8	7 0	1/6, 2/0	10 6	2 0	8 6
3	5	7 0	—	7 0	1 4	5 8

Second Village

6	8	7 0	1/6, 1/6	10 0	1 6	8 6
6	8	7 0	—	7 0	1 3½	5 8½
8	10	7 0	—	7 0	1 3½	5 8½
4	6	7 0	—	7 0	1 6½	5 5½
3	5	7 0	—	7 0	1 6½	5 5¼

Third Village

4	6	7 0	—	7 0	1 0	6 0
3	5	7 0	2/0, 2/6	11 6	0 10	10 8
0	2	5 0	—	5 0	1 0	4 0

[81] London *Economist*, 29 March 1845, p. 290.

from 1846 to 1856, by 464,119 acres, without counting the large part of the eastern counties which was transformed from rabbit warrens and poor pastures into magnificent corn-fields. It has already been seen that, simultaneously with this, the total number of persons employed in agriculture fell. As far as the actual agricultural labourers of both sexes and all ages are concerned, their number fell from 1,241,396 in 1851 to 1,163,217 in 1861.[84] The English Registrar General rightly remarks: 'The increase of farmers and farm-labourers, since 1801, bears no kind of proportion ... to the increase of agricultural produce,'[85] and this disproportion is even more noticeable for the last period, when a positive decrease of the agricultural population went hand in hand with an increase in the cultivated area and in the intensity with which it was cultivated, an unheard-of accumulation of the capital incorporated with the soil and devoted to its cultivation, an augmentation of the product of the soil unparalleled in the history of English agriculture, abundant rent-rolls for the landowners, and growing wealth for the capitalist farmers. If we take this together with the swift, unbroken extension of the market, i.e. the growth of the towns, and the reign of free trade, then the agricultural labourer was at last, *post tot discrimina rerum*,* placed in circumstances that ought, *secundum artem*,† to have made him drunk with happiness.

But Professor Rogers comes to the conclusion that the situation of the English agricultural labourer of today, in comparison with his predecessor from 1770 to 1780, not to speak of his predecessor in the last half of the fourteenth and in the fifteenth century, has changed for the worse to an extraordinary extent, that 'the peasant has again become a serf', and a serf worse fed and worse clothed.[86]

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hand, during the same twenty years, the number of large farms increased; those of 300 to 500 acres rose from 7,771 to 8,410, those of more than 500 acres from 2,755 to 3,914, those of more than 1,000 acres from 492 to 582.

[84] The number of shepherds increased from 12,517 to 25,559.

[85] *Census, etc.*, op. cit., p. 36.

[86] Rogers, op. cit., pp. 693, 10. Mr Rogers belongs to the Liberal school of thought, is a personal friend of Cobden and Bright, and therefore no *laudator temporis acti*.*

*'Singer of praises of times gone by' (Horace, *Ars poetica*, verse 173).

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* 'After so many vicissitudes'.

† 'According to the orthodox rules'.

Dr Julian Hunter, in his epoch-making report on the dwellings of the agricultural labourers, says: 'The cost of the hind' (a name for the agricultural labourer, inherited from the time of serfdom) 'is fixed at the lowest possible amount on which he can live ... the supplies of wages and shelter are not calculated on the profit to be derived from him. He is a zero in farming calculations.'[87] 'The means' (of subsistence) 'are always supposed to be a fixed quantity.'[88] 'As to any further reduction of his income, he may say, *nihil habeo nihil curo.** He has no fears for the future, because he has now only the spare supply necessary to keep him. He has reached the zero from which are dated the calculations of the farmer. Come what will, he has no share either in prosperity or adversity.'[89]

In the year 1863, an official inquiry took place into the conditions of nourishment and work of the criminals condemned to transportation and penal servitude. The results are recorded in two voluminous Blue Books. Among other things it is said: 'From an elaborate comparison between the diet of convicts in the convict prisons in England, and that of paupers in workhouses and of free labourers in the same country ... it certainly appears that the former are much better fed than either of the two other classes,'[90] while 'the amount of labour required from an ordinary convict under penal servitude is about one-half of what would be done by an ordinary day-labourer.'[91] Here are a few characteristic depositions of witnesses. No. 5056: 'The diet of the English prisons is superior to that of ordinary labourers in England'. No. 5075: 'It is the fact... that the ordinary agricultural labourers in Scotland very seldom get any meat at all.' Answer No. 3047: 'Is there anything that you are aware of to account for the necessity of feeding them very much better than ordinary labourers? – Certainly not.' No. 3048: 'Do you think that further experiments

[87] *Public Health, Seventh Report*, 1865, p. 242. It is therefore by no means unusual either for the landlord to raise a labourer's rent as soon as he hears that he is earning a little more, or for the farmer to lower the wage of the labourer, 'because his wife has found a trade' (ibid.).

[88] ibid., p. 135.

[89] ibid., p. 134.

[90] *Report of the Commissioners ... Relating to Transportation and Penal Servitude*, London, 1863, pp. 42, 50.

[91] ibid., p. 77, 'Memorandum by the Lord Chief Justice'.

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* 'I have nothing, and I do not care about anything.'

ought to be made in order to ascertain whether a dietary might not be hit upon for prisoners employed on public works nearly approaching to the dietary of free labourers?'[92] ... 'He' (the agricultural labourer) 'might say: "I work hard, and have not enough to eat, and therefore it is better for me to be in prison again than here."'[93] From the tables appended to the first volume of the Report I have compiled this comparative summary.[94]

Weekly Amount of Nutriment

	Quantity of nitrogenous ingredients (Ounces)	Quantity of non-nitrogenous ingredients (Ounces)	Quantity of mineral matter (Ounces)	Total (Ounces)
Portland (convict)	28·95	150·06	4·68	183·69
Sailor in the Navy	29·63	152·91	4·52	187·06
Soldier	25·55	114·49	3·94	143·98
Working coach-maker	24·53	162·06	4·23	190·82
Compositor	21·24	100·83	3·12	125·19
Agricultural labourer	17·72	118·06	3.29	139·08

The general result of the inquiry by the medical commission of 1863 into the state of nourishment of the worst fed classes of the people is already known to the reader. He will remember that the diet of a great part of the families of agricultural labourers is below the minimum necessary 'to avert starvation diseases'. This is especially the case in all the purely rural districts of Cornwall, Devon, Somerset, Wiltshire, Staffordshire, Oxfordshire, Berkshire and Hertfordshire. 'The nourishment obtained by the labourer himself,' says Dr E. Smith, 'is larger than the average quantity indicates, since he eats a larger share... necessary to enable him to perform his labour ... of food than the other members of the family, including in the poorer districts nearly all the meat and bacon ... The quantity of food obtained by the wife and also by the children at the period of rapid growth, is in many cases, in almost every county, deficient, and particularly in nitrogen.'[95] The male and female servants who live with the farmers themselves are sufficiently nourished. Their number fell from 288,277 in 1851 to 204,962 in 1861. 'The labour of women in the fields,' says Dr Smith, 'whatever may be its disadvantages . . . is under present circumstances of great advantage to the family, since it adds that amount of income which . . . provides shoes and clothing and pays the rent, and thus enables the family to be better fed.'[96] One of the most remarkable findings of the inquiry was that the agricultural labourer of England, as compared with other parts of the United Kingdom, 'is considerably the worst fed', as the appended table shows:[97]

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[92] ibid., Vol. 2, Minutes of Evidence.

[93] ibid., Vol. 1, Appendix, p. 280.

[94] ibid., pp. 274–5.

[95] *Public Health, Sixth Report*, 1864, pp. 238, 249, 261–2.

Quantities of carbon and nitrogen consumed every week by an average adult agricultural labourer

	Carbon, grains	Nitrogen, grains
England	46,673	1,594
Wales	48,354	2,031
Scotland	48,980	2,348
Ireland	43,366	2,434

[96] *Public Health, Sixth Report*, 1864, p. 262.

[97] ibid., p. 17. The English agricultural labourer receives only a quarter as much milk, and half as much bread, as the Irish. Arthur Young already noticed the better nourishment of the latter when making his 'tour through Ireland' at the beginning of this century.* The reason is simply this, that the poor Irish farmer is incomparably more humane than the rich English. With reference to Wales, what is said in the text† does not hold for the south-west of that country. 'All the doctors there agree that the increase of the death-rate through tuberculosis, scrofula, etc., increases in intensity with the deterioration of the physical condition of the population, and all ascribe this deterioration to poverty. His' (the farm labourer's) 'keep is reckoned at about 5d. a day, but in many districts it was said to be of much less cost to the farmer' (himself very poor) . . . 'A morsel of the salt meat or bacon . . . salted and dried to the texture of mahogany, and hardly worth the difficult process of assimilation . . . is used to flavour a large quantity of broth or gruel, of meal and leeks, and day after day this is the labourer's dinner.' The advance of industry resulted for him, in this harsh and damp climate, in 'the abandonment of the solid homespun clothing in favour of the cheap and so-called cotton goods', and of stronger drinks for so-called tea. 'The agriculturalist, after several hours' exposure to wind and rain, gains his cottage, to sit by a fire of peat or of balls of clay and small coal kneaded together, from which volumes of carbonic and sulphurous acids are poured forth. His walls are of mud and stones, his floor the bare earth which was there before the hut was built, his roof a mass of loose and sodden thatch. Every crevice is stopped to

* Arthur Young in fact made his tours in Ireland between 1776 and 1779. His book first appeared in 1780.

† This refers to the implication in the text that the Welsh agricultural labourer is better off than the English.

'To the insufficient quantity and miserable quality of the house accommodation generally had by our agricultural labourers,' says Dr Simon, in his official Health Report, 'almost every page of Dr Hunter's report bears testimony. And gradually, for many years past, the state of the labourer in these respects has been deteriorating, house-room being now greatly more difficult for him to find, and, when found, greatly less suitable to his needs than, perhaps, for centuries had been the case. Especially within the last twenty or thirty years, the evil has been in very rapid increase, and the household circumstances of the labourer are now in the highest degree deplorable. Except in so far as they whom his labour enriches, see fit to treat him with a kind of pitiful indulgence, he is quite peculiarly helpless in the matter. Whether he shall find house-room on the land which he contributes to till, whether the house-room which he gets shall be human or swinish, whether he shall have the little space of garden that so

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maintain warmth, and in an atmosphere of diabolic odour, with a mud floor, with his only clothes drying on his back, he often sups and sleeps with his wife and children. Obstetricians who have passed parts of the night in such cabins have described how they found their feet sinking in the mud of the floor, and they were forced (an easy task!) to drill a hole through the wall to effect a little private respiration. It was attested by numerous witnesses in various grades of life, that to these insanitary influences, and many more, the underfed peasant was nightly exposed, and of the result, a debilitated and scrofulous people, there was no want of evidence ... The statements of the relieving officers of Carmarthenshire and Cardiganshire show in a striking way the same state of things. There is besides a plague more horrible still, the great number of idiots.' Now a word on the climatic conditions. 'A strong south-west wind blows over the whole country for 8 or 9 months in the year, bringing with it torrents of rain, which discharge principally upon the western slopes of the hills. Trees are rare, except in sheltered places, and where not protected, are blown out of all shape. The cottages generally crouch under some bank, or often in a ravine or quarry, and none but the smallest sheep and native cattle can live on the pastures ... The young people migrate to the eastern mining districts of Glamorgan and Monmouth. Carmarthenshire is the breeding ground of the mining population and their hospital. The population can therefore barely maintain its numbers.' Thus in Cardiganshire:

	1851	1861
Males	45,155	44,446
Females	52,459	52,955
Total	97,614	97,401

(Dr Hunter's Report, in *Public Health, Seventh Report, 1864*, London, 1865, pp. 498–502 passim.)

vastly lessens the pressure of his poverty – all this does not depend on his willingness and ability to pay reasonable rent for the decent accommodation he requires, but depends on the use which others may see fit to make of their "right to do as they will with their own". However large may be a farm, there is no law that a certain proportion of labourers' dwellings (much less of decent dwellings) shall be upon it; nor does any law reserve for the labourer ever so little right in that soil to which his industry is as needful as sun and rain ... An extraneous element weighs the balance heavily against him ... the influence of the Poor Law in its provisions concerning settlement and chargeability.[98] Under this influence, each parish has a pecuniary interest in reducing to a minimum the number of its resident labourers: – for, unhappily, agricultural labour instead of implying a safe and permanent independence for the hard-working labourer and his family, implies for the most part only a longer or shorter circuit to eventual pauperism – a pauperism which, during the whole circuit, is so near, that any illness or temporary failure of occupation necessitates immediate recourse to parochial relief – and thus all residence of agricultural population in a parish is glaringly an addition to its poor-rates ... Large proprietors[99] ... have but to resolve that there shall be no labourers' dwellings on their estates, and their estates will thenceforth be virtually free from half their responsiblity for the poor. How far it has been intended, in the English constitution and law, that this kind of unconditional property in land should be acquirable, and that a landlord, "doing as he wills with his own", should be able to treat the cultivators of the soil as aliens, whom he may expel from his territory, is a question which I do not pretend to discuss ... For that power of eviction ... does not exist only in theory. On a very large scale it prevails in practice – prevails ... as a main governing condition in the household circumstances of agricultural labour ... As regards the extent of the evil, it may suffice to refer to the evidence which Dr Hunter has compiled from the last census, that destruction of houses, notwithstanding increased local demands for them, had, during the last ten years, been in progress in 821 separate parishes or townships of England, so that irrespectively of persons who had been forced to become non-resident (that is in the parishes in which they work), these parishes and townships were receiving in 1861, as compared with 1851, a population 5⅓ per cent greater, into house-room 4½ per cent less . . . When the process of depopulation has completed itself, the result, says Dr Hunter, is a show-village where the cottages have been reduced to a few, and where none but persons who are needed as shepherds, gardeners, or game-keepers, are allowed to live; regular servants who receive the good treatment usual to their class.[1] But the land requires cultivation, and it will be found that the labourers employed upon it are not the tenants of the owner, but that they come from a neighbouring open village, perhaps three miles off, where a numerous small proprietary had received them when their cottages were destroyed in the close villages around. Where things are tending to the above result, often the cottages which stand, testify, in their unrepaired and wretched condition, to the extinction to which they are doomed. They are seen standing in the various stages of natural decay. While the shelter holds together, the labourer is permitted to rent it, and glad enough he will be to do so, even at the price of decent lodging. But no repair, no improvement shall it receive, except such as its penniless occupants can supply. And when at last it becomes quite uninhabitable – uninhabitable even to the humblest standard of serfdom – it will be but one more destroyed cottage, and future poor-rates will be somewhat lightened. While great owners are thus escaping from poor-rates through the depopulation of lands over which they have control, the nearest town or open village receives the evicted labourers; the nearest, I say, but this "nearest" may mean three or four miles distant from the farm where the labourer has his daily toil. To that daily toil there will then have to be added, as though it were nothing, the daily need of walking six or eight miles for power of earning his bread. And whatever farm-work is done by his wife and children, is done at the same disadvantage. Nor is this nearly all the toil which the distance occasions him. In the open village, cottage-speculators buy scraps of land, which they throng as densely as they can with the cheapest of all possible hovels. And into those wretched habitations (which, even if they adjoin the open country, have some of the worst features of the worst town residences) crowd the agricultural labourers of England[2] ... Nor on the other hand must it be supposed that even when the labourer is housed upon the lands which he cultivates, his household circumstances are generally such as his life of productive industry would seem to deserve. Even on princely estates ... his cottage ... may be of the meanest description. There are landlords who deem any stye good enough for their labourer and his family, and who yet do not disdain to drive with him the hardest possible bargain for rent.[3] It may be but a ruinous one-bedroomed hut, having no fire-grate, no privy, no opening window, no water supply but the ditch, no garden – but the labourer is helpless against the wrong . . . And the Nuisances Removal Acts . . . are . . . a mere dead letter . . . in great part dependent for their working on such cottage-owners as the one from whom his' (the labourer's) 'hovel is rented . . . From brighter, but exceptional scenes, it is requisite in the interests of justice, that attention should again be drawn to the overwhelming preponderance of facts which are a reproach to the civilization of England. Lamentable indeed, must be the case, when, notwithstanding all that is evident with regard to the quality of the present accommodation, it is the common conclusion of competent observers that even the general badness of dwellings is an evil infinitely less urgent than their mere numerical insufficiency. For years the overcrowding of rural labourers' dwellings has been a matter of deep concern, not only to persons who care for sanitary good, but to persons who care for decent and moral life. For, again and again in phrases so uniform that they seem stereotyped, reporters on the spread of epidemic disease in rural districts have insisted on the extreme importance of that overcrowding, as an influence which renders it a quite hopeless task, to attempt the limiting of any infection which is introduced. And again and again it has been pointed out that, notwithstanding the many salubrious influences which there are in country life, the crowding which so favours the extension of contagious disease, also favours the origination of disease which is not contagious. And those who have denounced the overcrowded state of our rural population have not been silent as to a further mischief. Even where their primary concern has been only with the injury to health, often almost perforce they have been referred to other relations on the subject. In showing how frequently it happens that adult persons of both sexes, married and unmarried, are huddled together in single small sleeping rooms, their reports have carried the conviction that, under the circumstances they describe, decency must always be outraged,

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[98] In 1865 this law was improved to some extent.* It will soon be learned from experience that this kind of tinkering is no use.

[99] To understand what follows, we must bear in mind that 'close villages' are villages owned by one or two big landowners, and 'open villages' are villages whose soil belongs to many small proprietors. It is in villages of the second kind that building speculators can build cottages and lodging-houses.

*By the Union Chargeability Act, 28 and 29 Victoria, c. 79.

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[1] A show-village of this kind looks very nice, but is as unreal as the villages that Catherine II saw on her journey to the Crimea. In recent times even the shepherd has often been banished from these show-villages; e.g. near Market Harborough there is a sheep-farm of about 500 acres, which only employs the labour of one man. To reduce the long trudges over these wide plains, over the beautiful pastures of Leicestershire and Northamptonshire, the shepherd used to get a cottage on the farm. Now they give him a thirteenth shilling a week for lodgings, which he must find at a great distance away in an 'open village'.

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[2] 'The labourers' houses' (in the open villages, which of course are always overcrowded) 'are usually in rows, built with their backs against the extreme edge of the plot of land which the builder could call his, and on this account are not allowed light and air, except from the front' (Dr Hunter's Report, op. cit., p. 135). Very often the beer-seller or grocer of the village is at the same time the man who lets its houses. In this case the agricultural labourer finds in him a second master, besides the farmer. He must be the grocer's customer as well as his tenant. 'The hind with his 10s. a week, minus a rent of £4 a year ... is obliged to buy at the seller's own terms, his modicum of tea, sugar, flour, soap, candles, and beer' (ibid., p. 132). These open villages form in fact 'penal settlements' for the English agricultural proletariat. Many of the cottages are simply lodging-houses, and all the rabble of the neighbourhood passes through them. The countryman and his family, who had often preserved, under the foulest conditions, a capacity for work and a purity of character which were truly to be wondered at, now, in these lodging-houses, go utterly to the devil. It is of course the fashion among the Shylocks of the aristocracy to shrug one's shoulders pharisaically at the building speculators, the small landlords and the 'open villages'. They know well enough that their 'close villages' and 'show-villages' are the places where the 'open villages' originate, and could not exist without them. 'The labourers ... were it not for the small owners, would, for the most part, have to sleep under the trees of the farms on which they work' (ibid., p. 135). The system of 'open' and 'closed' villages obtains in all the Midland counties and throughout the east of England.

[3] 'The employer ... is ... directly or indirectly securing to himself the profit on a man employed at 10s. a week, and receiving from this poor hind £4 or £5 annual rent for houses not worth £20 in a really free market, but maintained at their artificial value by the power of the owner to say "Use my house, or go seek a hiring elsewhere, without a character from me" ... Does a man wish to better himself, to go as a plate-layer on the railway, or to begin

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quarry-work, the same power is ready with "Work for me at this low rate of wages, or begone at a week's notice; take your pig with you, and get what you can for the potatoes growing in your garden." Should his interest appear to be better served by it, an enhanced rent is sometimes preferred in these cases by the owner' (or, as the case may be, the farmer) 'as the penalty for leaving his service' (Dr Hunter, op. cit., p. 132).

and morality almost of necessity must suffer.[4] Thus, for instance, in the appendix of my last annual report, Dr Ord, reporting on an outbreak of fever at Wing, in Buckinghamshire, mentions how a young man who had come thither from Wingrave with fever, "in the first days of his illness slept in a room with nine other persons. Within a fortnight several of these persons were attacked, and in the course of a few weeks five out of the nine had fever, and one died." ... From Dr Harvey, of St George's Hospital, who, on private professional business, visited Wing during the time of the epidemic, I received information exactly in the sense of the above report ... "A young woman having fever, lay at night in a room occupied by her father, and mother, her bastard child, two young men (her brothers), and her two sisters, each with a bastard child – ten persons in all. A few weeks ago thirteen persons slept in it."'[5]

Dr Hunter investigated 5,375 agricultural labourers' cottages, not only in the purely agricultural districts, but in all the counties of England. 2,195 out of the 5,375 had only one bedroom (often used at the same time as a living-room), 2,930 only two, and 250 more than two. I give below a short selection of examples, gathered from a dozen counties.

(*1*) *Bedfordshire*

Wrestlingworth. Bedrooms about 12 feet long and 10 broad, although many are smaller than this. The small, one-storied cots* are often divided by partitions into two bedrooms, one bed frequently in a kitchen, 5 feet 6 inches in height. Rent, £3 a year. The tenants have to make their own privies, the landlord

[4] 'New married couples are no edifying study for grown-up brothers and sisters; and though instances must not be recorded, sufficient data are remembered to warrant the remark, that great depression and sometimes death are the lot of the female participator in the offence of incest' (Dr Hunter, op. cit., p. 137). A rural policeman, who had for many years been a detective in the worst quarters of London, says of the girls of his village: 'Their boldness and shamelessness I never saw equalled during some years of police life and detective duty in the worst parts of London ... They live like pigs, great boys and girls, mothers and fathers, all sleeping in one room, in many instances' (*Children's Employment Commission, Sixth Report*, 1867, Appendix, p. 77, n. 155).

[5] *Public Health, Seventh Report*, 1865, pp. 9–14 passim.

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* Cottages.

only supplies a hole. As soon as one has made a privy, it is made use of by the whole neighbourhood. One house, belonging to a family called Richardson, was of quite unapproachable beauty. 'Its plaster walls bulged very like a lady's dress in a curtsey. One gable end was convex, the other concave, and on this last, unfortunately, stood the chimney, a curved tube of clay and wood like an elephant's trunk. A long stick served as prop to prevent the chimney from falling. The doorway and window were rhomboidal.' Of seventeen houses visited, only four had more than one bedroom, and those four overcrowded. The cots with one bedroom sheltered three adults and three children, a married couple with six children, etc.

Dunton. High rents, from £4 to £5, weekly wages of the men, 10s. They hope to pay the rent by the straw-plaiting of the family. The higher the rent, the greater the number that must work together to pay. Six adults, living with four children in one sleeping apartment, pay £3 10s. for it. The cheapest house in Dunton, 15 feet long externally, 10 broad, let for £3. Only one of the houses investigated had two bedrooms. A little outside the village, a house whose 'tenants dunged against the house-side', the lower 9 inches of the door eaten away through sheer rottenness; the doorway, a single opening closed at night by a few bricks, ingeniously pushed up after shutting and covered with some matting. Half a window, with glass and frame, had gone the way of all flesh. Here, without furniture, huddled together were three adults and five children. Dunton is not worse than the rest of the Biggleswade Union.

(2) *Berkshire*

Beenham. In June 1864 a man, his wife and four children lived in a cot (one-storied cottage). A daughter came home from service with scarlet fever. She died. One child sickened and died. The mother and one child were down with typhus when Dr Hunter was called in. The father and one child slept outside, but the difficulty of securing isolation was seen here, for in the crowded market of the miserable village lay the linen of the fever-stricken household, waiting for the wash. The rent of H's house, 1s. a week; one bedroom without window, fire-place, door, or opening, except into the lobby; no garden. A man lived here for a little while, with two grown-up daughters and one grown-up son;

father and son slept on the bed, the girls in the passage. Each of the latter had a child while the family was living here, but one went to the workhouse for her confinement and then came home.

(3) *Buckinghamshire*

Thirty cottages – on 1,000 acres of land – contained here about 130–140 persons. The parish of *Bradenham* comprises 1,000 acres; it numbered, in 1851, thirty-six houses and a population of 84 males and 54 females. This inequality of the sexes was partly remedied in 1861, when they numbered 98 males and 87 females; an increase in ten years of 14 men and 33 women. Meanwhile, the number of houses had declined by 1.

Winslow. Great part of this newly built in good style; demand for houses appears very marked, since very miserable cots let at 1s. to 1s. 3d. per week.

Water Eaton. Here the landlords, in view of the increasing population, have destroyed about 20 per cent of the existing houses. A poor labourer, who had to go about 4 miles to his work, answered the question whether he could not find a cot nearer: 'No; they know better than to take a man in with my large family.'

Tinker's End, near Winslow. A bedroom in which were four adults and four children; 11 feet long, 9 feet broad, 6 feet 5 inches high at its highest part; another 11 feet 3 inches by 9 feet, 5 feet 10 inches high, sheltered six persons. Each of these families had less space than is considered necessary for a convict. No house had more than one bedroom, not one of them a back door; water very scarce; weekly rent from 1s. 4d. to 2s. In sixteen of the houses visited, only one man that earned 10s. a week. The quantity of air for each person under the circumstances just described corresponds to that which he would have if he were shut up in a box of 4 feet measuring each way, the whole night. But then, the ancient dens afforded a certain amount of unintentional ventilation.

(4) *Cambridgeshire*

Gamlingay belongs to several landlords. It contains the wretchedest cots to be found anywhere. Much straw-plaiting. 'A deadly lassitude, a hopeless surrendering up to filth', reigns in Gamlingay. The neglect in its centre becomes mortification at its extremities, north and south, where the houses are rotting to pieces. The absentee landlords bleed this poor rookery too freely. The rents are very high; eight or nine persons packed in one sleeping apartment, in two cases six adults, each with one or two children in one small bedroom.

(5) *Essex*

In this county, decline in the number of persons and of cottages goes hand in hand in many parishes. In not less than twenty-two parishes, however, the destruction of houses has not prevented increase of population, or has not brought about that expulsion which, under the name 'migration to towns', generally occurs. In Fingringhoe, a parish of 3,445 acres, there were 145 houses in 1851, and only 110 in 1861. But the people did not wish to go away, and managed even to increase under these circumstances. In 1851, 252 persons inhabited 61 houses, but in 1861, 262 persons were squeezed into 49 houses. In Basildon, in 1851, 157 persons lived on 1,827 acres, in 35 houses; at the end of ten years, 180 persons lived in 27 houses. In the parishes of Fingringhoe, South Farnbridge, Widford, Basildon and Ramsden Crags, in 1851, 1,392 persons were living on 8,449 acres in 316 houses; in 1861, on the same area, 1,473 persons in 249 houses.

(6) *Herefordshire*

This little county has suffered more from the 'eviction spirit' than any other in England. At Madley, overcrowded cottages generally, with only two bedrooms, belonging for the most part to the farmers. They can let them very easily for £3 or £4 a year, and pay a weekly wage of 9s.!

(7) *Huntingdonshire*

Hartford had, in 1851, 87 houses; shortly after this, nineteen cottages were destroyed in this small parish of 1,720 acres; population in 1831, 452; in 1851, 832; and in 1861, 341. Fourteen cottages, each with one bedroom, were visited. One of these rooms, in which eight people slept, was 12 feet 10 inches long, 12 feet 2 inches broad, 6 feet 9 inches high: the average, without making any deductions for projections into the apartment, comes to about 130 cubic feet per head. In the fourteen sleeping rooms, thirty-four adults and thirty-three children. These cottages are seldom provided with gardens, but many of the inmates are able to farm small allotments at 10s. or 12s. per rood (¼ acre). These allotments are at a distance from the houses, which are without privies. The family 'must either go to the allotment to deposit their ordures', or, as happens in this place, if the reader will permit the reference, 'use a closet with a trough set like a drawer in a chest of drawers, and drawn out weekly and conveyed to the allotment to be emptied where its contents were wanted'. In Japan the cyclical movement of the conditions of human life proceeds more cleanly and more decently than this.

(8) *Lincolnshire*

Langtoft. A man lives here, in Wright's house, with his wife, her mother, and five children; the house has a front kitchen, scullery, bedroom over the front kitchen; front kitchen and bedroom, 12 feet 2 inches by 9 feet 5 inches; the whole ground floor, 21 feet 2 inches by 9 feet 5 inches. The bedroom is a garret; the walls run together into the roof like a sugar-loaf, a dormer-window opening in front. 'Why did he live here? On account of the garden? No; it is very small. Rent? High, 1s. 3d. per week. Near his work? No; 6 miles away, so that he walks daily, to and fro, 12 miles. He lived there, because it was a tenantable cot,' and because he wanted to have a cot for himself alone, anywhere, at any price, and in any conditions. The following are the statistics of twelve houses in Langtoft, with twelve bedrooms, thirty-eight adults, and thirty-six children.

Twelve Houses in Langtoft

Houses	Bedrooms	Adults	Children	Number of persons
No. 1	1	3	5	8
No. 2	1	4	3	7
No. 3	1	4	4	8
No. 4	1	5	4	9
No. 5	1	2	2	4
No. 6	1	5	3	8
No. 7	1	3	3	6
No. 8	1	3	2	5
No. 9	1	2	0	2
No. 10	1	2	3	5
No. 11	1	3	3	6
No. 12	1	2	4	6

(*9*) *Kent*

Kennington, very seriously over-populated in 1859, when diphtheria appeared, and the parish doctor instituted a medical inquiry into the conditions of the poor classes. He found that in this locality, where much labour is employed, various cots had been destroyed and no new ones built. In one district, there stood four houses, named birdcages; each had four rooms of the following dimensions in feet and inches:

Kitchen: 9 ft 5 by 8 ft 11 by 6 ft 6.
Scullery: 8 ft 6 by 4 ft 6 by 6 ft 6.
Bedroom: 8 ft 5 by 5 ft 10 by 6 ft 3.
Bedroom: 8 ft 3 by 8 ft 4 by 6 ft 3.

(*10*) *Northamptonshire*

Brinworth, Pickford and *Floore*: in these villages in the winter twenty to thirty men were lounging about the streets from lack of work. The farmers do not always till the corn and turnip lands sufficiently, and the landlord has found it best to throw all his farms together into two or three. Hence the shortage of employment. While on one side of the wall the land is crying out to be worked, on the other side the defrauded labourers are casting longing glances at it. Feverishly over-worked in summer, and half-starved in winter, it is no wonder if they say in their own local dialect, 'the parson and gentlefolks seem frit to death at them'.

At Floore there are cases, in one bedroom of the smallest size, of couples with four, five, six children; three adults with five children; a couple with grandfather and six children down with scarlet fever, etc.; in two houses with two bedrooms, two families of eight and nine adults respectively.

(*11*) *Wiltshire*

Stratton. Thirty-one houses visited, eight with only one bedroom. Pen Hill, in the same parish: a cot let at 1s. 3d. a week with four adults and four children, had nothing good about it, except the walls, from the floor of rough-hewn pieces of stones to the roof of worn-out thatch.

(*12*) *Worcestershire*

House-destruction here not quite so excessive; yet from 1851 to 1861, the number of inhabitants to each house, on the average, has risen from 4·2 to 4·6.

Badsey. Many cots and little gardens here. Some of the farmers declare that the cots are 'a great nuisance here, because they bring the poor'. In the view of one gentleman: 'The poor are none the better for them; if you build 500 they will let fast enough, in fact, the more you build, the more they want' (according to him the houses give birth to the inhabitants, who then by a law of nature put pressure on 'the means of housing'). Dr Hunter remarks: 'Now these poor must come from somewhere, and as there is no particular attraction, such as doles, at Badsey, it must be repulsion from some other unfit place, which will send them here. If each could find an allotment near his work, he would not prefer Badsey, where he pays for his scrap of ground twice as much as the farmer pays for his.'*

The continual emigration to the towns, the continual formation of a surplus population in the countryside through the concentration of farms, the conversion of arable land into pasture, the introduction of machinery, etc., are things which go hand in hand with the continual eviction of the agricultural population by the destruction of their cottages. The more empty the district of people, the greater is its 'relative surplus population'; the greater their pressure on the means of employment, the greater is the absolute excess of the agricultural population over the means for housing it, and the greater, therefore, is the local surplus population in the villages and the pestilential herding together of human beings. The creation of dense knots of humanity in scattered little villages and small country towns corresponds to the forcible draining of men from the surface of the land. The continuous conversion of the agricultural labourers into a surplus population, in spite of their diminishing number and the increasing mass of their products, is the cradle of pauperism. The pauperism of the agricultural labourers is ultimately a motive for their eviction; it is also the chief source of their miserable housing, which breaks down their last power of resistance, and makes them mere slaves of the landed proprietors[6] and the farmers. Thus the minimum of wages becomes a law of nature for them. On the other hand, the land, in spite of its constant 'relative surplus population', is at the same time under-populated. This is not only seen locally, at the points where the flow of men to towns, mines, railway constructions, etc. is most marked. It is to be seen everywhere, at harvest-time as well as in spring and summer, on those numerous occasions when English agriculture, careful and intensive as it is, needs extra hands. There are always too many agricultural labourers for the ordinary needs of cultivation, and too few for exceptional and temporary requirements.[7] Hence we find in the official documents contradictory complaints from the same places of a simultaneous deficiency and excess of labour. A temporary and local shortage of labour does not bring about a rise in wages, but rather forces the women and children into the fields, and constantly lowers the age at which exploitation begins. As soon as the exploitation of women and children takes place on a large scale, it becomes in turn a new means of making the male agricultural labourer 'redundant' and keeping down his wage. The finest fruit of this vicious circle thrives in the east of England – this is the so-called gang-system, to which I must briefly return here.[8]

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*The above description of housing conditions is extracted from Dr Hunter's report, op. cit., pp. 148–302.

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[6] 'The heaven-born employment of the hind gives dignity even to his position. He is not a slave, but a soldier of peace, and deserves his place in married men's quarters to be provided by the landlord, who has claimed a power of enforced labour similar to that the country demands of the soldier. He no more receives market-price for his work than does the soldier. Like the soldier he is caught young, ignorant, knowing only his own trade, and his own locality. Early marriage and the operation of the various laws of settlement affect the one as enlistment and the Mutiny Act affect the other' (Dr Hunter, op. cit., p. 132). Sometimes an exceptionally soft-hearted landlord relents at the solitude he has created. 'It is a melancholy thing to stand alone in one's country,' said Lord Leicester,* when complimented on the completion of Holkham. 'I look around and not a house is to be seen but mine. I am the giant of Giant Castle, and have eat up all my neighbours.'†

[7] Similar developments have taken place in France in the last few decades: there, in proportion as capitalist production takes possession of agriculture, it drives the 'surplus' agricultural population into the towns. Here also we find deterioration in the housing, and other conditions, at the source of the 'surplus population'. On the peculiar *'prolétariat foncier'*‡ which has arisen out of the fragmentation of holdings, see the work by Colins, already quoted, and also Karl Marx, *Der Achtzehnte Brumaire des Louis Bonaparte*, 2nd edn, Hamburg, 1869, pp. 88 ff.§ In 1846, the urban population of France constituted 24·42 per cent of the total, the rural 75·58 per cent; in 1861, the urban population was 28·86 per cent, the rural 71·14 per cent. During the last five years, the decline of the agricultural percentage of the population has been still more marked. As early as 1846, Pierre Dupont wrote, in *Le Chant des ouvriers*,

Mal vêtus, logés dans des trous,
Sous les combles, dans les décombres,

*Thomas William Coke of Holkham, Earl of Leicester (1752–1842), was a very successful capitalist farmer in the county of Norfolk.

†Dr Hunter, op. cit., p. 135, n.

‡'Landowning proletariat'.

§English translation, Karl Marx, *Surveys from Exile*, Pelican Marx Library, 1973, pp. 240–45.

The gang-system obtains almost exclusively in the counties of Lincolnshire, Huntingdonshire, Cambridgeshire, Norfolk, Suffolk and Nottinghamshire, and sporadically in the neighbouring counties of Northamptonshire, Bedfordshire and Rutland. Lincolnshire will serve as an example. A large part of this county is new land, formerly marsh, or even, as in others of the eastern counties just mentioned, recently won from the sea. The steam-engine has worked wonders in the way of drainage. What were once fens and sandbanks now bear a luxuriant sea of corn, and very high ground rents. The same thing is true of the alluvial lands won by human endeavour, as in the island of Axholme and other parishes on the banks of the Trent. Not only were no new cottages built there but, in proportion as the new farms arose, old cottages were demolished and the supply of labour had to come from 'open villages' miles away, by long roads that wound along the sides of the hills. There alone had the population formerly found shelter from the incessant floods of winter. The labourers who live on the farms of 400–1,000 acres (they are called 'confined labourers') are solely employed on agricultural work which is permanent, difficult and requires the aid of horses. For every 100 acres there is, on an average, scarcely one cottage. A fenland farmer, for instance, gave this evidence before the Commission of Inquiry: 'I farm 320

Nous vivons avec les hiboux
Et les larrons, amis des ombres. *

[8] The sixth and last† Report of the Children's Employment Commission, published at the end of March 1867, deals solely with the agricultural gang-system.

* 'Badly clothed, living in holes, under the eaves, in the ruins, with the owls and the thieves, companions of the shadows.'

† The Children's Employment Commission issued its fifth and final report in 1866. It was however requested to produce an extra report on the gang-system.

acres, all arable land. I have not one cottage on my farm. I have only one labourer on my farm now. I have four horsemen lodging about. We get light work done by gangs.'[9] The soil requires a great deal of light field labour, such as weeding, hoeing, certain processes of manuring, removing of stones, and so on. This is done by the gangs, or in other words the organized bands who live in the open villages.

The gang consists of from ten to forty or fifty persons, women, young persons of both sexes (13–18 years of age, although the boys are for the most part eliminated at the age of 13), and children of both sexes (6–13 years of age). At the head of the gang is the gang-master, always an ordinary agricultural labourer, and usually what is called a bad lot, a rake, unsteady, drunken, but with a dash of enterprise and *savoir faire.* He is the recruiting-sergeant for the gang, which works under him, not under the farmer. He generally negotiates with the latter over piece-work, and his income, which on the average is not very much above that of an ordinary agricultural labourer,[10] depends almost entirely on the dexterity with which he manages to extract the greatest possible amount of labour from his gang within the shortest time. The farmers have discovered that women only work steadily under the direction of men, but that women and children, when once set going, spend their vital forces impetuously – as Fourier already knew in his time – whereas the adult male worker is shrewd enough to economize on his strength as much as he can. The gang-master goes from one farm to another, and thus employs his gang for from six to eight months in the year. Employment by him is therefore much more lucrative and more certain for the labouring families than employment by the individual farmer, who only employs children occasionally. This circumstance so completely rivets his influence in the open villages that children can in general be hired only through his agency. The lending-out of the latter, individually and independently of the gang, is a subsidiary trade for him.

The 'drawbacks' of this system are the over-working of the children and young persons, the enormous marches that they make every day to and from the farms, which are five, six and sometimes seven miles away, and finally the demoralization of the 'gang'. Although the gang-master, who is called 'the driver' in some districts, is armed with a long stick, he seldom uses it, and complaints of brutal treatment are exceptional. He is a democratic emperor, or a kind of Pied Piper of Hamelin. He must therefore be popular with his subjects, and he binds them to himself by the charms of the gipsy life which flourishes under his auspices. Coarse freedom, noisy jollity and the obscenest kind of impertinence give attractions to the gang. Generally the gang-master pays up in a public house; then he returns home at the head of the procession of gang members, reeling drunk, and propped up on either side by a stalwart virago, while children and young persons bring up the rear, boisterously, and singing mocking and bawdy songs. On the return journey what Fourier calls '*phanerogamie*'* is the order of the day. Girls of 13 and 14 are commonly made pregnant by their male companions of the same age. The open villages, which supply the contingents for the gangs, become Sodoms and Gomorrahs,[11] and have twice as high a rate of illegitimacy as the rest of the kingdom. The moral character of girls bred in these schools, when they become married women, was shown above. Their children, when opium does not finish them off entirely, are born recruits for the gang.

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[9] *Children's Employment Commission, Sixth Report,* Evidence, p. 37, n. 173.

[10] Some gang-masters, however, have worked up to the position of farmers of 500 acres, or proprietors of whole rows of houses.

The gang in its classical form, as we have just described it, is called the public, common or tramping gang. For there also exist private gangs. These are made up in the same way as the common gang, but count fewer members, and work, not under a gang-master, but under some old farm servant, whom the farmer does not know how to employ in any better way. The gipsy fun has vanished in this case, but, according to all the witnesses, the payment and treatment of the children is worse.

The gang-system, which has steadily expanded during the most recent years,[12] clearly does not exist for the sake of the gang-

[11] 'Half the girls of Ludford have been ruined by going out' (in gangs) (loc. cit., ibid., p. 6, n. 32).

[12] 'They' (the gangs) 'have greatly increased of late years. In some places they are said to have been introduced at comparatively late dates; in others where gangs . . . have been known for many years . . . more and younger children are employed in them' (ibid., p. 79, n. 174).

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* Charles Fourier, *Le Nouveau Monde industriel et sociétaire*, Paris, 1829, Part 5, Supplement to Chapter 36, and Part 6, Summary. Here Fourier describes '*phanerogamie*' as a means of limiting the population. It is a form of polyandry practised within the phalanx, that is, the communal unit which was to replace the family, and is compared explicitly by Fourier himself with the sexual behaviour of various tribes in Java and Tahiti.

master. It exists for the enrichment of the large-scale farmers[13] and indirectly for the landowners.[14] For the farmer, there is no more ingenious method of keeping his labourers well below the normal level, and yet of always having an extra hand ready for extra work, of extracting the greatest possible amount of labour with the least possible expenditure of money,[15] and of making adult male labour 'redundant'. From the foregoing exposition it will be understood why, on the one hand, a greater or lesser lack of employment for the agricultural labourer is admitted, while, on the other, the gang-system is at the same time declared 'necessary' on account of the shortage of adult male labour and its migration to the towns.[16] The cleanly weeded land and the unclean human weeds of Lincolnshire are pole and counterpole of capitalist production.[17]

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[13] 'Small farmers never employ gangs.' 'It is not on poor land, but on land which affords rent of from 40 to 50 shillings, that women and children are employed in the greatest numbers' (ibid., pp. 17, 14).

[14] One of these gentlemen found the taste of his rents so delicious that he indignantly declared to the Commission of Inquiry that the whole hullabaloo was only due to the name of the system. If, instead of 'gang', it were to be called 'the Agricultural Juvenile Industrial Self-Supporting Association', everything would be all right.

[15] 'Gang work is cheaper than other work; that is why they are employed,' says a former gang-master (ibid., p. 17, n. 14). 'The gang-system is decidedly the cheapest for the farmer, and decidedly the worst for the children,' says a farmer (ibid., p. 16, n. 3).

[16] 'Undoubtedly much of the work now done by children in gangs used to be done by men and women. More men are out of work now where children and women are employed than formerly' (ibid., p. 43, n. 202). On the other hand, 'the labour question in some agricultural districts, particularly the arable, is becoming so serious in consequence of emigration, and the facility afforded by railways for getting to large towns that I' (the 'I' in question is the steward of a great lord) 'think the services of children are most indispensable' (ibid., p. 80, n. 180). The 'labour question' in English agricultural districts, unlike the rest of the civilized world, means the 'landlords' and farmers' question', namely how, despite an always increasing exodus of the agricultural folk, can a sufficient relative surplus population be kept up in the country, thereby keeping the wages of the agricultural labourer at a minimum?

[17] The *Public Health Report* already cited, in which the gang-system is treated in passing, in connection with the subject of the mortality of children, remains unknown to the press, and therefore unknown to the English public. The last Report of the Children's Employment Commission, however, afforded the press sensational and welcome copy. While the Liberal press asked how the fine gentlemen and ladies, and well-paid clergy of the state Church, with whom Lincolnshire swarms, people who expressly send out missions to the antipodes 'for the improvement of the morals of South Sea Islanders',

(f) Ireland

In concluding this section, we must travel for a moment to Ireland. First, the main facts of the case.

The population of Ireland had, by 1841, grown to 8,222,664. In 1851 it had dwindled to 6,623,985; in 1861, to 5,850,309; and in 1866, to 5½ millions, approximately its level in 1801. The decrease in population began with the famine year of 1846, so that Ireland has lost more than $\frac{5}{16}$ of its people in less than twenty years.[18] Total emigration from May 1851 to July 1865 numbered 1,591,487. During the years between 1861 and 1865 the emigration was more than half a million. The number of inhabited houses fell, from 1851 to 1861, by 52,990. From 1851 to 1861 the number of holdings of from 15 to 30 acres increased by 61,000, that of holdings of over 30 acres by 109,000, while the total number of all farms fell by 120,000. This fall was therefore solely due to the suppression of farms of less than 15 acres, in other words it was due to their centralization.

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could allow such a system to arise on their estates, under their very eyes, the more refined newspapers confined themselves to reflections on the coarse degradation of an agricultural population which was capable of selling its children into such slavery! Under the accursed conditions to which these 'delicate' people condemn the agricultural labourer, it would not be surprising if he ate his own children. What is really wonderful is the healthy integrity of character he has largely retained. The official reports prove that the parents, even in the gang districts, loathe the gang-system. 'There is much in the evidence that shows that the parents of the children would, in many instances, be glad to be aided by the requirements of a legal obligation, to resist the pressure and the temptations to which they are often subject. They are liable to be urged, at times by the parish officers, at times by employers, under threats of being themselves discharged, to be taken to work at an age when . . . school attendance . . . would be manifestly to their greater advantage . . . All that time and strength wasted; all the suffering from extra and unprofitable fatigue produced to the labourer and to his children; every instance in which the parent may have traced the moral ruin of his child to the undermining of delicacy by the over-crowding of cottages, or to the contaminating influences of the public gang, must have been so many incentives to feelings in the minds of the labouring poor which can be well understood, and which it would be needless to particularize. They must be conscious that much bodily and mental pain has thus been inflicted upon them from cases for which they were in no way answerable; to which, had it been in their power, they would have in no way consented; and against which they were powerless to struggle' (ibid., p. xx, n. 82, and xxiii, n. 96).

[18] Population of Ireland in 1801: 5,319,867; in 1811: 6,084,996; in 1821: 6,869,544; in 1831: 7,828,347; in 1841: 8,222,664.

The decrease of the population was naturally accompanied by a decrease in the mass of products. For our purpose it is sufficient to consider the five years from 1861 to 1865, years during which over half a million emigrated and the absolute number of people sank by more than ⅓ of a million.

Table A: Livestock

Year	Horses		Cattle		
	Total Number	Decrease	Total Number	Decrease	Increase
1860	619,811		3,606,374		
1861	614,232	5,993	3,471,688	138,316	
1862	602,894	11,338	3,254,890	216,798	
1863	579,978	22,916	3,144,231	110,695	
1864	562,158	17,820	3,262,294		118,063
1865	547,867	14,291	3,493,414		231,120

Year	Sheep			Pigs		
	Total Number	Decrease	Increase	Total Number	Decrease	Increase
1860	3,542,080			1,271,072		
1861	3,556,050		13,970	1,102,042	169,030	
1862	3,456,132	99,819		1,154,324		52,282
1863	3,308,204	147,982		1,067,458	86,866	
1864	3,366,941		58,737	1,058,480	8,978	
1865	3,688,742		321,801	1,299,893		241,413

The following results emerge from the above table: an absolute decrease of 72,358 in the number of horses, an absolute decrease of 116,626 in the number of cattle, an absolute increase of 146,608 in the number of sheep and an absolute increase of 28,819 in the number of pigs.[19]

Let us now turn to the produce of agriculture proper, which provides the means of subsistence for cattle and for men. In the

[19] The result would be still more unfavourable if we went further back. Thus: sheep in 1865, 3,688,742, but in 1856, 3,694,294. Pigs in 1865, 1,299,893, but in 1858, 1,409,883.

Table B: Increase or Decrease in the Area Under Crops and Grass (in Acres)

Year	Cereal Crops	Green Crops		Grass and Clover		Flax		Total Cultivated Land	
	Decrease	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
1861	15,701	36,974		47,969			19,271	81,873	
1862	72,734	74,785			6,623		2,055	138,841	
1863	144,719	19,358			7,724		63,922	92,431	
1864	122,437	2,317			47,486		87,761		10,493
1865	72,450		25,241		68,970	50,159		28,218	
1861–5	428,041	107,984			82,834		122,850	330,860	

Table C: Increase or Decrease in the Area Under Cultivation, Product Per Acre, and Total Product of 1865 Compared with 1864[20]

Product	Acres of Cultivated Land		Increase or Decrease, 1865		Product	Per Acre	Increase or Decrease	Total Product (Qrs)			
	1864	1865			1864	1865	1865	1864	1865	Increase or Decrease, 1865	
Wheat	276,483	266,989		9,494	(Cwt) 13·3	13·0	−0·3	875,782	826,783		−48,999
Oats	1,814,886	1,745,228		69,658	(Cwt) 12·1	12·3	+0·2	7,826,332	7,659,727		−166,605
Barley	172,700	177,102	4,402		(Cwt) 15·9	14·9	−1·0	761,909	732,017		−29,892
Bere	8,894	10,091	1,197		(Cwt) 16·4	14·8	−1·6	15,160	13,989		−1,171
Rye					8·5	10·4	+1·9	12,680	18,364	+5,684	
Potatoes	1,039,724	1,066,260	26,536		(Tons) 4·1	3·6	−0·5	4,312,388	3,865,990		−446,398
Turnips	337,355	334,212		3,143	(Tons) 10·3	9·9	−0·4	3,467,659	3,301,683		−165,976
Mangel-wurzels	14,073	14,839	316		(Tons) 10·5	13·3	+2·8	147,284	191,937	+44,653	
Cabbages	31,821	33,622	1,801		(Tons) 9·3	10·4	+1·1	297,375	350,252	+52,877	
Flax	301,693	251,433		50,260	(St.) 34·2	25·2	−9·0	64,506	39,561		−24,945
Hay	1,609,569	1,678,492	68,924		(Tons) 1·6	1·8	+0·2	2,607,153	3,068,707	+461,554	

[20] The data in the text have been put together from the material provided by the *Agricultural Statistics, Ireland. General Abstracts*, Dublin, for the years 1860 ff., and the *Agricultural Statistics, Ireland. Tables Showing the Estimated Average Produce, etc.*, Dublin, *1866*. These statistics are official, and are laid before Parliament every year. The official statistics for the year 1872 show a decrease in the area under cultivation of 134,915 acres, as compared with 1871. An increase occurred in the cultivation of green crops, turnips, mangel-wurzels and so on; a decrease in the area over which wheat was cultivated of 16,000 acres; oats, 14,000; barley and rye, 4,000; potatoes, 66,632; flax, 34,667; grass, clover, vetches and rape-seed, 30,000. The area of land on which wheat is cultivated has undergone a series of diminutions over the last five years, as can be seen from these figures: area of wheat in 1868, 285,000 acres; in 1869, 280,000; in 1870, 259,000; in 1871, 244,000; and in 1872, 228,000. For 1872 we find, in round numbers, an increase of 2,600 horses, 80,000 horned cattle, 68,609 sheep, and a decrease of 236,000 pigs.

Table D: The Income Tax on the Subjoined Incomes, in Pounds Sterling[21]

	1860	1861	1862	1863	1864	1865
Schedule A 1. Rent of Land	13,893,829	13,003,554	13,398,938	13,494,091	13,470,700	13,801,616
Schedule B 2. Farmers' Profits	2,765,387	2,773,644	2,937,899	2,938,823	2,930,874	2,946,072
Schedule D 3. Industrial, etc. Profits	4,891,652	4,836,203	4,858,800	4,846,497	4,546,147	4,850,199
4. Total Schedules A to E	22,962,885	22,998,394	23,597,574	23,658,631	23,236,298	23,230,340

[21] *Tenth Report of the Commissioners of Inland Revenue*, London, 1866.

following table we have computed the decrease or increase for each separate year, as compared with its immediate predecessor. The cereal crops include wheat, oats, barley, rye, beans and peas; the green crops, potatoes, turnips, mangolds, beetroot, cabbages, carrots, parsnips, vetches, etc. (See Table B.)

In the year 1865, 127,470 additional acres came under the heading 'grass land', chiefly because the area under the heading of 'unoccupied bog and waste' decreased by 101,543 acres. If we compare 1865 with 1864, there is a decrease in cereals of 246,667 quarters, of which 48,999 were wheat, 160,605 oats, 29,892 barley and so on: the decrease in potatoes was 446,398 tons, although the area of their cultivation increased in 1865. (See Table C.)

From the movement of population and of agricultural production in Ireland, we pass to the movement of the incomes of its landlords, larger farmers and industrial capitalists. This movement is reflected in the rise and fall of the income tax (see Table D).

Table E: Schedule D Income from Profits (over £60) in Ireland[22]

	1864		1865	
	Pounds Sterling	Divided among these Persons	Pounds Sterling	Divided among these Persons
Total yearly income	4,368,610	17,467	4,669,979	18,081
Yearly income over £60 and under £100	238,626	5,015	222,575	4,703
Of the total yearly income	1,979,066	11,321	2,028,471	12,184
Remainder of the total yearly income	2,150,818	1,131	2,418,933	1,194
Of these	1,083,906	910	1,097,937	1,044
	1,066,912	121	1,320,996	186
	430,535	105	584,458	122
	646,377	26	736,448	28
	262,610	3	274,528	3

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[22] The total yearly income under Schedule D is different in this table from that which appears in the preceding ones, because of certain deductions allowed by law.

It may be recalled that Schedule D (profits with the exception of those of farmers) also includes so-called 'professional' profits – i.e. the incomes of lawyers, doctors, etc.; and Schedules C and E, in which no details are given, include the incomes of civil servants, officers, state sinecurists, creditors of the state, etc.

Under Schedule D the average annual increase of income from 1853 to 1864 was only 0·93 per cent in Ireland, whereas in the same period in Great Britain it was 4·58 per cent. Table E shows the distribution of the profits (with the exception of those of farmers) for the years 1864 and 1865.

England, a pre-eminently industrial country with fully developed capitalist production, would have bled to death under such a population drain as Ireland has suffered. But Ireland is at present merely an agricultural district of England which happens to be divided by a wide stretch of water from the country for which it provides corn, wool, cattle and industrial and military recruits.

The depopulation of Ireland has thrown much of the land out of cultivation, greatly diminished the produce of the soil,[23] and in spite of the greater area devoted to cattle breeding, brought about an absolute decline in some of its branches, and in others an advance scarcely worth mentioning, and constantly interrupted by retrogressions. Nevertheless, the rents of the land and the profits of the farmers increased along with the fall in the population, though not so steadily as the latter. The reason for this will easily be understood. On the one hand, with the throwing together of smallholdings and the change from arable to pasture land, a larger part of the total product was transformed into a surplus product. The surplus product increased although there was a decrease in the total product of which the surplus product formed a fraction. On the other hand, the monetary value of this surplus product increased still more rapidly than its actual quantity, owing to the rise in the price of meat, wool, etc. on the English market during the last twenty years, and especially during the last ten.

The scattered means of production that serve the producers themselves as means of employment and subsistence, without valorizing themselves through the incorporation of the labour of others, are no more capital than a product consumed by its producer is a commodity. If the mass of the means of production employed in agriculture diminished along with the mass of the population, the mass of the capital employed in agriculture increased, because a part of the means of production that were formerly scattered was turned into capital.

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[23] If the product also diminishes relatively, per acre, it must not be forgotten that for a century and a half England has indirectly exported the soil of Ireland, without even allowing its cultivators the means for replacing the constituents of the exhausted soil.

The total capital of Ireland outside agriculture, employed in industry and trade, accumulated only slowly during the last two decades, and with great and constantly recurring fluctuations. So much the more rapidly did the concentration of its individual constituents develop. And, however small its absolute increase, its relative growth, in proportion to the diminishing population, was tremendous.

Here then, under our own eyes, and on a large scale, there emerges a process which perfectly corresponds to the requirements of orthodox economics for the confirmation of its dogma, the dogma that misery springs from an absolute surplus of population, and that equilibrium is re-established by depopulation. This is a far more important experiment than the mid-fourteenth-century plague* so celebrated by the Malthusians. Let us remark in passing: if it required the naïveté of a schoolmaster to apply the standard of the fourteenth century to the relations of production prevailing in the nineteenth century, and the corresponding relations of population, the error was compounded by overlooking the difference between its consequences in England and in France. On this side of the Channel, the plague and the decimation that accompanied it was followed by the enfranchisement and enrichment of the agricultural population; whereas on the other side, in France, it was followed by a greater degree of enslavement and an increase in misery.[24]

The Irish famine of 1846 killed more than 1,000,000 people, but it killed poor devils only. It did not do the slightest damage to the

[24] As Ireland is regarded as the promised land of the 'principle of population', Thomas Sadler, before publishing his work on population,* issued the famous book *Ireland: Its Evils, and Their Remedies* (2nd edn, London, 1829). Here, by comparing the statistics of the individual provinces and the individual counties in each province, he proves that the misery there is not, as Malthus would have it, in proportion to the level of the population, but in inverse ratio to this.

* Sadler's attack on the Malthusian theory, published in 1830 as *The Law of Population* (2 vols.).

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*The Black Death of 1347 to 1350.

wealth of the country. The exodus of the next twenty years, an exodus which still continues to increase, did not, as for instance the Thirty Years' War did, decimate the means of production along with the human beings. The Irish genius discovered an altogether new way of spiriting a poor people thousands of miles away from the scene of its misery. The exiles transplanted to the United States send sums of money home every year as travelling expenses for those left behind. Every troop that emigrates one year draws another after it the next. Thus, instead of costing Ireland anything, emigration forms one of the most lucrative branches of its export trade. Finally, it is a systematic process, which does not simply make a passing gap in the population, but sucks out of it every year more people than are replaced by births, so that the absolute level of the population falls year by year.[25]

What were the consequences for the Irish labourers left behind and freed from the surplus population? These: the relative surplus population is as great today as it was before 1846; wages are just as low; the oppression of the labourers has increased; misery is forcing the country towards a new crisis. The reasons are simple. The revolution in agriculture has kept pace with emigration. The production of a relative surplus population has more than kept pace with the absolute depopulation. A glance at Table B will show that the change from arable to pasture land must work still more acutely in Ireland than in England. In England the cultivation of green crops increases with the breeding of cattle; in Ireland, it decreases. While a large number of acres that were formerly tilled lie idle or are turned permanently into grass land, a great part of the waste land and peat bogs that were formerly unused becomes of service for the extension of cattle-breeding. The smaller and the medium farmers – I reckon among these all who do not cultivate more than 100 acres – still make up about $\frac{8}{10}$ of the whole number.[26] They are, one after the other, and with a degree of force unknown before, crushed by the competition of an agriculture managed by capital, and thus they continually furnish new recruits to the class of wage-labourers. The one great industry of Ireland, the manufacture of linen, requires relatively few adult men, and

[25] Between 1851 and 1874 the total number of emigrants amounted to 2,325,922.

[26] According to a table in Murphy's *Ireland, Industrial, Political and Social*, [London,] 1870, 94·6 per cent of the farms are smaller than 100 acres, while 5·4 per cent exceed that amount.

only employs altogether, in spite of its expansion since the price of cotton increased in the years from 1861 to 1866, a comparatively insignificant portion of the population. Like all other large-scale industries, it constantly produces, owing to its incessant fluctuations, a relative surplus population within its own sphere, despite the absolute increase in the mass of human beings absorbed by it. The misery of the agricultural population forms the pedestal for gigantic shirt-factories, whose armies of workers are, for the most part, scattered over the country. Here we again encounter the system of 'domestic industry' already described, which possesses its own systematic means of rendering workers 'redundant' in the form of under-payment and over-work. Finally, although the depopulation does not have such destructive consequences as would result in a country where capitalist production is fully developed, it does not proceed without constantly reacting back onto the home market. The gap caused by emigration limits not only the local demand for labour, but also the incomes of small shopkeepers, artisans and tradesmen in general. Hence the decrease in incomes between £60 and £100 indicated in Table E.

A clear presentation of the condition of agricultural labourers in Ireland is to be found in the *Reports of the Irish Poor Law Inspectors* (1870).[27] As officials of a government which is maintained only by bayonets and by a state of siege sometimes open and sometimes disguised, they have to observe all the linguistic precautions their English colleagues disdain. In spite of this, however, they do not let their government cradle itself in illusions. According to them, the rate of wages in the country, still very low, has risen by 50 to 60 per cent within the last twenty years, and stands now at an average of 6s. to 9s. a week. But this apparent rise hides an actual fall in wages, for it by no means cancels out the rise in the price of

Average Weekly Cost of Maintenance Per Head

Year ended	Provisions and necessaries	Clothing	Total
29 September 1849	1s. 3¼d.	3d.	1s. 6¼d.
29 September 1869	2s. 7¼d.	6d.	3s. 1¼d.

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[27] *Reports from the Poor Law Inspectors on the Wages of Agricultural Labourers in Ireland*, Dublin, 1870. See also *Agricultural Labourers (Ireland). Return, etc., 8 March 1861*, London, 1862.

the necessary means of subsistence that has taken place in the meantime. The proof is the above extract from the official accounts of an Irish workhouse.

The price of the necessary means of subsistence is thus approximately twice as high, and the price of clothing exactly twice as high, as twenty years before.

Even if we leave aside this disproportion, a mere comparison of the rate of wages expressed in money would give a far from accurate result. Before the famine, the great mass of agricultural wages was paid in kind, and only the smallest part in money; today, payment in money is the rule. It follows from this that, whatever movement has taken place in the real wage, its money rate must have risen. 'Previous to the famine, the labourer enjoyed his cabin . . . with a rood, or half-acre or acre of land, and facilities for . . . a crop of potatoes. He was able to rear his pig and keep fowl . . . But they now have to buy bread, and they have no refuse upon which they can feed a pig or fowl, and they have consequently no benefit from the sale of a pig, fowl, or eggs.'[28] In fact the agricultural labourers were formerly indistinguishable from the smallest of the small farmers, and they formed for the most part a kind of rear-guard of the medium and large farms on which they found employment. Only since the catastrophe of 1846 have they begun to form a section of the class of pure wage-labourers, a special estate which is now connected with its masters only by monetary relations.

We know what their living conditions were in 1846. Since then they have grown still worse. Some of the agricultural day-labourers (though their number grows smaller day by day) continue to live on the holdings of the farmers, in overcrowded huts whose hideousness far surpasses the worst examples the agricultural districts of England can offer, And this holds generally, with the exception of certain tracts of Ulster. It holds in the south, in the counties of Cork, Limerick, Kilkenny, etc.; in the east, in Wicklow, Wexford, etc.; in the centre, in King's County and Queen's County, Dublin, etc.; in the north, in Down, Antrim, Tyrone, etc.; and in the west, in Sligo, Roscommon, Mayo, Galway, etc. 'The agricultural labourers' huts,' an inspector cries out, 'are a disgrace to the Christianity and to the civilization of this country.'[29] To make these holes more attractive for the day-labourers, the pieces of land which have belonged to them from time immemorial are systematically confiscated. 'The mere sense that they exist subject to this species of ban, on the part of the landlords and their agents, has . . . given birth in the minds of the labourers to corresponding sentiments of antagonism and dissatisfaction towards those by whom they are thus led to regard themselves as being treated as . . . a proscribed race.'[30]

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[28] *Reports from the Poor Law Inspectors, etc.*, pp. 29, 1.

[29] ibid., p. 12.

The first act of the agricultural revolution was to sweep away the huts situated at the place of work. This was done on the largest scale, and as if in obedience to a command from on high. Thus many labourers were compelled to seek shelter in villages and towns. There they were thrown like refuse into garrets, holes, cellars and corners, in the worst slum districts. Thousands of Irish families who, even on the testimony of the English, blinded as the latter are by nationalist prejudices, are notable for their rare attachment to the domestic hearth, for the gaiety and the purity of their home life, suddenly found themselves transplanted into hotbeds of vice. The men are now obliged to seek work from the neighbouring farmers, and are only hired by the day, and therefore under the most precarious form of wage. Hence 'they sometimes have long distances to go to and from work, often get wet, and suffer much hardship, not infrequently ending in sickness, disease and want'.[31]

'The towns have had to receive from year to year what was deemed to be the surplus-labour of the rural division'[32] and then people still wonder that 'there is still a surplus of labour in the towns and villages, and either a scarcity or a threatened scarcity in some of the country divisions'.[33] The truth is that this scarcity only becomes perceptible 'in harvest-time, or during spring, or at such times as agricultural operations are carried on with activity; at other periods of the year many hands are idle';[34] that 'from the digging out of the main crop of potatoes in October until the early spring following . . . there is no employment for them';[35] and further, that during the active times they 'are subject to broken days and to all kinds of interruptions'.[36]

These results of the agricultural revolution – i.e. the change of arable into pasture land, the use of machinery, the most rigorous economy of labour, etc. – are still further aggravated by the model landlords, who, instead of spending their rents in other countries, condescend to live in Ireland on their demesnes. In order that the law of supply and demand may not be infringed, these gentlemen draw their 'labour-supply . . . chiefly from their small tenants, who are obliged to attend when required to do the landlords' work, at rates of wages, in many instances, considerably under the current rates paid to ordinary labourers, and without regard to the inconvenience or loss to the tenant of being obliged to neglect his own business at critical periods of sowing or reaping'.[37]

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[30] ibid., p. 12.

[31] ibid., p. 25.

[32] ibid., p. 27.

[33] ibid., p. 26.

[34] ibid., p. 1.

[35] ibid., p. 32.

[36] ibid., p. 25.

The uncertainty and irregularity of employment, the constant return and long duration of gluts of labour, are all symptoms of a relative surplus population, and they therefore figure in the reports of the Poor Law inspectors as so many hardships suffered by the Irish agricultural proletariat. It will be recalled that we met with similar phenomena among the English agricultural proletariat. But the difference is that in England, an industrial country, the industrial reserve is recruited from the countryside, whereas in Ireland, an agricultural country, the agricultural reserve is recruited from the towns, the places of refuge of the agricultural labourers who have been driven from the land. In England, the surplus rural labourers are transformed into factory workers; in Ireland, those forced into the towns remain agricultural labourers even while they exert a downward pressure on urban wages, and are constantly sent back to the countryside in search of work.

The official inspectors sum up the material condition of the agricultural labourer as follows: 'Though living with the strictest frugality, his own wages are barely sufficient to provide food for an ordinary family and pay his rent, and he depends upon other sources for the means of clothing himself, his wife, and his children . . . The atmosphere of these cabins, combined with the other privations they are subjected to, has made this class particularly susceptible to typhus and consumption.'[38] In view of this, it is no wonder that, according to the unanimous testimony of the inspectors, a sombre discontent runs through the ranks of this class, that they long for the return of the past, loathe the present, despair of the future, give themselves up 'to the evil influence of agitators', and have only one fixed idea, to emigrate to America. This is the land of Cockaigne, into which depopulation, the great Malthusian panacea, has transformed green Erin!

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[37] *Reports from the Poor Law Inspectors, etc.*, p. 30.

[38] ibid., pp. 21, 13.

One example will be sufficient to show what a prosperous life is led by the Irish factory worker. 'On my recent visit to the North of Ireland,' says the English factory inspector Robert Baker, 'I met with the following evidence of effort in an Irish skilled workman to afford education to his children; and I give his evidence verbatim, as I took it from his mouth. That he was a skilled factory hand, may be understood when I say that he was employed on goods for the Manchester market. "Johnson: I am a beetler* and work from 6 in the morning till 11 at night, from Monday to Friday. Saturday we leave off at 6 p.m., and get three hours of it (for meals and rest). I have five children in all. For this work I get 10s. 6d. a week; my wife works here also, and gets 5s. a week. The oldest girl, who is 12, minds the house. She is also cook, and all the servant we have. She gets the young ones ready for school. A girl going past the house wakes me at half past five in the morning. My wife gets up and goes along with me. We get nothing (to eat) before we come to work. The child of 12 takes care of the little children all the day, and we get nothing till breakfast at 8. At 8 we go home. We get tea once a week; at other times we get stirabout, sometimes of oatmeal, sometimes of Indian meal, as we are able to get it. In the winter we get a little sugar and water to our Indian meal. In the summer we get a few potatoes, planting a small patch ourselves; and when they are done we get back to stirabout. Sometimes we get a little milk as it may be. So we go on from day to day, Sunday and week day, always the same the year round. I am always very much tired when I have done at night. We may see a bit of flesh meat sometimes, but very seldom. Three of our children attend school, for whom we pay 1d. a week a head. Our rent is 9d. a week. Peat for firing costs 1s. 6d. a fortnight at the very lowest." '[39] Such are Irish wages, such is Irish life!

In fact, the misery of Ireland is once again a daily theme of discussion in England. At the end of 1866 and the beginning of 1867, one of the Irish land magnates, Lord Dufferin, set about solving

[39] *Reports of the Inspectors of Factories ... 31 October 1866*, p. 96.

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* A man employed in embossing fabrics under the pressure of a set of rollers known as a beetling-machine.

the problem in *The Times*. '*Wie menschlich von solch' grossem Herrn!*'*

We saw from Table E that during 1864, out of a total profit of £4,368,610, three money-grubbers pocketed only £262,610; that in 1865, however, out of a total profit of £4,669,979, the same three virtuosos of 'abstinence' pocketed £274,528; in 1864, 26 money-grubbers took £646,377; in 1865, 28 money-grubbers took £736,448; in 1864, 121 money-grubbers took £1,066,912; in 1865, 186 money-grubbers took £1,320,996; in 1864, 1,131 money-grubbers took £2,150,818, nearly half of the total annual profit; and in 1865, 1,194 money-grubbers took £2,418,933, more than half of the total annual profit. But the lion's share of the yearly national rental which an inconceivably small number of land magnates in England, Scotland and Ireland swallow up is so monstrous that English statesmanship finds it inappropriate to afford the same statistical materials about the distribution of rents as about the distribution of profits. Lord Dufferin is one of those land magnates. That rent-rolls and profits can ever be 'excessive', or that the plethora of rent-rolls and profits is in any way connected with the plethora of popular miseries, is, of course, an idea as 'disreputable' as it is 'unsound'. Dufferin keeps to the facts. The fact is that, as the Irish population diminishes, the Irish rent-rolls swell; that depopulation benefits the landlords, thus also benefits the soil and therefore the people, that mere accessory of the soil. He declares, therefore, that Ireland is still over-populated, and the stream of emigration still flows too sluggishly. To be perfectly happy, Ireland must get rid of at least one-third of a million working men. Let no one imagine that this lord, who is also a poet, is a physician of the school of Sangrado,† who, if he failed to find an improvement in the condition of his patient, ordered blood-letting after blood-letting, until the patient lost his sickness when he had lost his blood. Lord Dufferin demands a new blood-letting of one-third of a million only, instead of about two millions; but in fact, unless these two millions are got rid of, the millennium cannot come to pass in Erin. The proof is easily given.

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*'What humanity from such a great lord!' The quotation comes, in altered form, from Goethe's *Faust*, where the words of Mephistopheles in the 'Prologue in Heaven' (lines 352–3) are '*Es ist gar hübsch von einem grossen Herrn, So menschlich mit dem Teufel selbst zu sprechen*' ('It is indeed civil on the part of a great lord, to speak so nicely to the devil himself').

†A character from the novel *Gil Blas*, by Lesage.

Number and Extent of Farms in Ireland in 1864

1 Farms not over 1 acre		2 Farms over 1, not over 5 acres		3 Farms over 5, not over 15 acres		4 Farms over 15, not over 30 acres	
No.	Acres	No.	Acres	No.	Acres	No.	Acres
48,653	25,394	82,037	288,916	176,368	1,836,310	136,578	3,051,343

5 Farms over 30, not over 50 acres		6 Farms over 50, not over 100 acres		7 Farms over 100 acres		8 Total area
No.	Acres	No.	Acres	No.	Acres	Acres
71,961	2,906,274	54,247	3,983,880	31,927	8,227,807	26,319,924[40]

Centralization has from 1851 to 1861 mainly destroyed farms of the first three categories, under 1 and not over 15 acres. This gives 307,058 'surplus' farmers, and, reckoning a low average of four persons per family, 1,228,232 persons. On the extravagant assumption that a quarter of these can again be absorbed after the completion of the agricultural revolution, there remain for emigration 921,174 persons. Categories 4, 5 and 6, including farms of between 15 and 100 acres, are, as has long been known in England, too small for the capitalist cultivation of corn, and almost infinitesimal from the point of view of sheep-breeding. On the same assumptions as before, therefore, there are a further 788,761 persons to emigrate: grand total, 1,709,532. And, as appetite grows with eating, Rent Roll's eyes will soon discover that Ireland with 3½ millions, still continues to be miserable, miserable because she is overpopulated. Therefore her depopulation must go still further, in order that she may fulfil her true destiny, to be an English sheep-walk and cattle pasture.[41]

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[40] The total area includes also peat, bogs and waste-land.

[41] The famine and its consequences have been deliberately exploited both by the individual landlords and by the English Parliament through legislation so as to accomplish the agricultural revolution by force and to thin down the population of Ireland to the proportion satisfactory to the landlords. I shall show more fully in Volume 3 of this work, in the section on landed property, how this has been done. There also I shall return to the condition of the small

Like all good things in the world, this profitable mode of proceeding has its drawbacks. The accumulation of the Irish in America keeps pace with the accumulation of rents in Ireland. The Irishman, banished by the sheep and the ox, re-appears on the other side of the ocean as a Fenian. And there a young but gigantic republic rises, more and more threateningly, to face the old queen of the waves:

Acerba fata Romanos agunt
Scelusque fraternae necis.[*]

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farmers and the agricultural labourers.[*] For the present, just one quotation. Nassau W. Senior says the following, among other things, in his posthumous work, *Journals, Conversations, and Essays Relating to Ireland* (2 vols., London, 1868), '"Well," said Dr G., "we have got our Poor Law and it is a great instrument for giving the victory to the landlords. Another, and a still more powerful instrument is emigration ... No friend to Ireland can wish the war to be prolonged" (between the landlords and the small Celtic farmers) "– still less, that it should end by the victory of the tenants. The sooner it is over – the sooner Ireland becomes a grazing country, with the comparatively thin population which a grazing country requires, the better for all classes"' (op. cit., Vol. 2, p. 282). The English Corn Laws of 1815 secured to Ireland the monopoly of the free importation of corn into Great Britain. They therefore artificially encouraged the cultivation of corn. With the abolition of the Corn Laws in 1846, this monopoly was suddenly removed. Apart from all other circumstances, this event alone was sufficient to give a great impulse to the conversion of Irish arable land into pasture, to the concentration of farms, and to the eviction of small-scale cultivators. Having praised the fruitfulness of the Irish soil between 1815 and 1846, and proclaimed it loudly as destined for the cultivation of wheat by nature herself, English agronomists, economists and politicians suddenly discovered that it was good for nothing but the production of forage. M. Léonce de Lavergne has hastened to repeat this on the other side of the Channel.[†] It takes a 'serious' man, à la Lavergne, to be caught by such childishness.

[*] There is very little about Ireland in *Capital*, Vol. 3, as finally published, but Chapters 37 and 47 contain some comments on the situation of the small farmers.

[†] In his book *Économie rurale de l'Angleterre* (Paris, 1854), translated into English in 1855 as *The Rural Economy of England, Scotland, and Ireland.*

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[*] 'A cruel fate torments the Romans, and the crime of fratricide' (Horace, *Epodes*, 7).

Part Eight

So-Called Primitive Accumulation

Chapter 26: The Secret of Primitive Accumulation

We have seen how money is transformed into capital; how surplus-value is made through capital, and how more capital is made from surplus-value. But the accumulation of capital presupposes surplus-value; surplus-value presupposes capitalist production; capitalist production presupposes the availability of considerable masses of capital and labour-power in the hands of commodity producers. The whole movement, therefore, seems to turn around in a never-ending circle, which we can only get out of by assuming a primitive accumulation (the 'previous accumulation' of Adam Smith*) which precedes capitalist accumulation; an accumulation which is not the result of the capitalist mode of production but its point of departure.

This primitive accumulation plays approximately the same role in political economy as original sin does in theology. Adam bit the apple, and thereupon sin fell on the human race. Its origin is supposed to be explained when it is told as an anecdote about the past. Long, long ago there were two sorts of people; one, the diligent, intelligent and above all frugal élite; the other, lazy rascals, spending their substance, and more, in riotous living. The legend of theological original sin tells us certainly how man came to be condemned to eat his bread in the sweat of his brow; but the history of economic original sin reveals to us that there are people to whom this is by no means essential. Never mind! Thus it came to pass that the former sort accumulated wealth, and the latter sort finally had nothing to sell except their own skins. And from this original sin dates the poverty of the great majority who, despite all their labour, have up to now nothing to sell but themselves, and the wealth of the few that increases constantly, although they have long ceased to work. Such insipid childishness is every day preached

*'The accumulation of stock must, in the nature of things, be previous to the division of labour' (Adam Smith, *Wealth of Nations*, Bk II, Introduction).

to us in the defence of property. M. Thiers, for example, still repeats it with all the solemnity of a statesman to the French people, who were once so full of wit and ingenuity. But as soon as the question of property is at stake, it becomes a sacred duty to proclaim the standpoint of the nursery tale as the one thing fit for all age-groups and all stages of development. In actual history, it is a notorious fact that conquest, enslavement, robbery, murder, in short, force, play the greatest part. In the tender annals of political economy, the idyllic reigns from time immemorial. Right and 'labour' were from the beginning of time the sole means of enrichment, 'this year' of course always excepted. As a matter of fact, the methods of primitive accumulation are anything but idyllic.

In themselves, money and commodities are no more capital than the means of production and subsistence are. They need to be transformed into capital. But this transformation can itself only take place under particular circumstances, which meet together at this point: the confrontation of, and the contact between, two very different kinds of commodity owners; on the one hand, the owners of money, means of production, means of subsistence, who are eager to valorize the sum of values they have appropriated by buying the labour-power of others; on the other hand, free workers, the sellers of their own labour-power, and therefore the sellers of labour. Free workers, in the double sense that they neither form part of the means of production themselves, as would be the case with slaves, serfs, etc., nor do they own the means of production, as would be the case with self-employed peasant proprietors. The free workers are therefore free from, unencumbered by, any means of production of their own. With the polarization of the commodity-market into these two classes, the fundamental conditions of capitalist production are present. The capital-relation presupposes a complete separation between the workers and the ownership of the conditions for the realization of their labour. As soon as capitalist production stands on its own feet, it not only maintains this separation, but reproduces it on a constantly extending scale. The process, therefore, which creates the capital-relation can be nothing other than the process which divorces the worker from the ownership of the conditions of his own labour; it is a process which operates two transformations, whereby the social means of subsistence and production are turned into capital, and the immediate producers are turned into wage-labourers. So-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production. It appears as 'primitive' because it forms the pre-history of capital, and of the mode of production corresponding to capital.

The economic structure of capitalist society has grown out of the economic structure of feudal society. The dissolution of the latter set free the elements of the former.

The immediate producer, the worker, could dispose of his own person only after he had ceased to be bound to the soil, and ceased to be the slave or serf of another person. To become a free seller of labour-power, who carries his commodity wherever he can find a market for it, he must further have escaped from the regime of the guilds, their rules for apprentices and journeymen, and their restrictive labour regulations. Hence the historical movement which changes the producers into wage-labourers appears, on the one hand, as their emancipation from serfdom and from the fetters of the guilds, and it is this aspect of the movement which alone exists for our bourgeois historians. But, on the other hand, these newly freed men became sellers of themselves only after they had been robbed of all their own means of production, and all the guarantees of existence afforded by the old feudal arrangements. And this history, the history of their expropriation, is written in the annals of mankind in letters of blood and fire.

The industrial capitalists, these new potentates, had on their part not only to displace the guild masters of handicrafts, but also the feudal lords, who were in possession of the sources of wealth. In this respect, the rise of the industrial capitalists appears as the fruit of a victorious struggle both against feudal power and its disgusting prerogatives, and against the guilds, and the fetters by which the latter restricted the free development of production and the free exploitation of man by man. The knights of industry, however, only succeeded in supplanting the knights of the sword by making use of events in which they had played no part whatsoever. They rose by means as base as those once used by the Roman freedman to make himself the master of his *patronus*.

The starting-point of the development that gave rise both to the wage-labourer and to the capitalist was the enslavement of the worker. The advance made consisted in a change in the form of this servitude, in the transformation of feudal exploitation into capitalist exploitation. To understand the course taken by this change, we do not need to go back very far at all. Although we come across the first sporadic traces of capitalist production as early as the fourteenth or fifteenth centuries in certain towns of the Mediterranean, the capitalist era dates from the sixteenth century. Wherever it appears, the abolition of serfdom has long since been completed, and the most brilliant achievement of the Middle Ages, the existence of independent city-states, has already been on the wane for a considerable length of time.

In the history of primitive accumulation, all revolutions are epoch-making that act as levers for the capitalist class in the course of its formation; but this is true above all for those moments when great masses of men are suddenly and forcibly torn from their means of subsistence, and hurled onto the labour-market as free, unprotected and rightless proletarians. The expropriation of the agricultural producer, of the peasant, from the soil is the basis of the whole process. The history of this expropriation assumes different aspects in different countries, and runs through its various phases in different orders of succession, and at different historical epochs. Only in England, which we therefore take as our example, has it the classic form.[1]

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1. In Italy, where capitalist production developed earliest, the dissolution of serfdom also took place earlier than elsewhere. There the serf was emancipated before he had acquired any prescriptive right to the soil. His emancipation at once transformed him into a 'free' proletarian, without any legal rights, and he found a master ready and waiting for him in the towns, which had been for the most part handed down from Roman times. When the revolution which took place in the world market at about the end of the fifteenth century had annihilated northern Italy's commercial supremacy, a movement in the reverse direction set in. The urban workers were driven *en masse* into the countryside, and gave a previously unheard-of impulse to small-scale cultivation, carried on in the form of market gardening.

Chapter 27: The Expropriation of the Agricultural Population from the Land

In England, serfdom had disappeared in practice by the last part of the fourteenth century. The immense majority of the population[1] consisted then, and to a still larger extent in the fifteenth century, of free peasant proprietors, however much the feudal trappings might disguise their absolute ownership. In the larger seigniorial domains, the old bailiff, himself a serf, was displaced by the free farmer. The wage-labourers of agriculture were partly peasants, who made use of their leisure time by working on the large estates, and partly an independent, special class of wage-labourer, relatively and absolutely few in numbers. The latter were also in practice peasants, farming independently for themselves, since, in addition to their wages, they were provided with arable land to the extent of four or more acres, together with their cottages. Moreover, like the other peasants, they enjoyed the right to exploit the common land, which gave pasture to their cattle, and furnished them with timber, fire-wood, turf, etc.[2] In all countries of Europe, feudal production is characterized by division of the soil amongst the greatest possible number of sub-feudatories. The might of the feudal lord, like that of the sovereign, depended not on the length of his rent-roll, but on the number of his subjects, and the latter depended on the number of peasant proprietors.[3] Thus although the soil of England, after the Norman conquest, was divided up into gigantic baronies, one of which often included some 900 of the old Anglo-Saxon lordships, it was strewn with small peasant properties, only interspersed here and there with great seigniorial domains. Such conditions, together with the urban prosperity so characteristic of the fifteenth century, permitted the development of that popular wealth Chancellor Fortescue depicted so eloquently in his *De laudibus legum Angliae*, but they ruled out wealth in the form of capital.

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[1] 'The petty proprietors who cultivated their own fields with their own hands, and enjoyed a modest competence ... then formed a much more important part of the nation than at present. If we may trust the best statistical writers of that age, not less than 160,000 proprietors who, with their families, must have made up more than a seventh of the whole population, derived their subsistence from little freehold estates. The average income of these small landlords ... was estimated at between £60 and £70 a year. It was computed that the number of persons who tilled their own land was greater than the number of those who farmed the land of others' (Macaulay, *History of England*, 10th edn, London, 1854, Vol. 1, pp. 333, 334). Even in the last third of the seventeenth century, four-fifths of the English people were agriculturalists (loc. cit., p. 413). I quote Macaulay, because as a systematic falsifier of history he minimizes facts of this kind as much as possible.

[2] We must never forget that even the serf was not only the owner of the piece of land attached to his house, although admittedly he was merely a tribute-paying owner, but also a co-proprietor of the common land. 'The peasant' (in Silesia) 'is a serf.' Nevertheless these serfs possess common lands. 'It has not yet been possible to persuade the Silesians to partition the common

The prelude to the revolution that laid the foundation of the capitalist mode of production was played out in the last third of the fifteenth century and the first few decades of the sixteenth. A mass of 'free' and unattached proletarians was hurled onto the labour-market by the dissolution of the bands of feudal retainers, who, as Sir James Steuart correctly remarked, 'everywhere uselessly filled house and castle'.* Although the royal power, itself a product of bourgeois development, forcibly hastened the dissolution of these bands of retainers in its striving for absolute sovereignty, it was by no means the sole cause of it. It was rather that the great feudal lords, in their defiant opposition to the king and Parliament, created an incomparably larger proletariat by forcibly driving the peasantry from the land, to which the latter had the same feudal title as the lords themselves, and by usurpation of the common lands. The rapid expansion of wool manufacture in Flanders and the corresponding rise in the price of wool in

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lands, whereas in the *Neumark* there is scarcely a village where this partition has not been implemented with very great success' (Mirabeau, *De la monarchie prussienne*, London, 1788, Vol. 2, pp. 125–6).

[3] Japan, with its purely feudal organization of landed property and its developed small-scale agriculture, gives a much truer picture of the European Middle Ages than all our history books, dictated as these are, for the most part, by bourgeois prejudices. It is far too easy to be 'liberal' at the expense of the Middle Ages.

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*James Steuart, *An Inquiry into the Principles of Political Economy*, Vol. 1, Dublin, 1770, p. 52.

England provided the direct impulse for thes eevictions. The old nobility had been devoured by the great feudal wars. The new nobility was the child of its time, for which money was the power of all powers. Transformation of arable land into sheep-walks was therefore its slogan. Harrison, in his *Description of England, prefixed to Holinshed's Chronicles*, describes how the expropriation of small peasants is ruining the country. 'What care our great incroachers?' The dwellings of the peasants and the cottages of the labourers were razed to the ground or doomed to decay. 'If,' says Harrison, 'the old records of euerie manour be sought... it will soon appear that in some manour seventeene, eighteene, or twentie houses are shrunk ... that England was neuer less furnished with people than at the present ... Of cities and townes either utterly decaied or more than a quarter or half diminished, though some one be a little increased here or there; of townes pulled downe for sheepe-walks, and no more but the lordships now standing in them ... I could saie somewhat.'* The complaints of these old chroniclers are always exaggerated, but they faithfully reflect the impression made on contemporaries by the revolution in the relations of production. A comparison between the writings of Chancellor Fortescue and Thomas More reveals the gulf between the fifteenth and the sixteenth centuries. As Thornton rightly says, the English working class was precipitated without any transitional stages from its golden age to its iron age.†

Legislation shrunk back in the face of this immense change. It did not yet stand at that high level of civilization where the 'wealth of the nation' (i.e. the formation of capital and the reckless exploitation and impoverishment of the mass of the people) figures as the *ultima Thule*‡ of all statecraft. In his history of Henry VII Bacon says this: 'Inclosures at that time' (1489) 'began to be more frequent, whereby arable land, which could not be manured§ without people and families, was turned into pasture, which was easily rid by a few herdsmen; and tenancies for years, lives, and at will, whereupon much of the yeomanry lived, were turned into demesnes. This bred a decay of people, and, by consequence, a decay of towns, churches, tithes, and the like ... In remedying of

*William Harrison, *Description of England*, Chapter 19, 'Of Parks and Warrens', ed. G. Edelen, Ithaca, N.Y., 1968, pp. 257–8.

†W. T. Thornton, op. cit., p. 185.

‡'uttermost limit'.

§i.e. cultivated.

this inconvenience the king's wisdom was admirable, and the parliament's at that time ... They took a course to take away depopulating inclosures, and depopulating pasturage.'* An Act of Henry VII, 1489, c. 19, forbade the destruction of all 'houses of husbandry' possessing 20 acres of land. By another Act, 25 Henry VIII [c. 13], this law was renewed. It recites, among other things, that 'many farms and large flocks of cattle, especially of sheep, are concentrated in the hands of a few men, whereby the rent of land has much risen, and tillage has fallen off, churches and houses have been pulled down, and marvellous numbers of people have been deprived of the means wherewith to maintain themselves and their families.' The Act therefore ordains the rebuilding of the decayed farmsteads, and fixes a proportion between corn land and pasture land, etc. The same Act recites that some owners possess 24,000 sheep, and limits the number to be owned to 2,000.[4] The cries of the people and the legislation directed, for 150 years after Henry VII, against the expropriation of the small farmers and peasants, were both equally fruitless. Bacon, without knowing it, reveals to us the secret of their lack of success. 'The device of King Henry VII,' says Bacon, in the twenty-ninth of his *Essays, Civil and Moral*, 'was profound and admirable, in making farms and houses of husbandry of a standard; that is, maintained with such a proportion of land unto them as may breed a subject to live in convenient plenty and no servile condition, and to keep the plough in the hands of the owners and not mere hirelings.'[5] What the capitalist system demanded was

4. In his *Utopia*, Thomas More speaks of the curious land where 'sheep ... swallow down the very men themselves' (*Utopia*, tr. Robinson, ed. Arber, London, 1869, p. 41).

5. Elsewhere, Bacon discusses the connection between a free, well-to-do peasantry, and good infantry. 'This did wonderfully concern the might and mannerhood of the kingdom to have farms as it were of a standard sufficient to maintain an able body out of penury, and did in effect amortise a great part of the lands of the kingdom unto the hold and occupation of the yeomanry or middle people, of a condition between gentlemen, and cottagers and peasants ... For it hath been held by the general opinion of men of best judgment in the wars ... that the principal strength of an army consisteth in the infantry or foot. And to make good infantry it requireth men bred, not in a servile or indigent fashion, but in some free and plentiful manner. Therefore, if a state run most to noblemen and gentlemen, and that the husbandmen and plough-

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*F. Bacon, *The Reign of Henry VII, Verbatim Reprint from Kennet's 'England'*, ed. 1719, London, 1870, p. 307.

the reverse of this: a degraded and almost servile condition of the mass of the people, their transformation into mercenaries, and the transformation of their means of labour into capital. During this transitional period, legislation also strove to retain the four acres of land by the cottage of the agricultural wage-labourer, and forbade him to take lodgers into his cottage. In the reign of Charles I, in 1627, Roger Crocker of Fontmill was condemned for having built a cottage on the manor of Fontmill without four acres of land attached to the same in perpetuity. As late as 1638, in the same reign, a royal commission was appointed to enforce the implementation of the old laws, especially the law referring to the four acres of land. Even Cromwell forbade the building of a house within four miles of London unless it was endowed with four acres of land. As late as the first half of the eighteenth century, complaint is made if the cottage of the agricultural labourer does not possess an adjunct of one or two acres of land. Nowadays the labourer is lucky if it is furnished with a small garden, or if he may rent a few roods of land at a great distance from his cottage. 'Landlords and farmers,' says Dr Hunter, 'work here hand in hand. A few acres to the cottage would make the labourers too independent.'[6]

The process of forcible expropriation of the people received a new and terrible impulse in the sixteenth century from the Reformation, and the consequent colossal spoliation of church property. The Catholic church was, at the time of the Reformation, the feudal proprietor of a great part of the soil of England. The dissolution of the monasteries, etc., hurled their inmates into the proletariat. The estates of the church were to a large extent given away to rapacious royal favourites, or sold at a nominal price to speculating farmers and townsmen, who drove out the

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men be but as their workfolks and labourers, or else mere cottagers (which are but hous'd beggars), you may have a good cavalry, but never good stable bands of foot . . . And this is to be seen in France, and Italy, and some other parts abroad, where in effect all is noblesse or peasantry . . . insomuch that they are inforced to employ mercenary bands of Switzers and the like, for their battalions of foot; whereby also it comes to pass that those nations have much people and few soldiers' (F. Bacon, op. cit., p. 308).

[6] Dr Hunter, op. cit., p. 134. 'The quantity of land assigned' (under the old laws) 'would now be judged too great for labourers, and rather as likely to convert them into small farmers' (George Roberts, *The Social History of the People of the Southern Counties of England in Past Centuries*, London, 1856, pp. 184–5).

old-established hereditary sub-tenants in great numbers, and threw their holdings together. The legally guaranteed property of the poorer folk in a part of the church's tithes was quietly confiscated.[7] '*Pauper ubique jacet*'* cried Queen Elizabeth, after a journey through England. In the forty-third year of her reign it finally proved necessary to recognize pauperism officially by the introduction of the poor-rate. 'The authors of this law seem to have been ashamed to state the grounds of it, for' (contrary to traditional usage) 'it has no preamble whatever.'[8] The poor-rate was declared perpetual by 16 Charles I, c. 4, and in fact only in 1834 did it take a new and severer form.[9] These immediate results

[7] 'The right of the poor to share in the tithe, is established by the tenour of ancient statutes' (Tuckett, op. cit., Vol. 2, pp. 804–5).

[8] William Cobbett, *A History of the Protestant 'Reformation'*, para. 471.

[9] The 'spirit' of Protestantism may be seen from the following, among other things. In the south of England certain landed proprietors and well-to-do farmers put their heads together and propounded ten questions as to the right interpretation of the Elizabethan Poor Law. These they laid before a celebrated jurist of that time, Sergeant Snigge (later a judge under James I), for his opinion. 'Question 9 – Some of the more wealthy farmers in the parish have devised a skilful mode by which all the trouble of executing this Act might be avoided. They have proposed that we shall erect a prison in the parish, and then give notice to the neighbourhood, that if any persons are disposed to farm the poor of this parish, they do give in sealed proposals, on a certain day, of the lowest price at which they will take them off our hands; and that they will be authorised to refuse to any one unless he be shut up in the aforesaid prison. The proposers of this plan conceive that there will be found in the adjoining counties, persons, who, being unwilling to labour and not possessing substance or credit to take a farm or ship, so as to live without labour, may be induced to make a very advantageous offer to the parish. If any of the poor perish under the contractor's care, the sin will lie at his door, as the parish will have done its duty by them. We are, however, apprehensive that the present Act will not warrant a prudential measure of this kind; but you are to learn that the rest of the freeholders of the county, and of the adjoining county of B, will very readily join in instructing their members to propose an Act to enable the parish to contract with a person to lock up and work the poor; and to declare that if any person shall refuse to be so locked up and worked, he shall be entitled to no relief. This, it is hoped, will prevent persons in distress from wanting relief, and be the means of keeping down parishes' (R. Blakey, *The History of Political Literature from the Earliest Times*, London, 1855, Vol. 2, pp. 84–5). In Scotland, the abolition of serfdom took place some centuries later than in England. Fletcher of Saltoun declared as late as 1698, in the Scottish Parliament, 'The number of beggars in Scotland is reckoned at not less than 200,000. The only remedy that I, a republican on principle, can suggest, is to restore the old state of serfdom, to make slaves of all those

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* 'The poor man is everywhere in subjection' (Ovid, *Fasti*, Bk I, verse 218).

of the Reformation were not its most lasting ones. The property of the church formed the religious bulwark of the old conditions of landed property. With its fall, these conditions could no longer maintain their existence.[10]

Even in the last few decades of the seventeenth century, the yeomanry, the class of independent peasants, were more numerous than the class of farmers. They had formed the backbone of Cromwell's strength, and, on the admission of Macaulay himself, stood in favourable contrast to the drunken squires and their servants, the country clergy, who had to marry their masters' cast-off mistresses. By about 1750 the yeomanry had disappeared,[11] and so, by the last decade of the eighteenth century, had the last trace of the common land of the agricultural labourer. We leave on one side here the purely economic driving forces behind the agricultural revolution. We deal only with the violent means employed.

After the restoration of the Stuarts, the landed proprietors carried out, by legal means, an act of usurpation which was effected everywhere on the Continent without any legal formality. They abolished the feudal tenure of land, i.e. they got rid of all its obligations to the state, 'indemnified' the state by imposing taxes on the peasantry and the rest of the people, established for

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who are unable to provide for their own subsistence.' Eden (op. cit., Bk I, Ch. 1, pp. 60–61) says: 'The decrease of villeinage seems necessarily to have been the era of the origin of the poor. Manufactures and commerce are the two parents of our national poor.' Eden, like our Scottish republican on principle, is only wrong on this point: not the abolition of villeinage, but the abolition of the property of the agricultural labourer in the soil made him a proletarian, and eventually a pauper. In France, where the expropriation was effected in another way, the Ordinance of Moulins, 1571, and the Edict of 1656, correspond to the English Poor Laws.

[10] Mr Rogers, although he was at the time Professor of Political Economy in the University of Oxford, the very centre of Protestant orthodoxy, emphasized the pauperization of the mass of the people by the Reformation in his preface to the *History of Agriculture*.

[11] *A Letter to Sir T. C. Bunbury, Bart., on the High Price of Provisions. By a Suffolk Gentleman*, Ipswich, 1795, p. 4. Even that fanatical advocate of the system of large farms, the author of the *Inquiry into the Connection between the Present Price of Provisions, and the Size of Farms, etc.*, London, 1773 [J. Arbuthnot], says on p. 139: 'I most lament the loss of our yeomanry, that set of men who really kept up the independence of this nation; and sorry I am to see their lands now in the hands of monopolizing lords, tenanted out to small farmers, who hold their leases on such conditions as to be little better than vassals ready to attend a summons on every mischievous occasion.'

themselves the rights of modern private property in estates to which they had only a feudal title, and, finally, passed those laws of settlement which had the same effect on the English agricultural labourer, *mutatis mutandis*, as the edict of the Tartar Boris Godunov had on the Russian peasantry.*

The 'glorious Revolution' brought into power, along with William of Orange,[12] the landed and capitalist profit-grubbers. They inaugurated the new era by practising on a colossal scale the thefts of state lands which had hitherto been managed more modestly. These estates were given away, sold at ridiculous prices, or even annexed to private estates by direct seizure.[13] All this happened without the slightest observance of legal etiquette. The Crown lands thus fraudulently appropriated, together with the stolen Church estates, in so far as these were not lost again during the republican revolution, form the basis of the present princely domains of the English oligarchy.[14] The bourgeois capita-

[12] On the private morality of this bourgeois hero, among other things: 'The large grant of lands in Ireland to Lady Orkney, in 1695, is a public instance of the king's affection, and the lady's influence ... Lady Orkney's endearing offices are supposed to have been – *foeda labiorum ministeria*.'* (In the Sloane Manuscript Collection, at the British Museum, No. 4224. The manuscript is entitled: *The Character and Behaviour of King William, Sunderland, etc., as Represented in Original Letters to the Duke of Shrewsbury from Somers, Halifax, Oxford, Secretary Vernon, etc.* It is full of *curiosa*.)

[13] 'The illegal alienation of the Crown Estates, partly by sale and partly by gift, is a scandalous chapter in English history ... a gigantic fraud on the nation' (F. W. Newman, *Lectures on Political Economy*, London, 1851, pp. 129–30). [Added by Engels to the fourth German edition:] For details as to how the present large landed proprietors of England came into their possessions, see *Our Old Nobility. By Noblesse Oblige* (N. H. Evans), London, 1879.

[14] Read for example Edmund Burke's pamphlet† on the ducal house of Bedford, whose offshoot was Lord John Russell, the 'tomtit of liberalism'.‡

*'Base services performed with the lips'.

†This was the pamphlet produced by Burke in 1796, entitled *A Letter from the Right Honourable Edmund Burke to a Noble Lord, on the Attacks Made upon Him and His Pension, in the House of Lords, by the Duke of Bedford and the Earl of Lauderdale, Early in the Present Session of Parliament.* In it he turned on his former Whig allies, from whom he had parted over the question of the war with France, and demonstrated that the Russells had wrested from the English people a 'quite incredible' number of estates over the centuries.

‡ Cobbett compared Lord John Russell with a tom-tit 'endeavouring to put all right with the old oak of the British Constitution by picking at a nest of

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*This was the Edict of 1597, by which peasants who had fled from their lords could be pursued for five years and forcibly returned to them when caught.

lists favoured the operation, with the intention, among other things, of converting the land into a merely commercial commodity, extending the area of large-scale agricultural production, and increasing the supply of free and rightless proletarians driven from their land. Apart from this, the new landed aristocracy was the natural ally of the new bankocracy, of newly hatched high finance, and of the large manufacturers, at that time dependent on protective duties. The English bourgeoisie acted quite as wisely in its own interest as the Swedish burghers, who did the opposite: hand in hand with the bulwark of their economic strength, the peasantry, they helped the kings in their forcible resumption of crown lands from the oligarchy, in the years after 1604 and later on under Charles X and Charles XI.

Communal property – which is entirely distinct from the state property we have just been considering – was an old Teutonic institution which lived on under the cover of feudalism. We have seen how its forcible usurpation, generally accompanied by the turning of arable into pasture land, begins at the end of the fifteenth century and extends into the sixteenth. But at that time the process was carried on by means of individual acts of violence against which legislation, for a hundred and fifty years, fought in vain. The advance made by the eighteenth century shows itself in this, that the law itself now becomes the instrument by which the people's land is stolen, although the big farmers made use of their little independent methods as well.[15] The Parliamentary form of the robbery is that of 'Bills for Inclosure of Commons', in other words decrees by which the landowners grant themselves the people's land as private property, decrees of expropriation of the people. Sir F. M. Eden refutes his own crafty special pleading, in which he tries to represent communal property as the private

[15] 'The farmers forbid cottagers to keep any living creatures besides themselves and children, under the pretence that if they keep any beasts or poultry, they will steal from the farmers' barns for their support; they also say, keep the cottagers poor and you will keep them industrious, etc., but the real fact, I believe, is that the farmers may have the whole right of common to themselves' (*A Political Inquiry into the Consequences of Enclosing Waste Lands*, London, 1785, p. 75).

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animalculae seated in the half-rotten bark of one of the meanest branches'. This apt characterization of Russell's efforts at parliamentary reform between 1813 and 1830 was adopted by Marx as the keynote for his article 'Lord John Russell' in the *New York Daily Tribune* of 28 August 1855.

property of the great landlords who have taken the place of the feudal lords, when he himself demands a 'general Act of Parliament for the enclosure of Commons' (thereby admitting that a parliamentary *coup d'état* is necessary for their transformation into private property), and moreover calls on the legislature to indemnify the expropriated poor.[16]

While the place of the independent yeoman was taken by tenants at will, small farmers on yearly leases, a servile rabble dependent on the arbitrary will of the landlords, the systematic theft of communal property was of great assistance, alongside the theft of the state domains, in swelling those large farms which were called in the eighteenth century capital farms,[17] or merchant farms,[18] and in 'setting free' the agricultural population as a proletariat for the needs of industry.

The eighteenth century, however, did not yet recognize as fully as the nineteenth the identity between the wealth of the nation and the poverty of the people. Hence the very vigorous polemic, in the economic literature of that time, on the 'enclosure of commons'. From the mass of material that lies before me, I give a few extracts chosen for the strong light they throw on the circumstances of the time. 'In several parishes of Hertfordshire,' writes one indignant person, 'twenty-four farms, numbering on the average 50 to 150 acres, have been melted up into three farms.'[19] 'In Northamptonshire and Leicestershire the enclosure of common lands has taken place on a very large scale, and most of the new lordships, resulting from the enclosure, have been turned into pasturage, in consequence of which many lordships have not now 50 acres ploughed yearly, in which 1,500 were ploughed formerly. The ruins of former dwelling-houses, barns, stables, etc.' are the sole traces of the former inhabitants. 'An hundred houses and families have in some open field villages . . . dwindled to eight or ten . . . The landholders in most parishes that have been enclosed only fifteen or twenty years, are very few in comparison of the numbers who occupied them in their open-field state. It is no uncommon thing for four or five wealthy graziers to engross a large enclosed lordship which was before in the hands of twenty or thirty farmers, and as many smaller tenants and proprietors. All these are hereby thrown out of their livings with their families and many other families who were chiefly employed and supported by them.'[20] It was not only land that lay waste, but often also land that was still under cultivation, being cultivated either in common or held under a definite rent paid to the community, that was annexed by the neighbouring landowners under pretext of enclosure. 'I have here in view enclosures of open fields and lands already improved. It is acknowledged by even the writers in defence of enclosures that these diminished villages increase the monopolies of farms, raise the prices of provisions, and produce depopulation . . . and even the enclosure of waste lands (as now carried on) bears hard on the poor, by depriving them of a part of their subsistence, and only goes towards increasing farms already too large.'[21] 'When,' says Dr Price, 'this land gets into the hands of a few great farmers, the consequence must be that the little farmers' (previously described by him as 'a multitude of little proprietors and tenants, who maintain themselves and families by the produce of the ground they occupy by sheep kept on a common, by poultry, hogs, etc., and who therefore have little occasion to purchase any of the means of subsistence') 'will be converted into a body of men who earn their subsistence by working for others, and who will be under a necessity of going to market for all they want . . . There will, perhaps, be more labour, because there will be more compulsion to it . . . Towns and manufactures will increase, because more will be driven to them in quest of places and employment. This is the way in which the engrossing of farms actually operates. And this is the way in which, for many years, it has been actually operating in this kingdom.'[22] He sums up the effect of the enclosures in this way: 'Upon the whole, the circumstances of the lower ranks of men are altered in almost every respect for the worse. From little occupiers of land, they are reduced to the state of day-labourers and hirelings; and, at the same time, their subsistence in that state has become more difficult.'[23] In fact, the usurpation of the common lands and the accompanying revolution in agriculture had such an acute effect on the agricultural labourers that, even according to Eden, their wages began to fall below the minimum between 1765 and 1780, and to be supplemented by official Poor Law relief. Their wages, he says, 'were not more than enough for the absolute necessaries of life'.

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[16] Eden, op. cit., Preface [pp. xvii, xix].

[17] *Two Letters on the Flour Trade, and the Dearness of Corn. By a Person in Business*, London, 1767, pp. 19–20.

[18] *An Enquiry into the Causes of the Present High Price of Provisions*, London, 1767, p. 111, note. This good book, published anonymously, was written by the Rev. Nathaniel Forster.

[19] Thomas Wright, *A Short Address to the Public on the Monopoly of Large Farms*, 1779, pp. 2, 3.

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[20] Rev. Addington, *Inquiry into the Reasons for or against Inclosing Open Fields*, London, 1772, pp. 37–43 passim.

[21] Dr R. Price, op. cit., Vol. 2, pp. 155–6. Forster, Addington, Kent, Price and James Anderson should be read and compared with the miserable prattle of the sycophantic MacCulloch, in his catalogue *The Literature of Political Economy*, London, 1845.

[22] Price, op. cit., p. 147.

Let us hear for a moment a defender of enclosures and an opponent of Dr Price. 'Nor is it a consequence that there must be depopulation, because men are not seen wasting their labour in the open field... If, by converting the little farmers into a body of men who must work for others, more labour is produced, it is an advantage which the nation' (to which, of course, the people who have been 'converted' do not belong) 'should wish for ... the produce being greater when their joint labours are employed on one farm, there will be a surplus for manufactures, and by this means manufactures, one of the mines of the nation, will increase, in proportion to the quantity of corn produced.'[24]

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[23] Price, op. cit., p. 159. We are reminded of ancient Rome. 'The rich had got possession of the greater part of the undivided land. They were confident that, in the conditions of the time, these possessions would never be taken back again from them, and they therefore bought some of the pieces of land lying near theirs, and belonging to the poor, with the acquiescence of the latter, and the rest they took by force, so that now they were cultivating widely extended domains, instead of isolated fields. Then they employed slaves in agriculture and cattle-breeding, because the free men had been taken away from labour to do military service. The possession of slaves brought great gains to them, in that the slaves, on account of their exemption from military service, could multiply without risk and therefore had great numbers of children. Thus the powerful men drew all wealth to themselves, and the whole land swarmed with slaves. The Italians, on the other hand, were always decreasing in number, worn down as they were by poverty, taxation, and military service. Even in times of peace, they were doomed to complete inactivity, because the rich were in possession of the soil, and used slaves instead of free men to cultivate it' (Appian, *The Roman Civil Wars*, Bk I, Ch. 7). This passage refers to the time before the Licinian Law.* Military service, which hastened to so great an extent the ruin of the Roman plebeians, was also the chief means by which, as in a forcing-house, Charlemagne brought about the transformation of free German peasants into serfs and bondsmen.

*The Licinian Law, passed in 367 B.C., was an attempt to remedy these inequalities. Appian says it provided that 'nobody should hold more than 500 *jugera* of public land, or pasture on it more than 100 cattle or 500 sheep' (*The Roman Civil Wars*, Bk. I, Ch. 8).

The stoical peace of mind with which the political economist regards the most shameless violation of the 'sacred rights of property' and the grossest acts of violence against persons, as soon as they are necessary in order to lay the foundations of the capitalist mode of production, is shown by Sir F. M. Eden, who is, moreover, Tory and 'philanthropic' in his political colouring. The whole series of thefts, outrages and popular misery that accompanied the forcible expropriation of the people, from the last third of the fifteenth to the end of the eighteenth century, leads him merely to this 'comfortable' concluding reflection: 'The due proportion between arable land and pasture had to be established. During the whole of the fourteenth and the greater part of the fifteenth century, there was 1 acre of pasture to 2, 3, and even 4 of arable land. About the middle of the sixteenth century the proportion was changed to 2 acres of pasture to 2, later on, to 2 acres of pasture to 1 of arable, until at last the just proportion of 3 acres of pasture to 1 of arable land was attained.'

By the nineteenth century, the very memory of the connection between the agricultural labourer and communal property had, of course, vanished. To say nothing of more recent times – have the agricultural population received a farthing's compensation for the 3,511,770 acres of common land which between 1801 and 1831 were stolen from them and presented to the landlords by the landlords, through the agency of Parliament?

The last great process of expropriation of the agricultural population from the soil is, finally, the so-called 'clearing of estates', i.e. the sweeping of human beings off them. All the English methods hitherto considered culminated in 'clearing'. As we saw in the description of modern conditions given in a previous chapter, when there are no more independent peasants to get rid of, the 'clearing' of cottages begins; so that the agricultural labourers no longer find on the soil they cultivate even the necessary space for their own housing. But what 'clearing of estates' really and properly signifies, we learn only in the Highlands of Scotland, the promised land of modern romantic novels. There the process is distinguished by its systematic character, by the magnitude of the scale on which it is carried out at one blow (in Ireland landlords have gone as far as sweeping away several villages at once; but in the Highlands areas as large as German principalities are dealt with), and finally by the peculiar form of property under which the embezzled lands were held.

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[24] [J. Arbuthnot,] *An Inquiry into the Connection between the Present Price of Provisions, etc.*, pp. 124, 129. Here is a similar argument, but with an opposite tendency: 'Working-men are driven from their cottages and forced into the towns to seek for employment; but then a larger surplus is obtained, and thus capital is augmented' ([R. B. Seeley,] *The Perils of the Nation*, 2nd edn, London, 1843, p. xiv.)

The Highland Celts were organized in clans, each of which was the owner of the land on which it was settled. The representative of the clan, its chief or 'great man', was only the titular owner of this property, just as the Queen of England is the titular owner of all the national soil. When the English government succeeded in suppressing the intestine wars of these 'great men', and their constant incursions into the Lowland plains, the chiefs of the clans by no means gave up their time-honoured trade as robbers; they merely changed its form. On their own authority, they transformed their nominal right to the land into a right of private property, and as this came up against resistance on the part of their clansmen, they resolved to drive them out openly and by force. 'A king of England might as well claim to drive his subjects into the sea,' says Professor Newman.[25] This revolution, which began in Scotland after the last rising of the followers of the Pretender,* can be followed through its first phases in the writings of Sir James Steuart[26] and James Anderson.[27] In the eighteenth century the Gaels were both driven from the land and forbidden to emigrate, with a view to driving them forcibly to

[25] F. W. Newman, op. cit., p. 132.

[26] Steuart says: 'If you compare the rent of these lands' (he erroneously includes in this economic category the tribute paid by the taksmen* to the chief of the clan) 'with the extent, it appears very small. If you compare it with the numbers fed upon the farm, you will find that an estate in the Highlands maintains, perhaps, ten times as many people as another of the same value in a good and fertile province' (op. cit., Vol. 1, Ch. 16, p. 104).

[27] James Anderson, *Observations on the Means of Exciting a Spirit of National Industry, etc.*, Edinburgh, 1777.

*The taksmen were the immediate subordinates of the laird, or chief, of the clan. They were the actual holders of the land, the 'tak', and paid a nominal sum to the laird in recognition of his suzerainty.

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*The rising of 1745–6 in favour of the Young Pretender, Charles Edward Stuart.

Glasgow and other manufacturing towns.[28] As an example of the method used in the nineteenth century,[29] the 'clearings' made by the Duchess of Sutherland will suffice here. This person, who had been well instructed in economics, resolved, when she succeeded to the headship of the clan, to undertake a radical economic cure, and to turn the whole county of Sutherland, the population of which had already been reduced to 15,000 by similar processes, into a sheep-walk. Between 1814 and 1820 these 15,000 inhabitants, about 3,000 families, were systematically hunted and rooted out. All their villages were destroyed and burnt, all their fields turned into pasturage. British soldiers enforced this mass of evictions, and came to blows with the inhabitants. One old woman was burnt to death in the flames of the hut she refused to leave. It was in this manner that this fine lady appropriated 794,000 acres of land which had belonged to the clan from time immemorial. She assigned to the expelled inhabitants some 6,000 acres on the sea-shore – 2 acres per family. The 6,000 acres had until this time lain waste, and brought in no income to their owners. The Duchess, in the nobility of her heart, actually went so far as to let these waste lands at an average rent of 2s. 6d. per acre to the clansmen, who for centuries had shed their blood for her family. She divided the whole of the stolen land of the clan into twenty-nine huge sheep farms, each inhabited by a single family, for the most part imported English farm-servants. By 1825 the 15,000 Gaels had already been replaced by 131,000 sheep. The remnant of the original inhabitants, who had been flung onto the sea-shore, tried to live by catching fish. They became amphibious, and lived, as an English writer says, half on land and half on water, and withal only half on both.[30]

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[28] In 1860 some of the people who had been expropriated by force were exported to Canada under false pretences. Others fled to the mountains and neighbouring islands. They were followed by the police, came to blows with them and escaped.

[29] 'In the Highlands of Scotland,' says Buchanan, in his commentary on Adam Smith, published in 1814, 'the ancient state of property is daily subverted ... The landlord, without regard to the hereditary tenant' (this too is a wrongly applied category in this case) 'now offers his land to the highest bidder, who, if he is an improver, instantly adopts a new system of cultivation. The land, formerly overspread with small tenants or labourers, was peopled in proportion to its produce, but under the new system of improved cultivation and increased rents, the largest possible produce is obtained at the least possible expense; and the useless hands being, with this view, removed, the population is reduced, not to what the land will maintain, but to what it will employ ... The dispossessed tenants ... seek a subsistence in the neighbouring towns, etc.' (David Buchanan, *Observations on, etc., A. Smith's Wealth of Nations*, Edinburgh, 1814, Vol. 4, p. 144). 'The Scotch grandees dispossessed families as they would grub up coppice-wood, and they treated villages and their people as Indians harassed with wild beasts do, in their vengeance, a jungle with tigers ... Man is bartered for a fleece or a carcase of mutton, nay, held cheaper ... Why, how much worse is it than the intention of the Moguls, who, when they had broken into the northern provinces of China, proposed in council to exterminate the inhabitants, and convert the land into pasture. This proposal many Highland proprietors have effected in their own country against their own countrymen' (George Ensor, *An Inquiry Concerning the Population of Nations*, London, 1818, pp. 215–16).

But the splendid Gaels had now to suffer still more bitterly for their romantic mountain idolization of the 'great men' of the clan. The smell of their fish rose to the noses of the great men. They scented some profit in it, and let the sea-shore to the big London fishmongers. For the second time the Gaels were driven out.[31]

Finally, however, part of the sheep-walks were turned into deer preserves. Everyone knows that there are no true forests in England. The deer in the parks of the great are demure domestic cattle, as fat as London aldermen. Scotland is therefore the last refuge of the 'noble passion'. 'In the Highlands,' reports Somers in 1848, 'new forests are springing up like mushrooms. Here, on one side of Gaick, you have the new forest of Glenfeshie; and there on the other you have the new forest of Ardverikie. In the same line you have the Black Mount, an immense waste also recently erected. From east to west – from the neighbourhood of

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[30] When the present Duchess of Sutherland entertained Mrs Beecher Stowe, authoress of *Uncle Tom's Cabin*, with great magnificence in London to show her sympathy for the Negro slaves of the American republic – a sympathy she prudently forgot, along with her fellow-aristocrats, during the Civil War, when every 'noble' English heart beat for the slave-owners – I gave the facts about the Sutherland slaves in the *New York Tribune*.* (Some extracts from this were printed by Carey in *The Slave Trade*, Philadelphia, 1853, pp. 202–3.) My article was reprinted in a Scottish newspaper, and it called forth a nice polemic between that newspaper and the sycophants of the Sutherlands.

[31] Interesting details on this fish trade will be found in Mr David Urquhart's *Portfolio, New Series*. Nassau W. Senior, in his posthumous work, already quoted, describes 'the proceedings in Sutherlandshire' as 'one of the most beneficent clearings since the memory of man' (op. cit., p. 282).

*'The Duchess of Sutherland and Slavery', *New York Daily Tribune*, 9 February 1853. This article was published in almost identical form on 12 March 1853 in the Chartist *People's Paper*, from where it is reprinted in Karl Marx and Frederick Engels, *Articles on Britain*, Moscow, 1971, pp. 143–9.

Aberdeen to the crags of Oban – you have now a continuous line of forests; while in other parts of the Highlands there are the new forests of Loch Archaig, Glengarry, Glenmoriston, etc. Sheep were introduced into glens which had been the seats of communities of small farmers; and the latter were driven to seek subsistence on coarser and more sterile tracts of soil. Now deer are supplanting sheep; and these are once more dispossessing the small tenants, who will necessarily be driven down upon still coarser land and to more grinding penury. Deer-forests[32] and the people cannot co-exist. One or other of the two must yield. Let the forests be increased in number and extent during the next quarter of a century, as they have been in the last, and the Gaels will perish from their native soil ... This movement among the Highland proprietors is with some a matter of ambition ... with some love of sport ... while others, of a more practical cast, follow the trade in deer with an eye solely to profit. For it is a fact, that a mountain range laid out in forest is, in many cases, more profitable to the proprietor than when let as a sheep-walk ... The huntsman who wants a deer-forest limits his offers by no other calculation than the extent of his purse ... Sufferings have been inflicted in the Highlands scarcely less severe than those occasioned by the policy of the Norman kings. Deer have received extended ranges, while men have been hunted within a narrower and still narrower circle ... One after one the liberties of the people have been cloven down ... And the oppressions are daily on the increase ... The clearance and dispersion of the people is pursued by the proprietors as a settled principle, as an agricultural necessity, just as trees and brushwood are cleared from the wastes of America or Australia; and the operation goes on in a quiet, business-like way, etc.'[33]

[32] The deer-forests of Scotland do not contain a single tree. The sheep are driven from, and then the deer driven to, the naked hills, and this is then called a deer-forest. Not even timber-planting and real forest culture.

[33] Robert Somers, *Letters from the Highlands; or the Famine of 1847*, London, 1848, pp. 12–28 passim. These letters originally appeared in *The Times*. The English economists of course explained the famine of the Gaels in 1847 by referring to – over-population. At all events, they were 'pressing' on their food supply. The 'clearing of estates', or as it is called in German, '*Bauernlegen*', made its influence felt in Germany especially after the Thirty Years' War, and, as late as 1790, led to peasant revolts in Electoral Saxony. *Bauernlegen* was particularly prevalent in the eastern part of Germany. In most of the Prussian provinces, Frederick II for the first time secured property rights for the peasants. After the conquest of Silesia, he forced the landowners

to rebuild huts, barns, etc. and to provide the peasants with cattle and implements. He wanted soldiers for his army, and taxpayers for his treasury. For the rest, the pleasant life led by the peasant under Frederick's financial system and his governmental hotch-potch of despotism, bureaucracy and feudalism may be seen from the following quotation from his admirer Mirabeau: 'Flax represents one of the greatest sources of wealth for the peasant of North Germany. Unfortunately for the human race, this is only a resource against misery and not a means towards well-being. Direct taxes, forced labour services, obligations of all kinds, crush the German peasant, especially as he still has to pay indirect taxes on everything he buys . . . and to complete his ruin he dare not sell his produce where and as he wishes; he dare not buy what he needs from the merchants who could sell it to him at a cheaper price. He is slowly ruined by all these factors, and when the direct taxes fall due, he would find himself incapable of paying them without his spinning-wheel; it offers him a last resort, while providing useful occupation for his wife, his children, his maids, his farm-hands, and himself; but what a painful life he leads, even with this extra resource! In summer, he works like a convict with the plough and at harvest; he goes to bed at nine o'clock and rises at two to get through all his work; in winter he ought to be recovering his strength by sleeping longer; but he would run short of corn for his bread and next year's sowing if he got rid of the products that he needs to sell in order to pay the taxes. He therefore has to spin to fill up this gap . . . and indeed he must do so most assiduously. Thus the peasant goes to bed at midnight or one o'clock in winter, and gets up at five or six; or he goes to bed at nine and gets up at two, and this he does every day of his life except Sundays. These excessively short hours of sleep and long hours of work consume a person's strength, and hence it happens that men and women age much more in the country than in the towns' (Mirabeau, op. cit., Vol. 3, pp. 212 ff.). In March 1866, eighteen years after the publication of the work of Robert Somers quoted above, Professor Leone Levi gave a lecture before the Society of Arts on the transformation of sheep-walks into deer-forests, in which he depicted the further progress in the devastation of the Scottish Highlands. He says, among other things: 'Depopulation and transformation into sheep-walks were the most convenient means for getting an income without expenditure . . . A deer-forest in place of a sheep-walk was a common change in the Highlands. The landowners turned out the sheep as they once turned out the men from their estates, and welcomed the new tenants – the wild beasts and the feathered birds . . . One can walk from the Earl of Dalhousie's estates in Forfarshire to John o' Groats, without ever leaving forest land . . . In many of these woods the fox, the wild cat, the marten, the pole-cat, the weasel and the Alpine hare are common; whilst the rabbit, the squirrel and the rat have lately made their way into the country. Immense tracts of land, much of which is described in the statistical account of Scotland as having a pasturage in richness and extent of very superior description, are thus shut out from all cultivation and improvement, and are solely devoted to the sport of a few persons for a very brief period of the year.' The London *Economist* of 2 June 1866 says, 'Amongst the items of news in a Scotch paper of last week, we read . . . "One of the finest sheep farms in Sutherlandshire, for which a rent of £1,200 a year was recently offered, on the expiry of the existing lease this year, is to be converted into a deer-forest." Here we see the modern instincts of feudalism . . . operating

The spoliation of the Church's property, the fraudulent alienation of the state domains, the theft of the common lands, the usurpation of feudal and clan property and its transformation into modern private property under circumstances of ruthless terrorism, all these things were just so many idyllic methods of primitive accumulation. They conquered the field for capitalist agriculture, incorporated the soil into capital, and created for the urban industries the necessary supplies of free and rightless proletarians.

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pretty much as they did when the Norman Conqueror . . . destroyed thirty-six villages to create the New Forest . . . Two millions of acres . . . totally laid waste, embracing within their area some of the most fertile lands of Scotland. The natural grass of Glen Tilt was among the most nutritive in the county of Perth. The deer-forest of Ben Aulder was by far the best grazing ground in the wide district of Badenoch; a part of the Black Mount forest was the best pasture for black-faced sheep in Scotland. Some idea of the ground laid waste for purely sporting purposes in Scotland may be formed from the fact that it embraced an area larger than the whole county of Perth. The resources of the forest of Ben Aulder might give some idea of the loss sustained from the forced desolations. The ground would pasture 15,000 sheep, and as it was not more than one-thirtieth part of the whole forest ground in Scotland . . . (the amount of pasture lost can be imagined). All that forest land is totally unproductive . . . It might just as well have been submerged under the waters of the North Sea . . . Such extemporized wildernesses or deserts ought to be put down by the decided interference of the Legislature.'

Chapter 28: Bloody Legislation against the Expropriated since the End of the Fifteenth Century. The Forcing Down of Wages by Act of Parliament

The proletariat created by the breaking-up of the bands of feudal retainers and by the forcible expropriation of the people from the soil, this free and rightless* proletariat could not possibly be absorbed by the nascent manufactures as fast as it was thrown upon the world. On the other hand, these men, suddenly dragged from their accustomed mode of life, could not immediately adapt themselves to the discipline of their new condition. They were turned in massive quantities into beggars, robbers and vagabonds, partly from inclination, in most cases under the force of circumstances. Hence at the end of the fifteenth and during the whole of the sixteenth centuries, a bloody legislation against vagabondage was enforced throughout Western Europe. The fathers of the present working class were chastised for their enforced transformation into vagabonds and paupers. Legislation treated them as 'voluntary' criminals, and assumed that it was entirely within their powers to go on working under the old conditions which in fact no longer existed.

In England this legislation began under Henry VII.

Henry VIII, 1530: Beggars who are old and incapable of working receive a beggar's licence. On the other hand, whipping and imprisonment for sturdy vagabonds. They are to be tied to the cart-tail and whipped until the blood streams from their bodies, then they are to swear on oath to go back to their birthplace or to where they have lived the last three years and to 'put themselves to labour'. What grim irony! By 27 Henry VIII [c. 25] the previous statute is repeated, but strengthened with new clauses. For the second arrest for vagabondage the whipping is to be repeated and half the ear sliced off; but for the third relapse the

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*Here, as elsewhere in this context, Marx uses the word '*vogelfrei*', literally 'as free as a bird', i.e. free but outside the human community and therefore entirely unprotected and without legal rights.

offender is to be executed as a hardened criminal and enemy of the common weal.

Edward VI: A statute of the first year of his reign, 1547,* ordains that if anyone refuses to work, he shall be condemned as a slave to the person who has denounced him as an idler. The master shall feed his slave on bread and water, weak broth and such refuse meat as he thinks fit. He has the right to force him to do any work, no matter how disgusting, with whip and chains. If the slave is absent for a fortnight, he is condemned to slavery for life and is to be branded on forehead or back with the letter S; if he runs away three times, he is to be executed as a felon. The master can sell him, bequeath him, let him out on hire as a slave, just as he can any other personal chattel or cattle. If the slaves attempt anything against the masters, they are also to be executed. Justices of the peace, on information, are to hunt the rascals down. If it happens that a vagabond has been idling about for three days, he is to be taken to his birthplace, branded with a red hot iron with the letter V on the breast, and set to work, in chains, on the roads or at some other labour. If the vagabond gives a false birthplace, he is then to become the slave for life of that place, of its inhabitants, or its corporation, and to be branded with an S. All persons have the right to take away the children of the vagabonds and keep them as apprentices, the young men until they are 24, the girls until they are 20. If they run away, they are to become, until they reach these ages, the slaves of their masters, who can put them in irons, whip them, etc. if they like. Every master may put an iron ring round the neck, arms or legs of his slave, by which to know him more easily and to be more certain of him.[1] The last part of this statute provides that certain poor people may be employed by a place or by persons who are willing to give them food and drink and to find them work. Slaves of the parish of this kind were still to be found in England in the mid nineteenth century under the name of 'roundsmen'.

Elizabeth, 1572:† Unlicensed beggars above 14 years of age are to be severely flogged and branded on the left ear unless some-

[1] The author of the *Essay on Trade, etc.*, 1770, says: 'In the reign of Edward VI indeed the English seem to have set, in good earnest, about encouraging manufactures and employing the poor. This we learn from a remarkable statute which runs thus: "That all vagrants shall be branded, etc."' (p. 5).

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*An Act for the Punishing of Vagabonds, 1 Edward VI, c. 3.

†An Act for the Punishment of Vagabonds, 14 Elizabeth I, c. 5.

one will take them into service for two years; in case of a repetition of the offence, if they are over 18, they are to be executed, unless someone will take them into service for two years; but for the third offence they are to be executed without mercy as felons. Similar statutes: 18 Elizabeth, c. 13, and another of 1597.[2]

James I: Anyone wandering about and begging is declared a rogue and a vagabond. Justices of the peace in Petty Sessions are authorized to have them publicly whipped and to imprison them for six months for the first offence, and two years for the second. While in prison they are to be whipped as much and as often as the justices of the peace think fit ... Incorrigible and dangerous rogues are to be branded with an R on the left shoulder and set to hard labour, and if they are caught begging again, to be executed without mercy. These statutes were legally binding until the beginning of the eighteenth century; they were only repealed by 12 Anne, c. 23.

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[2] Thomas More says in his *Utopia*: 'Consequently, in order that one insatiable glutton and accursed plague of his native land may join field to field and surround many thousand acres with one fence, tenants are evicted. Some of them, either circumvented by fraud or overwhelmed by violence, are stripped even of their own property, or else, wearied by unjust acts, are driven to sell. By hook or by crook the poor wretches are compelled to leave their homes – men and women, husbands and wives, orphans and widows, parents with little children and a household not rich but numerous, since farm work requires many hands. Away they must go, I say, from the only homes familiar and known to them, and they find no shelter to go to. All their household goods which would not fetch a great price if they could wait for a purchaser, since they must be thrust out, they sell for a trifle. After they have soon spent that trifle in wandering from place to place, what remains for them but to steal and be hanged – justly, you may say! – or to wander and beg. And yet even in the latter case they are cast into prison as vagrants for going about idle when, though they most eagerly offer their labour, there is no one to hire them.' Out of these poor fugitives, of whom Thomas More says that they were forced to steal, '72,000 great and petty thieves were put to death,' in the reign of Henry VIII (Holinshed, *Description of England*, Vol. 1, p. 186).* In Elizabeth's time, 'rogues were trussed up apace, and there was not one year commonly wherein three or four hundred were not devoured and eaten up by the gallowes' (Strype, *Annals of the Reformation and Establishment of Religion, and Other Various Occurrences in the Church of England during Queen Elizabeth's Happy Reign*, 2nd edn, 1725, Vol. 2). According to this same Strype, in Somersetshire in one year 40 persons were executed, 35 robbers burnt in the hand, 37 whipped and 183 discharged as 'incorrigible vagabonds'. Nevertheless, he is of the opinion that this large number of prisoners does not comprise 'even a fifth of the actual criminals, thanks to the negligence of the justices and the foolish compassion of the people', and that the other counties of England were not better off in this respect than Somersetshire, while some were even worse off.

*This is in fact the *Description of England* by William Harrison (referred to earlier), Ch. 11, 'Of Sundry Kinds of Punishments Appointed for Malefactors', p. 193.

There were similar laws in France, where by the middle of the seventeenth century a kingdom of vagabonds (*royaume des truands*) had been established in Paris. Even at the beginning of the reign of Louis XVI, the Ordinance of 13 July 1777 provided that every man in good health from 16 to 60 years of age, if without means of subsistence and not practising a trade, should be sent to the galleys. The Statute of Charles V for the Netherlands (October 1537), the first Edict of the States and Towns of Holland (10 March 1614) and the *Plakaat* of the United Provinces (26 June 1649) are further examples of the same kind.

Thus were the agricultural folk first forcibly expropriated from the soil, driven from their homes, turned into vagabonds, and then whipped, branded and tortured by grotesquely terroristic laws into accepting the discipline necessary for the system of wage-labour.

It is not enough that the conditions of labour are concentrated at one pole of society in the shape of capital, while at the other pole are grouped masses of men who have nothing to sell but their labour-power. Nor is it enough that they are compelled to sell themselves voluntarily. The advance of capitalist production develops a working class which by education, tradition and habit looks upon the requirements of that mode of production as self-evident natural laws. The organization of the capitalist process of production, once it is fully developed, breaks down all resistance. The constant generation of a relative surplus population keeps the law of the supply and demand of labour, and therefore wages, within narrow limits which correspond to capital's valorization requirements. The silent compulsion of economic relations sets the seal on the domination of the capitalist over the worker. Direct extra-economic force is still of course used, but only in exceptional cases. In the ordinary run of things, the worker can be left to the 'natural laws of production', i.e. it is possible to rely on his dependence on capital, which springs from the conditions of production themselves, and is guaranteed in perpetuity by them. It is otherwise during the historical genesis of capitalist production. The rising bourgeoisie needs the power of the state, and uses it to 'regulate' wages, i.e. to force them into the limits suitable for making a profit, to lengthen the working day, and to keep the worker himself at his normal level of dependence. This is an essential aspect of so-called primitive accumulation.

The class of wage-labourers, which arose in the latter half of the fourteenth century, formed then and in the following century only a very small part of the population, well protected in its position by the independent peasant proprietors in the countryside and by the organization of guilds in the towns. Masters and artisans were not separated by any great social distance either on the land or in the towns. The subordination of labour to capital was only formal, i.e. the mode of production itself had as yet no specifically capitalist character. The variable element in capital preponderated greatly over the constant element. The demand for wage-labour therefore grew rapidly with every accumulation of capital, while the supply only followed slowly behind. A large part of the national product which was later transformed into a fund for the accumulation of capital still entered at that time into the consumption-fund of the workers.

Legislation on wage-labour, which aimed from the first at the exploitation of the worker and, as it progressed, remained equally hostile to him,[3] begins in England with the Statute of Labourers issued by Edward III in 1349. The Ordinance of 1350 in France, issued in the name of King John, corresponds to it. The English and French laws run parallel and are identical in content. Where these labour-statutes aim at a compulsory extension of the working day, I shall not return to them, as we discussed this point earlier (in Chapter 10, Section 5).

The Statute of Labourers was passed at the urgent insistence of the House of Commons. A Tory says naïvely: 'Formerly the poor demanded such *high* wages as to threaten industry and wealth. Next, their wages are so *low* as to threaten industry and wealth equally and perhaps more, but in another way.'[4] A tariff of wages was fixed by law for town and country, for piece-work and day-work. The agricultural labourers were to hire themselves out by the year, the urban workers were to do so 'on the open market'. It was forbidden, on pain of imprisonment, to pay higher wages than those fixed by the statute, but the taking of higher wages was more severely punished than the giving of them (similarly, in Sections 18 and 19 of Elizabeth's Statute of Apprentices, ten days' imprisonment is decreed for the person who pays the higher wages, but twenty-one days for the person who receives those wages). A statute of 1360 increased the penalties and authorized the masters to extort labour at the legal rate of wages by using corporal punishment. All combinations, contracts, oaths, etc. by which masons and carpenters reciprocally bound themselves were declared null and void. Workers' combinations are treated as heinous crimes from the fourteenth century until 1825, the year of the repeal of the laws against combinations. The spirit of the Statute of Labourers of 1349 and its offshoots shines out clearly in the fact that while the state certainly dictates a maximum of wages, it on no account fixes a minimum.

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[3] 'Whenever the legislature attempts to regulate the differences between masters and their workmen, its counsellors are always the masters,' says Adam Smith.* 'The spirit of the laws is property,' says Linguet.†

[4] [J. B. Byles,] *Sophisms of Free Trade. By a Barrister*, London, 1850, p. 206. He adds maliciously: 'We were ready enough to interfere for the employer, can nothing now be done for the employed?'

*Adam Smith, *Wealth of Nations*, Vol. 1, Edinburgh, 1814, p. 142.

†S.-N.-H. Linguet, *Théorie des lois civiles, ou principes fondamentaux de la société*, Vol. 1, London, 1767, p. 236.

In the sixteenth century, as we know, the condition of the workers became much worse. The money wage rose, but not in proportion to the depreciation of money and the corresponding rise in the prices of commodities. Real wages therefore fell. Nevertheless, the laws for keeping them down remained in force, together with the ear-clipping and branding of those 'whom no one was willing to take into service'. By 5 Elizabeth, c. 3 (the Statute of Apprentices), the justices of the peace were given the power to fix certain wages and to modify them according to the time of the year and the current prices of commodities. James I extended these labour regulations to weavers, spinners and indeed to all other possible categories of worker.[5] George II extended the laws against combinations of workers to all manufactures.*

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[5] From a clause in the statute 2 James I, c. 6, we see that certain clothiers took it upon themselves, in their capacity of justices of the peace, to dictate the official tariff of wages in their own workshops. In Germany, especially after the Thirty Years' War, statutes for keeping down wages are met with frequently. 'The shortage of servants and labourers was very troublesome to the landed proprietors in the depopulated districts. All villagers were forbidden to let rooms to single men and women; all the latter were to be reported to the authorities and thrown into prison if they were unwilling to become servants, even if they were employed at any other work, such as sowing seeds for the peasants at a daily wage, or even buying and selling corn (*Kaiserliche Privilegia und Sanctiones für Schlesien*, I, 125). For a whole century the decrees of the German princelings contain bitter and repeated complaints about the wicked and impertinent rabble, which will not reconcile itself to its

In the period of manufacture properly so called, the capitalist mode of production had become sufficiently strong to render legal regulation of wages as impracticable as it was unnecessary; but the ruling classes were unwilling to be without the weapons of the old arsenal in case some emergency should arise. Hence, even in the eighteenth century, 7 George I, c. 13, forbade a daily wage higher than 2s. 7½d. for journeymen tailors in and around London, except in cases of general mourning; 13 George III, c. 68, handed over to the justices of the peace the task of regulating the wages of silk-weavers; in 1796 it required two judgements of the higher courts to decide whether the orders made by justices of the peace as to wages also held good for non-agricultural workers; and in 1799 Parliament confirmed that the wages of mining workers in Scotland should continue to be regulated by a statute of Elizabeth and two Scottish Acts of 1661 and 1671. How completely the situation had been transformed in the meantime is proved by a hitherto unheard-of occurrence in the House of Commons. There, where for more than 400 years laws had been made for the maximum beyond which wages absolutely must not rise, Whitbread in 1796 proposed a legal minimum wage for agricultural labourers. Pitt opposed this, but conceded that the 'condition of the poor was cruel'. Finally, in 1813, the laws for the regulation of wages were repealed. They became an absurd anomaly as soon as the capitalist began to regulate his factory by his own private legislation, and was able to make up the wage of the agricultural labourer to the indispensable minimum by means of the poor-rate. The provisions of the statutes of labourers as to contracts between master and workman, regarding giving notice and the like, which allow only a civil action against the master

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harsh conditions, and will not be content with its wage as laid down by law. The individual landowners are forbidden to pay more than the state has fixed by a tariff. And yet the conditions of service were at times better after the war than 100 years later; the farm servants of Silesia had meat twice a week in 1652, whereas even in our century there are districts where they have it only three times a year. Moreover, wages after the war were higher than in the succeeding centuries' (G. Freytag).*

* G. Freytag, *Neue Bilder aus dem Leben des deutschen Volkes*, Leipzig, 1862, pp. 35–6.

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*By 22 George II, c. 27.

who breaks his contract, but permit, on the contrary, a criminal action against the worker who breaks his contract, are still in full force at this moment.*

The barbarous laws against combinations of workers collapsed in 1825 in the face of the threatening attitude of the proletariat. Despite this, they disappeared only in part. Certain pretty survivals of the old statutes did not vanish until 1859. Finally, the Act of 29 June 1871 purported to remove the last traces of this class legislation by giving legal recognition to trade unions.† But another Act, of the same date ('An act to amend the criminal law relating to violence, threats and molestation'),‡ in fact re-established the previous situation in a new form. This Parliamentary conjuring-trick withdrew the means the workers could use in a strike or lock-out from the common law and placed them under exceptional penal legislation, the interpretation of which fell to the manufacturers themselves in their capacity of justices of the peace. Two years earlier, the same House of Commons, and the same Mr Gladstone, in the customary honourable fashion, had brought in a bill for the removal of all exceptional penal legislation against the working class. But it was never allowed to go beyond the second reading, and the matter was drawn out in this way until at length the 'great Liberal party', by an alliance with the Tories, found the courage to turn decisively against the very proletariat that had carried it into power. Not content with this betrayal, the 'great Liberal party' allowed the English judges, ever ready to wag their tails for the ruling classes, to exhume the earlier laws against 'conspiracy' and apply them to combinations of workers. It is evident that only against its will, and under the pressure of the masses, did the English Parliament give up the laws against strikes and trade unions, after it had itself, with shameless egoism, held the position of a permanent trade union of the capitalists against the workers throughout five centuries.

During the very first storms of the revolution, the French bourgeoisie dared to take away from the workers the right of association they had just acquired. By a decree of 14 June 1791, they declared that every combination by the workers was 'an assault on liberty and the declaration of the rights of man', punishable by a fine of 500 livres, together with deprivation of the rights of an active citizen for one year.[6] This law, which used state compulsion to confine the struggle between capital and labour within limits convenient for capital, has outlived revolutions and changes of dynasties. Even the Terror left it untouched. It was only struck out of the Penal Code quite recently. Nothing is more characteristic than the pretext for this bourgeois *coup d'état*. 'Granting,' says Le Chapelier, the *rapporteur* of the Committee on this law, 'that wages ought to be a little higher than they are . . . that they ought to be high enough for him that receives them to be free from that state of absolute dependence which results from the lack of the necessaries of life, and which is almost a state of slavery,' granting this, the workers must nevertheless not be permitted to inform themselves about their own interests, nor to act in common and thereby lessen their 'absolute dependence', 'which is almost a state of slavery', because by doing this they infringe 'the liberty of their former masters, who are the present *entrepreneurs*', and because a combination against the despotism of the former masters of the corporations is – guess what! – a restoration of the corporations abolished by the French constitution![7]

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* Until the passing of the Employers and Workmen Act in 1875 (38 and 39 Victoria, c. 90).

† Trade Union Act, 34 and 35 Victoria, c. 31.

‡ Criminal Law Amendment Act, 34 and 35 Victoria, c. 32.

[6] Article I of this law runs: 'As the abolition of any form of association between citizens of the same estate and profession is one of the foundations of the French constitution, it is forbidden to re-establish them under any pretext and in any form, whatever this might be.' Article IV declares that if 'citizens belonging to the same profession, craft, or trade have joint discussions and make joint decisions with the intention of refusing together to perform their trade or insisting together on providing the services of their trade or their labours only at a particular price, then the said deliberations and agreements . . . shall be declared unconstitutional, derogatory to liberty and the declaration of the rights of man, etc.'; this is made a felony, therefore, just as in the old statutes of labourers. (*Révolutions de Paris*, Paris, 1791, Vol. 3, p. 523.)

[7] Buchez and Roux, *Histoire parlementaire*, Vol. 10, pp. 193–5 passim.

Chapter 29: The Genesis of the Capitalist Farmer

Now that we have considered the forcible creation of a class of free and rightless proletarians, the bloody discipline that turned them into wage-labourers, the disgraceful proceedings of the state which employed police methods to accelerate the accumulation of capital by increasing the degree of exploitation of labour, the question remains: where did the capitalists originally spring from? For the only class created directly by the expropriation of the agricultural population is that of the great landed proprietors. As far as the genesis of the farmers is concerned, however, we can so to speak put our finger on it, because it is a slow process evolving through many centuries. The serfs, as well as the free small-scale proprietors, held land under very different tenures, and were therefore emancipated under very different economic conditions.

In England, the first form of the farmer is the bailiff, himself a serf. His position is similar to that of the *villicus* in ancient Rome, only in a more limited sphere of action. During the second half of the fourteenth century he is replaced by a farmer, whom the landlord provides with seed, cattle and farm implements. The farmer's condition is not very different from that of the peasant, but he exploits more wage-labour. Soon he becomes a *métayer*, a share-cropper. He advances one part of the agricultural stock, the landlord the other. The two divide the total product in proportions determined by contract. This form disappears quickly in England, and gives place to the form of the farmer properly so called, who valorizes his own capital by employing wage-labourers, and pays a part of the surplus product, in money or in kind, to the landlord as ground rent.

During the fifteenth century the independent peasant, and the farm-labourer working for himself as well as for wages, enriched themselves by their own labour; and as long as this was the case, both the farmer's circumstances and his field of production remained mediocre. But the agricultural revolution which began in the last third of the fifteenth century, and continued during the bulk of the sixteenth (excepting, however, its last few decades), enriched him just as quickly as it impoverished the mass of the agricultural folk.[1] The usurpation of the common lands allowed the farmer to augment greatly his stock of cattle, almost without cost, while the cattle themselves yielded a richer supply of manure for the cultivation of the soil.

A further factor, of decisive importance, was added in the sixteenth century. At that time the contracts for farms ran for a long time, often for ninety-nine years. The progressive fall in the value of the precious metals, and therefore of money, brought golden fruit to the farmers. Apart from all the other circumstances discussed above, it lowered wages. A portion of the latter was now added to the profits of the farm. The continuous rise in the prices of corn, wool, meat, in short of all agricultural products, swelled the money capital of the farmer without any action on his part, while the ground rent he had to pay diminished, since it had been contracted for on the basis of the old money values.[2] Thus he grew rich at the expense both of his labourers and his landlords. No wonder, therefore, that England, at the end of the sixteenth century, had a class of capitalist farmers who were rich men in relation to the circumstances of the time.[3]

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[1] Harrison, in his *Description of England*, says: 'although peradventure £4 of old rent be improved to £40, £50, or £100, yet will the farmer . . . think his gains very small toward the end of his term if he have not six or seven years' rent lying by him.'*

[2] On the influence of the depreciation of money in the sixteenth century on the different classes of society, see *A Compendious or Briefe Examination of Certayne Ordinary Complaints, of Divers of Our Country Men in These Our Days*, By W. S., Gentleman, London, 1581. The dialogue form of this work led people for a long time to ascribe it to Shakespeare, and it was re-published under his name as late as 1751. Its author is William Stafford. In one place the knight reasons as follows:

'Knight: You, my neighbour, the husbandman, you Maister Mercer, and you Goodman Cooper, with other artificers, may save yourself metely well. For as much as all things are dearer than they were, so much do you arise in the pryce of your wares and occupations that ye sell agayne. But we have nothing to sell whereby we might advance ye price there of, to countervaile those things that we must buy agayne.' In another place the knight asks the doctor: 'I pray you, what be those sorts that ye meane. And first, of those that ye thinke should have no losset hereby? Doctor: I mean all those that live by buying and selling, for as they buy deare, they sell thereafter. Knight: What is the next sort that ye say would win by it? Doctor: Marry, all such as have takings of fearmes in their owne manurance [cultivation] at the old rent,

*Chapter 12, 'Of the Manner of Building and Furniture of Our Houses', p. 202.

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for where they pay after the olde rate they sell after the newe – that is, they paye for theire lande good cheape, and sell all things growing thereof deare. Knight: What sorte is that which, ye sayde should have greater losse hereby, than these men had profit? Doctor: It is all noblemen, gentlemen, and all other that live either by a stinted rent or stypend, or do not manure [cultivate] the ground, or doe occupy no buying and selling.'

[3] In France, the *régisseur*, or steward, who collected the dues for the feudal lords during the earlier part of the Middle Ages, soon became an *homme d'affaires*, or man of business, who by means of extortion, cheating and so on swindled his way into the position of capitalist. The *régisseurs* were themselves sometimes men of quality. For instance: 'This is the account given by M. Jacques de Thoraisse, knight, and lord of a manor near Besançon, to the lord who administers the accounts at Dijon for his highness the Duke and Count of Burgundy, of the rents appurtenant to the above-mentioned manor, from the 25th day of December 1359 to the 28th day of December 1360' (Alexis Monteil, *Traité de matériaux manuscrits de divers genres d'histoire*, Vol. 1, Paris, 1835, pp. 234–5). It is already evident here how in all spheres of social life the lion's share falls to the middleman. In the economic domain, for example, financiers, stock-exchange speculators, merchants and shopkeepers skim the cream; in questions of litigation the lawyer fleeces his clients; in politics the representative is more important than the voters, the minister more important than the sovereign; in religion God is pushed into the background by the 'mediator',* and the latter is again shoved back by the priests, who are the inevitable mediators between the good shepherd and his flock. In France, as in England, the great feudal territories were divided into innumerable small homesteads, but under conditions incomparably more unfavourable for the people. During the fourteenth century arose the 'farms' (*fermes* or *terriers*). Their number grew constantly, far beyond 100,000. They paid rents varying from one-twelfth to one-fifth of the product in money or in kind. These farms were fiefs, sub-fiefs etc. (*fiefs, arrière-fiefs*) according to the value and extent of the domains, many of which only contained a few acres (*arpents*). But all these *terriens* (farmers) had rights of jurisdiction to some degree over those who dwelt on the soil; there were four grades. The oppression suffered by the agricultural folk under all these petty tyrants will be understood. Monteil says that there were once 160,000 courts in France, whereas today 4,000 tribunals (including local courts) are sufficient.

* In Christian theology, Jesus Christ is the mediator between God and man.

Chapter 30: Impact of the Agricultural Revolution on Industry. The Creation of a Home Market for Industrial Capital

The intermittent but constantly renewed expropriation and expulsion of the agricultural population supplied the urban industries, as we have seen, with a mass of proletarians standing entirely outside the corporate guilds and unfettered by them; a fortunate circumstance which makes old A. Anderson* (not to be confused with James Anderson) express a belief in the direct intervention of Providence, in his *History of Commerce*. We must still pause a moment on this element of primitive accumulation. The thinning-out of the independent self-supporting peasants corresponded directly with the concentration of the industrial proletariat, in the way that Geoffroy Saint-Hilaire explained the condensation of cosmic matter at one place by its rarefaction at another.[1] But this was not the only consequence. In spite of the smaller number of its cultivators, the soil brought forth as much produce as before, or even more, because the revolution in property relations on the land was accompanied by improved methods of cultivation, greater co-operation, a higher concentration of the means of production and so on, and because the agricultural wage-labourers were made to work at a higher level of intensity,[2] and the field of production on which they worked for themselves shrank more and more. With the 'setting free' of a part of the agricultural population, therefore, their former means of nourishment were also set free. They were now transformed into material

[1] In his *Notions de philosophie naturelle*, Paris, 1838.

[2] A point that Sir James Steuart emphasizes.*

*In *An Inquiry into the Principles of Political Economy*, Vol. 1, Dublin, 1770, Bk I, Ch. 16.

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*Adam Anderson (1692–1765), Scottish historian of commerce. He wrote only one book, *An Historical and Chronological Deduction of the Origin of Commerce*, 2 vols., London, 1764. For forty years he was a clerk in a London business house.

elements of variable capital. The peasant, expropriated and cast adrift, had to obtain the value of the means of subsistence from his new lord, the industrial capitalist, in the form of wages. And the same thing happened to those raw materials of industry which depended on indigenous agriculture. They were transformed into an element of constant capital.

Suppose, for example, that one part of the Westphalian peasantry, who, at the time of Frederick II, all span flax, are forcibly expropriated and driven from the soil; and suppose that the other part, who remain behind, are turned into the day-labourers of large-scale farmers. At the same time, large establishments for flax-spinning and weaving arise, and in these the men who have been 'set free' now work for wages. The flax looks exactly as it did before. Not a fibre of it is changed, but a new social soul has entered into its body. It now forms a part of the constant capital of the master manufacturer. Formerly it was divided among a mass of small producers, who cultivated it themselves and span it with their families in small portions. Now it is concentrated in the hands of one capitalist, who sets others to spin and weave it for him. The extra labour expended in flax-spinning was realized formerly in extra income to numerous peasant families, or perhaps, in the time of Frederick II, in taxes *pour le roi de Prusse.** Now it is realized in profit for a few capitalists. The spindles and looms, formerly scattered over the face of the countryside, are now crowded together in a few great labour-barracks, together with the workers and the raw material. And spindles, looms and raw material are now transformed from means for the independent existence of the spinners and weavers into means for commanding[3] them and extracting unpaid labour from them. You cannot tell from looking at the large factories and the large farms that they have originated from the combination of many small centres of production, and have been built up by the expropriation of many small independent producers. Nevertheless, unprejudiced observers did not allow themselves to be deceived. In the time of

[3] 'I will allow you,' says the capitalist, 'to have the honour of serving me, on condition that, in return for the pains I take in commanding you, you give me the little that remains to you' (J.-J. Rousseau, *Discours sur l'économie politique*, Geneva, 1760, p. 70).

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*'For the King of Prussia'. In other words, for a man who will give nothing in return. Here, of course, the literal sense is also intended.

Mirabeau, the 'lion of the revolution',* the great factories were still called *manufactures réunies*, or workshops thrown into one, as we speak of fields thrown into one. Says Mirabeau: 'We only pay attention to the large-scale factories, in which hundreds of men work under a director, and which are commonly called *manufactures réunies.* Those where a very large number of workers work in isolation and on their own account are hardly considered worthy of a glance. They are put entirely into the background. This is a very great mistake, as the latter alone form a really important component of the national wealth... The combined workshop (*fabrique réunie*) will prodigiously enrich one or two *entrepreneurs*, but the workers will only be journeymen, paid more or less [according to circumstances], and will not have any share in the success of the undertaking. In the isolated workshop (*fabrique séparée*), on the contrary, no one will become rich, but many workers will be comfortable. The number of hard-working and economical workers will grow, because they will see in good conduct, and in activity, a means of substantially improving their situation, and not of obtaining a small increase of wages that can never be of any importance for the future, and whose sole result is to place men in the position to live a little better, but only from day to day ... The isolated, individual workshops, for the most part combined with the cultivation of smallholdings, are the only free ones.'[4] The expropriation and eviction of a part of the agricultural population not only set free for industrial capital the workers, their means of subsistence and the materials of their labour; it also created the home market.

In fact, the events that transformed the small peasants into wage-labourers, and their means of subsistence and of labour into material [*sachliche*] elements of capital, created, at the same time, a home market for capital. Formerly, the peasant family produced means of subsistence and raw materials, which they themselves

[4] Mirabeau, op. cit., Vol. 3, pp. 20–109 passim. The fact that Mirabeau considers the separate workshops to be more economical and more productive than the 'combined' ones, and sees in the latter merely artificial and exotic products of intensive government cultivation, can be explained by the contemporary position of a large part of the Continental manufactures.

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*This is the younger Mirabeau (Honoré-Gabriel-Victor Riqueti, comte de Mirabeau, 1749–91), who played a great part in the early years of the French Revolution.

for the most part consumed. These raw materials and means of subsistence have now become commodities; the large-scale farmer sells them, he finds his market in the manufactures. Yarn, linen, coarse woollen stuffs – things whose raw materials had been within the reach of every peasant family, had been spun and woven by the family for its own use – are now transformed into articles of manufacture, the markets for which are found precisely in the country districts. Previously a mass of small producers, working on their own account, had found their natural counterpart in a large number of scattered customers; but now these customers are concentrated into one great market provided for by industrial capital.[5] Thus the destruction of the subsidiary trades of the countryside, the process whereby manufacture is divorced from agriculture, goes hand in hand with the expropriation of the previously self-supporting peasants and their separation from their own means of production. And only the destruction of rural domestic industry can give the home market of a country that extension and stability which the capitalist mode of production requires.

Still, the manufacturing period, properly so called, does not succeed in carrying out this transformation radically and completely. It will be remembered that manufacture conquers the domain of national production only very partially, and always rests on the handicrafts of the towns and the domestic subsidiary industries of the rural districts, which stand in the background as its basis. If it destroys these in one form, in particular branches at certain points, it resurrects them again elsewhere, because it needs them to some extent for the preparation of raw material. It produces, therefore, a new class of small villagers who cultivate the soil as a subsidiary occupation, but find their chief occupation in industrial labour, the products of which they sell to the manufacturers directly, or through the medium of merchants. This is one cause, though not the chief one, of a phenomenon which at first puzzles the student of English history. From the last third of the fifteenth century we find continual complaints, only interrupted at certain intervals, about the encroachment of capitalist farming in the country districts and the progressive annihilation of the peasantry. On the other hand, we always find that this peasantry turns up again, although in diminished number, and in a progressively worse situation.[6] The chief cause is this: England is at certain epochs mainly a corn-growing country, at others mainly a cattle-breeding country. These periods alternate, and the alternation is accompanied by fluctuations in the extent of peasant cultivation. A consistent foundation for capitalist agriculture could only be provided by large-scale industry, in the form of machinery; it is large-scale industry which radically expropriates the vast majority of the agricultural population and completes the divorce between agriculture and rural domestic industry, tearing up the latter's roots, which are spinning and weaving.[7] It therefore also conquers the entire home market for industrial capital, for the first time.[8]

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[5] 'Twenty pounds of wool converted unobtrusively into the yearly clothing of a labourer's family by its own industry in the intervals of other work – this makes no show; but bring it to market, send it to the factory, thence to the broker, thence to the dealer, and you will have great commercial operations, and nominal capital engaged to the amount of twenty times its value . . . The working class* is thus amerced to support a wretched factory population, a parasitical shop-keeping class, and a fictitious commercial, monetary, and financial system' (David Urquhart, op. cit., p. 120).

*By 'working clas ' Urquhart means those people who work on the land.

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[6] Cromwell's time forms an exception. As long as the Republic lasted, the mass of the English people of all levels rose from the degradation into which they had sunk under the Tudors.

[7] Tuckett knew that the large-scale wool industry had sprung, with the introduction of machinery, from manufacture proper and from the destruction of rural or domestic manufactures (Tuckett, op. cit., Vol. 1, pp. 139–44). 'The plough, the yoke, were the invention of gods, and the occupation of heroes; are the loom, the spindle, the distaff, of less noble parentage? You sever the distaff and the plough, the spindle and the yoke, and you get factories and poor-houses, credit and panics, two hostile nations, agricultural and commercial' (David Urquhart, op. cit., p. 122). But now along comes Carey, and accuses England, surely not without reason, of trying to turn every other country into a purely agricultural nation, whose manufacturer is to be England. He asserts that Turkey has been ruined in this way, because 'the owners and occupants of land have never been permitted by England to strengthen themselves by the formation of that natural alliance between the plough and the loom, the hammer and the harrow' (*The Slave Trade*, p. 125). According to him, Urquhart himself is one of the chief agents in the ruin of Turkey, because he made free-trade propaganda there in the English interest. The joke here is that Carey (who is, incidentally, an abject servant of the Russians)* wants to prevent the process of separation between agriculture and domestic industry by means of that very system of protection which accelerates it.

*This passage alludes to the controversy of the 1850s between pro-Turks (such as Urquhart) and pro-Russians over responsibility for the outbreak of the Crimean War, and more generally over the possibility of reforming the Ottoman Empire.

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[8] The philanthropic English economists, such as Mill,* Rogers, Goldwin Smith, Fawcett, etc., and liberal manufacturers like John Bright & Co., ask English landed proprietors, as God asked Cain about Abel, 'Where are our thousands of freeholders gone?' But where do *you* come from, then? From the destruction of those freeholders. Why don't you go further, and ask where the independent weavers, spinners and handicraftsmen have gone to?

*The context would suggest John Stuart Mill, not James Mill.

Chapter 31: The Genesis of the Industrial Capitalist

The genesis of the industrial[1] capitalist did not proceed in such a gradual way as that of the farmer. Doubtless many small guild-masters, and a still greater number of independent small artisans, or even wage-labourers, transformed themselves into small capitalists, and, by gradually extending their exploitation of wage-labour and the corresponding accumulation, into 'capitalists' without qualification. In the period when capitalist production was in its infancy things often happened as they had done in the period of infancy of the medieval town, where the question as to which of the escaped serfs should be master and which servant was in great part decided by the earlier or later date of their flight. The snail's pace of advance under this method by no means corresponded with the commercial requirements of the new world market, which had been created by the great discoveries of the end of the fifteenth century. But the Middle Ages had handed down two distinct forms of capital, which ripened in the most varied economic formations of society, and which, before the era of the capitalist mode of production, nevertheless functioned as capital – usurer's capital and merchant's capital.

'At present, all the wealth of society goes first into the possession of the capitalist . . . he pays the landowner his rent, the labourer his wages, the tax and tithe gatherer their claims, and keeps a large, indeed the largest, and a continually augmenting share, of the annual produce of labour for himself. The capitalist may now be said to be the first owner of all the wealth of the community, though no law has conferred on him the right to this property . . . this change has been effected by the taking of interest on capital . . . and it is not a little curious that all the law-givers of Europe endeavoured to prevent this by statutes, viz., statutes against usury ... The power of the capitalist over all the wealth of the country is a complete change in the right of property, and by what law, or series of laws, was it effected?'[2] The author should have reminded himself that revolutions are not made with laws.

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[1] 'Industrial' here as opposed to 'agricultural'. In the strict sense the farmer is just as much an industrial capitalist as the manufacturer.

The money capital formed by means of usury and commerce was prevented from turning into industrial capital by the feudal organization of the countryside and the guild organization of the towns.[3] These fetters vanished with the dissolution of the feudal bands of retainers, and the expropriation and partial eviction of the rural population. The new manufactures were established at sea-ports, or at points in the countryside which were beyond the control of the old municipalities and their guilds. Hence, in England, the bitter struggle of the corporate towns against these new seed-beds of industry.

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the indigenous population of that continent, the beginnings of the conquest and plunder of India, and the conversion of Africa into a preserve for the commercial hunting of blackskins, are all things which characterize the dawn of the era of capitalist production. These idyllic proceedings are the chief moments of primitive accumulation. Hard on their heels follows the commercial war of the European nations, which has the globe as its battlefield. It begins with the revolt of the Netherlands from Spain, assumes gigantic dimensions in England's Anti-Jacobin War, and is still going on in the shape of the Opium Wars against China, etc.

The different moments of primitive accumulation can be assigned in particular to Spain, Portugal, Holland, France and England, in more or less chronological order. These different moments are systematically combined together at the end of the seventeenth century in England; the combination embraces the colonies, the national debt, the modern tax system, and the system of protection. These methods depend in part on brute force, for instance the colonial system. But they all employ the power of the state, the concentrated and organized force of society, to hasten, as in a hothouse, the process of transformation of the feudal mode of production into the capitalist mode, and to shorten the transition. Force is the midwife of every old society which is pregnant with a new one. It is itself an economic power.

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[2] *The Natural and Artificial Rights of Property Contrasted*, London, 1832, pp. 98–9. Author of this anonymous work: Thomas Hodgskin.

[3] Even as late as 1794, the small cloth-makers of Leeds sent a deputation to Parliament, with a petition for a law to forbid any merchant from becoming a manufacturer (Dr Aikin, op. cit. [pp. 564–5]).

W. Howitt, a man who specializes in being a Christian,* says of the Christian colonial system, 'The barbarities and desperate outrages of the so-called Christian race, throughout every region of the world, and upon every people they have been able to subdue, are not to be paralleled by those of any other race, however fierce, however untaught, and however reckless of mercy and of shame, in any age of the earth.'[4] The history of Dutch colonial administration – and Holland was the model capitalist nation of the seventeenth century – 'is one of the most extraordinary relations of treachery, bribery, massacre, and meanness'.[5] Nothing is more characteristic than their system of stealing men in Celebes, in order to get slaves for Java. Man-stealers were trained for this purpose. The thief, the interpreter and the seller were the chief agents in this trade, the native princes were the chief sellers. The young people thus stolen were hidden in secret dungeons on Celebes, until they were ready for sending to the slave-ships. An official report says: 'This one town of Macassar, for example, is full of secret prisons, one more horrible than the other, crammed with unfortunates, victims of greed and tyranny fettered in chains, forcibly torn from their families.' In order to get possession of Malacca, the Dutch bribed the Portuguese governor. He let them into the town in 1641. They went straight to his house and assassinated him, so as to be able to 'abstain' from paying the £21,875 which was the amount of his bribe. Wherever they set foot, devastation and depopulation followed. Banjuwangi, a province of Java, numbered over 80,000 inhabitants in 1750 and only 18,000 in 1811. That is peaceful commerce!

[4] William Howitt, *Colonisation and Christianity: A Popular History of the Treatment of the Natives by the Europeans in All Their Colonies*, London, 1838, p. 9. There is a good compilation on the treatment of slaves in Charles Comte, *Traité de la législation*, 3rd edn, Brussels, 1837. This stuff ought to be studied in detail, to see what the bourgeois makes of himself and of the worker when he can model the world according to his own image without any interference.

[5] Thomas Stamford Raffles, late Lieut.Gov. of that island, *The History of Java*, London, 1817 [Vol. 2, pp. 190–91].

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*William Howitt (1792–1879), a prolific writer on many topics, was a leading Spiritualist in the 1860s, and published numerous accounts of spiritual experiences he claimed to have undergone.

The English East India Company, as is well known, received, apart from political control of India, the exclusive monopoly of the tea trade, as well as of the Chinese trade in general, and the transport of goods to and from Europe. But the coasting trade round India and between the islands,* as well as the internal trade of India, was the monopoly of the higher officials of the Company. The monopolies of salt, opium, betel and other commodities were inexhaustible mines of wealth. The officials themselves fixed the price and plundered the unfortunate Hindus at will. The Governor-General took part in this private traffic. His favourites received contracts under conditions whereby they, cleverer than the alchemists, made gold out of nothing. Great fortunes sprang up like mushrooms in a day; primitive accumulation proceeded without the advance of even a shilling. The trial of Warren Hastings swarms with such cases. Here is an instance. A contract for opium was given to a certain Sullivan at the moment of his departure on an official mission to a part of India far removed from the opium district. Sullivan sold his contract to one Binn for £40,000; Binn sold it the same day for £60,000, and the ultimate purchaser who carried out the contract declared that he still extracted a tremendous profit from it. According to one of the lists laid before Parliament, the Company and its officials obtained £6,000,000 between 1757 and 1766 from the Indians in the form of gifts. Between 1769 and 1770, the English created a famine by buying up all the rice and refusing to sell it again, except at fabulous prices.[6]

The treatment of the indigenous population was, of course, at its most frightful in plantation-colonies set up exclusively for the export trade, such as the West Indies, and in rich and well-populated countries, such as Mexico and India, that were given over to plunder. But even in the colonies properly so called, the Christian character of primitive accumulation was not belied. In 1703 those sober exponents of Protestantism, the Puritans of New England, by decrees of their assembly set a premium of £40 on every Indian scalp and every captured redskin; in 1720, a premium

[6] In the year 1866 more than a million Hindus died of hunger in the province of Orissa alone. Nevertheless, an attempt was made to enrich the Indian treasury by the price at which the means of subsistence were sold to the starving people.

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* i.e. the East Indian islands.

of £100 was set on every scalp; in 1744, after Massachusetts Bay had proclaimed a certain tribe as rebels, the following prices were laid down: for a male scalp of 12 years and upwards, £100 in new currency, for a male prisoner £105, for women and children prisoners £50, for the scalps of women and children £50. Some decades later, the colonial system took its revenge on the descendants of the pious pilgrim fathers, who had grown seditious in the meantime. At English instigation, and for English money, they were tomahawked by the redskins. The British Parliament proclaimed bloodhounds and scalping as 'means that God and Nature had given into its hand'.

The colonial system ripened trade and navigation as in a hot-house. The 'companies called Monopolia' (Luther)* were powerful levers for the concentration of capital. The colonies provided a market for the budding manufactures, and a vast increase in accumulation which was guaranteed by the mother country's monopoly of the market. The treasures captured outside Europe by undisguised looting, enslavement and murder flowed back to the mother-country and were turned into capital there. Holland, which first brought the colonial system to its full development, already stood at the zenith of its commercial greatness in 1648. It was 'in almost exclusive possession of the East Indian trade and the commerce between the south-east and the north-west of Europe. Its fisheries, its shipping and its manufactures surpassed those of any other country. The total capital of the Republic was probably greater than that of all the rest of Europe put together'.† Gülich forgets to add that by 1648 the people of Holland were more over-worked, poorer and more brutally oppressed than those of all the rest of Europe put together.

Today, industrial supremacy brings with it commercial supremacy. In the period of manufacture it is the reverse: commercial supremacy produces industrial predominance. Hence the preponderant role played by the colonial system at that time. It was the 'strange God' who perched himself side by side with the old divinities of Europe on the altar, and one fine day threw them all overboard with a shove and a kick. It proclaimed the making of profit as the ultimate and the sole purpose of mankind.

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*See above, p. 424.

†G. von Gülich, *Geschichtliche Darstellung des Handels, der Gewerbe und des Ackerbaus der bedeutendsten handeltreibenden Staaten unsrer Zeit*, Vol. 1, Jena, 1830, p. 371.

The system of public credit, i.e. of national debts, the origins of which are to be found in Genoa and Venice as early as the Middle Ages, took possession of Europe as a whole during the period of manufacture. The colonial system, with its maritime trade and its commercial wars, served as a forcing-house for the credit system. Thus it first took root in Holland. The national debt, i.e. the alienation [*Veräusserung*]* of the state – whether that state is despotic, constitutional or republican – marked the capitalist era with its stamp. The only part of the so-called national wealth that actually enters into the collective possession of a modern nation is – the national debt.[7]

Hence, quite consistently with this, the modern doctrine that a nation becomes the richer the more deeply it is in debt. Public credit becomes the *credo* of capital. And with the rise of national debt-making, lack of faith in the national debt takes the place of the sin against the Holy Ghost, for which there is no forgiveness.

The public debt becomes one of the most powerful levers of primitive accumulation. As with the stroke of an enchanter's wand, it endows unproductive money with the power of creation and thus turns it into capital, without forcing it to expose itself to the troubles and risks inseparable from its employment in industry or even in usury. The state's creditors actually give nothing away, for the sum lent is transformed into public bonds, easily negotiable, which go on functioning in their hands just as so much hard cash would. But furthermore, and quite apart from the class of idle *rentiers* thus created, the improvised wealth of the financiers who play the role of middlemen between the government and the nation, and the tax-farmers, merchants and private manufacturers, for whom a good part of every national loan performs the service of a capital fallen from heaven, apart from all these people, the national debt has given rise to joint-stock companies, to dealings in negotiable effects of all kinds, and to speculation: in a word, it has given rise to stock-exchange gambling and the modern bankocracy.

At their birth the great banks, decorated with national titles, were only associations of private speculators, who placed themselves by the side of governments and, thanks to the privileges

[7] William Cobbett remarks that in England all public institutions are designated as 'royal'; in compensation, however, there is the 'national' debt.

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* Alienation by sale.

they received, were in a position to advance money to those governments. Hence the accumulation of the national debt has no more infallible measure than the successive rise in the stocks of these banks, whose full development dates from the founding of the Bank of England in 1694. The Bank of England began by lending its money to the government at 8 per cent; at the same time it was empowered by Parliament to coin money out of the same capital, by lending it a second time to the public in the form of bank-notes. It was allowed to use these notes for discounting bills, making advances on commodities and buying the precious metals. It was not long before this credit-money, created by the bank itself, became the coin in which the latter made its loans to the state, and paid, on behalf of the state, the interest on the public debt. It was not enough that the bank gave with one hand and took back more with the other; it remained, even while receiving money, the eternal creditor of the nation down to the last farthing advanced. Gradually it became the inevitable receptacle of the metallic hoard of the country, and the centre of gravity of all commercial credit. The writings of the time (Bolingbroke's, for instance) show what effect was produced on their contemporaries by the sudden emergence of this brood of bankocrats, financiers, *rentiers*, brokers, stock-jobbers, etc.[8]

Along with the national debt there arose an international credit system, which often conceals one of the sources of primitive accumulation in this or that people. Thus the villainies of the Venetian system of robbery formed one of the secret foundations of Holland's wealth in capital, for Venice in her years of decadence lent large sums of money to Holland. There is a similar relationship between Holland and England. By the beginning of the eighteenth century, Holland's manufactures had been far outstripped. It had ceased to be the nation preponderant in commerce and industry. One of its main lines of business, therefore, from 1701 to 1776, was the lending out of enormous amounts of capital, especially to its great rival England. The same thing is going on today between England and the United States. A great deal of capital, which appears today in the United States without any birth-certificate, was yesterday, in England, the capitalized blood of children.

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[8] 'If the Tartars were to flood into Europe today, it would be a difficult job to make them understand what a financier is with us' (Montesquieu, *Esprit des lois*, Vol. 4, p. 33, London, 1769).

As the national debt is backed by the revenues of the state, which must cover the annual interest payments etc., the modern system of taxation was the necessary complement of the system of national loans. The loans enable the government to meet extraordinary expenses without the taxpayers feeling it immediately, but they still make increased taxes necessary as a consequence. On the other hand, the raising of taxation caused by the accumulation of debts contracted one after another compels the government always to have recourse to new loans for new extraordinary expenses. The modern fiscal system, whose pivot is formed by taxes on the most necessary means of subsistence (and therefore by increases in their price), thus contains within itself the germ of automatic progression. Over-taxation is not an accidental occurrence, but rather a principle. In Holland, therefore, where this system was first inaugurated, the great patriot, De Witt, extolled it in his *Maxims** as the best system for making the wage-labourer submissive, frugal, industrious . . . and overburdened with work. Here, however, we are less concerned with the destructive influence it exercises on the situation of the wage-labourer than with the forcible expropriation, resulting from it, of peasants and artisans, in short, of all the constituents of the lower middle class. There are no two opinions about this, even among the bourgeois economists. Its effectiveness as an expropriating agent is heightened still further by the system of protection, which forms one of its integral parts.

The great part that the public debt and the fiscal system corresponding to it have played in the capitalization of wealth and the expropriation of the masses, has led many writers, like Cobbett,† Doubleday‡ and others, to seek here, incorrectly, the fundamental cause of the misery of the people in modern times.

The system of protection was an artificial means of manufacturing manufacturers, or expropriating independent workers, of capitalizing the national means of production and subsistence, and of forcibly cutting short the transition from a mode of production that was out of date to the modern mode of production. The European states tore each other to pieces to gain the patent of this invention, and, once they had entered into the service of the profit-mongers, they did not restrict themselves to plundering their own people, indirectly through protective duties, directly through export premiums, in the pursuit of this purpose. They also forcibly uprooted all industries in the neighbouring dependent countries, as for example England did with the Irish woollen manufacture. On the Continent of Europe the process was much simplified, following the example of Colbert. The original capital for industry here came in part directly out of the state treasury. 'Why,' cries Mirabeau, 'why go so far to seek the cause of the manufacturing glory of Saxony before the war? One hundred and eighty millions of debts contracted by the sovereigns!'[9]

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*P. de la Court, *Political Maxims of the State of Holland* (*1669*), English translation, London, 1743, Part I, Ch. 24, p. 92: 'All the said ways of raising money will excite the commonalty to ingenuity, diligence, and frugality.'

†In a pamphlet published in London in 1817, entitled: 'Paper against Gold: containing the history and mystery of the Bank of England, the funds, the debt, the sinking fund . . . and shewing that taxation, pauperism, poverty, misery, and crimes ever must increase with a funding system'.

‡Thomas Doubleday, *A Financial, Statistical, and Monetary History of England from 1688*, London, 1847.

Colonial system, public debts, heavy taxes, protection, commercial wars, etc., these offshoots of the period of manufacture swell to gigantic proportions during the period of infancy of large-scale industry. The birth of the latter is celebrated by a vast, Herod-like slaughter of the innocents. Like the royal navy, the factories were recruited by means of the press-gang. Though Sir F. M. Eden is indifferent to the horrors of the expropriation of the agricultural population from the soil, from the last third of the fifteenth century up to his own time; though he shows great self-satisfaction in congratulating his country on this process, which was 'essential' in order to establish capitalist agriculture and 'the due proportion between arable and pasture land'; despite this, he does not show the same economic insight into the necessity of child-stealing and child-slavery for the transformation of manufacturing production into factory production and the establishment of the true relation between capital and labour-power. He says: 'It may, perhaps be worthy the attention of the public to consider, whether any manufacture, which, in order to be carried on successfully, requires that cottages and workhouses should be ransacked for poor children; that they should be employed by turns during the greater part of the night and robbed of that rest which, though indispensable to all, is most required by the young; and that numbers of both sexes, of different ages and dispositions, should be collected together in such a manner that the contagion of example cannot but lead to profligacy and debauchery; will add to the sum of individual or national felicity?'[10]

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[9] Mirabeau, op. cit., Vol. 6, p. 101.

'In the counties of Derbyshire, Nottinghamshire, and more particularly in Lancashire,' says Fielden, 'the newly-invented machinery was used in large factories built on the sides of streams capable of turning the water-wheel. Thousands of hands were suddenly required in these places, remote from towns; and Lancashire, in particular, being, till then, comparatively thinly populated and barren, a population was all that she now wanted. The small and nimble fingers of little children being by very far the most in request, the custom instantly sprang up of procuring apprentices (!) from the different parish workhouses of London, Birmingham, and elsewhere. Many, many thousands of these little, hapless creatures were sent down into the north, being from the age of 7 to the age of 13 or 14 years old. The custom was for the master' (i.e. the child-stealer) 'to clothe his apprentices and to feed and lodge them in an "apprentice house" near the factory; overseers were appointed to see to the works, whose interest it was to work the children to the utmost, because their pay was in proportion to the quantity of work that they could exact. Cruelty was, of course, the consequence ... In many of the manufacturing districts, but particularly, I am afraid, in the guilty county to which I belong (Lancashire), cruelties the most heart-rending were practised upon the unoffending and friendless creatures who were thus consigned to the charge of master-manufacturers; they were harassed to the brink of death by excess of labour ... were flogged, fettered and tortured in the most exquisite refinement of cruelty; ... they were in many cases starved to the bone while flogged to their work and ... even in some instances ... were driven to commit suicide ... The beautiful and romantic valleys of Derbyshire, Nottinghamshire and Lancashire, secluded from the public eye, became the dismal solitudes of torture, and of many a murder. The profits of manufacturers were enormous; but this only whetted the appetite that it should have satisfied, and therefore the manufacturers had recourse to an expedient that seemed to secure to them those profits without any possibility of limit; they began the practice of what is termed "night-working", that is, having tired one set of hands, by working them throughout the day, they had another set ready to go on working throughout the night; the day-set getting into the beds that the night-set had just quitted, and in their turn again, the night-set getting into the beds that the day-set quitted in the morning. It is a common tradition in Lancashire, that the beds *never get cold.*'[11]

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[10] Eden, op. cit., Vol. 1, Bk II, Ch. 1, p. 421.

With the development of capitalist production during the period of manufacture, the public opinion of Europe lost its last remnant of shame and conscience. The nations bragged cynically of every infamy that served them as a means to the accumulation of capital. Read, for example, the naïve commercial annals of the worthy A. Anderson.* Here it is trumpeted forth as a triumph of English statesmanship that, at the Peace of Utrecht, England extorted from the Spaniards, by the Asiento Treaty, the privilege of being allowed to ply the slave trade, not only between Africa and the English West Indies, which it had done until then, but also between Africa and Spanish America. England thereby acquired the right to supply Spanish America until 1743 with 4,800 Negroes a year. At the same time this threw an official cloak over British smuggling. Liverpool grew fat on the basis of the slave trade. This was its method of primitive accumulation. And even to the present day, the Liverpool 'quality' have remained the Pindars of the slave

11. John Fielden, op. cit., pp. 5–6. On the earlier infamies of the factory system, cf. Dr Aikin (1795), op. cit., p. 219, and Gisborne, *Enquiry into the Duties of Men*, 1795, Vol. 2. When the steam-engine transplanted the factories from the waterfalls of the countryside into the centres of the towns, the 'abstemious' profit-monger found his childish material ready to hand, without having to bring slaves forcibly from the workhouses. When Sir R. Peel (father of the 'minister of plausibility') brought in his bill for the protection of children, in 1815, Francis Horner, luminary of the Bullion Committee and intimate friend of David Ricardo, said in the House of Commons: 'It is notorious, that with a bankrupt's effects, a gang, if he might use the word, of these children had been put up to sale, and were advertised publicly as part of the property. A most atrocious instance had been brought before the Court of King's Bench two years before, in which a number of these boys, apprenticed by a parish in London to one manufacturer, had been transferred to another, and had been found by some benevolent persons in a state of absolute famine. Another case more horrible had come to his knowledge while on a [Parliamentary] Committee . . . that not many years ago, an agreement had been made between a London parish and a Lancashire manufacturer, by which it was stipulated, that with every twenty sound children one idiot should be taken.' [Horner's speech of 6 June 1815.]

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*See above, p. 908.

trade,* which – as noted in the work by Dr Aikin we have just quoted – 'has coincided with that spirit of bold adventure which has characterized the trade of Liverpool and rapidly carried it to its present state of prosperity; has occasioned vast employment for shipping and sailors, and greatly augmented the demand for the manufactures of the country'.† In 1730 Liverpool employed 15 ships in the slave trade; in 1751, 53; in 1760, 74; in 1770, 96; and in 1792, 132.

While the cotton industry introduced child-slavery into England, in the United States it gave the impulse for the transformation of the earlier, more or less patriarchal slavery into a system of commercial exploitation. In fact the veiled slavery of the wage-labourers in Europe needed the unqualified slavery of the New World as its pedestal.[12]

Tantae molis erat‡ to unleash the 'eternal natural laws' of the capitalist mode of production, to complete the process of separation between the workers and the conditions of their labour, to transform, at one pole, the social means of production and subsistence into capital, and at the opposite pole, the mass of the population into wage-labourers, into the free 'labouring poor', that artificial product of modern history.[13] If money, according to

[12] In 1790 there were in the English West Indies ten slaves to one free man, in the French fourteen to one, and in the Dutch twenty-three to one (Henry Brougham, *An Inquiry into the Colonial Policy of the European Powers*, Edinburgh, 1803, Vol. 2, p. 74).

[13] The expression 'labouring poor' is found in English legislation from the moment when the class of wage-labourers becomes noticeable. This term is used in opposition, on the one hand, to the 'idle poor', beggars etc., and, on the other, to those workers who are not yet plucked fowl but rather the possessors of their own means of labour. From the statute book the expression passed into political economy, and was handed down by Culpeper, J. Child, etc to Adam Smith and Eden. After this, one can estimate the good faith of the 'execrable political cantmonger' Edmund Burke, when he called the expression 'labouring poor' – 'execrable political cant'. This sycophant, who, in the pay of the English oligarchy, played the part of romantic opponent of

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*Pindar (522–442 B.C.) was a Greek lyric poet famous above all for his triumphal odes to the victors in the Olympic games; hence here the Liverpool bourgeoisie continues to celebrate its own triumphs in the era of the slave trade.

†Aikin, op. cit., p. 339.

‡The full quotation is *'Tantae molis erat Romanam condere gentem'* ('So great was the effort required to found the Roman race'), from Virgil, *Aeneid*, Bk I, line 33.

Augier,[14] 'comes into the world with a congenital blood-stain on one cheek,' capital comes dripping from head to toe, from every pore, with blood and dirt.[15]

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the French Revolution, just as, in the pay of the North American colonies at the beginning of the troubles in America, he had played the liberal against the English oligarchy, was a vulgar bourgeois through and through. 'The laws of commerce are the laws of Nature, and therefore the laws of God' (E. Burke, op. cit., pp. 31–2). No wonder then that, true to the laws of God and Nature, he always sold himself in the best market! A very good portrait of this Edmund Burke, during his liberal time, is to be found in the writings of the Rev. Mr Tucker, who, though a parson and a Tory, was, apart from that, an honourable man and a competent political economist. In face of the infamous moral cowardice that prevails today, and believes so devoutly in 'the laws of commerce', it is our duty to brand again and again the Burkes of this world, who only differ from their successors in one thing – talent!

[14] Marie Augier, *Du crédit public*, Paris, 1842, p. 265.

[15] 'Capital is said by a Quarterly Reviewer to fly turbulence and strife, and to be timid, which is very true; but this is very incompletely stating the question. Capital eschews no profit, or very small profit, just as Nature was formerly said to abhor a vacuum. With adequate profit, capital is very bold. A certain 10 per cent will ensure its employment anywhere; 20 per cent certain will produce eagerness; 50 per cent positive audacity; 100 per cent will make it ready to trample on all human laws; 300 per cent, and there is not a crime at which it will scruple, nor a risk it will not run, even to the chance of its owner being hanged. If turbulence and strife will bring a profit, it will freely encourage both. Smuggling and the slave-trade have amply proved all that is here stated' (T. J. Dunning, op. cit., pp. 35, 36).

Chapter 32: The Historical Tendency of Capitalist Accumulation

What does the primitive accumulation of capital, i.e. its historical genesis, resolve itself into? In so far as it is not the direct transformation of slaves and serfs into wage-labourers, and therefore a mere change of form, it only means the expropriation of the immediate producers, i.e. the dissolution of private property based on the labour of its owner. Private property, as the antithesis to social, collective property, exists only where the means of labour and the external conditions of labour belong to private individuals. But according to whether these private individuals are workers or non-workers, private property has a different character. The innumerable different shades of private property which appear at first sight are only reflections of the intermediate situations which lie between the two extremes.

The private property of the worker in his means of production is the foundation of small-scale industry, and small-scale industry is a necessary condition for the development of social production and of the free individuality of the worker himself. Of course, this mode of production also exists under slavery, serfdom and other situations of dependence. But it flourishes, unleashes the whole of its energy, attains its adequate classical form, only where the worker is the free proprietor of the conditions of his labour, and sets them in motion himself: where the peasant owns the land he cultivates, or the artisan owns the tool with which he is an accomplished performer.

This mode of production presupposes the fragmentation of holdings, and the dispersal of the other means of production. As it excludes the concentration of these means of production, so it also excludes co-operation, division of labour within each separate process of production, the social control and regulation of the forces of nature, and the free development of the productive forces of society. It is compatible only with a system of production and a society moving within narrow limits which are of natural origin. To perpetuate it would be, as Pecqueur rightly says, 'to decree universal mediocrity'.* At a certain stage of development, it brings into the world the material means of its own destruction. From that moment, new forces and new passions spring up in the bosom of society, forces and passions which feel themselves to be fettered by that society. It has to be annihilated; it is annihilated. Its annihilation, the transformation of the individualized and scattered means of production into socially concentrated means of production, the transformation, therefore, of the dwarf-like property of the many into the giant property of the few, and the expropriation of the great mass of the people from the soil, from the means of subsistence and from the instruments of labour, this terrible and arduously accomplished expropriation of the mass of the people forms the pre-history of capital. It comprises a whole series of forcible methods, and we have only passed in review those that have been epoch-making as methods of the primitive accumulation of capital. The expropriation of the direct producers was accomplished by means of the most merciless barbarism, and under the stimulus of the most infamous, the most sordid, the most petty and the most odious of passions. Private property which is personally earned, i.e. which is based, as it were, on the fusing together of the isolated, independent working individual with the conditions of his labour, is supplanted by capitalist private property, which rests on the exploitation of alien, but formally free labour.[1]

As soon as this metamorphosis has sufficiently decomposed the old society throughout its depth and breadth, as soon as the workers have been turned into proletarians, and their means of labour into capital, as soon as the capitalist mode of production stands on its own feet, the further socialization of labour and the further transformation of the soil and other means of production into socially exploited and therefore communal means of production takes on a new form. What is now to be expropriated is not the self-employed worker, but the capitalist who exploits a large number of workers.

[1] 'We are in a situation which is entirely new for society ... we are striving to separate every kind of property from every kind of labour' (Sismondi, *Nouveaux Principes d'économie politique*, Vol. 2, p. 434).

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*C. Pecqueur, *Théorie nouvelle d'économie sociale et politique*, Paris, 1842, p. 435.

This expropriation is accomplished through the action of the immanent laws of capitalist production itself, through the centralization of capitals. One capitalist always strikes down many others. Hand in hand with this centralization, or this expropriation of many capitalists by a few, other developments take place on an ever-increasing scale, such as the growth of the co-operative form of the labour process, the conscious technical application of science, the planned exploitation of the soil, the transformation of the means of labour into forms in which they can only be used in common, the economizing of all means of production by their use as the means of production of combined, socialized labour, the entanglement of all peoples in the net of the world market, and, with this, the growth of the international character of the capitalist regime. Along with the constant decrease in the number of capitalist magnates, who usurp and monopolize all the advantages of this process of transformation, the mass of misery, oppression, slavery, degradation and exploitation grows; but with this there also grows the revolt of the working class, a class constantly increasing in numbers, and trained, united and organized by the very mechanism of the capitalist process of production. The monopoly of capital becomes a fetter upon the mode of production which has flourished alongside and under it. The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

The capitalist mode of appropriation, which springs from the capitalist mode of production, produces capitalist private property. This is the first negation of individual private property, as founded on the labour of its proprietor. But capitalist production begets, with the inexorability of a natural process, its own negation. This is the negation of the negation. It does not re-establish private property, but it does indeed establish individual property on the basis of the achievements of the capitalist era: namely co-operation and the possession in common of the land and the means of production produced by labour itself.

The transformation of scattered private property resting on the personal labour of the individuals themselves into capitalist private property is naturally an incomparably more protracted, violent and difficult process than the transformation of capitalist private property, which in fact already rests on the carrying on of production by society, into social property. In the former case, it was a matter of the expropriation of the mass of the people by a few usurpers; but in this case, we have the expropriation of a few usurpers by the mass of the people.[2]

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[2] 'The advance of industry, whose involuntary but willing promoter is the bourgeoisie, replaces the isolation of the workers, due to competition, with their revolutionary combination, due to association. The development of large-scale industry, therefore, cuts from under its feet the very foundation on which the bourgeoisie produces and appropriates products for itself. What the bourgeoisie, therefore, produces, above all, are its own gravediggers. Its fall and the victory of the proletariat are equally inevitable ... Of all the classes which confront the bourgeoisie today, the proletariat alone is a really revolutionary class. The other classes decay and disappear in the face of large-scale industry, the proletariat is its most characteristic product. The lower middle classes, the small manufacturers, the shopkeepers, the artisans, the peasants, all these fight against the bourgeoisie in order to save from extinction their existence as parts of the middle class ... they are reactionary, for they try to roll back the wheel of history' (Karl Marx and F. Engels, *Manifest der Kommunistischen Partei*, London, 1848, pp. 11, 9) [English translation: Karl Marx, *The Revolutions of 1848*, Pelican Marx Library, pp. 79, 77].

Chapter 33: The Modern Theory of Colonization[1]

Political economy confuses, on principle, two different kinds of private property, one of which rests on the labour of the producer himself, and the other on the exploitation of the labour of others. It forgets that the latter is not only the direct antithesis of the former, but grows on the former's tomb and nowhere else.

In Western Europe, the homeland of political economy, the process of primitive accumulation has more or less been accomplished. Here the capitalist regime has either directly subordinated to itself the whole of the nation's production, or, where economic relations are less developed, it has at least indirect control of those social layers which, although they belong to the antiquated mode of production, still continue to exist side by side with it in a state of decay. To this ready-made world of capital, the political economist applies the notions of law and of property inherited from a pre-capitalist world, with all the more anxious zeal and all the greater unction, the more loudly the facts cry out in the face of his ideology.

It is otherwise in the colonies. There the capitalist regime constantly comes up against the obstacle presented by the producer, who, as owner of his own conditions of labour, employs that labour to enrich himself instead of the capitalist. The contradiction between these two diametrically opposed economic systems has its practical manifestation here in the struggle between them. Where the capitalist has behind him the power of the mother country, he tries to use force to clear out of the way the modes of production and appropriation which rest on the personal labour of the independent producer. The same interest which, in the mother country, compels the sycophant of capital, the political economist, to declare that the capitalist mode of production is theoretically its own opposite, this same interest, in the colonies, drives him 'to make a clean breast of it', and to proclaim aloud the antagonism between the two modes of production. To this end he demonstrates that the development of the social productivity of labour, co-operation, division of labour, application of machinery on a large scale, and so on, are impossible without the expropriation of the workers and the corresponding transformation of their means of production into capital. In the interest of the so-called wealth of the nation, he seeks for artificial means to ensure the poverty of the people. Here his apologetic armour crumbles off, piece by piece, like rotten touchwood.

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[1] We are dealing here with true colonies, i.e. virgin soil colonized by free immigrants. The United States is, economically speaking, still a colony of Europe. Apart from this, old plantations where the abolition of slavery has completely revolutionized earlier relationships also belong here.

It is the great merit of E. G. Wakefield to have discovered, not something new *about* the colonies,[2] but, *in* the colonies, the truth about capitalist relations in the mother country. Just as the system of protection originally[3] had the objective of manufacturing capitalists artificially in the mother country, so Wakefield's theory of colonization, which England tried for a time to enforce by Act of Parliament, aims at manufacturing wage-labourers in the colonies. This is what he calls 'systematic colonization'.

First of all, Wakefield discovered that, in the colonies, property in money, means of subsistence, machines and other means of production does not as yet stamp a man as a capitalist if the essential complement to these things is missing: the wage-labourer, the other man, who is compelled to sell himself of his own free will. He discovered that capital is not a thing, but a social relation between persons which is mediated through things.[4] A Mr Peel, he complains, took with him from England to the Swan River district of Western Australia means of subsistence and of production to the amount of £50,000. This Mr Peel even had the foresight to bring besides, 3,000 persons of the working class, men, women and children. Once he arrived at his destination, 'Mr Peel was left without a servant to make his bed or fetch him water from the river.'[5] Unhappy Mr Peel, who provided for everything except the export of English relations of production to Swan River!

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[2] Wakefield's few insights into the nature of modern colonization are fully anticipated by Mirabeau *père*, the Physiocrat,* and even much earlier by English economists.

[3] Later, it became a temporary necessity in the international competitive struggle. But whatever its motive, the consequences remain the same.

[4] 'A negro is a negro. In certain relations he becomes a slave. A mule is a machine for spinning cotton. Only in certain relations does it become capital. Outside these circumstances, it is no more capital than gold is intrinsically money, or sugar is the price of sugar . . . Capital is a social relation of production. It is a historical relation of production' (Karl Marx, 'Lohnarbeit und Kapital', *Neue Rheinische Zeitung*, No. 266, 7 April 1849) [English translation, *Karl Marx and Frederick Engels, Selected Works*, Vol. I, pp. 159–60].

*In *L'Ami des hommes* (1756).

For the understanding of the following discoveries of Wakefield, let us make two preliminary remarks: We know that the means of production and subsistence, while they remain the property of the immediate producer, are not capital. They only become capital under circumstances in which they serve at the same time as means of exploitation of, and domination over, the worker. But this, their capitalist soul, is so intimately wedded, in the mind of the political economist, to their material substance, that he christens them capital under all circumstances, even where they are its exact opposite. Thus it is with Wakefield. Further: he describes the splitting-up of the means of production into the individual property of many mutually independent and self-employed workers as equal division of capital. The political economist is like the feudal jurist, who used to attach the labels supplied by feudal law even to relationships which were purely monetary.

'If,' says Wakefield, 'all the members of the society are supposed to possess equal portions of capital... no man would have a motive for accumulating more capital than he could use with his own hands. This is to some extent the case in new American settlements, where a passion for owning land prevents the existence of a class of labourers for hire.'[6] So long, therefore, as the worker can accumulate for himself – and this he can do so long as he remains in possession of his means of production – capitalist accumulation and the capitalist mode of production are impossible. The class of wage-labourers essential to these is lacking. How then, in old Europe, was the expropriation of the worker from his conditions of labour brought about? In other words, how did capital and wage-labour come into existence? By a social contract of a quite original kind. 'Mankind have adopted a ... simple contrivance for promoting the accumulation of capital,' which, of course, had dangled in front of them since the time of Adam as the ultimate and only goal of their existence, 'they have divided themselves into owners of capital and owners of labour . . . This division was the result of concert and combination.'[7] In short: the mass of mankind expropriated itself in honour of the 'accumulation of capital'. Now one would think that this instinct of self-denying fanaticism would especially run riot in the colonies, the only places where the men and the conditions exist to turn a social contract from a dream into a reality. So why should 'systematic colonization' be called in to replace its opposite, spontaneous and unregulated colonization? Here is one reason: 'In the Northern States of the American Union, it may be doubted whether so many as a tenth of the people would fall under the description of hired labourers . . . In England . . . the labouring class compose the bulk of the people.'[8] Indeed, the drive to self-expropriation for the glory of capital exists so little in the case of working humanity, that slavery, according to Wakefield himself, is the sole natural basis of colonial wealth. His systematic colonization is a mere makeshift, resulting from the fact that he has free men, not slaves, to deal with. 'The first Spanish settlers in Saint Domingo did not obtain labourers from Spain. But, without labourers', (i.e. without slavery) 'their capital must have perished, or, at least, must soon have been diminished to that small amount which each individual could employ with his own hands. This has actually occurred in the last colony founded by Englishmen – the Swan River Settlement – where a great mass of capital, of seeds, implements, and cattle, has perished for want of labourers to use it, and where no settler has preserved much more capital than he can employ with his own hands.'[9]

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[5] E. G. Wakefield, *England and America*, Vol. 2, p. 33.

[6] ibid., Vol. 1, p. 17.

We have seen that the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production. The essence of a free colony, on the contrary, consists in this, that the bulk of the soil is still public property, and every settler on it can therefore turn part of it into his private property and his individual means of production, without preventing later settlers from performing the same operation.[10] This is the secret both of the prosperity of the colonies and of their cancerous affliction – their resistance to the establishment of capital. 'Where land is very cheap and all men are free, where every one who so pleases can easily obtain a piece of land for himself, not only is labour very dear, as respects the labourer's share of the produce, but the difficulty is to obtain combined labour at any price.'[11]

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[7] E. G. Wakefield, *England and America*, Vol. 1, p. 18.

[8] ibid., pp. 42–4.

[9] ibid., Vol. 2, p. 5.

[10] 'Land, to be an element of colonization, must not only be waste, but it must be public property, liable to be converted into private property' (ibid., Vol. 2, p. 125).

In the colonies the separation of the worker from the conditions of labour and from the soil, in which they are rooted, does not yet exist, or only sporadically, or on too limited a scale. Hence the separation of agriculture from industry does not exist either, nor have any of the domestic industries of the countryside been destroyed. Whence then is to come the home market for capital? 'No part of the population of America is exclusively agricultural, excepting slaves and their employers who combine capital and labour in particular works. Free Americans, who cultivate the soil, follow many other occupations. Some portion of the furniture and tools which they use is commonly made by themselves. They frequently build their own houses, and carry to market, at whatever distance, the produce of their own industry. They are spinners and weavers, they make soap and candles, as well as, in many cases, shoes and clothes for their own use. In America the cultivation of land is often the secondary pursuit of a blacksmith, a miller or a shopkeeper.'[12] Where, among such curious characters, is the 'field of abstinence' for the capitalists?

The great beauty of capitalist production consists in this, that it not only constantly reproduces the wage-labourer as a wage-labourer, but also always produces a relative surplus population of wage-labourers in proportion to the accumulation of capital. Thus the law of supply and demand as applied to labour is kept on the right lines, the oscillation of wages is confined within limits satisfactory to capitalist exploitation, and lastly, the social dependence of the worker on the capitalist, which is indispensable, is secured. At home, in the mother country, the smug deceitfulness of the political economist can turn this relation of absolute dependence into a free contract between buyer and seller, between equally independent owners of commodities, the owner of the commodity capital on one side, the owner of the commodity labour on the other. But in the colonies this beautiful illusion is torn aside. There, the absolute numbers of the population increase much more quickly than in the mother country, because many workers enter the colonial world as ready-made adults, and still the labour-market is always understocked. The law of the supply and demand of labour collapses completely. On the one hand, the old world constantly throws in capital, thirsting after exploitation and 'abstinence'; on the other, the regular reproduction of the wage-labourer as a wage-labourer comes up against the most mischievous obstacles, which are in part insuperable. And what becomes of the production of redundant wage-labourers, redundant, that is, in proportion to the accumulation of capital? Today's wage-labourer is tomorrow's independent peasant or artisan, working for himself. He vanishes from the labour-market – but not into the workhouse. This constant transformation of wage-labourers into independent producers, who work for themselves instead of for capital, and enrich themselves instead of the capitalist gentlemen, reacts in its turn very adversely on the conditions of the labour-market. Not only does the degree of exploitation of the wage-labourer remain indecently low. The wage-labourer also loses, along with the relation of dependence, the feeling of dependence on the abstemious capitalist. Hence all the inconveniences depicted so honestly, so eloquently and so movingly by our friend E. G. Wakefield.

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[11] ibid., Vol. 1, p. 247.

[12] ibid., pp. 21–2.

The supply of wage-labour, he complains, is neither constant, nor regular, nor sufficient. 'The supply of labour is always, not only small, but uncertain.'[13] 'Though the produce divided between the capitalist and the labourer be large, the labourer takes so great a share that he soon becomes a capitalist ... Few, even of those whose lives are unusually long, can accumulate great masses of wealth.'[14] The workers most emphatically refuse to let the capitalist abstain from paying for the greater part of their labour. It is of no assistance to him if he cunningly imports his own wage-labourers from Europe, with his own capital. They soon 'cease ... to be labourers for hire; they ... become independent landowners, if not competitors with their former masters in the labour-market.'[15] Horror of horrors! The excellent capitalist has imported bodily from Europe, with his own good money, his own competitors! The end of the world has come! No wonder Wakefield laments the absence both of relations of dependence and feelings of dependence on the part of the wage-labourers in the colonies. On account of the high wages, says his disciple Merivale, there is in the colonies an urgent desire for cheaper and more sub-

[13] E. G. Wakefield, *England and America*, Vol. 2, p. 116.

[14] ibid., Vol. 1, p. 131.

[15] ibid., Vol. 2, p. 5.

servient workers, for a class of people to whom the capitalist may dictate his terms, instead of having his terms dictated by them... In the old civilized countries the worker, although free, is by a law of nature dependent on the capitalist; in colonies this dependence must be created by artificial means.[16]

What now is the consequence of this regrettable state of affairs in the colonies, according to Wakefield? A 'barbarizing tendency of dispersion' of producers and of the wealth of the nation.[17] The fragmentation of the means of production among innumerable owners, working on their own account, annihilates, along with the centralization of capital, all the foundations of combined labour. Every lengthy undertaking, extending over several years and demanding the outlay of fixed capital, is prevented from being carried out. In Europe, capital does not hesitate for a moment, for the working class forms its living appendage, always present in excess, always at its disposal. But not in the colonies! Wakefield recounts the following exceedingly painful anecdote. He was talking with some capitalists of Canada and the state of New York, where moreover the wave of immigration often sticks, depositing a sediment of 'redundant' workers. 'Our capital,' says one of the characters in the melodrama, 'was ready for many operations which require a considerable period of time for their completion; but we could not begin such operations with labour which, we knew, would soon leave us. If we had been sure of retaining the labour of such emigrants, we should have been glad to have engaged it at once, and for a high price: and we should have engaged it, even though we had been sure it would leave us, provided we had been sure of a fresh supply whenever we might need it.'[18]

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[16] Merivale, op. cit., Vol. 2, pp. 235–314 passim. Even that mild, free-trading, vulgar economist Molinari says this: 'In the colonies where slavery has been abolished without the compulsory labour being replaced with an equivalent quantity of free labour, there has occurred the opposite of what happens every day before our eyes. Simple workers have been seen to exploit in their turn the industrial *entrepreneurs*, demanding from them wages which bear absolutely no relation to the legitimate share in the product which they ought to receive. The planters were unable to obtain for their sugar a sufficient price to cover the increase in wages, and were obliged to furnish the extra amount, at first out of their profits, and then out of their very capital. A considerable number of planters have been ruined as a result, while others have closed down their businesses in order to avoid the ruin which threatened them... It is doubtless better that these accumulations of capital should be destroyed than that generations of men should perish' (how generous of M. Molinari) 'but would it not be better if both survived?' (Molinari, op. cit., pp. 51–2). M. Molinari, M. Molinari! What then becomes of the ten commandments, of Moses and the Prophets, of the law of supply and demand, if in Europe the '*entrepreneur*' can cut down the worker's 'legitimate share' and in the West Indies the workers can cut down the *entrepreneur*'s? And what, if you please, is this 'legitimate share', which, according to your own admission, the capitalist in Europe daily neglects to pay? Over yonder, in the colonies, where the workers are so 'simple' as to 'exploit' the capitalist, M. Molinari feels a powerful itch to use police methods to set on the right road that law of supply and demand which works automatically everywhere else.

[17] Wakefield, op. cit., Vol. 2, p. 52.

After Wakefield has contrasted English capitalist agriculture and its 'combined' labour with the scattered cultivation of American peasants, he unwittingly shows us the obverse of the medal. He depicts the mass of the American people as well-to-do, independent, enterprising and comparatively cultured, whereas 'the English agricultural labourer is a miserable wretch, a pauper . . . In what country, except North America and some new colonies, do the wages of free labour employed in agriculture, much exceed a bare subsistence for the labourer? . . . Undoubtedly, farm-horses in England, being a valuable property, are better fed than English peasants.'[19] But never mind, the wealth of the nation is once again, by its very nature, identical with the misery of the people.

How then can the anti-capitalist cancer of the colonies be healed? If men were willing to turn the whole of the land from public into private property at one blow, this would certainly destroy the root of the evil, but it would also destroy – the colony. The trick is to kill two birds with one stone. Let the government set an artificial price on the virgin soil, a price independent of the law of supply and demand, a price that compels the immigrant to work a long time for wages before he can earn enough money to buy land[20] and turn himself into an independent farmer. The fund resulting from the sale of land at a price relatively prohibitory for the wage-labourers, this fund of money extorted from the wages of labour by a violation of the sacred law of supply and demand, is to be applied by the government, in proportion to its growth, to the importation of paupers from Europe into the colonies, so as to keep the wage-labour market full for the capitalists. Under these circumstances, 'everything will be for the best in the best of all possible worlds'. This is the great secret of 'systematic colonization'. Under this plan, Wakefield exclaims triumphantly, 'the supply of labour *must* be constant and regular, because, first, as no labourer would be able to procure land until he had worked for money, all immigrant labourers, working for a time for wages and in combination, would produce capital for the employment of more labourers; secondly, because every labourer who left off working for wages and became a landowner, would, by purchasing land, provide a fund for bringing fresh labour to the colony.'[21] The land-price laid down by the state must of course be 'sufficient', i.e. it must be high enough 'to prevent the labourers from becoming independent landowners until others had followed to take their place'.[22] This 'sufficient price for the land' is nothing but a euphemistic circumlocution for the ransom which the worker must pay to the capitalist in return for permission to retire from the wage-labour market to the land. First, he must create for the capitalist the 'capital' which enables him to exploit more workers; then, at his own expense, he must put a 'substitute' in the labour-market, who is dispatched across the sea by the government, again at the worker's expense, for his old master, the capitalist.

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[18] Wakefield, *England and America*, Vol. 2, pp. 191–2.

[19] ibid., Vol. 1, pp. 47, 246.

[20] 'It is, you add, a result of the appropriation of the soil and of capital that the man who has nothing but the strength of his arms finds employment and creates an income for himself . . . but the opposite is true, it is thanks to the individual appropriation of the soil that there exist men who only possess the strength of their arms . . . When you put a man in a vacuum, you rob him of the air. You do the same, when you take away the soil from him . . . for you are putting him in a space void of wealth, so as to leave him no way of living except according to your wishes' (Colins, op. cit., Vol. 3, pp. 268–71).

It is extremely characteristic that the English government for years practised this method of 'primitive accumulation' prescribed by Mr Wakefield expressly for use in the colonies. The resulting fiasco was of course as ignominious as the fate of Peel's Bank Act.* The stream of emigration was simply diverted from the English colonies to the United States. Meanwhile, the advance of capitalist

[21] Wakefield, op. cit., Vol. 2, p. 192.

[22] ibid., p. 45.

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*Sir Robert Peel's Bank Act of 1844. The 'fiasco' referred to here is the suspension of the Act in November 1857 owing to the onset of the commercial crisis of that year. See *A Contribution to the Critique of Political Economy*, p. 185.

production in Europe, accompanied by increasing government pressure, has rendered Wakefield's recipe superfluous. On the one hand, the enormous and continuous flood of humanity, driven year in, year out, onto the shores of America, leaves behind a stationary sediment in the East of the United States, since the wave of immigration from Europe throws men onto the labour-market there more rapidly than the wave of immigration to the West can wash them away. On the other hand, the American Civil War has brought in its train a colossal national debt and, with it, a heavy tax-burden, the creation of a finance aristocracy of the vilest type, and the granting of immense tracts of public land to speculative companies for the exploitation of railways, mines, etc. In short, it has brought a very rapid centralization of capital. The great republic has therefore ceased to be the promised land for emigrating workers. Capitalist production advances there with gigantic strides, even though the lowering of wages and dependence of the wage-labourer has by no means yet proceeded so far as to reach the normal European level. The shameless squandering of uncultivated colonial land on aristocrats and capitalists by the English government, so loudly denounced even by Wakefield, has, especially in Australia,[23] in conjunction with the stream of men attracted by the gold-diggings, and the competition from imported English commodities which affects everyone down to the smallest artisan, produced an ample 'relative surplus population of workers', so that almost every mail-boat brings ill tidings of a 'glut of the Australian labour-market', and prostitution flourishes there in some places as exuberantly as in the Haymarket in London.

However, we are not concerned here with the condition of the colonies. The only thing that interests us is the secret discovered in the New World by the political economy of the Old World, and loudly proclaimed by it: that the capitalist mode of production and accumulation, and therefore capitalist private property as well, have for their fundamental condition the annihilation of that private property which rests on the labour of the individual himself; in other words, the expropriation of the worker.

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[23] As soon as Australia became her own law-giver, she naturally passed laws favourable to the settlers, but the squandering of the land, already accomplished by the English government, stands in the way. 'The first and main object at which the new Land Act of 1862 aims is to give increased facilities for the settlement of the people' (*The Land Law of Victoria*, by the Hon. C. G. Duffy, Minister of Public Lands, London, 1862 [p. 3]).

Appendix

Results of the Immediate Process of Production

Our knowledge and understanding of *Capital* has been significantly advanced during the last decades as a result of the publication in the thirties of two previously unknown major texts by Marx. The first of these was, of course, the *Grundrisse*, which the Pelican Marx Library has now made available to English-speaking readers in a separate volume. The second was an originally planned Part Seven of Volume 1 of *Capital*, published here for the first time in an English translation. Entitled 'Resultate des unmittelbaren Produktionsprozesses' ('Results of the Immediate Process of Production'), and hereafter referred to as the *Resultate*, it was first published in 1933, simultaneously in Russian and German, by Adoratsky in Volume II of *Arkhiv Marksa i Engelsa* (*Marx-Engels Archives*), printed in Moscow. Only when it was reprinted in German and other Western European languages in the late sixties did it become an object of intense study by Marxists and academic 'Marxologists' alike.

It seems to have been written between June 1863 and December 1866,[1] that is after the 1861–3 manuscript (the enormous twenty-three notebooks) was completed. Indeed, Kautsky published an excerpt from notebook 18 (undated, but which he supposes to have been written in December 1862) in which the final draft contents for Volume 1 of *Capital* are listed. After the first five parts, which are maintained in the final version, it reads as follows:

6. Reconversion of surplus-value into capital. Primitive accumulation. Wakefield's colonial theory.
7. Result of the production process. – The change in the form of the law of appropriation can be shown either under 6 or under 7.
8. Theories of surplus-value.
9. Theories of productive and unproductive labour.[2]

[1] This suggestion is put forward by Bruno Maffi, in his interesting 'Presentation' to the recent Italian translation (Marx, *Il Capitale: Libro I, capitolo VI inedito*, Florence, 1969).

[2] Karl Kautsky, 'Vorrede', in Karl Marx, *Theorien über den Mehrwert*, Vol. 3, Stuttgart, 1910, p. viii.

We know that 8 and 9 were relegated by Marx from Volume 1 to Volume 4. A new Part Six was introduced into the final version of Volume 1, entitled 'Wages' ('Arbeitslohn'). The original 6 thus became Part Seven, with a new and striking title: 'The Accumulation of Capital' We know already that the new Part Six on wages was introduced as a result of the change made by Marx in the plan for the whole of *Capital*, when he abandoned his intention to deal with wage-labour in a later and separate volume. But why was the originally planned Part Seven discarded? (As written, it is entitled 'Chapter Six'. 'Seven' was changed into 'Six' because Marx intended at the time to publish the present Part One as an introduction. 'Chapter' was the term he was using at the time for what in the published version became 'Part'.) For the time being, it is impossible to give a definitive answer to that question, on the basis of the knowledge which we possess about the development of Marx's thought between 1863 and 1866. Possibly the reason lay in Marx's wish to present *Capital* as a 'dialectically articulated artistic whole'.[3] He may have felt that, in such a totality, 'Chapter Six' would be out of place, since it had a double *didactic* function: as a summary of Volume 1 and as a *bridge* between Volumes 1 and 2.

Be that as it may, in the light of this intended double function, the *Resultate* contains many illuminating insights, not only regarding Volume 1 but also regarding Volume 2. I shall just mention in this respect the *explicit* statement by Marx, so often contested by his critics and by some of his followers too, that he considered the *constant expansion of the capitalist market as absolutely necessary for the survival of the capitalist mode of production.* For precisely because capitalist production is production through a growing mass of machinery, a growing fixed capital, a growing organic composition of capital, it is also of necessity mass production of commodities on a constantly increasing scale, whose sale demands a constantly growing market.

The key aspect of the *Resultate* relates to the synthesis of the capitalist mode of production as production of surplus-value and production of commodities produced by capital, and to the interconnected problem of the origin and content of the increased productivity of labour without which no increase in surplus-value production would be possible in the long term. For this purpose, Marx introduces a distinction between what he calls the formal and the real 'subsumption of labour under capital'. Formal subsumption is characteristic of the period of manufacture; real subsumption is characteristic of the modern factory, with its constant revolution of production techniques and methods. Using this distinction, he unfolds the particular inner logic of capitalism in pages which have an 'up-to-date' ring matched by few other writings by nineteenth-century economists. The search for a constant increase in surplus-value production implies a search for constant

[3] Karl Marx, letter to Engels of 31 July 1865, in *MEW* 31, p. 132.

reductions in cost price, a constant cheapening of commodities. Thereby capital, rather than adapting itself to a given structure of demand or socially acknowledged needs, by revolutionizing production revolutionizes demands and needs themselves, expanding markets, provoking new needs, creating new products and new spheres into which production of exchange values for more value, production for profit, makes its appearance.

This leads to a constant expansion of technology, of the use of and search for scientific discoveries applicable in the production process itself. These discoveries too become a business subsumed under capital. So a new and formidable source of increased productivity of labour appears, unknown before the modern factory. Marx denounces the mystification which consists in considering science both as a 'source of value' and as a 'proof' that 'capital is productive'. He stresses the fact that, under capitalism, labour should not be seen as manual labour only, but as the *combined or collective labour potential* (*kombiniertes Arbeitsvermögen, Gesamtarbeitsvermögen*) of all those whose labour is indispensable to produce the final product. He even uses the concept of the 'collective worker', the 'global worker' (*Gesamtarbeiter*), in this respect. The value-producing process is the manifestation of labour-time spent by all those who co-operate in production while selling their labour-power to the capitalist. This 'global worker' explicitly included, for Marx, engineers, technologists and even managers.[4]

It would be possible, at this point, to deal with the important controversy still raging among students and followers of Marx concerning the exact definition of, and distinction between, 'productive' and 'unproductive' labour. I prefer, however, to relegate this discussion to the introduction to Volume 2. For the real difficulty in establishing the distinction does not, in fact, hinge so much upon what occurs *inside* the process of production – this problem is adequately clarified in the *Resultate* – as upon the distinction *between* production and circulation of commodities and upon the problem of the so-called service industries. The final version of Marx's opinion in that respect (his initial views had been expressed in *Theories of Surplus-Value*) can be found in *Capital* Volume 2.

What is necessary, however, is to stress that what we find extensively dealt with in the *Resultate* is nothing but a further development of one of the most striking aspects of the *Grundrisse*, namely Marx's theory of the *objective socialization of labour by capitalism*. For what Marx sketches in these pages – summarizing what is already developed in Chapter 15 of Volume 1 – is the way in which the integration of science and production, the development of technology and of machinery, has a twofold way of objectively denying the private character *of work and of labour* which is the very essence of commodity production.

[4] See below, pp. 1052–5.

On the one hand, inside the factory, the individual labourer and the individual scientist alike can work only as part of a team. They can no longer do individual jobs in function of individual inclinations, regardless of the activities of other members of the team. Their jobs have become part of a *co-operative totality* which, potentially, once capitalism has been superseded by the reign of the associated producers, will open up undreamt-of possibilities for the development of individual talents and capacities too, precisely because this high level of objective co-operation of labour immensely widens the general scope of human endeavour and potential self-development.

On the other hand, between factories, branches of industry, countries, the more the centralization of capital advances, the more technical and economic integration advances also, creating closer and closer bonds of objective co-operation between producers who are still living hundreds if not thousands of miles apart. In this way too, capitalism prepares the ground for both the real unity of the human race and the real universality of the individual, made materially possible by this objective socialization of labour.

But under the capitalist mode of production this objective socialization of labour cannot free itself from the shackles of capitalist relations of production. This whole gigantic machinery can function under capitalism only for the purpose and with the goal of private appropriation of profit, of profit maximization by each individual firm, which is something quite distinct from optimum economic development (and even from the optimization of the division and growth of social material resources). The conflict between, on the one hand, the development of the objectively more and more socialized productive forces and, on the other, the capitalist relations of production based upon private appropriation determines both recurrent economic crises and a potential social crisis, which becomes terrifyingly explosive as soon as bourgeois society has fulfilled its progressive mission and enters its period of historical decline.

In this connection, a word is necessary about the fragments published here as 'Isolated Fragments'. Found in the same notebook of Marx's and included in the German manuscript published in 1933, they are not, properly speaking, part of the original Part Seven ('Chapter Six'). Adoratsky entitled them 'Einzelne Seiten' (separate pages). Two of these are especially significant, one discussing the importance and function of trade unions and the second on the function of emigration. Both confirm the interpretation of Marx's theory of wages put forward in the introduction to this volume.

In the first fragment Marx insists on the fact that a trade union is a combination of sellers of the commodity labour-power, which enables them to negotiate the price of this commodity with the capitalists under more equal conditions than if they were to negotiate on an individual basis. As is the case with all commodities, this price can never for very long radically depart from the axis of the value of labour-power around which it oscillates. However, by preventing the capitalists from lowering the value of labour-power, trade unions can at least prevent all the results of increased productivity of labour from automatically accruing to the former: in other words they can achieve an increase in real wages, through the inclusion in the value of labour-power (in its moral-historical element) of the counter-value of new mass-produced commodities satisfying newly acquired needs.

The second fragment emphasizes the limits of emigration from Europe (especially from Britain) overseas, states that the international mobility of labour is inferior to the international mobility of capital, but adds that *if Britain's overseas emigration significantly increased, this would destroy its dominant position on the world market.* This is exactly what did in fact happen.[5] As a result of a significant increase both in British exports of commodities and in British exports of redundant labour, a secular decline of the industrial reserve army occurred, which explains the secular rise in real wages.

[5] Between 1841 and 1881, the net outflow of population from Britain was practically nil, Irish and Scottish immigration offsetting English overseas emigration. In the period 1881–91 this net outflow was over 600,000 and in the period 1881–1911 nearly 1·2 million (A. K. Cairncross, *Home and Foreign Investment*, Cambridge, 1953, p. 70).

ERNEST MANDEL

Appendix: Results of the Immediate Process of Production

I. Commodities as the Product of Capital

II. Capitalist Production as the Production of Surplus-Value
  1. The Formal Subsumption of Labour under Capital
  2. The Real Subsumption of Labour under Capital or the Specific Mode of Capitalist Production
  3. Additional Remarks on the Formal Subsumption of Labour under Capital
  4. The Real Subsumption of Labour under Capital
  5. Productive and Unproductive Labour
  6. Net and Gross Product
  7. Mystification of Capital, etc.
  Transition from Sections II and III to Section I

III. Capitalist Production is the Production and Reproduction of the Specifically Capitalist Relations of Production
  Results of the Immediate Process of Production

IV. [Isolated Fragments]
  1. [The Sale of Labour-Power and the Trade Unions]
  2. [Different Modes of Centralization of the Means of Production in Different Countries]
  3. Ireland. Emigration
  4. [Expropriation and Depopulation in Eastern Germany during the Eighteenth Century]
  5. [Property and Capital]
  6. The Colliers

41 The subject-matter of this chapter falls into three parts:

(1) *Commodities* as the *product of capital*, of capitalist production;

(2) Capitalist production is the *production of surplus-value*;

(3) It is, finally, the production and reproduction of the total relationship by virtue of which this immediate process of production defines itself as specifically capitalist.

Of these three topics, (1) should be placed last, and not first, in the final revision before printing, because it forms the *transition* to Volume 2 – 'The Circulation Process of Capital'. For the sake of convenience, however, we begin with it here.*

I: COMMODITIES AS THE PRODUCT OF CAPITAL

As the elementary form of bourgeois wealth, the *commodity* was our point of departure, the prerequisite for the emergence of capital. On the other hand, *commodities* appear now as the *product of capital.*

The circular nature of our argument corresponds to the *historical development* of capital. Capital is predicated on the *exchange of commodities, trade in commodities,* but it may be formed at various stages of production, common to all of which is the fact that capitalist production does not yet exist, or only exists sporadically. On the other hand, a highly developed commodity exchange and the *form of the commodity* as the universally necessary social form of the product can only emerge as the *consequence of the capitalist mode of production.*

However, if we consider societies where *capitalist production* is *highly developed,* we find that the commodity is both the constant elementary premiss (precondition) of capital and also the immediate result of the capitalist process of production.

Both money and commodities are elementary preconditions of capital, but they develop into capital only under certain circumstances. Capital cannot come into being except on the foundation of the circulation of commodities (including money), i.e. where trade has already grown to a certain given degree. For their part, however, the production and circulation of commodities do not at all imply the existence of the capitalist mode of production. On the contrary, as I have already shown,[1] they may be found

[1] *Zur Kritik der politischen Ökonomie,* Berlin, 1859, p. 74 [English edition, p. 95].

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*The German and Russian editions, following Marx's hint, changed the order of the three sections, and placed the first, 'Commodities as the Product of Capital', at the end. We have chosen to follow the French edition (*Un Chapitre inédit du Capital,* ed. and trans. by R. Dangeville, Paris, 1971), which retains the original order, partly because Marx never undertook the 'final revision' which would justify the change, and partly because the subject-matter as it stands unfolds more naturally and logically in this way. The numbers in the left-hand margins refer to the pagination of the manuscript.

even in 'pre-bourgeois modes of production'. They constitute the *historical premiss* of the capitalist mode of production. On the
442 other hand, however, once the commodity has become the *general form of the product*, then everything that is produced must assume that form; sale and purchase embrace not just excess produce, but its very substance, and the various conditions of production themselves appear as *commodities* which leave circulation and enter production only on the foundations of capitalist production. Hence if the *commodity* appears on the one hand as the premiss of the formation of capital, it is also essentially the result, the product of capitalist production once it has become the *universal elementary form of the product.* At earlier stages of production *a part* of what was produced took the form of commodities. Capital, however, necessarily produces its product as a *commodity.*[2] This is why as capitalist production, i.e. capital, develops, the general laws governing the commodity evolve in proportion; for example, the laws affecting value develop in the distinct form of the circulation of money.

We see here how even economic categories appropriate to earlier modes of production acquire a new and specific historical character under the impact of capitalist production.

The transformation of money, itself only a different form of the commodity, into capital occurs only when a worker's labour-power* has been converted into a commodity for him. This implies that the category of trade has been extended to embrace a sphere from which it had previously been excluded or into which it had made only sporadic inroads. In other words the working population must have ceased either to be part of the *objective* conditions of labour, or to enter the market-place as the producer of commodities; instead of selling the products of its labour it must sell that labour itself, or more accurately, its labour-power. Only then can it be said that production has become the *production of commodities* through its entire length and breadth.

[2] Sismondi.

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*Throughout this appendix Marx uses *Arbeitsvermögen* (capacity for labour) instead of *Arbeitskraft* (labour-power), the term which he finally settled on in the published version of *Capital.* Since 'labour-power' is more natural in English and since it has gained general acceptance it has been used here except for a few instances where the idea of 'capacities' or 'faculties' is emphasized.

Only then does all produce become commodity and the objective conditions of each and every sphere of production enter into it as commodities themselves. Only on the basis of capitalist production does the commodity actually become the *universal elementary form of wealth.* For example, where capital has not yet taken over agriculture, a large proportion of agricultural produce is still used directly as means of subsistence and not as a commodity. In that event a large proportion of the working population will not have been transformed into wage-labourers and a large proportion of the conditions of labour will not yet have become capital. It is implicit in this situation that the developed division of labour which appears *by chance* within society, and the capitalist division of labour within the workshop, are things that mutually condition and produce each other. For the *commodity* as the necessary form of the product, and hence the alienation of the product as the necessary means of appropriating it, entail a fully developed *division of social labour.* While, conversely, it is only on the basis of capitalist production, and hence of the *capitalist division of labour* within the workshop, that all produce necessarily assumes the form of the commodity and hence all producers are necessarily commodity producers. Therefore, it is only with the emergence of capitalist production that use-value is universally mediated by exchange-value.

These three points are crucial:

(1) Capitalist production is the first to make the commodity into the general form of all produce.

(2) The production of commodities leads inexorably to capitalist production, once the worker has ceased to be a part of the conditions of production (as in slavery, serfdom), or once primitive common ownership has ceased to be the basis of society (India). In short, from the moment when labour-power in general becomes a commodity.

(3) Capitalist production destroys the basis of commodity production in so far as the latter involves independent individual production and the exchange of commodities between owners or the exchange of equivalents. The formal exchange of capital and labour-power becomes general.

From this standpoint it is immaterial in what form the conditions of production enter into the *labour process.* It is unimportant whether, like a part of the constant capital, the machinery, etc.,

they only yield up a part of their value to the product by degrees,
443 or are entirely absorbed into it, like the raw material; whether, as in the case of seed in farming, a portion of the product is at once employed by the producer as the means of labour, or whether it is first sold and then converted back into a means of labour. Apart from the service they perform as use-values in the process of production, all the means of labour that have been produced now also serve as ingredients in the *valorization process*. Where they are not changed into actual money, they are converted into accounting money; in short, they are used as exchange-values and the element of value that they add to the product in one way or another is precisely calculated. And to the extent to which agriculture, for example, becomes a capitalistically run branch of industry (capitalist production sets up its stall in the countryside), to the extent to which agriculture produces for the market, i.e. produces *commodities*, articles for sale and not for its own immediate consumption – so too, and to the same degree, it calculates its costs, treats each item as a commodity (regardless of whether it buys it from another or from itself, i.e. from *production*). In other words, then, inasmuch as the commodity is treated as an autonomous exchange-value, it acts as *money*. Thus since wheat, hay, cattle, seed of all kinds, etc. are *sold* as commodities – and since without the sale they cannot be regarded as products – it follows that they enter production as *commodities*, i.e. as money. Like the *products*, and *as their ingredients*, the *conditions of production* are indeed themselves products and they too are thus reduced to *commodities*. And as a consequence of the valorization process they are included in the calculations as *sums of money*, i.e. in the autonomous form of exchange-value. Here then the immediate process of production is always an indissoluble union of *labour process* and *valorization process*, just as the product is a whole composed of *use-value* and *exchange-value*, i.e. the *commodity*. But there is more to the matter than these formal aspects: as the farmer *buys* what he has to *lay out*, we witness the development of a trade in seed, in manure, in breeding cattle, etc. – while he *sells* his income. Thus for the individual farmer these conditions of production pass from circulation into his process of production; circulation thus becomes in effect the precondition of his production since they [the conditions of production] increasingly become commodities he has *bought* (or that *can be bought*). They have long since become commodities in his eyes, since they are articles,

means of labour, that are at the same time *values* forming part of his capital. (When he returns them to production in nature he therefore includes them in his calculations as things sold him qua *producer.*) And moreover all this keeps pace with the growth of the capitalist mode of production in agriculture, which therefore is increasingly put on a factory basis.

As the *universally necessary form of the product*, as the specific characteristic of capitalist production, the commodity palpably comes into its own in the large-scale production that emerges in the course of capitalist production. The product becomes increasingly one-sided and *massive in nature.* This imposes upon it a social character, one which is closely bound up with existing social relations, while its immediate use-value for the gratification of the needs of its producer appears wholly adventitious, immaterial and inessential. This mass product must be realized as exchange-value, it must undergo the metamorphosis of the commodity, not only because the producer who produces as a capitalist must ensure his own survival, but also because the process of production 444 must itself be contained and renewed. It is therefore absorbed into commerce. Its purchaser is not the immediate consumer, but the merchant whose business it is to bring about the metamorphosis of the commodity (Sismondi).* Finally, then, the product develops its commodity character, and hence its exchange-value, since with capitalist production the spheres of production become increasingly diversified and hence the possibilities of exchanging products are steadily multiplied.[3]

The *commodity* that emerges from capitalist production is different from the commodity we began with as the element, the precondition of capitalist production. We began with the individual commodity viewed as an autonomous article in which a specific amount of labour-time is objectified and which therefore has an exchange-value of a definite amount.

The commodity may now be further defined as follows:

(1) What is objectified in it – apart from its use-value – is a specific quantum of socially necessary labour. But whereas in the

[3] Cf. *Zur Kritik der politischen Ökonomie*, p. 17 [English edition, p. 42]. See also Wakefield.

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* This sentence is a summary and at the same time an interpretation of Sismondi's argument in *Nouveaux Principes*, Vol. 1, Paris, 1827, p 90.

commodity regarded by itself it remains quite undecided (and is in fact a matter of indifference) from whom this objectified labour is derived, the *commodity* as the *product of capital* can be said to contain both paid and unpaid labour. It has already been mentioned that this is not strictly true since the labour itself is not bought or sold directly. But the commodity contains a specific overall quantity of *objectified* labour. A portion of this objectified labour (aside from constant capital for which an equivalent has been paid) is exchanged for the equivalent of the worker's wages; another portion is appropriated by the capitalist without any equivalent being paid. Both portions are objectified and so present as parts of the value of the commodity. And it is a convenient abbreviation to describe the one as paid and the other as unpaid labour.

445 (2) The individual commodity does not only appear materially as a part of the total produce of capital, but as an aliquot part of the total produced by it. We are now no longer concerned with the individual autonomous commodity, the single product. The result of the process is not individual goods, but a *mass of commodities* in which the value of the capital invested together with the surplus-value – i.e. the surplus labour appropriated – has reproduced itself, and each one of which is the incarnation of both the value of the *capital* and the surplus-value it has produced. The labour expended on each commodity can no longer be calculated – except as an average, i.e. an ideal estimate. The calculation begins with that portion of the constant capital which only enters into the value of the total product in so far as it is used up; it continues with the conditions of production that are consumed communally, and ends with the direct social contribution of many co-operating individuals whose labour is averaged out. This labour, then, is reckoned *ideally* as an aliquot part of the total labour expended on it. When *determining the price* of an individual article it appears as a merely ideal fraction of the total product in which the capital reproduces itself.

(3) As the product of capital, the commodity embodies the total value of the capital together with the surplus-value, unlike the original commodity which appeared to us as an autonomous thing. *The commodity* is a transfiguration of capital that has valorized itself, and its sale must now be organized on the *scale* and in the *quantities* necessary to realize the old capital value and the old surplus-value it has created. To achieve this it is by no

means sufficient for the individual commodities or a portion of them to be sold at their value.

We have already seen that the commodity must acquire a twofold mode of existence if it is to be rendered fit for the circulation process. It is not enough for it to appear to the buyer as an article with particular useful qualities, i.e. as a specific *use-value* which can gratify specific needs whether of individual or of productive consumption. Its exchange-value must also have acquired a definite, independent, *form*, distinct, albeit ideally, from its use-value. It must represent both the unity and the duality of use-value and exchange-value. Its exchange-value acquires this distinctive form independent of its use-value, as the pure form of materialized social labour-time, i.e. its *price*. For the price is the expression of exchange-value as exchange-value, i.e. as *money*, and more precisely as *money of account*.

Now there exist in reality individual commodities such as railways, large building complexes, etc. which are so continuous in nature and on such a grand scale that the entire product of the capital invested appears to be a *single* product. In such cases we should apply the law relevant in the case of single commodities; in other words *price* is nothing but value as expressed in money terms. The total value of the capital + surplus-value would then be contained within the single commodity and could be expressed in terms of money of account. The actual price of such a commodity would not be otherwise different from what we have said about individual commodities, since the *total product* of capital really would be present in this case as a *single* commodity. It is unnecessary therefore to dwell on the matter further.

The majority of commodities, however, are discrete in nature (and even those that are continuous can for the most part be considered as discrete quantities). In other words, viewed as quantities of a given article, they are divisible in terms of *measures* traditionally appropriate to them as use-values. Thus we deal with (*a*)
446 wheat by the quarter, (*b*) coffee by the hundredweight, (*c*) linen by
the ell, (*d*) knives by the dozen – and in all these cases the single commodity is a unit of the measure, etc.

We have now to consider that *total product* of capital which can always be regarded as a *single* commodity, irrespective of its scale, and whether it is discrete or continuous, a product which can be considered as a single use-value and whose exchange-value therefore also appears in the *total price* as the expression of the total value of this total product.

In our examination of the *valorization process*, it turned out that a part of the constant capital invested, such as buildings, machinery, etc., transfers to the product only the determinate portion of value that it loses while functioning as a means of labour during the labour process. It never enters the product materially in the form of its own use-value. It continues to assist the production of commodities over a long period of time and the value that it transfers to the objects produced during their production is measured in terms of the relationship of that time-span to the total period during which it is used up as a means of labour, that is to say, a period in which its total value is consumed and transferred to the product. Thus if it lasts for ten years we may average it out and say that it transfers $\frac{1}{10}$ of its value each year to the product, $\frac{1}{10}$ of its value to the annual product of the capital. Once a given quantity of products has been disposed of, a part of the constant capital may continue to be used as a means of labour and so continue to represent a certain value on the average basis as just calculated, since it does not form part of the value of the mass of products so disposed of. Its total value is only of importance to the value of the mass of products disposed of, i.e. the products to whose production it had contributed; that is to say, the value it transfers over a definite period is deducted as an aliquot part of its total value, i.e. the given period in which it is utilized is related to the overall time during which it is employed and in which it transfers its total value to the product. For the rest, any value it still retains is irrelevant to the valuation of the mass of values already disposed of. As far as they are concerned, it can be set at nought. Or, and it amounts to the same thing, we can for the sake of simplicity treat the matter as if the *entire capital*, including the constant portion which is only absorbed into the product over a long period of time, were contained in and had entered into the product of the total capital under consideration.

Let us assume, therefore, that the total product = 1,200 ells of linen. The capital invested = £100, of which £80 is constant capital and £20 variable. The rate of surplus-value = 100 per cent, so that the worker labours for half the working day for himself, and the other half gratis for the capitalist. In this case the surplus-value produced = £20 and the total value of the 1,200 ells = £120, of which £80 represents the constant capital invested, and £40 comes from the additional living labour. Of this latter, half goes as wages to the worker and the other half represents surplus labour or constitutes surplus-value.

Since, with the exception of the additional labour, the elements of capitalist production already enter the process of production as commodities, i.e. with specific prices, it follows that the value added by the constant capital is already given in terms of a *price*. For example, in the present case it is £80 for flax, machinery, etc. As for the additional labour, however, if the wage as determined by the necessary means of subsistence = £20, and the sur lus labour is as great as the paid labour, it must be expressed at a price of £40, since the value expressing the additional labour depends on its quantity and by no means on the circumstances in which it is paid. Hence the total price of the 1,200 ells produced by a capital of £100 = £120.

How are we to determine the value of the individual commodity, in this case the ell of linen? Obviously, by dividing the total price of the aggregate product by the number of units as divided into aliquot parts in accordance with a given measure. In other words, the *total price* is divided by the *number of measured units* in which the use-value is expressed. In the present case then, $\frac{\text{£}120}{1{,}200 \text{ ells}}$. This results in a price of 2s. per ell of linen. If the ell which serves as a measure in the case of linen is now further defined, i.e. if it is broken down into smaller aliquot parts, we can go on to determine the price of half an ell, etc., in the same way. The price of the individual commodity is determined, then, by expressing its use-value as an aliquot part of the aggregate product, and its price as the corresponding aliquot part of the total value generated by the capital invested.

We have seen that as the *productivity* or *productive power of labour* varies, the same labour-time will result in the production of very different quantities of a product, or in other words equal exchange-values will be expressed in quite different quantities of use-values. Let us assume, in the present instance, that the linen weaver's productivity is increased fourfold. The constant capital, i.e. the flax, machinery, etc. set in motion by the labour expressed

as £40, was = £80. If the weaver's productivity increases fourfold it will set four times as much capital in motion, i.e. £320 worth of flax, etc. And the number of ells produced would also increase in proportion, viz. from 1,200 to 4,800. The additional weavers' labour, however, would still be expressed as £40, since its quantity remains unaltered. Thus the total price of the 4,800 ells is now = £360, and the price of each ell = $\frac{\text{£}360}{4{,}800 \text{ ells}}$ = 1s. 6d. per ell. Thus the price of each ell would have fallen from 2s. or 24d. to 1½s. or 18d., i.e. by ¼, because the constant capital in each ell had absorbed ¼ less additional living labour in the process of converting that labour into linen. Or in other words the same amount of weaving had been distributed over a larger amount of the product. For our present purposes, however, it is better to take an example where the total money invested remains the *same* while the productivity of labour produces very different amounts of the same use-value, for example wheat, merely as the result of varying natural conditions, such as more or less favourable weather. Let
448 us assume that £7 represents the *amount* of work spent on an acre of land, in the production of wheat for instance. Of this sum £4 is additional labour and £3 is labour already objectified in constant capital. Of this £4, let £2 be employed for wages and £2 remains as surplus labour, at the rate of 100 per cent already assumed.

The crop however is to vary with the variation of the seasons.

Total in quarters	*One quarter*	*Value or price of the total produced*
'When the farmer has 5	he can sell at 28s.	£7
4½	at about 31	„
4	35	„
3½	40	„
3	46s. 8d.	„
2½	56	„
2	70	„'[4]

The *value* or *price* of the aggregate product yielded by the capital of £5 invested in each acre remains £7, since the invested quantities of objectified and additional living labour remain constant. However, this same labour results in very different quantities of wheat, and the individual quarter of wheat, therefore, the same aliquot part of the aggregate product, has very different prices. This variation in the prices of the individual commodities produced with the same capital has absolutely no *effect* on the rate of surplus-value, or the proportion of surplus-value to variable capital, or the way in which the working day is divided into paid and unpaid labour. The total value in which the additional labour is expressed remains unchanged because now, as previously, the same amount of living labour is added to the constant capital; that is to say, the relation of surplus-value to wages, or of paid to unpaid labour remains the same, irrespective of whether the ell costs 2s. or, with the growing productivity of labour, 1½s. All that has changed as far as the individual ell is concerned is the total amount of weavers' work applied to it; but the proportions of paid and unpaid labour into which this total amount is broken down remain the same for every aliquot part of that total contained in each ell, however big or small the total may be. Likewise, in the situation *given* in our other example, i.e. with the declining productivity of labour, the situation in which the newly added labour is distributed among fewer quarters so that a larger proportion of additional labour is attributed to each quarter, the increase in price per quarter in the second case would not affect in the slightest the proportions in which this greater or smaller amount of labour absorbed by each quarter is distributed between paid and unpaid labour. It makes not the slightest difference either to the total surplus-value that the capital has produced or to the aliquot part of surplus-value contained in the value of each quarter relative to the value newly added to it. Under the given conditions, if more living labour is added to a specific amount of the means of labour, then more paid and unpaid labour is added in the same proportions, and if less, then less paid and unpaid labour, likewise in the same proportions. But in either case, the *proportions* of these two ingredients of the newly added labour remain *unaltered.*

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[4] *An Inquiry into the Connection between the Present Price of Provisions, and the Size of Farms. With Remarks on Population as Affected Thereby. To Which are Added, Proposals for Preventing Future Scarcity. By a farmer.* [The author is John Arbuthnot.]

Apart from certain extraneous factors irrelevant for our present purposes, the tendency and the result of the capitalist mode of production is steadily to increase the productivity of labour. Hence it also increases the mass of the means of production converted into products by the use of the same quantity of additional labour. This additional labour is then distributed progressively over a greater mass of products, thus reducing the *price* of each individual commodity and commodity prices in general. In and for itself, however, this reduction in the prices of commodities introduces no change either in the *mass* of the surplus-value produced by the same variable capital, or in the proportional division into paid and unpaid of the labour newly added to each individual commodity, or in the rate of surplus-value valorized in each individual commodity. When a specific quantity of flax or number of spindles requires less labour to produce an ell of linen, the fact of a greater or lesser amount of labour does not affect the proportions of paid to unpaid labour. The *absolute amount* of living labour newly added to a specific amount of already objectified labour does not affect the *proportions* in which this greater or lesser quantity breaks down into paid and unpaid labour when applied to the individual commodity. Despite the variation in the price of a commodity arising from a variation in the productive capacity of labour, i.e. despite the reduction in prices and the cheapening of commodities, the relation between paid and unpaid labour and in general the rate of surplus-value valorized by capital can remain *constant*. Even if there were no variation in the productivity of the labour newly added to the means of labour, but only in the productivity of the labour that creates the means of labour, bringing about a rise or fall in their prices, it is equally obvious that the resultant change in the *prices* of the commodities concerned would have no effect on the constant division of the newly added labour they contain into paid and unpaid labour.

And conversely, a *variation in the price of commodities* does not preclude a constant rate of surplus-value, a constant division of the newly added labour into paid and unpaid. And by the same token, *constancy in the price of commodities* does not of itself prevent a variation in the rate of surplus-value, nor a modification in the proportions of paid to unpaid labour. For simplicity's sake let us assume that in the branch of industry under discussion there is no *variation in the productivity of any of the labour within it*. Thus in the above-mentioned case there is no variation in the productivity of the weaving or the labour involved in producing the flax, the spindles, etc. On the assumption previously made, £80 is invested in constant capital, and £20 in variable. This £20 is to represent 20 days (i.e. weekdays) for twenty weavers. On our hypothesis they produced £40, working half the day for themselves and half for the capitalist. But also we shall assume that instead of a working day of 10 hours, this is now extended to 12, so that the surplus labour is now increased by 2 hours per man. The total working day has now grown by $\frac{1}{5}$, from 10 hours to 12. Since $10:12 = 16\frac{2}{3}:20$, only $16\frac{2}{3}$ weavers would now be required to set the same constant capital of £80 in motion and hence to produce 1,200 ells of linen. (For twenty men working 10 hours = 200 hours, and $16\frac{2}{3}$ men working 12 hours also = 200). Alternatively, if we retain all twenty workers, they will now put in 240 hours work, instead of 200. And since the value of 200 hours daily amounts to £40 per week, 240 hours daily will amount to £48 per week. However, since the productivity of labour, etc. has remained static and since £40 corresponded to £80 constant capital, it follows that £48 requires £96 constant capital. The capital laid out, therefore, amounts to £116 and the value of the commodities produced by it = £144. However, since £120 = 1,200 ells, £144 = 1,440 ells. The cost of one ell would be: $\frac{£144}{1,440} = \frac{£1}{10} = 2\text{s.}$ The price of a single ell would remain unchanged because it would still have cost the same total amount in terms of additional labour and labour objectified in the means of labour. But the amount of surplus-value contained in each ell would have increased. Previously, there was £20 surplus-value on 1,200 ells. On one ell, therefore, the surplus-value would be $\frac{£20}{1,200} = \frac{2}{120} = £\frac{1}{60} = \frac{1}{3\text{s.}} = 4\text{d.}$ Now, however, for 1,440 ells there is £28; for 1 ell, therefore, $4\frac{2}{3}$d., since $4\frac{2}{3}\text{d.} \times 1,440 = £28$ which is the real sum of the surplus-value in the 1,440 ells. In the same way there is an additional £8 surplus-value (= 80 ells at 2s. per ell), and in fact the number of ells has grown from 1,200 to 1,440.

In this example, then, the *price of the commodity* remains the same. So do the productivity of labour and the capital employed in paying wages. Nevertheless, the amount of surplus-value rises from 20 to 28, or by 8, which is $\frac{2}{5}$ of 20, since $8 \times \frac{5}{2} = \frac{40}{2} = 20$; i.e. by 40 per cent. This is the percentage by which the total surplus-value has grown. As for the rate of surplus-value, then, it has risen from 100 per cent to 140 per cent.

These damned figures can be corrected later on.* For the moment it is sufficient to note that with *prices constant* the surplus-value grows because the same variable capital sets *more* labour in motion and this means not only that *more* goods are produced at the same *cost* but that more goods are produced containing a *greater* proportion of unpaid labour.

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* Marx's figures have been corrected where necessary.

451 The *correct calculation* is shown in the following comparison to which I would only preface this note:

If the original £20 *v* [variable capital] is = 20 10-hour days (as weekdays can be multiplied by six, it does not affect the situation) and the working day = 10 hours, then the total labour performed = 200 hours.

Now if the day is lengthened from 10 to 12 hours (and the surplus labour from 5 to 7) then the total labour of the 20 [days] = 240.

If 200 hours' labour represents £40, then 240 = £48.

If 200 hours set £80 worth of constant capital in motion, then 240 will transform a capital of £96.

If 200 hours produce 1,200 ells, then 240 hours will yield 1,440 ells.

And now for our comparison:

	c	*v*	*s*	Value of total product	Rate of surplus-value	Sum of surplus-value	Ells	Price per ell	Amount of labour per ell	Surplus labour [per ell]	Rate of surplus labour
I	£80	£20	£20	£120	100%	£20	1200	2s.	8d.	4d.	4:4 = 100%
II	£96	£20	£28	£144	140%	£28	1440	2s.	8d.	4⅔d.	4⅔:3⅓ = 140%
											7:5 = the number of hours increased from 5 to 7

In consequence of the increase in the *absolute surplus-value*, i.e. as the result of the prolongation of the working day, the proportions in the total amount of labour worked have altered from 5:5 to 7:5, i.e. from 100 per cent to 140 per cent, a proportion also reflected *pari passu* in *each* ell. However, the total amount of surplus-value is determined by the *number* of workers employed at this higher rate. If there had been a reduction in their number following the extension of the working day, i.e. if the same amount of work were performed, but using fewer workers on account of the longer working day, then the rate of surplus-value would show the *same* increase, but its absolute yield would not.

Conversely, let us now proceed from the assumption that the *working day remains the same*, i.e. 10 hours, but that the necessary labour is reduced from 5 hours to 4 because of *increased productivity* not in the constant capital employed in weaving, or in the weaving itself, but in other branches of industry whose products form part of the working wage. This means that the workers now work 6 hours for the capitalist, instead of 5, and 4 for themselves
452 instead of 5. The ratio of surplus labour to necessary had been 5:5, i.e. 100 per cent. It is now 6:4, i.e. 150 per cent.

Now as previously, twenty men are employed for 10 hours, which gives 200 hours. In both cases they set the same constant capital of £80 in motion. The value of the total product remains £120, the number of ells still stands at 1,200, and the price of each ell is still 2s. – since nothing has changed in the price of production. The total product (in terms of value) of 1 man [-day] = £2, and 20 = £40. But whereas formerly it took 5 hours per day, i.e. £20 per week to buy his means of subsistence, it now takes only 4 hours, = £16 per week, to buy the same amount. The payment of the twenty who now perform only 16 hours of necessary labour is now £16 as against £20 previously. The variable capital has fallen from £20 to £16, but still sets the same amount of absolute labour in motion. But this amount is now distributed differently. Before, ½ had been paid, and ½ unpaid. Now out of 10 hours 4 are paid and 6 unpaid, i.e. ⅖ are paid and ⅗ unpaid. Instead of a ratio of 5:5 the present ratio is 6:4, and the rate of surplus-value has risen from 100 per cent to 150 per cent. The rate of surplus-value has increased by 50 per cent. Per ell, then, 3⅕d. would be paid, and 4⅘d. would be unpaid labour; this is $\frac{24}{5}:\frac{16}{5}$ or 24:16, as above. Thus the total picture is as follows:

	c	*v*	*s*	Value of total product	Rate of surplus-value	Sum of surplus-value	Ells	Price per ell	Amount of labour per ell	Surplus labour [per ell]	Rate of surplus labour
III	£80	£16	£24	£120	150%	£24	1200	2s.	8d.	4⅘d.	4⅘:3⅕ = 24:16 = 150%

It will be observed here that the sum of surplus-value is only £24 instead of £28 as in Table II. But if in III the same variable capital £20 had been laid out, the *total amount* of labour employed would have risen, since it remains the same with a variable capital of £16. In fact, since 20 is ¼ more than 16, it would have increased by ¼. In that event the *total amount of labour employed would have risen and not just the ratio of surplus labour to paid labour.* Since, given the new rate, £16 yields £40, then £20 would yield £50, of which £30 would be surplus-value. If £40 = 200 hours, then £50 would equal 250 hours. And if 200 hours set £80 *c* in motion, then 250 hours would transform £100 *c*. And finally, if 200 hours produced 1,200 ells, then 250 hours would yield 1,500 ells. The calculation works out as follows:

	c	*v*	*s*	Value of total product	Rate of surplus-value	Sum of surplus-value	Ells	Price per ell	Amount of labour per ell	Surplus labour [per ell]	Rate of surplus labour
IIIa	£100	£20	£30	£150	150%	£30	1500	2s.	8d.	4⅘d.	150%

This should be noted in general: as a result of a fall in wages (the consequence here of increased productivity) *less variable capital* is required to put the same amount of labour to work, i.e. to put the *same amount of labour to work at greater advantage* to capital (since the paid portion of the same amount falls in relation to the unpaid portion). Therefore, the capitalist who continues to lay out the *same* amount of *variable capital* will gain doubly. For he is able not only to gain a *higher rate of surplus-value* for the same total amount, but he is able to exploit a *larger quantity of labour at this higher rate,* although his variable capital has not increased in magnitude.

453 We have seen then:

(1) where *commodity prices vary* the rate and quantity of surplus-value can *remain constant*; and

(2) where *commodity prices are constant* the rate and quantity of surplus-value can *vary*.

In general, as we have shown in our discussion of the production of surplus-value, the prices of commodities only exert an influence to the extent that they enter into the costs of reproducing labour-power, thus affecting *its* value, an effect that can be nullified in the short term by contrary influences.

It follows from (1) that if we ignore here that sector of produce which, by becoming cheaper, makes labour-power cheaper too (just as by becoming dearer, it makes it more expensive) the fall in prices, the cheapening of goods, resulting from the increase in the productivity of labour means that less labour is materialized in particular commodities, or that the same labour gives rise to a greater quantity of goods so that a smaller aliquot part of labour is needed to produce the individual product. However, it does not necessarily mean any change in the relative distribution between the *paid* and *unpaid* labour that has gone into any given article. The two laws here shown apply generally to all commodities including those that do not enter directly or indirectly into the reproduction of labour-power and whose price therefore, whether high or low, is irrelevant to the determination of the *value* of labour-power itself.

It follows from (2) (see Tables III and IIIa) that although the *prices* of commodities, and the productivity of living labour employed directly in the branch of industry which creates those commodities, remain constant, the *rate and quantity of surplus-value can rise.* (By the same token, we might have demonstrated the *converse*, namely that they can fall if the total working day is curtailed or if the *necessary labour time* grows (the working day itself remaining constant) because of other goods becoming dearer.) This is the case where a *variable capital of given magnitude* occupies very *unequal* amounts of labour of a *given productivity.* (While the prices of commodities remain constant as long as there is no change in the productivity of labour.) Alternatively, a *variable capital of varying size can occupy equal amounts* of labour of a given productivity. In short a variable capital of a certain given size does not always set the same amount of living labour in motion, and if we regard it as a symbol of the amounts of labour it sets in motion, it must be considered to be a symbol of *variable magnitude.*

This latter observation (*ad* Table II and the second law) shows how the commodity must be thought of very differently from the way in which we conceived of it at the outset of our discussion of the individual independent product – for here it appears as the product of capital, as the aliquot component of capital, as the depository of capital that has valorized itself and hence contains an aliquot part of the surplus-value generated by capital.

(When we speak of the price of commodities, it is always implicitly assumed that the *total price* of the quantity of goods produced by capital = its *total value*, and hence the *price* of the aliquot part of the individual commodity = the aliquot part of that total value. *Price* in this context is in general just the money-expression of *value*. Prices differing from the underlying values have not yet entered into our discussions.)

[454] The *individual commodity* viewed as the product, the actual elementary component of capital that has been generated and reproduced, differs then from the individual commodity with which we began, and which we regarded as an *autonomous* article, as the premiss of capital formation. It differs not only in the question of price as already noted, but also in the fact that even if the commodity is sold at its price, the *value* of the capital invested in its production may not be realized, and the *surplus-value* created by that capital even less so. Indeed, as the mere depository of capital, not only materially, i.e. as a part of the use-value of which the capital consists, but as the depository of the *value* of which the capital consists, it is possible for the capitalist to sell commodities at prices corresponding to their individual value, and nevertheless at *less than* their value as *products of capital* and as *components of the aggregate product in which the capital that has been valorized actually has its being.*

In the instance given above, a capital of £100 reproduced itself in the form of 1,200 ells of linen at a price of £120. Since in our previous discussion we used the figures $\frac{c}{80}\ \frac{v}{20}\ \frac{s}{20}$, we can now re-present the situation by assuming that the £80 constant capital is embodied in 800 ells, or $\frac{2}{3}$ of the aggregate product; £20 variable capital or wages amount to 200 ells, or $\frac{1}{6}$ of the total, and £20 surplus-value is likewise the equivalent of 200 ells or $\frac{1}{6}$. If we now suppose that not one ell, but let us say 800 ells were sold at the right price, i.e. £80, and the other two portions were unsaleable, then only $\frac{4}{5}$ of the original capital value of £100 would have been reproduced. As the depository of the total capital, i.e. as the only *actual* product of the total capital of £100, the 800 ells would have been sold at *less than* their value, at $\frac{2}{3}$ of their value, to be precise, since the value of the whole product = 120 and 80 is but $\frac{2}{3}$ of that, the missing 40 being the remaining third. These 800 ells, taken by themselves, could conceivably also be sold for *more than* their true value, and as the depositories of the total capital they might still be sold at the right price, e.g. if they were sold for £90 and the remaining 400 ells for £30. For our present purposes, however, we intend to disregard the sale of different fractions of the total quantity of goods at prices *higher* or *lower* than their value, since our premiss is precisely that they should be sold *at their correct value.*

455 What is at issue here is not just that the commodity's sale price should reflect its value, as in the case of the commodity conceived as an autonomous thing, but that, as a depository of the capital invested in it, its sale price should also reflect the fact that it is an *aliquot part of the total product of that capital.* If only 800 ells are sold out of a total product of 1,200 = £120, then these 800 ells do not represent $\frac{2}{3}$ of the total value, but the total value itself, i.e. they represent the value of £120 and not £80, and the individual commodity does not $= \frac{£80}{800} = \frac{8}{80} = \frac{4}{40} = \frac{2}{20} =$ 2s., but $\frac{£120}{800} = \frac{12}{80} = \frac{3}{20} =$ 3s. Thus as an individual product it would have been sold 50 per cent too dear, if it had been sold at 3s. instead of 2s. As an aliquot part of the total value the individual product must be sold at the correct price and hence as the *aliquot part* of the total product sold. It may not be sold, therefore, as an independent article, but, e.g., as 1/1,200 of the total product, in relation therefore to the remaining 1,199/1,200. What is at issue is that the single article should be sold at the correct price multiplied by the *number* which forms its denominator as the aliquot part of a whole.

(It follows from this that, with the *development of capitalist production* and the resultant reduction in prices, there must be an increase in the *quantity of goods*, in the *number* of articles that must be sold. That is to say, a constant *expansion of the market* becomes a necessity for capitalist production. But this point is better left to the subsequent book.) (It also explains why the capitalist cannot sell 1,300 ells at 2s., even though he could supply 1,200 at that price. For the additional 100 might well require extensions of the constant capital which would be able to provide another 1,200 at that price, but not an extra 100, etc.)

We can see from this how an article regarded as the *product of capital* is to be distinguished from an *individual article treated as an* *independent object*, and this distinction will increasingly make itself felt. The more we advance into the processes of capitalist production and circulation, the more its impact on the real price of the commodity will be observed.

The point, however, to which I wish particularly to draw attention is this:

It was seen in Chapter 2, Section 3, of this first book,* how the various elements of value in the product of capital – the value of constant capital, that of variable capital and surplus-value – are to be found, and are, as it were, repeated, on the one hand, in the same proportions in every single commodity, both as aliquot parts of the *total use-value produced*, and as aliquot parts of the *total (exchange-)value produced*. On the other hand, the total product can be divided up into certain portions of the use-value or article produced, one part of which represents only the value of the constant capital, a second that of the variable capital and the third the surplus-value. Although both these descriptions are essentially identical, they *contradict* each other in their form of expression. For in the latter account the individual articles that belong to, say, lot 1, i.e. that reproduce only the value of the constant capital, represent only labour that has been objectified prior to the process of production. For example, the 800 ells = £80 = the value of the constant capital invested – they represent only the value of the cotton yarn, oil, coal and machinery consumed, but not a jot of the additional labour of weaving. On the other hand, *regarded as a use-value*, each ell of linen contains not only flax, but also a definite quantity of labour which is what gave it the form of linen. Similarly, in its price of 2s., it contains 16d. as reproduction of the constant capital it has consumed, 4d. for wages and 4d. of unpaid labour embodied in it.

The failure to solve this apparent contradiction can lead, as will be seen, to fundamental blunders in analysis. It is at first sight just as *confusing* for the person who only considers the *price* of the individual commodity as our earlier proposition that the individual commodity or a specific proportion of the total product can be sold both at the right price and below it, at the right price and above it, and even at more than its right price even though it is below it. For an example of this confusion see Proudhon (*verte*).†

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* Chapter 9 in the present edition of *Capital*, Vol. 1.

† This refers to p. 457 in the MS; see p. 971 of the present edition.

(In the above example, the price of the ell is determined not in isolation but as an aliquot part of the total product.)

456 I have earlier given a similar account of the foregoing argument about the *determination of prices* (particular formulations from the original discussion should perhaps be interpolated here):

Originally, we considered the *individual commodity in isolation*, as the result and the direct product of a specific quantity of labour. Now, as the *result*, the *product of capital*, the commodity changes in form (and later on, in the price of production, it will be changed in *substance* too). The difference is as follows: The mass of use-values produced represents a *quantity of labour* equal to *the value of the constant capital contained in and consumed by the product* (of the *quantity of labour objectified and transferred* from it to the product) + the value of the *quantity of labour* exchanged for variable capital. A part of this labour goes to replace the value of the variable capital and the remainder constitutes the *surplus-value*. If we express the labour-time contained in the capital as = £100 of which £40 is variable capital and the rate of surplus-value = 50 per cent, then the total quantity of labour contained in the product comes to £120. Before the commodity can circulate, its *exchange-value* must be previously converted into the *price*. Therefore, if the total product is not a single continuous thing, so that the entire capital is reproduced in a *single* commodity, such as a house – then the capitalist must calculate the *price* of the individual commodity, i.e. he must represent the *exchange-value* of the individual commodity in terms of money of account. Then depending on the various rates of productivity of labour the *total value* of £120 will be *shared out* among a greater or smaller number of products, and the *price* of the individual article will stand *in inverse ratio* to the total number of articles, and each item will represent a larger or smaller aliquot part of the £120. For example, if the total product is 60 tons of coal, then 60 tons = £120 = £2 per ton $= \frac{£120}{60}$; if it is 75 tons of coal, then each ton $= \frac{£120}{75} =$ £1 12s.; if it is 240 tons, then $\frac{£120}{240} = \frac{12}{24} = £\frac{1}{2}$, and so on. The price of the individual article then $= \frac{\textit{the total price of the product}}{\textit{the total number of products}}$, the total price divided by the total number of products as measured in the various units of measure, depending on the use-value of the product.

So if the price of the individual article is equal to the total price of the quantity of goods (total number of tons) produced by the capital of £100 *divided* by the total number of articles (here in tons), then on the other hand, the *total price* of the total product is equal to the price of the individual article *multiplied* by the *total number* of articles produced. If the quantity of goods has increased with productivity, then the number will also increase and the price of the individual article will fall. The converse holds good where productivity has declined; there the one factor, the price, will rise, and the other factor, the number, will fall. As long as the *amount of labour employed* remains steady it will end up with the same total price of £120, regardless of how much of it accrues to the individual article which is produced in varying quantities depending on the productivity of the labour.

If the fraction of the price assigned to the individual article – the aliquot part of the total value – becomes smaller because of the greater number of articles produced, i.e. because of the greater productivity of labour, then it follows that the portion of surplus-value that accompanies it will be smaller, i.e. the aliquot part of the total price to which the surplus-value of £20 has become attached. Nevertheless, this does not introduce any change in the *relation* between the part of the price of the article representing surplus-value and that part which represents wages or the payment of labour.

It is perfectly true, however, as our examination of the capitalist process of production has shown, that – quite apart from the prolongation of the working day – there is a definite tendency for labour-power itself to become cheaper. This stems from the fall in the prices of the goods that determine the value of labour-power and enter into the necessary consumption of the labourer. Hence also there is at the same time a trend towards curtailing the *paid* part of his work and extending the *unpaid* part while keeping the working day constant.

Thus, on our earlier assumption, the price of the individual article participated in the *surplus-value* in the same proportions in which it shared in the total value and in the total price. The position now, however, is that despite the falling price the fraction of the price that represents the surplus-value increases. However, this occurs only because the surplus-value becomes proportionately greater in the *total price* of the product because the productivity of labour has increased. For the same reason – the greater productivity of labour (and the opposite would hold good if productivity were to decline) – the *value of labour-power is reduced,* since the same quantity of labour, the same value of £120, is spread over a larger quantity of goods, thus causing the price of each article to fall. Hence, even though the *price of the individual article falls,* and even though the total amount of labour declines, and with it the value contained in it, the amount of surplus-value in the price increases relatively. In other words, in the smaller total amount of labour to be found in the individual article, e.g. the ton, there is a larger *amount of unpaid labour* than before when the labour was less productive, the quantity of the product was smaller and the price of the individual article higher. The *aggregate price* of £120 now contains more unpaid labour than before and the same is true of each aliquot part of that £120.

It is puzzles of this sort that lead Proudhon astray, since he looks only at the price of the individual article in isolation, and not the commodity as the *product of a total capital.* Hence he ignores the overall situation within which the total product is divided up into its various components with regard to price.

'*Il est impossible que* l'intérêt du capital' (this is just one particular named part of the surplus-value) '*s'ajoutant dans le commerce au* salaire de l'ouvrier *pour* composer le prix de la marchandise, *l'ouvrier puisse racheter ce qu'il a lui-même produit. Vivre en travaillant est un principe qui, sous le régime de l'intérêt, implique contradiction*' ['Since in commerce the *interest on capital* is added to the *labourer's wages* to *make up the price of commodities,* it is impossible for the labourer to buy back his own product. To live by working is a principle which, under the regimen of interest, entails a contradiction'] (*Gratuité du crédit. Discussion entre M. Fr. Bastiat et M. Proudhon,* Paris, 1850, p. 105).

This is quite right: to make the matter clear let us assume that the worker, *l'ouvrier,* under discussion is the working class as a whole. The weekly payment it receives and with which it has to buy the means of subsistence, etc., is spent on a mass of commodities. Whether we take each separately or every one together, their price contains one part = wages and another = *surplus-value* (of which the interest mentioned by Proudhon is but one and perhaps a relatively insignificant element). How then is it possible for the working class to use its weekly income, which consists just of '*salaire*', to buy a quantity of goods that consists of '*salaire*' + surplus-value? Since the week's wages, taking the class as a whole, equal only the weekly aggregate of the means of subsistence, it is as clear as day that with the money he has received the worker *cannot* possibly buy the means of subsistence he requires. For the sum of money he has received equals his week's wages, the price paid each week for his labour, whereas the price of the provisions he requires for a week = the price of the labour they contain + the price represented by the unpaid surplus labour. Ergo: 'Il est impossible que . . . l'ouvrier puisse racheter ce qu'il a lui-même produit. *Vivre en travaillant*' under these conditions therefore really does entail '*contradiction*'. Proudhon is quite right as far as *appearances go*. But if, instead of considering the commodity in isolation, he were to view it as the product of capital, he would discover that the week's product breaks down into one part whose price = the weekly wage, = the variable capital laid out during the week and containing no *surplus-value*, etc., and another part whose price consists entirely of surplus-value. And even though the price of the commodity includes all these elements, it is in fact only the first part that the worker buys back (and in the present context it is irrelevant that he can be swindled by the grocer in the process, etc.).

This is what generally turns out to be the case with Proudhon's apparently profound and insoluble economic paradoxes. They consist in the fact that he regards the confusion wrought by economic phenomena in his own mind as the laws governing those phenomena.

(Indeed, his assertion here is even more misleading than suggested above, since it entails the assumption that the true price of the commodity = the wages contained in it = the amount of *paid* labour contained in it, while the *surplus-value*, interest, etc. is no more than a *surcharge*, an arbitrary extra on top of the true price of the commodity.)

But the criticism levelled at him by the vulgar economists is even worse. For example, M. Forcade points out that his assertion proves too much on the one hand, since he shows that, according to it, the working class could not survive at all; while on the other hand, he does not press the paradox far enough since the price of the commodities the buyer purchases includes not just wages + interest but also the cost of the raw materials etc. (i.e. the elements of constant capital in the price). Quite right, Forcade. But what then? He shows that the problem is even more intractable than Proudhon had implied – but in his eyes this is a pretext for providing a *non*-solution to the problem on a scale even smaller than that on which Proudhon had tackled the matter, and instead he just fudges the issue, dismissing it with a hollow rhetoric.*

458 And in fact it is the virtue of Proudhon's approach that he frankly expresses the confusions in the realities of the economic phenomena, airing them with sophistical self-satisfaction, but re-

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*Marx took up Forcade's criticism of Proudhon in Vol. 3 of *Capital*: 'Proudhon exposes his inability to grasp this in the ignorant formulation: "*l'ouvrier ne peut pas racheter son propre produit*" (the labourer cannot buy back his own product), because the interest which is added to the *prix-de-revient* (cost price) is contained in the product. But how does M. Eugène Forcade teach him to know better? "If Proudhon's objection were correct, it would strike not only the profits of capital, but would eliminate the possibility even of industry. If the labourer is compelled to pay 100 for each article for which he has received only 80, if his wages can buy back only the value which he has put into a product, it could be said that the labourer cannot buy back anything, that wages cannot pay for anything. In fact, there is always something more than the wages of the labourer contained in the cost price, and always more than the profits of enterprise in the selling price, for instance, the price of raw materials, often paid to foreign countries ... Proudhon has forgotten about the continual growth of national capital; he has forgotten that this growth refers to all labourers, whether in an enterprise or in handicrafts" (*Revue des Deux Mondes*, 1848, Vol. 24, p. 998). Here we have the optimism of bourgeois thoughtlessness in the form of sagacity that most corresponds to it. M. Forcade first believes that the labourer could not live did he not receive a higher value than that which he produces, whereas conversely the capitalist mode of production could not exist were he really to receive all the value which he produces. Secondly, he correctly generalizes the difficulty, which Proudhon expressed only from a narrow viewpoint. The price of commodities contains not only an excess over wages, but also over profit, namely, the constant portion of value. According to Proudhon's reasoning, then, the capitalist too could not buy back the commodities with his profit. And how does Forcade solve this riddle? By means of a meaningless phrase: the growth of capital. Thus the continual growth of capital is also supposed to be substantiated, among other things, in that the analysis of commodity prices, which is impossible for the political economist as regards capital of 100, becomes superfluous in the case of a capital of 10,000. What would be said of a chemist, who, on being asked: How is it that the product of the soil contains more carbon than the soil? were to answer: it comes from the continual increase in agricultural production. The well-meaning desire to discover in the bourgeois world the best of all possible worlds replaces in vulgar economy all need for love of truth and inclination for scientific investigation' (*Capital*, Vol. 3, Moscow, 1962, p. 822, n. 53).

vealing them in all their theoretical impoverishment. This contrasts sharply with the vulgar economists who attempt to hush things up but are incapable of comprehending them. Thus Herr W. Thucydides Roscher dismisses Proudhon's *Qu'est-ce que la propriété?* as 'confused and confusing'. The word 'confusing' suggests the impotence of the vulgar economists in the face of this confusion. They are incapable of resolving the contradictions of capitalist production even in the confused, superficial and sophistical form in which Proudhon wraps them and hurls them at their heads. Nothing remains for them but to recoil from a sophistry they cannot disentangle and to launch an appeal to 'commonsense' relying on the notion that things will take their course. A great consolation for the would-be 'theorist'.

(N.B. This entire section on Proudhon should probably go into Book II, Chapter [i.e. Part] III, or even later.)

At the same time we find here the solution to the problem presented in Chapter 1.* If the *commodities* that form the product of capital are sold at prices determined by their value, in other words, if the entire capitalist class sells commodities *at their true value*, then each of its members realizes a surplus-value, i.e. he sells a portion of the value of a commodity which has cost him nothing and which he has not paid for. The profit they each make is not achieved at each other's expense – that would only be the case where one managed to grab the share of surplus-value due to another – nor is it achieved by their selling their goods at more than their value. On the contrary, they sell their produce *at its true value*. The hypothesis that commodities are sold at prices corresponding to their values forms the basis of the investigations to be carried out in the next volume.

Commodities are the first result of the immediate process of capitalist production, its product. In the price of these commodities we find not merely a replacement of the value of the capital invested in them and consumed in the course of their production, but also the materialization, the objectification as surplus-value of the surplus labour consumed during that same process of production. As a *commodity*, the product of capital must enter the process of exchange, and this means not merely the actual physical process, but also that it must submit to the various changes in form that we have specified as the metamorphosis of the commodity. As far as the purely formal changes are concerned – the transformation of these commodities into money and their reversion into commodities – this process is already present in our account of what we designated as 'simple circulation' – the circulation of commodities as such. But these commodities are at the same time the depositories of capital; they are capital that has been valorized, impregnated with surplus-value. And in this respect their circulation, which is simultaneously the reproduction process of capital, entails further determinations alien to the abstract description of the circulation of commodities. For this reason our next task is to turn to an examination of the *circulation process of capital.* This we shall do in the next volume.*

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* Presumably Chapter 5 in the present edition.

II: CAPITALIST PRODUCTION AS THE PRODUCTION OF SURPLUS-VALUE

459 Where capital still appears only in its elementary forms, such as commodities or money, the capitalist manifests himself in the already familiar character of the owner of money or commodities. But such a person is no more a capitalist in himself than money or commodities are capital in themselves. They become translated into capital only in certain specific circumstances and their owners likewise become capitalists only when these circumstances obtain.

Originally, capital became manifest as *money*, as something to be transformed into capital, or which was only potentially capital.

The economists have made the blunder of confusing these elementary forms of capital – money and commodities – with capital as such. They have also made the further blunder of equating capital with its mode of existence as use-value – the means of labour.

In what we may call its first, provisional form of *money* (the point of departure for the formation of capital), capital exists as yet only as money, i.e. as a *sum of exchange-values* embodied in the *self-subsistent form of exchange-value*, in its *expression as money.* But the task of this money is to generate value. The exchange-value must serve to create still more exchange-value. The *quantity of value* must be increased, i.e. the available value must not only be maintained; it must yield an increment, Δ value, a surplus-value,

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*This is in fact the subject of *Capital*, Vol. 2, so presumably Marx would have finished the present chapter at this point when he had finally revised it.

so that the value given, the particular sum of money, can be viewed as *fluens** and the increment as fluxion. We shall come back to the self-subsistent expression of capital as money when we come to consider its process of circulation. Here, where we are concerned with money only as the *point of departure* for the *immediate process of production*, we can confine ourselves to this observation: capital exists here as yet only as a *given quantum of value* = M (money), in which all use-value is extinguished, so that nothing but the monetary form remains. The *magnitude* of this quantum of value is limited by the *amount* or *quantity* of the *money* to be transformed into capital. So this value becomes capital by *increasing* its *size*, by transforming itself into a *changing quantity*, by being, from the very outset, a *fluens* that must engender a fluxion. *In itself* this sum of money may only be *defined* as capital if it is employed, spent, with the aim of *increasing* it, if it is spent expressly in order to *increase* it. In the case of the sum of value or money this phenomenon is its *destiny*, its inner law, its tendency, while to the *capitalist*, i.e. the owner of the sum of money, in whose hands it shall acquire its function, it appears as *intention, purpose*. Thus in this originally simple expression of capital (or of the capital to be) as money or value, every link with use-value has been broken and entirely destroyed. But even more striking is the elimination of every unwelcome sign, all potentially confusing evidence of the *actual process of production* (production of commodities, etc.). It is for this reason that the character, the specific nature of capitalist production, appears to be so simple and abstract. If the original capital is a quantum of value = x, it becomes capital and fulfils its purpose by changing into $x+\Delta x$, i.e. into a quantum of money or value = the original sum + a balance over the original sum. In other words, it is transformed into the given amount of money + additional money, into the *given value* + *surplus-value*. The *production of surplus-value* – which includes the preservation of the value originally advanced – appears therefore as the determining purpose, the driving force and the *final result* of the capitalist process of production, as the means through which the original value is transformed into capital. *How* this is brought about, the real procedure by means of which x is changed into $x+\Delta x$, does not affect the purpose and result of the process in the least. It is true that x can be changed into $x+\Delta x$ even in the absence of the capitalist process of production, but not if we *postulate* that the rival members of society confront each other as persons, that they deal with each other only as the *owners of commodities*, and that they come into contact with each other only in this capacity (this excludes slavery, etc.). And secondly, if we postulate further that the social product should be produced as a *commodity*. (This excludes all social formations in which the use-value is the main point as far as the immediate producers are concerned, and the excess produce at most is transformed into a commodity.)

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*Something liable to change.

460 The fact that the purpose of the process is that x should be transformed into $x+\Delta x$ also points to the path our own investigations should take. The result must be expressed as the function of a variable quantity, or be transformed into one during the process. As a *given sum of money*, x is a constant from the outset and hence its increment $= O$. In the course of the process, therefore, it must be changed into another amount which contains a variable element. Our task is to discover this component and at the same time to identify the mediations by means of which a constant magnitude becomes a variable one. Now since, as we can see from our further inspection of the actual process of production, a part of x is transformed back into a constant magnitude – namely, into the means of labour; and since a part of the *value* of x is to be found only in the form of specific use-values, instead of in their money form (a change which has no effect on the constant nature of the quantum of value and in fact has no effect of any kind on this aspect of it in so far as it is exchange-value), it follows that x can be represented as c (constant magnitude)$+\,v$ (variable magnitude) $=$ $c+v$. But now the difference $\Delta(c+v) = c+(v+\Delta v)$ and since $c = 0$, the result is $v+\Delta v$. So what appeared originally as Δx is in reality Δv. And the relation of this increment of the original x to the part of x of which it really is the increment must be as follows: $\Delta v = \Delta x$ (since $\Delta x = \Delta v$), $\frac{\Delta x}{v} = \frac{\Delta v}{v}$ which is in fact the formula of the *rate of surplus-value.*

Since the total capital $C = c+v$, where c is constant and v is variable, C can be regarded as a function of v. If v is increased by Δv, then $C = C'$.

What we have then is:

(1) $C = c+v$

(2) $C = c+(v+\Delta v)$.

If we subtract the first equation from the second, the difference is $C'-C$, the increment of $C = \Delta C$.

(3) $C'-C = c+v+\Delta v-c-v = \Delta v$

(4) $\Delta C = \Delta v$

So this gives us (3) and hence (4) $\Delta C = \Delta v$. But $C'-C =$ the amount by which C has changed ($= \Delta C$), $=$ the increment of C or ΔC, i.e. (4). In other words, the increment of the total capital $=$ the increment of the variable part of it, such that ΔC or the change in the constant part of the capital $= 0$. Hence in this investigation of ΔC or Δv the constant capital is given as $= 0$, i.e. it must be left out of account.

The proportion by which v has grown $= \frac{\Delta v}{v}$ (the *rate of surplus-value*). The proportion by which C has grown $= \frac{\Delta v}{C} = \frac{\Delta v}{c} + v$ (*rate of profit*).

Thus the actual function specific to capital as such is the *production of surplus-value* which, as will be shown later, is nothing but the production of *surplus labour, the appropriation of unpaid labour* in the course of the actual process of production. This labour manifests itself, objectifies itself, as *surplus-value.*

It has also been seen that if x is to be changed into capital, into $x+\Delta x$, the value or sum of money represented by x has to be transformed into the *factors of the production process*, and above all into the *factors of the actual labour process*. In some branches of industry a part of the means of production – the *object of labour* – may possibly have no value, may possibly not be a *commodity*, although it is a use-value. In that event only a portion of x will be transformed into the means of production, and if we consider the transformation of x, i.e. the use of x to purchase commodities destined for the labour process, then the value of the object of labour – which is nothing but the means of production that have been purchased – is $= 0$. But we shall only consider the matter in its complete form where the object of labour $=$ the commodity. Where this is not the case this factor is to be deemed $= 0$, as far as value is concerned, so as to rectify the calculation.

Like the commodity, which is an immediate unity of use-value and exchange-value, the process of production, which is the process of the production of commodities, is the immediate unity of the processes of labour and valorization. Just as *commodities*, i.e. the immediate unities of use-value and exchange-value, emerge from the process as *result*, as product, so too do they enter into it as its constituent parts. And in general nothing can ever emerge from the process of production which did not enter into it as conditions of production in the first place.

The transformation of the sum of money invested, of the money to be expanded and changed into capital, into the *factors of the production process*, is an act of the circulation of the commodity, of the process of exchange, and it breaks down into a series of purchases. This *act*, then, does not yet enter *into* the immediate production process. It only inaugurates it, though it is its *necessary precondition*, and if we look beyond the immediate process of production, and consider the whole continuous process of capitalist production, we find that this transformation of money into the *factors of the production process*, the purchase of the means of production and labour power, itself constitutes an *immanent moment of the overall process*.

461 If we now turn to the form assumed by capital *within* the immediate process of production we find that, like the simple commodity, it possesses the *double shape* of *use-value* and *exchange-value*. But both forms are characterized by further, more highly developed determinations than those we found in the simple commodity considered as a thing in its own right.

To take the *use-value* first, its particular content, its further determination, was completely irrelevant to the definition of the commodity. The article destined to be a commodity, and hence the incarnation of exchange-value, had to gratify some social want or other, and had therefore to possess some useful qualities. *Voilà tout.** It is otherwise with the *use-value* of the commodities functioning within the process of production. Owing to the nature of the *labour process* the means of production are first sundered into the *object* and the *means of labour*, or to define it more closely, *raw material* on the one hand, and *instruments*, *aids*, etc. on the other. These are the *formal determinations of use-value* as they emerge from the nature of the labour process itself, and they constitute the further definition of use-value – as far as the means of production are concerned. This *formal definition of use-value* is essential to the further analysis of *economic relationships*, of *economic categories*.

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*'That's all.'

Furthermore, the use-values entering into the labour process are also sundered into two strictly different conceptual moments, two opposing spheres (analogous to those we have just revealed in the case of the *material* means of production). On the one hand, we find the material means of production, the *objective* conditions of production, and on the other hand, the active capacities for labour, labour-power expressing itself purposively: the *subjective* condition of labour. This is a further formal determinant of capital considered as use-value in the immediate process of production. In the simple commodity specific purposive labour, such as spinning, weaving, etc., is embodied, objectified, in the yarn or fabric. The purposive form of the product is the only trace left behind by the purposive labour, and these traces can themselves be obliterated if the product has the form of a natural product, such as cattle, wheat, etc. In the commodity the use-value is present directly, immediately, whereas in the labour process it becomes manifest as the *product*. The individual commodity is in fact a finished article, which has left its mode of origin behind it and which contains preserved within itself the process in which particular useful labour was performed and objectified. From the production process the commodity is born. It is constantly precipitated from the process as its product, in such a way that the product appears to be a mere moment of that process. A portion of the *use-value* in which capital appears in the process of production is the *living labour-power itself*. But this labour-power has definite *specifications*, stemming from the particular use-value of the means of production; it is a *self-activating capacity*, a *labour-power that expresses itself* purposively by converting the means of production into the material objects of its activity, *transforming* them from their original form into the new form of the product. Thus in the course of the labour process use-values undergo a *genuine transformation*, whether of a mechanical, chemical or physical nature. In the commodity the use-value is a given thing with definite characteristics. Now, however, in the labour process, we find the *transformation* of things, use-values, functioning as raw materials or means of labour, into a new use-value – the *product*. This is effected by the living labour activating itself in and through them, a labour which is simply labour-power in action. So we may say that the form assumed by capital as a *use-value* in the labour process may be broken down firstly into the means of production sundered into conceptually distinct but interrelated parts; secondly, into a conceptual division, arising from the nature of the labour process, between the *objective* conditions of labour (the means of production) and its *subjective* conditions, purposively active *capacity for labour*, i.e. labour itself. Thirdly, however, taking the process as a whole, the use-value of capital appears here as a process that creates use-values. In this process the means of production function in accordance with this specificity as the means by which to produce the purposively active, *specific labour-power* their determinate nature requires. Or, in other words, we may say that the total *labour process* as such, with the totality of its objective and subjective interactions, appears as the total manifest form of the use-value, i.e. as the *real* form of capital in the process of production.

Looking at the process of production from its real side, i.e. as a process which creates new use-values by performing useful labour with existing use-values, we find it to be a *real labour process*. As such its elements, its conceptually specific components, are those of the labour process itself, of any *labour process*, irrespective of the mode of production or the stage of economic development in which they find themselves. Now this real form, the form of the objective use-values in which *capital is incorporated*, its material substratum, is necessarily the form assumed by the means of production – the means and object of labour – which are required for the creation of new products. Furthermore, these use-values are already present (on the market) in the circulation process, in the form of commodities, i.e. in the possession of the capitalist as the owner of commodities, even before they become active in the labour process in fulfilment of their specific purpose. In view of this, and since, therefore, capital – to the extent to which it manifests itself in the *objective* conditions of labour – *consists* of *means of production*, raw materials, auxiliary materials, means of labour, tools, buildings, machines etc., people tend to conclude that all means of production are capital *potentially*, and that they are so *actually* when they function as means of production. Capital then is held to be a necessary feature of the *human labour process as such*, irrespective of the historical forms it has assumed; it is consequently something permanent, determined by the nature of human labour itself. In the same way, it is urged that because the process of production of capital in general is the labour process, the *labour process as such*, it follows that the labour process in all forms of society is necessarily capitalist in nature. Thus capital comes to be thought of as a *thing*, and as a thing it plays a certain role, a role appropriate to it as a thing in the process of production. It is the same logic that infers that because money is gold, gold is intrinsically money; that because wage-labour is labour, all labour is necessarily wage-labour. The *identity* is proved by holding fast to the features common to all processes of production, while neglecting their *specific differentiae*. The identity is demonstrated by abstracting from the distinctions. We shall return to this crucial point in greater detail in the course of this chapter. For the present we shall merely note:

First, the commodities purchased by the capitalist for consumption as the *means of production* in the production process or labour process are his own property. They are in fact no more than his money transformed into commodities and they are just as much the existing reality of his capital as that money. Even more so, indeed, since they have been changed into the form in which they will really function as *capital*, i.e. as the means of creating value, of valorizing, i.e. expanding, its value. These means of production are therefore *capital*. On the other hand, with the remaining portion of the money invested, the capitalist has purchased labour-power, workers, or, as we have shown in Chapter IV,* he has purchased *living labour*. This belongs to him just as effectively as do the objective conditions of the labour process. Nevertheless, a specific difference becomes apparent here: real labour is what the worker really gives to the capitalist in exchange for the purchase price of labour, that part of capital that is
463 translated into the wage. It is the expenditure of his life's energy, the realization of his productive faculties; it is his movement and not the capitalists'. Looked at as a personal function, in its reality, labour is the function of the worker, and not of the capitalist. Looked at from the standpoint of exchange, the worker represents to the capitalist what the latter receives from him, and not what he is *vis-à-vis* the capitalist in the course of the labour process. So here we find that, within the labour process, the objective conditions of labour, as capital, and to that extent, as the capitalist, stand in opposition to the subjective conditions of labour, i.e.

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*Presumably Chapter 6 in the present edition.

labour itself, or rather the worker who works. This is how it comes about that from the standpoint of both capitalist and worker, the *means of production* as an existing form of capital, as eminently the capital of labour, confront the other component in which capital has been invested and hence appear potentially to have a specific mode of existence as capital even outside the production process. As we shall see, this can be further analysed, partly in the context of the capitalist process of valorization in general (in the role of the means of production as devourers of living labour), and partly in the development of the specifically capitalist mode of production (in which machinery, etc. becomes the real master of living labour). This is why we find in the capitalist process of production this *indissoluble fusion of use-values* in which capital subsists in the form of the *means of production* and *objects* defined as capital, when what we are really faced with is a definite social relationship of production. In consequence the *product* embedded in this mode of production is equated with the commodity by those who have to deal with it. It is this that forms the foundation for the fetishism of the political economists.

Second, the means of production leave circulation and enter into the labour process as specific commodities, e.g. cotton, coal, spindles, etc. In so doing, they still possess the *shape of the use-values* they had while they were circulating as commodities. Once they have entered the process, they proceed to function with the qualities that cotton, etc. has as cotton, corresponding to their use-values, to the characteristics appropriate to them as *things*. The position is otherwise with that portion of capital we have called *variable* but which only becomes the really *variable portion of capital* when it has been exchanged for *labour-power*. In reality, *money* – the portion of capital that the capitalist expends on the purchase of labour-power – is *nothing* but the *means of subsistence available on the market* (or dumped on it on certain terms), and destined for the individual consumption of the workers. Money then is only the transmuted form of these means of subsistence which the worker immediately transforms back into means of subsistence as soon as he receives it. Both this transformation and the subsequent consumption of these commodities as use-values constitute a process that has no *direct* bearing on the immediate process of production, or, more precisely, the labour process, and which in fact operates outside its limits. One part of the capital, and thereby the capital in its entirety, is transformed into a *variable magnitude* by the fact that instead of money – which is a constant magnitude – or the means of subsistence as which it may appear and which are likewise constant magnitudes, it is exchanged for *living labour-power* – a value-creating force, something which can be smaller or greater, which can manifest itself as a variable magnitude and which in fact always enters the process of production as a fluctuating, *developing* magnitude and hence as one contained within different limits, rather than as a *magnitude* that has become *fixed*. It is true enough in reality that the consumption of the means of subsistence by the worker can be included (calculated) in the labour process, just as the consumption of *matières instrumentales** by the machinery is reckoned along with the machinery itself. In that event the worker appears merely as an instrument purchased by capital, an instrument that requires a certain quantity of provisions as his *matières instrumentales*, if he is to perform his functions in the labour process. This happens to a greater or lesser degree, depending on the extent and the ruthlessness with which the worker is exploited. But it is not, strictly speaking, included in the definition of capitalist relations. (We shall consider its further implications in Section III below in our discussion of the reproduction of the entire relationship.) Normally the worker consumes his provisions during pauses in the labour process, whereas the *machine* consumes what is essential to it *while it is still functioning*. (Like an animal?) But taking the working class as a whole, a portion of these means of subsistence is consumed by members of the family who either do not yet work, or have ceased to do so. In practice then the difference between a worker and a machine can effectively be reduced to the distinction between an animal and a machine, as far as *matières instrumentales* and their consumption are concerned. But this is not necessary and hence it does not form part of the definition of capital. At all events, the capital earmarked for wages appears formally as something that has *ceased to exist* in the eyes of the capitalist, but which belongs to the *worker* as soon as it has assumed its true shape of the means of subsistence destined to be consumed by him. Thus the *form of the use-value* as a commodity, before it is absorbed into the process of production – i.e. as *means of subsistence* – is quite different from its form *within* that process which is that of *labour-power actively expressing itself*, and hence of living labour itself. Thus this portion of capital is specifically distinguished from the capital present in the form of means of production, and this is yet another reason why in the capitalist mode of production the *means of production* appear as capital in and for themselves in *distinction* from, and in *contrast* to, the *means of subsistence.* This appearance is dispelled quite simply – even ignoring for the moment our later arguments – by the circumstance that the *form of the use-value* in which capital exists at the conclusion of the production process is that of the *product*, and this product can be found embodied both as *means of production* and as *means of subsistence.* Thus both are *capital* to an equal extent and so both are present in opposition to the living labour-power.

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*'Accessory materials'.

Let us now turn to the *valorization process* [*Verwertungsprozess*].

As far as *exchange-value* is concerned, we again see the distinction between the *commodity* and the capital involved in valorization.

The *exchange-value* of the capital entering into the process of production is smaller than the exchange-value of capital placed or invested in the market. In fact, the only *value* that enters the process of production is that of the *commodities* which operate as the means of production (i.e. the value of the *constant* part of capital). Instead of the value of the variable portion we now have *valorization* as a process, labour in the act of realizing itself constantly as value, but also flowing beyond already existing values to create new ones.

As far as the *old value* is concerned, namely the value of the constant portion, this depends for its maintenance on the value of the means of production entering the process not being greater than necessary. The commodities of which they are made up should contain in objectified form, i.e. as buildings, machinery, etc., no more than the *socially necessary labour-time* essential for their production. And it is the task of the capitalist to see to it when purchasing these means of production that their use-values have no more than the average quality needed to manufacture the product. This applies both to raw materials and to machinery, etc. They must all function with average quality and not present labour, the living factor, with any abnormal obstacles. For example the quality of the raw material implies among other things that the machinery used should not produce more than the average amount of waste, etc. The capitalist must attend to all these things. Even beyond that, however, if the value of constant capital is not to be eroded, it must as far as possible be consumed productively and not squandered, since in that case the product would contain a greater amount of objectified labour within it than is *socially necessary*. In part this depends on the workers themselves, and it is here that the *supervisory responsibility of the capitalist* enters. (He secures his position here through piece-work, deductions from wages, etc.) He must also see to it that the work is performed in an orderly and methodical fashion and that the use-value he has in mind actually emerges *successfully* at the end of the process. At this point too the capitalist's ability to *supervise* and enforce *discipline* is vital. Lastly, he must make sure that the process of production is not interrupted or disturbed and that it really does proceed to the creation of the product within the time allowed for by the particular labour process and its objective requirements. This depends partly on the *continuity of work* which is introduced by capitalist production, partly however on uncontrollable external factors. Because of this latter aspect each process of production entails a risk for the values introduced into it, a risk however to which (1) they are exposed even *outside* the process of production, and which (2) is a feature of *every* process of production and not merely that of capitalism. (Capital protects itself against such risks by *association*. The immediate producer who works with his own means of production is subject to the same risk. There is nothing in this peculiar to the capitalist process of production. If the risk falls on the capitalist himself, this is only the consequence of his having usurped the ownership of the means of production.)

As to the vital element in the valorization process we may say that the *value* of the variable capital can be maintained (1) if it is replaced, reproduced, i.e. if care is taken to ensure that the means of production are augmented by a quantity of labour as great as that of the value of the variable capital or of the wages of labour; (2) if an *increment* of its value, i.e. surplus-value, is created by objectifying in the product an *additional quantum of work*, an amount of work in excess of that contained in wages.

In this the distinction between the *use-value* of the capital employed or of the commodities in which it is invested, and the *form*
465 assumed by the *use-values of capital* in the labour process, corres-

ponds to the *distinction* between the exchange-value of the capital employed and the form assumed by the *exchange-value* of capital in the valorization process. In the *former* case, the instrument of production, the constant capital, enters the process without alteration to the form of its *use-values*, while the finished *use-values* of which the variable capital was composed are replaced by the living factor of real labour, of the labour-power that valorizes itself in new use-values. In the *latter* case, however, the value of the means of production, of the constant capital, enters the valorization process in its own right, while the *value* of the variable capital does not so enter, but is instead replaced by the value-creating activity, the activity of the living factor embodied in the valorization process.

If the *labour-time* of the worker is to create value in proportion to its duration, it must be *socially necessary labour-time*. That is to say, the worker must perform the *normal social* quantity of useful labour in a given time. The capitalist therefore compels him to work at the normal social *average* rate of intensity. He will strive as hard as possible to raise his output above this *minimum* and to extract as much work from him as is possible in a given time. For every intensification of work above the *average rate* creates surplus-value for him. Furthermore, he will attempt to extend the labour process as far as possible beyond the limits which must be worked to make good the value of the variable capital invested, i.e. the wages of labour. Where the intensity of the labour process is given, he will seek to increase its duration, and conversely, where the duration is fixed he will strive to increase its intensity. The capitalist *forces* the worker where possible to exceed the normal rate of intensity, and he forces him as best he can to extend the process of labour beyond the time necessary to replace the amount laid out in wages.

Thanks to this feature peculiar to the capitalist valorization process, the *real form* of capital in the process of production, its *form as use-value*, receives further modifications. *First*, the means of production must be present in a *quantity* adequate to absorb not only the necessary labour, but also the surplus labour. *Second*, the intensity and duration of the actual labour process are subject to change.

The means of production made use of by the worker in the actual labour process are, it is true, the property of the capitalist, and they therefore confront his labour, which is the only expression of his life, as *capital* – as we have already shown. On the other hand, however, it is he who makes use of them in the course of his work. In the actual process, the worker uses the means of labour as his tools, and he uses up the object of labour in the sense that it is the material in which his labour manifests itself. It is by this means that he transforms the means of production into the appropriate form of the product. The situation looks quite different in the valorization process. Here it is not the worker who makes use of the means of production, but the means of production that make use of the worker. Living labour does not realize itself in objective labour which thereby becomes its objective organ, but instead objective labour maintains and fortifies itself by drawing off living labour; it is thus that it becomes *value valorizing itself*, *capital*, and functions as such. The means of production thus become no more than leeches drawing off as large an amount of living labour as they can. Living labour for its part ceases to be anything more than a means by which to increase, and thereby capitalize, already existing values. And quite apart from what has already been shown, it is precisely for this reason that the means of production appear *éminemment** as the effective form of *capital* confronting living labour. And they now manifest themselves moreover as the rule of past, dead labour over the living. It is precisely as *value-creating* that living labour is continually being absorbed into the valorization process of objectified labour. In terms of effort, of the expenditure of his life's energy, work is the personal activity of the worker. But as something which *creates value*, as something involved in the process of objectifying labour, the worker's labour becomes one of the *modes of existence* of capital, it is incorporated into capital as soon as it enters the production process. This power which *maintains old values* and *creates new ones* is therefore the power of capital, and that process is accordingly the process of its *self-valorization*. Consequently it spells the impoverishment of the worker who creates value as *value alien to himself*.

466 Within the framework of capitalist production this ability of objectified labour to transform itself into *capital*, i.e. to transform the means of production into the means of controlling and exploiting living labour, appears as something utterly appropriate

*'Eminently'.

to them (just as within that framework it is potentially bound up with it), as inseparable from them and hence as a *quality* attributable *to them as things, as use-values, as means of production.* These appear, therefore, intrinsically as capital and hence as capital which expresses a *specific relationship of production,* a specific social relationship in which the owners of the conditions of production treat living labour-power as a *thing,* just as value had appeared to be the attribute of a thing and the *economic definition* of the thing as a *commodity* appeared to be an aspect of its thinghood [*dingliche Qualität*], just as the social form conferred on labour in the shape of money presented itself as the *characteristics of a thing.** In fact the rule of the capitalist over the worker is nothing but the rule of the independent *conditions of labour* over the *worker,* conditions that have made themselves independent of him. (These embrace not only the objective conditions of the process of production – the means of production – but also the objective prerequisites for the sustenance and effectiveness of labour-power, i.e. its *means of subsistence.*) And this is the case even though this relationship comes into existence only in the course of the actual process of production, which, as we have seen, is in essence the *process of creating surplus-value* (including the maintenance of the old value), the process of *valorizing the capital invested.* In circulation the capitalist and the worker confront each other only as the *vendors of commodities,* but owing to the specific, opposed nature of the commodities they sell to each other, the worker necessarily enters the process of production as a component of the *use-value,* the *real existence,* of capital, its *existence as value.* And this remains true even though that relationship only constitutes itself *within* the process of production, and the capitalist, who exists only as a potential purchaser of labour, becomes a real capitalist only when the worker, who can be turned into a *wage-labourer* only through the sale of his capacity for labour, *really* does submit to the commands of capital. The *functions* fulfilled by the capitalist are no more than the functions of capital – viz. the valorization of value by absorbing living labour – executed *consciously* and *willingly*. The capitalist functions only as *personified* capital, capital as a person, just as the worker is no more than *labour* personified. That labour is for him just effort and torment,

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*The number (2) appears in the MS. at this point, but there is no corresponding (1).

whereas it belongs to the capitalist as a substance that creates and increases wealth, and in fact it is an element of capital, incorporated into it in the production process as its living, variable component. Hence the rule of the capitalist over the worker is the rule of things over man, of dead labour over the living, of the product over the producer. For the commodities that become the instruments of rule over the workers (merely as the instruments of the rule of *capital* itself) are mere consequences of the process of production; they are its products. Thus at the level of material production, of the life-process in the realm of the social – for that is what the process of production is – we find the *same* situation that we find in *religion* at the ideological level, namely the inversion of subject into object and *vice versa*. Viewed *historically* this inversion is the indispensable transition without which wealth as such, i.e. the relentless productive forces of social labour, which alone can form the material base of a free human society, could not possibly be created by force at the expense of the majority. This antagonistic stage cannot be avoided, any more than it is possible for man to avoid the stage in which his spiritual energies are given a religious definition as powers independent of himself. What we are confronted by here is the *alienation* [*Entfremdung*] of man from his own labour. To that extent the worker stands on a higher plane than the capitalist from the outset, since the latter has his roots in the process of alienation and finds absolute satisfaction in it whereas right from the start the worker is a victim who confronts it as a rebel and experiences it as a process of enslavement. At the same time the process of production is a real labour process and to the extent to which that is the case and the capitalist has a definite function to perform within it as
467 *supervisor* and *director*, his activity acquires a specific, many-sided content. But the *labour process itself* is no more than the *instrument* of the *valorization process*, just as the use-value of the product is nothing but a repository of its exchange-value. The self-valorization of capital – the creation of surplus-value – is therefore the determining, dominating and overriding purpose of the capitalist; it is the absolute motive and content of his activity. And in fact it is no more than the rationalized motive and aim of the hoarder – a highly impoverished and abstract content which makes it plain that the capitalist is just as enslaved by the relationships of capitalism as is his opposite pole, the worker, albeit in a quite different manner.

In the original situation the would-be capitalist purchases labour ('labour-power' would be more accurate after Chapter 4*) from the worker in order to capitalize a sum of money, and the worker sells his labour, the right to dispose of his labour-power, in order to prolong his life. This situation is the essential prelude and precondition of the actual process of production in which the commodity owner becomes a capitalist, capital personified, and the worker becomes the mere personification of labour for capital. This first relationship, in which each confronts the other apparently on equal terms as the *owner of a commodity*, is the premiss of the capitalist process of production, but, as we shall see in due course, it is also its result and product. But it follows that both acts must be sharply distinguished from each other. The first belongs to circulation. The second only develops in the actual process of production on the basis of the first.

The process of production is the *immediate* unity of labour process and valorization process, just as its immediate result, the commodity, is the *immediate* unity of use-value and exchange-value. But the labour process is only the means whereby the valorization process is implemented and the valorization process is essentially the *production of surplus-value*, i.e. the *objectification of unpaid labour*. We have thus arrived at a definition of the specific characteristics of the process of production as a whole.

Even though we have considered the process of production from two distinct points of view: (1) as *labour process*, (2) as *valorization process*, it is nevertheless implicit that the labour process is single and indivisible. The work is not done twice over, once to produce a suitable product, a use-value, to *transform* the means of production into products, and a second time to generate *value* and *surplus-value*, to *valorize value*. Work is contributed only in the definite, concrete, specific form, manner, mode of existence in which it is the purposive activity that can convert the means of production into a specific product, spindle and cotton, for instance, into *yarn*. All that is contributed is the labour of spinning, etc., and through this contribution more yarn is continually produced. This *real* work creates value only if it is performed at a normally defined rate of intensity (or in other words it only *pays* as long as it achieves this) and if this *real work* of given intensity and of given quantity as measured in terms of time actually materializes as a product. *If the labour process stops short* at the point where the amount of labour contributed in the form of spinning = the work contained in wages, then no surplus-value would be generated. The *surplus-value*, then, manifests itself in a *surplus-product*, in the present case as an amount of yarn over and above the amount whose value = the value of the worker's wages. Therefore, the labour process becomes a valorization process by virtue of the fact that the concrete labour invested in it is a quantity of *socially necessary* labour (thanks to its intensity), = a certain quantity of average social labour, and by virtue of the further fact that this quantity represents an *excess* over the amount contained in wages. It is the *quantitative* calculation of the particular concrete amount of labour as *average, necessary social labour*. What corresponds to this calculation, however, is the real element, firstly, of the normal intensity of work (i.e. that to produce a product in a certain quantity only the socially necessary labour-time is consumed) and [secondly] of the extension of the labour process beyond the *time* necessary to replenish the value of the variable capital invested.

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*i.e. 'The Sale and Purchase of Labour-Power', Chapter 6 in the present edition.

468 It follows from our arguments hitherto that the expression 'objectified labour', and the opposition established between *capital* as *objectified labour* and *living labour* is open to grave misunderstanding.

I have already shown earlier on[5] that the analysis of the commodity in terms of 'labour' has been carried out only imperfectly and ambiguously by all previous economists. It is not sufficient to reduce the commodity to 'labour'; labour must be broken down into its twofold form – on the one hand, into *concrete labour in the use-values of the commodity*, and on the other hand, into *socially necessary labour* as calculated in *exchange-value*. In the first case everything depends on the particular use-values, their specific nature, which is what confers on the use-values such labour as creates their distinctive character and makes them into concrete use-values to be distinguished from others, into this particular article. In the second case we entirely ignore their particular utility, their specific nature and mode of being, for such labour is regarded solely in its importance as a *value-creating* factor, and the commodity as its objective form. As such it is undifferentiated, *socially necessary general* labour, utterly indifferent to any particular content. For that very reason, even in its most independent form as *money*, or *price* in the case of the commodity, it is defined in a manner common to all commodities and is distinguished from others only quantitatively. In its first aspect, then, labour presents itself as a given *use-value* of the commodity, its given *existence as a thing*; in its second, it appears as *money*, either as money proper or as a mere calculation of the price of a commodity. In the first case we are concerned exclusively with the *quality*, in the second, with the *quantity* of labour. In the first case the different modes of concrete labour are expressed in the division of labour, in the second we find only an undifferentiated expression in terms of money. Now within the process of production this distinction confronts us *actively*. It is no longer we who make it; instead it is created in the process of production itself.

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[5] In the absence of this confusion it would not have been possible to embark on a dispute about whether nature contributes to the manufacture of a product quite apart from labour. Here we are concerned only with *concrete* labour.

The distinction between *objectified* and *living labour* manifests itself in the actual *process of labour*. The means of production, cotton, spindles, etc., are products, use-values, which *embody* definite, useful, concrete acts of labour – the planting of cotton, construction of machinery, etc. The *work of spinning*, on the other hand, although a mode of labour included in the means of production, is nevertheless a distinctive, specific mode of labour, and as living labour it is in the process of realizing itself, it continuously gives birth to its products and thus stands in contrast to labour which has already acquired objective form in the shape of products peculiar to it. From this vantage-point, too, we see the antagonism between capital in an established form on the one hand and living labour as the immediate life task of the worker on the other. Furthermore, in the labour process, objectified labour constitutes an *objective factor*, an element for the *realization of living labour*.

The position is quite otherwise, however, when we come to consider the valorization process, the formation and creation of new value.

The labour contained in the means of production is a *specific quantity of general social labour* and it may be represented, there-

fore, as a certain *amount of value* or *sum of money*, the *price* in fact of these means of production. The work that is added to this is a *specific additional quantity of general social labour* and may be represented as an additional *amount of value* or *sum of money*. The labour already contained in the means of production is identical to what is now added. The two kinds of labour are distinguished only by the fact that the one is already *objectified* in use-values while the other is in the process of being so *objectified*. The one is in the past, the other in the present; the one dead, the other living; the one *objectified* in the past, the other *objectifying* itself in the present. To the extent to which past labour replaces living labour, it itself becomes a process, *valorizes itself*; it becomes a *fluens* that creates a fluxion. This absorption into itself of additional living labour is its *process of self-valorization*, its authentic
469 *transformation into capital*, into value generating itself, its transformation from a *constant amount of value* into a variable value in a state of *process*. Admittedly, this additional labour can appear only in the shape of concrete labour and hence it can be added to the means of production only in its specific form, as particular use-values. And by the same token the value contained in these means of production can *endure* only if it is consumed by concrete labour as part of *its* means. Nevertheless, this is not to deny that the *value actually present*, the labour *objectified* in the means of production, can only be increased, and increased not only beyond its own previous value but beyond the amount of labour objectified in variable capital, to the extent to which it sucks in living labour and objectifies it as *money*, as *general social labour*. It is therefore pre-eminently in this sense – which pertains to the *valorization process* as the authentic aim of capitalist production – that capital as *objectified* labour (accumulated labour, pre-existent labour and so forth) may be said to confront *living* labour (immediate labour, etc.), and is so contrasted by the economists. However, the latter constantly lapse into contradictions and ambiguity – even Ricardo – because they have failed to work out a clear analysis of the commodity in terms of the dual form of labour.

With the original exchange between capitalist and worker – both as commodity owners – the only real component of capital to enter the process of production is the living factor, labour-power itself. But it is only in the actual process of production that *objectified* *labour* is transformed into capital by absorbing living labour and hence it is only then that *labour transforms itself into* capital.*

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469a The capitalist process of production is the unity of labour process and valorization process. In order to translate money into capital it is transformed into commodities which constitute *factors of the labour process.* The money must be used first to buy labour-power and, after that, the things without which labour-power cannot be *consumed*, i.e. cannot *work.* Within the *labour process* the sole significance of these things is as the *means of subsistence of labour, use-values for labour. Vis-à-vis* living labour itself they are materials and means, *vis-à-vis* the product of labour they are the means of production, and *vis-à-vis* the circumstance that these means of production are themselves products, they are products as the means of production of yet another, new product. It is not the case, however, that these things play this role in the labour process because the capitalist purchases them, because they are the metamorphosis of his money, but rather the opposite: he buys them because they play this role in the labour process. For the pro-

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*At this point Marx inserted the following note: 'The contents of pp. 96–107 under the heading "*The immediate process of production*" belong here; they should be blended in with the foregoing so that each acts as a corrective to the other. The same applies to pp. 262–4 of this book.' – In accordance with Marx's instruction we print both the passages he mentions here. No changes were made ('so that each acts as a corrective to the other'). The pages to be inserted (originally pp. 96–107) were subsequently renumbered by Marx as 469a–469m. On p. 469a (96) itself the text begins with the continuation of a paragraph deleted by Marx (it is struck through by four diagonal lines), which established continuity with the now lost pp. 1–95. At the top of the first page Marx wrote: 'This belongs to p. 496' [an error for 469]. The text that follows on from the deleted passage carries the title, superfluous in the present context: '*The immediate process of production.*' The passage omitted reads as follows:

'. . . for the capital used to purchase the capacity for labour is embodied in fact in the means of subsistence although these means of subsistence are transferred to the worker in the form of money. Like the supporters of the monetary system the worker might well answer the question: What is capital? with the words: *Capital* is *money.* For while in the labour process capital is to be found physically in the form of raw materials, the instruments of labour, etc., in the circulation process it takes the form of money. In the same way, if an economist of antiquity had been asked: What is a worker? he would have had to answer, following the identical logic: A worker is a slave (because the slave was the worker in the labour process of antiquity).'

cess of spinning as such, for example, it is immaterial that cotton and spindles *represent* the capitalist's money, i.e. *capital*, and that the money invested is capital by definition. They become the means and materials of labour only in the hands of the spinner as he works, and they become so because he spins, and not because he takes some cotton which belongs to another person and makes it into yarn for that same other person with the aid of a spindle which likewise belongs to that person. Commodities do not become capital by being consumed or used up in production during the labour process; this only makes of them the elements of the labour process. In so far as these material elements of the labour process have been purchased by the capitalist, they represent his capital. But the same applies to labour itself. It too represents his capital, for the owner of the capacity for labour owns that labour just as effectively as he owns the other material conditions of labour that he has bought. And he does not just own the particular elements of the labour process; the entire process belongs to him. The capital that had been money previously now assumes the form of the labour process. But the fact that capital has taken over the labour process and the worker therefore works for the capitalist instead of himself does not mean any change in the *general nature* of the labour process itself. The fact that when money is transformed into capital it is simultaneously transformed into the elements of the labour process, and hence necessarily assumes the shape of the materials and means of labour, does not mean that the materials and means of labour are *capital* by their very nature, any more than gold and silver are *money* by their very nature, merely because gold and silver are among the forms assumed by money. Modern economists deride the simple-mindedness of the monetary system when it responds to the question: What is money? with the answer: gold and silver are money. But these self-same economists do not blush to respond to the question: What is capital? with the reply: Capital is cotton. Yet this is what they do when they declare that the materials and means of labour, the means of production or products that serve in the creation of new products, in short, all the *material conditions of labour* are *capital* by their very nature, and that they are capital because, and to the extent that, they participate in the labour process by virtue of their physical qualities as use-values. It is in order if others add to their list: Capital is meat and bread, for even though the capitalist purchases labour-power with money, this money in fact only repre-

469b sents bread, meat and, in short, all the means of subsistence of the worker.[6]

Under certain circumstances a chair with four legs and a velvet covering may be used as a *throne*. But this same chair, a thing for sitting on, does not become a throne by virtue of its use-value. The most essential factor in the labour process is the worker himself, and in antiquity this worker was a slave. But this does not imply that the worker is a *slave* by nature (though this latter view is not entirely foreign to Aristotle), any more than spindles and cotton are *capital* by nature just because they are consumed nowadays by

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6. '*Capital* is that part of the wealth of a country which is employed in production and consists of food, clothing, tools, raw materials, machinery, etc. necessary to give effect to labour' (Ricardo, op. cit. [*On the Principles of Political Economy and Taxation*], p. 89). '*Capital* is a portion of the national wealth, employed or meant to be employed, in favouring reproduction' (G. Ramsay, op. cit., p. 21). '*Capital* . . . a particular species of wealth . . . destined . . . to the obtaining of other articles of utility' (R. Torrens, op. cit.) [*An Essay on the Production of Wealth*, pp. 69–70] 'Capital . . . *produit . . . comme moyen d'une nouvelle production*' ['*Capital* . . . produces . . . as the means of new production'] (Senior, op. cit. [*Principes fondamentaux de l'économie politique*], p. 318). '*Lorsqu'un fonds est consacré à la production matérielle, il prend le* nom de capital' ['When a fund is devoted to material production it takes the *name of capital*'] (H. F. Storch, *Cours d'économie politique*, Paris edition, 1823, p. 207). '*Le* capital *est cette portion de la richesse* produite *qui est destinée à la reproduction*' ['*Capital* is that portion of wealth *produced* that is destined for reproduction'] (Rossi, *Cours d'économie politique*, 1836–7, Brussels edition, 1842, p. 364). Rossi racks his brains over the 'difficulty' about whether 'raw materials' can be counted as capital. He thinks one can indeed distinguish between '*capital-matière*' and '*capital-instrument*', but '*est-ce (la matière première) vraiment là un instrument de production? N'est-ce pas plutôt l'objet sur lequel les instruments producteurs doivent agir?*' ['but are the raw materials really an instrument of production? Are they not rather the objects on which the instruments of production must operate?'] (p. 367). He does not realize that once he confuses capital with its physical manifestations and hence calls the objective conditions of labour capital, they do indeed break down into the materials and the instruments of labour, but are all equally means of production as far as the product is concerned. Thus on p. 372 he refers to capital simply as '*les moyens de production*', '*Il n'y a aucune différence entre un* capital *et tout autre portion de richesse; c'est seulement par l'emploi qui en est fait, qu'une* chose *devient* capital, *c'est à dire lorsqu'elle est employée dans une opération productive, comme matière première, comme instrument ou comme approvisionnement*' ['There is no difference between capital and any other fraction of wealth: it is only by virtue of the use that is made of it that an *article* becomes *capital*, that is to say, it must be employed in a productive operation, as raw materials, as an instrument or as a means of supply'] (Cherbuliez, *Riche ou pauvre*, Paris, 1840, p. 18).

the *wage-labourer* in the labour process. The folly of identifying a specific *social relationship of production* with the thing-like [*dingliche*] qualities of certain articles simply because it represents itself in terms of certain articles is what strikes us most forcibly whenever we open any textbook on economics and see on the first page how the elements of the process of production, reduced to their basic form, turn out to be land, *capital* and labour.[7] One might just as well say that they were *landed property*, knives, scissors, spindles, cotton, grain, in short, the *materials* and *means of labour*, and – *wage-labour*. On the one hand, we name the elements of the labour process combined with the *specific social characteristics* peculiar to them in a given *historical* phase, and on the other hand we add an element which forms an integral part of the *labour process* independently of any particular social formation, as part of an eternal commerce between man and nature. By confusing the appropriation of the labour process by capital with the labour process itself, the economists transform the *material elements* of the labour process into capital, simply because capital itself changes into the material elements of the labour process *among other things*. We shall see below that these illusions only last as long as the classical economists look at the process of capitalist production exclusively from the standpoint of the labour process and that they then subsequently correct them. And we shall see above all that this illusion is one that springs from the nature of capitalist production itself. But it is evident even now that this is a very convenient method by which to demonstrate the eternal validity of the capitalist mode of production and to regard *capital* as an *immutable natural element* in human production as such. Work is the eternal natural condition of human existence. The process of labour is nothing but work itself, viewed at the moment of its creative activity. Hence the universal features of the labour process are independent of every specific social development. The materials and means of labour, a proportion of which consists of the products of previous work, play their part in every labour process in every age and in all circumstances. If, therefore, I label them 'capital' in the confident knowledge that '*semper aliquid haeret*',*

[7] See, for example, John Stuart Mill, *Principles of Political Economy*, Vol. 1, Bk 1.

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* 'Something always sticks.'

then I have *proved* that the existence of capital is an eternal law of nature of human production and that the Kirghiz who cuts down rushes with a knife he has stolen from a Russian so as to weave them together to make a canoe is just as true a capitalist as Herr von Rothschild. I could prove with equal facility that the Greeks and Romans celebrated communion because they drank wine and ate bread, and that the Turks sprinkle themselves daily with holy water like Catholics because they wash themselves daily. This is the sort of impertinent and superficial rubbish that one finds doled out with self-important complacency not only by the likes of F. Bastiat* or the little economic pamphlets of the Society for the Advancement of Useful Knowledge, or the nursery stories of a Mother Martineau,† but even in the writings of reputable authorities. Far from demonstrating, as they hope, that capital is an eternal natural necessity, all they succeed in doing is to *refute* that necessary existence in the case of a specific historical phase of the social process of production. For if it is claimed that capital is nothing but the material and instruments of labour or that the material elements of the labour process are capital by nature, one may rightly riposte that in that event we do indeed require capital but no capitalists, or alternatively that capital is nothing but a *name* invented to deceive the masses.[8]

[8] 'We are told that Labour cannot move one step without Capital – that Capital is as a shovel to a man who digs – that Capital is just as necessary to production as Labour itself is. The working man knows all this, for its truth is daily brought home to him; but this mutual dependency between Capital and Labour has nothing to do with the relative position of the capitalist and the working man; nor does it show that the former could be maintained by the latter. Capital is but so much unconsumed produce; and that which is at this moment in being, exists now independent of, and is in no way identified with, any particular individual or class. Labour is the parent of it, on the one side, and mother earth upon the other; and were every capitalist and every rich man in the United Kingdom to be annihilated in one moment, not a single particle of wealth or capital would disappear with them; nor would the nation itself be less wealthy, even to the amount of one farthing. It is the capital, and not the capitalist, that is essential to the operations of the producer; and there is as much difference between the two, as there is between the actual cargo and the bill of lading' (J. F. Bray, *Labour's Wrongs and Labour's Remedy, etc.*, Leeds, 1839, p. 59).

'Capital is a sort of *cabalistic word* like church or state, or any other of

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* e.g. *Sophismes économiques*, Paris, 1846–8.

† Harriet Martineau, *Illustrations of Political Economy*, 9 vols., London, 1832–4.

The failure to comprehend the labour process as an independent thing and at the same time as an aspect of capitalist production becomes even more strikingly obvious when Mr F. Wayland, for example, tells us that *raw materials* are *capital* and that it is by treating them that we arrive at the product. Thus leather is the *product* of the currier and the *capital* of the shoemaker. Both 'raw material' and 'product' are terms referring to things in the *labour process* and in itself neither has anything to do with *capital* although both raw material and product represent *capital* the moment the labour process is appropriated by the capitalist.[9]

M. Proudhon has exploited all this with his customary 'profundity'. 'How does the *concept of a product* suddenly become transformed into the *concept of capital*? Through the *idea of value*. That is to say, in order to become capital the product must have undergone an authentic process of valuation, it must have been bought or sold, its price debated and established by a sort of legal convention. When a hide comes from a butcher it is the *product of the butcher*. Suppose the hide be now purchased by a currier. The latter immediately enters it or its value in his exploitation fund. Then, through the labour of the currier, this *capital* becomes a *product* once again.'[10] M. Proudhon distinguishes himself here by the apparatus of false metaphysics by means of which he first enters the most elementary notions as capital in his 'exploitation fund' and then sells them to the public as a high-sounding pro-

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those general terms which are invented by those who fleece the rest of mankind to conceal the hand that shears them' (*Labour Defended against the Claims of Capital etc.*, London, 1825, p. 17). The author of this pamphlet is Th. Hodgskin, one of the most important modern English economists. Some years after its publication, the work cited, whose importance is still acknowledged (see, for example, John Lalor, *Money and Morals etc.*, London, 1852), was the occasion of an anonymous counter-pamphlet by Lord Brougham, whose response was noteworthy for the same superficiality that marks all the economic productions of that windbag.

[9] 'The material which . . . we obtain for the purpose of combining it with *our own* (!) industry, and forming it into a product, is called *capital*; and, after the labour has been exerted, and the value created, it is called a *product*. Thus the same article may be *product* to one, and *capital* to another. Leather is the product of the currier, and the capital of the shoemaker' (F. Wayland, op. cit., p. 25).

[10] There now follows the above-quoted shit from Proudhon, *Gratuité du Crédit. Discussion entre M. Fr. Bastiat et M. Proudhon*, Paris, 1850, pp. 179, 180 and 182.

duct. The question of how *products* can be turned into *capital* is essentially nonsensical, but the answer proves worthy of the question. In actual fact M. Proudhon merely informs us of two fairly well-known facts: first, that products sometimes serve as raw materials to be processed, and second, that *products* are also *commodities*, i.e. they possess a *value* which has to withstand the ordeal of an interchange between buyer and seller before it can be realized. The same 'philosopher' remarks: '*La différence, pour la société, entre capital et produit n'existe pas. Cette différence est toute subjective aux individus*.' He calls the abstract social form 'subjective' and his subjective abstraction he calls 'society'.

As long as the economist looks at the process of capitalist production only in the context of the *labour process*, he declares that capital is a mere *article*, raw material, an instrument, etc. But it then occurs to him that the process of production is also the valorization process and that in the latter the articles come into consideration only as a *value*. 'The same capital exists now in the form of a sum of money, now in the form of raw material, an instrument, a finished product. These *articles* are not actually *capital*; capital resides in the *value* they possess.'[11] In so far as this value 'maintains itself, endures, multiplies itself, detaches itself
469d from the commodity that has created it and remains, like a metaphysical and insubstantial quality, always in the possession of the same producer (i.e. the capitalist)'[12] the same thing which was just declared to be an *article*, is now deemed 'a *commercial idea*'.

The product of capitalist production is neither a mere *product* (a use-value), nor just a *commodity*, i.e. a product with an exchange-value, but a *product specific to itself*, namely *surplus-value*. Its product is *commodities* that possess more exchange-value, i.e. represent more labour than was invested for their production in the shape of money or commodities. In capitalist production the

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[11] Cf. J. B. Say, op. cit. [*Traité d'économie politique*], Vol. II, p. 429, note. When Carey says, '*Capital* . . . all articles possessing exchangeable value' (H. C. Carey, *Principles of Political Economy*, Part I, Philadelphia, 1837, p. 294) this lapses into the explanation of capital referred to in Chapter I*: 'Capital – is commodities', an explanation that can only refer to the manifestation of capital in the process of circulation.

[12] Sismondi, *Nouv. Princ. etc*., Vol. I, p. 89. Cf. also '*Le capital est une idée commerciale*' ['Capital is a commercial idea'] (Sismondi, *Études, etc*., Vol. II, p. 389).

*See above, p. 255, n. 13.

labour process is only the *means*; the end is supplied by the *valorization process* or the *production of surplus-value.* As soon as this occurs to the economist he declares capital to be wealth which is used in production to make a 'profit'.[13]

We have seen that the transformation of money into capital breaks down into two wholly distinct, autonomous spheres, two entirely separate processes. The first belongs to the realm of the *circulation of commodities* and is acted out in the *market-place.* It is the *sale and purchase of labour-power.* The second is the *consumption* of *the labour-power that has been acquired,* i.e. the process of production itself. In the first process the capitalist and the worker confront one another merely as the owners respectively of money and commodities, and their transactions, like those of all buyers and sellers, are the exchange of equivalents. In the second process the worker appears *pro tempore* as the living component of capital itself, and the category of exchange is entirely excluded here since the capitalist has acquired by purchase all the factors of the production process, both material and personal, before the negotiations begin. However, although the two processes subsist independently side by side, each conditions the other. The first introduces the second and the second completes the first.

The first process, the *sale and purchase of labour-power,* displays to us the capitalist and the worker only as the buyer and seller of commodities. What distinguishes the worker from the vendors of other commodities is only the *specific nature,* the *specific use-value,* of the commodity he sells. But the particular use-value of a commodity does not affect the economic form of the transaction; it does not alter the fact that the purchaser represents money, and the vendor a commodity. In order to *demonstrate,* therefore, that the relationship between capitalist and worker is nothing but a relationship between commodity owners who exchange money and commodities with a free contract and to their mutual advantage, it suffices to isolate the first process and to cleave to its formal character. This simple device is no sorcery, but it contains the entire wisdom of the vulgar economists.

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[13] '*Capital.* That portion of the stock of a country which is kept or employed with a view to profit in the production and distribution of wealth' (T. R. Malthus, *Definitions in Political Economy,* new edition, etc. by John Cazenove, London, 1853, p. 10). 'Capital is the part of wealth employed for production and generally for the purpose of obtaining profit' (Th. Chalmers, *On Political Economy, etc.,* London, 1832, 2nd edn, p. 75).

We have seen that the capitalist must transform his money not only into labour-power, but into the material factors of the labour process, i.e. the means of production. However, if we think of the whole of capital as standing on one side, i.e. the totality of the purchasers of labour-power, and if we think of the totality of the vendors of labour-power, the totality of workers on the other, then we find that the worker is compelled to sell not a commodity but his own labour-power as a commodity. This is because he finds on the other side, opposed to him and confronting him as alien property, all the means of production, all the material conditions of work together with all the means of subsistence, money and means of production. In other words, all *material wealth confronts* the worker as the property of the *commodity possessors.* What is proposed here is that he works as a *non-proprietor* and that the *conditions of his labour confront* him as *alien property.* The fact that Capitalist No. 1 owns money and that he buys the means of production from Capitalist No. 2, who owns them, while the worker buys the means of subsistence from Capitalist No. 3 with the money he has obtained from Capitalist No. 2, does not alter the fundamental situation that Capitalists Nos. 1, 2 and 3 are together the exclusive possessors of money, means of production and means of subsistence. Man can only live by producing his own means of subsistence, and he can produce these only if he is in possession of the means of production, of the material conditions of labour. It is obvious from the very outset that the worker who is denuded of the means of production is thereby deprived of the means of subsistence, just as, conversely, a man deprived of the means of subsistence is in no position to create the means of production. Thus even in the first *process*, what stamps money or commodities as *capital* from the outset, even before they have been really transformed into *capital*, is neither their money nature nor their commodity nature, nor the material use-value of these commodities as means of production or subsistence, but the circumstance that this money and this commodity, these means of production and these means of subsistence confront *labour-power*, stripped of all material wealth, as autonomous powers, personified in their owners. The objective conditions essential to the realization of labour are *alienated* from the worker and become manifest as *fetishes* endowed with a will and a soul of their own. *Commodities*, in short, appear as the purchasers of *persons*. The buyer of labour-power is nothing but the personification of *objectified* labour which cedes a part of itself to the worker in the form of the means of subsistence in order to annex the living labour-power for the benefit of the remaining portion, so as to keep itself intact and even to grow beyond its original size by virtue of this annexation. It is not the worker who buys the means of production and subsistence, but the means of production that buy the worker to incorporate him into the means of production.

The *means of subsistence* are a particular form of material existence in which capital confronts the worker before he acquires them through the sale of his labour-power. But by the time the process of production begins the labour-power has already been sold and hence the means of subsistence have passed *de jure* at least into the consumption fund of the worker. These means of subsistence themselves form no part of the labour process, which, apart from the presence of effective labour-power, requires nothing but the materials and means of labour. In fact, of course, the worker must sustain his capacity for work with the aid of means of subsistence, but this, his private consumption, which is at the same time the reproduction of his labour-power, falls outside the process of producing commodities. It is possible that in capitalist production the entire available time of the worker is actually taken up by capital and that the consumption of the means of subsistence is actually no more than an incident in the labour process, like the consumption of coal by the steam-engine, of oil by the wheel, of hay by the horse and like the entire private consumption of the labouring slave. It is in keeping with this that Ricardo, for instance (see note 6 above), lists 'food and clothing' alongside raw materials and tools, as things which 'give effect to labour' and hence serve as 'capital' in the labour process. However that may be
469f *in fact*, the means of subsistence that the worker consumes are commodities that he has *purchased*. As soon as they pass into his hands, and even more evidently, as soon as he has consumed them, they cease to be capital. They form no part of the *physical elements* in which capital manifests itself in the *immediate process of production*, even though they constitute the *physically existing form* of *variable capital* which enters the market place as the purchaser of labour-power within the *sphere of circulation*.[14]

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[14] This is the valid point underlying Rossi's polemic against the inclusion of the means of subsistence among the components of productive capital. How wide he is of the mark in his interpretation, however, and the extent

When a capitalist takes 500 thalers and invests 400 of them in the means of production and 100 in the acquisition of labour-power, these 100 thalers constitute his *variable* capital. With them the workers buy the means of subsistence, either from the same capitalist or from another. These 100 thalers are nothing but the *money-form* of the means of subsistence which in fact constitute the *physical manifestation* of the variable capital. Within the *immediate process of production* the variable capital has ceased to exist: it exists neither in the form of money, nor of commodities, but in the form of *living labour* which the capitalist has acquired through the purchase of labour-power. And it is only by virtue of this transformation of variable capital into labour that the quantum of value invested in money or commodities can be converted into *capital.* Thus when we look at the process of capitalist production as a *whole* and not merely at the immediate production of commodities, we find that although the *sale and purchase of labour-power* (which itself conditions the transformation of a part of the capital into variable capital) is entirely separate from the immediate production process, and indeed precedes it, it yet forms the *absolute foundation* of capitalist production and is an integral *moment* within it. Material wealth transforms itself into capital simply and solely because the worker sells his labour-power in order to live. The *articles* which are the material conditions of labour, i.e. the *means of production,* and the articles which are the precondition for the survival of the worker himself, i.e. the *means of subsistence,* both become *capital* only because of the phenomenon of *wage-labour.* Capital is not a *thing,* any more than money is a *thing.* In capital, as in money, certain *specific social relations of production between people* appear as *relations of things to people,* or else certain social relations appear as the *natural properties of things in society.* Without a *class dependent on wages,* the moment individuals confront each other as free persons, there can be no production of surplus-value; without the production of surplus-value there can be no capitalist production, and hence no capital and no capitalist! Capital and wage-labour (it is thus we designate the labour of the worker who sells his own labour-power) only express two aspects

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of the confusion introduced by his rationalizations, is something we shall return to in a later chapter.*

*This point is dealt with in *Grundrisse,* pp. 591–4. Marx did not however return to it anywhere in *Capital,* or in *Theories of Surplus-Value.*

of the self-same relationship. Money cannot become capital unless it is exchanged for labour-power, a commodity sold by the worker himself. Conversely, work can only be wage-labour when its *own* material conditions confront it as autonomous powers, alien property, value existing for itself and maintaining itself, in short as capital. If capital in its material aspect, i.e. in the use-values in which it has its being, must depend for its existence on the material conditions of labour, these material conditions must equally, on the formal side, confront labour as *alien, autonomous powers*, as value – objectified labour – which treats living labour as a mere means whereby to maintain and increase itself. Thus wage-labour, the wages system, is a social form of work indispensable to capitalist production, just as capital, i.e. potentiated value, is an indispensable social form which must be assumed by the material conditions of labour in order for the latter to be wage-labour. Wage-labour is then a necessary condition for the formation of capital and remains the essential prerequisite of capitalist production. Therefore, although the primary process, the exchange of money for labour-power, or the sale of labour-power, does not as such enter the immediate process of production, it does enter into the production of the relationship as a whole.[15]

As we have seen, the first process, the sale and purchase of labour-power, presupposes that the means of production and subsistence have become autonomous objects confronting the worker, i.e. it presupposes the *personification* of the means of production and subsistence which, as purchasers, negotiate a contract with the workers as vendors. When we leave this process which is enacted in the *market-place*, in the *sphere of circulation*, and proceed directly to the *immediate process of production*, we find that it is primarily a *labour process*. In the labour process the worker enters as worker into a normal active relationship with the means of production determined by the nature and the purpose of the work itself. He takes possession of the means of production and handles them simply as the means and materials of his work. The autonomous nature of these means of production, the way they hold fast 469g to their independence and display a mind of their own, their separation from labour – all this is now *abolished* [*aufgehoben*] in practice. The material conditions of labour now enter into a normal unity with labour itself; they form the material, the organs requisite for its creative activity. The worker treats the hide he is tanning simply as the object of his creative activity, and not as capital. He does not tan the hide for the capitalist.[16] If we consider production just as a labour process, the worker consumes the means of production as the *mere means of subsistence of labour*. But production is also a process of *valorization*, and here the capitalist devours the labour-power of the worker, or appropriates his living labour as the life-blood of capitalism. Raw materials and the object of labour in general exist only to *absorb* the work of others, and the instrument of labour serves only as a conductor, an agency, for this *process of absorption*. By incorporating living labour-power into the material constituents of capital, the latter becomes an animated monster and it starts to act 'as if consumed by love'.* Since work creates value only in a definite useful form, and since every particular useful form of work requires materials and instruments with specific use-values, spindles and cotton, etc. for spinning, hammer, anvil and iron for forging metal, etc., labour can only be drained off if capital assumes the shape of the means of production required for the particular labour process in question, and only in this shape can it annex living labour. This is the reason, then, why the capitalist, the worker and the political economist,

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[15] We may readily deduce what an F. Bastiat understands about the nature of capitalist production when he declares the wages system to be an external and irrelevant formality in capitalist production, and discovers the truth '*que ce n'est pas la* forme de remunération *qui crée pour lui* (*l'ouvrier*) *cette dépendance*' ['it is not the *form of remuneration* that creates his (the worker's) dependence'] (*Harmonies économiques*, Paris, 1851, p. 378). This is a discovery – and moreover a piece of misinterpreted plagiarism taken over from real economists – altogether worthy of the eloquent ignoramus who discovered in the same work, i.e. in 1851 '*ce qui est plus décisif et infaillible encore, c'est* la disparition des grandes crises industrielles *en Angleterre*' ['what is still more decisive and incontestable is the *disappearance of major industrial crises* in England'] (p. 396). Although F. Bastiat had eliminated great crises from England by decree as early as 1851, England enjoyed a great crisis no later than 1857, and, as we can read in the official reports of the English Chambers of Commerce, a further industrial crisis of hitherto unprecedented dimensions was averted in 1861 only by the outbreak of the American Civil War.

[16] 'We see further from the explanations of the economist himself, that *in the process of production*, capital, the result of labour, is immediately transformed again into the substratum, into the material of labour; and how therefore the momentarily postulated *separation of capital from labour* is immediately *superseded by the unity of both*' (F. Engels, *Deutsch-französische Jahrbücher, etc.*, p. 99) [English translation, p. 430].

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* Goethe, *Faust*, Part I, Auerbach's Cellar, line 2141.

who is only capable of conceiving the labour process as a process owned by capital, all think of the *physical* elements of the labour process as *capital* just because of their physical characteristics. This is why they are incapable of detaching their physical existence as mere elements in the labour process from the *social* characteristics amalgamated with it, which is what really make them *capital.* They are unable to do this because in reality the labour process that employs the physical qualities of the means of production as the means of subsistence of labour is identical with the labour process that converts these self-same means of production into means for living labour. In the labour process looked at purely for itself the worker utilizes the means of production. In the labour process regarded also as a capitalist process of production, the means of production utilize the worker, so that work appears only as an instrument which enables a specific *quantum of value*, i.e. a specific mass of *objectified* labour, to suck in living labour in order to sustain and increase itself. Regarded thus, the labour process is the *self-valorization process* of objectified labour through the agency of living labour.[17] *Capital* utilizes the *worker*, the *worker* does not utilize *capital*, and only *articles which utilize the worker* and hence possess *independence*, a consciousness and a will of their own in the capitalist, are *capital*.[18]

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[17] 'Labour is the *agency* by which capital is made productive of ... profit' (John Wade, op. cit., p. 161). 'In bourgeois society, living labour is but a means to increase accumulated labour' (*Manifesto of the Communist Party*, 1848, p. 12) [see *The Revolutions of 1848*, Pelican Marx Library, 1973, p. 81].

[18] The fact that the *means of subsistence* have the particular *economic* characteristic that they purchase workers, or that the *means of production*, such as leather and lasts, *utilize cobbler's assistants* – this inversion of *person and thing* has become an inseparable part of the *physical* character of the elements of production both in capitalist production itself and in the imagination of the economists. So much so in fact that when Ricardo, for example, deems it necessary to give an analysis of the physical elements of capital, he *naturally* without scruples or reflection of any kind makes use of the *correct* economic expressions. Thus he talks of 'capital, or the *means of employing labour*' (i.e. not 'means employed by labour' but 'means of employing labour') (op. cit., p. 92); 'quantity of labour employed by a capital' (ibid., p. 419); 'the fund which is to employ them' (the labourers) (p. 252, etc.). Likewise in modern German the capitalist, the personification of *things* which take labour, is called an '*Arbeitgeber*' [employer, literally a giver of work], while the actual worker who gives his labour is called an '*Arbeitnehmer*' [employee, literally a taker of work]. 'In bourgeois society capital is independent and has individuality, while the living person is dependent and has no individuality' (*Manifesto of the Communist Party*, op. cit.).

Since the labour process is only the instrument and the actual form of the *valorization process*, i.e. since its purpose is to employ the labour materialized in wages to objectify in commodities an *extra quantity of unpaid labour, surplus-value,* i.e. to *create surplus-value,* the crux of the entire process is the exchange of *objectified labour* for *living labour,* of less *objectified labour* for more *living labour.* In the course of the exchange an amount of labour objectified in money as a commodity is exchanged for an equal amount of labour objectified in living labour.

In accordance with the laws of commodity exchange equivalent values change hands, i.e. *equal amounts* of objectified labour, although the one amount is objectified in a thing, the other in flesh and blood. But this exchange only inaugurates the *process of production* through whose agency in fact more labour in living form is given up than was supplied in its objectified form. It is therefore greatly to the credit of the classical economists that they portrayed the entire process of production in terms of a commerce between *objectified* and *living labour,* and that they accordingly defined capital only as *objectified labour* in contrast to living labour. That is to say, they depict capital as *value* which makes use of living labour to *valorize* itself. Their only failings are firstly that they were unable to show how this exchange of more living labour for less objectified labour could be reconciled with the laws of commodity exchange and the definition of the value of commodities in terms of labour-time. And this led to their second failure of confusing the exchange of a definite quantity of *objectified labour* for labour-power in the *process of circulation,* with what takes place in the process of production, namely, the drawing off of living labour by labour *objectified* in the means of production. They confound the *exchange process* that takes place between variable capital and labour-power with the process in which living labour finds itself sucked up and absorbed by constant capital. This failure, too, is rooted in their 'capitalist' blinkers, since for the capitalist himself, who pays for labour only after it has been valorized, the exchange of a small amount of objectified labour for a large amount of living labour appears to be a *single unmediated process.* Therefore, when the modern economist contrasts capital as *objectified labour* to living labour, what he understands by objectified labour is not *products of labour* in the sense that they have a use-value and embody certain useful acts of labour, but *products of labour* in the sense that they are the material base of a certain *amount* of general social labour and hence *value*, money that valorizes itself by acquiring the *living* labour of others. This process of acquisition is mediated by the exchange that takes place in the open market between variable capital and labour-power, but is only completed in the actual process of production.[19]

The subordination of the labour process to capital does not at first affect the actual mode of production and its only practical effects are these: the worker bows to the command, the direction and the supervision of the capitalist, although naturally only in

[19] Immediate labour and objectified labour, labour present and past, living and hoarded labour, etc., all these are forms which the economists use to express the relations of capital and labour. 'Labour and capital... the one *immediate* labour ... the other *hoarded labour*' (James Mill, *Elements of Political Economy*, London, 1821, p. 75). *'Antecedent labour* (capital) ... *present labour'* (E. G. Wakefield in his edition of Adam Smith, London, 1835, Vol. 1, p. 231, note). *'Accumulated labour* (capital) . . . *immediate labour*' (Torrens, op. cit., Ch. 1, p. 31). *'Labour* and *Capital*, that is, *accumulated labour*' (Ricardo, op. cit., p. 499). 'The *specific* advances of the capitalist do not consist of cloth' (or of any use-values as such), 'but of *labour*' (Malthus, *The Measure of Values, etc.*, London, 1823, pp. 17–18).

'Comme tout homme est forcé de consommer avant de produire, l'ouvrier pauvre se trouve dans la dépendance *du riche, et ne peut ni vivre ni travailler, s'il n'obtient de lui des denrées et des marchandises existantes, en retour de celles qu'il promet de produire par son travail... pour l'y* (*id est le riche*) *faire consentir, il a fallu convenir que toutes les fois qu'il échangerait du* travail fait *contre du* travail à faire, *le dernier aurait une valeur supérieure au premier'* ['Just as everyone is forced to consume before he produces, the poor worker finds himself in a state of *dependence* upon the rich man and can neither live nor work without obtaining existing produce and commodities from him, in exchange for those which he pledges to produce by his own labour ... to induce him (i.e. the rich man) to consent to this, it was necessary to agree that whenever *labour already performed* was exchanged for *labour yet to be done*, the latter would be worth more than the former'] (Sismondi, *De la richesse commerciale*, Paris, 1803, Vol. 1, pp. 36–7).

Herr W. Roscher, who evidently has not the faintest idea what the English economists are saying and who has belatedly recollected that Senior christened capital 'abstinence', has the following professorial comment to make, a comment remarkable incidentally for its grammatical 'dexterity': 'The school of Ricardo is also wont to subsume capital under the concept of labour, under the heading of "hoarded labour". This is *inept* because of course (!) the owner of capital has surely (!) done *more* (!) than merely (!) producing (!) and maintaining (!) it; he abstains namely from enjoying it himself, in return for which he requires e.g. interest' (W. Roscher, op. cit.)*. [The 'dexterity' which Marx mentions is a reference to Roscher's play on '*Er*haltung' (maintaining) and '*Ent*haltung' (abstaining).]

*See above p. 314, n. 3.

respect of his labour which belongs to capital. The capitalist makes sure that he wastes no time and sees to it, for example, that he hands over the product of an hour's work every hour, that he only spends the average labour-time necessary for producing the product. Since the relations of capital are essentially concerned with controlling production and since therefore the worker constantly appears in the market as a seller and the capitalist as a buyer, the labour process itself is *continuous* for the most part. It is not interrupted as it would be if the worker were an independent producer of commodities, who depended on selling his wares to individual customers, because the minimum capital must be large enough to occupy the worker continuously and to ensure that there is no necessity to sell the goods in a hurry.[20] Lastly, the capitalist forces the workers to extend the duration of the labour process as far as possible beyond the limits of the labour-time needed to reproduce the amount paid in wages, since it is just this *excess labour* that supplies him with the *surplus-value*.[21]

[20] 'If in the progress of time a change takes place in their (i.e. the workmen's) economic position, if they become the workmen of a capitalist who advances their wages beforehand, two things take place. First, they can now labour continuously; and, secondly, an agent is provided, whose office and whose interest it will be, to see that they *do* labour continuously . . . Here, then, is an increased continuity in the labour of all this class of persons. They labour daily from morning to night, and are not interrupted by waiting for or seeking the customer . . . But the continuity of labour, thus made possible, is secured and improved by the superintendence of the capitalist. He has advanced their wages; he is to receive the produce of their labour. It is his interest and his privilege to see that they do not labour interruptedly or dilatorily' (R. Jones, *Textbook, etc.*, pp. 37 ff. passim).

[21] *'Un axiome généralement admis par les économistes est que tout travail doit laisser un excédant. Cette proposition est pour moi d'une vérité universelle et absolue: c'est le corollaire de la loi de la proportionalité (!), que l'on peut regarder comme le sommaire de toute la science économique. Mais, j'en demande pardon aux économistes, le principe que* tout travail doit laisser un excédant *n'a pas de sens dans leur théorie, et n'est pas susceptible d'aucune* démonstration' ['An axiom generally admitted by economists is that all labour must leave a surplus. In my opinion this proposition is universally and absolutely true: it is the corollary of the law of proportion, which may be regarded as the summary of the whole of economic science. But, if the economists will permit me to say so, the principle that *all labour must leave a surplus* is meaningless according to their theory, and is not susceptible of any *demonstration*.'] (Proudhon, *Philosophie de la misère*). In my work *Misère de la philosophie. Réponse à la Philosophie de la misère de M. Proudhon*, Paris, 1847, pp. 76–91 [English edition, pp. 78–89], I have shown that M. Proudhon has not the slightest idea what this '*excédant du travail*' is, namely

Just as the commodity owner is interested only in the use-value of a commodity as the depository of its exchange-value, so too the capitalist is interested only in the labour process as the depository and instrument of the valorization process. And within the production process too – in so far as it is a valorization process – the means of production continue to be nothing but monetary value, indifferent towards the particular physical form, the specific use-value in which the exchange-value is clothed. Similarly, labour does not count as productive activity with a specific utility, but simply as value-creating substance, as social labour in general which is in the act of objectifying itself and whose sole feature of interest is its *quantity*. Hence in the eyes of capital each sphere of production is simply a sphere in which capital is invested in order to produce more money, in order to maintain and increase already existing money or to acquire *surplus labour*. In every sphere of production the labour process is different, and so too are the factors in that process. Boots cannot be produced with the aid of spindles, cotton and spinners. But the investment of capital in this or that branch of production, the quantities in which the total capital of society is distributed among the various spheres of production, and lastly the conditions in which it emigrates from one type of production
469j to another – all this is determined by the changing conditions according to the needs of society for the products of this or that industry. That is to say, it is determined by society's need of the use-values of the commodities they create. For although it is only the exchange-value of the product that is paid for, products are only ever bought for their use-value. (Since the immediate product of the process of production is the *commodity*, it is only by finding purchasers for his wares that the capitalist can realize the capital which at the end of the process is located in the *commodity*, i.e. realize the *surplus-value* it contains.)

But capital is in itself indifferent to the *particular* nature of every sphere of production. Where it is invested, how it is invested and

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the *surplusproduct* in which the surplus labour or unpaid labour of the worker becomes manifest. Since he finds that all labour in fact produces such an '*excédant*' in capitalist production he attempts to explain this fact by reference to some mysterious natural attribute of labour, and to shout his way out of the difficulty with such '*sesquipedalia verba*'* as 'corollaire de la loi de la proportionalité', etc.

* 'Many-syllabled words'.

to what extent it is transferred from one sphere of production to another or redistributed among the various spheres of production – all this is determined only by the greater ease or difficulty of selling the commodities manufactured. In reality the mobility of capital is impeded by obstacles which we cannot consider in the present context. But on the one hand, as we shall see, it creates means by which to overcome obstacles that spring from the nature of production itself, and on the other hand, with the development of the mode of production peculiar to itself, it eliminates all the legal and extra-economic impediments to its freedom of movement in the different spheres of production. Above all it overturns all the legal or traditional barriers that would prevent it from buying this or that kind of labour-power as it sees fit, or from appropriating this or that kind of labour. Furthermore, although labour-power assumes a distinctive form in every particular sphere of production, as a capacity for spinning, cobbling, metal-working, etc., so that every sphere of production requires a capacity for labour that is developed in a specific direction, a *distinctive* capacity for labour, it remains true that the flexibility of capital, its indifference to the particular forms of the labour 469k process it acquires, is extended by capital to the worker. He is required to be capable of the same flexibility or *versatility* in the way he applies his labour-power. As we shall see, the capitalist mode of production itself raises obstacles in the way of its own tendency, but it pushes to one side all *legal* and other *extra-economic* obstructions standing in the way of this versatility.[22] Just as capital, as value valorizing itself, views with indifference the particular physical guise in which labour appears in the labour process, whether as a steam-engine, dung heap or silk, so too the worker looks upon the *particular content* of his labour with equal indifference. His work belongs to capital, it is only the use-value of the commodity that he has sold, and he has only sold it to acquire money and, with the money, the means of subsistence. A change in his mode of labour interests him only because every specific mode of labour requires a different development of his labour-power. If his indifference to the particular content of his work does not give him the power to vary his labour-power to order, he will express his indifference by inducing his replacements, the rising generation, to move from one branch of industry to the next, depending on the state of the market. The more highly capitalist production is developed in a country, the greater the demand will be for *versatility* in labour-power, the more indifferent the worker will be towards the *specific content* of his work and the more fluid will be the movements of capital from one sphere of production to the next. Classical economics regards the versatility of labour-power and the *fluidity* of capital as axiomatic, and it is right to do so, since this is the tendency of capitalist production which ruthlessly enforces its will despite obstacles which are in any case largely of its own making. At all events, in order to portray the laws of political economy in their purity we are ignoring these sources of friction, as is the practice in mechanics where the frictions that arise have to be dealt with in every particular application of its general laws.[23]

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[22] 'Every man, if not restrained by law, would pass from one employment to another, as the various turns in trade should require' (*Considerations Concerning Taking Off the Bounty on Corn Exported, etc.*, London, 1753, p. 4).

|691 Although capitalist and worker confront each other in the market-place only as *buyer*, money, on the one hand, and *seller*, commodity, on the other, this relationship is coloured in advance by the peculiar content of their dealings. This is particularly true since both sides appear *constantly*, repeatedly in the market-place playing the *same* opposed roles. If we consider the relations of commodity-owners in general in the market-place we see that the same man appears alternately as the buyer and seller of wares.

[23] Nowhere does the fluidity of capital, the versatility of labour and the indifference of the worker to the content of his work appear more vividly than in the United States of North America. In Europe, even in England, capitalist production is still affected and distorted by hangovers from feudalism. The fact that baking, shoemaking, etc. are only just being put on a *capitalist* basis in England is entirely due to the circumstance that English capital cherished feudal preconceptions of 'respectability'. It was 'respectable' to sell Negroes into slavery, but it was not respectable to make sausages, boots or bread. Hence all the machinery which conquers the 'unrespectable' branches of industry for capitalism in Europe comes from America. By the same token, nowhere are people so indifferent to the type of work they do as in the United States, nowhere are people so aware that their labour always produces the same product, money, and nowhere do they pass through the most divergent kinds of work with the same nonchalance. This 'versatility' appears to be a quite distinctive mark of the free worker, in contrast to the working slave, whose labour-power is stable and capable of being employed in a manner determined by local custom. 'Slave labour is eminently defective in point of versatility . . . if tobacco be cultivated, tobacco becomes the sole staple, and tobacco is produced whatever be the state of the market, and whatever be the condition of the soil' (Cairnes, op. cit., pp. 46–7).

The fact that two men differ from each other as buyer and seller is of ever diminishing significance since in the course of time everyone assumes all the roles in the sphere of circulation. Now it is also true that once the worker has sold his labour-power and transformed it into money, he too becomes a buyer, and the capitalists appear to him as the mere sellers of goods. But in his hand money is nothing but a means of circulation. In the actual *commodity-market*, then, it is quite true that the worker, like any other owner of money, is a buyer and is distinguished by that fact alone from the commodity owner as seller. But on the *labour-market*, *money* always confronts him as *capital* in the form of money, and so the owner of money appears as capital personified, as a *capitalist*, and he for his part appears to the owner of money merely as the personification of labour-power and hence of labour, i.e. as a *worker*.[24] The two people who face each other on the market-place, in the sphere of circulation, are not just a *buyer* and a *seller*, but *capitalist* and *worker* who confront each other as *buyer* and *seller*. Their relationship as *capitalist* and *worker* is the precondition of their relationship as *buyer* and *seller*. Unlike the situation in the case of other sellers, the relationship does not arise directly from the nature of commodities. This derives from the fact that no one directly produces the products he needs in order to live, so that each man only produces a single product as a *commodity* which he then sells in order to be able to acquire the products of others. Here, however, we are not concerned with the merely *social division of labour* in which each branch of labour is autonomous, so that, for example, a cobbler becomes a seller of boots but a buyer of leather or bread. What we are concerned with here is the *division* of the *constituents of the process of production* itself, constituents that really belong together. This division leads to the progressive *separation* of these elements and their personification *vis-à-vis* each other, so that *money* as the general form of *objectified labour* becomes the *purchaser* of labour-power, the living source of *exchange-value* and hence of wealth. *Real* wealth (from the standpoint of exchange-value), *money* (from the standpoint of use-value), i.e. the *means of subsistence and the means of production*, make their appearance as persons in opposition to the *possibility* of wealth, i.e. labour-power, which appears as a different person.

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[24] 'The relation of the manufacturer to his operatives ... is purely economic. The manufacturer is Capital, the operative "Labour"' (F. Engels, *Lage der arbeitenden Klassen, etc.*, p. 329) [English edition, op. cit., p. 302].

469m Since *surplus-value* is the product specific to the production process, what is produced is not just a commodity, but also *capital.* Within the production process labour is transformed into capital. The activity of labour-power, i.e. labour, *objectifies* itself in the course of production and so becomes value. But since the labour has ceased to belong to the worker even before he starts to work, what objectified itself for him is *alien labour* and hence a value, *capital*, independent of his own labour-power. The *product* belongs to the capitalist and in the eyes of the worker it is as much a part of capital as the *elements of production.* On the other hand, an existing amount of value – money – becomes *real* capital only when, in the first place, it begins to realize itself, to become part of a *process*, and this it achieves when the activity of labour-power, namely labour, is incorporated in the production process and becomes its property. And secondly, it must yield *surplus-value* as distinct from its original value, and this in turn is again the product of the objectification of surplus labour.

In the process of production labour becomes *objectified labour*, i.e. capital in opposition to living labour-power, and, in the second place, by absorbing labour into production, by thus appropriating it, the original value becomes value in *process* and hence value that creates surplus-value different from itself. It is only because labour is changed into capital in the course of production that we can say that the original quantum of value valorizes itself, that what was at first *potentially* capital has become *capital in actual fact.*[25]*

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263 [. . .] i.e. to obtain a higher value from the process of production than the sum of the values invested in it and for it (i.e. the production process) by the capitalist. The production of commodities is

[25] 'They' (the workers) 'exchange their labour' (i.e. their labour-power) 'for corn' (i.e. means of subsistence). 'This constitutes their revenue' (i.e. their individual consumption) '. . . whereas their *labour* has become *capital* for their master' (Sismondi, *Nouveaux Principes*, Vol. 1, p. 90). 'The workers who give up their labour in the process of exchange transform it [the product of the whole year] into *capital*' (ibid., p. 105).

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*At this point the first interpolated passage, consisting of MS. pp. 469a–469m, breaks off. Following Marx's own directions (see our note on p. 995) it is to be succeeded by a second interpolation which Marx numbered pp. 262–4. Page 262 is missing.

simply a means to this end, as indeed the labour process itself is no more than the instrument of the valorization process – in the sense of the process of creating surplus-value, and not, as previously, in the sense of simply creating value.

This result is brought about only as long as the living labour, which the worker has at his disposal and which therefore is objectified in the product of his labour, is greater than the labour contained in the variable capital or laid out in wages, or, in other words, required in the reproduction of his labour-power. Since the production of surplus-value is the means by which the money invested becomes capital, the origins of capital, like the process of capitalist production itself, are based on two factors in the first instance:

First, the *purchase and sale of labour-power*, an act which falls within the sphere of circulation but which, viewed in the context of *capitalist production as a whole*, is not merely an aspect of it and its precondition, but also its continuous result. This purchase and sale of labour power implies that the objective conditions of labour – i.e. the *means of subsistence* and the *means of production* – are separated from the living labour-power itself, so that the latter becomes the sole property at the disposal of the worker and the sole commodity which he has to sell. This separation is so radical that these conditions of labour appear as *independent persons* confronting the worker, for as their owner the capitalist is merely their personification, in opposition to the worker who is the owner of nothing but his labour-power. This separation and independence is the premiss on the basis of which the sale and purchase of labour-power can proceed and living labour can be absorbed into dead labour as a means of maintaining and increasing it, i.e. of enabling it to valorize itself. Without the *exchange* of variable capital for labour-power the total capital could not valorize itself and so the formation of capital and the transformation of the means of production and means of subsistence into capital could not take place. The second factor then is the actual process of production, i.e. the actual consumption of the labour-power purchased by the owner of money or commodities.*

*The following quotation, the first part of which is missing, occurs in the MS. immediately after the above text, to which it has no relation. It is in fact the continuation of a footnote referring to the missing text on p. 262: '. . . to

264 In the actual process of production the objective conditions of labour – its materials and instruments – serve to ensure not just that living labour objectifies itself, but that *more* labour objectifies itself than was contained in variable capital. They therefore act as the means by which the surplus labour which appears in the form of surplus-value (and surplus produce) is extorted and absorbed. If, therefore, we take the two factors together: first, the exchange of labour-power for variable capital, and second, the process of production proper (in which living labour is incorporated as an *agens** into capital), the entire process has the following characteristics. (1) Less objectified labour is exchanged for more living labour, since what the capitalist receives *realiter* for wages is living labour. And (2) the objective forms in which capital manifests itself directly in the labour process, the means of production (once again: objectified labour), are the instruments by means of which living labour is extorted and absorbed. Thus the entire process is a traffic between objectified and living labour in which living labour is transformed into objectified labour and in which at the same time objectified labour is transformed into capital. So that in the upshot living labour is transformed into capital. Hence the process is one which produces surplus-value and hence *capital*, as well as actual produce. (Cf. pp. 96–108.)†

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three capital workmen or to four ordinary ones . . . If the three could be hired at £3 10s. apiece, while the four required £3 apiece, though the wages of the three would be higher, the price of the work done by them would be lower. It is true that the causes which raise the amount of the labourers' wages often raise the rate of the capitalist's profit. If, by increased industry, one man performs the work of two, both the amount of wages, and the rate of profits will generally be raised; not by the rise of wages, but *in consequence of the additional supply of labour having diminished its price*, or having diminished the period for which it had previously been necessary to advance that price. The labourer, on the other hand, is principally interested in the *amount of wages*. The amount of his wages being given, it is certainly his interest that the *price of labour should be high*, for on that depends the degree of exertion imposed on him' (op. cit., pp. 14, 5).

And from the same work: 'The labourer's situation does not depend on the amount which he receives at any one time, but on his average receipts during a given period . . . The longer the period taken, the more accurate will be the estimate' (ibid., p. 7). 'The year is the best period to take. It includes both summer and winter wages' (ibid., p. 7).

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*'Effective force'.

†These figures refer to MS. pp. 469a–469m, i.e. pp. 995–1016 of the present text.

Hence we may say that the means of production appear not just as the means for accomplishing work, but as the means for *exploiting the labour of others.**

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One further point remains to be made about value or money as the objectification of an average measure of general social labour. If we take spinning, for example, we see that it may be performed at a rate that either falls *below* or rises *above* the social average. That is to say, a certain quantity of spinning may be equal to, greater or less than the same quantity of the average, e.g. it may be the same magnitude (length) as the labour-time objectified in a certain amount of gold. But if the spinning is carried out with a degree of intensity normal in its particular *sphere*, e.g. if the labour expended on producing a certain amount of yarn in an hour = the normal quantity of yarn that an hour's spinning will produce on average in the given social conditions, then the labour objectified in the yarn is *socially necessary labour*. As such it has a quantitatively determinate relation to the social average in general which acts as the standard, so that we can speak of the same amount or a greater or smaller one. It itself therefore expresses a *definite quantum* of average social labour.

THE FORMAL SUBSUMPTION OF LABOUR UNDER CAPITAL

The labour process becomes the instrument of the valorization process, the process of the self-valorization of capital – the manufacture of surplus-value. The labour process is subsumed under capital (it is its *own* process) and the capitalist intervenes in the process as its director, manager. For him it also represents the direct exploitation of the labour of others. It is this that I refer to as the *formal subsumption of labour under capital*. It is the general form of every capitalist process of production; at the same time, however, it can be found as a *particular* form alongside the *specifically capitalist mode of production* in its developed form, because although the latter entails the former, the converse does not necessarily obtain [i.e. the formal subsumption can be found in the absence of the specifically capitalist mode of production].

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* At this point the second interpolated passage comes to an end. What follows is the continuation of p. 469 of the MS.

470 The process of production has become the process of capital itself. It is a process involving the *factors of the labour process* into which the capitalist's money has been converted and which proceeds under his direction with the sole purpose of using money to make more money.

When a peasant who has always produced enough for his needs becomes a day labourer working for a farmer; when the hierarchic order of guild production vanishes making way for the straightforward distinction between the capitalist and the wage-labourers he employs; when the former slave-owner engages his former slaves as paid workers, etc., then we find that what is happening is that production processes of varying social provenance have been transformed into capitalist production. The changes delineated above then come into force. A man who was formerly an independent peasant now finds himself a factor in a production process and dependent on the capitalist directing it, and his own livelihood depends on a contract which he as commodity owner (viz. the owner of labour-power) has previously concluded with the capitalist as the owner of money. The slave ceases to be an instrument of production at the disposal of his owner. The relationship between master and journeyman vanishes. That relationship was determined by the fact that the former was the master of his craft. He now confronts his journeyman only as the owner of capital, while the journeyman is reduced to being a vendor of labour. Before the process of production they all confront each other as commodity owners and their relations involve nothing but *money*; *within* the process of production they meet as its components personified: the capitalist as 'capital', the immediate producer as 'labour', and their relations are determined by labour as a mere constituent of capital which is valorizing itself.

Furthermore, the capitalist takes good care that the labour adheres to the normal standards of quality and intensity, and he extends its duration as far as possible in order to increase the surplus-value that it yields. The *continuity* of labour increases when producers dependent on individual customers are supplanted by producers who, bereft of wares to sell, have a constant paymaster in the shape of the capitalist.

The mystification inherent in the *capital-relation* emerges at this point. The value-sustaining power of labour appears as the self-supporting power of capital; the value-creating power of labour as the self-valorizing power of capital and, in general, in accordance with its concept, *living* labour appears to be put to work by *objectified* labour.

All this notwithstanding, this change does not in itself imply a fundamental modification in the real nature of the labour process, the actual process of production. On the contrary, the fact is that capital subsumes the labour process as it finds it, that is to say, it takes over an *existing labour process*, developed by different and more archaic modes of production. And since that is the case it is evident that capital took over an *available, established labour process*. For example, handicraft, a mode of agriculture corresponding to a small, independent peasant economy. If changes occur in these traditional established *labour processes* after their takeover by capital, these are nothing but the gradual consequences of that subsumption. The work may become more intensive, its duration may be extended, it may become more continuous or orderly under the eye of the interested capitalist, but in themselves these changes do not affect the character of the actual labour process, the actual mode of working. This stands in striking contrast to the development of a *specifically capitalist mode of production* (large-scale industry, etc.); the latter not only transforms the situations of the various agents of production, it also *revolutionizes* their actual mode of labour and the real nature of the labour process as a whole. It is in contradistinction to this last that we come to designate as the *formal subsumption of labour under capital* what we have discussed earlier, viz. the takeover by capital of a mode of labour developed before the emergence of capitalist relations. The latter as a form of *compulsion* by which surplus labour is exacted by extending the duration of labour-time – a *mode of compulsion* not based on personal relations of domination and dependency, but simply on differing economic functions – this is common to both forms. However, the specifically capitalist mode of production has yet other methods of exacting surplus-value at its disposal. But given a pre-existing mode of labour, i.e. an *established* development of the productive power of labour and a mode of labour corresponding to this productive power, surplus-value can be created only by lengthening the working day, i.e. by increasing *absolute surplus-value*. In the *formal* subsumption of labour under capital, this is the *sole* manner of producing surplus-value.

The general features of the labour process as described in

Chapter II,* for example, the sundering of the objective conditions of labour into materials and instruments on the one hand, and the living activity of the workers on the other, are all independent of every historical and specifically social conditioning and they remain valid for all possible forms and stages in the development of the processes of production. They are in fact immutable natural conditions of human labour. This is strikingly confirmed by the fact that they hold good for people who work independently, i.e. for those, like Robinson Crusoe, who work not in exchange with society, but only with nature. Thus they are in fact absolute determinations of *human* labour as such, as soon as it has evolved beyond the purely animal.

The way in which even the merely formal subsumption of labour under capital begins to become differentiated within itself – and does so increasingly as time goes on, even on the basis of the old, traditional mode of labour – is in terms of the *scale* of production. That is to say, differences appear later in the volume of the means of production invested, and in the number of workers under the command of a single employer. For example, what appeared to be the maximum attainable in the mode of production of the guilds (let us say, in reference to the number of journeymen employed) can scarcely serve as a minimum for the relations of capital. For the latter can achieve no more than a nominal existence unless the capitalist can employ at the very least enough workers to ensure that the surplus-value he produces will suffice for his own private consumption and to fill his accumulation fund. Only then will he be relieved of the need to work directly himself and be able to content himself with acting as *capitalist*, i.e. as supervisor and director of the process, as a mere function, as it were, endowed with consciousness and will, of the capital engaged in the process of valorizing itself. This enlargement of *scale* constitutes the real foundation on which the specifically capitalist mode of production can arise if the historical circumstances are otherwise favourable, as they were for instance in the sixteenth century. Of course, it may also occur *sporadically*, as something which does not dominate society, at isolated points within earlier social formations.

The distinctive character of the *formal* subsumption of labour under capital appears at its sharpest if we compare it to situations in which capital is to be found in certain specific, subordinate functions, but where it has not emerged as the direct purchaser of labour and as the immediate owner of the process of production, and where in consequence it has not yet succeeded in becoming the dominant force, capable of determining the form of society as a whole. In India, for example, the capital of the *usurer* advances raw materials or tools or even both to the immediate producer in the form of money. The exorbitant interest which it attracts, the interest which, irrespective of its magnitude, it extorts from the primary producer, is just another name for surplus-value. It transforms its money into capital by extorting unpaid labour, surplus labour, from the immediate producer. But it does not intervene in the process of production itself, which proceeds in its traditional fashion, as it always had done. In part it thrives on the *withering* away of this mode of production, in part it is a means to make it *wither* away, to force it to *eke out* a vegetable existence in the most unfavourable conditions. But here we have *not yet* reached the stage of the formal subsumption of labour under capital. A further example is *merchant's capital*, which commissions a number of immediate producers, then collects their produce and sells it, perhaps making them advances in the form of raw materials, etc., or even money. It is this form that provides the soil from which modern capitalism has grown and here and there it still forms the transition to capitalism proper. Here too we find no formal subsumption of labour under capital. The immediate producer still performs the functions of selling his wares and making use of his own labour. But the transition is more strongly marked here than in the case of the usurer. We shall return later to these forms, both of which survive and reproduce themselves as transitional subforms within the framework of capitalist production.

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*In Chapter 7 of the present edition.

THE REAL SUBSUMPTION OF LABOUR UNDER CAPITAL OR THE SPECIFIC MODE OF CAPITALIST PRODUCTION

We have demonstrated in detail in Chapter III* the crucial importance of *relative surplus-value.* This arises when the individual capitalist is spurred on to seize the *initiative* by the fact that value = the socially necessary labour-time objectified in the product and that therefore *surplus-value* is created for him as soon as the *in-*

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*Presumably Part Four of the present edition.

dividual value of his product falls *below* its social value and can be sold accordingly at a price *above* its individual value. With the production of relative surplus-value the entire real form of production is altered and a *specifically capitalist form of production* comes into being (at the technological level too). Based on this, and simultaneously with it, the corresponding *relations of production* between the various agents of production and above all between the capitalist and the wage-labourer, come into being for the first time.

The *social* productive forces of labour, or the productive forces of directly social, *socialized* (i.e. collective) labour come into being through co-operation, division of labour within the workshop, the use of *machinery*, and in general the transformation of production by the conscious *use* of the sciences, of mechanics, chemistry, etc. for specific ends, technology, etc. and similarly, through the enormous increase of *scale* corresponding to such developments (for it is only socialized labour that is capable of applying the *general* products of human development, such as mathematics, to the immediate processes of production; and, conversely, progress in these sciences presupposes a certain level of material production). This entire development of the productive forces of *socialized labour* (in contrast to the more or less isolated labour of individuals), and together with it the *use of science* (the *general* product of social development), in the *immediate process of production*, takes the form of the *productive power of capital*. It does not appear as the productive power of labour, or even of that part of it that is identical with capital. And least of all does it appear as the productive power either of the individual worker or of the workers joined together in the process of production. The mystification implicit in the relations of capital as a whole is greatly intensified here, far beyond the point it had reached or could have reached in the merely formal subsumption of labour under capital. On the other hand, we here find a striking illustration of the historic significance of capitalist production in its specific form – the transmutation of the immediate process of production itself and the development of the social forces of production of labour.

It has been shown (Chapter III)* how not merely at the level of ideas, but also in reality, the social character of his labour confronts the worker as something not merely alien, but hostile and antagonistic, when it appears before him objectified and personified in capital.

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*Presumably Part Three, in this case.

If the production of absolute surplus-value was the material expression of the formal subsumption of labour under capital, then the production of relative surplus-value may be viewed as its real subsumption.

At any rate, if we consider the two forms of surplus-value, absolute and relative, separately, we shall see that absolute surplus-value always precedes relative. To these two forms of surplus-value there correspond two separate forms of the subsumption of labour under capital, or two distinct forms of capitalist production. And here too one form always precedes the other, although the second form, the more highly developed one, can provide the foundations for the introduction of the first in new branches of industry.

ADDITIONAL REMARKS ON THE FORMAL SUBSUMPTION OF LABOUR UNDER CAPITAL

Before proceeding to a further examination of the real subsumption of labour under capital, here are a few additional reflections from my notebooks.

The form based on absolute surplus-value is what I call the *formal subsumption of labour under capital*. I do so because it is only *formally* distinct from earlier modes of production on whose foundations it arises spontaneously (or is introduced), either when the producer is self-employing or when the immediate producers are forced to deliver surplus labour to others. All that changes is that compulsion is applied, i.e. the method by which surplus labour is extorted. The essential features of *formal subsumption* are:

1. The pure money relationship between the man who appropriates the surplus labour and the man who yields it up: subordination in this case arises from the *specific content* of the sale – there is not a subordination underlying it in which the producer stands in a relation to the exploiter of his labour which is determined not just by money (the relationship of one commodity owner to another), but, let us say, by political constraints. What

brings the seller into a relationship of dependency is *solely* the fact that the buyer is the owner of the conditions of labour. There is no fixed political and social relationship of supremacy and subordination.

2. This is implicit in the first relationship – for were it not for this the worker would not have his labour-power to sell: it is that his *objective conditions of labour* (the means of production) and the *subjective conditions of labour* (the means of subsistence) confront him as *capital*, as the monopoly of the buyer of his labour-power. The more completely these *conditions of labour* are mobilized against him as alien property, the more effectively the *formal* relationship between capital and wage-labour is established, i.e. the more effectively the formal subsumption of labour under capital is accomplished, and this in turn is the premiss and precondition of its *real* subsumption.

There is no change as yet in the mode of production itself. *Technologically speaking*, the *labour process* goes on as before, with the proviso that it is now *subordinated* to capital. Within the production process, however, as we have already shown, two developments emerge: (1) an *economic* relationship of supremacy and subordination, since the consumption of labour-power by the capitalist is naturally supervised and directed by him; (2) labour becomes far more continuous and intensive, and the conditions of labour are employed far more economically, since every effort is made to ensure that no more (or rather even less) *socially necessary* time is consumed in making the product – and this applies both to the living labour that is used to manufacture it and to the *objectified* labour which enters into it as an element in the means of production.

With the *formal* subsumption of labour under capital the *compulsion* to *perform surplus labour*, and to create the *leisure time* necessary for development independently of material production, differs only in form from what had obtained under the earlier mode of production. (Even though, be it noted, this compulsion implies also the necessity of forming needs, and creating the means of satisfying them, and of supplying quantities of produce well in excess of the traditional requirements of the worker.) But this formal change is one which increases the continuity and intensity of labour; it is more favourable to the development of *versatility among the workers*, and hence to increasing diversity in modes of working and ways of earning a living. Lastly, it dissolves the relationship between the owners of the conditions of labour and the workers into a *relationship of sale and purchase, a purely financial relationship*. In consequence the process of exploitation is stripped of every patriarchal, political or even religious cloak. It remains true, of course, that the *relations of production* themselves create a new relation of *supremacy and subordination* (and this also has a *political* expression). But the more capitalist production sticks fast in this formal relationship, the less the relationship itself will evolve, since for the most part it is based on small capitalists who differ only slightly from the workers in their education and their activities.

474 The variations which can occur in the relation of *supremacy and subordination* without affecting the mode of production can be seen best where *rural* and *domestic* secondary industries, undertaken primarily to satisfy the needs of individual families, are transformed into autonomous branches of capitalist industry.

The distinction between labour *formally* subsumed under capital and previous modes of labour becomes more apparent, the greater the increase in the *volume of capital* employed by the individual capitalist, i.e. the greater the increase in the *number of workers employed by him at any one time*. Only with a certain minimum capital does the capitalist cease to be a worker himself and [begin] to concern himself entirely with directing work and organizing sales. And the *real* subsumption of labour under capital, i.e. *capitalist production proper*, begins only when capital sums of a certain magnitude have directly taken over control of production, either because the merchant turns into an industrial capitalist, or because larger industrial capitalists have established themselves on the basis of the *formal subsumption*.[26]

If supremacy and subordination come to take the place of slav-

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[26] [The text of this footnote is to be found on an extra unnumbered sheet added subsequently. Since the passage to which the footnote refers was followed on the MS. p. 474 by another short paragraph, Marx preceded the footnote with the remark: '(a) This (a) refers not to the last passage, but to the preceding one.' This comment is followed by the footnote itself:]

474a (a) 'A free labourer has generally the liberty of changing his master: this liberty distinguishes a slave from a free labourer, as much as an English man-of-war sailor is distinguished from a merchant sailor . . . The condition of a labourer is superior to that of a slave, because a labourer *thinks* himself *free*; and this conviction, however erroneous, has no small influence on the character of a population' (T. R. Edmonds, *Practical, Moral and Political* ery, serfdom, vassallage and other patriarchal forms of subjection, the change is *purely one of form.* The form becomes *freer*, because it is objective in nature, voluntary in appearance, *purely economic.* (Verte.)*

475 Alternatively, supremacy and subordination in the *process of production* supplant an earlier state of *independence*, to be found, for example, in all self-sustaining peasants, farmers who only have

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Economy, London, 1828, pp. 56–7). 'The motive that drives a free man to work is much more violent than what drives the slave: a free man has to choose between hard labour and *starvation* (check the passage), a slave between . . . and a good whipping' (ibid., p. 56). 'The difference between the conditions of a slave and a labourer under the money system is very inconsiderable; . . . the master of the slave understands too well his own interest to weaken his slaves by stinting them in their food; but the master of a free man gives him as little food as possible, because the *injury done to the labourer does not fall on himself alone, but on the whole class of masters*' (ibid.).

'In antiquity, *to make mankind laborious beyond their wants*, to make one part of a state work, to *maintain the other part gratuitously*', was only to be achieved through slaves: hence slavery was introduced generally. 'Slavery was then as necessary towards multiplication, as it would now be destructive of it. The reason is plain. *If mankind be not forced to labour, they will only labour for themselves*; and if they have few wants, there will be few who labour. But when states come to be formed and have occasion for idle hands to defend them against the violence of their enemies, food at any rate must be procured for those *who do not labour*; and as by the supposition, the wants of the labourers are small, a method must be found to *increase their labour above the proportion of their wants*. For this purpose *slavery* was calculated . . . The slaves were forced to labour the soil which fed both them and the idle freemen, as was the case in Sparta; or they filled all the servile places which freemen fill now, and they were likewise employed, as in Greece and in Rome, in supplying with manufactures those whose service was necessary for the state. Here then was a *violent method of making mankind laborious* in raising food . . . Men were then forced to labour, because *they were slaves to others*; men are now forced to labour because they are *slaves of their own wants*' (J. Steuart, Dublin edition, Vol. 1, pp. 38–40).

In the sixteenth century, the same Steuart says, 'while on the one hand the lords dismissed their retainers, the farmers' (who were transforming themselves into industrial capitalists) 'dismissed the idle mouths. From a *means of subsistence* agriculture was transformed into a *trade*.' The consequence was, 'The withdrawing . . . of a number of hands from a trifling agriculture *forces* in a manner, the *husbandmen to work harder*; and *by hard labour upon a small spot, the same effect* is produced as *with slight labour upon a great extent*' (ibid., p. 105).

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* This refers to the remark quoted in footnote 26.

to pay a rent on what they produce, either to the state or a landlord; rural or domestic secondary industry or *independent handicraft*. Here then we encounter the loss of an earlier *independence* in the process of production, and the relation of supremacy and subordination is itself the result of the rise of capitalist production.

Lastly, the relation of capitalist and wage-labourer can replace that of the guild master and his journeyman and apprentices, a situation found to some extent in urban manufacture. The *medieval guild system*, of which analogous forms were developed to a limited extent in both Athens and Rome, and which was of such crucial importance in Europe for the evolution of both capitalists and free labourers, is a *limited* and as yet inadequate form of the relationship between capital and wage-labour. It involves relations between buyers and sellers. Wages are paid and masters, journeymen and apprentices encounter each other as free persons. The technological basis of their relationship is *handicraft*, where the more or less sophisticated use of *tools* is the decisive factor in production; independent personal labour, and hence its professional development, which requires a longer or shorter spell as an apprentice–these are what determine the results of labour. The master does indeed own the conditions of production – tools, materials, etc. (although the tools may be owned by the journeyman too) – and he owns the product. To that extent he is a *capitalist*. But it is not as capitalist that he is *master*. He is an *artisan* in the first instance and is supposed to be a master of his craft. Within the process of production he appears as an artisan, like his journeymen, and it is he who initiates his apprentices into the mysteries of the craft. He has precisely the same relationship to his apprentices as a professor to his students. Hence his approach to his apprentices and journeymen is not that of a capitalist, but of a *master* of his craft, and by virtue of that fact he assumes a position of superiority in the corporation and hence towards them. It follows that his capital is restricted in terms of the *form it assumes*, as well as in *value*. It is far from achieving the freedom of capital proper. It is not a *definite quantum of objectified labour*, value in general, at liberty to assume this or that form of the conditions of labour depending on the form of living labour it acquires in order to produce surplus labour. Before he can invest money in *this particular* branch of trade, in his own craft, before he can set about purchasing either the objective conditions of labour, or acquiring the necessary journeymen and apprentices, he has to pass through the prescribed stages of apprentice and journeyman and even produce his own masterpiece. He can transform money into capital only in his own craft, i.e. not merely as the means of his own labour, but as the means of exploiting the labour of others. His capital is bound to a definite kind of *use-value* and hence does not confront his own workers directly as *capital*. The methods of work that he employs are laid down not just by tradition, but by the guild – they are thought of as indispensable, and so, from this point of view too, it is the use-value of labour, rather than its exchange-value, that appears to be the ultimate purpose. It does not remain at the discretion of the master to produce work of this or that standard; all the arrangements of the guild are designed to ensure that work of a *definite quality* is produced. He has as little control over the price as over the methods of work. The *restrictions* that prevent his wealth from functioning as capital also ensure that this capital does not exceed a certain *maximum*. He may not employ more than a *certain number* of journeymen, since the guild guarantees that all the masters earn a certain amount from their trade. Lastly, there is the relationship of the master to the other masters in the guild. As a master he belonged to a corporation which [enforced] certain collective conditions of production (guild restrictions, etc.) and possessed political rights, a share in municipal administration, etc. He worked to order – with the exception of what he produced for merchants – and produced goods for immediate use. The number of masters too was restricted as a result. He did not confront his workers *merely as a merchant*. Even less could the merchant convert his money into productive capital; he could only 'commission' the goods, not produce them himself. Not exchange-value as such, not enrichment as such, but a life appropriate to a certain *status or condition* – this was the purpose and result of the exploitation of the labour of others. The *instrument* of labour was the crucial factor here. In many trades (e.g. tailoring) the master was supplied with raw materials by his clients. The limits on production were kept by regulation within the limits of actual consumption. That is to say, production was not restricted by the confines of capital itself. In capitalist production these barriers are swept away along with the socio-political limits in which capital was confined. In short, what we see here is not yet *capital* proper.

The purely formal conversion of production based on handicraft into capitalist production, i.e. a change in which for the time being the technological process remains the same, is achieved by the *disappearance of all these barriers.* And this in turn brings about changes in the relations of supremacy and subordination. The master now ceases to be a capitalist because he is a master, and becomes a master because he is a capitalist. The limits on his production are no longer determined by the limits imposed on his capital. His capital (money) can be freely exchanged for labour, and hence the conditions of labour of any kind whatever. He can cease to be an artisan. With the sudden expansion of trade and consequently of the demand for goods on the part of the merchant class, the production of the guilds is driven beyond its limits by its own momentum and hence is converted formally into capitalist production.

Compared to the independent artisan who makes goods for other customers, we observe a great increase in the continuity of labour of the man who works for a capitalist whose production is not limited by the haphazard requirements of isolated customers but only by the limits of the capital that employs him. In contrast to the slave, this labour becomes more productive because more intensive, since the slave works only under the spur of external fear but not for *his existence* which is *guaranteed* even though it does not belong to him. The free worker, however, is impelled by his wants. The consciousness (or better: the *idea*) of free self-determination, of liberty, makes a much better worker of the one than of the other, as does the related feeling (sense) of *responsibility*; since he, like any seller of wares, is responsible for the goods he delivers and for the quality which he must provide, he must strive to ensure that he is not driven from the field by other sellers of the same type as himself. The *continuity in the relations* of slave and slave-owner is based on the fact that the slave is kept in his situation by *direct compulsion.* The free worker, however, must maintain his own position, since his existence and that of his family depends on his ability continuously to renew the sale of his labour-power to the capitalist.

In the eyes of the slave a *minimal wage* appears to be a constant quantity, independent of his work. For the free worker, however, the *value of his labour-power* and the average wage *corresponding to it* does not appear to him as something predestined, as something independent of his own labour and determined by the mere needs of his physical existence. The *average* for the class as a whole remains more or less *constant*, like the value of all commodities; but this is not how it immediately appears to the *individual* worker whose wages may stand above or below this minimum. The *price of labour* sometimes sinks below and sometimes rises above the *value of labour-power.* Furthermore, there is scope for variation (within narrow limits) to allow for the worker's *individuality*, so that partly as between *different* trades, partly in the *same* one, we find that wages vary depending on the diligence, skill or strength of the worker, and to some extent on his actual personal achievement. Thus the size of his wage packet appears to vary in keeping with the results of his own work and its individual quality. This is particularly evident in the case of *piece rates.* Although, as we have shown, the latter do not affect the general relationship between capital and labour, between necessary labour and surplus labour, the result differs for the individual worker, and it does so in accordance with his particular achievement. In the case of the slave, great physical strength or a special talent may enhance his value to a *purchaser*, but this is of no concern to him. It is otherwise with the free worker who is the owner of *his labour-power.*

477 The higher value of his labour-power must accrue to him and it is expressed in the form of higher wages. So there are great variations in the wages paid, depending on whether a particular type of work requires a more highly developed labour-power at greater cost or not. And this gives scope for individual variation while, at the same time, it also provides the worker with an incentive to develop his own labour-power. Certain though it be that the mass of work must be performed by more or less unskilled labour, so that the vast majority of wages are determined by the *value of simple labour-power*, it nevertheless remains open to individuals to raise themselves to higher spheres by exhibiting a particular talent or energy. In the same way there is an abstract possibility that this or that worker might conceivably become a capitalist and the exploiter of the labour of others. The slave is the property of a particular *master*; the worker must indeed sell himself to capital, but not to a particular capitalist, and so within certain limitations he may choose to sell himself to whomever he wishes; and he may also change his master. The effect of all these differences is to make the free worker's work more intensive, more continuous, more

flexible and skilled than that of the slave, quite apart from the fact that they fit him for quite a different historical role. The slave receives the means of subsistence he requires in the form of *naturalia* which are fixed both in kind and quantity – i.e. he receives *use-values.* The free worker receives them in the shape of *money, exchange-value,* the abstract social form of wealth. Even though his wage is in fact nothing more than the *silver* or *gold* or *copper* or *paper* form of the necessary means of subsistence into which it must constantly be dissolved – even though money functions here only as a *means of circulation,* as a vanishing form of exchange-value, that *exchange-value, abstract wealth,* remains in his mind as something more than a particular use-value hedged round with traditional and local restrictions. It is the worker himself who converts the money into whatever use-values he desires; it is he who buys commodities as he wishes and, as the *owner of money,* as the buyer of goods, he stands in precisely the same relationship to the sellers of goods as any other buyer. Of course, the conditions of his existence – and the limited amount of money he can earn – compel him to make his purchases from a fairly restricted selection of goods. But some variation is possible as we can see from the fact that newspapers, for example, form part of the essential purchases of the urban English worker. He can save or hoard a little. Or else he can squander his money on drink. But even so he acts as a free agent; he must pay his own way; he is responsible to himself for the way he spends his wages. *He learns to control himself, in contrast to the slave,* who needs a master. Admittedly, this is valid only if we consider the transformation from serf or slave into free worker. In such cases the capitalist relationship appears to be an improvement in one's position in the social scale. It is otherwise when the independent peasant or artisan becomes a wage-labourer. What a gulf there is between the proud yeomanry of England of which Shakespeare speaks and the English agricultural labourer! Since the sole purpose of work in the eyes of the wage-labourer is his wage, money, a specific quantity of exchange-value from which every particular mark of use-value has been expunged, he is wholly indifferent towards the *content* of his labour and hence his own particular form of activity. While he was in the guild or caste system his activity was a calling, whereas for the slave, as for the beast of burden, it is merely something that befalls him, something forced on him, it is the mere activation of his labour-power. Except where labour-power has been rendered quite one-sided by the division of labour, the free worker is *in principle* ready and willing to accept every possible variation in his labour-power and activity which promises higher rewards (as we can see from the way in which the surplus population on the land constantly pours into the towns). Should the worker prove more or less incapable of this versatility, he still regards it as open to the next generation, and the new generation of workers is infinitely distributable among, and adaptable to, new or expanding branches of industry. We can see this *versatility*, this perfect indifference towards the particular content of work and the free transition from one branch of industry to the next, most obviously in North America, where the development of wage-labour has been relatively untrammelled by the vestiges of the guild system etc. This *versatility* stands in stark contrast to the utterly monotonous and traditional nature of *slave labour*, which does not vary with changes in production, but which requires, on the contrary, that production be adapted to whatever mode of work has once been introduced and carried on from one generation to the next. All American commentators point to this phenomenon as illustrating the distinction between the free labour of the North and the slave labour of the South. (See Cairnes.)* The constant development of *new forms of work*, this continual change – which corresponds to the diversification of use-values and hence represents a real advance in the nature of exchange-value – and in consequence the progressive division of labour in *society as a whole*: all this is the product of the capitalist mode of production. It starts with free production on the basis of the guild and handicraft system wherever this is not thwarted by the ossification of a particular branch of trade.

478 After these additional comments on the *formal subsumption of labour by capital*, we come now to:

THE REAL SUBSUMPTION OF LABOUR UNDER CAPITAL

The general features of the *formal subsumption* remain, viz. the direct *subordination of the labour process to capital*, irrespective of the state of its technological development. But on this foundation there now arises a technologically and otherwise *specific mode of production – capitalist production* – which transforms the nature *of*

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*See above, p. 1014, n. 23.

the labour process and its actual conditions. Only when that happens do we witness the *real subsumption of labour under capital.*

'*Agriculture for subsistence* . . . changed for *agriculture for trade* . . . the *improvement of the national territory* . . . proportioned to this *change*' (A. Young, *Political Arithmetic*, London, 1774, p. 49, note).

The real subsumption of labour under capital is developed in all the forms evolved by relative, as opposed to absolute surplus-value.

With the real subsumption of labour under capital a complete (and constantly repeated)[27] revolution takes place in the mode of production, in the productivity of the workers and in the relations between workers and capitalists.

With the real subsumption of labour under capital, all the changes in the labour process already discussed now become reality. The *social forces of production* of labour are now developed, and with large-scale production comes the direct application of science and technology. On the one hand, *capitalist production* now establishes itself as a mode of production *sui generis* and brings into being a new mode of material production. On the other hand, the latter itself forms the basis for the development of capitalist relations whose adequate form, therefore, presupposes a definite stage in the evolution of the productive forces of labour.

It has already been noted that a definite and constantly *growing minimum amount of capital* is both the necessary precondition and the constant result of the *specifically* capitalist mode of production. The capitalist must be the owner or proprietor of the means of production on a *social* scale and in quantities that beggar comparison with the possible production of the individual and his family. The *minimum amount of capital* in an industry increases in proportion to its penetration by capitalist methods and the growth in the social productivity of labour within it. Capital must increase the value of its operations to the point where it assumes social dimensions, and so sheds its *individual* character entirely. It is precisely the productivity of labour, the mass of production, of population and of surplus population created by this mode of production that constantly calls new branches of industry into being once labour and capital have been set free. And in these new branches of

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[27] *Manifesto of the Communist Party* (1848). [*The Revolutions of 1848*, Pelican Marx Library, p. 70.]

industry capital can once more operate on a small scale and pass through the various phases until this new industry too can be operated on a social scale. This process is continuous. At the same
479 time, *capitalist production* has a tendency to take over all *branches of industry* not yet acquired and where only *formal subsumption* obtains. Once it has appropriated agriculture and mining, the manufacture of the principal textiles etc., it moves on to other sectors where the artisans are still *formally* or even genuinely independent. It has already been remarked, in our discussion of machinery, that the introduction of machinery into one industry leads to its introduction into other industries and other branches of the same industry. Thus spinning machines led to power-looms in weaving; machinery in cotton spinning to machinery in the woollen, linen and silk etc. industries. The increased use of machinery in the mines, cotton mills etc. made the introduction of large-scale production in machine tools inevitable. Quite apart from the improved means of transport rendered necessary by large-scale production, it was also only the introduction of machinery in engineering itself – especially the rotary prime movers – which made steamships and railways a possibility and revolutionized the whole of shipbuilding. Large-scale industry hurls such huge masses of people into industries as yet unsubjugated, or creates such relative surplus populations with them as are required to transform handicraft or small formally capitalist workshops into large-scale concerns. Here the following Tory Jeremiad is relevant:

> 'In the good old times, when "Live and let live" was the general motto, every man was contented with one avocation. In the cotton trade, there were weavers, cotton-spinners, blanchers, dyers and several other independent branches, all living upon the profits of their respective trades, and all, as might be expected, contented and happy. By and by, however, when the downward course of trade had proceeded to some extent first one branch was adopted by the capitalist and then another, till in time, the whole of the people were ousted, and thrown up on the market of labour, to find out a livelihood in the best manner they could. Thus, although *no charter* secures to these men the right to be cotton-spinners, manufacturers, printers etc., yet the course of events has invested them *with a monopoly of all* . . . They have become Jack-of-all trades, and as far as the country is concerned in the business, it is

to be feared, they are masters of none' (*Public Economy Concentrated etc.*, Carlisle, 1833, p. 56).

The material result of capitalist production, if we except the development of the *social productive forces of labour*, is to *raise the quantity of production* and *multiply* and *diversify the spheres of production* and their sub-spheres. For it is only then that the corresponding development of the *exchange-value* of the products emerges – as the realm in which they can operate or realize themselves as *exchange-value.*

'*Production for production's sake*' – production as an end in itself – does indeed come on the scene with the *formal subsumption of labour under capital.* It makes its appearance as soon as the immediate purpose of production is to produce *as much surplus-value as possible*, as soon as the exchange-value of the product becomes the deciding factor. But this *inherent* tendency of capitalist production does not become *adequately realized* – it does not become *indispensable*, and that also means *technologically* indispensable – until the *specific mode of capitalist production* and hence the *real subsumption of labour under capital* has become a reality.

480 The latter has already been argued in detail, so that we may be quite brief here. It is a form of production not bound to a level of needs laid down in advance, and hence it does not predetermine the course of production itself. (Its contradictory character includes a *barrier to production* which it is constantly striving to overcome. Hence crises, over-production etc.) This is one side, in contrast to the former mode of production; if you like, it is the positive side. On the other hand, there is the negative side, its contradictory character: production in contradiction, and indifference, to the *producer*. The real producer as a mere means of production, material wealth as an end in itself. And so the growth of this material wealth is brought about in contradiction to and at the expense of the individual human being. *Productivity of labour* in general = the *maximum of profit* with the *minimum of work*, hence, too, goods constantly become cheaper. This becomes a *law*, independent of the will of the individual capitalist. And this law only becomes reality because instead of the scale of production being controlled by existing needs, the quantity of products made is determined by the constantly increasing scale of production dic-

tated by the mode of production itself. Its aim is that the individual product should contain as *much unpaid labour as possible*, and this is achieved only by *producing for the sake of production*. This becomes manifest, on the one hand, as a law, since the capitalist who produces on too small a scale puts more than the socially necessary quantum of labour into his products. That is to say, it becomes manifest as an adequate embodiment of the *law of value* which develops fully only on the foundation of capitalist production. But, on the other hand, it becomes manifest as the desire of the individual capitalist who, in his wish to render this law ineffectual, or to *outwit it* and turn it to his own advantage, reduces the *individual* value of his product to a point where it falls *below* its socially determined value.

Apart from the increase in the minimum amount of *capital necessary for production*, all these forms of production (of relative surplus-value) have one feature in common. This is that the rationalization of *conditions* for many workers co-operating together directly permits economies. And this contrasts with the fragmentation of conditions in small-scale production, since the *effectiveness* of these collective conditions of production does not bring about a proportionate increase in their quantity and *value*. The fact that they are *employed simultaneously and collectively* causes their *relative* value to sink (with reference to the product), however much their absolute value grows.

PRODUCTIVE AND UNPRODUCTIVE LABOUR

I should like to deal with this briefly before taking a further look at the *changed form of capital* resulting from the capitalist mode of production.

Since the immediate purpose and the *authentic product* of capitalist production is *surplus-value, labour is only productive*, and an exponent of labour-power is only a *productive worker*, if it or he creates *surplus-value* directly, i.e. the only productive labour is that which is directly *consumed* in the course of production for the valorization of capital.

Looked at from the simple standpoint of the *labour process*, labour seemed *productive* if it realized itself in a *product*, or rather a commodity. From the standpoint of capitalist production we may add the qualification that labour is productive if it directly valorizes capital, or creates surplus-value. That is to say, it is productive if it is *realized* in a surplus-value without any equivalent for the worker, its creator; it must appear in surplus produce, i.e. an *additional increment of a commodity* on behalf of the monopolizer of the means of labour, the capitalist. Only the labour which posits the variable capital and hence the total capital as $C+\Delta C = C+\Delta v$ is productive. It is therefore labour which directly serves capital as the agency of its *self-valorization*, as means for the production of surplus-value.

The capitalist labour process does not cancel the general definitions of the labour process. It produces both product and commodity. Labour remains productive as long as it objectifies itself in *commodities*, as the unity of exchange-value and use-value. But the labour process is merely a means for the self-valorization of capital. Labour is productive, therefore, if it is converted into *commodities*, but when we consider the individual commodity we find that a certain proportion of it represents *unpaid* labour, and when we take the *mass of commodities as a whole* we find similarly that a certain proportion of that also represents unpaid labour. In short, it turns out to be a product that costs the capitalist nothing.

The *worker* who performs *productive work* is *productive* and the work he performs is productive if it directly creates *surplus-value*, i.e. if it *valorizes* capital.

481 It is only bourgeois obtuseness that encourages the view that capitalist production is production in its absolute form, the unique form of production as prescribed by nature. And only the bourgeoisie can confuse the questions: what is productive labour? and what is a productive worker from the standpoint of capitalism? with the question: what is *productive* labour as such? And they alone could rest content with the tautological answer that all labour is productive if it produces, if it results in a product or some other use-value or in anything at all.

The only productive worker is one whose labour = the *productive consumption* of labour-power – of the bearer of that labour – on the part of capital or the capitalist.

Two things follow from this:

First, with the development of the *real subsumption of labour under capital*, or the *specifically capitalist mode of production*, the *real* *lever* of the overall labour process is increasingly not the individual worker. Instead, *labour-power socially combined* and the various competing labour-powers which together form the entire production machine participate in very different ways in the immediate process of making commodities, or, more accurately in this context, creating the product. Some work better with their hands, others with their heads, one as a manager, engineer, technologist, etc., the other as overseer, the third as manual labourer or even drudge. An ever increasing number of types of labour are included in the immediate concept of *productive labour*, and those who perform it are classed as *productive workers*, workers directly exploited by capital and *subordinated* to its process of production and expansion. If we consider the aggregate *worker*, i.e. if we take all the members comprising the workshop together, then we see that their *combined activity* results materially in an *aggregate* product which is at the same time a *quantity of goods*. And here it is quite immaterial whether the job of a particular worker, who is merely a limb of this aggregate worker, is at a greater or smaller distance from the actual manual labour. But then: the activity of this aggregate labour-power is its *immediate productive consumption by capital*, i.e. it is the self-valorization process of capital, and hence, as we shall demonstrate, the immediate production of surplus-value, the *immediate conversion of this latter into capital.*

Second, the more detailed definition of productive labour follows from the characteristic features of capitalist production as we have described them. In the first place, the owner of labour-power confronts capital or the capitalist, irrationally, as we have seen it expressed, as the *seller* of his property. He is the direct vendor of *living labour, not of a commodity*. He is a *wage-labourer*. This is the *first premiss*. Secondly, however, once this preliminary process (which is really part of circulation) has been initiated, his labour-power, his labour, is directly incorporated into the production process of capital as a *living factor*; it becomes one of its *components*, a variable component, moreover, which partly maintains and partly reproduces the capital values invested. It goes even further; it *augments* them and, through the creation of surplus-value, it transforms them into value valorizing itself, into capital. This labour *objectifies* itself directly during the labour process as a *fluid quantum of value.*

It is possible for the *first condition to be fulfilled and not the second.* A worker can be a wage-labourer, a day labourer etc. This happens whenever the second moment is absent. Every productive worker is a wage-labourer, but not every wage-labourer is a productive worker. Whenever labour is purchased to be consumed as a *use-value*, as a *service* and not to replace the value of variable capital with its own *vitality* and be incorporated into the capitalist process of production – whenever that happens, labour is not productive and the wage-labourer is no productive worker. His work is consumed for its *use-value*, not as *creating exchange-value*; it is consumed unproductively, not productively. Hence the capitalist does not encounter it in his role of capitalist, a representative of capital. The money that he pays for it is *revenue*, not *capital*. Its consumption is to be formulated not as M–C–M, but as C–M–C (the last being the *labour* or *service* itself). The money functions here only as a means of circulation, not as capital.

482 The *services* that the capitalist buys freely or under compulsion (for example from the state) for their use-value are not consumed productively and cannot become *factors of capital*, any more than the *commodities* he buys for his personal consumption. They do not become factors of capital; they are therefore not productive labour and those who carry them out are not *productive workers.*

The more production becomes the production of commodities, the more each person has to, and wishes to, become a *dealer in commodities*, then the more everyone wants to make money, either from a product, or from his *services*, if his product only exists naturally in the form of a service, and this *money-making* appears as the ultimate purpose of activity of every kind.[28] In capitalist production the tendency for all products to be commodities and all labour to be *wage-labour*, becomes absolute. A whole mass of functions and activities which formerly had an aura of sanctity about them, which passed as ends in themselves, which were performed for nothing or where payment was made in roundabout ways (like all the professions, barristers, doctors, in England where the barrister and the physician neither could nor can sue for payment to this very day) – all these become directly converted into *wage-labourers*, however various their activities and *payment* may be.[29] And, on the other hand, their valuation – the *price* of these different *activities* from the prostitute to the king – becomes subject to the *laws that govern the price of wage-labour*. The implications of this last point should be explored in a special treatise on wage-labour and wages, rather than here. Now the fact that with the growth of capitalist production all *services* become transformed into *wage-labour*, and those who perform them into *wage-labourers*, means that they tend increasingly to be confused with the productive worker, just because they share this characteristic with him. This confusion is all the more tempting because it arises from *capitalist production* and is typical of it. On the other hand, it also creates an opening for its apologists to convert the productive worker, simply because he is a wage-labourer, into a worker who only exchanges his *services* (i.e. his labour as a use-value) for *money*. This makes it easy for them to gloss over the specific nature of this 'productive worker' and of capitalist production – as the production of surplus-value, as the self-valorization of capital in which living labour is no more than the agency it has embodied in itself. A soldier is a wage-labourer, a mercenary, but this does not make a productive worker of him.

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[28] Aristotle. [See above, p. 253, n. 6.]

Further error springs from two sources.

First, within capitalist production there are always certain parts of the productive process that are carried out in a way typical of *earlier modes of production*, in which the relations of *capital and wage-labour* did not yet exist and where in consequence the capitalist concepts of *productive* and unproductive labour are quite inapplicable. But in line with the dominant mode of production, even those kinds of labour which have not been subjugated by capitalism in reality are so in thought. For example, the self-employing worker is his own wage-labourer; his own means of production appear to him in his own mind as capital. As his own capitalist he puts himself to work as wage-labourer. Such anomalies provide welcome opportunities for all sorts of hot air about the difference between productive and unproductive labour.

483 *Second*, certain kinds of *unproductive work* may be incidentally connected to the process of production and their *price* may even enter into the *price of the commodity*. In consequence the money laid out for them may form part of the *capital invested* and the

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[29] *Manifesto of the Communist Party* (1848). [*The Revolutions of 1848*, ibid.]

labour they require may appear to be labour exchanged not for *revenue* but directly for *capital.*

As an example of this, let us consider *taxes,* the price for government services. But taxes belong to the *faux frais de production** and as far as capitalist production is concerned they are utterly *adventitious* and anything but a necessary, intrinsic phenomenon *resulting* from it. If, for example, all *indirect* taxes are converted into *direct* ones, the taxes will be paid now as before, but they will cease to be capital investment and will instead be the disbursement of *revenue.* The fact that this metamorphosis is possible shows its superficial, external and incidental nature as far as it touches the capitalist process of production. A comparable metamorphosis in productive labour on the other hand would mean the end of the revenue from capital and of capital itself.

Further examples are legal proceedings, contractual agreements, etc. All matters of this sort are concerned with stipulations between commodity owners as buyers and sellers of goods, and have nothing to do with the relations between capital and labour. Those engaged on them may become the wage-labourers of capital; but this does not make productive workers of them.

Productive labour is merely an abbreviation for the entire complex of activities of labour and labour-power within the capitalist process of production. Thus when we speak of *productive labour* we mean *socially determined* labour, labour which implies a quite specific relationship between the buyer and seller of labour. Productive labour is exchanged directly for *money as capital,* i.e. for money which is intrinsically capital, which is destined to function as capital and which confronts labour-power as capital. Thus productive labour is labour which for the worker only reproduces the value of his labour-power as determined beforehand, while as a value-creating activity it valorizes capital and *confronts* the worker with the values so created and transformed into *capital.* The specific relationship between *objectified* and *living* labour that converts the former into capital also turns the latter into *productive labour.*

The specific product of the capitalist process of production, surplus-value, is created only through an exchange with *productive labour.*

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*'Incidental costs of production'.

What gives it a *specific use-value* for capital is not its particular utility, any more than the particular useful qualities of the product in which it is objectified. Its use to capital is its ability to generate exchange-value (surplus-value).

The capitalist process of production does not just involve the production of commodities. It is a process which absorbs unpaid labour, which makes the means of production into the means for extorting unpaid labour.

From the foregoing it is evident that for *labour to be designated productive*, qualities are required which are utterly unconnected with the *specific content* of the labour, with its particular utility or the use-value in which it is objectified.

484 Hence labour with *the same content* can be either productive or unproductive.

For instance, Milton, who wrote *Paradise Lost*, was an unproductive worker. On the other hand, a writer who turns out work for his publisher in factory style is a productive worker. Milton produced *Paradise Lost* as a silkworm produces silk, as the activation of *his own* nature. He later sold his product for £5 and thus became a merchant. But the literary proletarian of Leipzig who produces books, such as compendia on political economy, at the behest of his publisher is pretty nearly a productive worker since his production is taken over by capital and only occurs in order to increase it. A singer who sings like a bird is an unproductive worker. If she sells her song for money, she is to that extent a wage-labourer or merchant. But if the same singer is engaged by an entrepreneur who makes her sing to make money, then she becomes a productive worker, since she *produces* capital directly. A schoolmaster who instructs others is not a productive worker. But a schoolmaster who works for wages in an institution along with others, using his own labour to increase the money of the entrepreneur who owns the knowledge-mongering institution, is a productive worker. But for the most part, work of this sort has scarcely reached the stage of being subsumed even formally under capital, and belongs essentially to a transitional stage.

On the whole, types of work that are consumed as services and not in products separable from the worker and hence not capable of existing as commodities independently of him, but which are yet capable of being directly exploited in *capitalist* terms, are of microscopic significance when compared with the mass of capitalist production. They may be entirely neglected, therefore, and can be dealt with under the category of wage-labour that is not at the same time productive labour.

It is possible for work of one type (such as gardening, tailoring etc.) to be performed by the same working man either in the service of an industrial capitalist or on behalf of the immediate consumer. He is a wage-labourer or day labourer in either situation, only he is a *productive* worker in the one case and *unproductive* in the other, because in the one he produces capital and in the other not; because in the one case his work is a factor in the self-valorization process of capital and in the other it is not.

A large part of the annual product which is consumed as revenue and hence does not re-enter production as its means, consists of the most tawdry products (use-values) designed to gratify the most impoverished appetites and fancies. As far as the question of productive labour is concerned, however, the nature of these objects is quite immaterial (although obviously the development of wealth would inevitably receive a check if a disproportionate part were to be reproduced in this way instead of being changed back into the means of production and subsistence, to become absorbed once more – productively consumed, in short – into the process of reproduction either of commodities or of labour-power). This sort of productive labour produces use-values and objectifies itself in products that are destined only for unproductive consumption. In their reality, as articles, they have no *use-value* for the process of reproduction. (For they could acquire this only through *metabolism*, through the exchange with productive use-values; but this is only a displacement. Somewhere they must be consumed unreproductively. Other such articles falling into the category of unproductive consumption could, if need be, also function again as capital. More about this in Bk II, Chapter III,* on the process of reproduction. We would make only one comment here in anticipation: ordinary economic theory finds it impossible to utter a single sensible word on the barriers to the production of luxuries even from the standpoint of capitalism itself. The matter is very simple, however, if the elements of the process of reproduction are examined systematically. If the process of reproduction suffers a check, or if its progress, in so far as this is already determined by the natural growth of the population, is held up by the disproportionate diversion of *productive labour* into unreproductive articles, it follows that the means of subsistence or production will not be reproduced in the necessary quantities. In that event it is possible to condemn the manufacture of luxury goods from the standpoint of capitalist production. For the rest, however, luxury goods are absolutely necessary for a mode of production which creates wealth for the non-producer and which therefore must provide that wealth in forms which permit its acquisition only by those who enjoy.)

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*i.e. Vol. 2, Part Four.

For the worker himself this productive labour, like any other, is simply a means of reproducing the means of subsistence he requires. For the capitalist to whom both the nature of the use-value and the character of the actual concrete labour employed are matters of complete indifference, it is simply *un moyen de battre monnaie, de produire la survalue.**

485 The desire to define *productive* and *unproductive* labour in terms of their *material* content has a threefold source.

(1) The fetishism peculiar to the capitalist mode of production from which it arises. This consists in regarding *economic* categories, such as being a *commodity* or *productive* labour, as qualities inherent in the material incarnations of these formal determinations or categories;

(2) Looking at the labour process as such, labour is held to be *productive* only if it results in a *product* (and since we are concerned here only with material wealth, it must be a material product);

(3) In the *actual* process of reproduction – considering only its *real* moments – there is a vast difference which affects the formation of wealth, between labour which is engaged on articles essential to reproduction and labour concerned purely with luxuries.

(*Example*: It is a matter of complete indifference to me whether I buy a pair of trousers or whether I just buy the cloth and have a tailor's assistant come into my house and pay him for his *services* (i.e. making it up). I buy it from the merchant tailor because it is cheaper. In either case I convert the money I spend into a use-value that forms part of my individual consumption, and that is designed to gratify my individual need, and not into capital. The tailor's assistant performs the identical *service* for me irrespective of whether he works for the merchant tailor, or in my home. On the other hand, when the same tailor's assistant is employed by a merchant tailor the service he performs for that capitalist is that he does 12 hours' work and is paid only for 6. The service he performs, then, is that he does 6 hours' work for nothing. The fact that this transaction is embodied in the action of making trousers only *conceals* its real nature. As soon as he can, the merchant tailor seeks to convert the trousers back into money, i.e. into a form in which the distinctive character of the work of tailoring has totally disappeared, and the service performed becomes embodied in the fact that one thaler has become two.)

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*'A means of coining money, of producing surplus-value'.

In general, we may say that *service* is merely an expression for the particular use-value of labour where the latter is useful not as an article, but as an activity. *Do ut facias, facio ut facias, facio ut des, do ut des** – all these are interchangeable formulae for the same situation, whereas in capitalist production the *do ut facias* expresses a highly specific relationship between material wealth and living labour. Since, therefore, in this *purchase of services* the specific relation of capital and labour is not contained – it is either obliterated or simply absent – it is naturally the form preferred by Say, Bastiat and Co. to express the *relation of capital and labour*.†

The worker, too, purchases *services* with his money. This is a form of expenditure, but it is no way to turn money into capital.

No one buys medical or legal 'services' as a means of converting the money laid out into capital.

A large proportion of *services* belongs with the costs of consuming produce. Cooks for example.

The distinction between *productive* and *unproductive* labour depends merely on whether labour is exchanged for *money as money* or for *money as capital*. For instance, if I buy *produce* from a self-employing worker, artisan, etc., the category does not enter into the discussion because there is no direct exchange between money and labour of any kind, but only between *money* and *produce*.

In the case of non-material production there are two possibilities, even where it is undertaken purely for the sake of exchange, producing goods, etc:

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*'I give so that you may do, I do so that you may do, I do so that you may give, I give so that you may give.'

† See above, p. 300, n. 17.

(1) It results in commodities which exist separately from the producer, i.e. they can circulate in the interval between production and consumption as commodities, e.g. books, paintings and all products of art as distinct from the artistic achievement of the practising artist. Here capitalist production is possible only within very narrow limits. Apart from such cases as, say, sculptors who employ assistants, these people (where they are not independent) mainly work for merchant's capital, e.g. booksellers, a pattern that is only transitional in itself and can only lead to a *capitalist mode of production in the formal* sense. Nor is the position altered by the fact that exploitation is at its greatest precisely in these transitional forms.

(2) The product is not separable from the act of producing. Here too the capitalist mode of production occurs only on a limited scale and in the nature of the case it can operate only in certain areas. (I want *the doctor* and not his errand boy.) For example, in teaching institutions the teachers can be no more than wage-labourers for the entrepreneur of the learning factory. Such peripheral phenomena can be ignored when considering capitalist production as a whole.

'*The productive labourer* [is one who] directly increases *his master's wealth*' (Malthus, *Principles of Political Economy*, 2nd edn, London, 1836 [p. 47, note]).

The distinction between *productive* and *unproductive labour* is vital for accumulation since only the exchange for productive labour can satisfy one of the conditions for the reconversion of surplus-value into capital.

As the representative of *productive capital* engaged in the process of self-expansion, the capitalist performs a *productive* function. It consists in the direction and exploitation of productive labour. In contrast to his fellow-consumers of *surplus-value* who stand in no such immediate and active relationship to their production, his class is the *productive* class par excellence. (As the director of the labour process the capitalist performs *productive labour* in the sense that his labour is involved in the total process that is realized in the product.) We are concerned here only with capital within the immediate process of production. The other functions of capital and the agents which it employs within them form a subject to be left for later.

The definition of *productive labour* (and hence of its opposite, *unproductive* labour) is based on the fact that the production of capital is the production of surplus-value and the labour it employs is labour that produces surplus-value.

487 NET AND GROSS PRODUCT

(This fits better perhaps in Bk III, Chapter III.)
Since the purpose of capitalist production (and hence of *productive* labour) is not the existence of the producer, but the production of surplus-value, it follows that all necessary labour which does not produce surplus labour is superfluous and worthless to capitalist production. The same holds good for a nation of capitalists. All *produit brut* [gross produce] which merely reproduces the worker, i.e. which creates no *produit net* [surplus produce] is just as superfluous as the worker himself. Thus workers who were indispensable for the creation of *produit net*, at a certain stage of development, can become superfluous at a more advanced stage of production which has no need of their services. In other words, only the number of people profitable to capitalism is necessary. The same holds good for the nation of capitalists. 'Is not the real interest of a nation similar' to the interest of a private capitalist for whom 'it would be a matter quite indifferent whether his capital would employ a hundred or a thousand men . . . provided his profits on a capital of £20,000 were not diminished below £2,000'? 'Provided its net real income, its rents and profits be the same, it is of no importance whether the nation consists of ten or of twelve millions of inhabitants . . . If five millions of men could produce as much food and clothing as was necessary for ten millions, food and clothing for five millions would be the net revenue. Would it be of any advantage to the country, that to produce this same net revenue, seven millions of men should be required, that is to say, that seven millions should be employed to produce food and clothing sufficient for twelve millions? The food and clothing of five millions would still be the net revenue.'*

Even the philanthropists can have no objection to bring forward against this statement of Ricardo's. For it is always better that of ten million people only 50 per cent should vegetate as pure production-machines for five millions, than that of twelve millions, seven or 58⅓ per cent should vegetate as such.

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* Ricardo, *On the Principles of Political Economy*, pp. 416–17.

'Of what use in a modern kingdom would be a whole province thus divided (between self-sustaining little farmers as in the first times of ancient Rome), however well cultivated, except for the mere purpose of breeding men, which singly taken, is a most useless purpose' (Arthur Young, *Political Arithmetic, etc.*, London, 1774, p. 47).

Since capitalist production is *essentiellement* the *production of surplus-value,* its aim is *net produce* and that is to say the form of *surplus-produce* in which *surplus-value* is embodied.

All this conflicts with, for example, the antiquated view typical of earlier modes of production according to which the city authorities would, for instance, prohibit inventions so as not to deprive workers of their livelihood. In such a society the worker was an end in himself and appropriate employment was his privilege, a right which the entire order was concerned to maintain. It conflicts, moreover, with the idea of the protectionist system (as opposed to free trade), an idea tinged with nationalism, which holds that industries should be protected since they form the source of income for a mass of people. They should therefore be protected on a national basis against foreign competition. Finally, it conflicts with the view of Adam Smith that, for example, the investment of capital in agriculture is 'more productive' because the same capital provides work for more hands. From the perspective of an advanced form of capitalist production these are all antiquated and erroneous ideas. A large gross product (as far as the variable part of capital is concerned) standing in proportion to a small net product = a reduction in the productive power of labour and therefore of capital.

488 Traditionally, however, all sorts of confused ideas are current in connection with the gross and net product. They stem in part from the Physiocrats (see Book IV), and in part from Adam Smith who still here and there confuses capitalist production with production on behalf of the immediate producers.

The individual capitalist who sends his money abroad and receives 10 per cent interest for it, whereas by keeping it at home he could employ a mass of surplus people, deserves from the standpoint of capitalism to be crowned king of the bourgeoisie. For this man of virtue simply implements the law which distributes capital on the world market, just as it does within the bounds of the domestic market, viz. in tune with the rate of profit yielded by the various spheres of production: it has the effect of balancing them out and regulating production. (It is irrelevant whether the money goes, for instance, to the Tsar of Russia to finance wars against Turkey. In acting thus the individual capitalist only obeys the immanent law, and hence the moral imperative, of capital to produce as much surplus-value as possible.) However, this has no connection with our examination of the immediate process of production.

Furthermore, the contrast is often made between *capitalist* and *non-capitalist production*. For example, agriculture for subsistence in which hands are occupied, is distinguished from agriculture for trade, which places a much greater product on the market and hence allows people formerly engaged in agriculture to recover a net product in manufacturing. But this distinction has no application *within* capitalist production itself.

On the whole, we have seen that the law of capitalist production is to increase constant capital at the expense of variable, that is, to increase surplus-value, net produce. Secondly, net produce is to be increased in relation to the part of the product that replenishes capital, i.e. wages. Now these two things are frequently confused. If the aggregate product is called the gross product, then in capitalist production it grows in relation to the net product; if we call that portion of the product that can be broken down into wages + net produce the net product, then the net product grows in relation to the gross product. Only in agriculture (owing to the conversion of cultivated land into pasture) does the net product often grow at the expense of the gross product (the overall mass of products) in consequence of certain features peculiar to rent which cannot be discussed in this context.

In other respects the theory of the *net product* as the last and highest purpose of production is no more than the brutal but accurate expression of the fact that the *valorization of capital*, and hence the creation of surplus-value without heed to the worker, is the driving force behind capitalist production.

Its loftiest ideal – corresponding to the relative growth of the *produit net* – is the greatest possible reduction of wages, the greatest possible increase in the number of those living off *produit net*.

MYSTIFICATION OF CAPITAL ETC.

Since – within the process of production – living labour has already been absorbed into capital, all the *social productive forces of labour* appear as the *productive forces* of capital, as intrinsic attributes of capital, just as in the case of money, the creative power of labour had seemed to possess the qualities of a thing. What was true of money is even truer of capital because:

(1) although labour is an *expression of labour-power*, although it represents the effort of the *individual worker*, and so belongs to him (it is the substance with which he pays the capitalist for what he receives from him), it nevertheless objectifies itself in the product and so belongs to the capitalist. – Even worse, the *social configuration* in which the individual workers exist, and within which they function only as the particular organs of the total labour-power that makes up the workshop as a whole, does not belong to them either. On the contrary, it confronts them as a *capitalist arrangement* that is *imposed* on them;

(2) these *social productive forces of labour*, or *productive forces of social labour*, came into being historically only with the advent of the specifically capitalist mode of production. That is to say, they appeared as something intrinsic to the relations of capitalism and inseparable from them;

(3) with the development of the capitalist mode of production the *objective conditions of labour* take on a different form owing to the scale on which, and the economy with which, they are employed (quite apart from the form of the machinery itself). As they develop they become increasingly concentrated; they represent *social* wealth and, to put the matter in a nutshell, their scope and their effect is that of the *conditions of production* of labour *socially* combined. And quite apart from the combination of labour, the *social character of the conditions of labour* – and this includes machinery and *capitale fixe* of every kind – appears to be entirely autonomous and independent of the worker. It appears to be a *mode of existence of capital* itself, and therefore as something ordered by *capitalists* without reference to the workers. Like the *social character* of their own labour, but to a far greater extent, the *social character* with which the conditions of production are en-

dowed, as the conditions of production of the combined labour of the *community*, appears as *capitalistic*, as something independent of the workers and intrinsic to the conditions of production themselves.

ad (3) we should at once add the following rider which to some extent anticipates later discussion:

Profits as distinct from surplus-value can rise as a result of the economical use of *collective* conditions of labour, such as saving in overheads, for example heating, lighting, etc. The fact that the value of the prime mover does not increase at the same rate as its power: economies in the price of raw materials, recycling of waste, reduction in administrative costs, or in storage costs as the result of mass production, etc. – all these *relative* savings accruing to constant capital and coinciding with the absolute growth in its value are based on the fact that these means of production, i.e. both the means and the materials of labour, are used *collectively*. This *collective* use in its turn is based on the absolute premiss of the co-operation of an agglomeration of workers. It is itself, therefore, only the objective expression of the *social character of labour* and the social forces of production arising from it, just as the particular form assumed by these conditions, the machinery for instance, cannot possibly be used other than for work on a co-operative basis. To the worker who enters into these relations, however, they appear as *given* conditions, *independent* of himself; they are the *forms of capital*. In consequence, all these economies (and the resultant growth in profits and reductions in the price of goods) seem to be something quite separate from the *surplus labour* of the worker. They appear to be the direct *act* and *achievement of the capitalist*, who functions here as the personification of the *social* character of labour, of the *workshop as a whole*. In the same way, *science*, which is in fact the general intellectual product of the social process, also appears to be the direct offshoot of capital (since its application to the material process of production takes place in isolation from the knowledge and abilities of the individual worker). And since society is marked by the exploitation of labour by capital, its development appears to be the productive force of capital as opposed to labour. It therefore appears to be the *development of capital*, and all the more so since, for the great majority, it is a process with which the *drawing-off of labour-power* keeps pace.

The capitalist himself wields power only inasmuch as he is the personification of capital. (It is for this reason that he always appears in a dual role in Italian book-keeping. For instance, as the debtor of his own capital.)

As regards capital in the context of the *formal* mode of subsumption, its *productivity* consists in the first instance only in the *compulsion to perform surplus labour.* This compulsion is one which it shares with earlier modes of production, but in capitalism it is more favourable for production.

Even if we consider just the *formal* relation, the *general* form of capitalist production, which is common to both its more and its less advanced forms, we see that the *means of production,* the *material conditions of labour,* are not subject to the worker, but he to them. Capital *employs* labour. This in itself exhibits the relationship in its simple form and entails the personification of things and the reification [*Versachlichung*] of persons.

The relationship becomes more complicated, however, and apparently more mysterious, with the emergence of the specifically capitalist mode of production. Here we find that it is not only such things – the products of labour, both use-values and exchange-values – that rise up on their hind legs and face the worker and confront him as '*Capital*'. But even the social form of labour appears as a *form of development of capital,* and hence the productive forces of social labour so developed appear as the *productive forces of capitalism. Vis-à-vis* labour such social forces are in fact '*capitalized*'. In fact *collective* unity in co-operation, combination in the division of labour, the use of the forces of nature and the sciences, of the products of labour, as *machinery* – all these confront the individual workers as something *alien, objective, ready-made,* existing without their intervention, and frequently even hostile to them. They all appear quite simply as the prevailing forms of the instruments of labour. As objects they are independent of the workers whom they *dominate.* Though the workshop is to a degree the product of the workers' combination, its entire intelligence and will seem to be incorporated in the capitalist or his understrappers [Marx's word], and the workers find themselves confronted by the *functions* of the capital that lives in the capitalist. The social forms of their own labour – both subjectively and objectively – or, in other words, the forms of *their own* social labour, are utterly independent of the individual workers. Subsumed under capital the workers become components of these social formations, but these social formations do not belong to them and so rise up against them as the *forms* of capital itself, as if they belonged to capital, as if they arose from it and were integrated within it, in opposition to the isolated labour-power of the workers. And this entire process is progressively intensified as their labour-power is itself modified by these forms to such an extent that it is rendered impotent even when it exists autonomously. In other words its independent productive capacities are destroyed once it finds itself outside the framework of capitalism. And on the other hand, with the development of machinery there is a sense in which the conditions of labour come to dominate labour even technologically and, at the same time, they replace it, suppress it and render it superfluous in its independent forms. In this process, then, the *social* characteristics of their labour come to confront the workers so to speak in a *capitalized* form; thus machinery is an instance of the way in which the visible products of labour take on the appearance of its masters. The same transformation may be observed in the forces of nature and science, the products of the general development of history in its abstract quintessence. They too confront the workers as the *powers* of capital. They become separated effectively from the skill and the knowledge of the individual worker; and even though ultimately they are themselves the products of labour, they appear as an *integral* part of capital wherever they intervene in the labour process. The capitalist who puts a machine to work does not need to understand it. (See Ure.) But the science realized *in the machine* becomes manifest to the workers in the form of *capital*. And in fact every such application of *social labour* to science, the forces of nature and the products of labour on a large scale, appears as no more than the *means for the exploitation of labour*, as the means of appropriating surplus labour, and hence it seems to deploy *forces* distinct from labour and integral to capital. Of course, capital makes use of these means only in order to exploit labour, but if it is to exploit it, it must apply them to production itself. And so the development of the *social* productive forces of labour and the conditions of that development come to appear as the *achievement of capital*, an achievement which the individual worker endures passively, and which progresses at his expense.

Since capital consists of commodities, it appears in twofold form:

(1) *Exchange-value* (money), but value *valorizing* itself, value

that creates value, *grows as value*, receives an increment simply because it is *value*. This resolves itself into the exchange of a given quantity of objectified labour for a larger amount of living labour.

(2) *Use-value*, and here capital conforms to the specific nature of the labour process. And precisely here it is not limited to the materials or means of labour to which *labour* belongs, which have absorbed labour. But along with labour it has also appropriated its network of *social relations* and the level of development of the means of labour corresponding to them. Capitalist production is the first to develop the conditions of the labour process, both its objective and subjective ones, on a large scale – it tears them from the hands of the individual independent worker, but develops them as powers that control the individual *worker* and are *alien* to him.

In this way capital becomes a highly mysterious thing.

491 The conditions of labour pile up in front of the worker as *social forces*, and they assume a *capitalized* form.

Thus capital appears *productive*:

(1) as the *compulsion to surplus labour*. Now if labour is *productive* it is precisely as the agent that performs this surplus labour, as the result of the difference between the actual value of labour-power and its valorization.

(2) as the *personification and representative*, the reified form of the 'social productive forces of labour' or the productive forces of social labour. How the law of capitalist production – the creation of surplus-value, etc. – achieves this has already been discussed. It takes the form of a compulsion which the capitalists impose upon the workers and on each other: – in reality, then, it is the law of capital as enforced against both. Labour as a social and natural force does not develop within the valorization process as such, but within the *actual labour process*. It presents itself therefore as a set of attributes that are intrinsic to capital as a thing, as its use-value. Productive labour – as something productive of value – continues to confront capital as the labour of the *individual* workers, irrespective of the social combinations these workers may enter into in the process of production. Therefore whereas capital always represents the social productivity of labour *vis-à-vis* the workers, productive labour itself never represents more than the labour of the *individual* worker *vis-à-vis* capital.

We have already seen in our discussion of the *process of accumulation* how past labour, i.e. labour in the form of the forces and conditions of production already produced, intensifies reproduction both as use-value and exchange-value; i.e. both in terms of the mass of value which a specific quantum of living labour *sustains*, as also the *mass of use-values* it creates anew. And we have seen how this manifests itself as a *force immanent in capital*, because the *objectified labour* always functions as capitalized labour *vis-à-vis* the worker.

'*Le capital c'est la puissance démocratique philanthropique et égalitaire par excellence*' [' Capital is the democratic, philanthropic and egalitarian power par excellence'] (F. Bastiat, *Gratuité du crédit, etc.*, Paris, 1850, p. 29).

'Stock cultivates land: stock employs labour' (Adam Smith, op. cit., Bk V, Ch. 2, ed. Buchanan, 1814, Vol. 3, p. 309).

'Capital is ... collective force' (John Wade, *History of the Middle and Working Classes etc.*, 3rd edn, London, 1835, p. 162). 'Capital is only another name for civilization' (ibid., p. 104).

'*La classe des capitalistes, considérée en bloc, se trouve dans une position normale, en ce que son bien-être suit la marche du progrès social*' (Cherbuliez, *Riche ou pauvre*, p. 75). '*Le capitaliste est l'homme social par excellence, il représente la civilisation*' (ibid., p. 76). ['The class of capitalists, considered as a whole, finds itself in a normal situation when its well-being keeps pace with the march of social progress ... The capitalist is social man par excellence: he represents civilization.]

Superficial: 'The *productive power of capital* is nothing but the quantity of real productive power which the capitalist can command by virtue of his capital' (John Stuart Mill, *Essays on Some Unsettled Questions of Political Economy*, London, 1844, p. 91).

'The accumulation of capital, or of the means of employing labour ... must in all cases depend on the *productive powers of labour*' (Ricardo, *Principles*, 3rd edn, 1821, p. 92). A commentator on Ricardo made the following observation on this point: '*If the productive powers of labour mean the smallness of that aliquot part of any produce that goes to those whose manual labour produced it*, the sentence is nearly identical' (*Observations on Certain Verbal Disputes in Political Economy*, London, 1821, p. 74).

The constant transposition of labour into capital is well formulated in the following naïve statements of *Destutt de Tracy*:

'*Ceux qui vivent de profits (les capitaux industrieux) alimentent tous les autres, et seuls augmentent la fortune publique et créent tous nos moyens de jouissance. Cela doit être*, puisque le travail est la source de toute richesse, *et puisque eux seuls donnent une* direction utile au travail actuel, *en faisant un usage utile du travail accumulé*' ['They' (the industrial capitalists) 'who live on profits maintain all the others and alone augment the public fortune and create all our means of enjoyment. That must be so, *because labour is the source of all wealth* and because they alone give a *useful direction to current labour*, by making a useful application *of accumulated labour*'] (Destutt de Tracy, *Traité d'économie politique*, p. 242). Because labour is the source of all wealth, capital is the augmenter of all wealth. '*Nos facultés sont notre seule richesse originaire, notre travail produit tous les autres, et tout travail bien dirigé est productif*' ['Our faculties are our only original wealth; our labour produces all other wealth, and all labour, properly directed, is productive'] (ibid., p. 243). Our capacities are our only original wealth. Hence the capacity for labour is no wealth. Labour produces all other forms of wealth; that is to say, it produces wealth for all others but itself, and it is not even wealth itself, but merely the product of wealth. All well-directed labour is productive; in other words, all productive labour, all labour that yields profit for the capitalist, is well directed.

The transposition of the social productivity of labour into the material attributes of capital is so firmly entrenched in people's minds that the advantages of machinery, the use of science, invention, etc. are *necessarily* conceived in this *alienated* form, so that all these things are deemed to be the *attributes of capital*. The basis for this is (1) the form in which objects appear in the framework of capitalist production and hence in the minds of those caught up in that mode of production; (2) the historical fact that this development first occurs in capitalism, in contrast to earlier modes of production, and so its *contradictory character appears* to be an integral part of it.

TRANSITION FROM SECTIONS II AND III TO SECTION I*

We have seen that capitalist production is the production of surplus-value, and as such (in the process of *accumulation*), it is at the same time the *production of capital* and the *production* and reproduction of the entire capitalist relation on a steadily increasing (expanding) scale. But the surplus-value is produced only as a part of the value of commodities and it appears in a specific quantum of commodities or surplus produce. Capital produces only *surplus-value* and reproduces itself only in its capacity as the *producer of commodities*. It is therefore with the *commodity* as its *immediate product* that we must concern ourselves once more. However, as we have seen, *commodities* are *incomplete results* regarded *formally* (i.e. as economic forms). Before they can function again as wealth (whether as money or as use-values), they must undergo certain formal changes and they must re-enter the process of exchange in order to do so. We must therefore take a closer look at the *commodity* as the first result of the capitalist process of production and then consider the further processes that it has to undergo. (Commodities are the elements of capitalist production, and commodities are its *product*; they are the form in which capital re-appears at the end of the process of production.)

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* Marx actually gave this section the heading 'Transition from Sections I and II of This Chapter to Section III, Originally Treated as Section I',

We begin with the commodity, with this specific social form of the product – for it is the foundation and premiss of capitalist production. We take the individual product in our hand and analyse the formal determinants that it contains as a commodity and which stamp it as a commodity. Prior to capitalist production a large part of what was produced did not take the form of commodities, nor was it produced for that purpose. What is more, a large proportion of the products that went into production were not commodities and did not go into the process of production as commodities. The transformation of produce into commodities occurred only at isolated points; it affected only the surplus produce, or only particular sectors (such as manufactured goods). Produce as a whole did not enter into the process as merchandise, nor did it emerge as such from the process.[30] Nevertheless, within certain limits both goods and money were circulated and hence there was a certain evolution of trade: this was the *premiss and point of departure for the formation of capital* and the capitalist

[30] See the French work of around 1752 where it is alleged that before ... only wheat was regarded as merchandise in France.

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following his intention to re-arrange the order of sections as explained on p. 949. To avoid confusion we have retitled it to conform with the order in which the three sections are presented here.

mode of production. We regard the commodity as just such a premiss and we proceed from the commodity as capitalist production in its simplest form. On the other hand, however, the *commodity* is a product, a result of capitalist production. What began as one of its components turns out later to be its own product. Only on the basis of capitalist production will the commodity become the general form of the product. And the more it evolves the more will all the ingredients of production become absorbed into the process.*

III: CAPITALIST PRODUCTION IS THE PRODUCTION AND REPRODUCTION OF THE SPECIFICALLY CAPITALIST RELATIONS OF PRODUCTION

The product of capitalist production is not only *surplus-value*; it is also *capital.*

Capital is, as we have seen, M–C–M, i.e. *value valorizing itself*, value that gives birth to value.

In the first instance, even after its conversion into the factors of the labour process (i.e. into the means of production, *constant* capital on the one hand – and *labour-power* into which the variable capital has been transformed, on the other), the value or money invested is only capital *in itself*, only *potentially*. And this was even truer before it was transposed into the factors of the actual process of production. Only when it finds itself within that process, only when living labour is *really* incorporated into the objectively existent forms of capital, only when additional labour is sucked into the process, only then do we find that *this labour* is converted into capital. And furthermore, we then find that the amounts of potential capital, of what has been capital in intention, what has actually been invested, have also been transformed into capital in actuality and in effect. What took place in this process as a whole? The worker sold the right to control his labour-power in exchange for the necessary means of subsistence. He did so for a specific value which was determined by the value of his labour-power. Looking at him, what is the result? *Simplement et purement* the reproduction of his labour-power. So what did he part with? The activity that maintains value, that creates and augments it: his labour. Thus, if we ignore the exhaustion of his labour-power, he emerges from the process as he entered it, namely as a merely subjective labour-power which must submit itself to the same process once more if it is to survive.

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*After the heading to the two foregoing paragraphs Marx made the note: 'Cf. p. 444'. It is for this reason that we have inserted the text of this last paragraph here. In the MS. it is emphasized by a number of brackets.

In contrast to this, capital does not emerge from the process as it entered it. It only becomes real capital, value valorizing itself, *in the course* of the process. It now exists as capital realized in the form of the aggregate product, and as such, as the property of the capitalist, it now confronts labour once more as an autonomous power even though it was created by that very labour. Hence the process does not reproduce just capital, but also the product. Previously, the conditions of production confronted the worker as capital only in the sense that he *found* them existing as *autonomous* beings opposed to himself. What he now finds so opposed to him is the product of his own labour. What had been the premiss is now the result of the process of production.

To say that the process of production creates *capital* is, to that extent, just another way of saying that it has created *surplus-value.*

But the matter does not rest there. The surplus-value is changed back into additional capital; it manifests itself as the formation of new capital or of enlarged capital. Hence *capital* has created *capital*; it has not just realized itself as capital. The *process of accumulation* is itself an intrinsic feature of the capitalist process of production. It entails the *new creation of wage-labourers*, of the means to realize and increase the available amount of capital. It does this either by extending its rule to sections of the population not previously subject to itself, such as women or children; or else it subjugates a section of the labouring masses that has accrued through the natural growth of the population. On closer inspection it becomes evident that capital itself *regulates* this production of labour-power, the production of the mass of men it intends to exploit in accordance with its own needs. Hence capital not only produces capital, it produces a growing mass of men, the material through which alone it can function as additional capital. Therefore, it is not only true to say that labour produces on a constantly increasing scale the conditions of labour in opposition to itself in the *form* of *capital*, but equally, capital produces on a steadily increasing scale the productive wage-labourers it requires. Labour produces the conditions of its production in the form of *capital*, and capital produces labour, i.e. as wage-labour, as the means towards its own realization as *capital*. Capitalist production is not merely the reproduction of the relationship: it is its reproduction on a steadily increasing scale. And just as the social productive forces of labour develop in step with the capitalist mode of production, so too the heaped-up wealth confronting the worker grows apace and confronts him as *capital*, as *wealth that controls him*. The world of wealth expands and faces him as an alien world dominating him, and as it does so his subjective poverty, his need and dependence grow larger in proportion. His *deprivation* and its *plenitude* match each other exactly. And at the same time, there is a corresponding increase in the mass of this living means of production of capital: the labouring proletariat.

493 The *growth of capital* and the *increase in the proletariat* appear, therefore, as interconnected – if opposed – *products* of the same process.

This relation is not merely reproduced, it is produced on a steadily more massive scale, so that it creates ever new supplies of workers and encroaches on branches of production previously independent. In addition, as we have seen in our account of the mode of production specific to capitalism, the relation is reproduced in a fashion increasingly favourable to the one side, the capitalists, and increasingly unfavourable to the other side, the wage-labourers.

If we consider the continuity of the process of production, the labourer's wage is only that *part* of the product constantly produced by the worker, who converts it into the means of subsistence and hence into the means for the preservation and increase of the labour-power which capital requires to valorize value for itself, i.e. for its own life-process. The maintenance and increase of labour-power appear therefore merely as the reproduction and extension of its own conditions of reproduction and accumulation. (See the Yankee.)*

This destroys the last vestiges of the *illusion*, so typical of the relationship when considered superficially, that in the circulation process, in the market-place, two equally matched *commodity owners* confront each other, and that they, like all other *commodity owners*, are distinguishable only by the material content of their

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*H. C. Carey, in *Principles of Political Economy*, Part I, pp. 76–8.

goods, by the specific use-value of the goods they desire to sell each other. Or in other words, the *original* relation remains intact, but survives only as the *illusory* reflection of the *capitalist* relation underlying it.

There are two distinct features here: the *reproduction of the relation itself* on a steadily increasing scale as the result of the capitalist process of production, and the original form in which it first appears *historically*, and then constantly renews itself on the surface of a developed capitalist society.

(1) *First, with regard to the initial process* within the sphere of circulation, *the sale and purchase of labour-power.*

The capitalist process of production is not just the *conversion* into *capital* of the value or of the commodity which the capitalist partly puts on the market and partly retains within the labour process. On the contrary, these products *transformed* into capital are not *his* products, but the products of the worker. He constantly sells him a portion of his product – the necessities of life for his labour – in order to maintain and increase the labour-power, i.e. the purchaser himself. And he borrows from him in return another portion of his product, the objective conditions of labour, as *capital*, as the means whereby capital can valorize itself. Thus, while the worker produces his produce as *capital*, the capitalist reproduces the worker as a *wage-labourer* and hence as the vendor of his labour. The relation of people who merely sell commodities is that they exchange *their own labour* objectified in different use-values. However, the sale and purchase of labour-power, as the constant result of the capitalist process of production, implies that the worker must constantly *buy back* a portion of his own produce in exchange for his living labour. This *dispels* the illusion that we are concerned here merely with *relations between commodity owners.* This constant sale and purchase of labour-power, and the constant entrance of the commodity produced by the worker himself as *buyer of* his labour-power and as constant capital, appear merely as *forms which mediate* his subjugation by capital. Living labour is no more than the means of maintaining and increasing the *objective* labour and making it independent of him. This form of mediation is intrinsic to this mode of production. It perpetuates the relation between capital as the buyer and the worker as the seller of labour. It is a form, however, which can be distinguished only formally from other more direct forms of the enslavement of labour and the *ownership of it* as perpetrated by the

owners of the means of production. Through the mediation of this sale and purchase it *disguises* the real transaction, and the perpetual dependence which is constantly renewed, by presenting it as nothing more than a financial relationship. Not only are the conditions of this *commerce* constantly reproduced, but the object which the one must sell and which the other uses in order to buy
494 are themselves the result of the process. The constant renewal of the relationship of *sale and purchase* merely ensures the perpetuation of the specific relationship of dependency, endowing it with the deceptive *illusion* of a transaction, of a contract between equally free and equally matched *commodity owners*. This *initial* relationship itself now appears as an integral feature of the rule of objectified labour over living labour that is created in capitalist production.

It follows that two widely held views are in error:

There are firstly those who consider that wage-labour, the sale of labour to the capitalist and hence the *wage form*, is something only *superficially* characteristic of capitalist production. It is, however, one of the *essential* mediating forms of capitalist relations of production, and one constantly reproduced by those relations themselves.

Secondly, there are those who regard this superficial relation, this *essential formality*, this *deceptive appearance* of capitalist relations as its true *essence*. They therefore imagine that they can give a true account of those relations by classifying both workers and capitalists as *commodity owners*. They thereby gloss over the essential nature of the relationship, extinguishing its *differentia specifica*.

(2) For capitalist relations to establish themselves at all presupposes that a certain historical level of social production has been attained. Even within the framework of an earlier mode of production certain needs and certain means of communication and production must have developed which go beyond the old relations of production and coerce them into the capitalist mould. But for the time being they need to be developed only to the point that permits the formal subsumption of labour under capital. On the basis of that change, however, specific changes in the mode of production are introduced which create new forces of production, and these in turn influence the mode of production so that new real

conditions come into being. Thus a complete economic revolution is brought about. On the one hand, it creates the real conditions for the domination of labour by capital, perfecting the process and providing it with the appropriate framework. On the other hand, by evolving conditions of production and communication and productive forces of labour antagonistic to the workers involved in them, this revolution creates the real premisses of a new mode of production, one that abolishes the contradictory form of capitalism. It thereby creates the material basis of a newly shaped social process and hence of a new social formation.

The view outlined here diverges sharply from the one current among bourgeois economists imprisoned within capitalist ways of thought. Such thinkers do indeed realize how production takes place *within* capitalist relations. But they do not understand how these *relations* are themselves produced, together with the material preconditions of their dissolution. They do not see, therefore, that their *historical justification* as a *necessary form* of economic development and of the production of social wealth may be undermined. Unlike them, we have seen both how capital produces, and how it is itself produced, and we have seen also how it emerges from the process of production as something essentially different from the way it entered into it. On the one hand, it transforms the existing mode of production; on the other hand, this change in the mode of production, the particular stage reached in the evolution of the material forces of production, is itself the basis and precondition – the premiss of its own formation.

495 RESULTS OF THE IMMEDIATE PROCESS OF PRODUCTION

It is not just the objective conditions of the process of production that appear as its result. The same thing is true also of its *specific social* character. The social relations and therefore the social position of the agents of production in relation to each other, i.e. the *relations of production*, are themselves produced: they are also the constantly renewed result of the process.*

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*The text of the manuscript breaks off at this point. What follows now are isolated fragments which were evidently meant to be revised and incorporated in the present version. We print them in the arbitrary order that results from following Marx's own pagination, which contains lacunae of considerable magnitude. Titles in square brackets have been added by the present editor.

IV: [ISOLATED FRAGMENTS]

[THE SALE OF LABOUR-POWER AND THE TRADE UNIONS]

24 [temporary control over] his labour-power. By the time his labour actually begins it has already ceased to belong to the worker and as a result can no longer be *sold* by him.

In consequence of the peculiar nature of this particular commodity, namely labour-power, the commodity sold only passes into the hands of the purchaser* as a use-value after the conclusion of the contract between buyer and seller. Its exchange-value, like that of every other commodity, is determined before it goes into circulation, since it is sold as a capacity, a power, and a specific amount of labour-time was required to produce this capacity, this power. The exchange-value of this commodity existed, therefore, before its sale, while its use-value consists only in the subsequent expression of its power. That is to say, the alienation of the power and its actual expression, i.e. its existence as a use-value, do not coincide in time. It is the same as with a house whose use has been sold to me for a month. In such a case the use-value has been transferred to me only when I have lived there for a month. In the same way, the use-value of labour-power is transferred to me only after I have used it up, i.e. after I have caused it to work for me. However, where the formal alienation of the commodity through sale does not coincide in time with the real transfer of its use-value to the purchaser, the buyer's money functions as we have seen in the first instance as a *means of payment*. The labour-power is *sold* for a day, a week, etc., but it is *paid for* only after it has been consumed for a day or a week, etc. In all countries where capitalist relations are in the process of development, labour-power is only *paid for* after it has been used up. As a rule, then, the worker *advances* the use of his commodity to the capitalist. He permits its consumption by the buyer, he allows him *credit*, before he receives its exchange-value in payment. At times of crisis and even in the event of individual bankruptcies we can see that, because of the special nature of the use-value sold, the idea that the worker constantly gives credit to the capitalist is no empty delusion.[31]†

[31] *'L'ouvrier* prête *son industrie'* ['The worker *lends* his industry'] (Storch, *Cours d'économie politique*, St Petersburg edition, 1815, Vol. 2, p. 36).

*The MS. had 'vendor'.

†The above paragraph was included in *Capital*, along with n. 31. See above, p. 278.

However, whether money is used as a means of purchase or a means of payment is immaterial to the nature of commodity exchange itself. The price of labour-power is fixed contractually in the purchase even though it is only realized later. Nor does this form of payment influence the fact that the price pertains to the *value of the labour-power* and is unrelated either to the *value of the product* or to the *value of the labour* which as such is not a commodity at all.

As has been shown, the *exchange-value* of labour-power is paid for when the price paid is that of the means of subsistence that is customarily held to be essential in a given state of society to enable the worker to exert his labour-power with the necessary degree of strength, health, vitality, etc. and to perpetuate himself by producing replacements for himself.[32]

However, Storch adds slyly 'he *risks nothing*' but 'perdre son salaire ... *l'ouvrier ne transmet* rien de matériel' ['*to lose his wages* ... the working man transmits *nothing material*'] (ibid., p. 37). 'All labour is paid after it has ceased' (*An Inquiry into Those Principles, Respecting the Nature of Demand, etc.*, London, 1821, p. 104). Other practical consequences arising from this mode of payment, which is incidentally founded in the nature of the relationship, cannot detain us here. However, one example may be in place. In London there are two sorts of bakers, the 'full-priced' who sell bread at its *full price* and the *undersellers* who sell it at *less*. The latter comprise more than ¾ of all bakers (report of the Government Commissioner, H. S. Tremenheere, on the *Grievances Complained of by the Journeymen Bakers, etc.*, London, 1862, p. xxxii). These 'undersellers' mostly sell bread adulterated with alum, soap, pearl-ashes, chalk, Derbyshire stone-dust, etc. (Vide the above-mentioned Blue Book, and also the *Report of the Committee of 1855 on the Adulteration of Bread* and C. Hassall's *Adulterations Detected*, 2nd edn, London, 1861.) Sir John Gordon stated before the Committee of 1855 that because of these adulterations 'the poor men who lived on 2 lb. of bread a day did not take in one-fourth of that amount of nutrition', to say nothing of the 'deleterious effects on health'. Tremenheere explains (ibid., p. xlviii) why 'a very large part of the working class' accepted the alum, stone-dust, etc., although they were aware of the adulteration: he points out that for them it was 'a matter of necessity to take from their baker, or from the chandler's shop such bread as they choose to supply'. Since they receive their wages only at the end of the week they can 'only pay for the week's supply to the family at the week's end'. And Tremenheere adds, citing the testimony of eye-witnesses, that 'it is notorious that *bread composed of those mixtures, is made expressly for sale in this manner*'.

[32] *Petty* defines the value of the daily working wage as the value of the 'daily food' sufficient for the worker 'so as to live, labour and generate' (*Political Anatomy of Ireland*, London, 1672, edn of 1691, p. 64. Quoted

Man is distinguished from all other animals by the limitless and flexible nature of his needs. But it is equally true that no animal is able to restrict his needs to the same unbelievable degree and to reduce the conditions of his life to the absolute minimum. In a word, there is no animal with the same talent for 'Irishing' himself. Such a reduction to the bare *physical minimum* is not at issue when we are discussing the *value* of labour-power. As with every commodity so it is true of labour-power that its price can rise *above* its value or fall *beneath* it, i.e. its value can deviate in either direction from the price, which is only the monetary expression of its value. The level of the necessaries of life whose total value

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from Dureau de la Malle). 'The price of labour is always constituted of the price of necessaries.' The worker does not receive the corresponding wage 'whenever the price of necessaries is such, that the labouring man's wages will not, *suitably* to his low rank and station, as a labouring man, support *such a family* as is often the lot of many of them to have' (Jacob Vanderlint, *Money Answers All Things*, London, 1734, p. 15).

'Le simple ouvrier, qui n'a que ses bras et son industrie, n'a rien *qu'autant qu'il parvient à vendre à d'autres sa peine ... En tout genre de travail* il doit arriver et il arrive en effet, *que le salaire de l'ouvrier se borne à ce qui lui est nécessaire pour lui procurer sa subsistance'* ['This simple worker, with only his limbs and his industry, has *only* what he manages to sell his labour for. For every kind of labour *it must result, and it does in fact result*, that what he receives is limited to the sum necessary for his means of subsistence.'] (Turgot, *Réflexions sur la formation et la distribution des Richesses* (1766), *Œuvres*, Vol. 1, p. 10, ed. Daire, Paris, 1844).

'The price of the necessaries of life is, in fact, the cost of producing labour' (Malthus, *Inquiry into, etc. Rent*, London, 1815, p. 48, note). 'Another inference we may draw from a review comparing the price of corn and the wages of labour since the reign of Edward III, is that during the course of nearly 500 years, the earnings of a day's labour in this country have probably been more frequently below than above a peck of wheat (= ¼ bushel); that a peck of wheat may be considered as something like a middle point, or a point rather above the middle, about which the corn wages of labour, varying according to the demand and supply, have oscillated' (Malthus, *Principles of Political Economy*, 2nd edn, London, 1836, p. 254).

'The natural price of any article is that ... bestowed upon its production ... Its' (labour's) 'natural price ... consists of such a quantity of the necessaries and comforts of life, as, from the nature of the climate and the habits of the country, are necessary to support the labourer, and to enable him to rear such a family as may preserve, *in the market*, an undiminished supply of labour ... The natural price of labour ... though it varies under different climates, and with the different stages of national improvement, may, in any given time and place, be regarded as very nearly stationary' (R. Torrens, *An Essay on the External Corn Trade*, London, 1815, pp. 55–65 passim).

constitutes the value of labour-power can itself rise or fall. The analysis of these variations, however, belongs not here but in the theory of wages.[33] It will become apparent in the course of these discussions that for the analysis of capital it is a matter of complete indifference whether the level of the worker's needs is assumed to be high or low. In practice, as in theory, the point of departure is the *value* of labour-power regarded as a *given quantity*. Thus, for example, the owner of money who desires to convert his money into capital, let us say into the industrial capital of a cotton factory, will inquire above all into the average wages paid in the locality where he intends to set up his factory. He knows full well that wages, like cotton, continually diverge from that average, but he knows too that these variations cancel each other out. For this reason wages enter his calculations as a *given value*. On the other hand, the *value of labour-power* constitutes the conscious and explicit foundation of the *trade unions*, whose importance for the English working class can scarcely be overestimated. The *trade unions* aim at nothing less than to prevent the *reduction of wages* below the level that is traditionally maintained in the various branches of industry. That is to say, they wish to prevent the *price* of labour-power from falling below its *value*. They are aware, of course, that if there is a change in the relations of supply and demand, this results in a change in the market price. But on the one hand this change is a very different thing from the one-sided claim of the buyer, in this case the capitalists, that such a change has taken place. And on the other hand, there is 'a great distinction between the level of wages as determined by supply and demand, i.e. by the level produced by the fair operation of exchange that exists when buyer and seller *negotiate on equal terms*, and the level of wages which the seller, the labourer, must put up with when the capitalist negotiates with each man *singly*, and dictates a reduction by exploiting the chance need of individual workers (which exists independently of the general relations of supply and demand). The workers *combine* in order to achieve *equality* of a sort with the capitalist in their *contract concerning the sale of their labour*. This is the *rationale* (the logical basis) of the *trade unions*.'[34] What they purpose is that 'the accidental immediate neediness of a labourer should not compel him to make do with a smaller wage than supply and demand has *already* established in a particular branch of labour'[35] and thus depress the *value* of labour-power in a particular area below its customary level. The *value* of labour-power is 'regarded by the workers themselves as the *minimum wage* and by the capitalist as the *uniform rate of wages* for all workers in the same trade'.[36] For this reason the unions never allow their members to work for *less* than this minimum.[37] They are insurance societies formed by the workers themselves. An example may explain the purpose of these combinations formed by the workers for the protection of the *value* of their labour-power. In all branches of trade in London there are so-called 'sweaters'. A *sweater* is someone who undertakes to deliver a certain quantity of work at normal prices to an entrepreneur, but who then has it carried out for a lower price by others. The difference, which goes to make up his profit, is *sweated out* of the workers who actually perform the labour[38] and represents nothing but the difference between the *value* of the labour-power that is *paid* by the first entrepreneur and the price which is equivalent to *less than* the value of that labour-power and which is paid by the *sweater* to the actual workers.[39]

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[33] 'When corn forms a part of the subsistence of the labourer, an increase in its natural price necessarily occasions an increase in the natural price of labour; or, in other words, when it requires a greater quantity of labour to procure subsistence, a greater quantity of labour, or of its produce, must remain with the labourer, as his wages. But, as a greater quantity of his labour, or (what is the same thing) of the produce of his labour, becomes necessary to the subsistence of the labouring manufacturer, and is consumed by him while at work, a smaller quantity of the productions of labour will remain with the employer' (R. Torrens, *An Essay on the External Corn Trade*, 1815, pp. 325, 236). [Marx marked this passage as a footnote to a now lost p. 244; we have inserted it here, where it seems apposite.]

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[34] T. J. Dunning (Secretary to the London Consolidated Society of Bookbinders), *Trades' Unions and Strikes: Their Philosophy and Intention*, London, 1860, pp. 6, 7.

[35] ibid., p. 7.

[36] ibid., p. 17.

[37] It is obvious that the capitalists will denounce this *'uniform rate of labour'* as an attack on the personal freedom of the worker, as an obstacle which prevents the capitalists from following the promptings of their hearts and rewarding a special talent with a special wage. Mr Dunning, whose book, just cited, not only hits the nail on the head but also treats the subject with an apt turn of irony, retorts that the trade unions are happy to permit the capitalist 'to pay for superior skill, or working ability, as much more as he pleases', but would prevent him from depressing 99/100 of the mass of wages, i.e. the wages of 'the common run of men', the average worker in each trade, beneath the *'minimum wage'*. That is to say, they would prevent him from reducing the normal value of average labour-power. It is of course quite in order when the combinations of workers against the despotism of capital are denounced by an Edinburgh Reviewer (Concerning the Combinations of Trade, 1860)* as a slavery which these free-born Englishmen submit to in consequence of incomprehensible delusion. In war it is always desirable for an enemy to refuse to subject itself to the despotism of discipline. The morally indignant Reviewer uncovers even more odious facts. The trade unions are a *sacrilege* for they offend against the laws of *free trade*! *Quelle horreur*! Mr Dunning replies *inter alia*: 'It would not be a *free exchange* of blows if one of the parties were to have one arm disabled or tied down, while the other had the free use of both . . . the employer wishes to deal with his men singly, so that he, whenever he pleases, may give the "sweaters" price for their labour;

*This is in fact a reference to the article 'Secret Organization of Trades' which appeared in No. 224 of the *Edinburgh Review* (October 1859).

Incidentally, it is a highly characteristic* . . .

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259 The form of *piece wages* is used for example in the English potteries to engage young apprentices (in their thirteenth year) at a low rate so that they overwork themselves 'for the great benefit of their masters' in the very period of their own development. This is given officially as one of the reasons for the degeneration of the population in the pottery factories.[40]

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their right arm as bargainers being tied down by their necessities in its sale. This he calls *free trade*, but the freedom is all on his own side. Call it *trade*, if you will, it is not free *exchange*' (op. cit., p. 47).

[38] ibid., p. 6.

[39] 'A philanthropic association has been formed in London for the purpose of contracting to deliver military clothing at prices identical with those paid at present to contractors by the government, while paying the starving sempstresses an extra 30 per cent on top of their present wages. This result is achieved by eliminating the "middleman" whose profits will go to the human material from which he has hitherto carved them. With all the benefits that the association can afford, a sempstress cannot earn more than 1 shilling for 10 hours' uninterrupted work on military shirts, namely at a rate of two shirts per day, and in the case of other articles of clothing not more than 1s. 6d. a day, for a day of 12 hours' work. At the present time their wages vary from 5d. to 8d. for 10 hours' work, for which moreover they have to supply their own yarn, etc.' (*The Times*, 13 March 1860).

[40] 'There are, in the employ of the manufacturer, many youths who are taken as apprentices at the early ages of 13 and 14 as flat-ware pressers and hollow-ware pressers. For the first two years they are paid weekly wages of 2s. to 3s. 6d. per week. After that they begin to work on the *piece-work system*,

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*At this point the MS. of p. 25 breaks off.

The raising of the overall wage (the weekly wage, for example) frequently occurs in branches of industry where piece-work has been freshly introduced. But as soon as it has reached a certain rate, this rise which has been brought about by the increased intensity of labour becomes itself a reason for the masters to reduce wages, since they regard them as higher than is good for the worker. Piece-work as a means for depressing wages is to be denounced directly.[41]

It must be made perfectly clear that the way *in which* wages are paid out does not affect the situation in the least, although one mode of payment may well favour the development of the capitalist process of production more than another and we may note in passing that the technical nature of the process may sometimes permit only one or the other mode.

It is clear that *individual* variations in wages, variations which have greater scope in wages by piece than in wages by time, are only deviations from the level of wages in general. However, wages by the piece if not prevented by other circumstances tend to depress the general level.*

Wages as the *aggregate price* of the average daily labour contradict the concept of value. Every price must be reducible to *value*, since the price is in itself nothing but the monetary expression of value and the fact that actual prices may stand above or below the price corresponding to their value does not alter the fact that they are a quantitatively incongruent expression of the value of the commodity – even if in the situation assumed they may be *quantitatively*

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earning journeymen's wages. "The practice," as Longe says, "of employing a great number of apprentices and taking them at the age of 13 and 14 is very common in a certain class of manufactories, a practice which is not only very prejudicial to the interests of the trade, but is probably another great cause to which the *bad constitutions of the potters are to be attributed*. This system, *so advantageous to the employer*, who requires quantity rather than quality of goods, tends directly to encourage the young potter *greatly to overwork himself* during the four or five years during which he is employed on the piece-work system, but at low wages." The consequences of over-work in the hot stoves at that early age may readily be anticipated' (*Children's Employment Commission, First Report*, London, 1863, p. xiii).

[41] 'Indeed, the main objection in different trades to *working by the piece*, is the complaint that, when men are found to earn good wages at it, the *employer wishes to reduce the price* of the work, and that *it is so often made use of as a means of reducing wages*' (Dunning, op. cit., p. 22).

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*This paragraph is crossed through once in the MS.

too great or too small. But here in the *price of labour* the lack of congruence is *qualitative.*

260 Since the value of a commodity equals the necessary labour it contains, then the value of a day's labour – a day's labour performed under adequate conditions of production and with the average *normal* social measure of intensity and skill – would be equal to the day's labour contained in it, which is nonsense and affords no definition. The *value of labour* – i.e. the price of labour (qualitatively) stripped of its monetary expression – is then an irrational expression and in fact is no more than a disguised and inverted form for the *value of labour-power.* (*Price* which is not reducible to *value,* whether immediately or through a series of mediations, expresses a merely accidental exchange of something for money. In this way articles which are not *commodities* in themselves, and which therefore are in this sense *extra commercium hominum,** may be converted into commodities by being exchanged for money. Hence the connection between venality and corruption and the money relationship. Since money is the transformed shape of the commodity it does not reveal what has been transformed into it: whether conscience or virginity or horse dung.)

But just as irrational as time-wages, the most immediate form of wages, are piece-wages, which are supposed to be the immediate expression of a value relationship. For example, suppose that one hour's labour, equal to 6d., let us say, is objectified in a piece of a given commodity (setting aside the constant capital it contains). The worker receives 3d., since otherwise the *value of this piece* is not determined *vis-à-vis* the worker by the *value* contained in it as measured by the labour-time consumed. In fact, therefore, this piece-wage does not express any value relationship *directly.* The point, therefore, is not to measure the value of the piece by the amount of labour-time contained in it. On the contrary, the necessary labour-time performed by the worker must be measured by the piece. *The wage the worker receives,* therefore, *is a time-wage,* since the piece only has the task of measuring the time for which he receives his wages and of acting as a guarantee that he uses only *necessary labour time,* i.e. that he has worked at the right intensity and that his labour (as a use-value) is of the appropriate quality. *Piece-wages,* then, are nothing but a *specific form* of time-wages, which in their turn are nothing but the disguised form of the

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*'Outside human commerce'.

value of labour-power, alternatively of the *price of labour-power* corresponding quantitatively to or deviating from that value. If it is true that piece-wages tend to leave great scope for the individual worker to rise more or less above the general level, then it is no less true that they reduce the wages of other workers below that level and that the level itself tends to fall as a result of the extremely intense competition among the workers that piece-wages inspire.

In a comparison between the time-wages in different countries (i.e. the wage for a working day of given length), in so far as the intensity of labour is measured – other things being equal – by the mass of the product yielded by the worker in a given time, one must at the same time compare these wages in terms of piece rates. This is the only way to discover the true relation between necessary and surplus labour, or between wages and surplus-value. It will then often turn out that although the apparent time-wages are higher in rich countries, piece-wages are higher in poorer ones. Hence, in the latter, the worker requires a greater portion of the working day to reproduce his salary than in the former, i.e. the rate of surplus-value is smaller in the latter than the former and the relative wage is therefore greater. So in fact the real price of labour is higher in poor countries than in rich ones. Looking at various nations we find that, apart from the duration and the productivity independent of the individual worker, there is as great a variation in the intensity as in the duration of the working day. The more intensive national working day may be equated to the less intensive one $+x$. If we take the working day of the countries that produce gold and silver as the standard of the international working day, then the more intensive English working day of 12 hours can be expressed in more gold than the less intensive Spanish day. That is to say, it will stand higher in comparison to the medium working day as expressed in terms of gold and silver. A higher national working wage, assuming an aggregate day of fixed length, will stand higher then, both in terms of use-value and of exchange-value, and hence also in terms of its monetary expression. (Assuming a given value in gold and silver, a higher monetary expression must always express more value, and a lower, less: looking at the money-wages of workers in different countries *simultaneously*, the *value of gold and silver* is assumed to be constant as even a change in their value would mean a simultaneous change for all the nations concerned, so that as far as their relative positions are concerned *no* change occurs at all.) The fact of a higher national wage, then, does not imply a higher *price for labour* as the price of a certain amount of labour. Given the greater duration of work, or, what amounts to the same thing internationally, a greater intensity of labour, the wage can be higher in one country than another, but it may firstly occupy a smaller portion of the aggregate day, i.e. be smaller relatively speaking, and secondly it may represent a lower *price*. For example, if the worker receives 3s. daily for 12 hours' work, this is less than if his day's wages were 2½s. for 11 hours. For the one hour of surplus labour involves far more wear and tear, i.e. a speedier reproduction of labour-power. The difference would be even greater in the event of his receiving 2½s. for 10 and 3 for* . . .

[DIFFERENT MODES OF CENTRALIZATION OF THE MEANS OF PRODUCTION IN DIFFERENT COUNTRIES]

'Although skill and mechanical science may do much, the preponderance of the *vital element is essential in the extension of manufactures.* The system of *morcellement*,† in preventing a rapid development of the population, has thus tended indirectly to retard the extension of manufactures. It has also had that effect in a direct manner. It has retained a large population attached to and occupied upon the soil. The cultivation of the soil is their primary occupation – the one which they follow with pride and contentment. Their employment in spinning, weaving and the like is but a subsidiary one necessary for their support. Their savings are hoarded for the purpose of increasing their inheritance and they are not prone to wander from home in search of fresh occupation or new habits.' (So precisely here – where saving equals hoarding, and still exists to a relatively high degree and is able to exist under the given circumstances – the *formation of capital*, relatively speaking, and the *development of capitalistic* production are prevented in comparison to England, by the very same economical conditions that are favourable to hoarding, etc.) 'The position of a proprietor, the possession of a house, of a plot of ground, is the chief object also of the factory operative, and of almost every poor man who has not already a property; in fact, all look to the land... From this description of the character and occupations of a very numerous class of the French people, it will be readily inferred that unlike that of England, the manufacturing industry of France is represented by small establishments,' (this shows how necessary the expropriation of land is for the development of large-scale industry) 'some moved by steam and water, many dependent for their moving power upon animal labour and many factories still entirely employing manual labour only. The *characteristic of French industry* is well described by Baron C. Dupin, as *consequent upon the system of the tenure of land.* He says: "As France is the country of divided properties, that of small holdings, so it is the *country of the division of industry, and of small workshops*"' (*Reports of Inspectors of Factories . . . 31 October 1855*, pp. 67–8). The same factory inspector (A. Redgrave) provides a survey (for 1852) of French textile manufactures of whatever importance from which it appears that the source of power employed was as follows: *steam* 2,053 (h.p.), water 959 and other mechanical power 2,057 (ibid., p. 69).[42] He compares this return with the return of the number of factories, etc., presented to the House of Commons in 1850 and uses them to show 'the following remarkable difference between the system of textile manufacture of England and France'. The result is as follows:

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*Pages 261 and 262 are missing. In their place is a sheet numbered 379, titled as shown, which in subject-matter follows on more or less naturally from the preceding text.

†'Parcellation'.

380 'The *number* of factories in France is *three times as large* as those in England, while the number of persons employed in them is only ⅕ greater; but the very different proportions of machinery and moving power will best be shown by the following comparison:

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[42] What appears as the preliminary (primitive) accumulation of capital is in reality only the process by which the conditions of production become independent – they break loose from the self-employing producer who is transformed into a wage-labourer. In the text this is shown in the case of manufacturing. But it is also evident, for example, in the relations between the farming capitalist and the peasant etc. *'La grande culture n'exige pas une plus grande masse de capitaux que la petite ou la moyenne culture; elle en exige moins au contraire,* but in these different systems capital must be variously distributed; *dans la grande culture les capitaux appliqués à l'agriculture doivent se trouver entre les mains d'un petit nombre d'hommes qui salarient les bras qu'ils emploient'* ['Large-scale agriculture does not require a greater amount of capital than cultivation on a small or medium scale. On the contrary, it requires less . . . in large-scale agriculture the capital sums invested must be retained in the hands of a small number of men who pay the wages of the men they employ'] (Mathieu de Dombasle, *Annales agricoles de Roville*, 2-ème livraison, 1825, p. 218).

	France	England	
Number of factories	12,986	4,330	
Number of persons employed	706,450	596,082	In fact the figures for France include as factories what would not be counted as such in England
Average number of persons in each factory	54	137	
Average number of spindles to each person employed	7	43	i.e. six times as many in England as in France
Average number of persons to each loom	2 (power and handloom)	2	(powerloom only)

Hence there are in France *more* people employed than in England but only because all handloom weaving is excluded in the English return. But in the average establishment there are more than twice as many people than in France ($\frac{54}{136} = \frac{27}{68} = \frac{18}{34} =$ almost $\frac{1}{3}$), i.e. there is a much larger number of people brought together under the command of the same capital. In France there are three times as many factories, but only $\frac{1}{5}$ more people employed in them, i.e. *fewer* persons in proportion to the *number of establishments*. Furthermore, with regard to the mass of machinery falling to each person, there are six times as many spindles in England as in France. If all the persons employed were spinners there would be 4,945,150 spindles in France and in England $\frac{1}{5}$ fewer. So in England there is one power loom between two people, in France one power or one handloom. Thus in England there are 25,631,526 spindles. Furthermore, the steam power employed in factories of Great Britain = 108,113 h.p., the proportion of persons employed about 5½ persons to each horse-power of steam; the proportions in France upon this estimate should give a steam power = 128,409 h.p. whereas the *whole* of the steam power of France was only = 75,518 h.p. in 1852, produced by 6,080 steam-engines, of an average power of less than 12½ h.p. each; while the number of steam-engines employed in the text le

Persons	596,082
	43
	1 788 246
	2 384 328
	25,631,526

factories of France appears to have been 2,053 in 1852 and the power of those engines to be equal to 20,282 h.p., distributed as follows:

		Factories	Horse-power
Employed in	spinning only	1,438	16,494
„ „	weaving only	101	1,738
„ „	finishing etc.	242	612
„ „	other processes	272	1,438
		2,053	20,282

(ibid., p. 70).

'The absence in France of the bones and sinews of manufactures, coal and iron, must ever retard her progress as a manufacturing country' (ibid.).

For each worker in an English factory, compared to the Frenchmen, there is far more machinery for working and also far more power-driving machinery (mechanic power), and hence, too, far more raw materials are processed by him in the *same* time. The productive power of his labour is, therefore, much greater, as is the capital that employs him. The number of establishments is much smaller in England than in France. The number of working men employed on the average, in one single establishment, is much greater in England than in France, although the total number employed in France is greater than England, although in a small proportion only, compared to the number of establishments.

It becomes quite plain to see here that because of historical and other circumstances which have had a varying effect upon the *relative magnitude of the concentration of the means of production,* there is a correspondingly greater or smaller *expropriation* of the mass of immediate producers. In the same way, there is a very different development of the forces of production and of the *capitalist mode of production* in general. And this stands in inverse ratio to the 'saving' and 'hoarding' of the immediate producer himself, which in France is huge in comparison with England. The scale on which the surplus labour of the producers can be 'saved' and 'hoarded' and 'accumulated' and brought together in greater masses, i.e. *concentrated,* can be used as capital, corresponds exactly to the degree in which their surplus labour is hoarded, etc., by their employers instead of by themselves; it corresponds, therefore, to the degree in which the great mass of the real producers is precluded from the capacity and the conditions of 'saving', 'hoarding', 'accumulating', is, in one word, precluded from all power of appropriating its own surplus labour to any important degree, because of its more or less complete *expropriation* from its *means of production.* Capitalist accumulation and concentration are based upon, and correspond to, the facility of *appropriating other people's surplus labour in great masses* and the corresponding inability of these people themselves to lay any claim to their own surplus labour. It is, therefore, the most ludicrous delusion, fallacy or imposture to explain and account for this capitalist accumulation by confounding it with, and, as far as the phraseology is concerned, converting it into, a process quite its opposite, exclusive of it, and corresponding to a mode of production upon whose ruins alone capitalist production can be reared. This is one of the delusions carefully nurtured by Political Economy. The truth is this, that in this bourgeois society every workman, if he is an exceedingly clever and shrewd fellow, and gifted with bourgeois instincts and favoured by an exceptional fortune, can possibly be converted himself into an *exploiteur du travail d'autrui.** But where there was no *travail* to be *exploité*, there would be no capitalist nor capitalist production.

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75.† In fact Ricardo consoles the workers by saying that, as a result of the mounting productivity of labour, the increase in the aggregate capital grows as opposed to its variable part, and so does the part of the surplus-value that is consumed as revenue. There is accordingly an increased demand for menial servants. (Ricardo, *Principles*, p. 473.)

76. 'Property ... is essential to preserve the common unskilled worker from falling into the condition of a piece of machinery, bought at the *minimum* market price at which it can be produced, that is at which labourers can be got to exist and propagate their species, to which he is *invariably* reduced sooner or later, when the interests of capital and labour are quite distinct, and are left to adjust themselves under the sole operation of the law of supply and demand' (Samuel Laing, *National Distress*, London, 1844, p. 46).

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*'Exploiter of others' labour'.

†This number and the following ones are not page numbers but refer instead to indented footnotes which form the rest of the text. The pages on which they are to be found are not paginated.

IRELAND. EMIGRATION

77. In so far as the real increase or decrease of the working population could exert any perceptible influence on the labour market over the ten-year industrial cycle, this could happen only in England and we therefore take it as our model. For the capitalist mode of production is fully developed in England, unlike on the Continent, where it still functions on the foundations of an agricultural economy alien to it. We may therefore consider in isolation the influence which the need of capital to expand exercises upon the expansion or contraction of emigration. We should begin by noting that the emigration of capital, i.e. of that part of annual revenue which is invested abroad, particularly in the colonies and the United States of America, is far greater in proportion to the annual accumulation fund than is the number of emigrants in proportion to the annual growth in the population. And indeed a part does in fact follow the capital abroad. Furthermore, emigration from England consists if we consider its principal part, the agricultural sector, not of working men, but of tenant-farmers' sons, etc. Hitherto it was more than made good by immigration from Ireland. The periods of stagnation and crisis where the impulse to emigrate is at its height are identical with those periods in which more surplus capital is sent abroad, and conversely, the periods in which emigration declines correspond to those where the emigration of surplus capital is in decline. Hence the absolute relation between labour-power and the capital *employed* in the country is largely unaffected by the fluctuations in emigration. If emigration from England were really to swell to serious dimensions in relation to the annual growth in the population, it would spell the end of its dominance of the world market. The Irish emigration since 1848 has robbed the Malthusians of all their hopes and expectations. In the first place, they had declared that an emigration on a scale that exceeded the growth of the population was an impossibility. The Irish solved the problem despite their poverty. People who have already emigrated for the most part send back each year the means to enable those who are left behind to emigrate in their turn. Secondly, however, these gentlemen had prophesied that the famine that carried off a million and the exodus that succeeded it would have the same effect in Ireland as the Black Death in England in the mid fourteenth century. Exactly the opposite has occurred. Production has declined faster than the population, and

so have the means of occupying the agricultural labourers, even though their wages are no higher now, if we take the differences in the price of necessaries into account, than they were in 1847. The population, however, has diminished from 8 million to around 4½ million in 15 years. It is true, indeed, that the production of cattle has increased somewhat, and Lord Dufferin, who wishes to transform Ireland into pasture land for sheep, is quite right when he says that the people are still far too numerous. The Irish, meanwhile, take not only their bones to America but also themselves, and the terrible threat of the *Exoriare aliquis ultor** will one day be fulfilled on the other side of the Atlantic.

If we examine the last two years 1864 and 1865 we discover the following figures for the chief crops:

	1864 (qrs)	1865 (qrs)	Decrease
Wheat	875,782	826,783	48,999
Oats	7,826,332	7,659,727	166,605
Barley	761,909	732,017	29,892
Bere	15,160	13,989	1,171
Potatoes	4,312,388	3,865,990	446,398
Turnips	3,467,659	3,301,683	165,976
Flax	64,506	39,561	29,945

(The official *Agricultural Statistics of Ireland*, Dublin, 1866, p. 4.)

This does not prevent individuals from enriching themselves at the cost of ruining the country as a whole. For example, the number of persons whose annual income ranged between £900 and £1,000 was 59 in 1864 and 66 in 1865; for those between £1,000 and £2,000, 315 in 1864 and 342 in 1866. Other incomes were as follows:

	1864	1865
Incomes between £3,000–4,000	46	50
£4,000–5,000	19	28
£5,000–10,000	30	44
£10,000–50,000	23	25

And there were three persons each of whom had £87,706 and three each of whom had £91,509 (*Income and Property Tax*

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* '*Exoriare aliquis nostris ex ossibus ultor*' (Virgil, *Aeneid*, Bk IV, line 625). 'May an avenger one day arise from our bones.'

Returns, 7 August 1866).* Lord Dufferin, who is himself one of the 'supernumeraries', finds, rightly, that Ireland still has far too many inhabitants.

[EXPROPRIATION AND DEPOPULATION IN EASTERN GERMANY DURING THE EIGHTEENTH CENTURY]

'Not until the reign of Frederick II were Prussian subjects (peasants) granted security of tenure and the right to inherit their land in the majority of the provinces of the Kingdom. The decree authorizing this helped put an end to a grievance on the part of the rural population that was threatening to *depopulate* the countryside. For earlier in the (eighteenth) century, ever since the landlords had begun to concentrate their efforts on *raising the yield of their properties*, they found it to their advantage *to drive out many of their subjects and to add their fields to their own estates.* The people thus expropriated, having no home of their own, became destitute; those who remained were now overwhelmed by the burdens imposed on them, since the lords of the manor now required them to till the fields that had formerly been worked by the tenants whose labour had previously greatly facilitated the cultivation of the lords' fields. This process of enclosure, known as "*Bauernlegen*", was especially severe in the *eastern parts of Germany.* When Frederick II conquered Silesia there were many thousands of farms without farmers; the huts lay in ruins, the fields were in the hands of the lords of the manor. *All confiscated land* had to be reorganized, farmers had to be found, cattle and equipment provided and the land redistributed among the peasantry with the right of tenure and to pass the land on to their heirs. In *Rügen*, even during the boyhood of Ernst Moritz Arndt, the same abuses led to uprisings on the part of the rural populace, troops had to be sent, rebels imprisoned: the peasants then sought to avenge themselves, they ambushed individual noblemen and murdered them. Similarly, in the *Electorate of Saxony*, the same abuses led to an uprising as late as 1790' (Gustav Freytag).‡

What the noble feelings of the feudal lords really amounted to was made perfectly clear here!†

*The more detailed analysis of these statistics in *Capital* makes it clear that three persons each received an average of £87,606 in 1864 and an average of £91,509 in 1865. See above, p. 859.

†The text on this page is crossed out with one vertical line.

‡Freytag, op. cit., pp. 38–9.

[PROPERTY AND CAPITAL]

Although the formation of capital and the capitalist mode of production are essentially founded not merely on the abolition of feudal production but also on the *expropriation of the* peasantry, craftsmen and in general of the mode of production based on the *private ownership by the immediate producer of his conditions of production*; although, once capitalist production has been introduced, it continues to develop at the same rate as that private property and the mode of production based on it is destroyed, so that those immediate producers are expropriated in the name of the *concentration of capital* (centralization); although the subsequent systematic repetition of the process of *expropriation* in the 'clearing of estates' is in part the act of violence that *inaugurates* the capitalist mode of production – although all this is the case, both the *theory of capitalist production* (political economy, philosophy of law, etc.) and the capitalist himself in *his own mind* is pleased to confuse his mode of property and appropriation, which is based on the expropriation of the immediate producer in its origins, and on the acquisition of the labour of others in its further progress, with its opposite: with a mode of production that presupposes that the *immediate producer privately owns his own conditions of production* – a premiss which would actually render capitalist production in agriculture and manufacture, etc. impracticable. In consequence he regards every attack on this latter *form of appropriation* as an attack on the former and indeed as an attack on *property as such.* Not unnaturally, the capitalist always finds it extremely difficult to represent the expropriation of the working masses as the precondition of property based on labour. (Incidentally, in private property of every type the *slavery* of the members of the family at least is always implicit since they are made use of and exploited by the head of the family.) Hence, the general juridical notion from Locke to Ricardo is always that of *petty-bourgeois ownership*, while the relations of production they describe belong to the *capitalist mode of production.* What makes this possible is the relationship of *buyer* and *seller* which *formally* remains the same in both cases. In all these writers the following dualism is apparent:

(1) *Economically* they are opposed to *private property based on labour*; they present the advantages of the *expropriation of the masses* and the *capitalist mode of production*;

(2) *Ideologically* and *juridically* the ideology of private property founded on labour is transferred without more ado to property founded on the *expropriation of the immediate producers.*

79. Thus, for example, the talk of eliminating present burdens by means of government debts which put them on the shoulders of future generations. When B lends A goods either in reality or in appearance, A can give him a promissory note on the *products of the future,* just as there are poets and composers of the future. But A and B together never consume an atom of the produce of the future. Every age must pay its own way. A worker, on the other hand, is able to spend in advance this year the labour of the next three.

'In pretending to stave off the expenses of the present hour to a future day, in pretending that you can burthen posterity to supply the wants of the existing generation', the absurd claim is made 'that you can consume what does not yet exist, that you can feed on provisions before their seeds have been sown in the earth ... All the wisdom of our statesmen will have ended in a great transfer of property from one class of persons to another, in creating an enormous fund for the rewards of jobs and peculation' (Piercy Ravenstone, M.A., *Thoughts on the Funding System and Its Effects,* London, 1824, pp. 8, 9).

THE COLLIERS

73. What the colliers' dependence on the exploiters for their homes means in practice can be seen in any strike. For example, the strike in Durham in November 1863. The people were evicted, wives and children included, in the harshest weather; and their furniture was put into the street. Their first problem then was to find shelter from the cold nights. A large number slept in the open; some broke into their evacuated dwellings and occupied them during the night. The next day the mine-owners had the doors and windows barred and nailed up, to deprive the evicted people of the luxury of sleeping through ice-cold nights on the bare floors of the empty cottages. The people then took refuge in setting up wooden cabins, and wigwams made of peat, but these were torn down by the owners of the fields they had entered. A host of children died or were broken during this campaign of labour against capital. (*Reynolds' Newspaper,* 29 November 1863.)

Quotations in Languages other than English and German

p. 126, n. 6 'La valeur consiste dans le rapport d'échange qui se trouve entre telle chose et telle autre, entre telle mesure d'une production et telle mesure d'une autre.'

p. 130, n. 10 'Toutes les productions d'un même genre ne forment proprement qu'une masse, dont le prix se détermine en général et sans égard aux circonstances particulières.'

p. 133, n. 13 'Tutti i fenomeni dell'universo, sieno essi prodotti della mano dell'uomo, ovvero delle universali leggi della fisica, non ci danno idea di attuale creazione, ma unicamente di una modificazione della materia. Accostare e separare sono gli unici elementi che l'ingegno umano ritrova analizzando l'idea della riproduzione; e tanto è riproduzione di valore' (. . .) 'e di ricchezza se la terra, l'aria e l'acqua ne' campi si trasmutino in grano, come se colla mano dell'uomo il glutine di un insetto si trasmuti in velluto ovvero alcuni pezzetti di metallo si organizzino a formare una ripetizione.'

p. 175, n. 35 'Les économistes ont une singulière manière de procéder. Il n'y a pour eux que deux sortes d'institutions, celles de l'art et celles de la nature. Les institutions de la féodalité sont des institutions artificielles, celles de la bourgeoisie sont des institutions naturelles. Ils ressemblent en ceci aux théologiens, qui eux aussi établissent deux sortes de religions. Toute religion qui n'est pas la leur est une invention des hommes, tandis que leur propre religion est une émanation de dieu. – Ainsi il y a eu l'histoire, mais il n'y en a plus.'

p. 183, n. 6 'I metalli . . . naturalmente moneta.'

p. 184, n. 8 'Il danaro è la merce universale.'

p. 185, n. 10 'L'oro e l'argento hanno valore come metalli anteriore all'essere moneta.'

p. 185, n. 11 'L'argent en' (des denrées) 'est le signe.'

'Comme signe il est attiré par les denrées.'

'L'argent est un signe d'une chose et la représente.'

'L'argent n'est pas simple signe car il est lui-même richesse; il ne représente pas les valeurs, il les équivaut.'

'Qu'aucun puisse ni doive faire doute, que à nous et à notre majesté royale n'appartienne seulement . . . le mestier, le fait, l'état, la provision et toute l'ordonnance des monnaies, de donner tel cours, et pour tel prix comme il nous plaît et bon nous semble.'

p. 194, n. 9 'Le monete le quali oggi sono ideali sono le più antiche d'ogni nazione, e tutte furono un tempo reali, e perchè erano reali con esse si contava.'

p. 196, n. 14 'Ou bien, il faut consentir à dire qu'une valeur d'un million en argent vaut plus qu'une valeur égale en marchandises,' and hence 'qu'une valeur vaut plus qu'une valeur égale'.

p. 203, n. 17 'Toute vente est achat.' 'Vendre est acheter.'

p. 204, n. 18 'Le prix d'une marchandise ne pouvant être payé que par le prix d'une autre marchandise.'

p. 204, n. 19 'Pour avoir cet argent, il faut avoir vendu.'

p. 205, n. 21 'Si l'argent représente, dans nos mains, les choses que nous pouvons désirer d'acheter, il y représente aussi les choses que nous avons vendues pour . . . cet argent.'

p. 206, n. 22 'Il y a donc . . . quatre termes et trois contractants, dont l'un intervient deux fois.'

p. 212, n. 26 'Il' (l'argent) 'n'a d'autre mouvement que celui qui lui est imprimé par les productions.'

p. 215, n. 27 'Ce sont les productions qui le' (l'argent) 'mettent en mouvement et le font circuler . . . La célérité de son mouvement' (i.e. de l'argent) 'supplée à sa quantité. Lorsqu'il en est besoin, il ne fait que glisser d'une main dans l'autre sans s'arrêter un instant.'

p. 221, n. 31 'Si l'on compare la masse de l'or et de l'argent qui est dans le monde, avec la somme des marchandises qui y sont, il est certain que chaque denrée ou marchandise, en particulier, pourra être comparée à une certaine portion . . . de l'autre. Supposons qu'il n'y ait qu'une seule denrée ou marchandise dans le monde, ou qu'il n'y ait qu'une seule qui s'achète, et qu'elle se divise comme l'argent: cette partie de cette marchandise répondra à une partie de la masse de l'argent; la moitié du total de l'une à la moitié du total de l'autre etc. . . . l'établissement du prix des choses dépend toujours fondamentalement de la raison du total des choses au total des signes.'

p. 227, n. 37 'Une richesse en argent n'est que . . . richesse en productions, converties en argent.'

'Une valeur en productions n'a fait que changer de forme.'

p. 230, n. 43 'οὐδὲν γὰρ ἀνθρώποισιν οἷον ἄργυρος κακὸν νόμισμ' ἔβλαστε τοῦτο καὶ πολεις πορθεῖ, τόδ' ἄνδρας ἐξανίστησιν δόμων. τόδ' ἐκδιδάσκει καὶ παραλλάσσει φρένας χρηστὰς πρὸς αἰσχρὰ πράγμαθ' [ἵστασθαι βροτῶν.]

[πανουργίας δ'ἔδειξεν] ἀνθρώποις ἔχειν καὶ παντὸς ἔργου δυσσέβειαν εἰδέναι.'

p. 230, n. 44 ''Ἐλπιζούσης τής πλεονεξίας ἀναξειν ἐκ των μυκῶν τῆς γῆς αὐτόν τὸν πλούτωνα.'

p. 231, n. 45 'Accrescere quanto più si può il numero de' venditori d'ogni merce, diminuire quanto più si può il numero dei compratori, questi sono i cardini sui quali si raggirano tutte le operazioni di economia politica.'

p. 239, n. 56 'L'argent . . . est devenu le bourreau de toutes les choses.' . . . 'alambic qui a fait évaporer une quantité effroyable de biens et de denrées pour faire ce fatal précis.' 'L'argent déclare la guerre . . . à tout le genre humain.'

p. 243, n. 63 'L'argent se partage entre les nations relativement au besoin qu'elles en ont . . . étant toujours attiré par les productions.'

p. 248, n. 2 'Avec de l'argent on achète des marchandises, et avec des marchandises on achète de l'argent.'

p. 251, n. 4 'On n'échange pas de l'argent contre de l'argent.'
'Le commerce est un jeu . . . et ce n'est pas avec des gueux qu'on peut gagner. Si l'on gagnait long-temps en tout avec tous, il faudrait rendre de bon accord les plus grandes parties du profit, pour recommencer le jeu.'

p. 254, n. 8. 'Il mercante non conta quasi per niente il lucro fatto, ma mira sempre al futuro.'

p. 255, n. 11 'Questo infinito che le cose non hanno in progresso, hanno in giro.'

p. 255, n. 12 'Ce n'est pas la matière qui fait le capital, mais la valeur de ces matières.'

p. 260, n. 3 'Que l'une de ces deux valeurs soit argent, ou qu'elles soient toutes deux marchandises usuelles, rien de plus indifférent en soi.'

p. 260, n. 4 'Ce ne sont pas les contractants qui prononcent sur la valeur; elle est décidée avant la convention.'

p. 261, n. 6 'L'échange devient désavantageux pour l'une des parties, lorsque quelque chose étrangère vient diminuer ou exagérer le prix: alors l'égalité est blessée, mais la lésion procède de cette cause et non de l'échange.'

p. 261, n. 7 'L'échange est de sa nature un contrat d'égalité qui se fait de valeur pour valeur égale. Il n'est donc pas un moyen de s'enrichir, puisque l'on donne autant que l'on reçoit.'

p. 262, n. 9 'Dans la société formée il n'y a pas de surabondant en aucun genre.'

p. 263, n. 12 'Si l'on est forcé de donner pour 18 livres une quantité de telle production qui en valait 24, lorsqu'on employera ce même argent à acheter, on aura également pour 18 l. ce que l'on payait 24.'

p. 263, n. 13 'Chaque vendeur ne peut donc parvenir à renchérir habituellement ses marchandises, qu'en se soumettant aussi à payer habituellement plus cher les marchandises des autres vendeurs; et par la même raison, chaque consommateur ne peut . . . payer habituellement moins cher ce qu'il achète, qu'en se soumettant aussi à une diminution semblable sur le prix des choses qu'il vend.'

p. 266, n. 18 'L'échange qui se fait de deux valeurs égales n'augmente ni ne diminue la masse des valeurs subsistants dans la société. L'échange de deux valeurs inégales . . . ne change rien non plus à la somme des valeurs sociales, bien qu'il ajoute à la fortune de l'un ce qu'il ôte de la fortune de l'autre.' 'On n'achète des produits qu'avec des produits.' 'Les productions ne se paient qu'avec des productions.'

p. 278, n. 12 'Le crédit commercial a dû commencer au moment où l'ouvrier, premier artisan de la production, a pu, au moyen de ses économies, attendre le salaire de son travail jusqu'à la fin de la semaine, de la quinzaine, du mois, du trimestre etc.'

p. 278, n. 13 'L'ouvrier prête son industrie' . . . 'de perdre son salaire . . . l'ouvrier ne transmet rien de matériel.'

p. 298, n. 14 'Cette façon d'imputer à une seule chose la valeur de plusieurs autres' (par example au lin la consommation du tisserand), 'd'appliquer, pour ainsi dire, couche sur couche, plusieurs valeurs sur une seule, fait que celle-ci grossit d'autant . . . Le terme d'addition peint très-bien la manière dont se forme le prix des ouvrages de main d'oeuvre; ce prix n'est qu'un total de plusieurs valeurs consommées et additionnées ensemble; or, additionner n'est pas multiplier.'

p. 318, n. 8 'Toutes les productions d'un même genre ne forment proprement qu'une masse, dont le prix se détermine en général et sans égard aux circonstances particulières.'

p. 342, n. 5 'Si le manouvrier libre prend un instant de repos, l'économie sordide qui le suit des yeux avec inquiétude, prétend qu'il la vole.'

p. 430, n. 1 'Le simple ouvrier, qui n'a que ses bras et son industrie, n'a rien qu'autant qu'il parvient à vendre à d'autres sa peine . . . En tout genre de travail il doit arriver et il arrive en effet, que le salaire de l'ouvrier se borne à ce qui lui est nécessaire pour lui procurer la subsistance.'

p. 431, n. 2 'Quando si perfezionano le arti, che non è altro che la scoperta di nuove vie, onde si possa compiere una manufattura con menogente o (che è lo stesso) in minor tempo di prima.' 'L'économie sur les frais de production ne peut être autre chose que l'économie sur la quantité de travail employé pour produire.'

p. 438, n. 8 'Ces speculateurs si économes du travail des ouvriers qu'il faudrait qu'ils payassent.'

p. 444, n. 8 'On doit encore remarquer que cette division partielle du travail peut se faire quand même les ouvriers sont occupés d'une même besogne. Des maçons par exemple, occupés de faire passer de mains en mains des briques à un échafaudage supérieur, font tous la même besogne, et pourtant il existe parmi eux une espèce de division de travail, qui consiste en ce que chacun d'eux fait passer la brique par un espace donné, et que tous ensemble la font parvenir beaucoup plus promptement à l'endroit marqué qu'ils ne feraient si chacun d'eux portait sa brique séparément jusqu'à l'échafaudage supérieur.'

p. 445, n. 9 'Est-il question d'exécuter un travail compliqué, plusieurs choses doivent être faites simultanément. L'un en fait une pendant que l'autre en fait une autre, et tous contribuent à l'effet qu'un seul homme n'aurait pu produire. L'un rame pendant que l'autre tient le gouvernail, et qu'un troisième jette le filet ou harponne le poisson, et la pêche a un succès impossible sans ce concours.'

p. 447, n. 13 'La forza di ciascuno uomo è minima, ma la riunione delle minime forze forma una forza totale maggiore anche della somma delle forze medesime fino a che le forze per essere riunite possono diminuire il tempo ed accrescere lo spazio della lore azione.'

p. 456, n. 1 '... est toute patriarcale; elle emploie beaucoup de femmes et d'enfants, mais sans les épuiser ni les corrompre; elle les laisse dans leurs belles vallées de la Drôme, du Var, de l'Isère, de Vaucluse, pour y élever des vers et dévider leurs cocons; ... jamais elle n'entre dans une véritable fabrique. Pour être aussi bien observé ... le principe de la division du travail, s'y revêt d'un caractère spécial. Il y a bien des dévideuses, des moulineurs, des teinturiers, des encolleurs, puis des tisserands; mais ils ne sont pas réunis dans un même établissement, ne dépendent pas d'un même maître; tous ils sont indépendants.'

p. 471, n. 25 'Nous rencontrons chez les peuples parvenus à un certain degré de civilisation trois genres de divisions d'industrie: la première, que nous nommons générale, amène la distinction des producteurs en agriculteurs, manufacturiers et commerçans, elle se rapporte aux trois principales branches d'industrie nationale; la seconde, qu'on pourrait appeler spéciale, est la division de chaque genre d'industrie en espèces . . . la troisième division d'industrie, celle enfin qu'on devrait qualifier de division de la besogne ou du travail proprement dit, est celle qui s'établit dans les arts et les métiers séparés . . . qui s'établit dans la plupart des manufactures et des ateliers.'

p. 477, n. 36 'On peut ... établir en règle générale, que moins l'autorité préside à la division du travail dans l'intérieur de la société, plus la division du travail se développe dans l'intérieur de l'atelier, et plus elle y est soumise à l'autorité d'un seul. Ainsi l'autorité dans l'atelier et celle dans la société, par rapport à la division du travail, sont en raison inverse l'une de l'autre.'

p. 481, n. 39 'La concentration des instruments de production et la division du travail sont aussi inséparables l'une de l'autre que le sont, dans le régime politique, la concentration des pouvoirs publics et la division des intérêts privés.'

p. 482, n. 42 'L'ouvrier qui porte dans ses bras tout un métier, peut aller partout exercer son industrie et trouver des moyens de subsister: l'autre ... n'est qu'un accessoire qui, séparé de ses confrères, n'a plus ni capacité, ni indépendance, et qui se trouve forcé d'accepter la loi qu'on juge à propos de lui imposer.'

p. 486, n. 54 'Ciascuno prova coll'esperienza, che applicando la mano e l'ingegno sempre allo stesso genere di opere e di produtti, egli più facili, più abbondanti e migliori ne trova i resultati, di quello che se ciascuno isolatamente le cose tutte a sé necessariamente soltanto facesse... Divendosi in tal maniera per la comune e privata utilità gli uomini in varie classe e condizioni.'

p. 513, n. 27 'Il est possible ... de parvenir à des connaissances fort utiles à la vie, et qu'au lieu de cette philosophie spéculative qu'on enseigne dans les écoles, on en peut trouver une pratique, par laquelle, connaissant la force et les actions du feu, de l'eau, de l'air, des astres, et de tous les autres corps qui nous environnent, aussi distinctement que nous connaissons les divers métiers de nos artisans, nous les pourrions employer en même façon à tous les usages auxquels ils sont propres, et ainsi nous rendre comme maîtres et possesseurs de la nature . . . contribuer au perfectionnement de la vie humaine.'

p. 548, n. 5 'Un homme s'use plus vite en surveillant quinze heures par jour l'évolution uniforme d'un mécanisme, qu'en exerçant dans le même espace de temps, sa force physique. Ce travail de surveillance, qui servirait peut-être d'utile gymnastique à l'intelligence, s'il n'était pas trop prolongé, détruit à la longue, par son excès, et l'intelligence et le corps même.'

p. 555, n. 14 'In hac urbe . . . ante hos viginti circiter annos instrumentum quidam invenerunt textorium, quo solus quis plus panni et facilius conficere poterat, quam plures aequali tempore. Hinc turbae ortae et querulae textorum, tandemque usus hujus instrumenti a magistratu prohibitus etc.'

p. 556, n. 16 'Je considère donc les machines comme des moyens d'augmenter (virtuellement) le nombre des gens industrieux qu'on n'est pas obligé de nourrir... En quoi l'effet d'une machine diffère-t-il de celui de nouveaux habitants?'

p. 575, n. 48 'Les classes condamnées à produire et à consommer diminuent, et les classes qui dirigent le travail, qui soulagent, consolent et éclairent toute la population, se multiplient . . . et s'approprient tous les bienfaits qui résultent de la diminution des frais du travail, de l'abondance des productions et du bon marché des consommations. Dans cette direction, l'espèce humaine s'élève aux plus hautes conceptions du génie, pénètre dans les profondeurs mystérieuses de la religion, établit les principes salutaires de la morale' (de 's'approprier tous les bienfaits etc.'), 'les lois tutélaires de la liberté' (... liberté pour 'les classes condamnées à produire'?) 'et du pouvoir, de l'obéissance et de la justice, du devoir et de l'humanité.'

p. 649, n. 6 'Le solstice est le moment de l'année où commence la crue du Nil, et celui que les Égyptiens ont dû observer avec le plus d'attention . . . C'était cette année tropique qu'il leur importait de marquer pour se diriger dans leurs opérations agricoles. Ils durent donc chercher dans le ciel un signe apparent de son retour.'

p. 650, n. 9 'Chaque travail doit... laisser un excédant.'

p. 672, n. 4 '... une richesse indépendante et disponible, qu'il n'a point achetée et qu'il vend.'

p. 676, n. 4 'Il a fallu convenir ... que toutes les fois qu'il échangerait du travail fait contre du travail à faire, le dernier' (le capitaliste) 'aurait une valeur supérieure au premier' (le travailleur).

p. 677, n. 6 ' "Le travail est dit valoir, non pas en tant que marchandise lui-même, mais en vue des valeurs qu'on suppose renfermées puissanciellement en lui. La valeur du travail est une expression figurée etc..." Dans le travail-marchandise, qui est d'une réalité effrayante, il ne voit qu'une ellipse grammaticale. Donc toute la société actuelle, fondée sur le travail-marchandise, est désormais fondée sur une licence poétique, sur une expression figurée. La société veut-elle "éliminer tous les inconvénients" qui la travaillent, eh bien! qu'elle élimine les termes malsonnants, qu'elle change de langage, et pour cela elle n'a qu'à s'adresser à l'Académie pour lui demander une nouvelle édition de son dictionnaire.'
'C'est ce qu'une chose vaut.' 'La valeur d'une chose exprimée en monnaie.' And why has 'le travail de la terre ... une valeur? Parce qu'on y met un prix.'

p. 694, n. 4 'Le salaire peut se mesurer de deux manières; ou sur la durée du travail, ou sur son produit.'

p. 697, n. 12 'Combien de fois n'avons-nous pas vu, dans certains ateliers, embaucher, beaucoup plus d'ouvriers que ne demandait le travail à mettre en main? Souvent, dans la prévision d'un travail aléatoire, quelquefois même imaginaire, on admet des ouvriers: comme on les paie aux pièces, on se dit qu'on ne court aucun risque, parce que toutes les pertes de temps seront à la charge des inoccupés.'

p. 723, n. 18 'L'ouvrier demandait de la subsistance pour vivre, le chef demandait du travail pour gagner.'

p. 728, n. 4 'Le travail primitif auquel son capital a dû sa naissance.'

p. 735, n. 17 'Objets de faste et de somptuosité' dont 'le tems a grossi l'accumulation' et que 'les loix de la propriété ont rassemblés dans une seule classe de la société.'

p. 738, n. 20 'Il est impossible de résoudre le prix nécessaire dans ses éléments les plus simples.'

p. 742, n. 25 'Les épargnes des riches se font aux dépens des pauvres.'

p. 745, n. 32 'La privation que s'impose le capitaliste, en prêtant... ses instruments de production au travailleur au lieu d'en consacrer la valeur à son propre usage, en la transformant en objets d'utilité ou d'agrément.'

p. 745, n. 33 'La conservation d'un capital exige ... un effort constant pour résister à la tentation de le consommer.'

p. 755, n. 48 'Quant à la difficulté qu'élève Mr Ricardo en disant que, par des procédés mieux entendus, un million de personnes peuvent produire deux fois, trois fois autant de richesses, sans produire plus de valeurs, cette difficulté n'est pas une lorsque l'on considère, ainsi qu'on le doit, la production comme un échange dans lequel on donne les services productifs de son travail, de sa terre, et de ses capitaux, pour obtenir des produits. C'est par le moyen de ces services productifs que nous acquérons tous les produits qui sont au monde . . . Or . . . nous sommes d'autant plus riches, nos services productifs ont d'autant plus de valeur, qu'ils obtiennent dans l'échange appelé production, une plus grande quantité de choses utiles.'

'. . . parce que la concurrence les' (les producteurs) 'oblige à donner les produits pour ce qu'ils leur coûtent.'

'Telle est, monsieur, la doctrine bien liée sans laquelle il est impossible, je le déclare, d'expliquer les plus grandes difficultés de l'économie politique et notamment, comment il se peut qu'une nation soit plus riche lorsque ses produits diminuent de valeur, quoique la richesse soit de la valeur.'

'. . . Si vous trouvez une physionomie de paradoxe à toutes ces propositions, voyez les choses qu'elles expriment, et j'ose croire qu'elles vous paraîtront fort simples et fort raisonnables.'

p. 764, n. 1 'À égalité d'oppression des masses, plus un pays a de prolétaires et plus il est riche.'

p. 797, n. 22 'Iddio fa che gli uomini che esercitano mestieri di prima utilità nascono abbondantemente.'

p. 799, n. 23 'De jour en jour il devient donc plus clair que les rapports de production dans lesquels se meut la bourgeoisie n'ont pas un caractère uni, un caractère simple, mais un caractère de duplicité; que dans les mêmes rapports dans lesquels se produit la richesse, la misère se produit aussi; que dans les mêmes rapports dans lesquels il y a développement des forces productives, il y a une force productive de répression; que ces rapports ne produisent la richesse bourgeoise, c'est à dire la richesse de la classe bourgeoise, qu'en anéantissant continuellement la richesse des membres intégrants de cette classe et en produisant un prolétariat toujours croissant.'

p. 800, n. 24 'In luoco di progettar sistemi inutili per la felicità de' popoli, mi limiterò a investigare la ragione della loro infelicità.'

p. 877, n. 2 'Le paysan y' (en Silésie) 'est serf.' 'On n'a pas pu encore engager les Silésiens au partage des communes, tandis que dans la nouvelle Marche, il n'y a guère de village où ce partage ne soit exécuté avec le plus grand succès.'

p. 894, n. 33 'Le lin fait donc une des grandes richesses du cultivateur dans le Nord de l'Allemagne. Malheureusement pour l'espèce humaine, ce n'est qu'une ressource contre la misère, et non un moyen de bien-être. Les impôts directs, les corvées, les servitudes de tout genre, écrasent le cultivateur allemand, qui paie encore des impôts indirects dans tout ce qu'il achète . . . et pour comble de ruine, il n'ose pas vendre ses productions où et comme il le veut; il n'ose pas acheter ce dont il a besoin aux marchands qui pourraient le lui livrer au meilleur prix. Toutes ces causes le ruinent insensiblement, et il se trouverait hors d'état de payer les impôts directs à l'échéance sans la filerie; elle lui offre une ressource, en occupant utilement sa femme, ses enfants, ses servants, ses valets, et lui-même: mais quelle pénible vie, même aidée de ce secours! En été, il travaille comme un forçat au labourage et à la récolte; il se couche à neuf heures et se lève à deux, pour suffire aux travaux; en hiver il devrait réparer ses forces par un plus grand repos; mais il manquera de grains pour le pain et les semailles, s'il se défait des denrées qu'il faudrait vendre pour payer les impôts. Il faut donc filer pour suppléer à ce vide . . . il faut y apporter la plus grande assiduité. Aussi le paysan se couche-t-il en hiver à minuit, une heure, et se lève à cinq ou six; ou bien il se couche à neuf, et se lève à deux, et cela tous les jours de sa vie si ce n'est le dimanche. Cet excès de veille et de travail usent la nature humaine, et de là vient qu'hommes et femmes vieillissent beaucoup plutôt dans les campagnes que dans les villes.'

p. 904, n. 6 'L'anéantissement de toutes espèces de corporations du même état et profession étant l'une des bases fondamentales de la constitution française, il est défendu de les rétablir de fait sous quelque prétexte et sous quelque forme que ce soit . . .' '[Si] des citoyens attachés aux mêmes professions, arts et métiers prenaient des délibérations, faisaient entre eux des conventions tendantes à refuser de concert ou à n'accorder qu'à un prix déterminé le secours de leur industrie ou de leurs travaux, les dites délibérations et conventions . . . seront déclarées inconstitutionelles, attentatoires à la liberté et à la déclaration des droits de l'homme etc.'

p. 907, n. 3 'C'est li compte que messire Jacques de Thoraisse, chevalier chastelain sor Besançon rent es seigneur tenant les comptes à Dijon pour monseigneur le duc et comte de Bourgoigne, des rentes appartenant à la dite chastellenie, depuis XXVe jour de décembre MCCCLIX jusqu'au XXVIIIe jour de décembre MCCCLX.'

p. 909, n. 3 'Je permettrai . . . que vous ayez l'honneur de me servir, à condition que vous me donnez le peu qui vous reste pour la peine que je prends de vous commander.'

p. 920, n. 8 'Si les Tartares inondaient l'Europe aujourd'hui, il faudrait bien des affaires pour leur faire entendre ce que c'est un financier parmi nous.'

p. 922, n. 9 'Pourquoi aller chercher si loin la cause de l'éclat manufacturier de la Saxe avant la guerre? Cent quatre-vingt millions de dettes faites par les souverains!'

p. 928, n. 1 'Nous sommes . . . dans une condition tout-à-fait nouvelle de la société . . . nous tendons à séparer . . . toute espèce de propriété d'avec toute espèce de travail.'

p. 937, n. 16 'Dans les colonies où l'esclavage a été aboli sans que le travail forcé se trouvait remplacé par une quantité équivalente de travail libre, on a vu s'opérer la contrepartie du fait qui se réalise tous les jours sous nos yeux. On a vu les simples travailleurs exploiter à leur tour les entrepreneurs d'industrie, exiger d'eux des salaires hors de toute proportion avec la part légitime qui leur revenait dans le produit. Les planteurs, ne pouvant obtenir de leurs sucres un prix suffisant pour couvrir la hausse de salaire, ont été obligés de fournir l'excédant, d'abord sur leurs profits, ensuite sur leurs capitaux mêmes. Une foule de planteurs ont été ruinés de la sorte, d'autres ont fermé leurs ateliers pour échapper à une ruine imminente . . . Sans doute, il vaut mieux voir périr des accumulations de capitaux, que des générations d'hommes . . . mais ne vaudrait-il pas mieux que ni les uns ni les autres périssent?'

p. 938, n. 20 'C'est, ajoutez-vous, grâce à l'appropriation du sol et des capitaux que l'homme, qui n'a que ses bras, trouve de l'occupation, et se fait un revenu . . . c'est au contraire, grâce à l'appropriation individuelle du sol qu'il se trouve des hommes n'ayant que leurs bras . . . Quand vous mettez un homme dans le vide, vous vous emparez de l'atmosphère. Ainsi faites-vous, quand vous vous emparez du sol . . C'est le mettre dans le vide de richesses, pour ne le laisser vivre qu'à votre volonté.'

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[*Titles as given here may differ in detail from those in the text, since the latter follows Marx's own versions.*]

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Note on Previous Editions of the Works of Marx and Engels

Until recently there existed no complete edition of the works of Marx and Engels in any language. The Marx-Engels Institute, under its director D. Riazanov, began to produce such an edition in the late 1920s. For reasons never since made clear, the project did not survive the mid-1930s. However, eleven indispensable volumes did emerge between 1927 and 1935, under the title *Karl Marx – Friedrich Engels: Historisch-Kritische Gesamtausgabe*, commonly referred to as the *MEGA* edition. The *MEGA* contains the works of both men down to 1848, and their correspondence, but nothing more. For the next thirty years, the field was held by the almost inaccessible Russian edition, the Marx-Engels *Sochineniya* (twenty-nine volumes, 1928–46).

Only in 1968 did the East Germans complete the first definitive edition in the German language, the forty-one volume *Marx-Engels Werke* (*MEW*). Until then, the works of Marx and Engels existed only in separate editions and smaller collections on specific themes. For this reason, the translations into English have followed the same pattern – the only general selection being the *Marx-Engels Selected Works* (*MESW*), now expanded to a three-volume edition. Recently, however, the major gaps in the English translations have begun to be filled up. Lawrence and Wishart have produced a complete translation of *Theories of Surplus-Value*, as well as the first adequate translation of *A Contribution to the Critique of Political Economy* and Marx's book on *The Cologne Communist Trial*. They plan to issue a complete English-language edition of even greater scope than the *MEW*, though this will inevitably take many years to complete. The Penguin Classics editions, previously published as the Pelican Marx Library occupy an intermediate position between the *MESW* and, the complete edition. The most important of Marx's larger works, the three volumes of *Capital* and the *Grundrisse*, as well as three volumes of political writings and a volume of early writings are published in Penguin.

Chronology of Works by Marx and Engels

Date[1]	*Author*[2]	*Title*	*English edition*[3]
1843	M	*Critique of Hegel's Doctrine of the State*	P *EW*
1843	M	*On the Jewish Question*	P *EW*
1843–4	M	*A Contribution to the Critique of Hegel's Philosophy of Right. Introduction*	P *EW*
1844	M	*Excerpts from James Mill's* Elements of Political Economy	P *EW*
1844	E	*Outlines of a Critique of Political Economy*	P. Engels
1844	M	*Economic and Philosophical Manuscripts*	P *EW*
1844	M	*Critical Notes on the Article 'The King of Prussia and Social Reform. By a Prussian'*	P *EW*
1844	M & E	*The Holy Family, or a Critique of Critical Critique*	LW 1957
1844–5	E	*Condition of the Working Class in England*	Blackwell 1958

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[1] Date of composition, except for *Capital*, where the date of first publication is given.

[2] M = Marx, E = Engels.

[3] The following abbreviations are used:

P. Engels: Engels, *Selected Writings*, Harmondsworth, 1967.
LW: Lawrence and Wishart.
MESW: *Karl Marx and Frederick Engels, Selected Works in Three Volumes*, Progress Publishers, 1969.
P: Pelican Marx Library.
P *EW*: *Early Writings* (Pelican Marx Library).
P *FI*: *The First International and After* (Pelican Marx Library).
P *R1848*: *The Revolutions of 1848* (Pelican Marx Library).
P *SE*: *Surveys from Exile* (Pelican Marx Library).

Date	*Author*	*Title*	*English edition*
1845	M	*Theses on Feuerbach*	P *EW*
1845–6	M & E	*The German Ideology*	LW 1964
1846–7	M	*The Poverty of Philosophy*	LW 1956
1847	M & E	*Speeches on Poland*	P *R1848*
1847	M	*Wage Labour and Capital*	*MESW I*
1847–8	M & E	*Manifesto of the Communist Party*	P *R1848*
1848	M & E	*Speeches on Poland*	P *R1848*
1848	M & E	*Demands of the Communist Party in Germany*	P *R1848*
1848–9	M & E	*Articles in the* Neue Rheinische Zeitung	P *R1848* (selection)
1850 (March)	M & E	*Address of the Central Committee to the Communist League*	P *R1848*
1850 (June)	M & E	*Address of the Central Committee to the Communist League*	P *R1848*
1850	M & E	*Reviews from the* Neue Rheinische Zeitung Revue	P *R1848*
1850	M	*The Class Struggles in France: 1848 to 1850*	P *SE*
1850	E	*The Peasant War in Germany*	LW 1956
1851–2	E	*Revolution and Counter-Revolution in Germany*	*MESW I*
1852	M	*The Eighteenth Brumaire of Louis Bonaparte*	P *SE*
1852	M	*Revelations of the Cologne Communist Trial*	LW 1970
1856	M	*Speech at the Anniversary of the* People's Paper	P *SE*
1857–8	M	*Grundrisse*	P
1859	M	*A Contribution to the Critique of Political Economy*	LW 1971
1852–61	M & E	*Articles in the* New York Daily Tribune	P *SE* (selections)
1861	M	*Articles in* Die Presse *on the Civil War in the United States*	P *SE* (selections)
1861–3	M	*Theories of Surplus-Value,* Vol. 1	LW 1967
		Vol. 2	LW 1970
		Vol. 3	LW 1972
1863	M	*Proclamation on Poland*	P *SE*
1864	M	*Inaugural Address of the International Working Men's Association*	P *FI*
1864	M	*Provisional Rules of the International Working Men's Association*	P *FI*

Date	*Author*	*Title*	*English edition*
1865	E	*The Prussian Military Question and the German Workers' Party*	P *FI* (extract)
1865	M	*Wages, Prices, and Profit*	*MESW II*
1866	E	*What Have the Working Classes to Do with Poland?*	P *FI*
1867	M	*Capital*, Vol. 1	P
1867	M	*Instructions for Delegates to the Geneva Congress*	P *FI*
1868	M	*Report to the Brussels Congress*	P *FI*
1869	M	*Report to the Basel Congress*	P *FI*
1870	M	*The General Council to the Federal Council of French Switzerland* (a circular letter)	P *FI*
1870	M	*First Address of the General Council on the Franco-Prussian War*	P *FI*
1870	M	*Second Address of the General Council on the Franco-Prussian War*	P *FI*
1871	M	First draft of *The Civil War in France*	P *FI*
1871	M & E	*On the Paris Commune*	LW 1971
1871	M	*The Civil War in France*	P *FI*
1871	M & E	*Resolution of the London Conference on Working-Class Political Action*	P *FI*
1872	M & E	*The Alleged Splits in the International*	P *FI*
1872	M	*Report to the Hague Congress*	P *FI*
1872–3	E	*The Housing Question*	*MESW II*
1874	M	*Political Indifferentism*	P *FI*
1874	E	*On Authority*	*MESW II*
1874–5	M	*Conspectus of Bakunin's Book* Statism and Anarchy	P *FI* (extract)
1875	M & E	*For Poland*	P *FI*
1875	M	*Critique of the Gotha Programme*	P *FI*
1876–8	E	*Anti-Dühring*	LW 1955
1879	M & E	*Circular Letter to Bebel, Liebknecht, Bracke*, et al.	P *FI*
1879–80	M	*Marginal Notes on Adolph Wagner's* Lehrbuch der politischen Ökonomie	P *Capital*
1880	E	*Socialism: Utopian and Scientific*	*MESW III*
1880	M	*Introduction to the Programme of the French Workers' Party*	P *FI*
1873–83	E	*Dialectics of Nature*	LW 1954
1884	E	*The Origin of the Family, Private Property, and the State*	*MESW III*

Date	*Author*	*Title*	*English edition*
1885	**M**	*Capital*, Vol. 2	**P**
1886	**E**	*Ludwig Feuerbach and the End of Classical German Philosophy*	*MESW III*
1894	**M**	*Capital*, Vol. 3	**P**

Routledge Frontiers of Political Economy

VALUE, MONEY AND CAPITAL

THE CRITIQUE OF POLITICAL ECONOMY AND CONTEMPORARY CAPITALISM

Guido Starosta, Gastón Caligaris, and
Alejandro Fitzsimons

ROUTLEDGE

Value, Money and Capital

The book presents a high-impact re-reading of core topics in the Marx and Marxist debates including: value theory, the commodity nature of money, complex or skilled labour, the determination of the value of labour-power and the nature of extraordinary surplus value. Drawing on this literature, the book provides original and innovative insights into key controversies in contemporary capitalism such as the increasingly intellectual character of commodity-producing labour, the emergence of global value chains, the relevance of ground-rent bearing commodities, and the specific, uneven developmental dynamics of "resource-rich" countries in the global process of capital accumulation.

Contributing to the renewed vitality of critical studies of the economic works of Karl Marx, this book will be essential reading for all those interested in contemporary debates within Marxism, as well as readers of political economy, economics, development studies and economic sociology.

Guido Starosta is a Professor in the History of Economic Thought at the National University of Quilmes (UNQ) and a member of the National Council of Scientific and Technical Research (CONICET) and of the Centre for Science as Practical Criticism (CICP), in Argentina. His research interests are in the critique of political economy and political economy of development. He is currently investigating economic and political forms of the accumulation of capital in Argentina. He also works on issues of method and subjectivity in the Marxian critique of political economy.

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The Critique of Political Economy and Contemporary Capitalism

Guido Starosta, Gastón Caligaris,
and Alejandro Fitzsimons

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We would like to dedicate this book to our teacher Juan Iñigo Carrera. Our intellectual debt to him is vast; significantly, we learnt from him that a radically-transformative action organised through objective knowledge is not only possible, but actually necessary.

In memory of Luis Denari, co-founder of the CICP who unflaggingly strived for a fully-conscious revolutionary action.

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Introduction

The last decades have witnessed a renewed interest in Marx's economic works, with a specific focus on the re-examination of their substantive and methodological foundations. In a nutshell, one could say that these novel readings involved a drastic change of angle on the fundamental issues addressed by Marxist political economy *vis-à-vis* those that had prevailed during the greater part of the 20th century. On the one hand, whilst the latter readings had tended one-sidedly and more narrowly to focus on the exploitation of wage-workers by the capitalist class, the new approaches have broadened the view in order also to critically stress the fetishism involved in the constitution of *value* as a historically-specific *social form* assumed by the product of labour.[1] In other words, the main object of critique came to be the historically-specific alienated forms of social mediation in the capitalist mode of production. On the other hand, Marx's critique of political economy was no longer seen as a ready-made, completed theoretical system which only had to be applied to the analysis of contemporary capitalism. Instead, these new readings tended to see it as a conceptual apparatus that should be subject to a *systematic critical reconstruction* and which, in addition, demanded that specific aspects were further developed in a *methodologically-minded* rigorous fashion. Furthermore, some innovative research started to emerge which examined a variety of characteristic features of contemporary capitalism on these novel theoretical and methodological foundations. This showed not only the revitalised scientific potentialities of the Marxian critique of political economy for the comprehension of current affairs but also allowed the critical engagement with other approaches to political economy.

This book will be part and parcel of this wide-ranging resurgence of research in critical Marxist theory, both with regard to the re-examination of its general methodological underpinnings and to the inquiry into the contemporary configuration of the capitalist mode of production. More specifically, we will offer an alternative approach that builds on innovative scholarship that has emerged in the last 20–25 years under the auspices of the Centre for Research as Practical Criticism, based in Buenos Aires, Argentina, and especially the work of the independent scholar Juan Iñigo Carrera. This work, which is only just recently beginning to appear in Anglophone literatures – in part, because it has been developed outside of formal academic structures and networks – represents a thorough re-examination

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of Marx's inquiry into the value-form and its dialectical-methodical foundations (Iñigo Carrera 2006; 2013a; 2013b; 2014a; 2014b; 2016; 2021).

This alternative reading of Marx does not simply deal with 'minutiae' but has crucial implications for understanding capitalist society. In stressing the specificity of private labour as the foundation of the historical character of the capitalist mode of production, this approach enables us to uncover how the process of human metabolism is characterised by an automatism subject to laws, whose motion obviously takes shape through the conscious action of individuals, but whose general unity is unconsciously established 'behind their backs' (Starosta 2016a; 2017a; 2017b; 2022). The 'law of value' is the succinct term that refers to the unity of the determinate forms of movement assumed by this alienated mode of existence of social life in all its concrete complexity.

The first three chapters of the book start out with a re-consideration of the simplest economic determinations of the capitalist mode of production, i.e. value and money, against the backdrop of contemporary Marxist debates on the subject. Chapter 1 thus addresses the debate over the materiality and social form of abstract labour as the substance of value and argues that the vast majority of the literature fails to grasp the contradictory unity between the 'transhistorical' physiological quality of abstract labour and its historically-unique socially-mediating function. The chapter also fleshes out an alternative view through a detailed reconstruction of Marx's argument in the first chapter of *Capital*. Succinctly put, we maintain that the historical specificity of value-producing labour does not reside in its abstract character but in the private organisation of its immanent social character, which lies at the basis of abstract labour's historically-specific role.

For its part, Chapter 2 addresses the other major issue which has captured the focus of the contemporary rethinking of the fundamental categories of the critique of political economy, namely: the respective roles of production and circulation in the determination of value as a historically-specific social form. Thus, the second chapter takes issue with the different contemporary variants of the so-called 'circulationist' perspective, whether the more 'extreme' version or the more nuanced views which are at pains to give the sphere of production its due place in the constitution of value as a social form. Moreover, this chapter critically discusses those production-centred alternatives which emphatically reject both the circulationist approach and the asocial stance of value characteristic of the old Ricardian reading. However, we show that these latter views also fail to offer what we think is needed: a rigorous production-centred and non-naturalistic grasp of the value-determinations.

Finally, Chapter 3 provides a methodologically-minded discussion of Marx's account of the genesis of money in the first two chapters of *Capital*. More specifically, it focuses on the connection between systematic development and historical explanation in the dialectical exposition. After reviewing the limitation of the way in which much of the literature articulates these two moments of the investigation, we argue that the explanation of the genesis of money in the exchange of commodities must be provided in fundamentally *systematic* terms. However, in contradistinction to the so-called 'New Dialectics' literature, we submit that historical explanation plays a necessary role in Marx's dialectical exposition in *Capital*. In fact, we show that the account of the crystallisation of the money – form precisely is one of those points 'where historical investigation must enter in'. The key issue, however, is to be clear *why* and *how* the historical mode of explanation must enter the stage.

Based on this rethinking of the general foundations of the critique of political economy, i.e. so-called 'value-theory', the book turns to re-examine an additional series of longstanding controversies among Marxists. Although all these issues deal with more concrete determinations of the capitalist mode of production, they remain at a relatively high level of abstraction and are, in this sense, largely 'theoretical'. They include: the connection between complex labour and value-production (i.e. the reduction of skilled to simple labour) in Chapter 4, several questions around the determinations of the value of labour-power (in particular, the so-called 'historical and moral element') in Chapter 5 and, finally, the nature and source of extra surplus value from innovation in Chapter 6. Various threads hold all these issues together.

In the first place, some of them are problematics which have persisted largely unresolved, yet inexplicably left behind by contemporary Marx scholars, such as the question of the nexus between complex labour and value-production. Secondly and even more curiously, others have remained even *unstated* among Marxists. In the latter case, it is nevertheless possible to find them lurking behind *other* better-known theoretical disputes. For instance, the mechanisms which underlie the flow of extra surplus value into the pockets of capitals operating with above-average productivity of labour have been at stake in many classic debates, such as those over ground-rent, international unequal exchange, the transformation of values into prices of production. Moreover, it is even possible to discern starkly conflicting interpretations about the determinations behind the extraordinary surplus value. Yet, the issue has not been even consciously acknowledged by scholars as being under dispute and, consequently, has not captured the attention which, we think, it deserves for its own sake. Alternatively, as in the case of the determination of the value of labour-power, the question has endured somehow 'muted' by an implicit consensus over an overwhelmingly dominant 'received wisdom' that can be traced back to very early debates among classical Marxists. It has somehow cropped to the surface again recently, but only very timidly and in a derivative fashion within other debates (the so-called 'New Solution' to the transformation problem or those on domestic labour and social reproduction). Finally, in all these cases Marx's own textual legacy on these issues is either ambiguous or simply incomplete and underdeveloped. In this context, the book endeavours to unearth and reconstruct these subterranean controversies whilst offering original insights into the resolution of longstanding gaps in the systematic architecture of the Marxian critique of political economy. In addition, the rigorous resolution of these issues shall prove of utmost importance as intermediate steps which are necessary to address the set of more concrete economic phenomena whose investigation animates the second part of the book.

Two main substantive implications for the analysis of the concrete forms of contemporary capitalism derive from this reading of the Marxian critique of political economy. In the first place, class struggle and state policies are not to be conceived of as independent, self-subsisting factors that externally modify or influence the workings of the law of value. Instead, they need to be grasped as necessary modes of motion through which the law of value further unfolds beyond the strictly economic forms immediately springing from the indirect nature of the social relations of capitalist production (Starosta 2016a; Starosta and Fitzsimons 2018). In the second place, the course and potentialities of capitalist development in each national space should be viewed as the immanent outcome of the *essentially global* unfolding of the 'law of value'. In other words, they must be grounded in the constitution and dynamics of the changing constellation of international division of labour, which in turn results from *the underlying unity of the self-valorisation of value on a world scale* (Caligaris 2016; Charnock and Starosta 2018; Fitzsimons and Starosta 2018; Starosta 2016b; 2019). As will become evident throughout this book, this idiosyncratic perspective on capital as an intrinsically global alienated social relation, specifically differentiated into an *economic content* and *political forms*, offers a more consistent and insightful articulation between Marx's critique of political economy and the analysis of several features of contemporary capitalist society.

Thus, by deciphering the national forms taken by the general content of a historically-specific mode of the reproduction of total (worldwide) society on the basis of the fragmentation of the productive subjectivity of the international working class, and through the development of the automation of large-scale industry within the international division of labour, this approach is able to advance a substantive alternative explanation of the inner relation between global capital accumulation and nationally-uneven development on a world scale. More specifically, those insights will be deployed in the second part of the book with a view to critically scrutinising several phenomena which have been at the centre of both longstanding and more recent scholarly debates over the changing nature of global capitalism, among them: the growing centrality of the cognitive dimension of labour and its implications for value-production (Chapter 7); the constitution and dynamics of global commodity chains in particular branches of the social division of labour (Chapter 8); the development of capitalism in 'resource-rich' countries, whose longstanding historical role in the world market has been to produce ground-rent-bearing commodities (Chapter 9) and the social foundations for the limited potentialities of capitalist development in Latin American countries (Chapter 10). In all these cases, we hope to show that this novel perspective carries with it important and hitherto unacknowledged implications for the study of capitalist society and its historical transformations. Moreover, it involves conclusions that contrast sharply with dominant orthodox and critical theories of global capitalism. Thus, after critically examining the flaws that we find in those literatures, the book shall attempt to demonstrate that those very same features of contemporary capitalism can be elucidated through the unfolding of the specific categories of the critique of political economy as developed in *Capital*, albeit certainly beyond the letter of Marx's texts. As these chapters will hopefully also throw into relief, a key dimension in this alternative explanation of those features of contemporary capitalism lies in the rigorous comprehension of the *methodological* specificity of the Marxian critique of political economy.

Indeed, what we propose is a perspective that seeks to avoid any kind of dualism, exteriority, or 'gap' between so-called 'theory', on the one hand, and the historical development of concrete 'empirical' forms, on the other. In this sense, our approach stands out for its stress on the internal unity between the *content* and *form* of the determinations which constitute its object of research. This form of inquiry not only provides a powerful tool for the systematic critical reconstruction of the 'categorial architecture' of Marx's *Capital* but also offers an illuminating method for the investigation both of aspects which Marx himself did not address or left underdeveloped and of novel concrete phenomena engendered by the historical development of capitalism beyond those that Marx witnessed during his lifetime.

In this sense, this methodological perspective can help overcome the pitfalls of the antinomy that, in our view, characterises a great deal of current economic studies of contemporary society, namely, that between superficial and descriptive empiricism which 'relies […] on the mere semblance as opposed to the law which regulates and determines the phenomena' (Marx 1976, 421–22), on the one hand; and the 'violent abstraction' of approaches that attempt to pierce through immediate appearances in order to discover the inner 'law' that regulates concrete phenomena, but that get bogged down in formal questions of the logical consistency of theoretical constructs, which stand in stark contradiction with the immediate appearance of those phenomena that such theories are meant to explain. By contrast, we take cue from Marx's methodological remarks in the pages just quoted. The key to avoiding this 'apparent contradiction' resides in the systematic critical reconstruction of 'the many intermediate terms' that immanently connect the more abstract and general determinations of phenomena, with the immediate form in which the latter manifest in the 'empirical reality' of contemporary capitalism in all its richness and complexity. In addition, it involves the recognition that those more abstract determinations of capitalist society that Marx presented in *Capital* are not simply subjective or merely ideal constructs that help 'organise' a given empirical content obtained through direct observation or data collection, but are objective aspects that constitute social reality itself.

In sum, we firmly believe that, taken together, these substantive and methodological features of our reading of Marx entail an innovative perspective within contemporary Marxist debates. On this basis, we hope that the book sparks stimulating theoretical and methodological discussions in the critique of political economy, and therefore opens new avenues for further critical research on contemporary capitalism.

Note

1 Throughout this book, we shall use the expression 'value-form' to refer to value as the social form of the product of labour. This is also the case in formulations such as 'the social form of value assumed by the product of labour'. By contrast, we shall use 'the form of value' to refer to exchange-value as the necessary form of appearance of value.

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1 The determinations of value as historically-specific social form

Part I: materiality and social form of abstract labour

Introduction

Contemporary Marxian scholarship on *Capital* revolves around the consolidation and refinement of certain themes and perspectives whose origins can be traced back to the late 1970s and early 1980s. These debates around Marx's intellectual legacy have entailed both a methodological and substantive re-examination of his major scientific work. The guiding thread of this reconsideration of the Marxian critique of political economy was the critical reaction against what was seen as the (mis)reading of his 'economic' works along Ricardian and/or Left-Keynesian lines throughout most of the 20th century until the 1970s (as epitomised in the classic texts by Dobb 1968; Meek 1973; Robinson 1969; Sweezy 1970). In contrast to what De Vroey (1982) aptly labelled 'technological' reading to refer to the old orthodoxy, this reappraisal of Marx's theory entailed a renewed emphasis on the historical specificity of capitalist social forms (Murray 2016, 120–55). Although this has led to a wide-ranging rethinking of the structure of Marx's *Capital* as a whole, a great bulk of the discussion has been devoted to shed new light on the simpler determinations of capitalist society and therefore has focused on value, abstract labour and money. The central question was no longer to reduce prices to quantities of labour but, taking cue from Marx's remark in the section on the fetishism of commodities, to comprehend why in capitalist society that content (labour) takes on the social form of value, money and, eventually, capital. In other words, for most of these new readings, Marx's *Capital* was not to be interpreted as a treatise on 'economic theory' but as a critical investigation of the historically-specific reified forms of social mediation of capitalist society. However, beyond this common ground, the reaction to the old Ricardian-Marxist orthodoxy has been very varied and has resulted in the emergence of a great diversity of perspectives on the determinations of value as a social form.[1]

First and foremost, the reappraisal of value as social form has been intimately connected with a rethinking of the nature of abstract labour. The more or less explicit reasoning is deceptively simple: if value is a historically-specific social form, so must be its substance. Against this backdrop, one of the main issues at stake has been the precise sense in which abstract labour should be understood as a capitalist phenomenon. Also, this raised the question of the level of abstraction at

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which abstract labour should be more adequately conceptualised; whether it should be treated as already determined at the level of the commodity-form (Murray 2016, 443–64; Smith 2006), or whether it can be fully grasped only from its mode of existence as work exploited by (or subsumed to) capital (Arthur 2001; De Angelis 1996), or whether the process of abstraction should be grasped as fully posited through the process of capitalist reproduction as a whole (Robles Báez 2004).

This debate also ramified into the related issue of the respective roles of production and exchange in the determination of abstract labour and value. At one end of the spectrum, one can find what some critical commentators have labelled the 'circulationist approach' (Mavroudeas 2004), for which abstract labour and value can only acquire objective reality through the exchange of products against money on the market (De Vroey 1982; Eldred and Hanlon 1981; Himmelweit and Mohun 1978; Kay 1999; Reuten 1993; Roberts 2004; Williams 1992). However, certain limitations of the 'circulationist' approach did not remain unnoticed by other scholars and served as the basis for further theoretical developments. The challenge for these alternatives was how to avoid both the 'technological' reading of the value-determinations and the antinomies which arose from seeing value as existing only within circulation. A new variety of approaches emerged which, in their own idiosyncratic way, tried to re-establish the connection between value and the immediate process of production, whilst still seeing the former as a specific social form (Brown 2008; De Angelis 2004; Likitkijsomboon 1995; Mavroudeas 2004; McGlone and Kliman 2004; Postone 1996; Saad-Filho 2002). Finally, some authors seem to offer a middle ground between 'circulationism' and 'production-centred' value theories, in which exchange provides a necessary first moment in the process of social constitution of value that becomes fully grounded when capital sinks into production (Arthur 2001; Bellofiore 2009).

In Chapters 1 and 2 of this book, we subsequently and respectively address these two strands of the Marxist debate. In the present one, we firstly focus on the nature of abstract labour. Based on a critical overview of the main literature, we submit that it fails to grasp the contradictory nexus between materiality and social form of the substance of value. We subsequently flesh out our own alternative view through a detailed reconstruction of Marx's argument in *Capital*. Succinctly put, we argue that the historical specificity of value-producing labour does not reside in its abstract character but in the private organisation of its immanent social character, which imprints upon the 'transhistorical' material quality of abstract labour a historically-unique socially-mediating role.

'Rubin's dilemma' and the Marxist debate on abstract labour

Situating the contemporary literature on abstract labour

The contemporary debate on abstract labour has been heavily marked by the publication of the English translation of Rubin's *Essays on Marx's Theory of Value* in 1972. The relevance of this work was that it had also appeared in an intellectual context dominated by 'Ricardian' (mis)readings of Marx's thought. This is why it became imperative for Rubin to emphasise the importance of the notion of *historically-specific social form* as the distinguishing mark of Marx's *Capital*.

Rubin, therefore, was at pains to shed light on value as a specifically-capitalist *social* phenomenon. But, according to one of the main arguments of his *Essays*, the same should be concluded about abstract labour, which constitutes value's substance. In this sense, Rubin (1972, 135) considered that it was quite simply impossible to see abstract labour as a sheer physiological expenditure of labour-power and, at the same time, grasp value as historically-specific. At this point, his train of thought thus confronted what Patrick Murray (2016, 431) eloquently called 'Rubin's dilemma': there was an inescapable need to choose between a 'generally applicable concept of abstract labor', as more or less explicitly 'Ricardian' readings of Marx's works did, and the idea that abstract labour must be a 'labor of a specific social sort'.

At first sight, the terms of this dilemma seem to make sense. However, as Rubin (1972, 135–36) himself acknowledged, the textual evidence from Marx's works was hard to reconcile with his own position concerning this dilemma. Despite these exegetical difficulties, the reception of his work among Marxists during the 1970s uncritically accepted the terms of 'Rubin's dilemma'. Thus, among the overwhelming majority of those who attempted to break with the Ricardian 'received wisdom', most intellectual efforts were geared towards clarifying the precise sense in which abstract labour should be grasped as a purely social and historically-specific phenomenon.[2]

In broad outline, it is possible to discern three different ways in which the specialised literature has addressed this *problematique*. The first one is direct heir to the solution proposed by Rubin himself, albeit read in a one-sided 'circulationist' manner (Eldred and Hanlon 1981; Heinrich 2021; Reuten 1993). Succinctly put, this perspective argues that it is the act of exchange of the products of labour for money, i.e. the effective relation that they establish *after* the production process has been completed, which equalises use-values as values and, through this mediation, transforms private, concrete individual labours into social, abstract and socially necessary labours. In other words, abstract labour is conceived of as concrete labour equalised through the act of exchange between ordinary commodities and money. As we shall see in more detail in a subsequent section, one of the problems of this view is that Marx's analysis of the substance of value clearly shows that it is not abstract labour in act, but its objectification that is specifically represented as the value of the commodity. This might seem an obvious point, but it is clearly overlooked by this train of thought, which claims that value and abstract labour are not presupposed by the actual exchange of commodities but come into being through it. And this is something rather difficult given that the exchange of commodities does not entail any process of material production. And the latter is the only moment at which (productive) labour properly can exist; at least according to any meaningful definition of it. At the moment of exchange, abstract labour is already materialised so it can hardly come into existence then.

A second current that views abstract labour as a capitalist social form grounds its historical specificity in the alienated character that it takes once the production process is subsumed under the command of capital. Abstract labour is thus grasped as wage-labour which, by virtue of its subsumption under capital, results in a socially-imposed abstraction 'from the lived experience of the workers' (De Angelis 1995, 110) or 'from concrete human circumstances and purposes' (Bonefeld 2010, 262). It is, in other words, 'alienated labour' (Kliman 2011, 182). As pointed out elsewhere, some versions of this approach (cf. De Angelis 1995 in particular) thus quite simply fail to distinguish between wage-labour under the command of capital and any other mode of human labour subjected to exploitation. Paradoxically, the alleged historical specificity of abstract labour fades away. In effect, the abstraction from the life experience, desires and purposes of the producers is also applicable to the social determinations of the slave and serf (Kicillof and Starosta 2007a). More importantly, all the versions of this general argument share the same formal-methodological problem in the structure of their reasoning. More concretely, if the explanation of value requires the category of abstract labour and, in turn, the latter entails the unfolding of the capital-form as its own prerequisite, it is unclear how self-valorising value (i.e. capital) can be explained *without* the prior account of the determination of value.

Lastly, a third stream adds some complexity to the matter. These authors re-introduce the notion of a 'physiological' sense in which all labours are equal without relinquishing the idea of abstract labour as the historically-specific form which is value-producing. The common argumentative strategy usually revolves around the doubling of abstract labour into more than one 'category' or, alternatively, assigning it diverse meanings depending on the context of the Marxian exposition at stake. Thus, the transhistorical determination of abstract labour as a physiological expenditure of labour-power is usually maintained for the initial analytical stage in which it is discovered as the content behind the exchange relation, whilst it is depicted as a historically-specific social form when it is considered as the substance of fetishised social relations. For instance, some scholars distinguish between abstract labour as the material remainder resulting from the abstraction of the particular useful character of labour, and 'social abstract labour' (Robles Báez 2014, 295) or 'practically abstract labour' (Murray 2016, 124) when referring to a form of social mediation, i.e. as socially-validated individual labour by means of the exchange between commodities and money. 'Physiological' abstract labour is thereby conceived of as an 'analytical category' or 'dialectical presupposition' which is conceptually necessary to present the 'truly social' historically-specific concept of abstract labour (Murray 2016, 125; Robles Báez 2014, 295).

Now, our main reservation against this latter perspective is that it essentially replicates Rubin's own solution (1972, 139), which consisted of the introduction of a varied spectrum of 'intermediate categories' to refer to the *different social roles* of the *same* real phenomenon. The only difference would be that these authors would preserve the *term* abstract labour as a differently-predicated constant in the different categories, which seemingly allows them to remain more faithful to the letter of Marx's texts and avoid 'Rubin's dilemma'. However, as shall be discussed in the following chapter, this merely is a formal way of sidestepping that thorny issue, which eventually and inevitably ends up relapsing into problematic circulationist tropes concerning the determination of value. On the other hand, we think that the extrinsic introduction of categories in the systematic-dialectical investigation has serious methodological consequences for the critique of political economy (Kicillof and Starosta 2007b). For, in stopping short 'at the fixed determinacy and its distinctness *vis-à-vis* other determinacies' (Hegel 1999, 125), science becomes impotent to comprehend the movement of contradiction – the inner negativity – that constitutes the immanent unity between the different determinations of real forms. In other words, the way to avoid the abstract identity between material and social determinations of value-producing labour characteristic of Ricardian interpretations is not to replace it with an abstract difference.

The Wertkritik's idiosyncratic solution to 'Rubin's dilemma'

Against this backdrop, the approach of the so-called German *Wertkritik* stands out for developing a reading of Marx which perhaps offers the sharpest contemporary challenge to Rubin's dilemma. It is worth starting with the assessment of the work of Robert Kurz, who was a leading figure of this current, and who developed an in-depth critical discussion of the nature of abstract labour in his book entitled *The Substance of Capital*. In our view, one of the main merits of this approach is that it resolutely acknowledges 'the material character of the substance of abstract labour' as a sheer 'expenditure of human brain, nerves, muscles' (Kurz 2016, 29). However, unlike the naturalism of Ricardian readings, Kurz emphatically insists that value is a *purely social fetishised* '*representation*' of this 'actual physical substance' which, 'however, has nothing physical about it' (31). Therefore, one could argue that by distinguishing between the materiality of abstract labour as physiological expenditure of human corporeality and its purely social representation as value, Kurz manages to break with the unmediated connection between abstract labour and value which underpinned Rubin's dilemma. Unfortunately, this is not the implication that he draws from his own analysis. Instead, still caught in the web of Rubin's dilemma, he goes to great lengths to find a way to maintain that abstract labour must still be a capitalist phenomenon after all.

Kurz (2016, 24) starts by throwing into relief that only in capitalist society does human productive activity involve the practical abstraction from the concrete form of labour and its reduction to a physiological expenditure of energy. Whilst that phenomenon of a 'real abstraction' might be true enough, it should be noted that it alone has no way of turning the physical 'combustion of energy' into an exclusively capitalist phenomenon. However, instead of acknowledging this at this point, Kurz actually raises the stakes and postulates that 'labour' as such, and not simply abstract labour, as other Marxists would have it, is a historically-specific social form.

His argument is that since 'in the name of the social form determination (value) […] the concrete activity, cabinet making, here counts practically as "labour", as mere expression of the expenditure of human energy as such' (Kurz 2016, 87–88), the capitalist social life process not only entails the 'practical doubling' of the concrete and abstract materiality of human productive activity into a two-fold social character; in addition, 'the former is subordinated to the latter' (88), so that concrete labour becomes 'the mere form of appearance of abstract labour' (89). On the other hand, Kurz's argument goes on, this abstraction from the useful properties of the different productive activities means that abstraction is made from all other social purposes other than the setting into motion of material production as such. Labour, which is rendered by Kurz as just 'one kind' of human activity among others, is thereby conceived of as 'a space "disembedded" from the total life process' (89); it becomes 'the self-mediation of substance and consequently the end in itself and self-aggregation in the value-form' (21). Seen in this light, Kurz concludes, 'strictly speaking the term "abstract labour" is a logical pleonasm (like "black darkness") since the attribute is already contained in the concept; "labour" being already an abstraction' (27). As a matter of fact, Kurz even submits that only under these social circumstances does the 'conceptual nominal abstraction "labour" as the concept of a social universality' make any rational 'sense at tall' (88). In this manner, Kurz considers that he has successfully resolved 'Rubin's dilemma': grasped as a socially 'autonomised' and self-mediating productive 'combustion of human energy', abstract labour results *both* a physical substance *and* a historically-specific social form.

Now, it seems to us that this latter broader ramification of Kurz's argument, which resignifies 'labour' as such as historically-specific, is highly polemic and begs many questions about the determination of the human species-being and the content which gives unity to its historical development (Starosta 2022). Nevertheless, Kurz (2016, 24) does not probe deeper into the question and just dismisses it through the hyperbolic remark that Marx remained 'stuck in the Protestant-Enlightenment ontology of labor'. On the other hand, one could still consider that his essential point comes down to the narrower question of the formal imputation of historical specificity to abstract labour, which does not have major consequences. In effect, at a more substantive level, Kurz in the end would be, albeit in a rather convoluted way, just correctly acknowledging that value is the purely social representation of the physiological expenditure of labour-power.

Yet, the conception of 'labour' as an exclusively capitalist phenomenon is not harmless for the comprehension of value as a reified social relation. First and foremost, this means that Kurz misses the whole point of the social form of value adopted by the products of labour, which is to be a historical mode taken by the organisation of the immanent material unity of individual labours as differentiated organs of social labour. Consequently, he fails *explicitly* to ask, at the appropriate 'level of abstraction', the question that political economy 'never once asked', namely: 'why this content has assumed that particular form, that is to say, why labour is expressed value' (Marx 1976a, 174). On this score, Kurz (2016, 31) does not go beyond indicating that the value representation is explained by the fact that abstract labour 'cannot really be separated from the concrete form' and 'cannot be literally contained in the objects'. But this still begs the question of precisely *why* the objectification of the abstract character of labour needs a distinctive representation as a social property of the product. Whilst Marx responds to this question in the first chapter of *Capital*, Kurz locates his answer only at the systematic stage of the capital-form, when he explicitly addresses the *foundation* of the social process of scission of abstract labour from its irreducible material inseparability from concrete labour. More specifically, the socially-determined separation of the materiality of abstract labour occurs because 'for the "automatic subject" of the process of self-expanding value it is completely inessential whether trousers or hand-grenades are manufactured; all that is essential is that *bodily human combustion processes* (expenditure of energy) take place' (30). As should be evident against the backdrop of the previous section, insofar as it needs the capital-form (i.e. self-valorising *value*) to explain the social constitution of value itself, this is a fundamentally circular argument.

This weakness carries over into Kurz's discussion of the *magnitude* of value. Specifically, the implication is that the *quantum* of value which is objectified in each individual commodity is not seen as determined at the effective moment of the privately-performed material exertion of abstract labour, albeit socially counting only as an aliquot part of the total labour-power of society (Marx 1976a, 129). Instead, he submits that it is circulation that 'measures the socially valid quantity of this already present value-objectivity' and 'establishes how large the value-objectivity is', although it 'does not manufacture it' (Kurz 2016, 198). What is more, so much does Kurz reduce the necessity of value to a merely 'instrumental' need for a socially-separable representation of a materially-inseparable substance, that he maintains that use-values acquire the social form of value even if their *salto mortale* as commodities 'fails to take place', with 'the value character of the commodity' manifested 'in its senseless disposal instead of consumption' (78). However, as we discuss both in the next section and the following chapter, insofar as what is at stake in value-production is the organisation of the immanent *social* character of individual labour, the products of labour cannot have value if they are not *social* use-values. Yet their 'senseless disposal' only proves that they were not determined as such from the very outset of the respective cycle of social metabolism, i.e. at the time of their production.

Now, some of these problematic issues with Kurz's approach have been somehow addressed in the more systematic and rigorous Marx exegesis of 'second-generation' *Wertkritik* author Anselm Jappe. Particularly in his commentary on chapter 1 of *Capital*, Jappe (2003) seemingly parts company with Kurz in his explicit acknowledgement that Marx's argument hangs on the fact that the primordial general social process that all societies need to undertake is the organisation of individual labours as materially interdependent organs of social labour. Consequently, this dovetails with Jappe's recognition that the historicity of capitalism derives from the specific form in which it resolves this process (50ff.). What is more, unlike Kurz, Jappe does throw into relief that this specificity is defined by the private character of social labour. Thus, he states that Marx is very clear that 'the fact […] that labour is represented in value, does not constitute an original datum' but is 'a consequence of a determinate mode of socialisation […] based on the labour of separate private producers' (58).

Unfortunately, this reworking of the *Wertkritik* perspective is still not profound enough to avoid lapsing into Rubin's dilemma. Thus, after recognising abstract labour as the 'sheer expenditure of labour-time, without regard to the specific form of its expenditure' (Jappe 2003, 31), just a few paragraphs later Jappe states that there is nothing ‘material and concrete’ about abstract labour; just like value, it is ‘purely social’ (33). Moreover, the reason for this latter conclusion is exactly the same as the one adduced by Rubin, namely, that grasping abstract labour as a ‘purely physiological fact’ would lead, as happened with Smith and Ricardo, to think that labour is value-producing ‘independently of all social determination and existing in all societies’ (43). In the end, it turns out that ‘the particularity of commodity production’ no longer resides in private labour but ‘in the fact that […] a non-specific, transhistorical property is transformed into a historically-specific mode of sociality’ (54–55). Jappe, therefore, ends up confounding the essential defining feature of capitalist society, i.e. the private organisation of the general unity of social labour, with its necessary yet *mediating consequence*: the abstraction from the concrete useful form in which that private expenditure of social labour has been realised.

At this juncture, and probably as a result of his inability successfully to tackle Rubin’s dilemma, Jappe (2003, 119) cannot help falling back into Kurz’s flawed solution, whereby ‘“labour” itself is a historical phenomenon’ insofar as a ‘definite mode of activity is – spatially and temporally – torn asunder from the rest of the full field of human activities’. The initial acknowledgement that the primordial social process in any society consists of the organisation of the allocation of the total available labour-power into its different concrete forms is suddenly put to one side. And such an idea, which Jappe concedes is Marx’s own, is now relegated to yet another expression of the latter’s lapse into an ‘ontology of labour’ resulting from his ‘bourgeois legacy’ (121). Instead, Jappe argues that ‘only in capitalist society […] does labour exist in an autonomous and separate sphere *vis-à-vis* other activities’ and therefore becomes ‘its own principle of organisation’ and ‘the reason to be of society’, whereas in prior societies material production was ‘at the service of a given social order’ (126).

As argued elsewhere concerning a similar argument by Postone (Starosta 2022), the very choice of terms in these formulations (‘at the service of a social order’, ‘[dis]embeddedness’, ‘social context’) betrays the irreducible externality in the relation that these authors end up positing between labouring ‘activities’, which become consequently represented as a sheer material process lacking in immanent social content and, on the other side, ‘overt social relations’, whose inner purpose and general unity (i.e. their ‘*raison d’être*’) is never *positively* spelt out (they are only *negatively* defined as not grounded in labour), but which are nonetheless said to impose, from such exteriority, their (self-grounded?) meaning and significance to labouring activities and their products.

Abstract labour and value in chapter 1 of Capital

The initial unearthing of abstract labour and value through the analysis of the commodity

In the opening paragraph of *Capital*, Marx (1976a, 125) starts with the immediate observation of the form in which social wealth appears ‘*in societies in which* *the capitalist mode of production prevails*', namely, an 'immense collection of commodities' (emphasis added), the *individual* commodity being its elementary form. Thus, out of that heap of commodities, Marx picks out a *singular* 'specimen' in order to proceed to its investigation, the first phase of which consists in its *dialectical analysis* (Starosta 2016, chapter 4). As Marx himself succinctly puts it in his retrospective methodological remarks in the 1864 manuscript published as 'Results of the Immediate Process of Production':

> We begin with the commodity, with this specific social form of the product – for it is the foundation and premise of capitalist production. We take the *individual* product in our hand and analyse the formal determinants that it contains as a commodity and which stamp it as a commodity.
>
> (Marx 1976b, 1059, emphasis added)

Note that in this passage Marx is very emphatic that his analysis begins, quite literally, with the individual commodity as such. What is more, although the English rendition as 'individual commodity' is not entirely eloquent in this regard, the German original, 'einzelne Product' (Marx 1988, 30), much more clearly denotes that at stake here is not just the singular but also the *isolated* commodity. Of course, it goes without saying that this is an 'isolated product' which is not an abstract mental or logical construct. On the contrary, it is the 'simplest economic concretum' (Marx 1975, 199) that has been abstracted, for the purpose of setting the dialectical exposition into motion, from the whole 'collection of commodities'. The latter certainly is the *yet-to-be-posited* real presupposition of the systematic-dialectical presentation. However, as immediate object of the investigation, both that initial collection of commodities and, more specifically, the multiplicity of their mutual exchange relations, will be 'bracketed out' until the unfolding of the 'formal determinants that it contains as a commodity and which stamp it as a commodity', necessarily drives us to turn our attention to those exchange relations among commodities.

Insofar as the immediate object of the exposition is neither the formal logical analysis of an abstract exchange relation (cf. Böhm-Bawerk 1949) nor the underlying structure of an all-round system of commodity exchange (cf. Rubin 1972, 85), it follows that in the opening pages of chapter 1, Marx is not searching for a common property shared by the world of commodities as the cause of their respective exchange ratios. Rather, his dialectical analysis consists of the search for the specific determination defining the potentiality (i.e. the power, aptitude or capacity) of the commodity as a historical form of social wealth. This potentiality Marx first 'discovers' by observing the use-value of the isolated single commodity that constituted the starting point of the presentation, which shows that in capitalist societies such a sensuous corporeal materiality acts as carrier of a second, *historically-specific* attribute of objects of utility; which, in this initial encounter and only provisionally when, 'flirting with Hegel', one could say that the exposition is still in the commodity's 'sphere of simple immediacy', Marx refers to as *exchange-value*.[3]

Here a problem might arise because Marx does not explicitly say what that second attribute of the commodity consists of. He just names it ('exchange-value') and then directly proceeds to its analysis. We think that the reason for this is that the meaning of that attribute was self-evident in the term itself against the backdrop of its everyday usage at that time.[4] The fact that commodities have 'exchange-value' simply means that they have the *power of exchangeability*, that is, *the aptitude to be transformed into any different use-value without the mediation of any material transformation in its bodily existence* (Iñigo Carrera 2021, 14). It is this wholly *non-natural* power that gives commodities such a mystical character, which nevertheless *all* strands of political economy naturalise, and whose genesis and constitution the *critique* of political economy thereby needs to explain. What immediately follows in Marx's exposition is, then, the *dialectical analysis* of this purely social power of exchangeability of commodities. That is, Marx proceeds to answer what is the source of this specific potentiality intrinsic to the commodity, i.e. what is the more abstract determination or content appearing in the concrete form of the power of exchangeability.

As happens with every phenomenon, the first thing Marx encounters when facing the exchangeability of the commodity is its *immediate manifestation* – the quantitative relation 'in which use-values of one kind exchange for use-values of another' (Marx 1976a, 126). It is just at this point, *once the power of exchangeability had already been found in the 'isolated single commodity'*, that the exposition *circumstantially* turns to examine the exchange relation between commodities. Now, the first step in the analysis of exchangeability is the separation of the *content and form* of that specific attribute of the commodity, this being the only way in which the scientific inquiry can pierce through the concrete form in which a more abstract form (hence a determined *content*) outwardly appears. This analytic distinction between form and content reveals that the multiple *particular* exchange relations that a commodity establishes with other commodities are actually expressions of something else that inheres *in each commodity*, and which entails an identical *qualitative* potentiality of *general* exchangeability in a certain *magnitude*. As a matter of fact, Marx shows that under the real practical premise of universal commodity exchange which constitutes the object of his study, even the examination of a singular exchange relation suffices to throw into relief the necessity for the existence of an identical quality in each commodity as its very condition of possibility. In this sense, Marx is not, as Böhm-Bawerk (1949, 68ff.) would have it, trying *logically to prove the existence of a common property among commodities*, but *the commodity itself*, by virtue of the immediately observable 'empirical fact' that it establishes an exchange relation which can be represented in an equation, shows that it *has* a 'common quality' *immanent* in it.

Once outer form of expression and inner content of the attribute of general exchangeability have been distinguished, Marx continues with the analysis of the latter, which consists, in turn, in separating that power of general exchangeability from the more abstract form whose realised potentiality it carries within itself as its 'other'. In other words, he proceeds to the identification of the *content* of the property of exchangeability, '*independent of their exchange-relationship or from* *the form, in which they appear as exchange-values*' (Marx 1976c, 9, emphasis added). Crucially, at this juncture, Marx thereby leaves the analysis of the exchange relation momentarily behind and shifts his focus back onto the commodity.

There are various tricky aspects in this phase of Marx's presentation, which might have contributed to much of the confusion among his readers. First, although by that point of the argument he has already shown that the common 'something' is the form of general exchangeability, he does not actually *name* it until separating it, in turn, from its own content or substance.[5] That intrinsic social power of general exchangeability which is manifested in exchange-value, and whose material substance consists of the objectification of the abstract character of labour, is called by Marx *value* (1976a, 128).

Second, and consequently, this way of structuring the exposition may have proven insufficiently emphatic in bringing out the distinction between the *physiological materiality* of *objectified abstract labour* and the *purely social objectivity* of its *representation* as the value of the product. This could have facilitated both the naturalistic reduction of the social form of representation to its substance by 'Ricardian' readings and, conversely, the 'dematerialisation' of abstract labour by 'formalistic' overreactions.

Third, this is further compounded by another salient feature of Marx's presentational architecture, which very strictly demarcates the *analysis of the commodity* in section 1 from the *analysis of the labour that produces commodities* in section 2. Thus, in the former, the qualitative differences between the various concrete labours are analytically transcended simply by *leaving aside* or *abstracting from* 'the determinate quality of productive activity' (Marx 1976a, 134). In other words, in the consideration of *objectified* labour, the substance of value is disclosed as 'human labour-power expended *without regard to the form of its expenditure*' (128, emphasis added), i.e. as a '*negative* residue'. But the characteristics of that 'which remains' upon the abstraction from use-value and concrete labour are not yet *explicitly* spelt out by Marx at that initial stage. By contrast, in the analysis of commodity-producing labour, hence of labour as *activity*, the exposition progresses to the discovery of the underlying *positive material quality* of the substance of value as 'an expenditure of human labour-power, in a *physiological* sense' (137, emphasis added).[6] This *two-stage* train of reasoning about abstract labour in Marx's presentation is usually overlooked in most readings, thereby allowing for a spurious contrast between an initial definition allegedly based on a 'socially-forced' abstraction from the irreducibly concrete materiality of labour and a subsequent allegedly 'naturalistic' definition as simple 'productive expenditure of energy'. As we have seen, this is one of the textual sources of the so-called 'Rubin's dilemma'.

Finally, Marx structures his search for the content of value as social form in terms of the *objectified substance* which is represented as the *property* of exchangeability. Thus, at this stage of the analysis, Marx does not bring to the fore the 'value-forming' *activity* of this substance but tends to focus more narrowly on its *result*. In other words, he throws into relief its existence as already 'crystallised' or 'congealed' in the product of labour. As Marx (1976a, 142) himself later puts it in section 3, at this juncture he is facing labour only in a 'coagulated state', in 'objectified form', rather than in 'fluid state'. This presentational strategy might have the merit of rigorously sticking to the analysis of the social form of the *product of labour* without unduly and prematurely overreaching into the analysis of *human labour* as such. However, as Iñigo Carrera (2021, 119ff.) points out, this somehow comes at the cost of not placing sufficient emphasis, from the very initial stages of the systematic exposition of the value, that the latter can only come into existence by being *posited* by some prior *action*. More generally, as Iñigo Carrera goes on, from a materialist perspective all existing attributes or powers of things (be them natural or social) can only come to be as a result of some *action* which bestowed those properties upon the respective objects.

In the specific case of the commodity, insofar as, on the one hand, its social power of exchangeability is *materially* and *individually* borne by its 'natural form' as a use-value and, on the other, Marx makes a brief but undisputable case for discarding the action of purely natural forces as the substance of value, this necessarily implies that *the human action that posits value in the commodity must also be the same action that posits its use-value* (Kicillof and Starosta 2007b, 19). On the other hand, it is also evident that the action positing value and use-value cannot be *exactly* the same action, since they are two different attributes of the commodity. Were it the same action in all and every respect, it would not be possible for it to posit the *two* different attributes whose *unity* constitutes the commodity as a historical form of social wealth. Marx (1976a, 132) thus solved this apparent paradox by being 'the first to point out and examine critically' that 'the labour contained in commodities' is an action which embodies two different aspects or, as Marx puts it, possesses a two-fold character, namely: concrete and abstract labour.[7]

This last point might seem yet another minutia. However, it involves significant implications for the matters under discussion in this chapter. For, to begin with, this clashes head-on with the claim found in much of the literature that abstract labour, as the substance of value, comes into being through the exchange relation. More specifically, this latter perspective renders inexplicable the *two-fold* representation of the labour objectified in the commodity, which, as stated above, can only be posited by two facets of the same human action that produces the materiality of the use-value which acts as a carrier of its value. And insofar as exchange is not the human action that intervenes in the material constitution of the use-value of the commodity, it cannot possibly be the action that posits its value either (Iñigo Carrera 2021, 17; Kicillof and Starosta 2007b, 19).

On the other hand, the fact that concrete and abstract labour must be distinct *aspects* of the same human productive action, whilst the latter cannot just 'cease to be' a material phenomenon which, as all actions (whether human or not), involves a process of transformation of energy, necessarily implies that abstract labour must be an irreducible determination of human labour's 'physical' or 'natural' existence (Iñigo Carrera 2021, 123). In other words, *ex definitione*, the abstraction from the useful character of labour cannot lead to the sheer wholesale negation of all materiality of human transformative activity upon nature, thus leaving only (non-human) nature as material residue and turning the abstract character of labour into a 'purely social reality' as, for instance, Bonefeld (2010, 264) would have it. *Strictu sensu*, the latter view does not even grasp the mutual relationship between concrete and abstract labour as that between distinct *aspects* of human productive action, namely: its universality (*Allgemeinheit*) and its particularity (*Besonderheit*), as Marx (1976a, 169–70) puts it in the section on commodity-fetishism, when contrasting their respective roles in the organisation of the social character of labour in modern society *vis-à-vis* pre-capitalist modes of production. Instead, perspectives such as Bonefeld's conceives of it as an externally-related opposition between concrete labour as material content and abstract labour as its purely social form of existence.[8]

In fact, we have seen that this is one of the strongest points of Kurz's (2016, 210) acute critique of both Rubin and Heinrich (which he even extends to Postone). More concretely, that extremely strict demarcation between the substance of value and 'the natural basis of human life' overlooks that 'the metabolism with nature [...] is in no way external to social forms' (210). Consequently, it ends up caught in antinomic forms of thought that tear asunder the immanent unity between the materiality of human life and its sociality into externally-related 'worlds', 'as if physical human existence had nothing at all to do with their sociality and history, as if it were not *this physical, bodily existence itself that is located in a social and historical form*' (195). Crucially, as argued elsewhere (Kicillof and Starosta 2007b), despite its attempt to avoid ahistorical views of abstract labour and value, this self-proclaimed 'anti-substantialist' train of thought ends up glossing over the very contradictory unity between materiality and social form which is specific to capitalist society, whereby the sheer physiological productive expenditure of human energy acts as the vehicle for the organisation of the unity of social labour. In other words, in this society the immediate process of production of material wealth becomes, at the same time, the production of the objectified capacity effectively to partake in the intrinsically social metabolic process of human beings, namely, value.[9]

As a matter of fact, this is exactly what Marx (1976a, 164), in the fourth section of chapter 1, singles out as *the* phenomenon which gives the product of labour an 'enigmatic character [...] as soon as it assumes the form of a commodity', and on which his *critique* of political economy attempts to cast light (unlike its naturalisation by political economy). He does not state that the source of the commodity's mysticism lies in the fact that the irreducibly concrete materiality of labour becomes coercively-subsumed under, and is thereby extrinsically transformed into, the 'purely social reality' of abstract labour. Instead, after reiterating for the 'nth' time that

> however varied the useful kinds of labour, or productive activities, it is a *physiological fact* that they are functions of the human organism, and that each such function, whatever may be its nature or its form, is essentially the expenditure of human brain, nerves, muscles and sense organs,
>
> (164, emphasis added)

he then continues in the next paragraph that what is *mysterious* is that such *plain and obvious* material 'equality of the kinds of human labour takes on a physical form in the equal objectivity of the products of labour as values' (164).

Thus, we think that the analytic search for the specific determinations of the commodity is evidently not fully achieved with the discovery of abstract labour as the substance of value. Quite to the contrary, that very specificity seemed to have slipped through Marx's fingers. In effect, although he found the specific attribute of the commodity in its value, when he moved to account for its substance, he ended up with a substance which bears no specifically-capitalist character, namely: (objectified) abstract labour. Thus far, then, this stage of the analytic process does *not* show *why* this physiological materiality, once objectified in the product, takes on the value-form. It does not even tell us *what* is the historical form of social labour which is determined as value-producing. It *only* tells us *what* is the material content of that which in capitalist society is *socially* represented as the 'value' of the product. This is the reason why Marx still carries on with the analytic search for the '*formal determinants* that it contains as a commodity and which stamp it as a commodity'.[10]

From the analysis of the dual character of labour to the synthetic unfolding of the content and form of the value-determinations

This leads Marx's dialectical analysis to give closer scrutiny to the labour that produces commodities. As any attentive reader could tell, the analytic process *continues* and only in the section on the dual character of labour does Marx finally find the historically-specific form of social labour that produces commodities and, hence, value. In effect, Marx observes that the individual commodity he is analysing is only one among many within a totality of different commodities. But the same follows for the particular labours that underlie the varied use-values taking the commodity-form. In other words, Marx (1976c, 12–13) points out that generalised commodity production presupposes the existence of an extended social division of labour and that the latter, as the 'totality of varying deployments of useful labour', is an 'eternal necessity of nature for the sake of mediating the material interchange between man and nature (i.e. human life)'. On the other hand, this analysis also makes clear that the reverse relationship does not hold, that is, the division of labour must not necessarily take the social form of the production of commodities. The formal determination of the commodity must, therefore, spring from the specific social form taken by the organisation of the division of labour in our present-day society. The commodity, Marx (1976a, 132) eventually concludes, is the objectification 'of mutually independent *acts of labour*, performed in isolation' (emphasis added). In other words, it is the fact of being the 'labour of private individuals who work independently of each other' (165), or *private and independent labour* (hereafter, *private labour* for short) that Marx's analysis singles out as the specifically-capitalist mode of existence of human productive activity, and which makes it value-producing.

Marx's analysis of commodity-producing labour then turns to revisit its other facet as abstract labour, which he had already discovered as the objectified substance of the commodity's value. However, as already anticipated, this further examination of abstract labour as '*active* substance' allows Marx (1976a, 134–35) to probe deeper into its own determination beyond being just a 'remainder', and he unequivocally concludes that it is a 'productive expenditure of human brains, muscles, nerves, hands etc.' that comprise 'the *simple* labour-power […] possessed *in his bodily organism* by every ordinary man' (emphasis added).[11] The *positive* material 'quality of being human labour' as such (136) now comes to light as that which forms the substance of value.

Yet this in no way means a lapse into the *abstract naturalism* of Classical political economy. Thus, commodities certainly 'possess an objective character as values *only in so far* as they are all expressions of an identical social substance, human labour' (Marx 1976a, 138, emphasis added), but *not simply because of that*. That 'transhistorical' aspect of labour becomes such source of the purely social property of general exchangeability of its product by virtue of the *historically-specific* determination which the analysis of the two-fold character of the labour also brought out, namely: the private form of social labour. In sum, value becomes finally laid bared as the social representation of the abstract character of socially necessary, privately-undertaken labour objectified in the product.

The analysis of commodity-producing labour thus completes the answer to the question about the nature and source of the commodity's specificity that had set the dialectical investigation into motion. However, the latter is far from coming to an end. Now we know *what* makes the product of labour take the form of a commodity. But this still begs another fundamental question which remains unanswered: *why* when social labour is organised through privately-undertaken individual labours, the abstract physiological materiality of labour, insofar as it is expended in socially-useful fashion and in the socially necessary labour-time, must 'congeal' in the social form of the value-objectivity of its product? As argued at greater length elsewhere (Starosta 2016, chapter 4), the analytical progress of the systematic-dialectical method proves incapable of offering an answer. At this juncture, Marx's dialectical exposition thereby reverses course and moves, in section 3, to the *synthetic ideal reproduction* of the unity between content and form of the determinations so far discovered, i.e. to the necessary expression of that more abstract determination in its more concrete form of existence.

More specifically, this synthetic movement consists in unfolding the actualisation of the attribute of exchangeability (i.e. value), which is the potentiality that was analytically uncovered as immanent in the commodity. From then on, the commodity is no longer analytically grasped in its exteriority as an 'inert' or 'lifeless' object, and the exposition starts to follow its self-movement as the subject of the development of those determinations previously discovered through analysis.

It is as an outcome of this synthetic movement of ideal reproduction of this formal mediation, when seen in unity with its *qualitative content*, that the answer to the questions which the analytic stage was impotent fully to provide is given. In other words, the development of the necessary expression of value as exchange-value *also* reveals, albeit in the mode of an inverted reflection (Marx 1976a, 150), *why* the objectification of the abstract character of privately-performed labour takes the social form of value or, to put it differently, why private labour is value-producing.[12] For reasons space, we cannot flesh out in any detail all the intricacies and complexity of a systematic exposition which Marx firstly unfolds, rigorously sticking to 'the inner life of the subject matter', in 'the language of commodities'.[13] Here we would only like to make a few remarks drawing inspiration from a very rich passage from the first edition in which Marx succinctly brings together the results of his dialectical development of the genesis of the general equivalent-form, which, we think, concisely sums up the underlying necessity for both the constitution of the value-objectivity and its outer expression through the polar doubling of the commodity-form into 'ordinary' commodities and money (see Marx 1976c, 31–32). What is the conclusion that Marx infers from this exposition of the inner structure of the 'exchange-value or the form of value'?

First and foremost, that 'all use-values are commodities only because they are *products of mutually independent private labours,* private labours, which however materially depend upon one another as particular, even though autonomized members of the naturally system of *division of labour*' (Marx 1976c, 31, translation modified based on Ehrbar 2010b, 105). Marx thus reiterates and leaves no doubt that the simplest specific form-determination of labour in capitalism that determines its products as commodities is not being abstract labour but private labour. Moreover, although this social process certainly takes the inverted or alienated form of an impersonal 'system of objective compulsion' over individuals, its essential content is not being a 'relation of subjugation' (Kurz 2016, 206), but a historical mode of existence of the organisation of the *immanent* social character of individual productive activities as qualitatively differentiated organs of the social division of labour.

Second, the expression of value, now grasped in unity with the content that constitutes it, reveals that the distinguishing mark of this mode of organisation of the social life process lies in the fact that the producers do not *consciously or directly* relate, as individual organs of social labour, at the moment of the allocation and expenditure of the labour-power that they embody in a particular concrete form. Instead, the social character of their activity, the fact that they are producing use-values for others, can only *be expressed* in a socially-recognisable form only in an *indirect* (or mediated) manner, namely, through the exchange of its products as commodities. Hence, the form of value brings to view, albeit 'in a roundabout way' (Marx 1976a, 142), that it is the product of labour that acts as the immediate bearer of the capacity to effectuate the general social relation that gives material unity to the individual organs of social labour.

However, the product of labour can only act as such reified mediator not simply by embodying determinate material properties which make it apt for the satisfaction of the human needs of another individual. The universal scope and impersonal nature of the exchange relation have shown that the products of private labour can only validate their determination as social use-values by firstly proving that they are *universally exchangeable entities*, i.e. they can only affirm their natural potentiality as an object of utility 'for people other than its possessor' by being 'set into *social* rapport' (Marx 1976c, 28). In other words, it is by being determined as 'bearers of value' that socially-useful products of private labour can fulfil that mediating social role – 'although this property never *shows through*' (Marx 1976a, 143, emphasis added) in the sensuous corporeal materiality of each isolated individual product, which is why it must be outwardly manifested in the use-value of a particular product of private labour which the world of commodities jointly designate as general equivalent.

Still, this contradiction in the product of labour is but an objectified, mediated expression of the fundamental one which is intrinsic to commodity-producing labour itself. Although at stake is the general organisation of the material interdependence among the different individual useful labours as particular organs of the social division of labour, the formal autonomy between the private producers means that the social character of their activity cannot be *consciously* posited *before* production takes place and *based on the concrete character of their labour*. They do not produce for themselves but for others with whom they have no overt nexus of direct dependence, so that 'it is indifferent just whose needs the commodity's useful properties relate it to' (Marx 1976c, 28). In other words, they cannot organise the productive exertion of the individual labour-power that they embody with a view to satisfy the needs of a 'definite other', but can only do it for a 'general, yet undefined other'. Similarly regarding the private producer's multifarious 'participation in the world of products, in consumption' (Marx 1973, 172), which also materially depends on the products of labour of those 'general others'. Yet, 'mediation must, of course, take place' (171) for the process of human metabolism with nature to secure its continued reproduction. Thus, this contradiction can 'find room to move' by mediating the material unity between social production and consumption on the basis of the only remaining social nexus among private producers, which is that each of them embodies an aliquot part of the total labour-power of society, i.e. the capacity to perform labour 'sans phrase' (Iñigo Carrera 2021, 44). The private labour of the commodity-producer thereby must acquire an additional, historically-specific social character: its common 'universality' as sheer physiological expenditure of labour-power, i.e. the abstract character of human labour's materiality, must act, once 'coagulated' in its product, as the vehicle for the establishment of the general unity of the human life process (Marx 1976a, 166). Important conclusions can be inferred from this.

To begin with, this remains a *material* process, which, however, takes place behind the backs of individuals. This is the reason why it must be ideally *reflected* in their heads, through a 'primordial and hence unconsciously instinctive operation of their brain' (Marx 1976c, 36), in the form of the 'purely social' value-objectivity of the products of labour (Marx 1976a, 166). In this sense, Kurz's (2016, 105) emphatic characterisation of the materiality of abstract labour as the 'combustion of human energy', in contradistinction to its *fetishistic social representation* as an attribute of its product, is entirely on the mark. However, and here we part company with the conclusions that he draws, this does not turn abstract labour into a specifically-capitalist social form. In other words, it is not *being* abstract labour, 'which is what all human labours – whatever their content and their mode of operation – actually *are*' (Marx 1976c, 32), but *socially relating* by means of that physiological determination, which constitutes the specific social form of value-producing labour. As Marx continues in the passage just quoted, 'in each social form of labour, the labours of different individuals are related to one another as human labours too, but in this case this *relating itself* counts as the *specifically social form* of the labours' (32).

Furthermore, Kurz and Jappe are on the right track when they insist on the historical specificity of the antithetical 'social doubling' of the 'universal' (abstract) and 'particular' (concrete) materiality of human labour. However, in one-sidedly fixating on this significant and undeniable aspect of capitalist social relations, the authors from the so-called *Wertkritik* either simply gloss over (Kurz) or merely pay lip service to (Jappe), the *private character of social labour*. The latter is what constitutes the *differentia specifica* of this mode of production and which, at any rate, constitutes the *foundation* of such 'practical sundering' of the 'combustion of human energy' from the concrete forms in which it is expended. By contrast, Kurz and Jappe end up elevating a *derivative phenomenon* into the *essential ground* of the capitalistically-determined social life process.

To conclude, abstract labour as such cannot be simply identified with value-producing labour, which is what virtually all the literature takes for granted as a self-evident fact. Instead, as argued in this chapter through a close reading of Marx's argument in the first chapter of *Capital*, value-producing labour is *privately-performed (socially necessary) abstract labour*. Rubin's dilemma crops up as soon as one fails to grasp all these determinations *in their underlying unity* and treats each of these 'moments' as a one-sided self-sufficient 'category'. At bottom, we think that there is a unifying thread which underlies the inability to escape Rubin's dilemma in most of the contemporary literature on the value-form, namely: a problematic conception of the place of the material determinations of human life in the critique of political economy, which eventually fails to grasp the immanent contradictory unity between materiality and social form that forms the movement which Marx expounds in the whole of *Capital*.

Notes

1 For a good introductory overview to the main contemporary controversies, see Pitts (2021).

2 Saito's reading (2017, 102ff; Sasaki and Saito 2015), drawing on the so-called Kuruma school (Kuruma 2017; Otani 2018), represents a notable exception to this overriding Marxist consensus. In a nutshell, Saito takes issue with Rubin's dilemma because it 'says no more than "value-creating-labor creates value"' which is 'is merely a circular argument' (Saito 2017, 108). Instead, and similarly to the perspective adopted in this chapter, he maintains that the defining characteristic of commodity-producing labour is its private character, whilst abstract labour represents a transhistorical phenomenon (104). However, in contrast to our approach, Saito considers that private labour 'does not become a part of the entire social labor at the moment of labor's execution', but only through a 'detour' by means of the 'exchange between products' (106). As we shall see in the next chapter, this kind of argument is riddled with problems to explain the specificity of value-producing labour. Furthermore, Saito postulates that abstract labour plays 'a social role […] in any society' (108), an argument which, for reasons fleshed out below, is also incorrect. For its part, Carchedi (2011) is another author who acknowledges that abstract labour is a 'transhistorical' physiological expenditure of labour-power, whilst conceiving of value as a social form specific to capitalism. However, in line with other interpretations that we critically examine below, he ends up referring to a 'specifically capitalist abstract labour' which can only be explained at the level of abstraction of the capital-form (152).

3 Later, when recapitulating the content and form of the formal determinations of the commodity in their unity, Marx (1976a, 152) looks back and corrects his initial ill-chosen terminology, making clear that what he called 'exchange-value' in those opening passages, was actually and already what he would some paragraphs later call, more rigorously and precisely, 'value': 'When, at the beginning of this chapter, we said in the customary manner that a commodity is both a use-value and an exchange-value, this was, strictly speaking, wrong. A commodity is a use-value or object of utility, and a "value"'.

4 As attested by Marx's reference to his initial use of the term exchange-value 'in the customary manner' quoted in the previous footnote.

5 In the first edition of *Capital*, Marx (1976c, 9) does name *value* before proceeding to the analytical search for its content. Heinrich (2021, 58) correctly notes this.

6 In section 3, Marx (1976a, 159) comments on how the specific polar structure of the expression of value in the use-value of the general equivalent brings out, in its correspondingly mystified and inverted fashion, this positive quality of abstract labour *vis-à-vis* its mere 'negative presentation' as a residue.

7 As Ehrbar (2010a, 1312) perceptively notes in his *Annotations to Karl Marx's 'Capital'*, this *implicit* line of reasoning in Marx's analysis of the commodity is *explicitly* fleshed out much later in Chapter 8, when explaining the way in which the *same productive action* of the worker *simultaneously* adds new value and preserves the old value materialised in the means of production. As Marx (1976a, 307) puts it, 'it is plain that this two-fold nature of the result can be explained only by the two-fold nature of his labour'.

8 As Ehrbar (2010a, 136) clarifies, the German word that Marx introduces to refer to the 'two-fold character' of commodities and commodity-producing labour is '*Zwieschlächtiges*', which more literally means 'two-edged' (as in the expression 'two-edged sword'). This translation as 'edge' (or alternatively, 'moment', Ehrbar suggests) makes it even plainer that the relationship between concrete and abstract labour is not between content and form.

9 Marx's reference to abstract labour as *social* substance is not, as Heinrich believes, irrefutable proof that 'it does not express any natural qualities' and that it thereby is 'something purely *socially* determined' (Heinrich 2021, 66). To the contrary, it is the perfect terminological synthesis of the contradictory unity between physiological materiality ('substance') and historically-specific role ('social') of the productive expenditure of human labour-power 'sans phrase' in capitalist society.

10 Note that had abstract labour as such constituted the specificity of value-positing human action, Marx's analytical search would have come to an end.

11 The question of simple and complex labour will be discussed in great depth in Chapter 4.

12 See Marx's (1976a, 142) discussion in the subsection on 'The content of the relative form of value' for the argument that these are not two different questions but a two-fold question with the same answer.

13 But see Starosta (2016, chapters 4 and 5). The next two chapters of this book shall also partly cover this ground.

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2 The determinations of value as historically-specific social form

Part II: production and circulation

Introduction

As we have seen in the previous chapter, in order to avoid lapsing into 'asocial' representations of the commodity-form of the product of labour, a great deal of contemporary readings of *Capital* are at pains to throw into relief the historical character of economic categories, abstract labour primordially among them. As we have also noted, within this rather broad new consensus, some scholars have taken an additional idiosyncratic step in their attempt to part company with Ricardian conceptions. More specifically, what we have referred to as 'circulationist' strands of argument can also be regarded as a deliberate theoretical strategy to keep the chances of Ricardian retrogressions at bay.

Although the 'foundational' ideas can be traced back to the pioneering contribution of Rubin (1972) in the 1920s, which has constituted the main intellectual source for the circulationist revival since the 1980s (Eldred and Hanlon 1981; Reuten and Williams 1989), this approach has been quite vehemently revamped in more recent times in the influential work of the German scholar Michael Heinrich (2012; 2021).[1] Let us, therefore, examine the specific way in which he makes his case for the circulationist reading of Marx's investigation of value in his commentaries to Marx's *Capital*.[2]

The contemporary 'circulationist' (over)reaction to the naturalistic reading of *Capital*: the case of Michael Heinrich

Heinrich's discussion starts out with the correct observation that the gist of Marx's argument in the first chapter of *Capital* does not simply boil down to the claim that 'value is an objectification of human labor' and 'the magnitude of value depends upon the "socially necessary labor-time"' (Heinrich 2012, 44). If this were the case, Heinrich continues, 'then Marx's value theory would not have gone very far beyond classical political economy' (44). Instead, he further notes, at stake in Marx's investigation of the determinations of value as a historically-specific social form is, 'under the conditions of commodity production, […] how privately expended labor becomes a component part of the total labor of society' (47). In this sense, 'value theory […] should explain the specific social character of commodity-producing labor' (47).

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So far so good. However, Heinrich then elaborates on this process of fetishised mediation in the establishment of the unity of social labour through the exchange of the products of labour as commodities. And when he moves to conceptualise the connection between privately-undertaken individual labours and the general unity of social labour, his formulation shows the three paradigmatic hallmarks of the circulationist approach: the products of private labour are deemed to enter the exchange relation exclusively as use-values, and it is the latter phase of the social metabolic process which is seen as transforming the former into 'bearers of value'. Moreover, this train of thought continues, through the mediation of this transformation of the product of labour, a further two-fold transformation takes place: the producer's private labour is converted into social labour and the concrete character of labour is transformed into abstract labour. In other words, it is the equalisation of heterogeneous use-values on the market, i.e. the effective relation that the products of labour establish *after* the production process has been completed, which converts them into actual commodities and, *retroactively*, transforms private, concrete individual labours into social, abstract and socially necessary labours.

Thus, Heinrich (2012, 49) states that when the reproduction of society as a 'particular totality' is mediated by commodity-producing labour, '*during the act of exchange*, an abstraction is made from the use value of commodities, and the commodities are equated *as values*'. In other words, from the undisputable fact that the 'value-objectivity is "purely social"', Heinrich (2021, 95) draws the far from self-evident conclusion that 'it cannot be a single thing's property' so that 'commodities have value-objectivity only in the social relation of one commodity to another'. In this sense, as he furthermore bluntly puts it, 'prior to and outside of this relation', the products of private labour 'are mere use values: they are on the way to becoming commodities, but far from being commodities' (95). In turn, this idea that 'value […] first exists in exchange' (Heinrich 2012, 53) is grounded in Heinrich's conceptualisation of abstract labour as the social substance of value. In effect, the latter is not seen as a material aspect of human productive activity in general but as 'a relation of social validation existing only in exchange […] the substance of value, and thus the value-objectivity, is something only obtained by things when they are set into relation with one another in exchange' (52–53).

In brief, the reified determination of the products of private labour as bearers of value, i.e. of the power of general exchangeability, is not considered as a *presupposition constituted in the direct process of production*, which, as an *entirely social yet immanent* aptitude, capacity or potentiality, therefore, *allows* privately-produced use-values to establish the exchange relation. As a matter of fact, he even submits that the very idea that value is 'a property of an individual commodity' can only be a 'substantialist illusion' of 'traditional (i.e. naturalistic or Ricardian) Marxism', and so is the view that the magnitude of value is 'determined, independent of the exchange process, by the quantity of socially necessary labor-time expended in the *production* of the commodity' (Heinrich 2012, 54).

But if this is so, how is it possible for different commodities to establish an exchange relation given that, as Bonefeld (2010, 265), drawing on Heinrich himself, perceptively notes: 'exchange cannot take place without equality, and equality not without commensurability'? Put differently, Heinrich's line of reasoning begs the question of how heterogeneous use-values can become formally identical and, *on that basis*, be even able to relate as equivalents in exchange in the first place.[3] Certainly not by virtue of their qualitative and quantitative 'physiological' or material identity as 'coagulations' of the socially necessary abstract labour expended in their production, since, according to Heinrich, the existence of that social substance of value is explained by the act of exchange itself.[4] Thus, as argued elsewhere (Kicillof and Starosta 2011), this perspective ends up caught in a fallaciously circular train of thought: commodities become equal because they exchange but they can only exchange because they are already equal. Alternatively, it cannot but lapse into a tautological explanation which attempts to ground a determinate phenomenon through the sheer enunciation of the form of that phenomenon itself (Hegel 1999, 458ff.). As Heinrich (2021, 115) explicitly puts it, 'the product of private labor […] obtains a *value-form* through exchange and thus becomes interchangeable', i.e. products of labour are exchangeable (they are bearers of value) because they exchange.

In light of these issues with the circulationist approach, it might be worth at this stage throwing into relief the key qualitative matter at stake which underpins the whole question of the respective roles of production and circulation in the social determinations of abstract labour and value, namely: the establishment of the material and social unity of privately-undertaken individual labours. In this sense, the circulationist stance on abstract labour and value is but a further consequence of a view which is ultimately grounded in a representation of private labour as having absolutely no objectively-determined social character before exchange. Only at the latter moment of the social metabolic process is private labour said to *become* part of the total labour of society. More specifically in the case of Heinrich, he remarks that in a commodity-producing society, 'the particular labor activities *are not yet social when they are carried out*' (2021, 152, emphasis added). In other words, at the time of its performance in the direct production process, individual labour '*is not yet* a component of the aggregate labor of society' (154–55, emphasis added). Instead, he further claims, 'such labor is private labor, and its socialization first occurs *retroactively,* through the exchange of products' (154–55).

Note that in Heinrich's formulation, the exchange process is not seen as retrospectively *confirming* whether or not the *original* allocation of the private producer's individual labour *had been undertaken in a socially-useful fashion*, i.e. whether it was determined (or not) as an effective element of the material unity of the social division of labour *at the moment of its actual expenditure and objectification in the process of production*. Instead, Heinrich characterises the market 'sanction' as *determining ex-nihilo* the inclusion (or exclusion) of already objectified private individual productive activities in a general social division of labour whose qualitative articulation is deemed to *come into being* at the very moment of exchange. In other words, the objective material and social interdependency of privately-undertaken individual labours is not considered as the *premise* which the exchange process validates 'post-factum' in a socially overt form, but as the latter's pure *result*.

Hence, Heinrich's characterisation of private labour deprives the direct production process of its *objective immanent social character*. In his account, the essential social determination becomes displaced to the exchange process and, similarly to Rubin's pioneering circulationist arguments, it is conceived of as only (logically) later 'projected' onto the production process by means of the subjective purpose and ideal estimates of the commodity producer (Heinrich 2012, 55; 2021, 155–56). As argued in connection to the early Rubin's circulationist leanings elsewhere (Kicillof and Starosta 2007), this can only result in an *external* relation between the value-form and the materiality of the direct production process. The latter ends up represented as a merely material process of production of use-values, which is *extrinsically* 'shaped' by the historically-specific form of the *circulation* of social wealth, which becomes inverted into the social foundation of the human metabolic process as a whole.

At this point, and in order to place our critical assessment of the shortcomings of circulationism on clearer and firmer ground, we think it is fundamental to probe deeper into the meaning of the private and independent form taken by social labour in commodity production. So, before turning to the examination of other contemporary alternatives to circulationist value-form theory, let us take a momentary detour and briefly examine the matter more closely.

The immanent social character of human labour and its private form[5]

Whatever its specific social form, all act of labour has a two-fold character which is *immanent in its materiality*: individual and social (Starosta 2022). On the one hand, it is the human individual's productive expenditure of their corporeal powers with a view to appropriating and transforming external nature into a means for human life. On the other hand, those individually borne productive powers can only be constituted socially, that is, they can only develop as the outcome of the productive action of other individuals (who, for instance, have participated in the production of the use-values whose consumption resulted in the productive attributes borne by the former individual's labour-power). Moreover, and crucially for the matter under discussion, the individual labourer produces use-values not solely for their own consumption, but to satisfy the needs of others, that is, *social* use-values (Marx 1976a, 131). Although an irreducibly individual human action, 'as soon as men start to work for each other in any way' (164) labour therefore *always* has an *intrinsically* social character as well.

The private and independent form taken by the organisation and establishment of the unity of social labour does not *do away* or *abstractly negate* this social determination of individual *living* labour *in act or in motion*, i.e. *as it exists in the direct process of production*. What happens in a commodity-producing society is that this immanent general social character of individual labours is not carried as a *conscious determination* by the working subject. Thus, as a private and independent human being, the producer is incapable of consciously recognising that their productive action possesses social determinations that transcend the immediacy of its singularity. Consequently, when organising the expenditure of the labour-power that they embody, the human individual must project or transpose – hence confront – those individually borne social powers as external to their individuality and existing as the objective attribute of the product: the social property of exchangeability or the value-form.

Note, however, that this 'primordial and hence unconsciously instinctive operation of their brain', which reduces the 'material thing to the abstraction, *value*' (Marx 1976b, 36), is but the fetishised form in which the private producer resolves the organisation of their individual action as part of the unity of the social metabolic process of human beings. And insofar as the latter has its starting point and ground in the act of production (Marx 1973, 99), the *objectivity* of value must be necessarily *constituted* already at that opening phase of each cycle of human life activity. Indeed, it is only by virtue of being already determined as exchangeable objects or 'bearers of value' as they emerge from the direct labour process, that materially heterogeneous products of labour can even enter into relationships as 'equivalents' in exchange, designate one of them as the money-commodity to sensuously express their suprasensible 'social soul' and, in this roundabout manner, *manifest indirectly* the human subject's *immanent determination* as an individual organ of social labour. As in every act of social accreditation, at stake in the exchange relation is the *confirmation* of whether an 'intrinsic' qualitative attribute in need of 'recognition' *was present or not before the act of accreditation itself*.[6]

As Kliman (2011, 180–81) comments in his case for a production-centred yet non-naturalistic approach to value,[7] this idea that 'commodities are values when they are produced' is usually regarded by circulationist value-form theorists as an asocial perspective for which, in a Ricardian manner, 'the transformation of commodities into money appears to be something merely formal, which does not penetrate deeply into the very essence of capitalist production' (Marx 1989a, 325). In other words, if the social character of private labour were fully established in the act of production, the circulationist objection goes, then the qualitative and quantitative articulation of the system of division of labour would seemingly lose its characteristic haphazard and spontaneous nature (Marx 1976a, 202). Whilst this certainly is a fair objection to Ricardian-Marxist approaches to the subject that dominated the literature until about 40 or 50 years ago, it is far from being the general case that it is a necessary consequence of a production-centred approach to the value-form. Let us see why.

As remarked above, the specificity of commodity production derives from the fact that the *immanent* social character of individual labours is not carried as a *conscious determination* by private producers. In other words, what remains to be established in circulation, upon completion of a privately-undertaken production process, is not the *positing* or *constitution* of those social determinations (i.e. their coming into objective existence), but their explicit outer *expression* and *accreditation* in a socially-recognisable and generally-valid manner. However, it does not follow from this that the determination of the socially-useful character of private labours is conceived of as 'guaranteed', thereby downplaying the indirect form of social relations of production in capitalism. But the 'success or failure' at privately producing *social* use-values (hence commodities), i.e. to effectively establish a social relation, is *determined* at the very moment of production, although it can only *manifest indirectly* through the connection established by the products of labour in the exchange process. Thus, in the case of a socially-useless expenditure of private labour, its product will eventually prove *not* to have been a 'bearer of value', and hence a commodity, already at the point of production; albeit that condition would only be *revealed a posteriori* in and through the exchange relation. By contrast, if the private material expenditure of individual labour was done in a socially-useful concrete form (and let us add, was expended in the socially necessary labour-time), the resulting product will successfully and effectively be able to relate as 'exchangeable' in the circulation process (i.e. establish a value-relation) for identical materialisations of the abstract character of socially necessary private labours. Of course, in the mode of an expression 'in consciousness' through *ideal* quantities of the general equivalent, both socially-useful and useless products of private labour will indistinctly *appear* in circulation as bearers of the price-form stuck on a tag. However, only the former, as actual commodities or exchangeable objects proper, will be able to *realise* that merely ideal price, i.e. undertake the '*salto mortale*' through a successful sale.

Finally, there is an additional implication of this alternative view on the role of production and circulation in the determination of value, which concerns the 'genesis of the money-form' and its synthetic expression in the three peculiarities of the equivalent-form. In *Capital*, Marx presents the three peculiarities of the equivalent as the *inverted form* in which the (relative) commodities *outwardly reflect*, hence resolve and develop, their *inner* (but 'hidden') contradictory character as use-values and values, i.e. as materialisations of the unity of concrete and private labour, and abstract and social labour. As already discussed, this is a social determination which commodities acquire as they emerge from the direct process of production, and which constitutes the very *condition of possibility* for the establishment of the exchange relation. This is also true of the commodity serving as equivalent, which can only express in its own natural body the value of the other commodities in the relative pole, only because it is an identical private materialisation of abstract socially necessary labour. However, as with any commodity, the one acting as equivalent simultaneously is 'always the product of some specific useful and concrete labour' (Marx 1976a, 150). And also 'like all other commodity-producing labour, it is the labour of private individuals' (150). What is peculiar about the equivalent commodity is that its use-value and the concrete private labour that produces it, become socially recognised, or 'count' (as Marx puts it in the quote below), as the direct embodiment of their respective opposites: value and abstract social labour. Yet Marx is adamant that the commodity acting as equivalent can 'count' as such immediate representative of abstract social labour within the exchange relation, because it already has such property objectified in it (142–43). Conversely, the rest of the *useful* private products of socially necessary abstract labour, *even though they do possess those properties prior to and independently of the exchange relation*, cannot *directly appear* as such bearers of those material and social determinations in their 'coarsely sensuous objectivity as physical objects' (138). That is why they must necessarily reflect them externally in the body of the equivalent.

In sum, the necessary development of the equivalent-form, and hence of the money-form, is the result of the exchange relation between socially-useful products of private labour *already determined as equivalents* as a result of the immanent social determinations of the respective privately-undertaken direct production processes. The relative expression of value in the concrete form of exchange-value only *polarises* the (in)capacity *directly* to *manifest* that determination in the respective bodily existence of commodities and money. But it does not *engender* the determination itself. This immanent unity between the qualitative *content of value* and its *necessary form of expression* in the mode of exchange-value, which is contained in the *value-relation* between two commodities, is succinctly summarised by Marx in *Capital* towards the end of the subsection on 'The Simple, Isolated or Accidental Form of Value', where he fleshes out the results of the latter subsection:

> The internal opposition between use-value and value, hidden within the commodity, is therefore represented on the surface by an external opposition, i.e. by a relation between two commodities such that the one commodity, whose own value is supposed to be expressed, counts directly only as a use-value, whereas the other commodity, in which that value is to be expressed, counts directly only as exchange-value.
>
> (Marx 1976a, 153)

Note that in that passage above, Marx unequivocally states that the 'internal opposition between use-value and value' is '*hidden* within the commodity', *in the singular*. The '*relation* between two commodities', *in the plural*, which is *premised on* that opposition hidden in the *individual commodity*, represents the latter in an externally visible manner. Against the backdrop of the prior discussion, this can only mean that the *constitution* of the *inner* opposition, which takes place in the process of production and becomes objectified in each product of private labour (on condition that it is expended in a socially-useful concrete form and in the socially necessary labour-time), pre-exists its outer *expression* in and through the exchange relation. As Marx puts it at the opening passages of section 3 of chapter 1 on 'The Value-From, or Exchange-Value', what 'remains impossible' is not for the *single* isolated commodity that he is analysing to *have* a dual nature as 'an object of utility' and a 'bearer of value', but for an 'observer' to *grasp* (i.e. consciously recognise) its 'objectivity as value' in the coarsely sensuous objectivity as a physical object.

However, in his commentary, Heinrich glosses over this change of angle on the question, which is reflected in Marx's precise choice of words ('to have' versus 'to be grasped'), i.e. the transition from the individual commodity's *possession* of value to the *form of appearance* or *manifestation* of that intrinsic property 'in the social relation between commodity and commodity', and thereby wrongly concludes that 'as a specific product, an *individual* commodity is simply the outcome of a particular useful and individual labor activity' and 'can only become an expression of *equal human* labor through exchange, when confronting other commodities' (Heinrich 2021, 94). But insofar as value acquires its fully-developed shape as exchange-value through the money-form, i.e. through the 'social interweaving' of the function of general equivalent with the natural form of a specific commodity (historically, gold), Heinrich's train of thought implies that the objective existence of value and abstract social labour can only result from the exchange of products for money. Yet gold can monopolise the role of direct material incarnation of abstract socially necessary private labour in opposition to 'ordinary' commodities (i.e. become the general equivalent), for being such bearer of value itself prior to assuming its social determination as money. But if the existence of value (and abstract social labour) results from the exchange of products for money, the existence of the latter is rendered inexplicable. In brief, the circularity in the circulationist account of the social power of general exchangeability of the products of private labour translates into the inability to explain the development of money.

Now, many of these pitfalls of the circulationist perspective have not remained unnoticed by other contemporary Marxist scholars who, as much as the former, have also attempted to move beyond the old 'traditional Marxist' or 'Ricardian' orthodoxy that had dominated the readings of *Capital* until the 1980s by insisting on the historicity of the determination of value as a reified social form. In light of our own production-centred, yet wholly social, alternative formulation of the connection between production, exchange and value as just fleshed out, let us now turn to examine some of those other contemporary alternatives to the circulationist perspective.[8]

Critical remarks on some current attempts to overcome the pitfalls of the circulationist value-form approach

Contemporary production-centred approaches to value as a historically-specific social form

In a symposium on the 'Value-form paradigm' in the pages of the online journal *Critique of Political Economy*, Kliman (2011, 177) comments that the former approach's stress on the historical specificity of value must be applauded against the backdrop of 'Sraffian and other physicalist theories that dominated Marxian economics'. However, he critically notes that the 'typical value-form concept of value is unduly market centered' (178). More specifically, Kliman means by this that, according to the value-form paradigm, 'products acquire their values – and, *a fortiori,* their prices – if and when they are sold' (178). In other words, he rightly observes that in their valid attempt to avoid the naturalisation of the value-form, much of this literature lapses into untenable *circulationist* positions. Moreover, he also correctly notes that this is an unnecessary move and insists that it is possible to reconcile the idea of value as a historically-specific social form with a production-centred view of its determination.

Writing from a similar position to Kliman's, Posner and Gonzalez's contribution put forward important additional arguments against the circulationist reading, albeit with a more specific focus on the theorisation of abstract labour. In the first place, in agreement with the perspective that we upheld in the previous chapter of this book, they defend the view that abstract labour is a 'physiological' (hence transhistorical) determination of all human labour whilst its objectification as the value of the product is historically-specific. In other words, they claim that it is not abstract labour as such that is historically-specific, but its mediating role in the establishment of the social form of individual concrete labours (Posner and Gonzalez 2011, 205). Moreover, they correctly add that this social role of abstract labour is further mediated by 'the fact that this common equality of all human labor is transformed into an "objective characteristic" of the commodities themselves […] socio-natural properties of these things […] i.e. as its value' (205).

In the second place, they point to an issue that also resembles a critical remark on circulationism that we made in the previous chapter. Thus, they seem to draw the correct implication that unless we acknowledge the 'physiological' *materiality* of abstract labour, there is no way in which we can claim, as we have seen Marx emphatically does, that abstract labour is not a *kind or type* of labour, but an *aspect* or *facet* of living labour. More concretely, they acutely observe that, at the phase of exchange, labour, as human productive activity, has *ceased to exist* (Posner and Gonzalez 2011, 206–8). As they bluntly conclude: 'It would therefore be absurd to speak of value as a substance produced by the laboring human subject, since it would not be *produced* at all' (207).

In brief, both Kliman's and Posner and Gonzalez's contributions aim at disputing the claim that 'a concept in which [products of labour] become values when they are produced, before and irrespective of sale, is transhistorical' (Kliman 2011, 179). More specifically in the case of Kliman, the key to his case is that the idea of value as labour 'embodied' (or 'materialised' or 'congealed') in the process of production, is not necessarily Ricardian, as most value-form theorists believe. According to Kliman, the reason for this is that for Marx, and unlike for Ricardo, the 'embodiment' of labour in the commodity does not simply mean that labour has been expended in its production, but that, upon its expenditure, it has taken the fetishistic form of a 'phantom-like objectivity'; it has become a purely 'social substance' (182). To put it differently, Kliman argues that, as a matter of fact, the 'embodied labour' that constitutes the social substance of value is nothing else than what Marx (1992, 324) referred to in 1844 as "alienated labour", i.e. labour whose product not only constitutes its objectification but which 'confronts him [the worker] as hostile and alien'.

If we leave aside Kliman's rather debatable *semantic* claim that the term 'embodied labour' is *synonymous* with 'alienated labour', we have no objection whatsoever to his *substantive* argument that value-positing labour entails, as a matter of fact, an alienated objectification of human productive subjectivity. Yet, there are a number of problematic issues in the rest of his otherwise commendable attempt at making a case for a historically-specific *and* production-centred view of the determination of value. As Murray perceptively observes in relation to Posner and Gonzalez (but the thrust of the argument is equally applicable to Kliman), these contributions correctly grasp the 'definition' of commodity-fetishism (the 'what'), i.e. that physiological abstract labour takes the objectified form of a purely social property of the product of labour, namely: value. However, they fail to offer an actual *explanation* of the social determinations which turn the general materiality of the expenditure of human labour-power into the substance of an objectified form of social mediation (i.e. the 'why'). Albeit with recourse to what we see as a problematic categorial demarcation between 'physiological' and 'practically' abstract labour (see Chapter 1 of this book), Murray (2016, 434) pins down quite lucidly and precisely the pitfalls of his opponents in the debate: they do not indicate 'what specific feature of capitalist production is responsible […] for transforming abstract labour into a supersensible property of the commodity'.

This leads us to a further shortcoming of both Kliman's and Posner and Gonzalez's production-centred account of value as a historically-specific social form. In reality, Murray's perceptive critique on the grounds that they leave the social constitution of the value-objectivity unexplained is only partially on point. Strictly speaking, they do lay down an explanation; but the problem is that they locate it at the wrong systematic 'level of abstraction'. In other words, their explanation is missing from where it actually belongs, which is at the level of the simplest determination of the capitalist mode of production, i.e. the commodity-form. Instead, both Kliman (2011, 183–85; McGlone and Kliman 2004, 143ff.) and Posner and Gonzalez (2011, 209–10) consider that the social process which turns the sheer physiological materiality of the expenditure of abstract labour into the 'socially real' substance of an objectified social relation (i.e. value) is the subsumption of labour to an alienated purpose, namely: capital's incessant drive to self-valorisation. However, as already argued in the previous chapter, this is a fallacious train of through, which just presupposes what needs to be explained. In effect, insofar as its general determination is to be self-valorising *value*, the systematic development of capital as a social form evidently needs the prior unfolding of the more abstract determinations of the social constitution of value.

Now, there seems to be an underlying reason for these scholars' denial that the ground of the social determination of labour as value-producing resides at the level of the commodity-form. More specifically, they seem to equate this more abstract determination of social existence simply with 'the market' as a 'mode of commerce', whilst the 'mode of production' is seen as solely acquiring determination once we reach the level of the capital-form (Kliman 2011, 185). But, as Murray himself stresses in his critique of Arthur's treatment of value as a contentless 'pure form' until reaching the level of capital, the commodity-form is not simply a mode of *circulation* of social wealth (even if, as we shall see below, Murray fails correctly to grasp the connection between the immanent social character of production and the process of exchange). The commodity-form of the product of labour is, above all, the simplest determination of the organisation of the general social unity of capitalist *production*.

That is why Kliman ends up missing the mark with two wrong-headed criticisms of the value-form paradigm. On the one hand, he submits that value-form scholars confuse the defining distinctive feature of capitalism, which is not to be a 'market monetary economy' but the existence of labour-power as a commodity.

However, as Murray (2016, 437–38) correctly notes in his rejoinder, it is a methodological error to abstractly oppose the generalised production and circulation of commodities, which furthermore develops the necessity of the money-form, and the capitalist mode of production. For, from a systematic-dialectical perspective, the generalised commodity-form is nothing else than the simplest or most abstract determination of the capitalist mode of production.

On the other hand, and building on this first critique, Kliman further submits that 'ironically, value-form theorists have tended to regard relations of production as transhistorical – just like Ricardo and the Ricardian-influenced authors they oppose. Thus the source of capitalism's distinctiveness is displaced to the sphere of exchange' (Kliman 2011, 184). This is incorrect and reflects Kliman's and Posner and Gonzalez's own inability to grasp the *simplest* source of capitalism's specificity as a mode of production and, more concretely, of its value-producing character. For the problem with value-form authors does not lie in their failure to see any historical specificity in the social organisation of the capitalist direct process of production. At least in the work of most sophisticated exponents of this paradigm, Murray among them (and, as we have seen, also Heinrich), they are very clear that this specificity lies in the *private* character of labour, a form-determination which neither Kliman nor Posner and Gonzalez even mention in their articles. The problem with *circulationist* value-form theorists, which we shall argue that Murray fails fully to overcome, is that they consider that the form of private labour entails the abstract or absolute negation of the immanent social character of individual living labour in the direct process of production.

In sum, both Kliman's and Posner and Gonzalez's contributions fail to offer a convincing case for a production-centred view of value as a historically-specific social form, thus paving the way for Murray's more nuanced reinstatement of circulationist leanings in the determination of value. We, therefore, now turn to the critical assessment of Murray's rejoinder and his 'co-constitutive' value-form theory.

Co-constitutive value-form theory

Those wrong-headed critiques of the value-form paradigm allow Murray (2016, 429) to structure his response by firstly pointing out that Kliman, Posner and Gonzalez have construed a strawman, since they do not distinguish between what he labels '*exchange-only* value form theory' and the 'co-constitutive view' that he endorses (427). The former is 'the extreme variant of value-form theory' that maintains that 'value and the magnitude of value are constituted exclusively in exchange', whilst the latter affirms that it is constituted in *both* production and circulation (427). Murray, therefore, is from the outset at pains to set his own approach apart from what he considers 'extreme' circulationist arguments, whilst still refusing to ground the determination of value solely in production. However, we shall see that although he does introduce some idiosyncratic nuances in his perspective, concerning the key issues at stake in this controversy his main substantive arguments do not significantly part company with those of Heinrich, whose pitfalls we have already indicated earlier on. In this sense, other than showing that, effectively, his approach shares the same circulationist take on the essential aspects of the social constitution of value as a social form (and is thus liable to the same objections that we raised against Heinrich), our discussion shall focus on the additional arguments that he brings up to justify his position.[9]

Thus, in virtually all his writings, Murray usually deliberately stresses the differences between the co-constitutive view, on the one hand, and both the extreme variant of 'exchange-only value-form theory' and 'labour embodied' approaches. The latter, allegedly Ricardian, position is that 'value is fully determined qualitatively and quantitatively in the sphere of production [and] is independent of money (indeed it is the independent variable that explains price, the dependent variable); money serves merely as a label for value and a convenient instrument for exchange' (Murray 2016, 454). Murray finds Eldred's 'extreme' value-form theory as the polar opposite of the Ricardian perspective, insofar as 'any mention of value prior to exchange is out, and any talk about value in terms other than monetary ones stops making sense' (454). In other words, Murray observes that the 'extreme variant of value-form theory affords us no basis for distinguishing between value and price' (430). Finally, he reads Marx's *Capital* as presenting the co-constitutive view that he endorses, according to which 'the qualitative and quantitative determination of value overlaps production and exchange (in keeping with the inseparability of production and exchange), so that value is "latent" in the sphere of production; it can be actualised only by being sold' (454). In a nutshell, both this notion of value as already *latent* in production and, concomitantly, a particular way of understanding its 'actualisation' through the *effective* sale of commodities, are, according to Murray, the distinctive substantive features that mark the co-constitutive approach. We shall return to the assessment of these ideas later. But, before that, let us first examine the extent to which, on the key issues that, in our view, ultimately define the stakes of the controversy between production-centred and circulationist approaches to value as a social form, Murray's perspective entails any significant difference from the essential circulationist elements that we have already discussed.

Against the backdrop of what he calls 'Rubin's dilemma', Murray does not simply reject the 'transhistorical' materiality of abstract labour as part of the value-determinations. Instead, he argues that 'abstract (physiological) labour' is one of the *two* concepts which are needed to explain the value-producing character of labour, the other one being what he names 'practically abstract labour' (Murray 2016, 124–29; 145–48; 431; 434). The key, Murray points out, resides in doing what, in his reading, Posner and Gonzalez fail to do, namely: to identify the simplest or most general historical determination of the 'specific social type of labour […] that is socially validated in practice as abstract in the physiological sense' (431–32). As already mentioned, Murray notes that this historical specificity which makes human labour commodity- or value-producing lies in the fact that it 'has an asocial sort of sociality; it is social, because it produces for others but, as *privately undertaken production*, it is not directly social' (285, emphasis added). In brief, value-producing labour is private labour (see also Murray 2016, 19; 28n98;

212; 213; 236; 270; 277). The problem, however, is the way in which Murray conceptualises the private character of labour.

More concretely, Murray (2016, 214) puts forward what he presents as 'a developmental conception' that 'encompasses production and exchange'. We take this to mean that the determination of the social character of private labour takes place *all along the two phases* that comprise the indirect unity between production and consumption. Thus, Murray suggests that the process begins in the sphere of production, where the expenditure of 'abstract labour in the "physiological" sense', which is '[t]he labour that congeals as value', firstly takes place (264). However, Murray warns against Ricardian readings, that sheer objectification of individual (privately-undertaken) abstract labour cannot yet be said to have produced value. Three additional conditions, pertaining to the social character of individual private labours and not simply to their natural materiality, must also be met (264–65). Firstly, it must be an 'hour of simple average labour', which is historically defined. Secondly, it must be 'socially necessary' in a technical sense, i.e. it must be expended under the *average* material conditions of production constituted across all the producers in the same branch. Murray subsequently suggests that if these two conditions which already involve 'social' dimensions, are met in the sphere of production, then the respective private expenditure of individual abstract labour initiates its 'transformation […] into socially valid labour' (212). In effect, the materiality of production sets 'limits' to the apparently arbitrary 'flow[s] of commodity exchange' (212).

Nevertheless, Murray is adamant that upon the completion of the act of production, the determination of the material expenditure of individual labour as an organic component of the total labour of society is not yet 'fully' established. According to his train of thought, up to this point, the determination of the socially-mediated material interdependency of individual private labour acquires, as it were, a preliminary or tentative character. Concomitantly, the constitution or formation of the value of the products of labour is only 'potential'; its presence in products 'prior to the sale' is only 'latent' (Murray 2016, 216). In order to 'finalise' the developmental process of conversion of individual productive activities into effective material components of the social division of labour, a third crucial condition must be met: they must be 'socially validated' both as 'abstract' and as 'socially necessary' labour, hence transformed into 'practically abstract', value-producing labour (287). But this, Murray states, 'occurs only in commodity circulation', so that 'demand "determines" value even before we get to the issue of the magnitude of value inasmuch as, without demand, there would be no substance of value to measure' (287). In sum, all this leads Murray to conclude that '*commodity exchange plays a co-constitutive role in the formation of value*' (216, emphasis added). The following quotation encapsulates, in a nutshell, Murray's 'developmental' and 'co-constitutive' conception of value:

> There is no value without the qualitative transformation of privately undertaken labour into socially valid labour, and that transformation cannot

> be completed in the sphere of production: to complete the circuit of value, commodities must be sold.
>
> (Murray 2016, 212)

As this passage should make eloquently clear, at least concerning the key matter at stake, i.e. the form taken by the organisation of the social character of individual labours, Murray (2016, 124) ends up relapsing into the classic tropes that make up the distinguishing mark of circulationism: value-producing labour is 'a definite historical type of labour, namely, the labour that produces commodities and is socially validated once those commodities are exchanged for the universal equivalent (money)'. True enough, Murray does allow for the presence of social circumstances that affect, already in the sphere of production, the historically-specific determination of privately-undertaken individual labour as value-producing, particularly with regards to the *quantitative* determination of value as constituted by 'socially necessary' and 'simple' labour. However, and crucially, Murray leaves no doubt that, with regards to the primordial *qualitative* question of the determination of the socially-useful character of privately-undertaken individual labour (i.e. that fact that 'it is social, because it produces for others' [285], but for 'unknown others' [213]), his stance remains unequivocally circulationist.

In effect, Murray (2016, 27) agrees with Posner and Gonzalez that 'human labour in the abstract is the substance of value where human labour is "practically abstract", that is, wherever human labour is socially validated as human labour in the abstract'. But, in his view, the *ground* for this specifically-capitalist 'way of recognising human labour' lies in '*commodity circulation, the buying and selling of commodities*', which 'is the social practice by which concrete labour is *transformed* into "practically abstract" labour' (433, emphasis added). In sum, despite Murray's laborious efforts to set his 'co-constitutive' value-form theory apart from the 'exchange-only' variant, it nonetheless shares with the latter the main tenets which are the source of its failure properly to grasp the inner unity of the content and form of the social character of private labour and, therefore, of the determination of value as a historically-specific social form.

First and foremost, Murray fails to grasp the social character of privately-undertaken labour as an *immanent* qualitative attribute, capacity or potentiality of *living labour in act*. Hence, although it is certainly true that in commodity-producing society 'there is no way to *tell* whether labour is "socially necessary" apart from the circulation of commodities' (Murray 2016, 287, emphasis added), it does not follow that the *determination* of individual private labours as *qualitatively* effective organs of the social division of labour (only/also) *takes place* in the exchange process (be it exclusively, as in 'extreme variants' of circulationism or in Murray's 'co-constitutive' role). Secondly, and concomitantly, Murray thereby seems to conflate the question of the social *constitution* of the *value-objectivity* as such, i.e. the *positing* of that qualitatively- and quantitatively-determined objective attribute of the socially-useful products of private labour which makes them 'bearers of value' or 'exchangeable things', with its necessary *outer mode* *of expression* in and through the exchange relation. Indeed, the very idea of 'co-constitution' places both production and exchange on *equal footing* as two distinct 'moments' through which the process of 'value-constitution' must undergo before the social property of exchangeability becomes qualitatively and quantitatively determined as an 'intrinsic' attribute or aptitude of the products of private labour. In this sense, although, unlike the 'exchange-only' value-form theory, Murray's 'co-constitutive' version might not entail what Freeman terms a sheer 'ontological collapse' between value and price (Murray 2016, 430), it does flatten out the 'stratified' difference between the *content* and *form* of the value-determinations. In other words, as Likitkijsomboon (1995) puts it in an early critique of Reuten and Williams' (1989) value-form theory, Murray also seems to end up collapsing different systematic levels of abstraction.

These two substantive issues dovetail with a couple of additional methodological remarks that Murray makes in his critique of 'production-centred' perspectives on value as a social form. The first one is that the latter tend to spurn the idea of real potentiality as a metaphysical hoax (Murray 2016, 428–29). More concretely, this would involve the rejection of the idea that 'the commodity's value is an intrinsic potential prior to its sale' (428), whose existence is 'merely "latent"' upon the completion of production and the 'determination of [which] [...] is impossible without measurement' in money (453).

Now, we think that here Murray conflates two clearly distinguishable issues, which are by no means mutually implied. Or rather, they are so only by virtue of Murray's particular stance on the meaning of 'real potentiality'. In fact, our own methodological perspective relies on this very notion without, however, leading to any circulationist leanings concerning the determination of value. More specifically, and as argued at greater length elsewhere (Caligaris and Starosta 2014; see also Chapter 3 in this book), dialectical thought ideally appropriates every form-determination of reality by facing it as embodying a qualitative potentiality, or determinacy, whose necessary realisation involves its self-development or self-transformation into another, more concrete form of existence. Moreover, it further grasps this first qualitative potentiality as the concrete form in which an even more abstract form-determination of reality realises its own qualitative potentiality, that is, its real necessity. Thus, dialectical thought proceeds by discovering as *immanent* in a particular concrete form the realised potentiality of another real form, which is abstract (or simpler) with respect to the first one, but concrete (or more complex) with respect to another form, of which it is the realised potentiality. In other words, dialectical thought grasps each form as the *affirmation through self-negation* of another, more abstract one (hence, as immanently carrying the necessity which drives them to self-movement). Important implications follow from this.

First and foremost, the more abstract form, which constitutes the *content* of a 'sensuously' immediate concrete *form* of reality is not, as Murray (2016, 440) puts it, simply the product of what Hume conceived of as a 'distinction of reason'. Thus posed, it would seem as if the difference between diverse 'aspects' or 'moments' of a certain phenomenon, whose immanent unity comprises the content and form of its determination, were a matter of mere 'subjective reflection' or 'mental abstraction', with no *objective* actuality other than that which is eventually acquired in its most immediate or 'sensuous' form of existence.[10] More concretely put, Murray appears to imply that the substance and magnitude of value, value as such and exchange-value, only acquire 'full' objective actuality in the form of price and, more precisely, in the effective market price at which the commodity is sold (440). In other words, the differentiated mode of existence between those actual aspects of reality would be solely a 'distinction of reason'. However, it seems to us that Murray is construing a false dichotomy between two equally one-sided views: the Humean reading of the connection between the different aspects of a phenomenon that he endorses, and the flawed procedure of what, following Hegel, he calls the 'understanding', which represents the manifold forms of reality as a universe of absolutely indifferent and 'ontologically' independent or self-subsistent entities.

In contradistinction to both views, we think that a properly dialectical perspective must come to grips with the full objectivity of the more abstract inner content of phenomena which, albeit necessarily *cognised by means of thought*, is as *objectively actual* as its outer manifestation in an immediately sensuous form. In other words, the self-negating development of the potentiality that defines an abstract form, into a more concrete form of existence, does not imply the passage from something still falling short of 'full' existence into 'proper' actuality. Rather it involves the self-transformation of the *mode* in which something already (and simultaneously) exists as both an actuality and a potentiality: the realised or actualised mode of existence of a more abstract or simpler potentiality, which consists precisely in a newly emerging more concrete or complex potentiality yet to be realised. In our view, by contrast, Murray's formulation tends to confound *real potentiality* with *real possibility*.[11]

Against this backdrop, one could argue that Murray conflates the idea of value as fully determinate potential or potentiality already constituted in production, which is necessarily activated, and thereby outwardly or sensuously expressed, in and through the exchange relation, with the very different notion that the product of private labour acquires in production the 'possibility of having value', with effective exchange or circulation finally resolving whether that possibility is realised or not, or in which magnitude it does so. But possibility is not the same as potentiality. More concretely, possibility is the form taken by necessity when a certain phenomenon embodies two different potentialities whose concurrent realisation is mutually exclusive, i.e. something that could or could not be (Hegel 1999, 546–47; Ng 2017; Iñigo Carrera 2013, 258ff.).

In this sense, we have already noted that value-positing is indeed a possibility for private labour and not a simple necessity, i.e. it is not 'guaranteed'. However, the resolution of that possibility already takes place at the moment of the organisation and execution of the immanent social character of private labour; it is a determination of *living labour in act*. Thus, the potentiality of the *material* expenditure of privately-undertaken abstract labour, *if* expended in a *socially-useful* fashion *and* with the *socially necessary* conditions of productivity and intensity, is actualised, *already in the sphere of production*, in the self-negated form of the purely social property of 'exchangeability' of the product, i.e. in the social form of value.

Upon the completion of privately-undertaken production, value is no longer a possibility but an already actual and determined potentiality. As we have also pointed out, what remains ‘latent’ in production is, therefore, not the qualitative and quantitative *constitution* of value, but the outer *expression or manifestation* in a sensuously (hence socially) recognisable form. In other words, the exchange relation serves as the vehicle for the expression of already-constituted yet ‘hidden’ value, in the self-negated form of exchange-value, i.e. in the shape of the direct exchangeability of a certain quantity of the use-value of the commodity acting as general equivalent or money.

Conclusion

As argued in the previous chapter, most contemporary readings of Marx tend to take at face value the terms in which Rubin approached his idiosyncratic understanding of chapter 1 of *Capital*. In a nutshell, this means accepting the argument that insofar as abstract labour is the substance of value, the only way to avoid the naturalisation of the latter is to see the former as a historically-specific phenomenon. In fact, so much has ‘Rubin’s dilemma’ become the virtually universal upheld view, that even contributions which go to great lengths to remain true to the unequivocal textual evidence that Marx saw abstract labour as a physiological productive expenditure of human corporeality, eventually succumb to the ‘categorical imperative’ to accept the claim that abstract labour must be, at least in some sense, a historically-specific social form.

By contrast, our own detailed reconstruction of Marx’s dialectical exposition of the value-determinations has shown that what defines commodity-producing labour is not its abstract character, but the private form taken by the organisation and execution of its immanent general social character. It is this latter historically-specific mode of existence of social labour that makes the physiological materiality of objectified abstract labour become socially represented in the reified, purely social form of value of its product. Seen in this alternative light, the first chapter of this book argued that Rubin’s dilemma and its uncritical contemporary reception prove to involve a spurious, unmediated connection between abstract labour and value.

Presumably partly by virtue of the influence of Rubin’s own attempted solution to the dilemma, and partly due to the seeming ‘safety’ against the risk of naturalisation of value associated with the old ‘Ricardian’ production-centred reading, a great deal of the contemporary literature tends to lean towards a ‘circulationist’ approach to value. In this chapter, we have taken issue with the different variants of this perspective, whether the more ‘extreme’ version or the more nuanced views which are at pains to give production its due place in the constitution of value as a social form. Moreover, we have critically discussed those production-centred alternatives which emphatically reject both the circulationist approach and the asocial stance of value characteristic of the old Ricardian reading. As we have seen, these latter views also fail to offer a rigorous production-centred and non-naturalistic grasp of the value-determinations.

Concerning ‘circulationism’, we have fundamentally argued that its main shortcoming is that it reduces the *social constitution* of the nexus between commodity producers to its necessary *form of manifestation* (hence *mediation*) in and through exchange. Privately-undertaken production is thus deprived of all *immanent* social character. On the other hand, we have seen that a sound overcoming of these limitations cannot revolve around the explanation of the social character of the immediate production process by its subsumption to capital, as most critics of circulationism end up doing. This would involve the fallacious procedure of necessitating the category of capital to account for the value-determinations. In opposition to both views, we have argued that the key to understanding value as both social and grounded in production resides in the recognition that at stake in value-positing is the ‘unconscious’ organisation of the determination of privately-undertaken labours as successfully integral individual organs of social labour; a fact which, albeit not ‘guaranteed’, becomes established in the sphere of production. Circulation only involves an *a posteriori* visible form of general social recognition of this process. It performs this necessary yet *mediating* role, through the inverted outward expression of the inner social property of exchangeability intrinsic to each individual socially-useful product of private labour, as the immediate social power of the general equivalent.

Appendix

Brief remarks on the magnitude of value

So far, we took issue with ‘circulationist’ arguments about the qualitative determination of value. In this appendix, we shall briefly examine those arguments but in relation to its quantitative determination. Succinctly put, the circulationist approach considers that the meaning of ‘socially necessary abstract labour-time’ (hereafter, SNALT) does not only refer to the material conditions of production but also to the effective solvent social need for a definite use-value. The magnitude of value would thereby not be fully determined until ‘effective demand’ eventually validates in circulation how much of that privately-undertaken production becomes part of the total social labour. In line with our previous argument, we shall also maintain that the circulationist approach confounds the content of the determination of the magnitude of value with its necessary concrete form of realisation. Our own argument will be structured through a reconstruction of Marx’s exposition.

In chapter 1 of *Capital*, Marx discusses the magnitude of value solely as a corollary of an investigation whose guiding thread lies in its qualitative determination. Consequently, his discussion does not go beyond a formal-analytical indication of the inner content of value’s quantitative determination and the elucidation of the necessity of its outward form of manifestation in the body of the equivalent. Specifically, Marx’s initial analysis of the exchange relation shows that value abstracts from all qualitative differences, so that its substance must also be qualitatively homogeneous. However, the analysis of the magnitude of the substance of value confronts us with two qualitative differences, namely: the productivity and intensity of labour. In this context, Marx simply makes the formal observation that the qualitatively-undifferentiated character of the substance of value implies that the singularity of each productive action, which involves individual material differences in the aforementioned two features of labour, must thereby socially count as identical to any other individual expenditure of human labour-power, i.e. as an aliquot part of the total labour-power of society or as an ‘average sample of its kind’ (Marx 1976a, 130).

This is all that Marx says, and actually all that could be said from the viewpoint of the systematic-dialectical exposition, concerning the quantitative determination of value, at least until chapter 3. In effect, we have already noted that the analysis can only uncover the ‘what’ of a determinate phenomenon. But only the synthetic development of the unity between the discovered content and its concrete forms of existence can account for the 'why' and the 'how'. Nevertheless, one could wonder whether the discovery of private labour which marks the specificity of the capitalist organisation of social labour could cast additional light on the ground of the magnitude of value. More concretely, the question is how can the social recognition of the quantity of necessary labour be established in a society with no direct collective power which could determine the productivity and intensity with which to exert the labour-power possessed by the different individuals? In these circumstances, the only way the normal conditions of production can assert themselves is through the constitution of an average out of the multiplicity of diverse independent singularities which tend to converge towards the said normality (Iñigo Carrera 2021, 49).

Two additional issues must be thrown into relief. First, no matter how concise Marx's discussion of the magnitude of value in chapter 1 of *Capital* is, the point remains that the *content* of the quantitative value-determination has been fully unearthed by that stage. In this sense, nothing in the subsequent systematic exposition can alter the initial potentiality of the commodity. The only thing that could change and be brought more fully into view, is its necessary *form of realisation*. Second, Marx's (1976a, 131) presentation in chapter 1 already shows that for the product of labour to be a bearer of value, it must be a *social use-value*, i.e. it must satisfy the need of a different individual from its producer. From the standpoint of *commodity-producing labour*, this means that it must be *useful for others*. That is why one could legitimately refer to a second sense in which commodity-producing labour must be 'socially necessary'. However, this has absolutely nothing to do with the determination of the magnitude of the commodity's value. Yet, circulationist readings conflate these two clearly different meanings to assign 'effective demand' a role in the quantitative determination of value. But the latter is a phenomenon of circulation, which we have already seen has no place in the constitution of value as a social form. In fact, at this initial 'level of abstraction' the dialectical presentation has not even led to face such thing as 'demand', so it could hardly enter as an element of the simplest content of value. At stake in chapter 1 is only the *expression* of value, and therefore the *constitution of the price-form as such*. 'Demand' has the latter as its systematic premise; it concerns the concrete form of realisation of the price-form in the effective practical movement of the circulation of commodities.

In this sense, it is crucial to distinguish among the different systematic steps in the constitution, ideal expression and effective realisation of the determinations of value. To do this, in the 1859 *Critique*, Marx differentiates between what he calls the 'theoretical phase of circulation of commodities' and the actual circulation process. The 'theoretical phase of circulation' of commodities is then deemed 'preparatory to real circulation' (Marx 1987, 303), since the latter can only take place once, 'as a result of the establishing of prices, commodities have acquired the form in which they are able to enter circulation' (323). Only then (section 2 of chapter 3 of *Capital*) is the actual movement of circulation of commodities reproduced in thought, revealing the subsequent functions of money not as its preconditions (presupposed more abstract forms) but as its results (its developed concrete forms). By that point, the question no longer resides in elucidating the 'what' of the quantitative norm that constitutes the magnitude of value, but rather in shedding further light, albeit preliminarily and incompletely, on the 'why' and, primordially, on the 'how'.

As Marx (1976a, 189–90) stresses on the section on the 'Measure of Value', although the 'price or money-form' of commodities is a 'purely ideal or notional form' in which value is *expressed*, the latter is nonetheless *determined* by the (socially necessary) 'quantity of human labour' *materially* contained in (socially-useful) products as they emerge from production. Thus, the *unity between the immanent qualitative and quantitative determinations of value*, which constitutes the *objective* inner content that is *outwardly* expressed in the monetary form of the 'normal price' of a commodity, must evidently be the *systematic premise* of the formal possibility of, and actual necessity for, a 'quantitative incongruity between price and the magnitude of value' (196) *in circulation*. In other words, from a systematic-dialectical perspective, already-determined normal prices (both qualitatively and quantitatively) must constitute the explanatory presupposition of market prices that deviate from them by virtue of a disequilibrium between 'supply and demand' manifested in circulation (cf. Marx 2015, 298).

As a matter of fact, this methodological angle underpins Marx's 'thought experiment' in chapter 3, through which he eventually follows the movement of the *effective* circulation of commodities. A certain number of pieces of linen arrive at the market *with their value already and solely determined* by the 'materialisation of the same socially determined quantity of homogeneous human labour' (Marx 1976a, 202) contained in each of them, which are in turn monetarily expressed in a 'normal price' of 2 shillings. On that basis, Marx *then* supposes that the 'market cannot stomach the whole quantity' of articles at that normal price, which *implicitly* leads, through the competition process among weavers, to a fall in the market price of the yard of linen below the magnitude of value.

Marx (1976a, 203) then closes his thought experiment with the observation that, from that moment on, he shall consider the phenomenon 'in its pure shape'. This involves abstracting from the 'abnormal loss or accretion of substance' of value which may result from the 'change of form' of the commodity, if the latter 'is not impossible to sell' (203).[12] Marx thus leaves the matter at that and proceeds with the further unfolding of the individual commodity's metamorphosis. However, there are a couple of additional points which could be made in this regard.

First, it must be stressed that it is not that the commodity 'loses/gains magnitude of value', but that its change of form *entails*, respectively, a 'loss or accretion of value' for the seller or buyer of that commodity. What one abnormally loses is what the other gains and vice versa. Second, and beyond Marx's (1989b, 132) explicit focus, when circulation is grasped from the standpoint of the overall unity of social production and consumption, an additional quantitative meaning of 'socially necessary labour' comes to the fore. Briefly stated, there emerges another 'quantitative norm' in the articulation of the general social division of labour, namely: the proportional allocation of the total social labour into the different branches of production. This reveals that the establishment of the unity between social production and consumption entails a definite magnitude of what becomes determined as the *normal social need* for each kind of use-value. At this level of abstraction, this corresponds to what is required for the reproduction of the productive attributes of commodity producers. Furthermore, this brings to view the organic character of each individual commodity as an aliquot part of the quantitatively-determined normal mass of commodities of a qualitatively certain type. From the standpoint of commodity-producing labour, this shows that the quantitative determination of value-production is not a process which simply concerns each 'isolated' commodity but pertains to the organic (sub)unity of each branch of social labour (Marx 1976a, 202; 2015, 302). Still, although this quantitative determination of the normal social need is *discovered* through the examination of circulation, it is an *immanent material determination of the organisation and execution of direct production*. As already argued, production is the point of the departure and ground of the unity of the process of metabolism and, therefore, also of social consumption.

Now, a partial overproduction of a certain kind of use-value *vis-à-vis* the normal social need does not imply that there has been no value-production corresponding to that excess 'supply'. Instead, it means that too much value has been produced compared to the normal scale in that sphere; or, as Marx (1976a, 202) puts it, that 'all these pieces taken as a whole […] contain superfluously expended labour-time'. Thus, this value does not just simply vanish into thin air but is appropriated in another node of the social division of labour. In effect, the very existence of a normal inter-branch proportional distribution of social labour implies that the excess in value-production in one node must involve a correspondingly insufficient scale of value-production in another. The competition-driven divergence of market prices from normal prices that directly express the immanent magnitude of value 'constantly regulates this distribution' of 'necessary labour time […] among the various spheres of production' (Marx 1989b, 132). Under these circumstances, and from the viewpoint of the unity of social production and consumption, *all privately-undertaken material expenditure of SNALT proves to have been socially-useful in a qualitative sense*. In terms of its 'purely social' representation as the 'exchangeability' of its product, the total mass of value materially borne by all *socially-useful* products of private labour is realised in circulation, although it is (partly) appropriated in different spheres from those in which it had been produced. In sum, the imbalance between 'supply and demand' is but the self-negating form in which the proportional distribution of social labour-time is established when mediated by generalised commodity production.

At this juncture, a final methodological observation is in order. Note that Marx's analysis in chapter 3 stops short at the indication of a necessity for a quantitative divergence between market prices and normal prices and does not unfold the adjustment mechanism which tends to eliminate the underlying imbalance between production and social need for the respective use-value. Presumably following his own methodological remark in the 1859 *Contribution* that the 'coming into being' of a 'market price differing from exchange value' must be 'solved in the theory of competition' (Marx 1987, 302), that mediating process is not fleshed out until Volume III, once Marx has already developed the exchange of commodities as the product of individual capitals determined as formally undifferentiated aliquot parts of the total social capital, i.e. through the formation of the general rate of profit. In effect, the competition over the appropriation of the general rate of profit is the concrete form in which the requirements for the normal material reproduction of society are imposed upon capitalistic private producers (i.e. individual capitals). This applies both to the SNALT required to produce each commodity and to that which is needed for the total mass of commodities in the respective sphere of production.

As is widely acknowledged, the comprehension of this text is far from straightforward. From very early on, commentators have indicated that there are certain parts where Marx seemingly sees the movements of supply and demand as somehow determining the magnitude of value (cf. Rubin 1972; Rosdolsky 1977). This is why these passages are sometimes offered as textual evidence by contemporary circulationist readings or, alternatively, by 'intermediate' positions which claim that the market conjuncture defines which condition of production determines SNALT. We cannot examine this exegetical issue here in any depth. However, by situating in context those controversial passages, we would like to offer a reading which is consistent with the broader perspective spelt out in the previous two chapters.

First and foremost, it is to be noted that in those passages which are usually read as pointing to the determination of value by supply and demand, Marx (2015, 289; 295–96; 301) always refers to *extremely exceptional circumstances*. By contrast, in normal circumstances, which include conjunctural imbalances between supply and demand, Marx is unequivocal that value is entirely independent of market conditions (291; 297–304). Moreover, concerning those extreme circumstances, Marx never speaks of 'value' but of 'market value'. The latter does not seem to imply an immediate quantitative identity with so-called 'social value', as evidenced by Marx's subsequent discussion of agrarian production, where he states that the 'law of market value' implies the existence of a 'false social value' (817). For these reasons, we do not find his rather ambivalent recourse to the category of 'market value' persuasive (or necessary for that matter). In this sense, in our reconstruction of Marx's manuscripts, we shall treat so-called 'market value' as synonymous with the 'normal direct price' of commodities, i.e. as the simplest monetary expression of their social value, which is what Marx does when considering the normal conditions of commodity exchange (291–93).

Marx analytically distinguishes between intra-branch competition, which mediates the realisation of the social value of commodities, and inter-branch competition, through which prices of production come about. That latter presupposes the distinction between such social values and market prices (Marx 2015, 304). Regarding intra-branch competition, Marx distinguishes between an individual value, which expresses the privately-undertaken individual labour-time embodied in a commodity, and a social value, as the social representation of the latter which is determined as socially necessary. In turn, insofar as the point is to mediate the actualisation of the social value through competition, it is necessary to distinguish between a market price, which is the immediately visible mode of existence of value, and a *normal direct price* (i.e. Marx's 'market value'), as the simplest monetary expression of social value in circulation, which is the gravitational centre around which the former fluctuates.

Now, commodities reach the market as the result of diverse conditions of production. Consequently, their normal price or market value will reflect the average of their respective individual values. Hence, if commodities produced under mean conditions have the greater weight, whilst those in the respective ends of the spectrum cancel each other out, the market value will be 'regulated' (in the simple *arithmetic* sense) by the former. By contrast, if any of the extreme conditions is predominant, they will have the 'upper hand' in the constitution of the market value. As Marx (2015, 289) observes, individual capitals will consequently gain/lose value to the extent that the individual value of their commodities stands below/above the resulting market value.[13] Through these divergences, the norm that constitutes SNALT is imposed upon individual capitals.

Once the formation of the market value has been elucidated, it remains to be considered the mode in which the former takes concrete shape through market prices. Another quantitative difference emerges, but now concerning the normal conditions for the unity between social production and consumption. In other words, at stake here is the relation between the total social labour that has been privately expended in the production of a certain kind of use-value, and the normal magnitude of the (solvent) social need which is meant to satisfy. An imbalance will be expressed through a divergence between the respective market price and the normal price or market value which constitutes the simplest monetary expression of the social value (Marx 2015, 291; 297–304). Thus, this divergence between an already-constituted market value and market prices, which will also be expressed in the individual capital's capacity to obtain the average rate of profit, will be the mode in which the *normal* magnitude of social labour which must be allocated to a certain branch of production, will be imposed upon individual capitals.

Notes

1 For an in-depth assessment of Rubin's work, see Kicillof and Starosta (2007) and Starosta (Forthcoming). As argued in those articles, Rubin cannot be simply read as a precursor of the circulationist perspective on the value-form; as a matter of fact, it is possible to find in his work a more production-centred approach. However, the seeds of the former perspective are certainly there, so that there is a tension running through Rubin's work. Thus, circulationist formulations (fundamentally, when discussing the *qualitative* determination of value, i.e. the problem of its *constitution* or *genesis* as a historically-specific, reified form of social mediation) uneasily *co-exist* with other places where the opposite perspective seems to prevail (primordially with reference to the *quantitative* determination of the *magnitude* of value).

2 Here we shall focus solely on the general thrust of Heinrich's approach which shares in the most common substantive arguments of the broader circulationist strand of thought. In other words, we shall not engage with the excessively idiosyncratic and overly polemic aspects of his textual exegesis of Marx's *Capital*. For a detailed critical examination of the philological and exegetical weaknesses of Heinrich´s reading, along similar substantive lines as the ones adopted in this chapter, see Moseley (Forthcoming).

3 In a similar vein, a person can engage in a conversation in English (i.e. establish a 'communicative relation' with another English speaker) by virtue of being already 'immanently' determined as an Anglophone prior to and outside the conversation itself. The constitution or positing of the general aptitude or potentiality to speak English

must thereby be a presupposition of the actualisation or activation of that ability in a particular conversation with another Anglophone. Surely this must be the implication of Marx's (1976a, 149) dictum that 'the properties of a thing do not arise from its relations to other things, they are on the contrary, merely activated by such relations'. In other words, relations merely activate and express potentialities or capacities intrinsic to 'individual entities', they do not engender them. That at stake here is a social rather than a natural property is immaterial in this regard. In this sense, a commodity can take on the 'non-natural' role of the direct material incarnation of abstract socially necessary private labour in opposition to the commodity in the relative form, for being such bearer of value itself *prior to* entering a value-*relation* and 'subsequently' playing the social role of equivalent in the value-*expression* of the other commodity. The different 'moments' of these determinations in their unity are nicely and concisely captured in the following passage by Marx from the *Theories of Surplus Value*:

> But for commodities to express their exchange value independently in money, in a third commodity, the exclusive commodity, the *values of commodities* must already be presupposed. Now the point is merely to compare them quantitatively. A *homogeneity* which makes them the same – makes them values– which as values makes them qualitatively equal, is already presupposed in order that their value and their differences in value can be represented in this way […]. Otherwise it would be impossible to solve the problem of expressing the value of each commodity in gold, if commodity and gold or any two commodities as values were not representations of the same substance, capable of being expressed in one another. In other words, this presupposition is already implicit in the problem itself. Commodities are already presumed as values, as *values* distinct from their use values, before the question of representing this value in a special commodity can arise.
>
> (Marx 1989a, 321)

4 As we have seen in the previous chapter, the 'expression of equivalence between two different sorts of commodities […] *brings to view* the specific character of value-creating labour' by reducing 'in fact' the different concrete labours embodied in two heterogenous commodities to '*what is really equal in the two kinds of labour*' (Marx 1976a, 142, emphasis added). Heinrich circulationist understanding of this sort of recurring formulation in Marx's *Capital* is flawed in at least two main respects. First, he replaces the idea that the exchange relation brings to *view* (i.e. outwardly expresses in a socially-recognisable manner) the specific character of value-creating labour, with that which considers that it brings the latter into *existence*. Second, and concomitantly, that 'common quality of being human labour in general' is not seen as a characteristic that the different kinds of useful labour *have* in and of themselves, and which thereby constitutes what *is* really equal in them at the only moment in which they objectively and materially exist *as labour*, i.e. in the sphere of production. Note, moreover, that this is also true of the historically-specific significance of the abstract character of labour in the organisation of the unity of social production and consumption: individual private labours relate as organic elements of the total labour of society on the basis of their common physiological quality as human labour in general already at the point of production. Instead, his argument implies that 'this equal counting of the various types of labor is not something preexisting […] it is *only through exchange* that the abstracting from real inequality takes place, creating the equality of labor activities' (Heinrich 2021, 156–57). In brief, he is led to conclude that an aspect of labour *comes into existence* when labour as such *no longer exists*.

5 The following section draws on Starosta (Forthcoming).

6 For instance, an exam validates whether a student already had knowledge of the respective subject as an 'immanent' quality of their subjectivity before submitting their paper. Considered the matter in its 'purity' (i.e. abstracting from nervousness during the

exam, cheating, unfairness in marking, etc.), if they did have that knowledge, they would pass; if they did not, they would fail. The exam is undoubtedly necessary to mediate the outer expression of that 'inner' personal attribute in a socially-recognisable form, but does not engender that knowledge-content, which can only be posited by an action (i.e. studying) that precedes that of taking the exam. On the other hand, when the matter is not analysed 'in its purity' (i.e. under the assumption of an immediate identity between content and form of the determination at stake), but with all the mediating circumstances entailed by the *concrete form* in which knowledge is manifested in the alienated (hence inevitably antagonistic) institutional practice of 'the formal act of assessment', the possibility arises for a 'quantitative or qualitative incongruity' between intrinsic knowledge-content and its necessary outer form of expression (compare Marx 1976a, 196–97, concerning the analogous relationship between value and price). Thus, the external measurement of the quantity of knowledge-content in a socially-recognisable form, i.e. the 'realised grade' obtained, might deviate from its immanent magnitude (determined, let us say, by the 'socially necessary exam preparation time'). Or, in the case of uncaught cheating or plagiarism, there could be a sheer qualitative contradiction between content and form.

7 We critically examine Kliman's perspective below.

8 Space restrictions do not allow us to make a comprehensive assessment of all existing contributions which deliberately seek to offer both a non-Ricardian and non-circulationist approach to the determination of value as a social form. We shall thus focus on the two which, we think, have provided the most sophisticated interventions and which, furthermore, have engaged in an explicit debate with each other.

9 As a matter of fact, it is unclear to us whether Murray himself would see his own stance as differing from Heinrich's which, for reasons fleshed out earlier in great depth, is unequivocally circulationist. Apart from Sohn-Rethel (1978), his explicit (yet still unsure) references to what he might see as more recent 'extreme circulationist' contributions come down to Eldred and Hanlon (1981), and Kay and Mott (2004). Moreover, he mentions that all other authors with whom Kliman, Posner and Gonzalez critically engage with (for instance, Geert Reuten and Chris Arthur), also hold a co-constitutive view.

10 We must admit that we find Murray's analogy between Hume's 'distinctions of reason' and Hegel's 'moments' rather odd. For whilst Hume explicitly conceives of the former as the products of subjective reflection, Hegel sees the latter as constitutive of the actual form-determinations of the object of cognition (Westphal 2005). Thus, right at the outset of his *Science of Logic* he already chastises the '*reflective* understanding' which 'behaves as ordinary common sense and imposes its view that truth rests on sensuous reality, that thoughts are only thoughts' (Hegel 1999, 45).

11 The explicit conceptualisation of value-positing in production as '*real or concrete possibility*', whose realisation would be still pending until exchange, can be found in the work of Bellofiore (2018, 535).

12 Were the product of private labour quite simply 'impossible to sell', it would mean that it was not a social use-value nor, therefore, bearer of value, from the very outset in production.

13 As we shall see in Chapter 8, this process only involves normal capitals, i.e. those which partake in the active development of the productive forces by virtue of their scale, in contrast to what we shall term 'small capitals'.

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3 Systematic and historical modes of explanation in the critique of political economy

A methodological contribution to the controversy over the commodity nature of money

Introduction

This chapter discusses Marx's account of the genesis of money in the first two chapters of *Capital* from a methodological perspective. In particular, it focuses on the connection between systematic development and historical explanation in the dialectical exposition. To do so, we set our discussion within the frame of an interesting and extended academic debate on the essential nature and historical origins of money which took place a couple of decades ago among Marxist political economists and economic sociologists (Dodd 2005; Fine and Lapavitsas 2000; Ingham 2001; 2006; Lapavitsas 2005; Zelizer 2000). Among the various controversial issues that emerged in the debate, we would like to centre on the exchange between Costas Lapavitsas and Geoffrey Ingham on the essential nature of money. These two authors represented, respectively, the view according to which money fundamentally is a commodity and originates in commodity exchange, and that which claims that it primordially is a token claim on goods founded on public authority. Of course, these opposing perspectives on money have a longstanding lineage in the history of monetary thought. As Schumpeter (1918, 649) eloquently puts it, these are the 'only two theories of money which deserve the name'.

The controversy between Lapavitsas and Ingham constitutes a helpful and relevant scholarly frame for discussing the nature of money not only for incorporating relatively recent research and arguments in support of, and against, each of the two contrasting perspectives in this longstanding debate. It also stands out for bringing to the fore and calling into question Marx's original account of the genesis of money. More importantly for the theme of this chapter, these authors sought to ground their own approach to money in both theoretical and historical arguments, which ended up giving the discussion a strong *methodological* edge. As Ingham (2001, 306) himself acknowledges with reference to the prior 'incarnation' of this debate in the so-called German *Methodenstreit* between the late 19th century and the early 20th century, at the heart of the polemic lies 'the dispute over the "logical" and "historical" origins of money'.

To structure our own argument, this chapter is organised in the following manner. After revisiting the main theoretical and empirical arguments put forward by the main participants in this controversy, we conclude, in agreement with Lapavitsas,

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that money must be effectively considered a commodity and, furthermore, that as argued in Marx's *Capital*, its genesis must be searched in the immanent contradictions of commodity production. However, based on a critical examination of Lapavitsas's perspective, we show that his defence of the Marxian approach leaves many weak flanks and does not stand on firm ground. Crucially, we trace the source of those weaknesses in the 'logical-historical' method that (implicitly) informs his reading of Marx's *Capital*.

Against the backdrop of these limitations in Lapavitsas's approach, we suggest that their overcoming involves a clear and rigorous distinction between 'systematic development' and 'historical explanation' of 'economic categories' in the critique of political economy. Moreover, and here in agreement with the so-called 'New Dialectics' literature (Arthur 2002; 2022; Moseley 1993; Moseley and Campbell 1997; Reuten 2019; Smith 1990),[1] we argue that the explanation of the genesis of money in the exchange of commodities must be provided in fundamentally *systematic* terms. However, we part company with this recent methodological literature in that we think that it fails to offer a convincing account of the actual part played by the historical strand of explanation that Marx included in *Capital*. In other words, this literature does not offer solid arguments to make sense of Marx's (1973, 460) well-known methodological remark from the *Grundrisse* according to which 'our method indicates the points where historical investigation must enter in'. In contradistinction to 'New Dialecticians', we submit in this chapter that, in effect, historical explanation plays a necessary role in Marx's dialectical exposition in *Capital*. More specifically, we argue that the explanation of the genesis of money precisely is one of those points 'where historical investigation must enter in'. The key issue, which is where we feel Lapavitsas misses the mark, is *why* and *how* historical explanation must enter the stage. This alternative argument is fleshed out through a methodologically-minded reconstruction of the Marxian account of money in the first section of *Capital*.

Lapavitsas and Ingham on the nature of money

The article that inaugurated the polemic was already quite expressive of the methodological angle that the subsequent discussion would later adopt. Thus, Fine and Lapavitsas (2000) postulate in their original contribution that a general theory of money must be based on the 'logical derivation' of its origin'. More specifically, it needs to 'logically demonstrate how and why exchangeability becomes monopolized by the money commodity' (365). According to Fine and Lapavitsas, this explanation can be found in Marx's development of the form of value in section 3 of chapter 1 of *Capital*. However, to the extent that these authors see Marx's exposition as involving the *historical* genesis of money and not just its actuality in capitalism, they further maintain that such unfolding of the form of value must be reconsidered in abstraction from the substance of value (367). Thus, they put forward an explanation of the origin of money which starts with the simple exchange of products, whereby the necessity fully to express the value of a commodity leads to its expanded manifestation in multiple commodities. Subsequently, to the extent that one particular commodity increasingly becomes designated by the rest as the expression of their value as the exchange process develops further, it ends up acting as the general equivalent or money (366). In sum, it is the intrinsic dynamics of commodity exchange which lead to the emergence and consolidation of a particular commodity as the general expression of the value of the rest of commodities.

Ingham's (2001) initial intervention aims his critique at this conception of the nature of money as a commodity which, moreover, would have originated in the exchange process. According to his alternative sociological approach, the nature of money lies in its quality as a 'pure token *claim* against goods', whose main function is to act as 'the means for the final – that is, unilateral – payment or settlement of debts, the most important of which are tax debts to the state' (306). In other words, regardless of its 'phenomenal form' money is seen essentially as *credit*. In turn, this essential nature of money as a promise to pay is incarnated in the particular 'item' that the public authority directly establishes as '*the means of accounting for value (money of account)* and the *various means or forms of the representation of abstract value* (abstract purchasing power that is accepted as means of payment/settlement of debt)' (307). Moreover, this conventional, state-sanctioned origin of money also lies at the basis of its *historical emergence*. Thus conceived, i.e. as the product of direct social relations between individuals, 'money of account is logically anterior and historically prior to the market' (309).

On these grounds, Ingham launches a critique of what he labels 'commodity-exchange theories' of money, epitomised in mainstream neoclassical economics. The main problem with that orthodox account, Ingham argues, is that it purports to explain an irreducibly *social* phenomenon on the basis of *individual instrumental rationality*:

> However, it is not so much a question of whether it is advantageous to use money if others do, but rather that agents cannot use money unless others do likewise. To state the sociologically obvious: the advantage of money presupposes monetary institutions.
>
> (Ingham 2001, 308)

On the other hand, to reject the idea of the historical origin of money in commodity exchange, Ingham refers to certain studies which attempted to demonstrate that money had functioned as a pure 'money of account' in non-mercantile contexts. Among them, Ingham focuses on Grierson's (1977) analysis of the institution of *wergeld* in Germanic tribal societies. This institutional arrangement involved the establishment of a system of 'tariffs for the precise measurement of debts to be paid in compensation for injuries and damages' (Ingham 2001, 310), which took place in public assemblies. Regardless of the actual 'stuff' which functioned to settle those 'debts', which could comprise diverse articles, all compensations for injuries were measured on a scale of tariffs denominated in the same 'unit of account'. Hence, in these non-mercantile historical contexts, money seemed to have functioned as *means of account* without (and before) serving as 'means of circulation' (310–11). Indeed, according to Grierson's account, 'the conditions under which these laws were put together would appear to satisfy much better than the market mechanism, the prerequisites for the establishment of a monetary system' (Grierson 1977, 20–21, cited in Ingham, 2001, 311).

In response to Ingham's criticisms, Lapavitsas (2005, 392) insists that his own explanation of the nature of money 'is both materialist and Marxist because it shows money to be the outcome of social relations among commodity owners'. The latter are now specified 'as "foreign" individuals', i.e. who mutually relate in the exchange process based on 'the absence of pre-existing ties of kinship, hierarchy, tradition and morality' (392). However, in his response, Lapavitsas clarifies that the explanation of the nature of money cannot be exclusively developed in *logical* terms. In effect, according to this author, the transition from the 'expanded' to the 'general' form of expression of value, i.e. the genesis of money, entails an insurmountable contradiction from the point of view of the pure commodity exchange between 'foreign individuals'. Money, Lapavitsas continues, 'represents asymmetry among commodities [...]. But commodities are intrinsically symmetric as objects of trade' (393). Consequently, this view leads him to conclude that the transition (alongside de ensuing asymmetry between money and 'ordinary' commodities that it involves) must incorporate 'extra-economic factors'. In other words, the emergence of money must be accounted for 'partly from economic processes and partly from non-economic relations, including social custom' (394).

Lapavitsas then turns to the critique of Ingham's views, which can be summarised in the following three points. First, he points to the 'extremely tenuous', 'arbitrary' and 'misleading' link between money's postulated function as 'abstract unit of account' and 'credit relations' (Lapavitsas 2005, 396). Second, he notes that the historical evidence presented by Ingham is beset with ambiguities and points out that 'merely showing that the unit of account happens to be differently denominated from the means of exchange is no such evidence' (396). At any rate, what Ingham should have demonstrated is 'the existence of money of account that did not originally function as means of exchange, i.e. money of account with purely ideal units, products of human consciousness alone' (396). Finally, and third, Lapavitsas criticises Ingham for conflating the functions of 'measure of value' and 'standard of prices'. Money, he clarifies, 'acts initially as ideal measure of value, but if exchange is to have economic content, money must also act as standard of price in practice, thereby rendering prices real' (397). In this sense, it is no wonder, Lapavitsas adds, that when we examine the real course of monetary phenomena throughout history, it transpires that 'the conventional aspect of the standard of price is associated with the physical aspect of the money stuff as well as the social customs that surround its use as plain commodity' (398). For all these reasons, he concludes, 'Ingham's favoured approach faces insuperable difficulties in developing a logical account of how such an ideal unit could have been devised in practice' (399).

In his rejoinder article which formally draws the debate to a close, Ingham (2006, 262) persists in his argument that simple commodity exchange cannot generate a money-commodity and reiterates that Lapavitsas's stance on the matter is 'indistinguishable in its analytical structure from the orthodox neoclassical economic creation myth of money's origins in barter exchange'. However, he now acknowledges the limitations of an argument that relies on historical evidence to settle the question since, by virtue of the inherent limits to this kind of evidence, 'the precise historical origins of money will never be known' (262). Still, he maintains that 'any analytical construction of money's logical conditions of existence must be consistent with historical knowledge – however inadequate this may be'. In this sense, although Lapavitsas accepts the need to have recourse to history to produce a general theory of money, the evidence he provides barely goes 'beyond references to "social custom" and the reiteration of the commonplace assertion that commodity exchange arose when communities came into contact' (265).

The methodological limits of the explanations put forward in the debate

At this juncture, the debate seems to have reached a dead end. Both authors seem to concede that the initial arguments offered to make their respective cases about the nature of money fall down. In effect, Lapavitsas ended up admitting that his explanation of money cannot be, as demanded at the beginning of the polemic, of a purely 'logical' character. For his part, Ingham concluded that his own account cannot actually be confirmed by available historical evidence, which was the main thrust of his initial intervention.

More specifically in the case of Lapavitsas, the shortcomings of his initial stance are blatantly patent in his eventual recognition that, in order to explain the origin of money, the argument inevitably needs to bring in *relations of personal dependence*. Yet, this kind of social relations stand absolutely opposed to the essential character of pure commodity relations, which should be the only kind entailed by the 'logical derivation' of the expression of value in the form of exchange-value, i.e. in and through the exchange relation between different commodities. In this sense, one could argue that in his response to Ingham, Lapavitsas confronts an insurmountable tension: either he sticks to the idea that money springs solely from exchange relations between simple commodity owners, but fails to dodge Ingham's accusation that this kind of explanation hardly differs from neoclassical economics; or, as he ends up doing, he grants that in order fully to account for the genesis of money the recourse to 'extra-economic' relations cannot be avoided. But the latter amounts to validating Ingham's point that money cannot be logically derived from commodity exchange and, furthermore, that indirect relations through the commodity-form are ultimately grounded in *direct* social relations.

However, Ingham's own perspective is not free from difficulties either. At first, his argument mostly rested on empirical claims about socio-historical experiences unrelated to commodity exchange, which appear to accommodate the requirements of a sound explanation of the genesis of money better than the respective accounts of neoclassical economics or Lapavitsas. However, when scrutinised more closely, those pieces of empirical evidence proved not to be as conclusive as initially intended. Above all, the money of account used in those non-mercantile societies indicated by Ingham did not necessarily become money which functioned as a pure promise to pay; or rather, that transition is precisely what needs to be explained. More importantly, in all the historical examples that Ingham brings up, such money of account always refers to a product of labour; quite remarkably, to the kind of product which accounts such as Lapavitsas's identify as the kind which emerges as money out of the exchange process (for instance, silver –by virtue of its physical features–, or wheat –due to its condition as the most widely exchanged commodity). At this juncture, it is striking that Ingham fails to mention the existence of what Grierson (1978, 10) himself calls 'money substitutes', i.e. commodities that replace money of account in the exchange process. As a matter of fact, this alone indicates the extent to which commodity exchange had developed in historical conjunctures in which 'pure' money of account had allegedly emerged. In turn, it calls into question the supposed impossibility for money to develop out of the process of exchange. In this sense, it seems that for Ingham one can only speak of money proper when a legal standard of prices comes into being, which leads to an utterly tautological explanation: money emerges as a legal standard of prices because money is, *ex definitione*, a legally-established money of account. Still, if as he ends up declaring, the historical origin of money will never become known with any certainty, all empirically-grounded discussion over its emergence turns out to be rather otiose.

In sum, in light of this controversy between Ingham and Lapavitsas, the task of providing a sound explanation of the nature and genesis of money, be it 'logical' or 'historical', appears to be, quite simply, beyond reach. Yet, we think that this *substantive* impasse in the search for a valid explanation of money as a social form is not an insurmountable barrier to rational knowledge but expresses the flaws in the *form* in which *both* authors approach the subject matter in question. For regardless of all discrepancies in their stances and conclusions on the nature of money, they share a similar view of what a proper explanation should be, namely: one in which the logical and the historical approaches to the emergence and constitution of a certain social phenomenon go hand in hand to form a single, undifferentiated account. In other words, implicit in both authors is the view that the sequence of systematic 'moments' or determinations whose unity constitutes the present-day reality of social phenomena matches the series of stages undergone in their historical development. However, as we shall argue in what follows, this perspective is *methodologically* flawed from the standpoint of the critique of political economy.

Indeed, in the past decades, this issue has been at the centre of methodological discussions within Marxist theory, especially among scholars coming from the so-called 'New Dialectics' approach. Despite the diversity of views within this current of thought, all these scholars share a critical view of the kind of methodological conception that is implicit in both Lapavitsas and Ingham. As 'New Dialecticians' have pointed out, a similar conception had been part and parcel of the Marxist common sense prevailing in debates over the dialectical method throughout most of the 20th century. As they have also noted, the origin of this methodological perspective can be traced back to some remarks in the work of Engels. More specifically, in one of his renowned reviews of the 1859 *Contribution to the Critique of Political Economy*, Engels (1980, 475) observed: 'Even after the determination of the method, the critique of political economy could still be arranged in two ways – historically or logically.'

'New Dialectics' scholars' critique of this Engelsian methodological conception has focused on its implications for the understanding of the architecture of *Capital*. In particular, they have called into question the notion that the first section of Volume I corresponds to the analysis of a historically-existing pre-capitalist society of simple commodity producers, an interpretation that Engels (1991a, 103; 1991b, 1037) himself suggested in some of his writings. This misguided conception involved not only an empirically inaccurate characterisation of capitalism's prehistory but also led to an impoverished understanding of Marx's value theory for capitalist society. Whilst several highly-influential authors like Kautsky (1903, 5), Lenin (1977, 27), Hilferding (1949, 195), Luxemburg (2013, 249ff.), Meek (1967, 96) and Mandel (1971, 63) shared this view, 'New Dialecticians' have emphatically rejected it (Arthur 1996, 191). As Smith (1990, 94) puts it, 'the simple commodity form does not model the development of some precapitalist stage of simple commodity production. Nor can the logical development of the money-form be justified in terms of a logic of historical stages'. More importantly, all these authors take issue with the methodological orthodoxy inspired by Engels for standing in blatant opposition to 'one of Marx's main methodological tenets', which is 'that the sequence of economic categories is determined by their inner connection within capitalist society and not by whatever sequence occurred in historical development' (Robles Báez 1999, 101). Indeed, this line of argument was explicitly fleshed out by Marx in one of his better-known and more relevant methodological remarks:

> It would therefore be unfeasible and wrong to let the economic categories follow one another in the same sequence as that in which they were historically decisive. Their sequence is determined, rather, by their relation to one another in modem bourgeois society, which is precisely the opposite of that which seems to be their natural order or which corresponds to historical development. The point is not the historic position of the economic relations in the succession of different forms of society. Even les is it their sequence 'in the idea' (Proudhon) (a muddy notion of historic movement). Rather, their order within modern bourgeois society.
>
> (Marx 1973, 107–8)

On these grounds, this literature broke further with the canonical interpretation of the dialectical method by distinguishing between a 'systematic dialectic' and a 'historical dialectic' (Arthur 1996; 1997; Reuten 2000; 2014; Robles Báez 1999). In other words, they suggested that Engels's 'logical-historical method' should be doubled into two different methods. Whilst the systematic dialectic is 'a method of exhibiting the inner articulation of a given whole', the historical dialectic is 'a method of exhibiting the inner connection between stages of development of a temporal process' (Arthur 1996, 182–83). Seen in this light, 'New Dialecticians' conclude that in *Capital* Marx only used the 'systematic-dialectical method', whereas the 'historical dialectic' would have been used only partially in other writings. In this sense, this approach suggests that 'in a systematic theory historical considerations can have only an illustrative function' (Smith 1990, 194). Consequently, the 'historical material' in *Capital* has no other role than 'indicating how certain tendencies inherent to the concept were played out in reality' (Arthur 2002, 76).

If we set aside the idealist veneer involved in the characterisation of materialist dialectics as a type of 'logic', the main problem with this approach is that it splits the dialectical method into two opposing and unconnected methods. In other words, instead of showing which concrete role historical analysis plays in the dialectical unfolding of present-day form-determinations, it 'settles' the question by simply excising the former from the latter. At most, it boils historical analysis down to the role of 'illustrating' that which had already been systematically discovered and demonstrated. From the point of view of the methodological legacy left by Marx, this has at least two fundamental weaknesses. In the first place, there is no textual evidence which could suggest that Marx considered that there were two different methods of investigation, whatever their nature. Rather, he tended to refer to one and only materialist, hence scientific, method (Marx 1976, 494n). In the second place, it fails to offer a convincing explanation of the *necessary* role played by Marx's interjection of historical lines of development of *pre-capitalist* phenomena in the *systematic* exposition in *Capital*. By definition, those historical accounts of past modes of production cannot constitute 'illustrations' of the form-determinations of the *capitalist system*.

In this sense, Reuten's contribution stands out for seemingly acknowledging, although rather casually and in-passing, that those historical analyses that appear in *Capital* have more to offer than merely illustrating the systematic 'categorial' development. 'Historical materialism', Reuten argues, overarches 'systematic dialectics with regard to transitions between modes of production'. The latter method can 'present *extant* contradictions and conflict and the way they are settled within the system, but it is unable to present transitions from one system to another' (Reuten 2000, 151). Thus, Marx's exposition of the so-called 'primitive accumulation' can be read as an explanation that is informed by the method of 'historical dialectics' and which accounts for the transition from a pre-capitalist mode of production to capitalism. In this light, it could be regarded as an explanation which is 'complementary' to the pure systematic exposition, although Reuten tends to see this as symptomatic of the *limits* of the systematic-dialectical method. In effect, as this author himself recognises, that reading resonates with the following Marxian methodological remark from the *Grundrisse*: 'On the other side, much more important for us is that *our method indicates the points where historical investigation must enter in*' (Marx 1973, 460–61, emphasis added).

However, we think that Reuten's reading of that passage fails to bring clearly to light some crucial aspects of what Marx is trying to convey. In the first place, as mentioned earlier on but which is now confirmed by textual evidence, Marx does not refer to two different *methods* but to what we could term ‘moments’ within a single process of the dialectical investigation and its exposition. Furthermore, the so-called ‘primitive accumulation’ is not the only stage in the dialectical presentation in *Capital* at which ‘historical investigation must enter in’. Consequently, it is not entirely correct to state, as Reuten does, that the exclusive role of the latter kind of investigation is to explain transitions between modes of production. As we shall see, the other point in Volume I at which ‘historical analysis’ must come into play precisely is the explanation of the *contemporary reality of money*. This means that the relationship between systematic and historical explanation suggested by ‘New Dialecticians’ fails both as a reading of Marx’s method in *Capital* and, above all, as a way of apprehending the present-day constitution of money as a social form.

The contemporary reality of money

Money is the general form of expression of value common to all commodities. Fine and Lapavitsas are therefore right when they claim that the explanation of money must be searched in Marx’s examination of the ‘value-form, or exchange-value’ of the commodity, i.e. in section 3 of the opening chapter of the first volume of *Capital*. Indeed, right at the outset, Marx (1976, 139) stresses that through this exposition ‘the mystery of money will immediately disappear’. Moreover, he notes that this development constituted his own original contribution, inasmuch as it was ‘a task never even attempted by bourgeois economics’ (139). However, we think that the reading of those pages of *Capital* that Fine and Lapavitsas offer suffers from significant shortcomings.

First and foremost, when these authors state that in those pages Marx is attempting to ‘logically demonstrate how and why exchangeability becomes monopolized by the money commodity’ (Fine and Lapavitsas 2000, 365), they fall back into a reading which, similarly to Engels’s, conflates the unfolding of the present determinations of money with their historical development. As we have seen, several scholars have forcefully taken issue with this logical-historical reading of those pages of *Capital*, especially those writing from the ‘New Dialectics’ current discussed earlier on (see Robles Báez 1997; Smith 1990, 94). More recently, Heinrich (2021) has emphatically put forward a similar critical argument through a detailed exegetical commentary on Marx’s text. First and foremost, Heinrich notes, Marx ‘never says anywhere that he aims to provide a *historical* narrative recounting money’s emergence’ (97). Additionally, this scholar perceptively comments that ‘the history of money begins in pre-capitalist times, but Marx has said many times that his object of investigation is the commodity *in capitalism*’ (97). Finally, he rather bluntly points out that if the ‘genesis of money’ contained in section 3 of chapter 1 ‘were a brief history of money’, then Marx’s statement about bourgeois economics not having attempted such a task would be simply wrong, since ‘histories of money had existed for a long time, and Marx knew the literature very well’ (97).[2]

This first weakness of Fine and Lapavitsas leads us, in turn, to an additional highly problematic aspect of their approach. Once we rule out the idea that the unfolding of the necessity of the monetary expression of value runs parallel and/or is grounded in the historical development of money, the suggestion that it is preferable to reconstruct Marx's exposition in abstraction from labour as the substance of value loses whatever sense it could have made. Indeed, we shall see that this methodological procedure turns the examination of the form of value into a sheer formality which, moreover, ends up obliterating key elements of the argument that Marx is spelling out in those pages.[3] This is hinted at by Ingham, although this insight is somehow overshadowed by his otherwise traditional or 'Ricardian' reading of *Capital*. Most important of all for the theme of this chapter, we shall show that the consideration at this initial stage or 'level of abstraction' of labour as the substance of value is not only relevant for the comprehension of the form of value but also, crucially, for grasping the commodity nature of money. Let us, therefore, turn to this fundamental point through a closer scrutiny of Marx's dialectical investigation of the determinations of the commodity in the first chapter of *Capital*.

As noted in Chapter 1 of this book, Marx (1975, 198) begins his exposition with the immediate observation of 'the simplest social form in which the labour-product is presented in contemporary society', i.e. with the individual commodity as it appears 'at first sight'. From that starting point, Marx then proceeds to the *analysis* of the commodity. In its characteristic *dialectical form*, this analytical movement consists in the discovery and separation of the determinate content which is expressed – hence exists– in the mode of the concrete social form under scrutiny.

In this manner, Marx thus lays bare that behind the immediate manifestation of its social attribute as exchange-value lies its historically-specific property of general exchangeability, which he calls *value*. In turn, further analysis of value reveals that its substance or content resides in the privately-undertaken socially necessary abstract labour congealed or materialised in the commodity. However, as Iñigo Carrera (2021, 87–88) points out, this analytical phase is unable to answer the question which subsequently arises and which political economy 'has never once asked', namely: 'why this content has assumed that particular form, that is to say, why labour is expressed in value' (Marx 1976, 174). The course of the dialectical exposition thereby leaves the analytical stage behind and undertakes the 'return journey' through the *synthetic* unfolding of the previously discovered content in its more concrete necessary forms of realisation. From then on, the commodity ceases to be grasped in its exteriority as an 'inert' external object and the exposition starts to follow its self-movement as the subject of the development of those determinations previously discovered through analysis into ever more concrete forms. Crucially for our argument, the 'reproduction by means of thought' of value's necessary *form of appearance* as exchange-value, unfolds in *indissoluble unity* with the *content* of its determination as the reified representation of the immanent social character of individual private labours.

The synthetic exposition of the form of value or exchange-value thereby consists in the unfolding of the content of the value-determinations that had been brought to light through analysis but are now spoken 'in the language of commodities' (Marx 1976, 143). Yet, Marx's presentation does not start with the fully-developed monetary form in which all commodities effectively express their value, but with the *formal abstraction* consisting of the 'simplest value-relation […] of one commodity to another commodity of a different kind (it does not matter which one)'; what he names the 'simple, isolated, or accidental form of value' (139). Note, however, that regardless of whether one could see in the 'direct barter of products' a concrete empirical instantiation of this exchange relation between two different commodities, Marx's examination of the simple form of value is, at this particular juncture, entirely indifferent to any actually-existing pre-capitalist historical phenomenon. Rather, the object of his exposition is what is *formally* inscribed in the structure of the expression '20 yards of linen = 2 pounds sterling'. Moreover, we shall see that precisely for embodying the simplest expression of value of the commodity, this form bears the *essential qualitative determination* underlying the nature of *present-day*, *capitalist money*.

Marx makes two fundamental points from the examination of this form of value. First, value acquires an autonomous expression *vis-à-vis* the commodity which seeks to express its own value –called by Marx *the relative commodity*–, by being expressed or reflected in the physical body or use-value of the other commodity *–the equivalent* (Marx 1976, 141–42). Second, insofar as the two commodities that partake in the value-relation establish a 'relation of equality', they must be bearers of a common quality or substance. Having already uncovered the value-content through the dialectical analysis presented in the first two sections of chapter 1, his exposition can immediately point out that the common social substance residing in each commodity is the privately-performed socially necessary abstract labour congealed in them (143ff.). Thus, the qualitative content of the simple form of value already makes plain that at stake in the expression of value is the organisation of the private labours that comprise the total social labour. Marx stresses this point when considering the three peculiarities of the simple equivalent-form. These peculiarities indicate the way in which the 'internal antitheses' of the commodity – also already laid bare in the preceding analysis – become now expressed through the exchange relation in the mode of 'external antitheses'. More specifically, they show that the commodity acting as equivalent expresses, in the form of its opposite, the privately-undertaken socially necessary abstract labour that constitutes the substance of value.

In a nutshell, in showing how the use-value and the concrete private labour that produces the equivalent become socially recognised, or 'count', as the direct embodiment of, respectively, value and abstract social labour, the synthetic dialectical unfolding of the form of value brings to view, albeit in the mode of an inverted external reflection of its inner qualitative content, the general foundation of this historically-specific form of organisation of the intrinsically social life process of human beings. More concretely, by virtue of its indirect character, the material unity of the formally autonomous individual organs of social labour cannot be *consciously* established before the actual exertion of labour and on the basis of its concrete or useful character; instead, the validation of the social character of labour occurs 'behind the back of the producers', premised on the material expenditure of abstract or general labour and only once it has objectified in its product, in the ‘gelatinous’ form of the social attribute of general exchangeability.

Now, precisely for unfolding the social necessity for the value- or commodity-form of the products of private and independent labour, the simple form of value is defective to allow the commodity to adequately express that the labour that produced proved to be an effective component of social labour *as a whole*. In effect, the analysis of the ‘dual character of labour embodied in commodities’ contained in section 2 had already indicated that the commodity under scrutiny exists within a society in which the ‘qualitative difference between the useful forms of labour which are carried on independently and privately by individual producers develops into a complex system, a social division of labour’ (Marx 1976, 133). The exchange relation under examination in section 3 thereby is thus but a singular element of a social totality whose underlying *general unity* must be ascertained by means of commodity exchange. And this means that the indirect social relation that connects individual private labours through the exchange of their products must have a *universal* reach, which obviously is something that the simple form of value cannot accomplish when taken in isolation. As we have seen, the latter can mediate the explicit social recognition of the social character of labour represented by only two commodities. Consequently, in order fully to express value as what it is, i.e. the objectified representation of the privately-performed socially necessary abstract labour as the *general* social relation, any single commodity must relate to the whole ‘collection’ of them that comprises social wealth in the capitalist mode of production. This is the reason why Marx subsequently moves on to consider the ‘expanded’, ‘general’ and, lastly, ‘money’ forms of value, as the modes in which value progressively finds a suitable form of outwardly and tangibly expressing its ‘concealed’ social essence as the material representative of the general social character of individual private labours.

Note, however, that the properly *dialectical* unfolding of the movement of this *qualitative* determination is, in essence, already achieved with the simple form of value. The subsequent passage to the other, more developed forms of value is simply a formal movement that merely universalises the *quantitative scope* (and thus makes explicit) the qualitative content already expressed in the simple form (namely, the immanent necessity of value of acquiring an outward, differentiated mode of existence). In other, more polemic terms, the sequence of the more developed forms of value as such is not structured according to an immanent necessity of those forms, as some authors from the ‘New Dialectics’ current argue (Arthur 2004; Robles Báez 1997). As Iñigo Carrera (2013a, 58–59) puts it, the sequence of forms of value ‘does not imply a simpler form [of the exchange relation] engendering a more concrete one. Instead, the unfolding of the former’s necessity evidences the necessity of the existence of the latter’. This is, we think, the actual meaning behind Marx’s (1976, 139) remark that ‘the whole mystery of the form of value lies hidden in this simple form’. Seen in this light, the sequence of ‘defective’ forms of value should be re-signified as a succession of formal abstractions from a social process in which money already exists in its plenitude as the autonomous mode of existence of value common to the whole world of commodities.

At this juncture, it is worth stressing that Marx's exposition of the development of the 'forms of value' does not follow a 'historical order'; but neither does it follow a 'logical order' in Fine and Lapavitsas's sense. In our view, the gist of Marx's argument lies elsewhere. In a nutshell, the issue comes down to the fact that it is only the expression of value that progressively reveals the problem that the commodity-form of the product of labour is meant to solve. We are referring to the mediation in the establishment of the unity of social labour when performed in a private and independent manner. And since in this indirect form of social mediation of individual labours, the commodity that takes the form of general equivalent monopolises the form of direct exchangeability, the money-commodity becomes essentially determined as the objectified immediate embodiment of directly social labour in a society based on private and independent production.

Crucially for our argument, it should be noted at this point that Marx (1976, 139) insists that the 'simplest *expression* of value of a single commodity' is supplied by 'the *relation between the values* of two commodities' (emphasis added). In other words, the value-*expression* of any commodity is contained within the value-*relation* among them. It follows that the assumption of the social role of general equivalent-form by a certain use-value can only occur insofar as the latter was already able to enter the generalised exchange relation in the first place. But it can only do that insofar as it was determined as the product of private labour, i.e. as 'bearer of value' or as 'exchangeable social thing'. *This is the fundamental reason why money must necessarily be a commodity*.

In sum, such is the present-day determination of money as the independent form of value common to all commodities. Its discovery and explanation emerge out of an investigation that takes the individual *capitalist* commodity 'in our hands', analyses it to bring to view its hidden inner content and, finally, synthetically unfolds the immanent objectified social power which such content posits in the product of labour, and which is manifested in the exchange relation through the external 'doubling' of ordinary commodities and money. Consequently, and *pace* Ingham, it is a method which does not need to have recourse to historical analysis to prove or ground the essential social determination of money in the capitalist mode of production. On the other hand, and here *pace* Fine and Lapavitsas, insofar as we are dealing with the contemporary actuality of money, it is not possible to abstract from labour as the substance of value when considering the development of its necessary form of appearance as money. However, the reason for this does not lie, as Ingham (2006, 268) naively thinks through his eminently Ricardian reading of Marx, in an abstractly technical need to find an adequate 'unit of measurement'. As we have shown, the reason for this lies in the fact that in the capitalist mode of production, the organisation of all individual private labours that comprise the aggregate labour of society, attains its immanent social unity through the value- and money-forms.

In this sense, Marx's exposition in chapter 1 demonstrates that the production and exchange of commodities is the *general social relation* in capitalism. In other words, it is the *simplest*, hence *most fundamental*, form of social mediation through which, albeit in an *indirect* fashion, human beings organise their social life process. This has a key implication for the controversy over the nature and origin of money. For it means that in modern capitalist society all other non-mercantile social relations, such as the *direct* social relation of public authority that constitutes the state-form, must find its ultimate foundation and genesis in the concrete development of the determinations of the commodity-form (Blanke et al. 1976; Kicillof and Starosta 2007; Müller and Neusüss 1975; Starosta 2016, 218ff.). Thus, Marx's critique of political economy further undermines Ingham's attempt at grounding and explaining *capitalist* money (and, *a fortiori*, generalised commodity exchange), through direct relations of power and domination.

For its part, Lapavitsas response to Ingham fails not just because it adopts a logical-historical view of the genesis of money and, therefore, attempts to ground the present-day actuality of money in the course of history. In addition, it fails because in intending to find a concrete historical instantiation for each systematic 'moment' unfolded by Marx, he ends up explaining the genesis of money through the purposeful action and motives of commodity owners who exchange. Thus, he reads the exposition of the simple form of value as a 'logical analysis' of barter. By contrast, Marx's presentation of the form of value in chapter 1 not only dispenses with the course of history to explain the genesis of money but also with the conscious and voluntary action of 'exchangers'. As we shall soon see, the consideration of the latter is the immediate object of Marx's exposition in chapter *2* of *Capital*, which, as its title denotes, deals with the 'process of exchange'. In our view, this clearcut *form-determined* differentiation between the systematic treatment of the 'commodity' and that of the 'exchange process' was deliberately chosen and methodologically-informed. As a matter of fact, it stems from the discovery that the commodity and its immanent objective determinations constitute the *content* which is realised in and through the action of individuals in the process of exchange, who have become socially determined as *personifications* of alienated social powers that now belong to the product of their own labour. If, contrariwise, the immanent objective determinations of the commodity, on the one hand, and the purposeful action of exchangers, on the other, become conflated in the same systematic stage of dialectical development, the exposition cannot but overlook the respective order of determination that gives unity to the differentiated moments of the present-day general social relation in the flow of its essential *constitution* and more concrete *form of realisation*. This kind of conceptual collapse of different 'levels of abstraction', on which Lapavitsas evidently lapses, has been rightly criticised by various Marxist scholars (Arthur 2004, 37–38; Campbell 1997, 99; Heinrich 2012, 61–62; 2021, 132, 201; Lapatsioras and Milios 2012).

The precise and rigorous distinction between these different levels of abstraction that comprise Marx's dialectical exposition of the commodity and money are key not only to provide a consistent explanation of the commodity nature of money but also to grasp the specific part played by 'historical investigation' in his argument. Therefore, we shall now examine more closely the formal architecture of Marx's presentation which follows his discussion of the form of value, with particular focus on his exposition of the process of exchange.

The historical genesis of money

Having presented the constitution of the commodity as the general social relation through the examination of the 'form of value', and its producers as its *personifications* in section 4 on commodity-fetishism, Marx's exposition necessarily turns to the consideration of way in their purposeful action mediates the effective realisation of their thing-like social relation which they have *unconsciously* produced 'behind their own backs' (Starosta 2017). In effect, as chapter 2's opening line states, 'commodities cannot themselves go to the market and perform exchanges in their own right' (Marx 1976, 178). Therefore, commodity producers must now *personify value-relations in the process of exchange*. In other words, they must act as commodity *possessors*, who recognise each other in the juridical form of *private property owners*. However, Marx's closer scrutiny of the movement of the commodity-form of social relations as mediated through the conscious practice of commodity owners eventually reaches an apparent impasse: insofar as no *general* equivalent can emerge out of their intentional action, commodity owners prove to be unable to equate their products of labour as values. They seemingly turn out to be incapable of personifying the realisation of the alienated social powers of their commodities (179–80). The exposition resolves this apparent deadlock through the *immediate observation* of the effective action of commodity owners.

Indeed, Marx (1976, 180) concludes, in the personification of their alienated general social relation, commodity owners 'can only bring their commodities into relation as values […] by bringing them into relation with some one other commodity, which serves as the universal equivalent'. As Heinrich (2021, 196) has noted, in these brief lines at the opening of chapter 2, Marx is implicitly polemicising with 'contractual theories' which 'see money as essentially the result of a common insight on the part of those engaged in exchange'. In stark contrast to these theories, Marx shows that money *cannot* result from the voluntary action of exchangers. In this sense, in these passages neither is Marx positing 'money as a resolution for the problems of direct exchange', as Fine and Lapavitsas (2000, 380n7) claim, and as is implicitly suggested by Ingham's identification of Marx's argument with that of neoclassical economics. As a matter of fact, Marx's argument is precisely the opposite: he actually shows the impossibility of explaining money in those terms!

Still, the case against the idea that money arises out of social convention does not boil down, as Heinrich (2021, 197) submits, to the observation that 'money […] is the result of a *contemporary* social process, in which we all participate when buying or selling, that is repeated again and again'. Certainly, the practical action of commodity owners 'instinctively' reproduces, on a daily basis, the existence of money. However, this *re*production can only take place because money has already been *produced* at some point. Otherwise, the argument would lapse into the aforementioned impasse faced by the analysis of the conscious and voluntary action of commodity owners: the latter cannot engender a general equivalent. Thus, the actual corollary of Marx's exposition at this juncture is that what is now in need of an explanation is the 'action of society' that 'turn[s] a particular commodity into the universal equivalent' (Marx 1976, 180). Therefore, the question whose explanation is still pending is the 'social action of all other commodities' which 'sets apart the particular commodity in which they all represent their values' (180). In other words, what needs to be explained is the *original production of money*. But this cannot be accounted for by the contemporary action of commodity owners. In effect, such a social process stands in absolute opposition with the general form taken by the consciousness of these individuals: insofar as they are socially determined as free and equal subjects, no commodity owner will cede to another – nor can they arrogate to themselves – the social power to monopolise the use-value which embodies the form of direct exchangeability, i.e. the immediate possibility of being unconditionally recognised as an effective individual organ of social labour.[4]

This is the reason why Marx's (1976, 181) exposition subsequently turns to the examination of the '*historical* broadening and deepening of the phenomenon of exchange' which explains how 'a particular commodity is transformed into money' (emphasis added). Put differently, at this juncture, Marx momentarily brackets the consideration of the present movement in which the general social relation unfolds and turns to the examination of the determinations that the latter carries within itself as *result of its historical becoming*. In a nutshell, Marx's (1973, 460) dialectical presentation reaches the point 'where historical investigation must enter in'. This change of course experienced by the Marxian exposition a couple of pages into chapter 2 has been scarcely discussed by the specialised literature. As we have seen, most scholars working on Marx's method tend to reduce all allusions to historical processes in *Capital* to a mere 'illustration' of the pure systematic development of capitalist social relations or, at most, they boil the role of 'historical investigation' down to the explanation of 'primitive accumulation', which would thereby allow the explanation of the 'transition between modes of production'. In this sense, Heinrich's contribution stands out for at least acknowledging that Marx's exposition in chapter 2 deals with 'the *historical* development of money in pre-capitalist conditions' (Heinrich 2021, 199) and, above all, for discussing the historical course of the genesis of money in methodological terms. However, we have already suggested that Heinrich considers that it suffices to consider the role of the present-day action of commodity producers in the reproduction of the general equivalent in order fully to account for the existence of the process of exchange and, *a fortiori*, for that of capitalist money itself. Against this backdrop, he provides no grounds for the methodological significance that the inclusion in this instance of a *historical* investigation of the evolution of the 'phenomenon of exchange' could have for Marx's *systematic* explanation of the *contemporary* determinations of money.

By contrast, we think that the examination of the historical development of money is as key to the explanation of this contemporary existence as the systematic unfolding of the 'form of value'. More polemically put, in the same vein as Marx does not unfold a systematic development of the immanent determinations of money which is paralleled by their historical emergence and evolution, as argued by Engels and those who follow his 'logical-historical' method, he does not develop two *separate* dialectics, one systematic and one historical, as 'New Dialecticians' believe. In our view, what Marx does is to systematically develop the immanent necessity of a determinate contemporary social form (i.e. generalised commodity production), up to the point where that very same systematic development places him before the need to account for the pre-capitalist historical genesis and evolution of the social form under scrutiny, and which has coalesced in its present-day mode of existence.

Against this backdrop, let us now see which is, according to Marx, the general course undergone by the said historical genesis of money. Insofar as the systematic development of the determinations of capital has yet to show the historically-specific role of capitalism in the development of the productive forces of social labour, the analysis of the historical genesis of money proceeds in abstraction from the more concrete mediating forms through which this process unfolds. In other words, the exposition of the historical process is done in an overly 'schematic' manner, with what might appear as a one-sided focus on the evolution of commodities and money without regard to the broader social forms in which they originally emerged and developed. Still, this 'stylised' historical account suffices to throw into relief that present-day money has emerged as the product of a 'social act' which predates the action of capitalist commodity owners. Moreover, this means that this social act which brings money into existence in the first place, i.e. the *original production* of money, must follow a course which is exactly the *opposite* to that which *reproduces* its existence within capitalism. In effect, if Marx's systematic development had earlier shown that money *cannot* crystallise out of the action of free private individuals whose exclusive *indirect* general social nexus is the commodity, its historical genesis now shows that money has been engendered through the action of individuals who are subject to *direct social relations of personal dependence*. Here we have a clear instance of the previously cited methodological remark by Marx (1973, 107–8) that the sequence of 'economic categories […] determined […] by their relation to one another in modern bourgeois society […] is precisely the opposite of that which seems to be their natural order or which corresponds to historical development'. But this is not the only instance.

Insofar as development of money derives from the determinations of the commodity, Marx (1976, 181) tracks down its genesis to the first historical manifestations of the exchange process in the form of the 'direct exchange of products'. In these germinal expressions, the products of labour 'are not as yet commodities, but become so only through the act of exchange' (181). In other words, rather than being a *presupposition or premise* of the act of exchange, the constitution of the commodity-form is its *result*. Similarly, a useful article is turned into an 'exchangeable object' through the consciousness and will of its possessor, rather than their conscious and voluntary action being the personification of the fetishised attribute of exchangeability residing in the object. Lastly, these commodity possessors relate in exchange as independent producers only insofar they 'agree tacitly to treat each other as the private owners of those alienable things, and, precisely for that reason, as persons who are independent of each other' (182), instead of being already determined as autonomous commodity producers from the very outset and, on that basis, further relating in the exchange process in the juridical form of private property owners.

On the other hand, the first monetary forms emerge as soon as exchange expands and turns into a 'normal social process' and, therefore, in the face of the need for 'the articles exchanged' to 'acquire a value-form independent of their own use-value, or of the individual needs of exchangers' (Marx 1976, 182). In these circumstances, the social necessity for an independent mode of existence of value is also constituted by virtue of a determination which is 'precisely the opposite' of that which is the foundation of the money-form under capitalist commodity exchange. In the former, money develops as a way of resolving the practical limits that the direct barter of products imposes upon the scope and scale of the exchange process. Conversely, in the latter money develops as the necessary form of manifestation of privately-undertaken socially necessary abstract labour materialised in commodities. In other words, whereas in its historical origins money essentially emerges in its function as 'means of circulation', as an 'inner moment' of capitalist society its primordial function is to be the 'material embodiment of human labour as such' (183) – hence to act as the external measure of the immanent measure of value of commodities.

Seen in this light, it should now be clear the error involved in any attempt to equate the factual chronological sequence entailed by the historical origin and evolution of a certain social phenomenon, with the order in which the different determinations of its constitution 'relate to one another in modern bourgeois society'. Thus, Lapavitsas's reading of Marx's development of the 'form of value' in section 3 of chapter 1 as a historical development makes no sense. In effect, the 'interstitial' commodity which emerges out of the direct exchange of products between foreign human communities is not constituted as such as a *premise* of the exchange process. Consequently, it does not bear an immanent 'purely social objectivity' which needs to acquire an external mode of existence in a general equivalent. For their part, 'primitive' exchangers are not free individuals whose sole social tie is the product of their own private and independent labour. It thereby follows that the formal problem entailed by the personification of value-relations in the exchange process when the commodity has become the general social relation has no relevance when analysing the historical genesis of money. In the same vein, Ingham's attempt to explain the contemporary actuality of money on the grounds of its historical origin is also futile. As we have just seen, in the historical course of events the present determinations of money appear in an inverted manner. And this applies not only to the order of determination between direct and indirect social relations or to the sequence of emergence of the different functions of money but also, as Arthur (1996, 196) sharply notes, even to the very concrete forms in which those monetary functions are actualised.

Conclusion

In this chapter, we have looked into the essential nature of money and its more general or simpler determinations in a methodologically-minded manner. To do so, we first addressed the issue through a critical engagement with the debate between Ingham and Lapavitsas. The former attempts to offer 'sociological' foundations to the post-Keynesian theory of money. In essence, this approach sees money as a conventional unit of account established by the public authority with the purpose of homogenising and measuring all credit obligations, which is what all monetary phenomena boil down to according to this view. For his part, Lapavitsas (together with Fine), aims at the defence of the Marxian perspective based on the commodity nature of money and, *a fortiori*, on the genesis of money in the exchange process.

Leaving aside all substantive considerations about each of these stances on the nature and genesis of money, the first conclusion that can be drawn from our critical examination of the polemic is primordially methodological. In our view, the dispute between these scholars and, in particular, Lapavitsas's failed attempt at a convincing Marxian response to Ingham's criticisms, strikingly lay bare the pitfalls of the so-called 'logical-historical' method for the development of the critique of political economy. As we hope to have shown in this chapter, the explanation of the commodity origin and essential character of present-day capitalist money and its further determinations must be fundamentally provided in systematic-dialectical terms.

On the other hand, we have also argued that this mode of investigation proves to be insufficient fully to explain the most abstract or general determinations of contemporary money in their unity. On this score, our approach parted company with many recent contributions on the method of the critique of political economy broadly identified with the so-called 'New Dialectics'. In effect, we have seen that it is through the unfolding of the general determinations of money from the standpoint of the process of exchange –i.e. the object of Marx's exposition in chapter 2 of *Capital*– that the pure systematic presentation reaches the first of the few instances in which the dialectical method places us before the need circumstantially to turn to a historical mode of investigation. Moreover, we have thrown into relief that those passages exhibit, in a particularly eloquent fashion, another aspect of Marx's dialectical method that he emphasised in his occasional methodological remarks scattered throughout his works, namely: that the systematic sequence of 'economic categories' and their immanent determinations usually inverts the order in which they have developed in the course of history. As should be obvious, this issue does not entail a merely scholastic exegetical interest but is of immediate relevance for the comprehension of the genesis and essential character of contemporary capitalist money.

The second conclusion that can be drawn from our discussion is of a more substantive character, although we shall see that it does entail methodological ramifications. We have argued that money must necessarily be a commodity and, moreover, that it is engendered in the exchange relation between commodities which mediates the expression of value in the form of exchange-value – and which in turn mediates, in a reified form, the indirect establishment of the unity of the privately-undertaken social labour. As a matter of fact, both points are two sides of the same coin: only for being a commodity – i.e. for possessing the attribute of exchangeability as the purely social representation of the materialisation of the privately-organised socially necessary abstract labour – can a particular 'thing' enter that relation in the first place and, as a consequence, serve as the general equivalent common to the rest of them. This is the main reason why the essential simplest determination of money cannot be reduced to a mere unit of account of ‘abstract value’, as Ingham submits. But neither can it boil down to a contentless formal monopoly of the ‘ability to buy’, as posited by Lapavitsas. Rather, we have argued that the essential form-determination or ‘function’ of money consists of being the materialised or objectified embodiment of the social character of private labour. In turn, as just emphasised, we showed that it can only perform that role solely in its own capacity as such product of this historically-specific form of organisation of the immanent general unity of social labour.

In this sense, as Germer (1997, 53) convincingly suggests, the Marxian claim that money is a commodity is not grounded in the immediate observation of an empirical phenomenon, such as the prevalence of the ‘gold standard’ in Marx’s times. It thus follows that the substitution of diverse forms of credit money for the money-commodity in the function of means of circulation and means of payment or, more recently, the existence of a standard of prices which since 1971 have broken any explicit legal-institutional link with quantities of the money-commodity, do not represent sufficient grounds for rejecting the Marxian view of the commodity nature of money (50–52).[5] Note, however, that this is not simply a question of unavailability of conclusive empirical evidence, as supporters of a Marxist theory of pure credit-money admit (Foley 2005, 47). The fundamental question is, again, *methodological*. More concretely, we have argued that the most general ground for the commodity nature of money is not historical but systematic. And this necessarily means that such an abstract or simple determination of contemporary money must be carried over as the immanent, objectively-real content of whichever more concrete modes of existence it may assume. In other words, this simplest determination of money still constitutes its most general content even if it appears *in the mode of being denied* in its more concrete forms of realisation. Thus, whether one wanted to ‘critique’ or ‘defend’ the Marxian perspective on the commodity nature of money, this could be consistently approached only through a thorough re-examination of the more abstract or general determinations of money as presented by Marx in the opening chapters of *Capital*. This is what we have attempted to do in this chapter, albeit through a critical engagement with the controversy between Lapavitsas and Ingham, whose merit precisely resides in referring the question back to the general foundations of money.

Admittedly, all this still begs the question of the internal connection between those simpler immanent determinations of money and the concrete forms taken by the contemporary configuration of the ‘monetary system’. It goes without saying that a proper discussion of this issue exceeds the scope of this chapter. However, a couple of pointers can be provided in the remaining concluding remarks. First, that the said unity between the more general content of money as a commodity and its more developed forms of existence can only be uncovered by the systematic unfolding of all the sequence of mediations through which the self-negating movement of the money-commodity is realised, up to the point of accounting for its contemporary figures. Secondly, that the seeming ‘absolute autonomisation’ of the various functions of money *vis-à-vis* the money-commodity have their basis in the longstanding crisis of overproduction which the world economy has been experiencing since the 1970s, and whose full resolution has been recurringly postponed by means of successive waves of credit-fuelled expansion (Iñigo Carrera 2013b, 208ff.). Hence also the *limits* to that appearance of complete abolition of the commodity nature of money. In effect, as Marx forcefully points out in Volume III of *Capital*, those limits will most likely assert themselves one way or another with the overt manifestation of the general accumulation crisis, which actually constitutes the phase of the cycle in which the immanent social unity of the privately- and independently-organised material reproduction process, becomes externally re-established in the most violent manner.

Notes

1 For a concise presentation of the main tenets of this methodological current, see Kincaid (2009).

2 At the level of textual evidence, it is admittedly true that in the section on 'the value-form or exchange-value', Marx (1976, 158) notes that the first and second forms of value 'appear in practice' or 'come into actual existence' in historical stages that predate capitalism. However, even a cursory reading of that section suffices to see that this sort of parallelism between the unfolding of the present-day sequence of form-determinations and the historical course of phenomena has a merely *incidental* character within the overall architecture of Marx's systematic-dialectical presentation. In this sense, as Iñigo Carrera (2021, 98) points out, it is sensible to grasp those remarks as 'interjected in an external manner *vis-à-vis* the proper course of dialectical cognition which Marx's exposition has been unfolding up to that point'. In addition, as Heinrich (2021, 129) appropriately comments, 'Marx makes these remarks only after analyzing the forms. Therefore his analysis of the forms is in no way based on a historical development'.

3 A similar proposal for the postponement of the introduction of labour as the substance of value can be found in other authors writing from different methodological traditions like Arthur (2004) and Campbell (2013) from the 'New Dialectics' or Reichelt (2007) from the *'Neue Marx-Lektüre'*.

4 In contrast to Heinrich, Campbell (2004, 67–77) perceptively notices the impossibility of explaining the 'original crystallisation' of money based on the contemporary action of commodity owners. Moreover, she rightly justifies the need to introduce the historical development of the genesis of money precisely by virtue of the inability of the present-day movement of the general social relation to set apart a particular commodity as the general equivalent. However, she falls short of drawing the general methodological implications of this particular instance of the Marxian presentation for the thematisation of the nexus between systematic development and historical investigation in materialist dialectical thought. Moreover, she fails to show the relevance of the introduction of the historical sequence of social phenomena in the exposition, to throw into relief the inversion experienced by such an order of determination *vis-à-vis* that of their systematic unfolding as inner 'moments' of the present-day social totality.

5 For a concise discussion of the development of a 'dollar standard' after the collapse of Bretton Woods, see De Brunhoff (2005).

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4 Skilled labour and value-production

An alternative approach to a longstanding and unresolved controversy in the critique of political economy

Introduction

The degree of complexity of the different kinds of labour is one of the fundamental obstacles faced by any sound explanation of prices grounded in the quantity of labour materialised in commodities. As Adam Smith (1982, 134) already noted in the *Wealth of Nations*, it is evident that 'there may be more labour […] in an hour's application to a trade which it cost ten years' labour to learn, than in a month's industry at an ordinary and obvious employment'. As we will see, Marx's solution to this problem is extremely concise and, at first sight, very simple. Essentially, he considers the expenditure of labour-power that involves a prior 'certain level of development' as '*intensified*, or rather *multiplied* simple labour, so that a smaller quantity of complex labour is considered equal to a larger quantity of simple labour' (Marx 1976a, 135). Yet, a century and a half after the publication of *Capital*, Marxists have not reached any consensus on the 'skilled labour reduction problem' or, worse still, even on what Marx actually meant in those brief passages.

Against the backdrop of these debates, the purpose of this chapter is, on the one hand, to undertake a critical reconstruction of the history of the controversies over the Marxian solution to the 'skilled labour problem' and, on the other, to present an alternative perspective which is consistent with the foundations of the critique of political economy. In order to do so, in the following section, we offer a brief overview of Marx's textual legacy on this issue. The next two sections develop a reconstruction and critical examination of the debates that followed the publication of *Capital*. In the fifth section, we turn to the presentation of our own alternative solution grounded in the Marxian analysis of the determinations of the commodity-form. Finally, the concluding section brings together the main results of our discussion.

Marx on skilled labour

Marx made very few and rather succinct references in his works to the question of skilled labour in connection with the determination of value. Moreover, the occasional remarks that one can find in his writings are mostly incidental, that is, external to the systematic structure of his exposition. As acknowledged by most

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exegetical commentaries, the upshot of this is that the reconstruction of Marx's ideas on this subject is not free from difficulties (Cayatte 1984; Krätke 1997). However, we think that it is possible to uncover a mostly unchanged view underlying and unifying all these scattered references to skilled labour that Marx made throughout his writings. On the basis of a close reading of available textual evidence, in the following points, we summarise its most salient features:

I It is crystal clear that Marx thought that the determination of human labour as the substance of value implies the reduction of those qualitative differences in the diverse types of labour, derived from the special development of the labour-power of which they are an expenditure, to a 'common unit'. It follows that the explicit treatment of this reduction, therefore, pertains to the level of abstraction of the simplest determinations of value. Furthermore, this implies that as long as there are labours of varying degrees of complexity, the 'reduction problem' persists and cannot be assumed away (Marx 1872, 17; 1973, 561, 613, 846; 1976a, 135, 275–76; 1976b, 126–27; 1985, 122; 1987, 272–73; 1989a, 322). However, it is also evident that insofar as Marx regarded it as a relatively 'minor' and unproblematic issue, it was not primordial to unfold the 'laws' that govern the reduction when the immediate object of the exposition was the commodity or the value-form of the product of labour.

II The aforementioned 'common unit' is simple labour, which is defined as the expenditure of human labour-power possessed by the 'average individual', for which no prior 'special development' of productive attributes is needed (Marx 1872, 17; 1973, 323–24, 612–13, 846; 1976a, 135; 1976b, 126–27; 1985, 122; 1987, 272–73). Although what constitutes simple labour varies according to the different 'epochs of civilisation' and in 'different countries', it is always given in a determinate society (Marx 1872, 17; 1976a, 135; 1987, 272–73).

III Marx is adamant that the equivalence entailed by the 'value-objectivity' immanent in commodities self-evidently shows that the reduction of complex to simple labour is 'accomplished in practice' and, like all other reductions of qualitative differences in the varied commodity-producing labours, it operates 'behind the backs' of the producers (Marx 1872, 17; 1973, 612–13, 846; 1976a, 135; 1976b, 126–27; 1987, 272–73).

IV Moving to the level of abstraction of the capital relation, Marx argues that labour-power of a greater degree of complexity has a higher magnitude of value because its production costs more socially necessary labour (Marx 1973, 323–24; 1976c, 1032; 1988, 48). However, in other passages, he does not only make that point but also invariantly remarks that skilled labourers proportionally produce the same amount of surplus value as simple labourers. In other words, the rate of surplus value is the same for all kinds of workers, regardless of the relative complexity of their labour-power (1976a, 304–6; Marx 1988, 81–82, 90, 231; 1989a, 18; 1989b, 72–73; 1991a, 241; 1991b, 309; 2015, 250). In this context, Marx sometimes appears to be suggesting that there is some sort of connection between the value of skilled labour-power and the value of its product.

V Still, Marx tended to believe that simple labour constitutes the great bulk of labour performed in any society and that, at any rate, there was a dynamic tendency immanent in capitalist forms of technical change gradually leading to the elimination of complex forms of labour (Marx 1973, 612–13; 1976a, 470; 1976b, 127; 1976c, 1032; 1977, 225; 1987, 272–73; 1988, 231, 321, 331, 341; 1991a, 298; 1991b, 484ff., 499; 1994, 24, 148, 217; 2015, 306).

VI Finally, it seems to us that Marx did not consider that Ricardo's treatment of the subject was quite simply 'wrong'. In our view, he thought that it was rather 'incomplete', insofar as Ricardo did not show how the relation between complex and simple labour is actually 'determined' (Marx 1973, 561; 1976b, 127ff.; 1986, 327; 1989a, 350).

Now, as Krätke notes, there are other references to 'complex labour' in Marx's writings. However, these are usually *analogies* which Marx uses in order to shed light on *other* determinations of value-production and/or realisation (Krätke 1997, 102–3). Thus, for instance, Marx (1989a, 440) points out that when in a special sphere of production the *intensity* of labour is circumstantially higher, it counts socially as if it were more complex labour. Similarly, when an individual capital sets into motion a comparatively higher productivity of labour than its competitors, this circumstance is reflected in the value of its output as if it were the product of more complex labour (Marx 1976a, 435, 530; 1988, 319–20, 329–30). Lastly, Marx (1988, 338; 1989a, 294) also uses the determinations of the multiplied value-positing powers of complex labour to explain by analogy the determinations of *international* value-relations when the low degree of capital mobility hinders the full operation of the 'law of value' on a world scale.

Two general conclusions can be drawn from this reconstruction of Marx's thinking on the determinations of skilled labour in relation to value-production. In the first place, the problem itself seemed to be of relatively minor relevance for Marx's own explanation of the value of commodities. Moreover, at least as far as its simplest aspects are concerned, he tended to think that classical political economy (Ricardo in particular) had already offered the basic elements for the solution: working days of different complexities are equalised as 'multiples' of simple labour. In the second place, despite his repeated criticisms of Ricardo for not 'developing further' those elementary aspects of the solution, in no text does Marx himself actually complete the explanation. This would have involved the establishment of the principle that allows to explain, in a rigorous and precise fashion, the specific reasons why complex labour posits more value than simple labour during the same time. But this full explanation is not only missing in Ricardo's text; unfortunately, it is also absent from Marx's own works. What is more, when one considers that according to Marx himself (1985, 123) the explanation of the value of commodities 'is, therefore, a thing quite different from the tautological method of determining the values of commodities by the value of labour[-power], or by *wages*', the references that explicitly or implicitly correlate the higher wages of skilled labourers with the higher value of their product are intriguing to say the least. In sum, Marx's own explanation of the multiplied value-producing powers of skilled labour is admittedly as underdeveloped as that of his predecessors and deserves closer critical scrutiny. Before doing that, we shall first examine the reactions that this aspect of the Marxian critique of political economy caused among both his critics and his followers.

The critiques of Marx's perspective on the 'reduction problem' and the response of Marxists

The critique of the Marxian solution

The fundamental two lines of criticism of Marx's 'solution' can be found in the work of Böhm-Bawerk. In his 1884 *Capital and Interest*, this author initially pointed to what he considered an elementary flaw in Marx's value theory. According to Böhm-Bawerk (1890, 384–85), there was no clear explanation of the sense in which a complex labour's working day could be said to 'condense' *more labour* than an equally-long working day of simple labour. Thus, in Böhm-Bawerk's view, that the product of a complex labour's working day represents a higher amount of value than that of simple labour blatantly contradicts the economic law that postulates that value is determined by the amount of labour objectified in commodities. Consequently, Böhm-Bawerk concluded, the products of complex labour can only be (yet another) exception to the general rule in the Marxian explanation of value.[1]

The second main line of Böhm-Bawerk's criticism appeared in his intervention in the debate triggered by the publication of Volume III of *Capital*. More specifically, in *Karl Marx the Close of His System* (Böhm-Bawerk 1949), he further maintained that the Marxian explanation of the equalisation of qualitatively different labours fails because the argument unfolds 'in a complete circle': it starts out in search of an explanation of the exchange relation but, insofar as it is argued that 'the standard of reduction [of skilled to simple labour] is determined solely *by the actual exchange relations themselves*' (83), it ends up accounting for the exchange relation… on the basis of that very same exchange relation!

Later critiques of Marx mostly reiterated or simply reformulated the foundational ideas already laid out by Böhm-Bawerk (Bortkiewicz 1952, 90–92; Joseph 1923, 87–96; Masaryk 1899, 270ff.; Mises 1990, 20–21; Skelton 1911, 117ff.; Sorel 1897, 230). Those that did bring novel issues to light actually changed the very terms of the discussion, focusing on the difference between 'innate' and 'acquired' qualifications rather than on complex labour and simple labour as such. For instance, this is the case of Oppenheimer's (1916, 63–64) objections. Subsequently, this angle on the question reappeared in the works of both Schumpeter (2006, 24n3) and Samuelson (1971, 404–5), for whom Marx failed to explain the 'natural' differences in the quality of labour.

The 'rise and fall' of the classic Hilferding–Bauer response

With the exception of a brief and rather inconsequential rejoinder to Block by Lafargue (1884, 283–84), the first spate of responses to Böhm-Bawerk's criticisms did not come from Marxists but from Ricardians (Dietzel 1895, 248–61) or non-Marxist socialists (Grabski 1895). In a nutshell, the essential point made in these first interventions to counter Böhm-Bawerk's objections anticipated the gist of what some years later would constitute the 'canonical Hilferding-Bauer' response by Marxists. Specifically, these works submitted that the reduction of complex to simple labour involved the addition, to the living labour of the skilled labourer, of *all* those past labours that had directly or indirectly contributed to the production of the productive attributes of the worker bearing a more complex labour-power.

Still, the actual first reply by a Marxist came from Bernstein and was along rather different lines. According to Bernstein, the greater value of the product of skilled labour was not explained by the exchange relation, as Böhm-Bawerk's had thought, but by the greater value of more complex labour-power. Thus, the higher the value of labour-power, the greater will be the magnitude of value that results from its objectification (Bernstein 1899, 359–60).[2] Bernstein's idiosyncratic solution did not, however, persuade all Marxists. Indeed, the first critical reaction almost immediately appeared in the work of Kautsky (1899, 41), who saw Bernstein's solution as 'eclectic'. Although he acknowledged that Marx's theory was 'incomplete' on this score (38–39), Kautsky offered no solution of his own.

An alternative Marxist approach to the 'reduction problem' eventually emerged some five years later, by other scholars who took Bernstein's explanation to task for relapsing into a theory of value founded on 'costs of production'. This was the main thrust of Hilferding's criticism of Bernstein in his rejoinder to Böhm-Bawerk's 1896 article. As Hilferding (1949, 141) puts it, Bernstein's explanation wanted 'to deduce the value of the product from the "value of labor"'.[3] By contrast, Hilferding and other authors proposed a procedure for the reduction of skilled to simple labour based on the addition of the quantities of simple labour that materialised in the production of skilled labour-power and which, indirectly, become 'condensed' in the actual expenditure of the latter. Those past formative labours, Hilferding states, 'are stored up in the person of the qualified laborer, and not until he begins to work are these formative labors made fluid on behalf of society'. Specifically in Hilferding's case, these 'formative labours' came down to the work of the 'technical educator' (144). However, drawing on Deutsch (1904), Bauer (1906, 649ff.) later argued that the labour of 'self-education' by the skilled labourer themselves (in their capacity as student) should also be counted.[4]

Thus, the 'classic' Marxist view of the 'reduction problem' crystallised out of these contributions from the beginning of the 20th century. In a nutshell, this 'Hilferding–Bauer' solution maintained that the higher value-positing powers of complex living labour derived from its 'condensation' of *all* past labours which have been expended in the production of the respective skills of the wage-labourer, including both that of the 'technical educator' and that of the 'student'. During the greatest part of the 20th century, the Hilferding–Bauer approach was widely accepted by Marxists of the most varied traditions as the definitive response to Böhm-Bawerk (Hodges 1961; I. Lapidus and Ostrovitianov 1929, 32–35; Mandel 1976, 72–73; Meek 1973, 168ff.; Rosdolsky 1977, 506ff.; Rowthorn 1974; Rubin

1972, 159ff.; Sweezy 1970, 42–43).[5] Moreover, this 'classic' solution tended to be endorsed not only by most Marxists but also by Neo-Ricardians scholars (Bródy 1970, 86–88; Okishio 1963; Roncaglia 1974).[6]

However, by the mid-1970s, some Marxists started to raise some reservations against the alleged solution to the 'reduction problem'. In the first place, it was argued that the Hilferding–Bauer reduction procedure implied different rates of surplus value for skilled and simple labour which, it was claimed, contradicted the Marxist theory of exploitation (Morishima 1973, 193; Morris and Lewis 1973, 457–58). Secondly, other scholars argued that in conceiving of the worker's skills as the material condensation of past labour that would subsequently be represented in the higher value of the product, the productive attributes of workers were treated as constant capital (Bidet 2007, 26; D. Harvey 2006, 58; Tortajada 1977).[7] According to this second line of criticism, the 'classic' solution entailed a serious relapse into 'human capital' theory, which had been explicitly developed to undermine the Marxist theory by denying the existence of antagonistic social classes (Tortajada 1977, 109). In sum, these critics concluded, the Hilferding–Bauer solution had to be abandoned.

The more recent proliferation of novel solutions to the 'reduction problem'

In the face of the shortcomings of the traditional reduction procedure, new alternative approaches appeared that changed considerably the very terms of the problem without, however, achieving any consensus. Let us briefly consider these more recent perspectives on the reduction of complex to simple labour in turn.

In the first place, some scholars proposed that the reduction of skilled to simple labour should be regarded as a *real and observable process of de-skilling of labour-power resulting from capital's transformation of the labour process* (Carchedi 1991, 130–34; D. Harvey 2006, 57–61; Itoh 1987; Kay 1976; Sekine 1997, 39; 2020, 193–96, 205–6, 558; Uno 1977, 32n2).[8] From this standpoint, the solution to the reduction problem does not belong in the simplest level of abstraction of the commodity-form but pertains to a dynamic tendency of the production process subsumed under capital, namely: the actual homogenisation of the productive attributes of all wage-workers resulting from the forms of technical change in the capitalist mode of production. As a result of this historical process, these authors conclude 'the reduction problem disappears into insignificance' (D. Harvey 2006, 61).

In the second place, some authors have argued that the key to the solution resides in treating more complex labour as more *productive* (Bidet 2007, 20–21; P. Harvey 1985; Saad-Filho 1997; 2002, 56–58).[9] Note that insofar as this refers to an augmented capacity to produce *use-values* per unit of time, this kind of approach must offer an explanation of how this greater *physical productivity* of skilled labour translates into multiplied *value*-producing powers. Here each author provides their own, highly idiosyncratic argument. Thus, P. Harvey simply *assumes axiomatically* that skilled labour *is* 'labour-saving' (that is, physically more productive), and extends this assumption to *more intensive* labour, further postulating that the latter's greater value-creating capacities are grounded in its higher physical productivity

(P. Harvey 1985, 90). By analogy to labour intensity, he thereby explains the multiplied value-creating power of skilled labour. For his part, Bidet claims that since commodity- and value-production is actually the fruit of *collective* labour, it makes no sense to assign differential value-creating powers to certain individual types of labour-power.[10] However, he also maintains that the incidence of what he calls 'specialised' labour-power in a determinate collective labourer does improve its overall productivity. And through a peculiar interpretation of Marx's argument on the individual capital's production of an extra surplus value from innovation in chapter 12 of *Capital* Volume I, he concludes that the higher productivity resulting from a greater level of 'specialisation' in a collective labourer is expressed in greater value-production per unit of time (Bidet 2007, 29–30).[11]

Finally, there has been a number of rather disparate singular attempts at a solution which cannot be lumped together into any discernible common approach (Devine 1989; Ekeland 2007; Himmelweit 1984; Shaikh and Glenn 2018). Among them, the one by Himmelweit stands out for the critical reactions that it provoked among other Marxists (Fine 1998, 191ff.; Itoh 1987; Lee 1990, 117ff.; Morris 1985). In a nutshell, Himmelweit (1984, 335) argues that, under the assumption of equal organic compositions of capital, the mobility of capital in the process of equalisation of the rate of profit ensures the corresponding equalisation of the different rates of surplus value, so that 'if one group of workers are employed at a higher rate of pay than another, they will also produce more value'. Also, mention is worth making of Shaikh and Glenn's recent attempt at a mathematical formalisation, which allegedly avoids the shortcomings of traditional approaches through a reduction coefficient based on an exponential function that allows the computation of 'cost skilling'. According to these authors, this allows the representation of more complex labour properly as value-producing, unlike 'the traditional additive form that only transfers value and does not create value' (Shaikh and Glenn 2018, 19).

Critical assessment of the complex labour debate

Let us now take stock of the discussion so far through a closer critical examination of the debate on complex labour that we have just sketched out in the previous section. As already mentioned, Böhm-Bawerk's main objection to Marx's argument in *Capital* focuses on the circularity involved in maintaining that 'experience shows' that 'value' and the 'social process' (which Böhm-Bawerk equates with 'exchange') accomplish the reduction, while simultaneously presupposing the reduction to explain the exchange relation itself. But this is not the only objection. Additionally, Böhm-Bawerk (1949, 82) accuses Marx of explaining away the irreducible qualitative difference between two 'different *kinds of labor* in *different amounts*' by resorting to a scientifically flawed procedure consisting in the substitution of 'to count as' for 'to be' in the consideration of skilled labour as multiplied unskilled labour. According to Böhm-Bawerk, this train of thought is theoretically illegitimate since 'to "count as" is not "to be", and the theory deals with the being of things' (82).

Now, a proper full response to these further two objections would require a wider discussion of Böhm-Bawerk's more general critique of Marx's value theory, a task which evidently exceeds the narrower scope of this chapter on the skilled labour reduction problem and which, moreover, we have undertaken elsewhere (Starosta 2008; 2016, 119ff.). Here we can only offer a few pointers on the underlying weakness of Böhm-Bawerk's critique. In a nutshell, the issue comes down to Böhm-Bawerk's failure to grasp the fetish-like character of the 'value-objectivity' that constitutes the essential 'form-determination' that stamps the product of labour as a generally-exchangeable thing and hence as a commodity (Starosta 2017). In other words, Böhm-Bawerk overlooks that, as the *historically-specific* property of *general exchangeability*, value is an objective attribute which is *immanent* in the commodity and which is distinguishable from both exchange-value, which is its necessary form of appearance, and (privately-performed socially necessary) abstract labour, which constitutes its substance. By contrast, as Elson (1979, 157) notes, in his (mis)reading of Marx's argument, Böhm-Bawerk *unmediately* passes over from the exchange relation to labour. Relatedly, he misses the crucial point that Marx is not analysing the commodity 'in general', but a *capitalist* commodity, that is, one existing in a society in which commodity production has become the *general* social relation and whose exchange, therefore, does involve *equivalence* (hence *qualitative identity* and *quantitative necessity*) (Arthur 1979, 71). Thus, he fails to understand that it is the purely social, yet practically real, reified objectivity of value that makes different commodities 'count as' qualitatively identical and which, consequently, negates in practice all qualitative differences intrinsic to the materiality of the varied kinds of labours that produced them. Therefore, it is this historically-specific form of the social life process that 'reduces' individual products of labour to their most general remaining common determination, namely: that of being materialisations of abstract, socially necessary simple labour (Starosta 2016, 141ff.). In other words, the actual 'proof' that the reduction of complex to simple labour does take place is synonymous with the exposition of the determinations underlying the social constitution of the fetish-like 'objectivity of value' and is a different matter from the analysis of the quantitative proportion in which complex labour 'counts as' multiplied simple labour. In his 'asocial' misreading of Marx's critique of political economy, Böhm-Bawerk conflated these two clearly distinct issues.

Furthermore, the 'social process' that according to Marx 'accomplishes' such reduction 'behind the back of the producers' is not, *pace* Böhm-Bawerk, the 'exchange process'. That social process actually is the *indirect* mode through which the social character of human productive activity attains its immanent unity when each production process is organised in the form of *private and independent labours* (Marx 1976a, 163ff.). As argued in the first two chapters, under these circumstances, the social character of individual labours that comprise the global labour of society is not consciously established on the basis of their concrete or useful character before they are actually exerted. Instead, it is recognised only '*post-festum*', and on the basis of their intrinsic *material* identity as qualitatively homogeneous productive expenditures of sheer human corporeality (brain, nerves, muscles, etc.), which, once objectified in the product, becomes *socially* represented as the thing-like attribute of the product that allows it to enter the exchange relation and manifest indirectly the human subject's immanent determination as an individual organ of social labour: the form of general exchangeability or the value-form. As Marx himself acknowledges, the scientific description of this social process and its practically-determined elimination of all material qualitative differences in the concrete commodity-producing labours might sound like an absurdity and certainly did so to someone like Böhm-Bawerk. Still, as Marx continues, this 'absurd form' is exactly the way in which the relation between the different private labours and the collective labour of society appears to the producers themselves when the human life process takes this historically-specific social form. Thus, it is not Marx's 'dialectical skill' that through wordplay substitutes 'count as' for 'to be', but the fetishised social form of capitalist production which, in a particularly violent manner, accomplishes the said 'substitution' which reduces all qualitative differences in human labour to quantitative ones.

Lastly, this means that there is no circularity in Marx's argument. For the social constitution of the value-objectivity of the product labour takes place within the immediate process of production and is therefore *presupposed* by the establishment of the exchange relation which only manifests, in a 'roundabout' way, the social determinations of individual labour already posited in the labour process.

Let us now turn to the critical assessment of post-Marxian contributions. The first attempt at a solution was that of Bernstein (1899), which, similarly to Himmelweit's (1984) more recent contribution, essentially comes down to grounding the higher value of the product of complex labour in the greater value of skilled labour-power. However, as other Marxists noted very early on in the debate, this explanation cannot but relapse into a theory of value founded on 'costs of production' instead of explaining the value of commodities on the basis of the living labour objectified in its production. Moreover, insofar as it revolves around the process of formation of the general rate of profit in the circulation process, Himmelweit's approach in particular certainly falls prey to Böhm-Bawerk's accusation of circular reasoning.

In their response, Hilferding–Bauer and their followers obviously thought that their reduction procedure avoided Bernstein's error of grounding the value of the product of skilled labour in the value of skilled labour-power. However, as hinted at by the aforementioned critics of the 'classic' solution (Bidet 2007; D. Harvey 2006; Tortajada 1977), it seems to us that by including in the value of the product of skilled labour the socially necessary labours required for the production of skilled labour-power, they end up relapsing into a similar elementary mistake, namely: the conflation of the value of labour-power (the 'past labour' objectified in it) and its use-value (the value-positing capacity of living labour in act). In effect, regardless of the degree of complexity embodied in the worker's labour-power, there can be no trace of the past labour required for the production of skilled labour-power in the 'multiplied' value-positing powers of skilled living labour in act. In this sense, the labour of the 'technical educator' or the labour objectified in a textbook is hardly different from those labours objectified in the most prosaic of commodities that the worker consumes during their lunchtime. Assuming that they have the commodity-form, they are all part of the privately-undertaken socially necessary labour required for the production of the commodity labour-power and, in that condition, they are absolutely independent of the labour that the worker will perform when setting their labour-power into motion in the capitalist labour process (Marx 1976a, 300–1).

Let us now consider the main solutions that have proliferated after the demise of the 'classic' paradigm as reviewed above, starting with those that treat the greater complexity of labour as involving a higher *productivity*. The first critical point to make in this regard is that these solutions tend to conflate different determinations of labour which are clearly distinguished in the Marxian explanation of value. This conflation is particularly pronounced in the case of P. Harvey (1985), whose argument, as we have seen, adds the *intensity* of labour to the mix: his explanation of the multiplied value-creating powers of skilled labour is simply based on an analogy with more intensive labour. However, it seems to us that such an analogy does not stand scrutiny. It is self-evident that a 'sculptor' could engage in an identical (socially necessary) extensive and intensive expenditure of their bodily productive powers than a 'stone-breaker', but their labour would nonetheless still involve a greater complexity: the former's labour-power would still need a longer period of learning before it could be expended productively, which would thus need to be reflected in a higher magnitude of value of its product of labour. Things get onto even shakier ground with the explanation of the augmented value-creating powers of more skilled labour on the basis of their alleged greater physical productivity. In the first place, more productive labour involves, in its very definition, that 'it provides more product in the same time', and given that 'a definite quantity of labour time continues to be represented in the same magnitude of value', 'it lessens the value of the commodity' since 'it curtails the labour time during which the same commodity can be produced' (Marx 1988, 334). By contrast, as we shall see in more detail below, and as even Böhm-Bawerk was (reluctantly) ready to admit to Grabski, skilled labour involves *a greater* expenditure of labour for the production of a commodity. In the second place, the association between complexity and *physical* productivity of labour is also rather problematic. For while comparative analysis of the latter always refers to the production of the *same* use-value, at stake in the former is the comparison between labours that produce *different* use-values.

This latter confusion can be also found in Bidet's (2007) own association of greater complexity of labour and higher productivity, although for another reason. In the case of this author, the confusion comes up in the first step of his idiosyncratic solution to the reduction problem, which, as we have seen, consists in drastically 'delinking' the special productive qualities of complex labour-power and its multiplied value-positing capacity. In turn, this connection is severed by arguing that in the context of the subsumption of labour under capital, value-positing is the product of the collective labourer of the workshop as a whole. Therefore, Bidet concludes that it is meaningless to 'individualise the incidence of specialised labour on the increase in value' (29). Now, while it is true that at the systematic level of the *real* subsumption of labour to capital, the commodity proves to be the result of the combined productive activity of the collective worker, we think that Bidet's conclusion regarding the vanishing of the incidence of skilled labour is too hasty, and actually does not follow from the said premise. Certainly, in Chapter 13 of *Capital* on 'Co-operation' Marx remarks (1976a, 440–41) that with the determination of individual wage-workers as members of a directly collective productive body within the workshop, the value they produce comes to be the *organic* result of their collective working day, so that 'each individual man's day is an aliquot part' of the latter. Thus, 'whenever a certain minimum number of workers are employed together', individual qualitative differences from the average worker 'compensate each other and vanish' (440). The point is therefore that the consequence of the determination of the collective labourer as the material subject of value-positing is the practically-objective constitution of commodity-producing labour as *average social labour*. However, the kind of qualitative divergence in the individual productive attributes of wage-workers that Marx refers to in these pages is *not* the one that derives from '*acquired*' skills (which are those that count for the determination of complex labour). Rather, he clearly refers to the cancelling out of individual differences in '*natural*' skills, and therefore to one of the aspects of the reduction of *individual* to *socially necessary* labour. But there are no reasons why the formation of the collective labourer would make the incidence of 'specialised labour' on value-production vanish. Here it is important to remember that at stake in the complex labour reduction problem is the production of two *different use-values*. And even if each commodity is now considered as the immanent product of a collective labourer, what happens is simply the practically-objective constitution of an *average degree of complexity* or *skill level* for each 'workshop as a whole', out of their respective compositions of the individual ('acquired') skills of its members. The greater the average degree of complexity of a certain collective labourer, the (proportionally) greater the magnitude of value produced. In sum, qualitative differences derived from divergences in 'acquired' skills do not vanish with the formation of the collective labourer as the material subject of capitalist commodity production. The complex labour 'reduction problem' therefore still stands unsolved.[12]

The remaining group of contributions to examine is that which approaches the skilled labour reduction problem by resorting to capital's tendency for the universal and absolute deskilling of human labour in its search for relative surplus value (Carchedi 1991, 130–34; D. Harvey 2006, 57–61; Itoh 1987; Kay 1976; Sekine 1997, 39; 2020, 193–96, 205–6, 558; Uno 1977, 32n2). There are at least three issues which undermine this attempt at a solution. In the first place, as we have already seen (and will discuss further below), according to Marx the treatment of this reduction pertains to the level of abstraction of the *simplest determinations of value* (a fact that his critics like Böhm-Bawerk perceptively and duly noted). Without solid grounds for the value-form already established at that systematic level, the whole subsequent development of form-determinations cannot but rest on shaky foundations. But this is precisely what happens if, as these scholars propose, the explanation of the reduction is deferred to the systematic level of the capital-form. One could of course decide, for presentational reasons, to postpone the full exposition of a certain determination until a more concrete level of abstraction is reached. But such an explanation must surely be *possible* to be developed at the more abstract systematic level, which certainly cannot be done if based on capital's tendency for deskilling. In the second place, even at a theoretical level, the tendency for the degradation of the productive attributes of wage-labourers is not the only one presiding over the transformations of the capitalist labour process brought about by the increasing automation process of large-scale industry (although the former is admittedly the one that captured Marx's focus in *Capital*). As a matter of fact, large-scale industry also involves another tendency for the *expansion* of the productive attributes of the part of the collective labourer responsible for the advance in the conscious control of the movement of natural forces (that is, science) and its technological applications in the directly social organisation of immediate production process. Although not explicitly addressed by Marx in *Capital* (but see Marx 1976c, 1039–40), it is clear that the production of relative surplus value requires from these workers ever more *complex* forms of labour. As much as those discussed in *Capital*, these are also 'immediate effects of machine production on the worker' (see Starosta 2016, 233ff.). Finally, even if we disregard this other tendency, the fact remains that as all tendencies, that which deskills labour-power is only realised gradually or by degrees. Thus, special skills are not eroded overnight but through a long-drawn-out historical process. And as long as differences in the degree of complexity of different labours persist 'empirically', the question of the determination of the value of the products of skilled labour still stands in need of a solution.

The determination of complex labour in value-production

As argued above, a key insight in Marx's *analysis of the commodity* that needs to be recovered for the purpose of addressing the skilled labour problem is that it is the fetish-like value-objectivity that socially makes different commodities count as qualitatively identical and which, therefore, negates 'in practice' all qualitative differences intrinsic to the materiality of the varied kinds of labours that produce them. The *analysis of commodity-producing labour* must therefore consist in finding an underlying material qualitative identity behind its apparent varied concrete forms. Specifically, Marx identifies in chapter 1 of *Capital* three kinds of qualitative differences which appear at first sight to negate the role of labour as the homogeneous substance of value.

The first difference pertains to the determinate character of each concrete labour. Evidently, 'tailoring and weaving are qualitatively different forms of labour' (Marx 1976a, 134). As we have seen in the first chapter of this book, the qualitative difference immanent in the different forms of labour thereby becomes transcended in the determination of value-positing labour as a sheer expenditure of human labour-power, with those varied useful labours determined as 'merely two different forms' of that expenditure.

In the second place, there is the diversity in the individual expenditures of labour in the production of the same use-value. According to Marx (1976a, 129), these derive both from the differences in the dispositions and 'natural' abilities of commodity producers and, more fundamentally, from the technical conditions of production. In this respect, Marx argues that these differences are transcended by the value-form insofar as it is only the amount of individual labour-time that accords with the *normal* conditions of production and the average degree of skill and intensity that counts for the determination of the magnitude of value (129).

The third qualitative difference that comes up in the analysis of commodity-producing labour is precisely that which characterises complex labour, which we will therefore examine more closely. Marx (1976a, 134–35) notes here that ‘human labour-power must itself have attained a certain level of development before it can be expended in this or that form’. The analysis of labour as *actuality* now passes over to the analysis of labour-power as the human *potentiality* for that productive activity. Thus, the different labours which had been reduced to their common quality as mere productive expenditure of human corporeality, now turn out to be further differentiated qualitatively on the basis of the varying degrees of complexity of the respective labour-powers of which they are an expenditure. In the face of this distinction, Marx first reminds the reader the *lack of qualitative difference* with which ‘objectified labour’ appeared when it was discovered as the substance of the value. In effect, in the discovery of the content of the ‘ghostly objectivity’ of value, labour did not appear as the actualisation of a labour-power that has attained more or less development but as mere ‘homogeneous human labour’. Similarly to the previous two cases, the need to transcend this difference must consist in revealing the specific way in which the value-form extinguishes ‘in practice’ those different qualities in commodity-producing labour. In this case, Marx concludes that the labour represented in the value of commodities is ‘*simple average labour*’, i.e. ‘the expenditure […] of the labour-power possessed in his bodily organism by every ordinary man, on the average, without being developed in any special way’ (135).[13] Therefore, *through the value-form* all those labours whose performance requires a more complex labour-power are *socially* represented as a quantitative sum (or multiple) of units of simple labour, which results from the consequent *practical* reduction of the production of skilled labour-power itself to an accumulated expenditure of simple labour-power.

As we have seen, this explanation does not suffice to *qualitatively* specify the simple labours that must be considered in the production of more complex labour-power and, *therefore*, to be able to *quantitatively* establish the degree in which the value-positing powers of complex labour become multiplied. We have also seen that the subsequent Marxist debate also failed to approach the question in a manner which is consistent with the analysis of the commodity that Marx did provide in *Capital*. Let us, therefore, elaborate further on the value-positing powers of skilled labour on the basis of the simplest determinations of the value-form.

Following Marx’s analysis of the commodity, we have argued that only privately-undertaken social labour is value-producing. A first corollary of this is that only those simple labours which have been privately organised *vis-à-vis* the consumer of the product of complex labour must be considered as being socially represented in the latter’s value. The crucial question that follows is when does the private production of ‘complex commodities’ actually start? Under a mode of production in which social labour is privately-undertaken, the actual starting point of the organisation of any productive activity is the recognition by the private producer of a potentially solvent social need for a determinate use-value. Now, if the production of the latter actually requires the expenditure of a 'specially-developed' labour-power, the private organisation of social labour actually commences with an earlier step, namely, the production of a labour-power with the requisite determinate quality (hence complexity). Thus, the commodity-producer must firstly expend privately their simple labour-power with a view to developing the productive attributes that must be set into motion in order to produce the said 'complex commodity'. In other words, they must *learn* to make that potentially needed use-value. Note that this latter privately-undertaken expenditure of simple labour-power is exerted solely with the purpose of producing the 'complex' use-value under consideration. In this sense, it can hardly be distinguished from the expenditure of simple labour-power entailed by the production of the most 'prosaic' commodities. More concretely, it is part of the conscious expenditure of the bodily productive powers of the human being, which is organised in a private manner, and which, therefore, is an equally constitutive part of the socially necessary labour-time that becomes objectified as the value of its product. Thus, as Iñigo Carrera (2021, 83) puts it, complex labour 'is a simple expenditure of human labour-power whose initial purpose is not the production of a use-value which is external to the subject who is performing it, but the development of this very working subject's aptitude to produce' such more 'complex' use-values.

Now, the discussion so far might seem to just reinstate, maybe with greater precision, the classic 'Hilferding–Bauer' solution. But let us examine more closely the part of the production process that corresponds to the development of complex labour-power. At the start of the process, the commodity-producer is, as 'every ordinary human being', evidently endowed with *simple* labour-power. No prior expenditure of labour-power is needed to undertake the special development of their own labour-power. However, during the time in which they are learning their complex 'trade', the commodity-producer must obviously reconstitute the simple labour-power which has been expended in the learning process. And this means that they must consume certain use-values which, for the sake of simplicity, we shall assume that are all the product of privately-performed social labour, that is, commodities. What is more, the special development of their complex labour-power might entail the consumption of certain specific commodities beyond those necessary for the reconstitution of simple labour-power; for instance, the services of a 'technical educator', as usually exemplified in the classic Marxist discussion. It might then seem that all the social labour materialised in those commodities that reconstitute or further develop the labour-power of the complex commodity-producer during the learning process, must be included in the determination of the value of the product of skilled labour. Indeed, those labours appear to have no purpose other than the production of a skilled labour-power and, through this mediation, the production of the 'complex commodity' under consideration. As a matter of fact, this is the conclusion drawn by the classic solution. However, we think that this conclusion is faulty and is the source of the aforementioned confusion of constant and variable capital rightly highlighted by critics of the classic solution.

In effect, as follows from Marx's theory of the value-form, the labour objectified in the commodities consumed by the private owner of labour-power for the sake of their personal material reproduction does not enter the formation of the value of the commodity that they produce. The reasons for this are quite straightforward. At the level of abstraction of the simple circulation of commodities, the final goal of the social metabolic process is the 'consumption, the satisfaction of needs, in short use-value' (Marx 1976a, 135). It thereby follows that when those commodities needed for the production of labour-power are consumed by the commodity-producer, the transformation of the materiality of those means of subsistence into productive attributes of the human subject brings this particular cycle of social reproduction to a close. The labour objectified in them, which had been privately-undertaken, thus achieves final recognition as socially-useful and so do their products as social use-values which, through the consumptive appropriation of their materiality, are eventually realised. And as these commodities' social use-value is definitively extinguished through their use or consumption, so is the value of which they were 'material bearers'. Thus, when the commodity-producer in question undertakes the organisation of the private production of a use-value that they deem socially-useful (whether simple or complex), no trace of the value of the commodities they had consumed to produce their labour-power actually exists. In fact, a *new* cycle of social reproduction starts afresh, which might (or not) yield a social use-value, whose consumption by another member of society will bring the former to a close.

In brief, our point is that the only simple labours that become condensed in the 'direct' labour that produces use-values external to the working subject, and which thereby turn into complex labour, are those privately-performed by the commodity-producer in order to develop the productive attributes of their labour-power that were subsequently set into motion in the direct production process of the respective use-value. To put it in terms of the classic debate, the only labour that enters the determination of the multiplied value-positing powers of complex labour is that of the 'student'. Hilferding's and Bauer's respective mistake, uncritically reproduced by all those other Marxists that followed their flawed solution, was to lump the student's labour together with that of the 'technical educator', thus overlooking the fact that the latter and the former play entirely different parts in the social production process.

All this discussion allows us to draw two fundamental preliminary conclusions. In the first place, the differences in complexity of the varying commodity-producing labours are overcome 'in practice' by the value-form through the social representation of all objectified labour as an accumulation of simple labour. In the second place, the higher value of the product of skilled labour is actually explained by the same determinations as in the case of any other commodity: by the privately-performed socially necessary abstract labour required for its production. The key, however, resides in being absolutely clear and precise about which private labours are socially necessary *just* for the production of the *product of skilled labour*. And these come down to the living labour of the skilled worker, the 'dead' labour objectified in the means of production utilised by living labour in the production process and, crucially, the labour expended *by the skilled labourer themselves* (and *not that expended by the 'technical educator'*) with a view to acquiring the skills which are *socially necessary for the production of the said 'complex commodity'*.

Now, as should be methodologically evident, this latter conclusion cannot be altered when we consider value-production as a moment of the production of capital. Under the command of capital, commodity production is mediated by the determination of labour-power as a commodity (Marx 1976a, 271). Consequently, what we previously considered as a single private production process becomes split into two separate processes: one which produces the commodity 'complex labour-power' and another that produces a 'complex commodity'. Furthermore, when subsumed under capital, the goal of social production is no longer the satisfaction of needs but the valorisation of value. Hence, in capitalist society, the process of individual consumption does not bring each cycle of the process of metabolism to a close. The latter moment is reached in the sphere where labour-power is consumed for the production of more value than its reproduction costs, which is the phase of *productive* consumption or the labour process (Starosta and Caligaris 2016). The process of value-production of the product of complex labour must be reconsidered in light of these more concrete determinations.

As argued above, this process starts with the development of skilled labour-power by the labourer themselves. But now the material unity between this phase of the production process and the actual making of the 'complex commodity' is formally mediated by capital's purchase of (skilled) labour-power as a specific commodity 'whose use-value possesses the peculiar property of being a source of value' and which, 'like all other commodities […] has a value' (Marx 1976a, 270, 274). The latter is the value of the commodities that the wage-worker has consumed for their own material reproduction which, insofar as the cycle of social reproduction no longer ends with individual consumption but with the valorisation of capital, reappears as the value of the commodity labour-power, instead of being annihilated through the consumption of means of subsistence, as happened with the simple commodity-producer.[14] Thus, capital purchases complex labour-power alongside the requisite means of production to set the valorisation process into motion. In this process, the concrete living labour of the wage-worker transfers (hence preserves) the value of means of production onto the product. But things are different with the value of labour-power. As (skilled) labour-power is effectively consumed (and thereby exploited) by capital in the immediate production process as a specific commodity which can produce surplus value, its use-value suffers final appropriation and, with that, its value is definitively extinguished. On the other hand, that very consumption of labour-power by capital privately produces new 'complex commodities' and hence, new value (which reproduces variable capital and yields surplus value). Crucially, note that in this process *absolutely no trace of the privately-performed past social labour required for the production of skilled labour-power remains in need of recognition of its social usefulness. Hence, not an 'atom' of that part of social labour must be represented as the value of the product of skilled labour*. As happened at the level of abstraction of simple commodity production, the value of the product of skilled labour is solely formed by the simple individual labour expended by the wage-worker in the production of their skills, the new living labour they perform to make the 'complex commodity' and the value of means of production (that they preserve at no cost for capital).

Now, at first sight, this discussion seems to clash with Marx's repeated remarks that skilled wage-labourers produce more value per unit of time than simple labourers in a ratio that reflects the higher value of their labour-power, so that the rate of surplus value remains identical in both cases (see Section 'Marx on skilled labour' above for references). However, we think that it is possible to make both arguments consistent. In our view, Marx was probably assuming that the use-values needed for the daily reproduction of each type of labour-power are quantitatively and qualitatively identical (and that their respective 'retirement ages' are equal). Thus, for each day that the skilled labourer spends on the acquisition of their skills, there will be an equally proportional increase in both the value of their labour-power and their multiplied value-positing powers. Although this identity of 'consumption norms' could sound problematic from a contemporary viewpoint, it might have been reasonable for Marx to make that assumption in a historical period when he observed a high degree of, and growing tendency for, homogeneity in the conditions of material reproduction of wage-workers. Thus, rather than postulating a *causal link* between the higher value of skilled labour-power and its multiplied value-positing powers, we think that Marx was simply taking the former as a relatively accurate *'observable' indicator* of the latter.[15] Nevertheless, this does mean that any qualitative or quantitative difference in the respective daily consumption requirements of skilled and simple wage-labourers, necessarily implies the existence of different rates of surplus value. But, as argued elsewhere, this implication does not compromise the validity of Marx's explanation of the source of surplus value in the exploitation of the wage-worker (Starosta and Caligaris 2016).

Conclusion

This chapter has critically examined the controversies over the determination of complex labour in value-production and offered an alternative solution which is consistent with the Marxian critique of political economy. Key to this endeavour has been the recognition that Marx's own treatment of the question is at the very least incomplete. Thus, although we showed that the critiques of the Marxian solution do not rest on solid foundations, Marx certainly did not spell out (or at least not systematically enough in light of subsequent controversies) the *qualitative* determination that specifies the simple labours that constitute complex labour, and whose *quantitative expression* is manifested in the degree in which its value-positing powers become multiplied.

In our reconstruction of the history of the 'skilled labour' debate, we have critically reviewed the different solutions put forward by Marxists and showed that none of them manages to remain consistent with the foundations of the Marxian critique of political economy. By contrast, we have offered an alternative approach that is grounded in a rigorous reading of the 'analysis of the commodity' presented in the opening pages of *Capital*. In the first place, we argued that the differences in the complexity of labour are eliminated in practice through the value-objectivity characterising the commodity-form of the product of labour. In effect, the labour objectified in the commodity becomes *socially* determined as simple labour as far as its historically-specific role as substance of value is concerned. In the second place, we argued that the degree in which complex labour counts as a multiple of simple labour in value-production is solely determined by the expenditure of simple labour-power that the complex labourer needs to undertake in order to produce their own specially-developed labour-power.

Notes

1 Similar critical arguments that emerged around the same time can be found in the works of Block (1884, 133), Adler (1887, 81–85), Pareto (1998, 299ff.) and Flint (1906, 147–49).

2 Bernstein draws upon a work by Buch (1896), who attempted to place value theory on 'physiological' foundations by focusing on the *intensity* of labour and taking variations of wages as indices of the different degrees of intensity. Buch's contribution also influenced Liebknecht's (1902, 102–3) proposed solution to the 'reduction problem', which consisted in the representation of complex labour as more intense, thus involving a greater expenditure of energy.

3 Despite Hilferding's trenchant critique of Bernstein, the connection between the value of complex labour-power and the value of its product has not been left completely behind in the literature. See, for instance, Cutler et al. (1977) and Hiroyoshi (2005).

4 Although Bauer drew on Deutsch on the 'reduction problem', he parted company with the latter's argument concerning the determination of the value of complex labour-power. Thus, Deutsch (1904, 23ff.) included the student's labour of 'self-education' in the cost of production of skilled labour-power and therefore concluded that the rate of surplus value of the skilled labourer is necessarily lower than that of the simple labourer. By contrast, Bauer considered that the student's labour of 'self-education' does not enter the determination of the value of their labour-power. As a consequence, the rate of surplus value of the skilled labourer is actually *higher* than that of simple labour.

5 This reading continues to be highly influential to this day. See, for instance, Cockshott and Cottrell (1993, 23ff.); A. Lapidus (1993); Cotrim (2015); Greenblatt (2017).

6 An exception to this broad consensus from the Neo-Ricardian camp is the contribution by Bowles and Gintis (1977), who sidestepped the reduction problem through a mathematical model which determined the rate of profit and the prices of commodities by expressing the different skill requirements in the diversity of wages for each type of labourer. However, as Itoh (1987, 46) argued, this approach solved the reduction problem by simply making redundant the very concept of labour. Be that as it may, Bowles and Gintis's intervention generated a lively debate among Neo-Ricardians (Bowles and Gintis 1978; 1981; Catephores 1981; Krause 1981; McKenna 1981; Morishima 1978; Steedman 1985).

7 This critique had actually been pioneered by Schlesinger (1950, 129); see also Ciafardini (1975). An antecedent to Tortajada's critique of the classical solution can be found in the pages of the 1974 issue of *Annales de la Faculté de Droit et des Sciences Economiques de Reims*, where the different contributions referred to the Hilferiding–Bauer approach as the 'theory of value transfer' (Duharcourt 1974; Dumasy 1974; Rasselet 1974; Victor 1974).

8 This solution clearly resonates with the so-called 'deskilling thesis' formulated in the seminal work by Braverman (1998). As we comment below, this thesis is a one-sided reduction of the two-fold movement of degradation *and* expansion of the productive subjectivity of the collective labourer required by the system of machinery to one of

its moments. See Iñigo Carrera (2013, 42). One of the immediate reasons behind such a unilateral account lies, as Tony Smith (2000, 39) points out, in its very restricted definition of 'skill', very much referring to manufacturing skills.

9 The consideration of more complex labour as more productive is actually quite old and was pioneered by Boudin (1920, 113–17). See also Rasselet (1974) and Duharcourt (1974).

10 This train of thought had already been developed by Kidron (1968). More recently, it has been advanced by Choonara (2018).

11 We examine Bidet's 'circulationist' explanation of extra surplus value in the next section.

12 The second step in Bidet's argument is to submit that a collective labourer with a higher composition of skilled labourers does experience an increase in the 'overall productivity of the workshop'. And since in his particular take on the source of extra surplus value, which Marx discusses in chapter 10 of *Capital*, exceptionally productive labour is seen as creating in equal periods of time greater values than average social labour of the same kind (Bidet 2007, 20–21), a greater incidence of 'specialised labour' in a collective worker leads to a concomitant increase in the amount of value produced. In our view, that an increase in the productivity of labour allows the respective individual capital to temporarily appropriate an extra surplus value, does not change the fact that 'a definite quantity of labour time continues to be represented in the same magnitude of value' (Marx 1988, p. 334; see Chapter 6 of this book). In effect, if value-positing is a process taking place in production and not in circulation, and provided that the total extensive and intensive expenditure of labour-power does not change as a result of the introduction of technical innovation, it follows that the total mass of value produced remains the same before and after the productivity increase. Besides, we have seen that explanations based on the association of complexity and productivity conflate determinations pertaining to the production of different use-values with those pertaining to use-values of the same kind.

13 All labour-power needs at least *some* prior expenditure of human labour with a view to developing the productive 'mental and physical capabilities existing in the physical form, the living personality of a human being' (Marx 1976a, 270). *Simple* labour power is that whose requirements of prior 'learning' are the minimum which is necessary to perform productive labour in a given society. It, therefore, changes as the development of the productive powers of social labour transforms the *normal* material constitution of human productive subjectivity. This is the reason why Marx clarifies that simple labour 'varies in character in different countries and at different cultural epochs, but in a particular society it is given' (135). See Iñigo Carrera (2021, 52–53).

14 See Starosta and Caligaris (2016) for a more extended discussion of this.

15 Against this backdrop, it is noteworthy that in the French edition of *Capital*, Marx decided to remove the sentence which stated that the expenditure of complex labour was represented 'in proportionally higher values' (Marx 1872, 84; 1976a, 305).

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5 Rethinking the determination of the value of labour-power

Introduction

Although probably not as widespread as debates on the simpler determinations of the value-form, the commodity-form taken by labour-power and, *a fortiori*, the determination of its value, have also been at the centre of the controversies surrounding the Marxian critique of political economy. However, the discussion has not shed much new light on the central question about the determination of the use-value composition of so-called ‘wage-goods’ consumed by workers. Yet, as some authors have pointed out (e.g. Fine et al. 2004), the nature of those means of subsistence is a fundamental element of Marx’s account of the value of labour-power. Despite this centrality, the use-value dimension of the worker’s consumption has not been a fundamental matter of inquiry. A possible reason for this can be found in what seems to be a widespread implicit consensus on the determination of the range and quality of use-values that enter into the determination of the value of labour-power. For most Marxists, the consumption bundle of the working class involves a two-fold determination. On the one hand, it is determined by the need to guarantee the ‘physical’ reproduction of workers. On the other, it is determined by the class struggle. It is this latter component which, allegedly, sets Marx’s approach apart from Ricardo’s ‘beast of burden’ view of the determination of the ‘value of labour’ (Rubin 1989, 279), thereby going beyond the ‘iron law of wages’ that reduced their level to that which is strictly necessary for the biological reproduction of workers.

The first aim of this chapter is to challenge this received wisdom on the determination of the value of labour-power. In particular, we take issue with the aforementioned ‘two-component’ account of the determination of working-class consumption, i.e. with the view that posits the material reproduction of workers and the class struggle as two *independent* factors that determine the number and type of ‘wage-goods’. On the one hand, despite its widespread acceptance among Marxists, this reading has no solid textual basis on Marx’s major economic works. On the other hand, and more importantly, we will argue that it rests on a problematic separation of the actual immanent unity between materiality and social form in the capitalist mode of production. In effect, once the qualitative and quantitative composition of the use-values that enter into the determination of

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the value of labour-power is seen as *determined* (wholly or in part) by the power relations between social classes, working-class consumption is inevitably rendered external to the historically-specific social form taken by the materiality of the metabolic process of humanity, i.e. capital. More concretely, we will show that the two-component perspective on the consumption bundle of wage-workers overlooks the material basis that *grounds* the potentiality of working-class struggles over the conditions of reproduction of labour-power. As we will see, this foundation lies in the transformations of the productive attributes of the collective labourer that result from capital's search for relative surplus value through the material revolutions in the labour process.

In this sense, the second aim of this chapter is to propose an alternative approach to the determination of the value of labour-power that re-establishes the inner connection between the materiality of the process of production and its social form. Specifically, we argue that the value of labour-power is determined by the value of the commodities that wage-workers need to consume in order to reproduce the materiality of the *whole range of productive attributes* that capital demands from them at different times and places; including both the 'technical' manual and/or intellectual skills and knowledge, and what we shall term 'moral' attributes. On these grounds, the chapter further argues that the class struggle does not *determine* the value of labour-power; it only *mediates* its full *realisation*.

The 'received wisdom' and its limits

As mentioned above, most if not all Marxists tend to take for granted that the class struggle determines, at least in part, the customary living standard implied in the reproduction of the class of wage-workers. There are, however, variations within this theme.

At one end of the spectrum, some scholars conceive of the class struggle as the fundamental (or rather, the only) determinant of the value of labour-power. For instance, this is the case of authors belonging to the so-called 'New Solution' perspective, who have questioned the commodity nature of labour-power on the grounds that it is not the product of a capitalist production process (Mohun 1994). As Mavroudeas (2001, 55) perceptively notes, the implication of the 'New Solution' approach is that the value of labour-power must be considered, in a rather Smithian fashion, as the quantity of *labour commanded* by the money-wage, which in turn is solely determined by the class struggle in the sphere of distribution (or maybe mediated through specific institutional arrangements). The 'Autonomist' theory of the political determination of the wage can also be seen as sharing in this broad perspective, albeit with a more orthodox focus on the class struggle in production (thus preserving the link between socially necessary labour-time actually expended in the production of 'wage-goods' and the value of labour-power, which is lost in the 'New Solution' approach) (Cleaver 2020, 80–85; Negri 1991, 132–33). Despite their differences, however, for both perspectives, the determination of the value of labour-power ultimately comes down to a simple expression of power relations between social classes. There are two problems with this. Firstly, the objective social basis of the respective power of each social class is left without explanation. More importantly, since thus conceived the value of labour-power bears no relation to the conditions in which labour-power is expended in the direct process of production, all connection is lost between the reproduction of the capital relation and the materiality of the human metabolic process in its unity (i.e. the nexus between social production and consumption).

However, the majority of Marxist scholars tend to support a more nuanced view that hinges on the distinction made by Marx (1976a, 275) in chapter 6 of *Capital* between the 'physical' element of the value of labour-power ('natural needs, such as food, clothing, fuel and housing') and the 'historical and moral' component (i.e. needs 'which depend therefore to a great extent on the level of civilization attained by a country' and 'on the conditions in which, and consequently on the habits and expectations with which, the class of free workers has been formed'). Insofar as the former element is usually seen as somehow linked to the recovery from the prior expenditure of labour-power in the direct production process, the materiality of the reproduction of the wage-labourer is taken into consideration by this approach. However, these authors add to what they consider to be the strictly material element of the value of labour-power, a historical and social element constituted by the customary standard of living, which in turn is seen as determined by the class struggle.[1] Whilst this perspective on the value of labour-power is more rigorous and consistent with the Marxian critique of political economy, it is not itself exempt from shortcomings.

The first thing to note is that despite its widespread acceptance among Marxists, the idea of the determination of the value of labour-power by the class struggle has no supporting textual evidence from Marx's writings. There is no single passage in *Capital* (or in other works for that matter) in which he states that the average amount and qualitative nature of means of subsistence results from the balance of class forces. More specifically, at no point does Marx state that, in contrast to the physical element of the value of labour-power, the historical and moral element is constituted by the class struggle. What he does say is that the latter component expresses the specific conditions inherited from pre-capitalist social relations underlying the history of the genesis of each national fragment of the global working class, i.e. the 'general level of civilization' attained in a particular place at a particular time. In Marx's (1985, 145) own words, 'the important part' in the determination of those social conditions is not played by the class struggle but, as he puts it in *Value, Price and Profit*, by 'historical tradition and social habitude'.

Incidentally, it is from that Marxian text from which some scholars draw the textual evidence for the idea of the class struggle as determining the value of labour-power; for instance, this is the case with Kenneth Lapides's (1998) detailed study on *Marx's Wage-Theory in Historical Perspective*. However, in those passages, Marx only states that the fixing of the actual degree of *profit* among the immense scale of possible variations up to its maximum is settled by the continuous struggle between capital and labour. This maximum corresponds to the 'physical minimum of wages and the physical maximum of the working day' (Marx 1985, 146). In other words, it corresponds only to the physical component of the value of labour-power. Thus, what Marx discusses in that work is the extent to which the class struggle manages to make the actual level of the *wage* approximate the full value of labour-power, which includes the traditional living standard above the physical minimum. In fact, in *Capital*, the situation of a price of labour-power falling below the traditional living standard to its minimum is characterised by Marx (1976a, 277) as involving the purchase of labour-power below its value. But he does not state that the traditional standard of living itself (and *a fortiori* the full value of labour-power) varies according to the ebbs and flows of the class struggle.

This takes us to the second issue to be considered here, which is fundamentally methodological. Even if we set momentarily aside the question about the connection between the class struggle and the determination of the value of labour-power, there is a problematic aspect to the received wisdom on the two components reviewed above. For in that reading, the 'historical and moral' component is seen as a generic feature of the value of labour-power whose content and definition are exhausted in chapter 6 of *Capital*. However, that perspective overlooks the systematic place and significance (i.e. the level of abstraction) of Marx's reference to that aspect of the value of labour-power. More specifically, that reading misses the point that Marx introduces his comment on the 'historical and moral' component in the context of the *formal subsumption of labour to capital*. That means that at that stage of the exposition, the determination of the value of labour-power is an external, given presupposition to the movement of capital. The reason for this is that the labour process itself, and therefore also the materiality of the physical and intellectual productive attributes of wage-workers and the consumption basket needed to reproduce them, are at that stage external to the reproduction of the capital-form. In this sense, one could argue that the discussion in chapter 6 of *Capital* corresponds to the *simplest* or *most abstract* determination of the value of labour-power. However, we shall argue that the determination of the value of labour-power is not exhausted at that abstract level but involves further concretisation as we move from the formal to the *real subsumption of labour to capital*, and from the latter to the reproduction of the total social capital. Now, before elaborating further on these issues, it is firstly necessary to probe deeper into the simplest determination of the value of labour-power. We do this in the next section through a critical examination of Marx's own views as presented in *Capital*.

Marx's discussion of the most general determinations of the value of labour-power in *Capital*: a critical reading

Let us start by noting a methodological tension running through Marx's exposition itself. As in many other places in *Capital*, in this discussion, Marx tended to present the *systematic* content of his argument (hence the general determination at stake) through the concrete *historical* form of realisation of that determination. Thus, whereas from the systematic point of view, the only relevant point to make was the *externality* of the value of labour-power as a '*conceptual*' presupposition *vis-à-vis* capital's movement of self-valorisation, Marx presented this determination as constituting a *historical* presupposition of the capitalist mode of production. In effect, we have shown that he considered that customary standard of living as a result of capital's 'pre-history', which is carried over by what he faced as the geographically variegated 'habits and expectations' of the class of free wage-workers. This presentational strategy is not without merits. For what can be more external to capital than that which has been inherited from *pre-capitalist* social forms? The downside is that it risks muddling the systematic and historical strands of the argument.

Be that as it may, the main thrust of Marx's (1988, 42) argument about the determination of the quantity and quality of the bundle of commodities that constitutes the value of labour-power is that it is resolved into what is 'needed to maintain it, i.e. to maintain the worker's life as worker, so that having worked today he will be able to repeat the same process under the same conditions the next day'. As Marx (1976a, 275) puts it in chapter 6 of Volume I of *Capital*, 'the means of subsistence must therefore be sufficient to maintain him in his *normal state* as a *working individual*' (emphasis added). Several key issues follow from this.

In the first place, this implies that it is the consumption of those means of subsistence that (re)produces 'the muscles, nerves, bones and brains of existing workers' (Marx 1976a, 717) that materially bear 'the aggregate of those mental and physical capabilities which he sets into motion whenever he produces a use-value of any kind' (270). In other words, it is through the appropriation of those use-values that the worker (re)produces the *materiality* of their *productive subjectivity* which, as Marx discovered as early as 1844, is nothing more (but also nothing less) than their human individuality or species-being. Consumptive activity, therefore, reproduces the materiality of the specifically-human attributes of the individual: their productive consciousness and will, i.e. 'what distinguishes the worst architect from the best of bees' (284). The other side of the same coin, however, is that the 'amount and quality of the means of subsistence, and therefore also the extent of needs' (Marx 1988, 42), that enter into the wage-worker's consumption bundle, can have no material determination other than that which is necessary to reproduce whichever specific form the productive 'ability, aptitude and power enclosed in the living body of the worker' takes 'at a certain level of civilization'.

Furthermore, this raises the question as to what exactly Marx means by the '*normal* state as a working individual'. A first self-evident but trivial answer is that the wage-labourer must be able to act in the particular labour process in which they usually take part. However, a passage quoted above from the *1861–1863 Manuscripts* is a little more specific: they must be able to repeat their participation in the labour process *in the same conditions* as the previous day. The question, therefore, turns to what is entailed by those conditions. In many passages, Marx gives the impression that he has in mind only the *physical* reconstitution of the wage-worker as implicated in the normal state of their labour-power. Thus, in chapter 6 of *Capital*, he explicitly refers to those same conditions in relation to health and strength (Marx 1976a, 275). At some point in the *1861–1863 Manuscripts*, he adds 'vitality in general' to the list (Marx 1988, 51). These formulations can lend themselves to the association of the normal state of labour-power solely with the so-called ‘physical’ component of the value of labour-power. However, two arguments militate against this reading.

Firstly, in those preparatory manuscripts, just a few lines below, Marx (1988, 51) introduces a clarifying remark stating that ‘it is hardly necessary to mention here that the head belongs to the body as well as the hand’. We take it to mean that the normal state as a working individual involves not only fully functioning physical capabilities but also *mental* capabilities whose aggregate constitutes labour-power in its unity according to Marx’s own definition. This is to some extent self-evident insofar as the particular concrete labour performed by some wage-workers might involve mainly intellectual activity (e.g. academic labour). Both Marx’s stress on the physical ‘wear and tear’ of labour-power and his clarification that mental capabilities must not be forgotten, might have to do with the fact that in his time the great majority of workers performed mainly manual labour in the direct production process and intellectual wage-labour was scarcely developed. However, we shall argue below that much more is involved in the normal reproduction of those mental capabilities than what Marx insinuates. Secondly, Marx in *Capital* is unambiguous and states that the reduction of the price of labour-power to a magnitude which only covers the ultimate minimum given by the *physically* indispensable means of subsistence, involves its fall below its value. As we see it, the upshot of this is that for Marx it is the overall customary living standard, *including* the ‘historical and moral’ component, which constitutes the wage-labourer’s ‘normal state as a working individual’.

Now, once we rule out the idea that the *normal* conditions of purchase of labour-power that determine its full value do not come down to the physical or narrowly technical aspect of the wage-worker’s productive attributes, and consider that the customary dimension of working-class consumption can no longer be referred back to a pre-capitalist residue or is not determined by the class struggle, the question about the determination of the ‘historical and moral’ component still remains unanswered. Unfortunately, Marx’s own writings do not *explicitly* pursue the issue any further. However, we think that implicit in other texts that have not captured the attention of most commentators, it is possible to find the elements for a reconsideration of the determinations of the value of labour-power which can address the unanswered question about the ‘historical and moral component’.

Rethinking Marx’s account of the determinations of the value of labour-power

This latter point dovetails with another key issue worthy of discussion following from Marx’s simplest definition of the value of labour-power. It also relates to the aforementioned broader significance of the mental capabilities that comprise labour-power. For the productive attributes of workers (and so their productive subjectivity), do not just include those that are strictly necessary for the labour process in a restricted technical sense (the specific knowledge required for the performance of the determinate productive tasks under their individual responsibility). Additionally, they comprise what, in keeping with Marx’s terminology of the historical and moral component of the value of labour-power, can be referred to as 'moral' attributes as well. By this we mean the aggregate of determinate forms of consciousness, self-understanding, attitudes and dispositions that *also* need to be set 'into motion whenever [the workers] produc[e] a use-value of any kind' (Marx 1976a, 270). These moral attributes are of course not natural but the product of history, and therefore vary with the 'level of civilization' attained by society, i.e. with the historically-specific technical configuration of the production process that constitutes the general material basis in each phase of capitalist development. Moreover, they differ for each partial organ of the collective labourer in accordance with the differences in the productive functions that each of them respectively undertakes under the command of capital. Crucially, primordial and generic among those moral attributes (hence cutting across every segment of the working class) is what, as argued elsewhere, constitutes the most general form of subjectivity taken by the alienated consciousness of the human individual in the capitalist mode of production, namely: the personal freedom of the commodity producer (Iñigo Carrera 2021; Starosta 2016, chapter 6). This freedom from direct relations of authority and subjection which, as Marx (1973, 159) puts it in the *Grundrisse*, is but a concrete form of the human individual's 'subordination to their own social power in an objective form', is not simply an abstractly ideological, juridical or cultural form. It is first and foremost a *material* determination of the productive subjectivity of the human individual, a *productive power or attribute*. In reality, all those other dimensions of the moral productive attributes of wage-workers are diverse *specifications* of their abstractly-free consciousness as the *generic* determination of their subjectivity as private working individuals.

Maybe we can bring out this point more clearly by considering Marx's comparison of the wage-labourer and the slave in chapter 7 of *Capital* on the labour process. There, Marx initially shows that the doubly-free subjectivity of the wage-labourer suffers a first material/productive mutilation in the organisation of their direct production process *vis-à-vis* the simple commodity producer with which the dialectical exposition began. In effect, the first manifestation of the specific determination of the labour process as capitalist (i.e. as a process of consumption of the use-value of the commodity labour-power) is that 'the worker works under the control of the capitalist to whom his labour belongs' (Marx 1976a, 291). In other words, the capitalist now personifies the *productive consciousness* of the *unity* of the wage-worker's direct labour process in the name of their capital. In this sense, compared to the simple commodity producer, the wage-worker experiences a relative loss of the full control over the individual character of labour that constituted the specific material determination of the former's freedom. However, Marx notes in a footnote that unlike the case of the slave's reduction to an *instrumentum vocale* in antiquity, this material mutilation of the modern wage-labourer's productive subjectivity in the labour process is not total (303n18). Although through their direct control 'the capitalist takes good care that the work is done in a proper manner and the means of production are applied directly to the purpose' (291), i.e. that only socially necessary labour is expended, it ultimately remains the free wage-worker's individual responsibility that this is so (since the wage-workers' *objective* or *material* subjection to the 'dull compulsion of economic relations' constantly reminds them that acting responsibly is part and parcel of being a free person). This permits the introduction of more complex and sophisticated means of production *vis-à-vis* the modes of production based on slavery, in which only the 'rudest and heaviest implements are employed', since the slave reminds 'both beast and implement that he is none of them, but rather a human being [...] by treating the one with brutality and damaging the other *con amore*' (304). In other words, the sense of individual responsibility characterising the modern free subject is itself a productive force insofar as it expands the range and quality of means of production that can be set into motion in the direct labour process.

This *productive or material* determination of the wage-worker's formal freedom *vis-à-vis* the relative mutilation implied by the different relations of personal domination and subjection is developed by Marx with great depth and detail in the *Results of the Immediate Process of Production*. In those pages, he observes from the outset that although '*technologically speaking*, the *labour process* goes on as before, with the proviso that it is now *subordinated* to capital' (Marx 1976b, 1026), there already is a material development in the productive forces entailed by this *simplest* determination of the *formal* subsumption of labour under capital. Thus, with this 'formal change' in the social form of 'compulsion to perform surplus labour', there is an increase in the 'continuity and intensity of labour' and the establishment of social conditions which are 'more favorable to the development of *versatility among the workers*, and hence to increasing diversity in the modes of working and ways of earning a living' (1026–27). The following passage from this same text eloquently and concisely captures the determination of the 'idea' of personal freedom as a productive attribute *vis-à-vis* the slave:

> Compared to the independent artisan who makes goods for other customers, we observe a great increase in the continuity of labour of the man who works for a capitalist whose production is not limited by the haphazard requirements of isolated customers but only by the limits of the capital that employs him. In contrast to the slave, this labour becomes more productive because more intensive, since the slave works only under the spur of external fear but not for *his existence* which is *guaranteed* even though it does not belong to him. The free worker, however, is impelled by his wants. The consciousness (or better: the *idea*) of free self-determination, of liberty, makes a much better worker of the one than of the other, as does the related feeling (sense) of *responsibility*; since he, like any seller of wares, is responsible for the goods he delivers and for the quality which he must provide, he must strive to ensure that he is not driven from the field by other sellers of the same type as himself. The *continuity in the relations* of slave and slave-owner is based on the fact that the slave is kept in his situation by *direct compulsion.* The free worker, however, must maintain his own position, since his existence and that of his family depends on his ability continuously to renew the sale of his labour-power to the capitalist.
>
> (Marx 1976b, 1031)

In this sense, note that wage-worker's freedom from 'all the objects needed for the realisation of his labour-power' (Marx 1976a, 273) does not simply involve a relative mutilation *vis-à-vis* the simple commodity producer. It also entails a relative expansion of their productive subjectivity. Marx mentions in this quote the greater productive power derived from the greater continuity of work. But one should add the increased universality associated with the versatility also mentioned by him. By contrast, the *systematic* figure of the simple commodity producer (in the *historical* figure of the independent artisan) tends to be attached to a particular form of the means of production and hence to a restricted manifestation of their productive subjectivity (see Marx 1976b, 1033–34).

This development is furthered by both the content and the concrete price-form as wage of the determination of the value of labour-power, which gives 'scope for variation (within narrow limits) to allow for the worker's *individuality*' (Marx 1976b, 1032) in the determination of the singularity of their conditions of reproduction. Thus, the *average* value of labour-power for the working class as a whole is composed of *diverse* values of labour-power for organs of the collective labourer of different complexity; the wage cyclically oscillates around the value of labour-power; finally, even within the same 'trade', individual 'wages vary depending on the diligence, skill or strength of the worker, and to some extent on his actual personal achievement' (1032). 'Thus', Marx concludes, 'the size of his wage packet appears to vary in keeping with the results of his own work and its individual quality' (1032). This contrasts with the conditions of the material reproduction of the slave, for whom 'a *minimal wage* appears to be a constant quantity […] as something predestined, independent of his labour and determined by the mere needs of his physical existence' (1031–32). Individual productive qualities such as physical strength or special talent 'may enhance his value to a *purchaser*, but his is of no concern to him' since it does not impinge on their conditions of reproduction (1032). In sum, Marx concludes,

> The effect of all these differences is to make the free worker's work more intensive, more continuous, more flexible and skilled than that of the slave, quite apart from the fact that they fit him for quite a different historical role.
> (Marx 1976b, 1032–33)

What are the implications of all this for the simplest determination of the value of labour-power discussed above? Insofar as this freedom from relations of personal domination is a productive attribute as much as any other technical ability in a more restricted sense, it must be materially (re)produced in the same way as any other physical or mental capability of labour-power, namely, through the consumption of determinate use-values. Thus, the 'amount and quality of the means of subsistence, and therefore also the extent of needs' (Marx 1988, 42) of wage-workers must be consequently determined to include commodities that, both in their material attributes and in the manner of their practical appropriation, reproduce the form of personal freedom in which their subsumption to capital exists. In the section of the *Results* under discussion, Marx hints at this by remarking that insofar as the wage-worker ‘acts as a free agent’ when buying commodities ‘as he wishes’, ‘he is responsible for himself for the way he spends his wages. *He learns to control himself, in contrast to the slave*, who needs a master’ (Marx 1976b, 1033). He also notes in that context that ‘newspapers, for example, form part of the essential purchases of the urban English worker’ (1033), an ideological use-value that, generally speaking, is obviously not necessary for the reproduction of the specific technical skills of workers but crucial for the material reproduction of their free consciousness. In brief, the process of individual consumption of the worker does not only entail their self-production as a bearer of certain technical skills and knowledge but also as a personally-free productive subject. The necessary means of subsistence of wage-workers must, therefore, comprise all the use-values which are required for the reproduction of their material productive attributes in their unity: both the technical and the moral ones, with the ‘idea of free self-determination’ as the general foundation of the diverse manifestations of latter. Note, however, that the distinction between ‘technical’ and ‘moral’ attributes is fundamentally analytical; one cannot simply associate each kind of use-value with one or the other type of productive attribute.

With all these elements in mind, we would like to suggest a possible interpretation (or resignification) of what Marx might have been getting at with the distinction between the ‘physical’ and the ‘historical and moral’ component of the value of labour-power. Succinctly put, the former broadly corresponds to the (re)production of the strictly technical dimension of labour-power as defined above. Here we are quite simply sticking to the letter of Marx’s text (with the proviso that, as he further clarifies, the costs of education and training deriving from the degree of complexity of labour-power must be added to this physical component). Consequently, the point is rather uncontroversial and there are few disagreements among commentators. The key contentious issue hinges on the ‘historical and moral’ element which, as we have seen, without any solid textual evidence most Marxists take for granted as condensing the result of the class struggle. By contrast, our argument is that this other component of the living standard of workers condenses the *materially-determined* aggregate of use-values which are qualitatively and quantitatively necessary to (re)produce their productive attributes as a personally-free working subject who, through this freedom, affirms their objective subjection to the autonomised movement of the product of their social labour (capital).

Although it obviously does not constitute in itself a definitive piece of textual evidence, it is suggestive, in light of the previous discussion, that Marx (1976a, 275) submits that the ‘historical and moral’ element reflects ‘the conditions in which, and consequently on the habits and expectations with which, the class of *free* workers has been formed’ (emphasis added). In other words, it reflects the genesis of the wage-labourer not simply *qua* working individual but in their *historically-specific* determination as a *free* worker. As an alienated social form of organisation of the human life process, the valorisation of capital is specifically-predicated on the exploitation of the productive powers of *personally-free* labour. This is not merely an ideological-juridical veil that obscures in circulation the exploitative reality of the direct process of production (although the content of exploitation of the capital relation does objectively appear in that self-negated form). It is a historical determination of human productive subjectivity, i.e. of the conscious organisation of the appropriation of nature through the production of use-values in the labour process. Thus, *both* the technical attributes of labour-power and its general moral attribute as a personally-free subject are *productive requirements* of the reproduction of capital. In this sense, *both* are *fully determined* by the *material* conditions of the valorisation of capital in the production process.

The real subsumption of working-class consumption to capital

So far, we have discussed the simplest content of the determinations of the value of labour-power, pertaining as they do to the *formal* subsumption of labour to capital. Although these elements sufficed to make the point about the decisive role played by the material conditions of the productive consumption of labour-power in the determination of the aggregate of use-values that constitute the bundle of necessities of wage-workers, those material forms of the labour process were an external presupposition for the valorisation of capital. As a consequence, both the range of means of subsistence and the productivity of labour, were at that level of abstraction a given condition which capital only formally subsumes under its circulatory movement. The *value* of labour-power, and hence the *magnitude of variable capital*, could be taken as given as well. However, Marx (1988, 44) clarifies that although these elements can be taken provisionally as a 'known datum', the 'means of subsistence needed by the worker to live as a worker differ from one country to another and from one level of civilization to another'. Both the range of means of subsistence and the value of labour-power vary when one considers 'different epochs of the bourgeois period in the same country' (44). The systematic-dialectical investigation must therefore include an explanation of the dynamic principle of material transformation that presides over the changes in the value of labour-power. Those transformative dynamics can have no other source than the self-movement of capital in search of surplus value. Thus, a complete investigation of the value of labour-power should include the *internalisation and transformation* of its determinations as an *immanent* moment of the valorisation and expanded reproduction of capital. In other words, it should explore the implications of the *real* subsumption of labour to capital for the determination of the value of labour-power.

In *Capital*, Marx concentrated on the in-depth examination of the impact of the real subsumption on the value of labour-power mainly through the analysis of the associated changes in the *productivity of labour*. However, the same cannot be said of the 'the extent of the so-called primary requirements of life and the manner of their satisfaction', which also 'depend to a large degree on the level of civilization of the society' and are therefore 'the product of history' (Marx 1988, 44). In effect, although some elements for this investigation are scattered throughout *Capital*, Marx did not actually deal, in any systematic fashion, with the qualitative and quantitative determinations of the *changing patterns of consumption of the working class*. However, when all those loose threads are knit together, the main thrust of a coherent research programme can be formulated: such an investigation would need to search for the content of those determinations in the historically-changing forms of *productive subjectivity* of the differentiated organs of the collective labourer, in turn resulting from the material forms of the production of relative surplus value.

As we have seen, the process of individual consumption has no other content than the (re)production of the materiality of the productive subjectivity of wage-workers. Thus, as capital takes possession and modifies the labour process to produce relative surplus value, it transforms its requirements of qualitatively different physical and intellectual attributes that need to be set into motion to produce a mass of use-values 'pregnant' with surplus value. Moreover, it modifies accordingly the average normal combination of intensive and extensive magnitudes of the expenditure of labour-power in the direct process of production. In other words, with each cyclical renewal of the general technical basis of the valorisation process, capital revolutionises the productive subjectivity of the different organs of the collective labourer. *This transformation can only result from, and be reproduced by, the mutation of the 'norm of consumption' of the working class*.

Crucially, this transformation does not only involve the 'technical' component of the value of labour-power. The transformations of the capitalist labour process also entail the change in the aggregate of 'moral' attributes that must be set into motion under the new conditions of production and, therefore, novel 'requirements of life' and 'manners of their satisfaction'. In other words, historically-changing material bases of the valorisation process demand different concrete forms in which wage-workers must affirm their personal freedom in the process of production. And these different capacities also need to be reproduced through a changed pattern of consumption. Thus, as the productive subjectivity of wage-workers becomes progressively posited as the ever-purer result of the autonomised reproduction of the total social capital, the respective historical conditions of their genesis as free workers become increasingly residual for the determination of the value of labour-power. As capital undertakes the real subsumption of the labour process, it internalises the determination of the *moral* component of the value of labour-power as well, albeit in a distinct manner for the different types of labour-power that compose the collective labourer as a whole.

Indeed, as Marx (1976a, 469) himself acknowledges when discussing the *manufacturing division of labour*, the different degrees of complexity (hence of training) of the labour-power of each organ of the collective labourer entail differences in the value of labour-power. Yet, since in the chapter on *large-scale industry* Marx focuses on direct production work, he submits that those differences of skill tend to become eroded insofar as the system of machinery (gradually) leads to the expulsion of the intervention of the human hand and of experience-based practical knowledge of workers in the labour process. Large-scale industry is based on the objectification of *tacit* knowledge, previously embodied in the manual industrial worker and largely acquired through lengthy on-the-job, learning-by-doing processes, as an attribute of the system of machinery (Huws 2014). However, the benefit of historical hindsight allows us to recognise that there are other transformations of the collective labourer deriving from the increasing automation of the production process.

In the first place, the effect of increasing automation has not just been one of deskilling. It has been mixed – also entailing a certain creation of new skills that are required by capital even from direct production workers. For instance, the so-called 'microelectronic revolution' has entailed not only the degradation of the experience-based or *particularistic* dimension of direct production work but also the emergence and generalisation of so-called 'soft' or 'generic' skills (see Ramioul 2006), such as familiarity with computers and flexibility or individual initiative in problem-solving or decision-making (Balconi 2002). These newly created skills tend to revolve around the *universalistic* dimension of the productive quality of labour-power, whose development is achieved in the general process of education and socialisation that precedes its actual application in the production process.

Secondly, large-scale industry has also involved another tendency for the *expansion* of the productive attributes of the part of the collective labourer responsible for the advance in the conscious control of the movement of natural forces (i.e. science) and its technological applications in the direct social organisation of immediate production process. Although not explicitly addressed by Marx in *Capital* (but see 1976b, 1039–40), it is clear that the production of relative surplus value requires from these workers ever more *complex* forms of labour. As much as those discussed in *Capital*, these are also 'immediate effects of machine production on the worker' (see Starosta 2016, chapter 8).

Now, this divergence in the general kinds of productive subjectivity deriving from large-scale industry must be (re)produced through the difference in their respective 'norms of consumption'. This is *only partly* explained by the different degrees of training and education entailed by the expanded productive subjectivity of intellectual labourers. In our view, the development of the powers of scientific and/or 'creative' labour is undoubtedly also linked to a heightened sense of individual autonomy and independence, which defines, precisely, the historicity of the doubly-free labourer as a productive subject. Thus, the expansion of this type of intellectual labour has entailed the incorporation of certain use-values in the norm of consumption of this segment of the working class, which relate to the need to reinforce the concrete form of *personal* freedom through which their *objective* subjection to the *impersonal* power of capital subsists.

For instance, if we leave aside its overly apologetic overtone, the 'rational kernel' of much of the recent literature on the so-called 'creative class' speaks to these issues. Thus, scholars have noted the new lifestyles that have emerged in certain urban contexts populated by wage-labourers responsible for knowledge-based productive functions, which include a greater interest in 'extreme sports', in 'traveling to interesting, remote, and even risky locations' and, more generally, in 'experience-driven' consumption patterns (Florida 2012, 135). In our view, at stake in these forms of consumption is the reproduction of a form of productive subjectivity that sees itself as abstractly free and the affirmation of human individuality as the 'refusal of all constraints' to this 'natural' independence (whether from locality, natural forces, 'mainstream' society and culture, etc.).

Moreover, these changes have also been expressed in the manner of the appropriation of certain use-values. Crucially and emblematically, this can be seen in the use-value that is at the very core of the formation of the productive attributes of more complex forms of labour-power, namely: education. In effect, the need to stimulate creativity and independent thinking has led in recent decades to a growing emphasis on new pedagogical techniques like ‘student-centred’ learning, which precisely aims at the production of those kinds of attributes (creativity, initiative, etc.) by giving the student a more active role and greater individual responsibility in the learning process. Interestingly, this contrasts starkly with the kind of educational system prevailing in countries which are not at the vanguard of the development of the powers of intellectual labour and which have originally integrated in the so-called ‘New International Division of Labour’ as sources of cheap and disciplined simpler labour-power (Charnock and Starosta 2016). Thus, Grinberg (2011, 208) notes in his study of long-term capitalist development in Korea that ‘as late as 2007 the module “disciplined life” still formed part of the compulsory curriculum during the first 10 years of formal education’.

At this juncture, a final question obviously arises. For in this account of the determinations of the value of labour-power, and contrary to the ‘received wisdom’ of Marxists, the class struggle seems to play absolutely no part. It could seem that in order to access the means of subsistence that they need for the normal reproduction of their labour-power, they can safely leave the establishment of its value to the automatic operation of the ‘iron law of wages’. Unlike the establishment of a normal working day as explicitly discussed by Marx in chapter 10 of *Capital*, here there would be no need to ‘put their heads together as a class’. In the remaining two sections, we first show why this is not the case and, subsequently, we also illustrate the implications of this general discussion for the investigation of the concrete history of capitalist development.

Content and form of the determination of the value of labour-power: on the role of the class struggle

In contrast to the view outlined above, Marxists tend to conceive of the inner connection between the conditions of reproduction of labour-power and the material forms of its consumption in the capitalist production process as solely pertaining to the physical/technical component of the workers’ consumption. Regarding this part of the workers’ standard of living, they might not deny that it is *determined* by the material conditions of the direct production process of capital. However, all the means of subsistence which do not appear as immediately linked to the physical and technical reconstitution of labour-power, are seen as having no intrinsic connection whatsoever with the materiality of the capitalist labour process. The ‘historical and moral’ element is therefore rendered as *materially undetermined* and subject to the *contingent* result of the struggle between capitalists and workers.

The approach developed here leads to another view. More specifically, the material conditions of the reproduction process of capital constitute the *content* of the determination of the value of labour-power. They do so by determining the differentiated forms of productive subjectivity that compose the collective labourer and, as a consequence, the quantity and kind of means of subsistence that workers need to consume to reproduce those variegated qualitative attributes (both technical and moral) of labour-power. In turn, the class struggle becomes the necessary *form* that *mediates* the establishment of the material unity between the productive and consumptive requirements of the reproduction of the total social capital. Note, however, that the necessary mediating role of the class struggle in concretely *fixing* (as opposed to *determining*) the customary living standard of workers does not only apply to the historical and moral component. It pertains to the workers' consumption bundle *as a whole*, i.e. including the physical and technical elements. In other words, there is not a single use-value entering the determination of the value of labour-power, whose consumption is not *secured through* the struggle of wage-workers as a class. Conversely, the other side of the same coin is that there is not a single use-value consumed by wage-workers which is not *determined by* the material requirements of the valorisation process of the total social capital (which, it goes without saying, might clash with the immediate interest of individual capitals).

Furthermore, the relationship between the determination of the value of labour-power and its fixing by the class struggle is mediated by the wage-form. Thus, the level of wages expresses both the fluctuation of the rate of accumulation and of the magnitude of the 'reserve army' (Marx 1976a, 762–72). The acceleration (deceleration) of accumulation increases (decreases) the demand for labour-power and contracts (expands) the reserve army and thereby leads to a rise (fall) in the level of wages. However, in these oscillating movements of the wage, the value of labour-power (determined as explained above by the *normal* conditions of reproduction of the worker) does not change. Rather, through these recurrent cyclical deviations of the *price* of labour-power from its value-content (i.e. 'the norm'), the purchase of this peculiar commodity at its full value is, *on average*, achieved. On this score, the relationship between the wage and the value of labour-power is analogous to that of the price and value of 'ordinary' commodities. There are, however, two differences that set the commodity labour-power apart.

Firstly, as the above textual commentary on *Value, Price and Profit* showed, oscillations of the price of labour-power are necessarily channelled *politically* by the class struggle and do not result from the pure economic 'automatism' of 'market forces': the class struggle is strengthened (weakened) during the expansive (contractive) phase of the accumulation cycle (Marx 1992, 486–87). Secondly, under certain historical circumstances, the wage could stand consistently below the value of labour-power, i.e. beyond temporary crisis situations. This might happen in national spheres of valorisation of capital where there is a structural limit to the scale of the accumulation process and, consequently, there is a continuous growth of the relative surplus population *vis-à-vis* the needs of the expanded reproduction of capital. This explains why some countries have historically had a wage that has been remarkably lower than that prevailing in advanced capitalist countries, despite the similarity of productive attributes of the respective national working classes, as can be observed, for instance, in the automobile industry in Argentina *vis-à-vis* in the USA (Fitzsimons and Guevara 2016).

Now, this approach to the role of the class struggle in the determination of the value of labour-power is analogous to Marx's discussion of the length of the working day in *Capital*. As shown elsewhere, according to Marx's account class antagonism is not the self-determining process that contingently establishes the duration of the working day (Starosta 2016, chapter 7). By contrast, it is the *mediating social form* that forces the capitalist state to set legal limits to its extension beyond its *normal* length. However, the *content* of this normality is not undetermined, although it *appears* as such at first sight at the beginning of the presentation in the respective chapter. But as the exposition unfolds, it emerges that the normal duration of the working day is *materially-determined by* the conditions in which labour-power is consumed by capital in the process of production. A normal working day is therefore that which does not lead to the premature exhaustion of the reproduction of labour-power. The class struggle over the length of the working day thus gives shape to the payment of labour-power at its full value. It should be noted that, since at the systematic stage of chapter 10 the material forms of the labour process are an external presupposition *vis-à-vis* the self-movement of capital, Marx does not need to say much about the specific determinations that generate the necessity for the shortening of the working day beyond a general reference to overwork and premature exhaustion of labour-power caused by capital's 'voracious appetite for surplus labour'. However, as the systematic exposition progresses to the real subsumption of labour to capital, the material foundation of that alienated social necessity is brought to light: the shortening of the working day is the necessary concrete form taken by the increase of the *intensity* of labour that large-scale industry brings about (Marx 1976a, 536). In our view, it is the same with the amount and quality of means of consumption that enter into the reproduction of working class: the content is determined by the material forms of the production process, which is established (on average, through the cyclical oscillations of the wage) in the concrete form of the class struggle.

A brief illustration

In this section, we illustrate the originality and usefulness of our approach through a critical discussion of the more widespread explanations of the evolution of real wages through the so-called 'Fordist' cycle of accumulation in the US and Western Europe.

The highly-influential 'Regulationist' account revolves around the need to resolve the disequilibrium between sector I (that produces means of production) and sector II (that produces means of subsistence), in the context of an 'intensive regime of accumulation' that allegedly prevailed from the 1920s until the 1970s. In Aglietta's (2001) view, certain institutions (e.g. collective bargaining) regulated wage settlements so as to link them to productivity gains. This guaranteed that working-class consumption kept up with the rate of growth of output brought about by technical change, thereby creating the mass market needed to absorb the larger scales of mass production and so realise the surplus value.

This explanation has been strongly criticised in several ways by other scholars. In the first place, some authors have noted that the trends for the growth of productivity and wages can be traced back at least to the second half of the 19th century (Brenner and Glick 1991, 67–70, 82–83; Clarke 1988, 74–76), which calls into question the idea that wage increased during 'Fordism' to resolve imbalances between sectors I and II. Furthermore, the acceleration of wage increases that did occur took place during the inter-war period, i.e. *before* the establishment of the wage-regulating institutions that 'Regulationists' themselves situate in the 1950s. And Brenner and Glick (1991, 93) highlight that even during the post-war period (1948–1970) productivity increased at a faster pace than wages in the private industrial sector in the US. Finally, all these scholars have questioned the empirical evidence supporting claims about the existence of a 'social accord' that, allegedly, regulated wages.

Now, beyond their idiosyncrasies, these alternative explanations share the view that real wage increases did not respond to the needs of the accumulation of capital. Instead, they claim that they were the contingent result of a myriad of circumstances, among which the class struggle stands out (Brenner and Glick 1991, 93; Clarke 1988, 85–86; Mavroudeas 2003, 244–45). However, we think that this does not provide solid grounds to account for the undeniable long-term trend for rising real wages that has accompanied the development of large-scale industry in all advanced capitalist countries at least until the 1970s. In effect, it would be rather surprising that the 'unplanned outcome of myriad uncoordinated private decisions by firms about prices and myriad employer-labour conflicts over the terms of employment' (Brenner and Glick 1991, 93) yielded the same results everywhere and during such a long time-frame, without an underlying 'structural' tendency. In other words, the very intensification of the class struggle that was the *immediate cause* behind wage increases *also* needs to be explained.

From our perspective, the key resides in the effects of the real subsumption of labour on the productive attributes of wage-workers. This provided the material basis or content of the increased political strength of the working class in its struggle over the conditions of reproduction of their labour-power. In fact, Aglietta (2001, 158–59) himself identifies (albeit just in passing) one of the determinants of real wage increases (hence of the enlargement of the consumption basket of wage-workers): the need to compensate for the greater expenditure of labour-power derived from the increase in the intensity of labour brought about by the development of the system of machinery. However, we think that this is only part of the story.

As argued above, the evolution of large-scale industry entailed the expansion of the productive attributes of wage-workers responsible for complex intellectual and scientific labour. Moreover, the relative weight of this organ of the collective labourer in advanced capitalist countries grew consistently throughout the 20th century, expressed both in the growing importance of R&D labour and in the expansion of 'white collar' work involved in the organisation and planning of large-scale industrial productions (and also in the larger civil service as the activities of the capitalist state expanded). This expansion of their productive subjectivity took shape not only through the lengthening of the years of formal education (which, incidentally, also included direct production workers) but also through the extension of the productive life time of wage-workers (so that capital could extend the years of their exploitation to compensate for the longer time involved in the production of their more complex labour-power). Hence, the very reproduction of capital demanded the widening of the 'norm of consumption' to include, among others, a whole series of use-values linked to education and health. Moreover, intellectual labour entails a greater intensity (due to heightened focus and attention) that also needs the shortening of the working day. Finally, in addition to those aspects that relate to the physical or technical (re)production of the more complex forms of labour-power, other use-values eventually entered the 'norm of consumption' in order to reproduce what we have termed the moral productive attributes of wage-workers, i.e. those that fostered the appearance of abstractly-free individuality through which their subsumption to capital is realised. It is no wonder that this is the period of the proliferation of the so-called 'culture industries', which not only played an ideological role as most critical accounts of its emergence tend to posit but were also necessary for the reproduction of the productive attributes of doubly-free labour, both their moral component and even their technical aspect. Indeed, the consumption of certain 'cultural' use-values can be materially necessary for the reproduction of the capacity for abstract thinking involved in intellectual labour (e.g. 'art-house' films or 'experimental' music).

In sum, all these determinations meant that real wages tended to rise, thereby *partly* offsetting the productivity increases in search of relative surplus value. These dynamics had their material foundation in the changes in the capitalist labour process and the associated transformations of the productive subjectivity of wage-labourers. These could only be (re)produced through novel forms and expanded levels of consumption, which, in turn, could only be achieved in the concrete form of the struggle of wage-labourers as a class.

Conclusion

This chapter has critically examined what we see as the 'received wisdom' on the determination of the value of labour-power. Even if with variations on the same theme, this virtually universal consensus among Marxists considers that the class struggle *determines* to some extent the value of labour-power. This determination is seen as taking place through the part played by the class struggle in the actual definition of the content of the 'historical and moral' element of wage-workers' consumption. As we have seen, this perspective is ridden both with exegetical problems as a reading of Marx and, more importantly, with theoretical weaknesses concerning its capacity to offer a sound materialistic explanation of the determination of the value of labour-power.

In contrast to this received wisdom, we offered an alternative reading of Marx's explanation of the determinants of the value of labour-power which, we think, manages to overcome the pitfalls of the former. This rethinking of the value of labour-power rests on two key insights that we developed above. A first more substantive issue concerns the actual meaning and significance of the so-called 'historical and moral' component of the value of labour-power. In our view, this element does not condense, as is usually assumed among Marxists, the balance of class forces. Instead, it must be rethought as involving the historically-changing concrete forms taken by the personally-free *productive* subjectivity of the wage-worker, i.e. as comprising what we termed the 'moral productive attributes' of wage-workers. The latter are a material aspect of labour-power exploited by capital as any other technical ability in a restricted sense and, for this reason, are fully determined by the material configuration of the capitalist labour process as well.

The second key point that we made had a more general methodological significance. In a nutshell, it pertained to the unity and difference between the *content* of a certain determination and its concrete *form of realisation*. Specifically in connection to the determination of the value of labour-power, we argued for the need to clearly distinguish between the content of that process of determination, which derives from the material requirements of capital's production of relative surplus value, and its necessary mode of realisation *through* the class struggle, which concretely secures that, *on average*, labour-power trades at its full value (including *both* the 'physical' and 'moral' components).

Admittedly, our discussion has offered a first approximation to the relationship between working-class consumption, the (re)production of their productive attributes and the determination of the value of labour-power. More strictly put, the chapter just developed the simpler or more general aspects of the subject matter. However, we think that these ideas can provide a firmer starting point and methodological blueprint for the much-needed research into the forms in which capital historically transforms the productive subjectivity of wage-workers.

Note

1 The references to this perspective are numerous since it constitutes the general consensus among Marxists. See, among others, Mavroudeas (2001, 58–59), Lapides (1998, 177), Lebowitz (2003, 74), Bellofiore (2004, 194–97) and Heinrich (2012, 94).

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6 Extra surplus value from innovation and the Marxian critique of political economy

Introduction

In his exposition of the production of relative surplus value, Marx points out that before the generalisation of a certain technical innovation, innovating capitals appropriate an 'extra surplus value'. In quantitative terms, this surplus value is determined by the divergence between the 'individual value' of commodities produced by early innovators and the price at which all commodities from the respective branch of production are sold, which in turn must stand below the 'old social value' (Marx 1976, 433–36). In effect, individual commodities produced with the more advanced method of production resulting from technological change contain less labour than those which were produced with the old technique. In light of Marx's argument that (privately-performed) socially necessary abstract labour constitutes the substance of value (Marx 1976, 125ff.; Starosta 2008), the question arises as to which labour constitutes the substance of the extra surplus value appropriated by early innovating capitals.

The traditional answer to this question tended to state, albeit implicitly and rather unreflectively, that the appropriation of this extra surplus value by early innovators implied, as happens with every kind of surplus profit, a redistribution of surplus value extracted from wage-workers by other capitals. However, this claim does not quite identify the specific source of the extra surplus value. In other words, it falls short of specifying the individual capitals from which the original surplus value which ends up in the pockets of early innovators comes from. Furthermore, the traditional approach does not clarify the mediating concrete forms through which the said surplus value flows between capitals. More importantly, it does not explicitly respond to the alternative view that can be found in the specialised literature, which claims that the extra surplus value is the social representation of the labour extracted from the wage-workers exploited by innovating capitals themselves. Paraphrasing Marx's (1976, 90) words in the preface to the first edition of *Capital*, the search for the specific source of extra surplus value 'seems to turn upon minutiae'. Yet, as we hope to make evident in this chapter, this issue has implicitly underpinned several important Marxist debates in diverse intellectual and historical contexts.

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Against this background, the first aim of this chapter is to bring to the fore this debate over the source of extra surplus value from technical innovations, which so far has remained subsidiary to other controversies, as a theoretical problematic in its own right. We shall therefore delineate the different polemics and perspectives which have addressed this issue and sketch out the main arguments put forward in each of them. In the second place, insofar as a great deal of the literature has revolved around the discussion of the pages from Volume I of *Capital* which address this question, a further aim of this chapter is to examine those passages in the light of the broader textual evidence than can be gathered from the rest of Marx's economic works. Finally, we shall offer a brief critical assessment of the debate with a view to throwing into relief the more general theoretical issues in Marxian value theory which, we think, underpin the more concrete determinations of extra surplus value from technical innovations.

The debate over extra surplus value as subsidiary to other Marxist controversies

Historically, the debate over the source of extra surplus value can be traced back to the Japanese controversy over the theory of ground-rent, which emerged before the Second World War. As Itoh (1988, 240) reports, the idea that the extra surplus value represents the objectified labour extracted by the innovating capital was the basis of the theoretical position of Kōza-ha scholars, as argued, for instance, in the writings of Yamada (1948, cited by Itoh, 1988). These were the grounds on which they attempted to defend the Soviet orthodox view that differential ground-rent was the product of agrarian workers and did not constitute surplus value transferred from the industrial sector. By contrast, Rōnō-ha scholars and, later, those of the Uno school, maintained that the extra surplus value was a cost paid by society as a whole, so that ground-rent should be grasped as a deduction from the total social surplus value which was captured by landowners. This alternative perspective can be traced back to Sakisaka (1930) and Susuki (1952), both cited by Itoh (1988), and is also Uno's (1977, 94n10) own position. Subsequently, it was further developed by Uno's most prominent disciples, like Itoh (1980, 92; 1988, 144–45, 226–43) and Sekine (1997a, 144–46; 1997b, 42–51; 2020, 250, 436).

The question resurfaced in the 1970s in the German controversy over the status of the 'law of value and the world market'. In this different context, the view that states that extra surplus value originates in the labour performed by workers exploited by the innovating capital served to support the argument that the operation of the 'law of value' experienced modifications when conceptualised at the level of the world market: the higher productivity of labour in a certain country involves the production of more value per unit of time *vis-à-vis* those countries which operate with a lower productivity of labour. The most salient contributions in this regard were those by Busch et al. (1971, 21–24), Neusüss (1972, 115–19) and Schoeller (1973, 104–7). In turn, Mandel's (1976, 92–107, 350–51) intervention in this controversy played the part of transmission belt which ramified this discussion into that which revolves around the so-called ‘unequal exchange’ between ‘developed’ or ‘central’ countries and ‘underdeveloped’ or ‘peripheral’ ones. More specifically, the question at stake in this other polemic was whether this hierarchical polarisation of the global economy can be explained on the basis of international transfers of value that underpin the exchange of commodities on the capitalist world market. Among the numerous scholars from all over the world that have contributed to this issue, the following can be mentioned for having explicitly brought up the question of extra surplus value: Marini (1979a; 1979b; 2022, 121ff.), Shaikh (1980), Siegel (1984), Astarita (2006, 273–305; 2010, 58–60), Borges Neto (2011), Nieto Fernández (2015, 209–21), Féliz (2021). On the other hand, some contributions explicitly incorporated arguments that had been advanced in the aforementioned German ‘world market debate’. This is the case of Carchedi (1991a), Milios and Sotiropoulos (2009, 243–54) and Sandleben (2016).

Some authors also resorted to the argument that the source of the extra surplus value resides in the labour of workers exploited by the innovating capital in the context of the so-called ‘transformation problem’. In a nutshell, these works claim that in the same way as the appropriation of an extra surplus value by the early innovator does not involve any transfer of surplus value from other individual capitals, the appropriation of the normal or average rate of profit does not entail any redistribution of surplus value across different branches of production. Consequently, this line of reasoning continues, the ‘transformation problem’ is free from the alleged inconsistencies in the quantitative relations between total surplus value and aggregate profits. The main contributions that have argued along these lines are: Martínez Marzoa (1983, 66–77), Nieto Fernández (2015, 151–72), Reuten (2017; 2018; 2019), and, in a very similar approach, Robles Báez (2001; 2011, 137–52). In turn, these idiosyncratic takes on the ‘transformation problem’ have elicited dedicated responses and comments. Thus, Fernández Liria and Alegre Zahonero (2010, 547–96) have engaged with Martínez Marzoa’s work, whilst Arthur (2018) has provided a sympathetic criticism of Reuten’s contribution.

The determinations of extra surplus value have also been implicit in Latin American Marxist polemics over the source of surplus value that constitutes ground-rent. This literature can be traced back to the 1970s (Bartra 1979; Laclau 1969, among others). Albeit inadvertently, the different substantive positions in this controversy replicate the two opposing camps that had consolidated in the analogous Japanese debate mentioned earlier on. However, in this novel regional and intellectual context, the substantive issue of the general nature of (differential) ground-rent was taken to bear on the international economic relations between ‘centre’ and ‘periphery’. More specifically, according to one of the main positions in this debate, the ground-rent incorporated in commodities exported from Latin American economies had its source in the surplus value produced by workers from importing (i.e. ‘central’) countries. As some interventions in this debate explicitly noted, this discussion evidently dovetails with that on the role of extra surplus value in unequal exchange. This Latin American discussion cropped up again in more recent times, but now with more explicit attention to the question of extra surplus value: Arceo (2003, 83ff.), Astarita (2010, 197–200, 221–23), Foladori (2013), and Iñigo Carrera (2017, 85–104, 194–207).

As reported in Jeon (2011; 2015), the source of extra surplus value has also played an important role in the recent Korean debate on the substance of value of so-called ‘cognitive commodities’. In this intellectual context, one of the central themes under discussion has been the compatibility between the ‘law of value’ and ‘knowledge-intensive’ commodities, for which the costs of reproduction are virtually insignificant, whilst there is no price differential between the first unit produced and the rest of the output (software being the paradigmatic case in point). Against this backdrop, the argument that extra surplus value from innovation originates from the labour set into motion by innovating capitals precisely served as an attempt to establish the consistency between this feature of contemporary ‘Cognitive Capitalism’ and the ‘law of value’. According to some of this literature, individual capitals specialised in the production of ‘cognitive commodities’ should be considered as early innovators as far as the source of their surplus profits is concerned (Fine, Jeon, and Gimm 2010; Jeon 2010; 2015).

Although probably in a more tangential manner, the main theme of this chapter has been somehow present in at least two additional important Marxist debates: that on ‘complex or skilled labour’ and that on ‘socially necessary labour’. In the former case, the alleged connection between a higher productivity of labour and multiplied *value-creating* powers of labour has been used to explain the comparatively higher value of the products of complex or skilled labour *vis-à-vis* those of simple labour. This train of thought thus constitutes one of the contemporary ‘solutions’ to the skilled labour ‘reduction problem’ (see Chapter 4). In the case of the debate on ‘socially necessary labour’, the question of value transfers derived from productivity differentials among individual capitals has been one of the fundamental controversial issues at stake. In this context, the increasingly hegemonic perspective considers that the source of extra surplus value (or surplus profits) pocketed by the early innovator is the labour of wage-workers exploited by *other* individual capitals (Carchedi 1991b, 56–68; Horverak 1988; Indart 1987; Itoh 1980, 80–92; 1988, 226–35; Itoh and Yokokawa 2015; Kristjanson-Gural 2003; Lee 1998; Sekine 1982; Shaikh 1990, among others).

Lastly, mention should be made of a few works that have focused on the source of extra surplus value as a theoretical problem in its own right. This is the case, for instance, of Echeverría (1986, 128–36), Tomba (2013, 138–44) and Veraza (2017, 259ff.). Still, they have not explicitly framed their treatment of this question against the background of the wider intellectual controversy which, as we have attempted to show, has surrounded this problematic. It has been only in Brazil, in the past 20 years, where the problem of extra surplus value has been addressed more systematically and deliberately carried out in the form of an academic intellectual dispute (Borges Neto 2001; Carcanholo 2013, 103–17; Cipolla 2003; 2002, 207ff.; Lagoeiro de Magalhães 2004). The debate, however, involved only a limited number of scholars and remained within the local milieu, without virtually any impact on the international discussion.

The main arguments in the debate

The 'potentiated labour' thesis

There are two principal arguments that cut across practically all interventions in favour of this view. The first one is of an eminently philological nature and revolves around an idiosyncratic reading of the following passage from the chapter of Volume I of *Capital* in which Marx explicitly addresses the question of extra surplus value from innovation: 'The exceptionally productive labour acts as potentiated labour; it creates in equal periods of time greater value than average social labour of the same kind' (Marx 1976, 435, translation amended).[1] According to this reading, in this passage, Marx would be stating that the labour that the early innovator sets into motion must be considered as 'potentiated labour', whose very definition entails that it creates more value per unit of time than average social labour; in the same vein as complex or skilled labour produces more value than simple labour in the same period of time (Marx 1976, 135). This interpretation implies that the labour set into motion by innovating capitals produces more value than that which is employed by those which have not yet incorporated the new method of production. Thus, the substance or source of the extra surplus value pocketed by the early innovator must be this 'potentiated labour'. No value transfers are needed to account for the existence of extra surplus value.

The second fundamental argument builds on the first one but is more substantive. It states that only in this way can the extra surplus value be grasped as an expression of a reified social relation. The reason for this is that this view considers, in a clearly 'circulationist' take on value as a historically-specific social form, that the latter only comes effectively into being through the exchange of commodities. Put differently, according to this perspective, abstract labour, which constitutes the substance of value, acquires real, practical objective existence only in the circulation process, which is where an effective social relation between persons is established. Conversely, the contrasting view, which claims that the extra surplus value originates in the labour exploited by non-innovating capitals, is said to lapse into a 'technological' conception of value that overlooks the specific social form of value-producing labour. Value would be thus conceptualised as the simple objectification of the *concrete* labour-time materially expended in production (since, as we have seen, according to the circulationist leanings of the 'potentiated labour' thesis, abstract labour can only come into being through exchange). In a nutshell, the explanation of extra surplus value based on value transfers among individual capitals is seen as necessarily involving a 'Ricardian retrogression' which naturalises capitalist social relations.

Building on these two conceptual pillars, different contributions to the 'potentiated labour' thesis offer further particular arguments to support this view. The first group of theorists focuses on the general determination of the value of commodities. They argue that what counts as socially necessary labour is just that amount of social labour expended in a determinate branch of production which society is willing to recognise through exchange. This means that the magnitude of value does not correspond to the privately-performed material expenditure of social labour in production, but only to that part which is socially validated in the circulation process (Busch et al. 1971, 20ff.; Veraza 2017, 265ff.). In a similar vein, other scholars submit that abstract labour can only be measured in circulation, so that the magnitude of value must be determined in that sphere. More concretely, these authors consider that the circulation process is the phase which effectuates the 'normalisation of individual labours' which, in turn, reduces their material differences by imposing their social unity as abstract labour (Borges Neto 2001; 2002, 124–32, 207ff.). This train of thought is pushed further forward through the notion that abstract labour's effective constitution only takes place as an 'inter-branch social average'. Thus, the argument goes, the reduction of the diversity of concrete labours to abstract labour within a branch of production already involves the formation of the general rate of profit and, therefore, the development of the respective prices in the form of prices of production. It follows that it is meaningless to even pose the question of value transfers, whether within or between branches of the social division of labour. *A fortiori*, it makes no sense to explain the source of extra surplus value in terms of the early innovator's appropriation of surplus value originally produced elsewhere (Martínez Marzoa 1983, 66ff.; Nieto Fernández 2015, 166ff.). A similar argument can be found in other contributions which conceive of the constitution of prices of production as the systematic 'moment' which establishes the actual quantitative determination of commodities' values (Reuten 2017; 2018; 2019; Robles Báez 2001; 2011, 137–52).

Another group of contributions approach the issue from a methodological angle rather than in substantive terms. These arguments tend to revolve around the problematisation of the systematic place of Marx's account of extra surplus value in the expositional structure of the three volumes of *Capital*. Thus, it is claimed that insofar as Marx discusses extra surplus value from innovation in Volume I and, furthermore, that the latter deals with the direct production process of capital, the former cannot derive from the inter-branch transfer of surplus value through exchange but must necessarily originate in the production process. As a matter of fact, the treatment of value transfers belongs, in systematic terms, in Volume III, which precisely deals with the concrete forms in which the overall unity of the social production process is established. More specifically, it is only in the third volume that Marx introduces the categories of 'profit' and 'surplus profits' to refer to the phenomenal forms respectively assumed by 'surplus value' and 'extra surplus value'. Moreover, insofar as those phenomenal concrete forms involve quantitative differences from their content, these contributions conclude that only at that stage can the very possibility of value transfers be raised (as happens, for instance, with the formation of the general rate of profit). The implication that some of these authors draw is that had Marx considered that the determinations of extra surplus value involve value transfers, he would have bracketed the question until Volume III. The fact that he did not is seen as a further testament to the incorrectness of the 'value transfer' thesis (Veraza 2017, 250–63).

Another methodological argument advanced aims at establishing the consistency between the 'potentiated labour' thesis and the Marxian opening lines on the quantitative determination of the magnitude of value in chapter 1 of Volume I of *Capital*, according to which 'the greater the productivity of labour, the less the labour-time required to produce and article […] and the less its value' (Marx 1976, 131). On the face of it, this passage seems to stand in blatant contradiction with the 'potentiated labour' thesis' reading of chapter 12 of Volume I, which claims that more productive labour creates more value in the production process in equal periods of time. However, it is argued in this literature that the two passages correspond to different levels of abstraction. The former statement, according to which a greater productivity of labour is expressed in a lower value of individual commodities, corresponds to the analysis of a single individual capital, in which, by definition, individual and social value coincide. By contrast, the latter claim corresponds to the analysis of the movement of competition between multiple individual capitals, in which the determination of value changes. In turn, it is argued that it is essential to distinguish between diachronic and synchronic analysis, whereby the former deals with the generation of *more* value and the latter with *less* (Nieto Fernández 2015, 160–66).

The 'value transfer' thesis

Most critical responses to the 'potentiated labour' thesis resort to two related fundamental arguments. In the first place, they emphasise that, by definition, an increase in the productivity of labour does not generate more value but more *use-values*, each of which is the material bearer of a lower quantity of value. In other words, this first objection claims that the 'potentiated labour' thesis is quite simply inconsistent with the Marxian explanation of the determination of value. In the second place, scholars from this other camp point out that the 'potentiated labour' thesis tears apart the quantitative identity between the socially necessary labour performed in production by wage-workers as a whole and the total value realised in circulation (some authors specify this further and focus their attention on the quantitative identity between total surplus labour and total surplus value). The reason for this is that according to the logic of the 'potentiated labour' thesis, the existence of an extra surplus value necessarily entails the increase in the total mass of value realised in circulation, whilst the total amount of socially necessary labour expended in production across society remains constant. By contrast, these critics highlight that the Marxian explanation of the value-determinations presupposes the aggregate equality between the total amount of privately-performed socially necessary abstract labour and the mass of value available across society. Thus, the appropriation of an extra surplus value by some capitals can only have its substance in the exploitation of labour undertaken by other individual capitals.

Analogously to the other camp in the debate, this other literature develops further particular arguments on these two general grounds. A first set of discussions point to the identification of the determinate capitals that cede the surplus value that constitutes the source of the extra surplus value appropriated by early innovators. In a first analytical step, this literature usually considers that the expansion of the number of commodities that reach the market following the increase in the productivity of labour, faces a given solvent demand in monetary terms. In this scenario, the resulting fall in the unitary selling price of each commodity necessarily means that the aggregate loss of surplus value by non-innovating capitals matches the amount of extra surplus value appropriated by early innovators. In other words, since the total mass of value appropriated in the respective branch of production remained unaltered whilst total output increased, losses and gains of surplus value must offset each other. Thus, under these circumstances, the source or substance of the extra surplus value resides in the loss of surplus value of non-innovating capitals from the same branch (Carcanholo 2013, 111–13; Carchedi 1991b, 65–68; Echeverría 1986, 133–34; Iñigo Carrera 2017, 93–94; Sekine 1997a, 144–46).

In a second analytical step, these contributions consider the case in which the extent of the fall in the unitary selling price of the respective commodities leads to an *expansion* of the aggregate monetary effective demand for them. In this alternative scenario, the source of extra surplus value is not limited to the losses of non-innovating capitals from the same branch of production but extends to those suffered by capitals operating in other branches of the social division of labour. This cross-branch flow of surplus value is mediated by the purchase of the aggregate output of the branch in which the technical innovation took place, at a sum of prices which stands above the mass of value corresponding to the total labour-time expended in that branch of production (conversely, commodities produced by those capitals from other branches experience a corresponding drop in aggregate solvent monetary demand, which leads to a fall of the unitary selling price below the social value). Some works in this literature, which incorporate Marxian insights from chapter 10 of Volume III in the treatment of the problematic of extra surplus value, and consider the moving trajectory of the *social or market value* between the initial introduction and the eventual generalisation of the new method of production, stress that, in this second scenario, the expansion of effective monetary demand leads to a temporary divergence between the social value and the selling *market price*.[2] Furthermore, and unlike the first case, insofar as part of the extra surplus value appropriated by early innovators does not have its substance in the social labour expended in *production* within the respective branch, but flows into their pockets from other branches and purely through the *circulation* process, some authors conclude that this latter portion of monetary social wealth constitutes *surplus profits* rather than extra surplus value 'proper' (i.e. a category of circulation rather than production). Works within this broad literature which develop numerical examples include: Carcanholo (2013, 112ff.), Cipolla (2003, 99ff.) and Iñigo Carrera (2017, 94ff.). The general theoretical discussion is systematically presented in Itoh and Yokokawa (2015) and Itoh (1988, 226–35).

In addition to these substantive arguments, these contributions also approach the question with methodological lenses. They thus thematise the problematic of extra surplus value in terms of its systematic place in the presentational architecture of the three volumes of *Capital*. The main argument in this regard is to emphasise that the first volume deals with 'capital in general', whilst Volume III approaches the 'configurations of capital' springing from 'the action of different capitals on one another, i.e. in competition' (Marx 1991a, 117). Methodologically speaking, this means that the treatment of extra surplus value does not properly correspond to the level of abstraction of Volume I but to Volume III. More specifically, this issue belongs in the chapter dealing with the competition process that equalises the rate of profit through the establishment of market prices regulated by prices of production. Seen in this light, these authors conclude, it becomes evident that at stake here is the 'redistribution of surplus value' in the fetishised and inverted concrete forms springing from circulation through the competition process (Carcanholo 2013, 110–17; Cipolla 2003, 89ff.; Iñigo Carrera 2017, 196ff.; Mandel 1976, 94–102). As for Marx's own methodological decision to 'bring forward' the discussion of extra surplus value to chapter 12 of Volume I, it is argued that it would have been a 'pedagogically-minded' presentational strategy to facilitate a 'better understanding of relative surplus value' (Carcanholo 2013, 110). Along the same lines, other scholars maintain that the 'potentiated labour' thesis is inconsistent with Marx's explanation in chapter 10 of Volume III, according to which the social or market value is formed on the basis of individual values (Cipolla 2003, 99). Lastly, many contributions object to the 'potentiated labour' thesis that it postulates an *immediate identity* between *extra* surplus value and *relative* surplus value, whose essentially *spurious* character is evidenced once we consider that, as soon as the new method of production becomes generalised in the respective branch of production, the former disappears whilst the latter comes effectively into being (Itoh 1988, 145; Sekine 1997a, 146; Uno 1977, 94n10). In a nutshell, all these methodologically-minded arguments point to the conceptual confusion between different levels of abstraction that they find in the 'potentiated labour' thesis.

Marx on the source of extra surplus value

Our discussion in the previous section makes evident that the controversy has revolved to a large extent around Marx's own views on the determinations of extra surplus value, whether simply on the basis of textual evidence or on the overall consistency between Marx's writings on this specific issue and the rest of his works. Consequently, the further reconstruction of the main aspects of the Marxist debate on extra surplus value requires that we now turn to systematise and examine more closely the different texts in which Marx approached this question. At this juncture, it is important to emphasise that it is far from our aim to offer a 'definitive interpretation' of Marx's thought on the subject, as many readings somehow naively have intended to do. In this sense, it goes without saying that, from a philological perspective, a text or set of them can admit more than one plausible reading. More importantly, even if it were possible to come up with just one coherent reading, this would not suffice to settle the controversy. At most, we would have a more (or less) firmly grounded appeal to authority. Instead, as intended in our exploration of the different arguments in the Marxist debate, the point here is to offer some philological elements which can contribute to a critical reconstruction of the determinations of the source of extra surplus value.

At first sight, the passage from chapter 12 of Volume I of *Capital* that we cited earlier might seem an irrefutable piece of textual evidence in favour of the 'potentiated labour' thesis that would make all controversy otiose. Indeed, this is the way in which authors from this camp tend to address that text which, it must be duly acknowledged, has been revised and edited by Marx himself and constitutes his latest written passage on this problematic. Moreover, also in that chapter, Marx (1976, 435) adds that even in the case of extra surplus value 'the increased production of surplus value arises from the curtailment of necessary labour time, and the corresponding prolongation of the surplus labour'. In other words, he seems to consider the production of *extra* surplus value analogously to its *normal* form. Additionally, a similar formulation can be found in chapter 15 of Volume I on 'Machinery and Large-Scale Industry' (530).

On the other hand, it is worth noting that Marx's numerical example in chapter 12 of Volume I does *not* include any reference to the situation of non-innovating capitals (i.e. whether they suffer any loss of surplus value). Lastly, also in support of the 'potentiated labour' reading, there are various passages in Marx's preparatory manuscripts which, at least taken at face value, do not seem blatantly to clash with the passage from chapter 12 of Volume I that triggered the whole polemic (Marx 1988, 238–41, 319–20, 327–30, 336–37; 1989a, 430; 1989b, 254–440; 1991b, 126–30, 147–49).

Yet, as some of the contributions to the competing thesis have indicated, Marx's formulation in the said passage is very far from unequivocal (Carcanholo 2013, 110–11; Iñigo Carrera 2017, 197–98). First and foremost, in this text, Marx does not say that the exceptionally productive labour *is* or *turns out to be* 'potentiated labour', but that it *acts as* such ('*wirkt als*' in the German original). This kind of phrasing can most certainly be read in terms of the establishment of an *analogy* with potentiated labour, rather than simply *identifying* more productive labour with it. Additionally, that text does not claim that the latter generates 'more value', which is the unequivocal formulation which Marx consistently uses when referring to a genuine case of an increase in the magnitude of value of an individual commodity. Instead, it somehow enigmatically says that it creates 'greater *values*' (*höhere Werthe* in the German original). Here it is worth noticing that these German terms are not used very frequently in Marx's economic works. More remarkably, he tends to use the term 'values' (*Werthe*) not as a synonym with 'sums of value' but of 'commodities', i.e. unities of use-value and value (Marx 1976, 166–67, 172). Thus, the phrase under polemic could as well be read as meaning that the exceptionally productive labour generates more 'commodities', which is a fact beyond dispute.

Now, in light of these ambiguities in Marx's 'canonical' passage on extra surplus value, we think that it is imperative to examine the other textual evidence from his writings on the subject, a task which is usually sidestepped by supporters of the 'potentiated labour' thesis. In this sense, the following points must be borne in mind.

In the first place, there are various instances in which Marx refers to the same case of differences in the degree of productivity of labour but in the context of the world market. And as long as in this global context there are barriers to the international mobility of capital (a fact which is not an absolute unchanging circumstance but an expression of an insufficient development of the capitalist mode of production), commodities produced with an exceptionally productive labour will exchange on the world market 'as if' they were the materialisation of a greater quantity of social labour. Here it is interesting to note that Marx's use of similar expressions to 'acts as' systematically recurs in several of these passages. Moreover, he does not refer to 'potentiated labour' but, alternatively, to 'stand above', 'more complex', 'higher specific weight' or 'more intensive'. This calls into question the all too easy assumption that Marx meant the term 'potentiated labour' in its precise theoretical sense, i.e. as labour with multiplied 'value-producing' powers. Instead, it seems to suggest the opposite reading, namely, that when referring to more productive labour as 'potentiated labour', he was more likely reasoning through *analogy* (Marx 1976, 702; 1988, 338; 1989b, 294; 1991a, 344–45).[3]

In the second place, it is important to bear in mind that Marx's various references to the question of extra surplus value scattered over Marx's economic works are usually brief in-passing reflections, mostly external digressions which do not correspond to the dialectical-systematic moment of the immediate object under consideration at those stages. In this sense, one of the richest and most illustrative texts in this regard is the methodological remark that prefaces the 'canonical' polemic passage on extra surplus value in chapter 12 of Volume I:

> it is not our intention here to consider the way in which the immanent laws of capitalist production manifest themselves in the external movement of the individual capitals, assert themselves as the coercive laws of competition, […] Nevertheless, for the understanding of the production of relative surplus-value, and merely on the basis of the results already achieved, we may add the following remarks.
>
> (Marx 1976, 433)

In a nutshell, as some of the contributions to the debate have rightly emphasised, this quote suggests that, *strictu sensu*, the problematic of extra surplus value does not belong in Volume I but in a later systematic-dialectical stage; more precisely, when unfolding the more concrete determinations of competition in Volume III. Additionally, it implies that whatever Marx said about the subject matter in chapter 12 of Volume I, he could not incorporate all the determinations at play in the said phenomenon. In other words, as perceptively indicated by Carcanholo (2013, 109–10), Marx's remarks were able to throw into relief *only* those aspects of extra surplus value which could be addressed 'merely on the basis of the results already achieved', i.e. *at that particular stage of the dialectical exposition*. This calls into question the aforementioned argument by the 'potentiated labour' thesis proponents, which claims that the source of extra surplus value must be the labour exploited by the innovating capital because Marx placed the exposition of the subject in Volume I, which deals with the process of *production* of capital. More broadly, it puts Marx's own treatment of the subject in chapter 12 into perspective. As explicitly acknowledged by Marx himself in the passage just quoted, its aim and scope are self-consciously limited, so the profundity and precision of his analysis should not be overstated.

It follows from this that a fuller picture of the Marx's view of the determinations of extra surplus value, must necessarily incorporate additional elements from the text in which he effectively addressed the competition process among multiple individual capitals as the focus of his exposition, which is in chapter 10 of Volume III. In this more concrete context, the first remarkable point to mention is that there seems to be no doubt that, in these pages, Marx considers that the 'surplus profits' appropriated by those capitals which set into motion a higher productivity of labour originates in the surplus value that escapes the pockets of *other* individual capitals with a lower labour productivity, i.e. it involves a 'value transfer'. As a matter of fact, we have seen that this is the prevailing view in the debate over 'socially necessary labour' which largely revolves around the discussion of these pages of Volume III. What is more, even proponents of the 'potentiated labour' thesis concede that the term 'surplus profits' entails transfers of value. The following passage, found both in Marx's original *1864–1865 Manuscripts* and in Engels's edition of the third volume of *Capital*, is probably one of the most eloquent in this regard:

> the commodities whose *individual* value stands below the *market price* will realise a *surplus-profit*, i.e., more value, while those whose *individual value* stands above the market price will be unable to realise a part of the surplus-value which they contain.
>
> (Marx 1991a, 279, emphasis added; see similar passages in Marx 2015, 279–80, 284–85)[4]

It seems clear from this quote that the other side of the realisation of a surplus profit on the part of certain commodities lies in the incapacity of others to realise a portion of the surplus value '*contained*' in them. This has already been noted in the 'value transfer' literature in Mandel (1976, 101), whilst Itoh and Yokokawa (2015) and Itoh (1988, 230ff.) provide additional analogous textual evidence from the same chapter. More substantively, it gives firmer support to the 'value transfer' thesis, at least in the narrower version which is limited to intra-branch flows of surplus value. On the other hand, it strongly challenges the 'circulationist' strand of argument in the 'potentiated labour' thesis reviewed in a previous section, which states that the qualitative and quantitative determination of (surplus) value effectively takes place in the exchange process.

In sum, the first conclusion that can be drawn from this discussion is that the term 'extra surplus value' that Marx introduced in Volume I of *Capital*, was the way that he came up with to refer to 'surplus profits' in a systematic-dialectical level of abstraction in which he could not yet deploy the latter terminology, which pertained to more concrete phenomenal forms of the movement of the overall process of production of capital. Likewise, it seems reasonable to conclude that both the analogy with potentiated labour and the limited scope of the numerical example in chapter 12 of Volume I that Marx developed to illustrate the explanation of extra surplus value, followed the same methodological tenet that prevented the unfolding of the movements of surplus value that spring from the more concrete forms taken by the competition among individual capitals.

On a final note, this reading offers novel elements to make sense of the contrast that Marx (1989b, 88, 470; 1991a, 300–1, 429–30, 780ff.) recurringly makes between surplus profits from an exceptional productivity of labour and the phenomenon of differential ground-rent. Specifically, the only difference which he notes is that the latter is mediated by the 'monopolisation' of the natural condition that allows such higher productivity of labour. But this mediation plays no role other than the 'formal transmutation' of surplus profits into ground-rent, which in turn 'transfers' the surplus value at stake from the capitalist to the landowner (Marx 1991a, 783–84, 870, 889). Now, if according to Marx there is no difference of *content* between extra surplus value and differential ground-rent, his discussion of the substance that constitutes the latter can shed light on the former. In this regard, it might be worth bringing up Marx's oft-quoted passage in which he characterises differential ground-rent as a 'false social value' (799); which, as discussed in Chapter 9, means that the surplus value which constitutes this form of social wealth must be the product of labour of workers exploited in other spheres of social production. As some scholars in this controversy over the source of extra surplus value have already pointed out (Itoh 1988, 241ff.; Sekine 2020, 551, 659–60), this text can most certainly be read as evidence in favour of the 'value transfer' thesis.

Substance, source and form of extra surplus value

As we have seen, one can plausibly read Marx's presentation of the generation of an extra surplus value in Volume I of *Capital* as a kind of 'external reflection' which, *strictu sensu*, does not belong in the precise level of abstraction in which he locates the discussion. On these grounds, this section aims at providing a brief positive exposition of the unity of the determinations which underpin the substance, source and form of extra surplus value. In doing so, we shall also try to throw into relief the main contentious points with regard to the different arguments put forward in the debate reviewed in the previous sections. In order to elaborate our own argument, we shall rely on textual evidence from Marx, so that this section's contribution also aims at providing a consistent methodologically-minded reconstruction of the systematic unity of the determinations of extra surplus value unfolded over the three volumes of *Capital*.[5]

As argued at greater length in Chapters 1 and 2, the specificity of commodity production derives from the fact that the immanent social character of individual labours is not carried as a *conscious determination* by private producers. This means that the establishment of the general unity of social labour is realised in an indirect form, through the mediation of the exchange of the products of labours as commodities, i.e. as unities of use-value and *value*. Importantly, we have emphasised that insofar as it is an objectified expression of the immanent social character of individual private labours, this dual determination of the products of labour is constituted in production and is only manifested in the sphere of circulation.

By contrast, a great deal of the Marxist literature, especially in the case of proponents of the 'potentiated labour' thesis, tends to adopt a different view. Specifically, several authors argue that what counts as 'socially necessary labour time' is also (or even exclusively, according to some scholars) determined by that which society is willing to validate in exchange in the form of effective purchasing power or monetary demand for the total output of a determinate branch of production. The determination of the magnitude of value would still derive from socially necessary labour-time, albeit not that objectified in the production of commodities, but that which society allocates in the form of effective demand (see, in particular, Busch et al., 1971 in the context of the German world market debate). As already argued in the appendix to Chapter 2, this essentially *circulationist* perspective conflates the qualitative and quantitative *content* of value, which is determined by the amount of privately-undertaken socially necessary abstract labour objectified in the production of a commodity, with its necessary *form* of expression and realisation as price, established through the interaction of supply and demand on the market. Crucially for the main argument in this section, we have emphasised that the 'quantitative incongruity between price and magnitude of value' (Marx 1976, 196) proves to be the necessarily haphazard mode which resolves, with the mediation of intra- and inter-branch competition between commodity producers, the 'quantitative articulation of society's productive organism' (202). In brief, the establishment of the material unity of the social division of labour in capitalist society must involve 'value transfers' among commodity producers.

Now, the products of private labour are not exchanged simply as commodities but as products of capital. In this more developed concrete form, both the transformation of value into price and the competition that mediates it, prove to involve further determinations. On the one hand, the 'quantitative incongruity' between the *content* of the value-determinations and its concrete *form* of realisation as market price in circulation, which results from the disequilibrium between supply and demand in a branch of production, becomes mediated in turn by the qualitative and quantitative *transformation of values into prices of production*. The latter are the prices that represent the equalisation of the rate of valorisation of the multiplicity of individual capitals determined as aliquot parts of the total social capital, given the respective differences in their organic composition and turnover times (Marx 1991a, 254ff.). On the other hand, and as a result of the previous point, the competition between commodity producers with a view to obtaining a selling price which represents the magnitude of value (i.e. 'normal prices') takes on the further concrete form of a competitive struggle to sell at market prices which allow the appropriation of the general rate of profit (273ff.). More importantly, since at this stage capital's immanent necessity to revolutionise the productive forces of social labour in order to produce relative surplus value has already been unfolded, the systematic-dialectical presentation can now explicitly consider the general concrete form in which individual capitals engage in the competitive struggle, namely: the introduction of technical change with a view to cutting the cost price of commodities, which in turn allows them to appropriate a temporary surplus profit. This actual modality of the competition process, explicitly determined as the concrete form that mediates the formation of the general rate of profit, turns out to be the phenomenon whose treatment Marx (1976, 433) opted preliminarily to bring forward to chapter 12 of Volume I, 'for the understanding of the production of relative surplus value, and merely on the basis of the results already achieved'. So let us examine the matter more closely.

By virtue of its determination as a concrete form of the establishment of the general rate of profit, all surplus profit entails a quantitative difference between the magnitude of value and its expression as price; *a fortiori*, this means that it necessarily involves a 'transfer of value'. At the level of *Capital* Volume I, all the aspects of this phenomenon could not be brought to the fore. Thus, we have already noted that in his provisional discussion of this issue in chapter 12, Marx categorially approached surplus profits as 'extra surplus value'. Moreover, in his numerical illustration, the analysis abstracted from all complexity regarding the quantitative differences between prices and values and the flows of monetary social wealth which they mediate. However, once the dialectical exposition has unfolded the formation of the general rate of profit, hence the self-negating realisation of values in prices of production that constitute the 'centre of gravity around which price turns' (Marx 1991a, 279), it is possible to incorporate greater complexity in the analysis of 'value transfers'.

Still, before proceeding to sketch out the main additional elements that need to be incorporated in a more nuanced examination of the constitution of surplus profits, we first need to distinguish between two different levels of abstraction. On the one hand, there is the simplest determination of value transfers involved in the exchange of commodities at market prices that express prices of production which coincide with values. On the other, there is a more complex determination of this phenomenon derived from the further value transfers involved in the quantitative difference between prices of production and values. Insofar as the Marxist debate tended to gravitate towards the former, in what follows our discussion will be carried out in that simpler level of abstraction.

Let us start by considering the process which establishes the socially *normal* conditions of production which underpin the determination of the value of commodities, when account is taken of competition based on technical change. At this juncture, a first point that is usually overlooked in the literature must be thrown into relief. We are referring to the rigorous systematic specification of the *qualitative kind* of technical conditions that enter in the constitution of the norm that defines the 'socially necessary labour time for the production of commodities'. In effect, the existence of technical change does not only imply that capitals are subject to *quantitative differences* in the productivity of labour that they set into motion. In addition, it also leads to the emergence of a qualitative differentiation among individual capitals regarding their (in)ability to take an active part in the formation of the general rate of profit. As we shall see at greater length in Chapter 8, this process of differentiation polarises individual capitals into *normal* and *small* capitals. For the purpose of this chapter's discussion, suffice it to note that although the latter lag increasingly behind in the pace of the process of concentration of capital demanded by the competitive struggle, there are different concrete determinations which allow them to remain in production despite their insufficient scale and backward methods of production. However, this extended lifespan goes hand in hand with their exclusion from the process of formation of the general rate of profit, i.e. they are precluded from valorising as 'aliquot parts' of the total social capital at the average rate of profit. For this reason, their conditions of production do not count for the determination of the *norm* that determines the value of commodities (Iñigo Carrera 2017, 102–3). In other words, it is crucial to bear in mind that the constitution of socially necessary labour-time is not expressed in the simple average that includes *all* conditions of production existing in a determinate branch of the social division of labour, but *only* those set into motion by capitals of a *qualitatively normal kind*, which are precisely those that still possess the potentiality eventually to push the technological frontier forward. On the other hand, it should be evident that from the fact that all normal capitals are qualitatively determined as potential active vehicles for the development of the productive forces of social labour, it does not follow that their conditions of production will be *entirely homogeneous*. At any moment in time, the productivity of labour set into motion by the different individual normal capitals will certainly vary, hence the form of an average assumed by the constitution of socially necessary labour-time. However, this will be a matter of *quantitative* differences within the *quality* of the *norm*. Moreover, it goes without saying that those differences will not crystallise in a rigid or permanent stratification. On the contrary, by virtue of the 'anarchic' nature of the competition process over the appropriation of surplus profits, it will be subject to continuous instability and reconfiguration, as now this or that individual normal capital temporarily succeeds in the race to push the technological frontier forward.

Now, in terms of value as the specific reified social form of representation of the socially necessary labour-time objectified in commodities, these determinations are expressed in the formation of the 'market value', which results from the average of the different 'individual values' that correspond *only* to the respective conditions of production of *normal* capitals in that sphere of the social division of labour.[6] In our view, this is the way in which Marx deliberately (albeit rather implicitly) framed the exposition of this process in chapter 10 of Volume III of *Capital* (Marx 1991a, 278ff.).[7] Seen in this light, insofar as the constitution of the 'market value' is predicated on diverse yet 'normal' individual labour-times, the inability of certain capitals to realise the full 'individual value' of their commodities is exactly mirrored by the appropriation by others of extra value over and above that which corresponds to the 'individual value' of their own commodities (279–80, 284–85).[8]

Having clarified the determination of the 'normal conditions of production' which express socially necessary labour, let us turn to give a closer scrutiny to the precise source of the surplus profits appropriated by innovating capitals. As we have seen, the extent of the quantitative divergence between market prices and values always depends on the relationship between supply and demand, i.e. on the mode in which capitalist society resolves the distribution of the social product through the circulation of commodities. Hence, in order to analyse the transfers of value that follow from the introduction of a technical innovation in a sphere of production, it is necessary to examine the effect of the consequent increase in output on the balance between the supply and demand for the different commodities. In a nutshell, three possible scenarios of the impact of the resulting relationship between market prices and values on the source of surplus profits can be discerned.

Insofar as the literature on extra surplus value that we have already reviewed in this chapter offers very nuanced and ample numerical illustrations, here we shall briefly concentrate on the essential conceptual aspect of the determinations at play.

Let us start out with the following extremely simple example. Suppose that there are three normal individual capitals in a certain sphere of production and that each of them produces 10 commodities with a unitary market value of $10, so that the total output in the branch is 30 commodities and the total market value amounts to $300. In this initial stage supply equals demand, market price and value coincide and so do all individual values with the market value. Let us now suppose that one of these individual capitals incorporates a technical innovation that allows it to double the productivity of labour, so that the individual value of its commodities drops to $5. Under these new circumstances, the total market value of the branch remains $300, but the total physical output goes up from 30 to 40 units of the respective commodity. Consequently, the unitary market value decreases from $10 to $7.5 (expressed through the average between all normal conditions of production in the respective sphere, which by assumption includes the three individual capitals in this example). Which possible variations of the relationship between market price and value, with the consequent generation of surplus profits and flows of value transfers, can turn out from this situation?

In the first scenario, which is the more widely discussed in the literature, the expansion of output from 30 units to 40 and the drop of the market value to $7.5, does not modify the magnitude of solvent social demand, which remains equal to $300 (i.e. ‘price elasticity’ of demand is 0). Therefore, the unitary market price of the respective commodities will fall to $7.5, which is exactly the new level of the market value. At this market price, the innovating capital will pocket a surplus profit of $2.5 per commodity sold, which amounts to a total surplus profit of $50. Conversely, the remaining two non-innovating capitals will suffer a loss of $2.5 per commodity, adding up to a total of $25 in each case. Evidently, the $50 that constitute the innovating capital’s surplus profit have their source in the loss experienced by non-innovating capitals. Thus, in this first scenario, there is a redistribution of value *within* the sphere of production, precisely because there is no ‘quantitative incongruity’ between market price and market value.

In the second scenario, the expansion of output and drop of market value to $7.5 upon the incorporation of a technical innovation by one of the three capitals in the branch, leads to an increase of monetary demand to $320. As a consequence, the unitary market price will undergo a smaller fall than in the previous case, to only $8. The innovating capital will thereby obtain a larger surplus profit of $3 per commodity, which will amount to a total of $60, whilst the other two non-innovating capitals in the sphere will experience a loss of $2 per commodity to a total, respectively, of $20. Aggregate losses in the branch will amount to only $40, which fall short of the $60 appropriated as surplus profit by the innovating capital. And this necessarily means that there must be a mass of value whose original source lies in *other* spheres of production. Thus, this scenario involves the same process which is always entailed by a market price that stands above the magnitude of market value: an inflow of more value to the respective sphere than that which is given up in exchange. In other words, there is 'non-equivalent exchange', which allows the appropriation in circulation of commodities that contain more objectified social labour-time than the amount that has been expended in the respective sphere of production (nevertheless, from the point of view of the *unity* of social labour, all privately expended labour-time will have been recognised by society and so all products will be 'stomached' by social consumption).

Lastly, in a third scenario, let us suppose that the expansion of output and the fall of the market value to \$7.5, effective demand in that sphere of production decreases to \$280.[9] The market price will fall below the new market value, more specifically to \$7. The unitary surplus profit of the innovating capital will come down to just \$2 per commodity, thus making the aggregate surplus profit equal to \$40. In turn, non-innovating capitals will lose \$3 per commodity so that their aggregate loss will total \$60, which in fact *exceeds* the \$40 surplus profit appropriated by the early innovator. However, those extra \$20 will not vanish into thin air but will flow through the exchange process over to other spheres of the social division of labour. This is just what actually happens whenever the market price stands below the immanent magnitude of value, namely: the respective sphere of production has privately expended more labour-time (hence produced more value) than the amount of objectified labour-time contained in the commodities against which it exchanges its output.

At this juncture, two additional points are worth stressing. In the first place, to the extent that this very simple example has been framed as an exercise in 'comparative statics', it cannot reflect the dynamic character of the process of formation of market prices and the social value. It thereby overlooks that all individual capitals, precisely insofar as they are *normal*, are in fact continuously increasing the productivity of labour that they set into motion, thus mediating the immanent necessity of the total social capital to produce relative surplus value. Thus, a subsequent technical innovation is likely to take place even before market prices complete the adjustment to the new magnitude of the social value. This will lead to the further reconstitution of the 'norm' that underpins the formation of socially necessary labour-time, thus rendering anachronistic the previously established 'centre of gravity' that regulated the movement of market prices of commodities. The latter is now surpassed by an even newer magnitude of the social value, which, again, will be rendered obsolete before market prices adjust to it, in a constantly renewed dynamic process of technical change.

In the second place, note that in all three scenarios, so-called 'value transfers' do not literally involve a movement of social wealth from one capital to another. Rather, it entails a 'double' flow of value in and out of the sphere of production in which the technical innovation took place. In other words, 'value transfers' are necessarily mediated by the exchange of commodities that contain unequal quantities of objectified socially necessary abstract labour. In this sense, the term 'transfer' seems ill-equipped to capture this greater complexity of the movement of capitalist social wealth at play. It is remarkable in this regard that Marx does not usually use this term but tends to speak of 'distribution' when referring to these movements of surplus value.

Conclusion

This chapter offered a critical reconstruction and assessment of the Marxist debate over the substance, source and form of extra surplus value. We have also gathered and systematised the textual legacy on the subject left by Marx. On that basis, we provided an approach to the phenomenon of extra surplus value which, we firmly believe, is consistent with the general foundations of the Marxian critique of political economy.

In our view, the recurring controversy around the theme of extra surplus value in the most varied Marxist debates, suggests that the matter merits to be addressed as a problematic in its own right. This conclusion is further reinforced by the theoretical richness and complexity of the substantive and methodological arguments that have been put forward in the two main theses which have crystallised out of this debate. Indeed, our discussion has shown that what at first might appear as conceptually inconsequential and easily comprehensible 'minutiae', turned out to be part and parcel of an eminently complex economic phenomenon which synthesises a highly mediated 'unity of many determinations'. On the other hand, it is also remarkable that in the past few decades, the debate has gained novel impetus among Marxist scholars. As we have seen, this renewed prominence of the problematic has paralleled and reflected the recent evolution of the broader Marxist debate on value theory, which ultimately provides the more general foundations of the different perspectives on the more concrete determinations that underpin the generation and appropriation of extra surplus value. Thus, we have also seen that the new consensus that seems to be materialising out of this more recent phase of the debate has strong 'circulationist' leanings, which is the general approach to value as a social form that tends to offer grounds to the 'potentiated labour' thesis.

As far as textual evidence from Marx's economic works is concerned, our discussion of the fundamental passages from Volume I of *Capital* which originated the dispute suggested that they are far from unequivocal. However, we have also argued that a solid case could be made that what appears in that context as 'extra surplus value' actually constitutes what *strictu sensu* are 'surplus profits'. Consequently, its systematic-dialectical treatment belongs to much more concrete levels of abstraction, a task which Marx managed to undertake only in a rather elementary way in the manuscripts which Engels edited and published as Volume III.

On the grounds of this reading of Marx's treatment of the subject in *Capital*, and through a critical dialogue with the different arguments brandished in the Marxist debate, we have presented our own synthesis of the essential determinations at stake in the constitution of the phenomenon of extras surplus value. In a nutshell, we have argued the constitution of the *content* of the social objectivity of value takes place in the sphere of production, whilst its *form* corresponds to the sphere of exchange or circulation. On this basis, we made a case for the consideration of extra surplus value as a surplus profit. And this implies that it must be grasped as a mass of value originally produced by wage-labourers exploited by other individual capitals, but which is appropriated in circulation by the early innovator. In terms of the two theses that have crystallised in the Marxist debate, this means that the source of extra surplus value resides in so-called 'value transfers'.

In sum, this chapter has hopefully shown that the *substance* of extra surplus value from innovation lies, in all possible scenarios of 'price elasticity of demand', in the privately-performed socially necessary abstract labour expended by wage-workers exploited by non-innovating capitals. In turn, depending on the precise relationship between market price and the magnitude of value that emerges upon the incorporation of technical change and the consequent expansion of output, the specific *source* of this extraordinary mass of capitalist social wealth can be found in other individual capitals from either the same or other branches of the social division of labour. Finally, we have stressed that regardless of its specific source, the *content* of the determination of extra surplus value is always expressed in the mystified *phenomenal form* of surplus profits.

Notes

1 In the original German edition, Marx uses the expression 'potenzierte Arbeit' to refer to what Fowkes translates as 'intensified labour'. As Ehrbar (2010, 1839) perceptively notes, this is blatantly wrong. Thus, here we have followed this author's suggestion to use the term 'potentiated labour'. A similar conclusion is drawn in Reuten (2017, 11–12).

2 Note that in chapter 12 of Volume I Marx does not consider the intermediary stages of the social value but only the initial and finishing 'equilibrium' magnitudes. The magnitude of this unitary social or market value is usually taken in this literature to be determined as the simple average that results from the total socially necessary labour-time expended in the branch and the respective aggregate output.

3 Iñigo Carrera (2017, 198–99) offers a similar analysis of these texts. Krätke (1997, 102–3) provides additional textual evidence, albeit in the context of the debate over 'skilled labour'.

4 It must be noted that in the post-humous edition of Marx's manuscripts, Engels added the term 'extra surplus value' in this passage.

5 In the instances in which Marx's own presentation falls short of developing all the determinations at stake, we shall also draw on Iñigo Carrera's intervention in the Latin American strand of the debate that we cited earlier on (Iñigo Carrera 2017).

6 As argued in the appendix to Chapter 2, whereas the social value is the representation of the socially necessary labour-time required for the production of a certain type of commodity, i.e. the direct reified expression of the normal conditions of production, the market value is its mediated monetary manifestation in the circulation process.

7 It is noteworthy in this respect that at the very beginning of the chapter on 'The Equalization of the Rate of Profit through Competition', Marx remarks: 'It would change nothing if, for whatever reason, capitals in certain spheres of production were not subject to the process of equalization. The average profit would be calculated on the portion of the social capital that was involved in the equalization process' (1991a, 274).

8 As we shall examine more closely in Chapter 9 on the debates over the nature of ground-rent, the mediation of non-reproducible natural conditions that differentially affect the productive powers of labour, modifies this role of the market value (formed out of an average among the individual productivities of labour of each normal capital) in the allocation of surplus profits or losses within the respective sphere of production (Iñigo Carrera 2017, 103–4).

9 Within the reviewed literature, only Iñigo Carrera (2017, 95–96) considers this last scenario.

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7 Cognitive commodities and the growing role of intellectual labour in value-production

Introduction

Since the 1960s, the production of relative surplus value has been driven by the development of the so-called microelectronics revolution and the consequent emergence and ever-wider diffusion of information and communication technologies. These transformations have involved a leap forward in the complexification of labour and the multiplication of its intellectual powers. In turn, as we have seen in Chapter 5, these mutations of the productive subjectivity of the working class have been constituted and reproduced through novel and greatly diversified ‘norms of consumption’. The diffusion of the internet in the 1990s, the subsequent spur to the digitalisation of information and, more recently, the appearance of artificial intelligence and other innovations which have further bolstered the automatisation of production, have further deepened this developmental tendency in the productive subjectivity of the collective worker. On the other hand, these transformations have been mediated by the reconfiguration of the so-called New International Division of Labour (Starosta 2016), which have dispersed the material unity of the more complex and simpler organs of collective labourer across national borders. As a result, some countries have tended to concentrate within their territories a higher incidence of increasingly complex and intellectual forms of labour-power which, from a narrowly-national perspective, has accentuated the image of a historical transformation of even vaster proportions. This has given rise to widespread ideological buzzwords such as ‘post-industrial society’, ‘information society’ or, more recently, ‘knowledge economy’, ‘cognitive capitalism’, etc. (Bell 1973; Castells 1996; Foray and Lundvall 1996; Powell and Snellman 2004; Touraine 1969).

Within Marxism, this notion of a radical break with classic ‘industrial capitalism’ has led many authors to call into question the validity of the ‘law of value’ in the current stage of capitalist development. More specifically, from the most diverse quarters many scholars have argued that in contemporary capitalism there is a growing hegemony of ‘cognitive’ commodities. These are commodities for which the knowledge objectified in their production predominates over the direct manufacturing labour required for the actual fabrication of its material support, which

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acts as ‘carrier’ of that predominantly ‘ideal’ content constituting their use-value. Software or pharmaceutical articles are usually taken as emblematic in this regard. Thus, the argument goes, this specific material ‘ontology’ (Zukerfeld 2006) of these knowledge-intensive products of labour (involving their costless reproducibility, indivisibility, non-rivalry, non-excludability, etc.), allegedly clashes with the nature of value as ‘objectified social labour-time’. The value-form would, therefore, be forced upon use-values, through the ‘parasitical’ imposition of ‘artificial scarcity’ by means of juridical forms such as intellectual property rights.

Although not explicitly inferred in all strands of this literature, this train of thought does tend to suggest that we would be witnessing a profound essential change in the very nature of the capitalistic organisation of the social life process, which in turn would be leading to a ‘structural crisis’ of this mode of production, involving both the obsolescence of the ‘law of value’ and the immediate material possibility of a direct transition to communism. This is indeed the overt conclusion drawn by proponents of the ‘Cognitive Capitalism’ approach (Corsani et al. 2001; Moulier-Boutang 2007; Vercellone 2003; 2007). The latter is the latest theoretical development of the post-workerist current that emerged in the early 2000s as an attempt to systematise the previously advanced ‘immaterial labour’ thesis (Lazzarato and Negri 1991; Marazzi 1994; Virno 1990) into a coherent and unified research programme.[1] However, similar ideas on the idiosyncratic nature of knowledge-intensive commodities have been elaborated by various Marxist economists, albeit with the opposite conclusion concerning the alleged inability of the Marxian ‘law of value’ to account for the determinations of this kind of commodities and their current hegemony in social production (Fine et al. 2010; Foley 2013; Jeon 2010; 2011; Perelman 2003; Rigi 2014; Rotta and Teixeira 2018; Teixeira and Rotta 2012).

Against the backdrop of these diverse phenomena, whose broad *descriptive* empirical validity is beyond dispute, and the different literatures that try to capture them within a Marxist framework, this chapter critically examines the determinations of the content and form of value of so-called ‘cognitive’ or ‘knowledge-intensive’ commodities. First and foremost, we shall argue against theorists of ‘Cognitive Capitalism’ that claims about the crisis of the ‘measure of value in social labour-time’ rest on a rather crude understanding of the antithetical determinations of the commodity-form as the unity of use-value and value. Furthermore, we shall submit that recent alternative attempts by Marxist economists to respond to those controversial and challenging arguments also fail to go beyond the immediate appearances of this kind of commodity. In fact, whether they acknowledge it or not, in most cases these authors end up admitting very similar conclusions to the post-workerist thesis that we are living in an age of crisis of the ‘law of value’ as the dynamic principle presiding over the contradictory movement of contemporary capitalism. Finally, this chapter shows that a more rigorous approach to the critique of political economy can make sense of such commodities through the lenses of the qualitative and quantitative determinations of the value-form that Marx presented in *Capital*.

The ‘applicability’ of the law of value to knowledge-intensive commodities according to ‘Cognitive Capitalism’ theorists and Marxist economists

As already mentioned in the introduction, a central argument put forward in the literature on cognitive commodities is that they differ significantly from ‘physical’ ones due to the peculiar cost structure entailed by their knowledge intensity: there are extremely high costs of production involved in the first unit, whilst the costs of subsequent units are minimal and come down to the reproduction of the materiality of the support on which the previously deployed knowledge will be incorporated (Ordoñez et al. 2008, 43). The paradigmatic case, which is also the most widely discussed in the literature, perhaps is that of software, by virtue of the high intensity of the R&D intellectual labour which is required for its production and the rather insignificant weight of the direct labour needed for the incorporation of that knowledge-content into a material support and the subsequent replication of marketable ‘copies’.

On these premises, ‘Cognitive Capitalism’ theorists infer that this costless reproducibility of cognitive commodities makes the ‘law of value founded on the measure of abstract labor-time immediately dedicated to production enter into crisis’ (Vercellone 2007, 29). This sounds deceptively simple and intuitive. If the primacy of exchange-value over real wealth is predicated on scarcity (marginalism) or on the ‘difficulties of production’ (classical political economy and, in ‘Cognitive Capitalism’ approach, Marx as well), then it seems reasonable to conclude that the immanent determinations of the value-form cannot regulate the production of commodities for which ‘the time of labor directly dedicated to production becomes insignificant’ (33). Presumably relying on this apparent simplicity, ‘Cognitive Capitalism’ theorists hardly make any effort to actually flesh out and substantiate their arguments (Henninger 2007, 172). One could argue that, in the manner of vulgar economists, these scholars just ‘appeal to “commonsense”’ (Marx 1976a, 974) as the only reason for their rejection of the determination of the value of cognitive commodities by the socially necessary abstract labour expended in their production. However, we shall see that matters are much more complex, and the seemingly commonsensical train of reasoning is far from calling into question the subsumption of these commodities under the law of value.

By contrast, some Marxist economists have recently attempted to account for the peculiarity of knowledge-intensive commodities based on the law of value. Some contributions have argued that the labour that produces cognitive commodities is quite simply just another type of *unproductive labour*, whose capitalistic production is sustained through the appropriation of surplus value extracted in other branches of the social division of labour (Foley 2013; Perelman 2003). However, insofar as these use-values increasingly tend to represent an ever-greater share of the ‘immense collection of commodities’ in the form of which social wealth appears in the capitalist mode of production, this kind of argument tends to validate the thesis of ‘Cognitive Capitalism’ theorists on the ‘crisis of the law of value’ rather than responding to them.

Another group of scholars pointed out that the 'valueless' nature of knowledge-intensive commodities, which excludes them from subsumption to the law of value, is predicated on the general determination of value itself. In effect, the latter is not determined by the effective conditions in which commodities have been produced but by their socially necessary conditions of *reproduction* (Rigi 2014; Rotta and Teixeira 2018; Teixeira and Rotta 2012). Consequently, once the first unit has been produced, the subsequent articles must be sold at a value which corresponds to the labour which is necessary for the former's 'replication'. Thus, this approach concludes, these actually are *sui generis* commodities, since 'even though they have value as a qualitative determinant this value is quantitatively negligible' (Teixeira and Rotta 2012, 457). On the other hand, in order to account for the *price* of cognitive commodities, it is claimed that it is necessary to have recourse to the Marxian theory of *ground-rent*: these commodities would give rise to 'knowledge rents' which would be pocketed by 'knowledge lords' (Rotta and Teixeira 2018; Teixeira and Rotta 2012).

The first thing to note about this perspective is that, similarly to the previous one just mentioned, far from responding to the objections to the applicability of the law of value to cognitive commodities, it also reasserts them. More importantly, the main weakness of this train of thought is that no real case is made for the argument that value is determined by the conditions of reproduction other than the appeal to the authority of quotations from Marx which allegedly validates that stance (Rotta and Teixeira 2018, 383–85).[2] However, as Parkhurst (2019, 82) has sharply noted in his critique of Rigi (2014), those same passages could be read in a different sense: when Marx refers to the 'conditions of reproduction' he is not denoting those which correspond to the next batch of commodities which will be produced in some *possible* future state of affairs, but to the *actuality* of the 'social conditions existing at the time' (Marx 1976b, 318) in which commodities arrive on the market. Thus, Parkhurst correctly observes,

> By identifying reproduction, as opposed to production, as the real determinant of value, Marx is asserting that the labour time it most recently took to produce a batch of commodity units determines the amount of value contained in all commodity units of that type that are currently in stock, which may have been made at a lower level of productivity (with higher input costs and/or more labor).
>
> (Parkhurst 2019, 82)

As we shall elaborate in a subsequent section, a first corollary of this is that the privately-undertaken social labour contained in the 'first unit' produced does not cease to count as part of the socially necessary labour required to produce *the whole batch* of identical commodities which are currently taken to the market. Furthermore, it must be stressed that this determination of value by 'social conditions existing at the time' derives from the very specificity of commodity-producing labour, which is predicated on its character as private, autonomous, and mutually independent from the rest of the individual organs of social labour.

By virtue of this specific social form, the recognition of private labour's socially necessary character can only take place at the phase of exchange (and only represented in the form of the attribute of exchangeability of its product, i.e. in the objectified social form of value). But at that moment only the labour-time which is *currently and effectively* necessary for the material reproduction of society can be taken into consideration; not that which corresponds to *prospective* material conditions of production which do not presently exist as an actuality and which will be privately set into motion as part of a *future* cycle of human metabolism, and whose socially necessary character is yet to be determined (in production) and validated (through exchange).

In opposition to those works which aim at offering an explanation as to why knowledge-intensive commodities do not have value, other scholars have attempted to flesh out the precise sense in which the cognitive labour which is necessary to produce these use-values does become represented as part of their value. The most sophisticated approach perhaps is that by Fine et al. (2010), building on the original contributions by Jeon (2009, cited in Fine et al. 2010) to the Korean debate on the subject (see also, Jeon 2010; 2011; 2015). According to this approach, cognitive labour creates value insofar as it 'potentiates' the value-positing powers of the direct labour which produces knowledge-intensive commodities. It is considered as a similar mechanism to that which Marx (1976b, 435) discusses in relation to 'exceptionally productive labour' and '[m]ore complex labour' (135). More specifically, Jeon (2010, 107) refers to this multiplication of the value-producing powers of labour as a 'virtual intensification of commodity-producing labor', a 'social processes by which the same amount of labour time produces more value without any changes to the intensity of labour due to, for example, the use of better knowledge within a sector or across sectors'. Thus, Jeon's argument concludes, 'labour becomes more productive in the former, and more complex in the latter' (107). In sum, this perspective considers that the greater value of knowledge-intensive commodities derives from the fact that their direct labour process becomes 'potentiated' by the prior cognitive labour on which it is premised.

Now, there are various problems with this argument. As we have seen in Chapter 4, the multiplication of the value-producing powers of complex labour does not derive from the 'accumulation' of past labour performed by *other* individuals, but from the 'formative' simple labour previously undertaken by the respective labourers themselves to develop their *more complex* labour-power. Yet this is not what is at stake in the production process of knowledge-intensive commodities, where the labour-power exerted in the final phase which produces the finished article –in the case of software, marketable copies– is relatively *simple*. In addition, we have also seen in Chapter 6 that the 'potentiation' of labour of a greater productive power does not entail the production of more value per unit of time, but the appropriation in circulation of an extra surplus value whose source lies in that extracted by other individual capitals. As Marx puts it, labour of a higher productivity is not potentiated in its value-producing powers, but 'acts as' if it were so. Be that as it may, this angle on the question is incapable of shedding light on the *general* determination of the value of cognitive commodities, since at stake in the discussion of *extra* surplus value is not the constitution of the *norm* that establishes socially necessary labour-time, but of *temporary individual deviations from it*.

Lastly, also among those who seek to defend the 'applicability' of the law of value to knowledge-intensive commodities, some authors maintain that the cognitive labour undertaken to produce the first unit is apportioned to each element of the total mass of marketable commodities of that kind (Carchedi 2014; Fuchs 2009; 2017). As we shall show below, the general thrust of this approach is essentially correct. However, the idiosyncratic 'temporalist' perspective that informs these contributions renders them incapable of responding to the case for the 'valueless' nature of cognitive commodities based on the alleged determination of value by the conditions of reproduction.[3] Moreover, also on these 'temporalist' grounds, some scholars further claim, wrongly in our view, that '[t]he production time of the necessary knowledge is best assigned to the first turnover period of capital'. They thereby conclude, equally mistakenly, that 'the sale of knowledge at prices above its economic value is the central value-theoretic mechanism in the process of accumulating capital with knowledge products' (Fuchs 2009, 398).[4]

Material specificity and value of knowledge-intensive commodities

Despite the air of self-evidence, the alleged inapplicability of the law of value to knowledge-intensive commodities rests on a fundamental error about the immanent determinations of the value-form of the product of labour. More specifically, this line of reasoning stops short at the *appearance* presented by the determination of value when the commodity is considered abstractly, as the *premise* of capitalist production (Marx 1976a, 953ff.).

In effect, when analysing the individual commodity as such, each of them is considered by Marx (1976b, 129–30) 'an average sample of its kind'. This means that at this level of abstraction, the diversity of individual circumstances can be ignored, and that the organic relation between the determination of value of each singular commodity and that of the mass of which it is part can be momentarily left aside. The individual 'part' can be considered apart from its relationship with the broader 'whole', for the time being, and therefore each commodity is analysed at this stage in isolation, as an autonomous individual product. The *relation* of the individual product with the mass of which it is part does exist but, as it were, only extrinsically, through the determination of the individual commodity as an 'average representative'. This also implies that the divergence between the labour expended in any single commodity and any other is, at this stage, immaterial. And this obviously includes the relation between the 'first' cognitive article produced and the reproduction of subsequent identical items of its kind.[5]

But matters are very different when the commodity is no longer considered as an abstract form of capital or as its premise, but as its immediate product or result. This is the subject of Marx's investigation in the *Results of the Immediate Process of Production*, where he shows that the re-examination of the commodity as the product of capitalist production brings new light to the value-determinations. In fact, it is mainly in that text that we can find Marx's most explicit and extended discussion of the central question that concerns us here in order to solve the 'riddle' of the cognitive commodities that puzzles post-workerist authors and Marxist economists alike: the inner nature of the individual commodity as a component part of a form-determined total product of the process of capitalist production (Murray 2009, 165).[6]

Marx (1976a, 953–54) states right at the outset of those manuscripts that, as the product of capital, the commodity emerges differently from the commodity taken as a single product, with which the dialectical exposition began. In this more concrete context, the commodity 'changes in form' (969), it becomes a 'depository of capital that has valorized itself' (965) and must, therefore, be considered 'as the *product of a total capital*' (971) that embodies a part of the total surplus value generated by it. As a consequence, the determination of the value of the individual commodity can no longer be considered in isolation but must be directly posited in its organic relation to the mass of commodities whose unity embodies the valorisation of the capital invested. As Murray (2009, 164) perceptively notes, Marx's (1976a, 949) shift from singular to plural in his first contrasting reference to the commodity as premise and product of capital is far from arbitrary.

In effect, as 'the transfiguration of capital that has valorised itself' (Marx 1976a, 954), the individual commodity does not simply appear as an autonomous thing that possesses value inasmuch as it is the result of a determinate quantity of privately-undertaken socially necessary labour (969). Instead, it becomes further determined as the material bearer of the value of the capital advanced (the part of constant capital transferred during the current production process, plus the variable component reproduced by living labour), together with the surplus value resulting from the exploitation of the (collective) worker. However, each commodity contains only a fraction of the total surplus value generated by the movement of capital. The latter's *full* valorisation thus necessarily entails that the commodity be present and sold 'on the *scale* and in the *quantities* necessary to realize the old capital value and the old surplus value it has created' (954). The immanent result of the process does no longer consist in 'individual goods', but a determinate 'mass of commodities' that acts as a depository of valorised capital and which must, therefore, be considered as a *single* (composite) commodity, i.e. 'as a single use-value […] whose exchange-value therefore also appears in the *total price* as the expression of the total value of this total product' (956).

In this more concrete mode of existence, the value of each single article is determined 'by expressing its use-value as an aliquot part of the aggregate product, and its price as the corresponding aliquot part of the total value generated by the capital invested' (Marx 1976a, 957). So, the individual commodity undergoes a transformation from an *average sample of its kind* into an *aliquot part* of the *total product of capital*. It becomes not just materially but *formally* determined as a singular element of the total mass of commodities produced by each individual capital. The relation between the 'the parts and the whole' suffers an inversion *vis-à-vis* the abstract appearance with which the exposition started. The value of the aggregate product no longer represents the simple addition of its constituent elements. Instead, the total value is determined 'first' and then shared out equally by each individual commodity, which now contains a proportional fraction of the former. At stake here is no longer an extrinsically connected aggregate of 'autonomous' individual commodities, but a mass of use-values which is given formal unity and consistency as a single total product that embodies the value of capital plus, above all, the surplus value to be realised (Marx 1989, 301).

In sum, we can now appreciate that the real determination of value actually transcends the isolated single commodity as such. The implications of this for the analysis of cognitive commodities follow quite straightforwardly. Seen in this light, the disproportion between the enormous 'cost of production' of the first original product and the costless reproduction of subsequent 'copies' loses the fantastic aura that captivates theorists of 'Cognitive Capitalism' and Marxist economists. There is no need to declare the obsolescence of the 'law of value' as the former would have it, nor to adapt it to a novel reality of costless reproducibility as the latter think. In other words, inasmuch as each single commodity embodies an equal fraction of the value of the product of capital as a whole, the comparison between the (exceptionally high) cost of production of the first article and (exceptionally low) cost of reproduction of the rest is rendered meaningless as far as their value-determinations are concerned. The alleged contradiction between this aspect of the specific material 'ontology' of cognitive commodities and the value-form is thus revealed to be a false one. This peculiar aspect of the materiality of cognitive commodities leaves the qualitative and quantitative determinations of the value-form intact.

Cognitive means of production and the formation of value

So far, we followed Marx's method of presentation of the simpler determinations of the value-form by treating the total socially necessary labour for the production of a certain commodity as an undifferentiated quantity that evidently included, but did not explicitly distinguish between, past and present labour. Although we did refer in passing to constant capital when discussing the commodity as a product of capital, we also tacitly followed Marx's presentation in that section of the *Results* in assuming that its value 'was entirely contained in and had entered into the product of the total capital under consideration' (Marx 1976a, 958). We must now drop that assumption and address the case of means of production whose value is transferred piece by piece to the finished product. This will allow us to expand our initial examination of the impact of the 'replicable material ontology' of cognitive commodities in the determination of the magnitude of value by socially necessary labour-time. Specifically, it will bring out additional elements that will show that the commodity must necessarily be thought of as part of a total product, and that therefore the contrast between the value of the first article and that of subsequent identical products is ill-conceived. We shall focus again on the case of software which, by virtue of the high intensity of the digital content of its use-value and the insignificant burden of the material support, is most expressive of the material constitution of cognitive commodities.

Let us first examine the simpler case of specialist programming software used for the development of a new application. Here there seems to be no essential difference with, say, a machine. From the point of view of the production of the new application, the specialised software is the material product of previous labour, which will be productively consumed in the current labour process, by appropriating its use-value to produce a new use-value. Assuming that the specialist software was bought from another private producer as a commodity, it will be a bearer of value. However, its contribution to the production of a different use-value means that the social usefulness of the labour materialised in it needs to be re-validated in the new material shape. Its value will be therefore transferred in the same magnitude to the finished product as the result of the activity of living labour in its concrete character. The functional role of programming software in the labour process becomes form-determined by positing that product of past cognitive labour as *constant capital*. And also as happens with a machine, the useful properties of specialised software as a means of production are realised over the course of more than one period of production, which means that its value will be transferred to the product fractionally, at a rate determined by the average useful life during which it acts as an objective factor of the labour process. It seems, then, that the 'weightlessness' of this peculiar cognitive means of production brings no essential modification to the process of value-formation.

There is, however, a rather significant difference. Unlike the case of a machine, software can be said to approximate a condition of material non-perishability (Zukerfeld 2006). The material support of this cognitive means of production might wear and tear as a result of the appropriation of its material properties, but not the 'knowledge-content', which can be preserved indefinitely as long as it is given an alternative physical carrier with minimal cost. This is one of the phenomena characterising knowledge-intensive commodities which some scholars throw into relief to make their case for the peculiarity of their production as material bearer of the value-creation process (Jeon 2011, 195). But what these authors tend to overlook is that besides material deterioration, means of production also experience *moral depreciation* (Marx 1976b, 528). In this sense, it could be argued that one of the most remarkable characteristics of software as a means of production is that the rate at which it will transfer its value to the final product *will almost exclusively be determined by its moral depreciation* (more on this below). Still, beyond this particularity, the functioning of this kind of cognitive product as means of production resembles that of machines.

With these form-determinations of software as a means of production in mind, let us now reconsider the problem of the apparent stark contrast between the value of the 'first unit' of a cognitive commodity and the 'valueless' nature of subsequent copies. For, strictly speaking, the 'first unit' of software actually is the 'prototype', the original digital file that contains the new application that has been developed and which will be used to make subsequent marketable copies.[7] The former is the use-value that is the immediate result of the mostly cognitive socially necessary labour of conception, design, etc. (briefly put, R&D). As Mandel (1976, 255) already noted in the early 1970s, the labour of R&D workers is an unambiguous part of the productive labour of the collective labourer, both of use-values and of value. But its direct result is not the finished product that eventually takes the commodity-form and is brought to the market. The production of the subsequent marketable copies –whether on a ‘physical’ carrier or by the ‘virtual’ transmission of a copy of the file through the internet–, entails the production of a use-value which is materially different from the original file, and it is in this very final objectified shape that the overall labour required from its production must still manifest whether it was expended in a socially-useful form or not. From the perspective of the production of the finished product, the ‘prototype’ represents past objectified labour. It must, therefore, not be treated as part of the actual *result* of the process of production of software. From the perspective of the final phase of the collective labour process that produces software as a commodity, the socially necessary labour of R&D that results in the prototype produces a *means of production* and, more concretely, an *instrument of labour* –whilst the raw material comprises the electric pulses which will be given the material form needed for their ‘virtual’ transmission and reception through the internet. Like the case of the making of earthenware melting pots by glass manufacturers reported by Marx (1976b, 465) in *Capital*, the production of the ‘means of production is here united with that of the product’. It is the product of the separate labour process of a special organ of the collective labourer as a whole, whose *common final product*, made up of the subsequent mass of marketable copies, becomes a commodity (475).

These further determinations of the process of value-formation for cognitive commodities such as software allow us to concretise the quantitative determination of the volume of the mass of commodities that must be considered as the materialisation of the socially necessary labour for its production. Once we make the distinction between past and present labour explicit, this mass of commodities acquires an immanent *diachronic* dimension: the software ‘prototype’ maintains its role in the formation of value as long as it remains socially-useful, i.e. indirectly satisfies a social need by acting as a means of production of additional copies. Given its specific ‘non-perishable’ character, the social usefulness of the software prototype has the peculiarity of being subject to virtually no material limit springing from its physical deterioration. Unlike the case of ‘hardware’, the relevant volume of commodities is almost purely determined by the ‘moral’ useful life of the software prototype. The latter is given by the existence of a social need for the finished marketable product (the ‘copies’), which in turn usually depends on whether those products have been displaced by similar ones (Marx 1976b, 201).

Against the backdrop of these determinations, it makes no sense to consider, as much of the literature that we reviewed does (Foley 2013; Perelman 2003; Teixeira and Rotta 2012), that the cognitive labour objectified in the ‘prototype’ is unproductive. R&D labour necessary for software is, above all, productive of use-values insofar as it produces a means of production. More importantly, since it is undertaken in a private and independent manner, it is value-producing. Lastly, to the extent that is performed under the command of an individual capital, it is productive of surplus value.

The confusion over the functional determination of the first unit in the process of production is particularly manifest in the case of Rotta and Texeira (2018, 386), who stress that it is 'crucial to distinguish between the knowledge-commodity itself and other tangible and non-tangible commodities that it might be attached to'. On these premises, they conclude that a knowledge-intensive commodity entails 'in fact a combination of more than one commodity': the 'knowledge-commodity' and 'technical artifact in which information is stored' (387). Now, not only is the knowledge objectified in the first unit not a commodity but, above all, it neither is a means of production. Knowledge or cognition is an inner moment of human productive action, an attribute of labour-power which is expended as labour whenever it is set into motion. In this sense, it can only exist outside the corporeality of the labourer in the form of objectified knowledge, i.e. in a use-value. Thus, we have already seen that the first unit or prototype is not a commodity but a means of production in a labour process which will have as its product a whole batch of commodities whose value will be determined by both the direct living labour involved in the 'replication' of the prototype and all the past labour which was necessary to produce the latter, including that expended in the R&D process. On the other hand, even if R&D labour were independently performed in a formally autonomous private fragment of the social division of labour, knowledge itself would not be the marketed commodity: it could only become so once objectified in a separate product, which would eventually be bought as means of production by another individual capital.

At this juncture, it transpires that the argument about 'costless reproducibility' is premised on the inability to establish with clarity and precision the starting point and endpoint of the labour process of knowledge-intensive commodities. More specifically, this train of thought abstractly tears asunder the material unity between past objectified social labour and current living labour. Rotta and Texeira (2018) have sought to elaborate on this argument based on textual evidence from Marx in which he allegedly would be postulating that value is determined by the conditions of reproduction of commodities, idiosyncratically interpreted as signifying the amount of labour-time which is necessary to produce anew each subsequent unit of a commodity. In this manner, they infer that the first unit of a determinate kind of commodity, which according to them exclusively condenses the whole amount of R&D labour expended, suffers an instantaneous process of total moral depreciation in the face of the virtually costless replication of new batches of the same commodity (Rotta and Teixeira 2018, 384–86; 391–92; see also Rigi 2014, 911–12).

Yet, we have already pointed out that the passages from Marx which these scholars bring up as textual evidence can more sensibly be read as entailing that the conditions of reproduction are those which in *Capital* Volume I Marx refers to as the 'social conditions existing at the time' (Marx 1976b, 318), i.e. those which are necessary to produce a certain type of commodity at the very moment in which they arrive at the market, which certainly might differ *both* from the *past* conditions which were effectively required by 'all the old commodities of the same type' (318) that are still in stock and *also* from those future conditions which might be socially necessary in the *future*. As a matter of fact, against the backdrop of our prior discussion of the functional connection between past objectified social labour and the current expenditure of living labour, it is remarkable that these authors choose not to thematise this piece of textual evidence, which is located precisely in the systematic context in which Marx explicitly considers the manner in which the socially necessary labour-time objectified in means of production reappears as part of the value of the final product.[8] Thus, if the first unit is considered as a means of production, it follows rather straightforwardly that all the socially necessary labour-time expended in its production (and that clearly includes R&D labour) forms part of that which is necessary to produce that particular kind of knowledge-intensive commodity. There is nothing peculiar about this; it is what happens with any means of production utilised in that labour process. On the other hand, the idea that the first unit experiences instantaneous moral depreciation does not only fail to comprehend the meaning of the determination of value by 'the social conditions existing at the time' but also fails correctly to grasp the actual process involved in the phenomenon of moral depreciation itself. The latter only occurs whenever the *same* means of production are re-utilised in a subsequent labour process for a certain type of commodity, but in *changed* social circumstances, e.g. *other* means of production 'of the same sort are produced more cheaply' or better *substitutes* 'are entering in competition with it' (528). By contrast, in Rotta and Teixeira's idiosyncratic understanding, moral depreciation obtains by an alleged economy in a subsequent utilisation of *living* labour by the same individual capital. In sum, although it is correct that to the extent that cognitive means of production are bought as constant capital, they suffer almost exclusively from moral depreciation only, the reason for this is that they do not experience practically any material wear and tear, and not because the same individual capital can materially economise on their use once the first unit of the final product is produced.

Finally, this reconsideration of the relationship between all past objectified labour and current living labour which are socially necessary to produce cognitive commodities shows that, *pace* Fine, Jeon and Gimm (2010; Jeon 2010; 2011), there is no process of potentiation or virtualisation between them. As we have seen, from the standpoint of the valorisation process, the R&D labour objectified in the prototype does not differ from that applied to the making of earthenware melting pots in glass production, which Marx mentions as an example of the manufacturing manual division of labour: it is part of the total socially necessary labour under the command of an individual capital, whose sole distinguishing feature is that it becomes objectified in what is functionally determined as a means of production of the labour process whose final product is a whole batch of cognitive commodities.

The economic content and juridical form of cognitive commodities

Does the previous discussion imply that the phenomenon of 'costless reproducibility' of cognitive commodities is entirely irrelevant for the understanding of contemporary capitalism? Actually not. Although this characteristic does not transform the normal 'laws' that regulate the *production* of *value* of commodities, this material specificity does impinge on the conditions of *appropriation* of their *use-value* and, therefore, on the *realisation* of their *value*. The contemporary prominence of discussions around *intellectual property rights* essentially derives from this peculiarity of cognitive commodities.

In effect, what *is* distinctive about cognitive commodities, derived from their so-called costless reproducibility, is that their use-value can be appropriated as a *means of production* of further identical use-values (e.g. subsequent copies of the original software) without virtually any cost. Unlike 'physical' commodities, almost no new living labour or additional costly means of production are involved in, say, copying a digital file containing software. As we have seen, this does not alter the determinations of the *production* of value. But it most certainly does affect its *full realisation* and therefore gives a specific character to the juridical form that necessarily *mediates* it. The latter must not simply codify the possession of commodities as legal ownership, but also needs to regulate the conditions of appropriation of their use-value by, for instance, prohibiting home-copying or sharing of proprietary software, and more generally, its reproduction, modification improvement and redistribution, especially for commercial purposes (this is usually accompanied by *technical* barriers to the appropriation of its material properties through non-accessible source codes). This is necessary to prevent the appearance of competitors that can produce identical commodities without the need to incur all the costs involved in software development (Husson 2004). In brief, in preventing potential situations like this, intellectual property rights do not force the exchange-value of software above its insignificantly small (or inexistent) value, as claimed by theorists of 'Cognitive Capitalism' (cf. Rullani 2000), and also by Marxist economists who resort to the theory of ground-rent to explain the exchange-value of knowledge-intensive commodities (Perelman 2003; Rigi 2014; Rotta and Teixeira 2018; Teixeira and Rotta 2012; Zeller 2008). On the contrary, intellectual property rights are the necessary mediating juridical form for the full realisation of their value. This simplest juridical form assumed by the realisation of the value of cognitive commodities is already present in their more abstract mode of existence as premises of capital. But it is obviously further developed in their actual determination as products of capital, in which case intellectual property rights essentially become juridical forms taken by the realisation of surplus value.

The crucial point to highlight is that the juridical form does not 'artificially *impose'* the (materialised) economic relation (the value-form). Instead, intellectual property rights, however necessary, only *mediate* the realisation of the economic content, whose foundation still rests on the specific *social form* taken by the organisation of the human metabolic process in capitalism, i.e. the private and independent form of the production process of use-values. The 'peculiar ontology' of cognitive use-values does not compromise these simpler determinations of property rights that Marx (1976b, 178–79) unfolds at the beginning of his presentation of the exchange process in chapter 2 of *Capital*. In this sense, there is no essential difference between cognitive commodities and 'physical' ones beyond the technicality of extending the legal regulation beyond the act of exchange proper and into the conditions of use. The juridical form of the contract must consequently assume a more complex form. But there is nothing conceptually out of the ordinary in it which would be signalling that we are witnessing capital's desperate attempts to subsume a production of use-values whose immanent logic 'ontologically' escapes the latter's form-determinations, or a novel form of rent appropriated by the new figure of the 'knowledge lord'.

Having declared that cognitive commodities have no immanent 'economic value' as a consequence of their costless reproducibility, a great deal of the literature under discussion also adds that, resembling so-called public goods, they are 'non-rival' and 'non-excludable' (Moulier-Boutang 2007, 163; Perelman 2003, 305; Teixeira and Rotta 2012, 462; Rotta and Teixeira 2018, 389).[9] In the specific case of the theorists of 'Cognitive Capitalism', they thereby conceive of this determination as undermining the two foundations on which exchange-value (economic content) and private property (juridical form) respectively rested: scarcity and rivalry/excludability (Moulier-Boutang 2001, 24–25; Vercellone 2007, 34). Thus, from this viewpoint, these goods can only be turned into commodities and be subject to private appropriation 'artificially', through the social creation of scarcity by means of 'anachronistic' property relations. Inasmuch as the immanent value-determinations no longer operate in the case of cognitive goods, the juridical form must secure the parasitic imposition of a 'fictitious' economic content (exchange-value), reduced to nothing but an 'empty husk' (Vercellone 2008).

The main problem with this line of reasoning is that despite its anti-capitalist sentiment and rhetoric, it remains firmly trapped within the bourgeois horizon of mainstream economics. For even when it aims to provide weapons for the struggle against the commodity-form, it too uncritically borrows the conceptual foundations of its practical critique from the neo-classical theory of the market and property rights and simply gives them a 'radical twist'. Indeed, the validity of neo-classical arguments for the 'necessity' of the value-form (scarcity) and for the legal regulation of the private appropriation of use-values (rivalry, excludability) is implicitly accepted for ordinary commodities and the era of 'industrial capitalism'. The problem seems to reside not so much in those marginalist arguments themselves, but in their scope of applicability when an increasingly greater part of social wealth consists of knowledge-intensive commodities, as happens in the age of 'Cognitive Capitalism' (Moulier-Boutang 2001, 24ff.). Whereas ordinary private property is tacitly accepted as an *absolute* necessity for the stage of humanity's history of 'struggle against scarcity' in which 'material' commodities were hegemonic (Vercellone 2008), intellectual private property has become a historical aberration that blocks the further development of the productive forces.

But the point is that the specific material properties of commodities did not ever constitute the foundation of the value-form and private property, not even during what 'Cognitive Capitalism' theorists (wrongly) see as the now defunct age of industrial capitalism. The products of labour were never commodified because they were 'naturally' scarce; their exchange-value was never simply determined by the 'difficulty of production' (i.e. the human overcoming of natural scarcity); and their private appropriation was never founded on their 'rivalry and excludability'. This fetishistic form and its juridical expression do not derive from the material characteristics of the product but from the specific *social form* in which its production process is organised (Nuss 2005). The products of labour take on the value-form because they have been produced in the form of private and independent labour. The critique of the commodity-form of cognitive goods based on the moral denunciation of 'artificial scarcity' leaves the attribution of the form of general exchangeability of 'physical' commodities to 'natural' scarcity untouched. In the end, it uncritically falls prey to the fetishism of the commodity-form of the product of social labour.

For their part, Marxist economists attempt to salvage Marx's 'law of value' in the face of the peculiar 'ontology' of knowledge-intensive commodities through an extrapolation of the theory of ground-rent. They thus argue that when a 'naturally' non-scarce use-value is transformed into a commodity by virtue of the artificial scarcity imposed by intellectual property rights, 'monopoly rents' arise. Moreover, they also maintain that when the use of commodified information leads to the multiplication of the productivity of labour, 'differential rents' emerge (Rigi 2014; Rotta and Teixeira 2018; Teixeira and Rotta 2012). As happens according to Marx's own explanation of ground-rent, some scholars further acknowledge that intellectual private property allows the capture of surplus value extracted in other branches of social production (Foley 2013). In a nutshell, these scholars try to capture these related phenomena with reference to the category of 'information rents' and 'tribute rents' (Rigi 2014), or 'knowledge rents' and 'knowledge lords' (Rotta and Teixeira 2018). Yet, as these scholars themselves recognise, there is an essential difference with respect to ground-rent: whilst at stake in the latter are natural conditions which are non-reproducible by capital, access to the 'knowledge-base' which underpins 'cognitive commodities' is artificially made scarce through the state-mediated monopoly power of capitals which produce those commodities. This is the reason why Rigi eventually admits that his argument is heir to the classic theory of 'Monopoly Capital' pioneered by Hilferding and Lenin (Rigi 2014, 916).[10]

Regardless of other problematic aspects of this latter explanation, the main issue with it is that rather than salvaging Marx's 'law of value' for the era of 'Cognitive Capitalism', it ends up undermining it as well. Although these scholars do not necessarily agree with the theorists of 'Cognitive Capitalism' on the 'value-less' content of knowledge-intensive commodities, they nonetheless ground their exchange-value in the 'power' of capitalists to impose their will on the market. Thus conceived, as Hilferding (1981, 228) claimed in the original version of the theory of 'Monopoly Capital', 'price ceases to be an objectively determined magnitude and becomes […] subjective rather than objective, something arbitrary and accidental rather than a necessity which is independent of the will and consciousness of the parties concerned'. Consequently, instead of grasping capitalism as an alienated form of the social life process through an objectified form of social mediation turned into an automatic subject, this perspective depicts it as organised under the rule of the consciousness and will of certain individuals. Put differently, this modern version of the old 'Monopoly Capital' theory also forgets that the subject of the accumulation process is the total social capital and not particular individual capitals (Iñigo Carrera 2013, 163ff.). If intellectual property rights were allowing the systematic appropriation of monopoly rents in strategic sectors by permanently sustaining market prices above prices of production, the production of relative surplus value itself would be hindered. The total social capital would sooner or later intervene directly (i.e. through the state) to discipline those rebellious individual capitals and remind them that their apparently autonomous actions are nothing but the immediate personifications of the former's necessity to reduce the value of labour-power in order to extend the part of the working day that corresponds to surplus labour.

Finally, the above discussion of R&D labour allows us to enrich the economic content of intellectual property rights. The increasingly systematic and intensive link between knowledge and social production does not have its immediate purpose in the development of human powers as an end in itself, but in the production of a surplus profit from innovation for the individual capitalist (Mandel 1976, 253). In turn, the latter is the necessary concrete form in which relative surplus value is produced by capital as a whole. In protecting the valorisation of R&D capital from risks of appropriation of its products as means of production by competitors, intellectual property rights, therefore, mediate not only the full realisation of value and surplus value but, more concretely, the appropriation of an extra surplus value by successful innovators. They, therefore, reproduce the conditions needed for the production of relative surplus value by the total social capital through the actions of its formally autonomous individual fragments. But they can only do so for being only *temporary* surplus profits that realise the *equalisation* of the rate of profit of *normal* capitals at that general level in the form of its opposite, namely, through their constant inequality. In other words, besides exceptional particular circumstances, intellectual property rights are a mediating juridical form in the formation of the general rate of profit and not, as much of the literature usually assumes, a barrier that 'artificially' creates the conditions of extraction of *monopoly* rents, whether because by definition the price of these commodities would otherwise tend to zero or, in more nuanced approaches, because 'similar to a land estate, a patent-based property monopoly inhibits any additional capital from flowing into the sector enclosed by the property title. For this reason, the surplus value produced within this "protected" area cannot flow into general equalization' (Zeller 2008, 99).

But precisely the very fact that captures the attention of these scholars, namely the generalisation of intellectual property rights and the expansion of their scope of application, seems to suggest that they are becoming the *normal* condition for the valorisation of capital as the 'cognitive' content of commodities increases. Unlike land, which is a natural condition *not reproducible* through human labour, objectified knowledge is the product of intellectual labour. Nothing would prevent other capitals from generating in time their own 'patentable knowledge' which, even if different from the very singularity of the knowledge of the first-mover, would still be capable of being mobilised to produce substitute use-values in equivalently productive conditions that would sooner or later erode the surplus profits of the original innovator. This, in turn, suggests that intellectual property rights are the juridical form taken by the tendential *equalisation* of the rate of profit of *normal* capitals, that is, of those that reach the *specific magnitude* '[that] is required in each line of business to produce commodities at their price of production' (Marx 1991, 843) and which nowadays must include heavy investment in R&D.[11]

Conclusion

In this chapter, we have sought to offer an alternative response to the challenges posed by 'Cognitive Capitalism' theorists and Marxist economists to the nexus between the Marxian law of value and the phenomenon of cognitive or knowledge-intensive commodities. The former quite simply declares the obsolescence of the law of value in the face of the alleged costless reproducibility of this kind of commodity. By contrast, Marxist economists are at pains to make a case for the continued contemporary validity of the law of value, by specifying the peculiar mode in which it would regulate the production and exchange of these commodities. Yet, most of these contributions end up accepting that knowledge-intensive commodities do not possess any (magnitude of) immanent value. Their price is thus said to be established through the imposition of artificial scarcity sustained in the monopoly power of those capitals that produce them. On the other hand, in the cases of contributions that still conclude that cognitive commodities have value, they do so on deficient or insufficient grounds.

In a nutshell, our main alternative argument was that knowledge-intensive commodities are no different from 'ordinary' ones with respect to their mode of subsumption to the law of value. In other words, the form-determinations of the commodity that Marx unfolded in *Capital* fully operate in the case of these products of labour despite their undeniable material peculiar features. More specifically, the following are the salient points that we attempted to make. First, we showed that the value of each singular commodity is given by its condition as an individual element or aliquot part of the total mass of the same type of commodity that results of the process of self-valorisation of the respective individual capital. Consequently, the clearcut distinction between the first and the successive units of the same article which is key in the Marxist controversies on cognitive commodities is actually not of the essence for the comprehension of this phenomenon. Second, we demonstrated that the functional material determination of first unit produced, which is the immediate material objectification of the R&D which is necessary to produce knowledge-intensive commodities, is to be a means of production for the subsequent labour process which replicates this 'prototype'. If the latter is produced in a formally separate private and independent fragment of the total social labour (i.e. under the command of a different individual capital), it will be form-determined as constant capital for those downstream individual capitals that buy it as a commodity and utilise it in their respective valorisation process. If the production of the first unit is undertaken under the command of the same individual capital which produces the marketable 'copies', R&D labour will nonetheless still be part of the total socially necessary labour to produce the whole mass of the latter and will be proportionally represented as value across each individual element.

Thus, the alleged 'costless reproducibility' of cognitive commodities turns out to rest on the forced abstraction of past, objectified labour from the total socially necessary labour to produce them. Finally, we argued that intellectual property rights which regulate the appropriation of the use-value of cognitive commodities are not the way in which monopoly capital imposes artificial scarcity but juridical forms which mediate the full realisation of their immanent value.

Notes

1 The 'immaterial labour' thesis is also a central element of *Empire* (Hardt and Negri 2000) and *Multitude* (Hardt and Negri 2004), two highly-influential books by leading post-workerist authors.

2 Among these pieces of evidence, Rotta and Teixeira (2018, 386) cite the following text from Marx's economic manuscripts from 1861 to 1863: 'The product of mental labor – science– always stands far below its value, because the labour time needed to reproduce it has no relation at all to the labour time required for its original production' (Marx 1994, 87). Leaving aside the unsystematic, in-passing character of this passage from an unpublished draft of the Marxian critique of political economy, it is noteworthy that Marx does not claim in those lines that the product of scientific labour is 'valueless' but, to the contrary, that it is sold 'below its value'. As we shall see later, one of the peculiarities of knowledge-intensive commodities is that in order for its price to correspond to its value, specific juridical forms must mediate their conditions of production and circulation. And these conditions were extremely underdeveloped in Marx's time.

3 The so-called 'Temporalist Single System Interpretation' of Marx's value theory is a current among Marxist economists which have emerged in debates around the transformation of values into prices of production (see Kliman and McGlone 1999). A key idea in this approach has been that the transfer of the value of constant capital to the final product must not be considered in terms of the 'pre-production *reproduction cost*' but on the basis of '*historical cost*' (Kliman, 2007, 96). As we shall see later, this perspective is incorrect.

4 We shall elaborate on these issues later.

5 Nevertheless, there are elements in Marx's exposition of the 'isolated' commodity that anticipate, without unfolding, the more organic determination of its individual value as part of a mass that we discuss below. This is implicit when he analyses changes in the productivity of labour and its impact on the individual value of each commodity. There it becomes clear that value is already at this stage the reified objectification of the total labour expended for the production of a mass of commodities in a whole period of work (later specified as a normal working day), and that each commodity represents an aliquot part of the total quantity of value produced. The contradictory movement between the quantity of wealth (use-value) and that of value rests, precisely, on this point (Marx 1976b, 136–37). This simple quantitative determination of value disproves the idea that the value of the 'first' commodity produced represents all past and current socially necessary labour required for its production, whilst the value of subsequent articles comes down to the quantity of new living labour that is necessary for the production of the material support and the mere reproduction or copy of the knowledge-content from the 'original' cognitive commodity. Still, Marx does not draw the implications of this for the appearance of the commodity as an 'autonomous' materialisation of a specific quantity of socially necessary labour-time. His dialectical presentation of the commodity, therefore, continues *as if* the determination of value pertained to each individual article in isolation, albeit taken as an average sample of its kind.

6 In addition to the in-passing comments mentioned in the previous footnote, the other place in *Capital* where Marx explicitly presents this aspect of the determination of the value-form is the chapter on the Concept of Relative Surplus Value (Marx 1976b, 433–34). In fact, in Volume III of *Capital*, he makes a self-reference to those pages of Volume I precisely in order to contrast this inner determination of value with the inverted form in which it appears in circulation (and hence in the fetishised consciousness of the individual capitalist), namely: that price is fixed for the individual commodity and that the price of the total product is determined by multiplication (Marx 1991, 338). But, unlike in the *Results*, that question is discussed rather succinctly and does not constitute the focal point of the presentation.

7 Strictly speaking, the stable and marketable version of software is usually referred to in the specialised literature as the 'Gold version', the prototype proper being an earlier version which might still contain errors or technical problems (Blondeau 2004, 44).

8 Incidentally, those are far from 'obscure' passages but have been widely discussed among Marxist economists in the literature surrounding the temporal dimension of the determination of value (cf. Kliman 2007, 97–99; Moseley 2000).

9 Their non-rivalry implies that the use-value of cognitive commodities can be shared without loss of the available quantity of that use-value. In other words, one person's consumption does not diminish the amount available to other people (Varian 2001). Strictly speaking, this is not really a feature of these commodities. The alleged non-rivalry is based on the assumption that the real use-value is the knowledge-content, which is seen as an ethereal entity floating in mid-air, with the material support as a 'mere' physical guise (Zukerfeld 2009). But the use-value of a commodity is given by all the material properties in their indissoluble unity, including both the knowledge-content and the 'physical bearer'. Thus, the use-value of software thus comprises the unity of the digital content and the material support, which means that the consumption of each copy *is* rivalrous.

10 Rotta and Texeira are also aware of the similarity of this train of reasoning to the arguments of 'Monopoly Capital' theory. Yet, they do not seem ready to accept this intellectual lineage for their own argument. Thus, they attempt to part company with 'Monopoly Capital' theory by stating that it is 'a new theoretical problem' opened by 'the growing importance of knowledge-commodities' and 'the growing importance of state laws to guarantee the reproduction of commodities highly dependent on the systematic application of knowledge' (Teixeira and Rotta 2012, 464). However, it should be noted that the fact that the object to which it is applied might have changed, does not necessarily prevent the theoretical explanation from remaining the same.

11 See Chapter 8 for a more detailed development of the determination of normal capitals and the regulation of their formally autonomous action through the formation of the average rate of profit.

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8 A critical look at Global Value Chains Competition and globalisation in contemporary capitalism

The case of the automotive industry

Introduction

The Global Value Chains (GVCs) approach can be regarded as a general theory of international development, which aims to provide an understanding of the world market which does justice both to its underlying 'structural' unity and the varied patterns of national differentiation. This approach sees the configuration of global production networks of individual firms as fundamental drivers of the novelty of phenomena generally associated with the 'globalisation' of the capitalist economy, defined in terms of the emergence of a pattern of global dispersion with functional integration of economic activities (Dicken 2003, 12). The concept of 'value chain' brought to the fore an often-overlooked aspect of capitalist relations, i.e. the differentiation of individual capitals in terms of valorisation capacity and of power asymmetries. Moreover, it allowed the GVC approach to highlight the relevance of the changing dynamics of these relations between capitalist firms as a crucial aspect of the process of 'globalisation' of the capitalist economy. For instance, one of the main contributions of the studies informed by the GVC approach was to offer rich empirical descriptions of the interrelated processes of outsourcing and relocation of manufacturing, which in turn involved important transformations of the 'supply relations' of most lead capitalist firms.

However, as we argued elsewhere (Starosta 2010a), the GVC approach ultimately fails to root these novel phenomena in the general laws of motion of capital as a whole. Consequently, it cannot actually provide a firm explanation of the constitution and dynamics of its own object of inquiry. In this context, our aim in this chapter is to propose an alternative account of the social determinations underlying the genesis, structure and evolving configuration of these 'value chains' on the basis of the Marxian critique of political economy. We shall start in the first section of the chapter with a discussion of the determinations of the 'chain form' taken by the current forms of capitalist competition, setting aside its global dimension for later scrutiny. In this section, we offer an actual explanation (in contrast to the overly descriptive GVC approach) of the differentiation of individual capitals based on Marx's discussion of the formation of the general rate of profit.

Whilst keeping our focus on the organisational dimension of GVCs, in the second section we turn to a more concrete discussion of recent transformations

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in their composition and governance structure resulting from two interrelated processes. The first is the tendency for, on the one side, a growing specialisation of lead firms[1] in innovation and product development and, on the other, an increasing outsourcing of manufacturing activities to suppliers. The second is the transition away from more hierarchical governance forms comprising a network of small suppliers under the tightly structured command of chain drivers, with the rise of highly concentrated 'global contractors' or 'mega suppliers', which has led to a partial shift of the power asymmetry between brand-name firms and their suppliers. Subsequently, in the third section, we finally deal with the spatial dimension of GVCs' recent transformations. More concretely, in this part of the chapter, we examine how the rise of global contractors and mega suppliers has given new impetus to the development of the international division of labour revolving around the fragmentation of the different qualities and disciplines of labour-power, through the well-known process of relocation of manufacturing to 'low cost' regions and countries. In both 'organisational' and 'spatial' aspects of GVCs dynamics, we argue that the Marxian critique of political economy can provide solid foundations for the comprehension of the aforementioned transformations.

Lastly, the fourth section offers an illustration of our perspective through the examination of the recent transformations of the global automotive industry. This will serve to show the concrete implications of the main points developed in the first three sections. Moreover, this brief sectoral study will provide a complementary case to our previous analysis of the electronics GVCs (Starosta 2010b), allowing us to evaluate the concrete forms in which the more general determinations are actually unfolded in different branches of social production.

The qualitative differentiation of individual capitals as the content of the 'chain' form of capitalist competition

In order to understand the foundation of the 'chain' or 'network'-form characterising the organisation of GVCs from a Marxian perspective, it is first necessary to establish the precise level of abstraction at which the phenomenon should be located. As Henry Bernstein and Liam Campling (2006, 439) note, the main focus of value chain analysis lies in the realm of the relation between individual capitals that, although belonging to what is commonly referred to as the same 'industry', actually comprises different individual branches of the (market-mediated) social division of labour, each of them producing a qualitatively different use-value. At the most general level, the relations that structure GVCs are thereby those of cross-branch competition. In other words, GVCs are predicated on the essentially indirect general social relation that regulates the establishment of the material unity of the social division of labour in capitalism. And yet, what makes up the peculiar character of GVCs as a form of capitalist competition is that they seem to give those indirect social relations the form of their opposite, namely, relatively enduring direct social relations of 'explicit co-ordination' that mediate the complex material interdependency between particular branches of social production through the configuration of 'chains' or 'networks' of capitalist firms. They do this by establishing 'how financial, material, and human resources are allocated and flow within a chain' (Gereffi 1994, 97). A further peculiarity of GVCs is that those forms of 'explicit co-ordination' involve power asymmetries of different degrees between the varied agents involved in them, which, in turn, redound in different profitability for each of the participants (Gereffi 2001, 1620).

Our claim is that the GVC approach is ill-equipped to explain this phenomenon. In effect, as argued at length elsewhere (Starosta 2010a), GVC analysis simply assumes the power differential among capitals and then 'explains' the emergence and dynamics of commodity chains on that basis, as the strategic choice made by lead firms through which they arbitrarily impose the conditions for the overall circulation (hence valorisation) of all other capitals along the chain. But although this might be descriptively accurate, it simply presupposes that all other capitals do not have the power to contest that organisational leadership and will therefore have no choice but submissively to accept to valorise at a lower rate of profit. This inability to provide a sound explanation of its very object of inquiry has accompanied the GVC approach from its world-systems origins, broadly based as it was in 'Monopoly Capital' theory.[2]

We think that the Marxian critique of political economy can provide firmer foundations for the comprehension of the nature and dynamics of GVCs. More concretely, the fundamental question lies in the connection between the essentially indirect nature of the general social relation that regulates capitalist production, and the varied direct social relations through which the establishment of the unity of the former is eventually mediated at particular nodes of the social division of labour. In other words, what needs to be uncovered is the inner connection between the self-expansion of capital on an ever-increasing scale through the unfolding of the 'law of value' (the content) and the relatively enduring direct social relations between particular individual capitals within a chain, whether relations of command or, in some cases, co-operation (the form). This connection, we argue below, is precisely what the Marxian 'law of value' can help elucidate. Let us expand and reframe this problem by first looking more closely at the general nature of capital.

One of the most potent scientific discoveries of Marx's critique of political economy was that capital is neither simply a thing (for example, the instruments of production), nor a productive unit or legal entity (i.e. a firm), nor a social grouping sharing common characteristics and interests (i.e. 'business' or 'the bourgeoisie'). In its general determination as self-valorising value, capital actually is a materialised social relation between commodity owners differentiated into social classes which, in its fully-developed form as total social capital, becomes inverted into the very (alienated) subject of the process of social reproduction and its expansion in its unity (Marx 1976, 763). Thus, capital is essentially the movement of self-expansion of the objectified general social relation between private and independent human beings which, in its own process, produces and reproduces the latter as members of antagonistic social classes (Marx 1976, 723–24; 1992, 185). Subsumed under the capital-form, the alienated content of social life becomes the production of surplus value or the formally boundless quantitative progression of the general reified form of social mediation (Marx 1976, 257).

Although this content governs the movement of capital as a whole or as an alienated collective power, the total social capital is nonetheless the product of the private and independent form taken by social labour. The general unity of the movement of the total social capital cannot be established immediately. It is thereby indirectly established through the exchange of commodities resulting from the apparently autonomous actions of individual capitals in competition with each other, as each of them pursues the maximisation of its profitability through the expanded reproduction of their formally independent cycles of valorisation. More specifically, the concrete form in which individual capitals assert their class unity as 'aliquot parts' of the total social capital is the process of formation of the general rate of profit (Marx 1991, 298–300, 312). This is the inner or essential determination of the general social relation between capitalist firms. However, the concrete realisation of this inner determination could be mediated under certain circumstances by the establishment of relatively stable direct social relations between certain individual capitals; for instance, relations of hierarchy and power such as those that structure GVCs. The elucidation of those determinate circumstances is precisely what a critical investigation of the social constitution of GVCs should be directed towards. The intellectual challenge, then, is to comprehend the differentiation of the valorisation capacities of individual capitals along the chain as an expression of the global unfolding of the 'law of value', that is, through the formation of the general rate of profit.

In volume 3 of *Capital* Marx develops the social processes regulating inter-branch competitive relations through his discussion of the formation of the general rate of profit and the 'transformation of values into prices of production'. The problem is, however, that Marx's argument in those pages seems to provide the contemporary reader with no elements for the comprehension of the cross-branch hierarchical relations between individual capitals of differential profitability and power characterising GVCs. In effect, as Marx argues, the *formation* of the *general* rate of profit takes the concrete form of a tendential *equalisation* of *average* rates of profit across the different branches of the social division of labour. And yet, several pages later, more precisely in the context of a discussion of the genesis of capitalist ground-rent, Marx (1991, 940ff.) hints at a social phenomenon that can shed light on the nature of GVCs. Specifically, when he is discussing the peculiarities of small-scale peasant ownership, Marx unfolds the category of 'small capital' and shows that its valorisation is not regulated in the same form as normal capitals. Now, whilst Marx only develops those arguments in the specific context of agrarian capital (that is, industrial capital valorised in agriculture), the work of Juan Iñigo Carrera (2016) insightfully shows that their applicability is broader and can be generalised to industrial capital as a whole.

As Iñigo Carrera argues, normal capitals are defined by Marx as those that reach the specific magnitude that 'is required in each line of business to produce commodities at their price of production' (Marx 1991, 843). In other words, these are the individual capitals that have the concentration needed to set into motion the socially normal methods of production and that therefore *actively* participate in the formation of the general rate of profit. Small capitals, however, do not reach that scale and are therefore unable to take a direct part in the tendential equalisation of the rate of profit at the normal general level. By contrast, their rate of valorisation in non-agricultural branches of production is usually regulated by the rate of interest (generally lower than the normal rate of profit) that those capitals of restricted magnitude could yield if they closed down the business and were turned into interest-bearing capitals (Iñigo Carrera 2016, 26).

This means that although these capitals do not have the scale to keep up with the development of the productivity of social labour required to survive the competitive battle, they nonetheless have the chance to extend their agony by compensating their higher production costs with their lower rate of profit. The limit to the survival of small capitals is thereby given by the extent to which the price regulating their valorisation (determined by the cost price of their inputs plus the interest rate on the liquidation value of their respective assets) manages not to rise above the price of production regulating the valorisation of normal capitals. What is more, if the price that regulates the valorisation of small capitals is actually lower than the normal price of production that regulates the valorisation of normal or average capitals, the latter become effectively excluded from those branches of production. This is what explains the resilience and even dominance of small capitals in particular branches of production despite the general tendency for the concentration and centralisation of capital that characterises the capitalistic accumulation process.

The reproduction of small capitals has another implication which is crucial for the comprehension of the formation of value chains: the release of surplus value by small capitals (Iñigo Carrera, 2016, 28ff.). If concrete circumstances are such that small capitals manage to sell their commodity at a price that stands above the one determined by their specific rate of valorisation but below the price of production of normal capitals, then a potential surplus profit emerges. However, although this surplus profit is borne by the commodities produced by small capitals, their competition over that extraordinary mass of abstract social wealth eventually leads them to expand production and drives their prices down to a level determined by their specific rate of valorisation. Does this mean that the surplus profit vanishes into thin air? Certainly not. Although it slips through the fingers of small capitals, it ends up in the hands of some of the normal capitals that operate in directly neighbouring branches of the division of labour and with which they relate in the sphere of circulation. Assuming, for the sake of argument, that small capitals are suppliers of inputs for those normal capitals, the latter will benefit from a permanent flow of extra surplus value derived from the purchase of inputs at prices below their normal price of production whilst selling their own commodities at their full price of production. In turn, this means that those successful normal capitals that end up monopolising the market relation with small suppliers will systematically obtain a higher-than-normal rate of profit. We shall term the latter ‘enhanced normal capitals’.

In brief, a stratification of individual capitals with differential valorisation powers emerges out of the immanent dynamics of competition that mediate the indirect establishment of the unity of social capital as the concrete subject of the exploitation of the collective labourer. Two important points should be emphasised in this regard. First, this is not simply a short-term phenomenon but can reproduce itself over relatively long periods of time. Still, this differentiation cannot persist indefinitely, as the aforementioned objective limits to the reproduction of small capitals are reached.

Secondly, this process of differentiation does not constitute, as theories of ‘Monopoly Capital’ would have it, the transcendence of the formation of a general rate of profit as the fundamental law governing the competition between individual capitals. Rather, it involves a further mediating instance in the realisation of that very same law. The realisation of the identity of individual capitals as ‘equally valorised values’ (hence the tendency for the equalisation of their individual profit rates) (Iñigo Carrera 1995), is further developed in the form of its opposite, that is, through the sustained inequality of their valorisation capacities predicated on the extended reproduction of small capitals. In this sense, the differentiation of individual capitals is a more mediated form in which they assert their class unity as particular organs of the concrete subject of the accumulation process (and hence of the exploitation of the collective labourer as a whole): what Marx termed the total social capital (Marx 1991, 297). This means that although the establishment of the concrete rate of profit of each capital in a ‘value chain’ is mediated by their respective exercise of power in the sphere of circulation (thereby *appearing* as the immediate outcome of those unequal market relations), it is in reality strictly and objectively-determined in accordance with the ‘macro’ dynamics of capital accumulation as whole. Power asymmetries are not the cause but an expression of profit rate differentials.

In our view, this process of differentiation of individual capitals can help elucidate the essential nature of GVCs. Succinctly put, the inner content underlying the constitution of GVCs is the appropriation by certain normal capitals of the surplus value released by small capitals. The deeper *immanent purpose* and *prime-mover* of the outsourcing of manufacturing is therefore the *multiplication* of the sources of extra surplus value released by small capitals in the sphere of circulation. Thus, although it is true that one of the conscious motives for normal capitals to engage with small capitals in commodity chains is the benefits to be obtained by the employment of ‘cheap labour’ in low-wage locations or non-unionised sectors, this line of reasoning simply assumes that those lower costs will not (entirely) translate into higher profits for contractors or suppliers but will be appropriated by ‘lead firms’. The determinations of the law of value developed above explain why this will necessarily be the case: although normal capitals are not the direct employers of those low-wage workers, they nonetheless end up appropriating part of the surplus value that corresponds to their exploitation.

The same could be said of ‘organisational flexibility’ which, as Raikes, Jensen and Ponte (2000, 396) highlight, tends to be flexibility for the key agent in the chain. From the perspective of the organic unity between the production and circulation of capital, ‘organisational flexibility’ actually entails the optimisation of the overall turnover structure of normal capitals at the expense of higher circulation costs for all other capitals in the chain (through, for instance, accumulation of inventories or unfavourable conditions of commercial credit). More generally, the transfer of surplus value in the chain will always be mediated through the establishment of determinate conditions of turnover for each participating capital, since it is out of the whole cycle of valorisation (i.e. production plus circulation) that their respective concrete annual rate of profit emerges. In other words, the ability of chain drivers to take advantage of wage differentials and 'organisational flexibility' is the reverse side of the inability of small capitals to retain any potential extraordinary profits due to their inherently limited valorisation capacity.

The *general* nature of both the composition and governance structure of GVCs also follows from the differentiation of industrial capitals outlined above. Thus, although varying in its specifics with the particularities of each GVC, it seems reasonable to suggest that all commodity chains generally comprise at least three qualitatively different kinds of capitals: enhanced normal capitals, normal capitals and small capitals. The peculiarities of the governance structure will surely vary according to the composition of the chain. Whilst stricter relations of command/subordination will tend to prevail in nodes where exchange relations between normal and small capitals dominate, more 'horizontal' relations will tend to prevail among normal capitals and, to some extent, also between enhanced normal capitals and normal capitals. The simple reason for this is that more pronounced hierarchical relations are more likely to be the concrete mediating form involved in the appropriation of an extraordinary surplus value freed up by small capitals. In all cases, however, those varied direct social relations of command or co-operation remain forms taken by what essentially are indirect relations of competition through which the general articulation of privately-undertaken social production takes place.

The changing organisational forms of capitalist competition and the recent configurations of GVCs

The above explanation concerns the simpler dimensions of this phenomenon and therefore bears mainly on the early constitution of GVCs. However, as we shall discuss in more detail in the last section on the global automotive industry, there has been a significant organisational transformation in GVCs since the late 1980s. As already commented, these changes have revolved around two intertwined processes. The first is the tendency for a growing de-verticalisation of assemblers through the outsourcing of an increasingly wider array of productive functions, and their specialisation in product definition, development, and design. The second is the vertical re-integration along the rest of the supply chain, giving birth to the so-called automotive 'mega suppliers'. As argued elsewhere (Starosta 2010b), the electronics industry was another case in point in this sense, with an even more pronounced process of outsourcing of manufacturing to 'giant contractors'. In both branches of capitalist production, these changes were related to the progress of 'modularisation' in product architectures and production processes, although to different extents (MacDuffie 2013; Sturgeon 2002). The rising 'big' suppliers and contractors, unlike traditional simple parts producers, not only provide lead firms with more complex manufacturing activities (large subassemblies in the automotive industry and often final assembly in other branches like electronics), but also partake in an increasing load of product design and engineering. Moreover, they do not serve just or mainly one brand-name firm through a captive relationship, but tend to manufacture for many of them, and even from very different product markets. On this basis, first-tier suppliers and contractors have rapidly grown into global giant corporations in their own right, with production facilities dispersed worldwide.

Now, the main focus of GVC research on these transformations is the analysis of the conscious strategies undertaken by transnational corporations in order to (re)configure GVCs in the benefit of their own profitability. In fact, implicit in the notion of 'chain driver' or 'lead firm' put forward by the GVC approach is a conception that raises certain *individual capitals* to the status of concrete subjects of the process of accumulation within each value chain. However, as already stressed in this chapter, the constitution of the organisational relation between various individual capitals within chains results from the operation of the inner determinations of the process of capital accumulation. Therefore, the changing firm strategies that *appear* as determinants of the development of GVCs should be themselves grasped as products of those economic processes, i.e. as concrete forms that mediate those transformative dynamics. Thus, what is needed to grasp the real determinations behind the recent transformations of GVCs is a rigorous inquiry into the changes of the process of capital accumulation in general and, on that basis, their varied specific manifestations in each branch of social production.

In a nutshell, our approach suggests that these recent reconfigurations of GVCs should be seen as expressions of the unfolding of the process of differentiation of individual capitals and its limits discussed earlier. On the one hand, we have seen that it is the tendency for the concentration and centralisation of capital springing from the accumulation of the total social capital that ultimately undermines the competitive edge of small capitals. This is done by increasing the productivity of labour of normal capitals to the point where their price of production sinks below the price that regulates the valorisation of small capitals. On the other hand, in light of the particular attributes of 'mega suppliers' or 'giant contractors', it seems reasonable to consider them as normal capitals that have eventually managed to enter into (or, rather, grow within) branches of production formerly dominated by small capitals. Those are the general economic processes that account for the initial tendency for a fragmentation of the supply base into a mass of small capitals (as in the classic post-war US automotive industry) and its subsequent consolidation through the emergence of highly concentrated suppliers or contractors. In this sense, it is highly remarkable that the rise of mega suppliers in the automotive industry has been closely associated with the progress of the automation process in component and subassembly production (in some cases reaching 90 or 100%, see Krzywdzinski 2021). This was also the case of the electronics industry, where the automation of circuit-board assembly helped to trigger the emergence of turn-key contract manufacturing (Sturgeon 1998, 12–14). These technical changes involve outlays of capital and productive scales that are beyond the potentialities of smaller capitals.

As mentioned above, although these dynamics have taken shape through a decrease of power asymmetries between lead firms and their suppliers, the former have retained the 'leadership' function in the chain. As scholars from the systems integration literature have argued (Brusoni and Prencipe 2001; Jacobides et al. 2016), lead firms 'know more than they actually do', that is, they retain a broader and broadening knowledge base than what they concretely need to perform their particular special function in the division of labour within a chain, namely, conceptual product design and definition (automakers, as already stated, have so far also retained final assembly). The reason for this is that this broader 'knowledge base' is required for lead firms to undertake the necessary overall conscious co-ordination of the deeper material or technological interdependencies along a chain emerging from modular product architectures and the possibilities of separation of design and manufacture that they entail.

This systems integration approach provides very interesting insights on the continuous need for an element of conscious organisation of the social division of labour within value chains, in spite (or rather, because) of the undeniable trend towards the vertical disintegration of design and manufacture. However, as happens more generally with the evolutionist/neo-Schumpeterian tradition of which these authors are part, this research is one-sidedly focused on the material or technological dimension of capitalist production and overlooks its specific social form, namely, the subordination of the production of useful things or use-values to the production of surplus value (Smith 2004, 220–26). From a Marxian perspective, then, all those technical-organisational processes must be grasped in their contradictory unity with the value processes that shape the dynamics of capitalism (Gough 1996, 2067).

In this sense, the resilience of authority relations within chains beyond what GVC analysts recognise is not simply predicated on the technical/material necessity for overall systems integration. Direct command by lead firms also persists because of the irreducibly antagonistic social relations between private producers on which these networks are based, even if they entail a limited socialisation of production cutting across formally autonomous individual capitals (Gough 1996, 2072–73). This general nature of inter-firm relations acquires a peculiarly intensified expression due to the growing vertical disintegration between product development and manufacturing. Specifically, albeit in varying degrees according to the extent of outsourcing, the lead firms' invested and valorised capital can only exist materialised in commodities which are the outcome of the manufacturing activity, and hence the immediate possession, of suppliers or contractors. Similarly to the capitalist's need to ensure through their command in the direct process of production that the worker does not expend more than socially necessary labour-time during the working day (Marx 1976, 303), brand-name firms need to ensure that the outsourcing of manufacture to suppliers does not compromise the completion of the turnover circuit of their own capital in at least the socially normal time and conditions for the respective branch of production.

The function of brand-name firms as systems integrators also impinges on the concrete forms taken by the formation of the general rate of profit through which all individual capitals assert their unity as organs of the total social capital. In the first place, it is to be noted that the organisational separation of product design and manufacture is premised on technological innovations by brand-name firms themselves that make it materially feasible to 'codify' and transmit more easily objectified design knowledge, so that it can be passed over more smoothly and cheaply from designer to producer (e.g. the use of simulation technology and modelling in Computer Aided Design and, more generally, the use of Information and Communication Technologies to transfer digitised information and to instantly monitor subsequent production) (Krzywdzinski 2021, 510–16; Pavitt 2003, 84). These material prerequisites for outsourcing do not fall from the sky but are the result of the competitive strategies of lead firms. The fundamental active agent in this regard is the brand-name firm searching for cost reductions *vis-à-vis* its competitors by benefiting from the multiplication of economies of scale by suppliers, which have become normal capitals specialised in manufacturing services.

This means that the reconfiguration of value chains through outsourcing to mega suppliers and giant contractors must be seen as a concrete form taken by the production of temporary surplus profits from innovations by brand-name firms through the general mechanisms described by Marx (1976, 433–35; 1991, 338), that is, by allowing early innovators to sell at individual prices that stand below the socially general ones ('prices of production') until the innovation becomes universal and the surplus profit is eroded. The renewed outsourcing of additional functions by lead firms recreates the generation of a surplus profit. In this way, the socially necessary labour for the reproduction of the class of wage-labourers indirectly diminishes and relative surplus value is produced by capital as a whole. This role of technical and organisational innovations as a source of surplus profits for certain individual capitals (and hence of relative surplus value for the total social capital) provides further objective social foundations for the persisting dominance of lead firms in the governance of value chains. In this sense, GVCs are not simply technical linkages with superimposed direct relations of conflict over so-called 'value capture'. Rather, they are *chains of production of surplus value by the total social capital*, in which 'lead firms' assume the prominent role in the pursuit of surplus profits, in turn, determined as a concrete form of the production of relative surplus value.

The reproduction of the leadership of brand-name firms in GVCs also bears on the question of the appropriation of the surplus value released by small capitals in the sphere of circulation. The rise of mega suppliers has not led to the total elimination of small capitals in the value chain; the latter remain in the branches of the industry that produce the still necessary simpler parts or components. Indeed, precisely part of the appeal for lead firms of the multi-tier system of suppliers is the overtaking of component purchase by mega suppliers (Wong 2017, 22–23). This means that, in their condition as normal capitals, mega suppliers would be in a position to control to their own benefit the direct relationships with small component suppliers in the sphere of circulation that necessarily mediate the said transfer of surplus value. However, riding on the objective social power derived from their role as 'systems integrators', brand-name firms will most likely maintain their 'entitlement' to the surplus profit freed by the remaining small capitals in the chain, even though they are no longer the individual normal capitals with whom the latter directly relate in circulation. In this way, they reassert their qualitative condition as enhanced normal capitals in their respective value chains.

In the next section, we shall move from the consideration of the differentiation of individual capitals to the changing forms of exploitation of the collective labourer by the total (global) social capital. This will allow us to look at the other constitutive dimension of value chains, namely, their global character.

GVCs and the international fragmentation of the subjective productivity of the working class

The production of relative surplus value in the form of large-scale industry, and particularly the computerisation and robotisation of the production processes since the microelectronics revolution, entails a three-fold qualitative differentiation in the evolution of the labour-power of the members of the collective worker.[3] In the first place, these transformations have involved the *expansion* of the productive attributes of those wage-labourers performing the more complex parts of the labour process, that is, all those forms of (mainly) intellectual and scientific labour which are required for the leap forward in the automation of the system of machinery, including its technological applications and practical co-ordination. In the second place, these novel technological forms entailed a further step in the expulsion of the intervention of the human hand and of the experience-based practical knowledge of workers in the labour-process *vis-à-vis* the forms dominating during the previous historical cycle of accumulation. Indeed, these productive changes have accelerated the codification of tacit knowledge, previously embodied in the manual industrial worker and largely acquired through lengthy on-the-job, learning-by-doing processes. Once codified, this knowledge has been objectified as an attribute of the system of machinery (Huws 2006). In this sense, the tendency has been certainly one of 'deskilling' or 'degradation' of direct production work, although not as a result of the furthering of the manufacturing division of labour, as Fröbel et al. (1980) would have it, but through the objectification of formerly manual tasks as automated functions of machines. In the third place, whilst the new technologies have not resulted in the total elimination of manual labour from automated processes of production (Alcorta 1999, 164), they have recreated the conditions for the extended reproduction of what Marx (1976, 588ff.) called the modern manufacturing division of labour, that is those non-mechanised tasks and labour processes acting as an 'external department' of large-scale industry proper as the dominant form.[4]

The social processes described above have arguably been at the heart of the recent mutations of GVCs through the rise of highly concentrated suppliers and contractors. In formally fragmenting the functional extraction of surplus value from the different organs of the collective labourer through the organisational de-coupling of design and manufacturing, the latter facilitates the exacerbation of the differentiation of the conditions of reproduction of labour-powers of heterogeneous complexity. Whilst lead firms tend to concentrate mainly on the exploitation of the most expanded forms of productive subjectivity needed for fundamental R&D productive activities, suppliers and contractors tend to exploit the part of the collective labourer of less complex productive attributes. Although the latter do employ a number of engineers, technicians, administrative staff and so on, that might embody a labour-power of considerable complexity (but still, on average, of less complexity than the kind of labour-power employed by brand-name firms), the proportionally larger mass of their workforce is composed of workers bearing the degraded kind of labour-power that acts as an appendage of a system of machinery in highly automated labour processes or, worse, that performs detailed manual tasks in whatever phases of direct production remain that are still subject to what Marx termed a manufacturing division of labour.

Through this organisational fragmentation of the production process, capital undermines one of the material bases for the political unity of those two different organs of the collective labourer in the struggle over the value of labour-power: the fact of being exploited by the same individual capital. In this way, capital economises on the total variable capital advanced by widening the differentiation between the value of the more expanded and more degraded kinds of labour-power. The latter becomes simply determined at a level that reflects –at best– the reproduction of those immediate productive attributes needed to be employed as an appendage of the machine or a specialised labourer (Iñigo Carrera 2013, 74). By contrast, in situations where the two kinds of productive subjectivity are exploited under the same 'juridical roof' (that is, the same firm), less skilled workers are in a better position to force capital to provide a certain degree of universality in the conditions of reproduction of the collective labourer as a whole.

The role of the differentiation of individual capitals in accentuating the fragmentation of the conditions of reproduction of workers is not restricted to that between lead firms and first-tier suppliers. The presence of small capitals in the value chain plays its part as well. Despite the accelerated and pronounced process of concentration and centralisation of capital at the level of manufacturing, small capitals still subsist in the production of less complex components, basic inputs, and raw materials. As Iñigo Carrera (2016, 31–32) points out, the precarious situation in which these capitals operate makes them generally prone to the most ruthless exploitation of the workers they employ. However, the unleashing of the potentialities of the new organisational forms of GVCs for a further deepening of the differentiation of the working class was burdened with another materially-grounded political barrier. In effect, the so-called Keynesian phase of capitalist development was based on the relatively universal reproduction of the two general types of productive subjectivity, that is expanded and degraded. The material basis of this form of working-class reproduction was the following: however degraded the subjectivity of direct labourers was during this phase of capital accumulation, it still retained a strategic productive intervention at the heart of the production of relative surplus value, that is in the production of machinery itself (Iñigo Carrera 2013, 61ff.). In effect, both the calibration of machinery and the assembly process still depended on the subjective expertise of direct workers. This strategic intervention gave the degraded organ of the collective labourer a particular source of political strength in the struggle over the value of labour-power, which allowed those workers to force capital to moderate the differentiation of their conditions of reproduction *vis-à-vis* those performing more complex forms of labour.

In order to spread the accentuated differentiation of the conditions of reproduction and exploitation of the varied organs of the collective worker, capital thereby had to break up the unity that the working class had achieved as an expression of those determinations of the prior historical cycle of accumulation. The very dynamics of the unfolding of the so-called New International Division of Labour (NIDL), mediated as they were by the general crisis of overproduction of capital on a world scale that exploded in the mid-1970s, provided the means through which such a process of restructuring could push forward (Iñigo Carrera 2013, 70–74). In the first place, in eroding the need for the strategic manual intervention and/or practical knowledge of direct labourers in the production process of machines, the microelectronics-based automation of the labour process at the basis of the development of the NIDL undermined the material source of the political power of this segment of the working class. This situation was further compounded by the real or potential shift of the valorisation process that, as we have seen, this technical change made possible. In the second place, working-class solidarity was weakened even further through the disciplinary effects of the growth of the relative surplus population in most advanced capitalist countries, brought about by the open manifestation of the said global crisis of overproduction (whose definitive resolution has been postponed ever since through successive cycles of credit-fuelled expansion) (Iñigo Carrera 2013, chapter 6). Thirdly, the concomitant crisis of 'national developmentalism' in the Global South and of the 'Soviet Bloc' in Easter Europe also swelled the ranks of the relative surplus population.

On these material and social bases, Transnational Corporations (TNCs), acting as lead firms and pushing for the constitution of geographically dispersed global value chains, were one among different concrete agents driving this transformation, in a complex process which has also been mediated by the 'emergence' of 'national' capitals from the 'periphery', state policies and workers' struggles. As Fröbel et al. (1980) rightly (though one-sidedly) captured in the late 1970s without being able to uncover its general content, this social process of global restructuring historically started with the geographical relocation of simple manual labour processes to low-cost countries and regions, whilst concentrating its increasingly more complex parts in the more 'advanced' national or regional spaces of capital accumulation. However, subsequent historical developments revealed that those simple original forms of the NIDL have evolved into a more complex constellation, whereby capital searches for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class (through their impact upon their general conditions of reproduction and condensed in the so-called 'historical component' of the value of labour-power). Each country, therefore, tends to concentrate a certain type of labour-power of distinctive 'material and moral' productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital in the least costly possible manner. In this context of exacerbated competition among wage-workers, capital can, therefore, economise on the overall capital advanced for the total wage bill, lengthen total working hours and increase the average intensity of labour. Thus, out of all those different antagonistic social actions, but 'behind the back' of the diverse agents involved, a reduction of socially necessary labour-time for the reproduction of class of wage-labourers as a whole result and, as a consequence, relative surplus value is produced on a world scale.

The significance of the above transformations of the international division of labour for the comprehension of the inner determinations of GVCs should be obvious. For it is clear that the formation of GVCs not only expresses the formal differentiation of capital into individual capitals of stratified valorisation capacities; in addition, they mediate the international fragmentation of the productive subjectivity of the collective labourer of large-scale industry.

The global automotive industry in light of the organisational and spatial reconfigurations of GVCs

The post-war US automotive industry constitutes a good example of the *simple form* of value chains, i.e. one which is comprised of one normal capital that becomes 'enhanced' by virtue of its relationship with a multitude of small capitals in the supply base. This classic system of supplier relations entered a phase of deep restructuring since the mid-1980s. Partly as an answer to the rise of Japanese auto firms as challenging competitors on the world market, the same 'lead firms' that in the post-war decades fuelled the proliferation of a myriad of small capitals (Helper 1991, 797ff.), started to foster the centralisation of capital in parts and component production by way of mergers, acquisitions and even by the spin-off of component divisions from assemblers themselves (Frigant 2009; Humphrey 2000, 248–49). By increasing the division of labour with the creation of this new 'subassembly' branch of social production, assemblers were pushing for increasing scales of production that would, in turn, allow to introduce better technologies (particularly, to increase automation, see Jacobides et al. 2016, 1950). In terms of our previous analysis, they were searching for surplus profits through technical and organisational innovation. As a result, the reconfigured value chains were more complex than its classical post-war version. At the risk of a slight oversimplification, if until the 1980s there arguably was only one (enhanced) normal capital which related in circulation with a multiplicity of small capitals as suppliers, the globally-restructured value chain involved at least three types of capitals: enhanced normal capitals as chain drivers, normal capitals as mega suppliers and small capitals in the lower tiers of the supply base.

It is our contention that mega suppliers might be seen as normal capitals which, precisely by virtue of that emergent novel determination, are now able to push forward technical change in complex parts manufacturing. In effect, as mega suppliers developed and consolidated, they started to cater for several assemblers, thus significantly expanding volumes of production. This, as Volpato (2004, 169) reports, was a conscious goal of lead firms when they outsourced subassembly production. Indeed, the increased scale is one of the crucial advantages of the very existence of 'mega suppliers' within the chain, as they can share facilities, machinery, and platforms between different 'customers', in contrast to the necessarily more limited scope of in-house production by assemblers themselves. Besides, we saw that the concentration of capital at the level of parts and component producers implied a decrease in power asymmetries between assemblers and the now larger suppliers. Moreover, the relatively high complexity of subassemblies required an increased bidirectional flow of information between both types of firms in the process of component co-design. However, despite the greater 'horizontality' of relations between firms and the need for more co-ordination across the chain, mega suppliers remain in a relatively subordinate position *vis-à-vis* lead firms.

As various scholars close to the GVC approach have argued (MacDuffie 2013; Sturgeon et al. 2008, 307–8; Volpato 2004, 176–77), this latter fact reflects the strong technical need for a 'system integrator' implied in the product architecture of motor vehicles (for example, the high functional interdependence between modules). But at least of equal relevance for the continuity of the dominance of assemblers is the persistent differentiation in the 'upper' segments of the chain between assemblers as *enhanced normal capitals* and mega suppliers as *normal capitals*. More specifically, despite the undeniable concentration and centralisation of capital in the first tier of the supply base, the former firms remain 'entitled' to the appropriation of any potential surplus profits that might arise in the rest of the chain. This will certainly include the extra surplus value released by the remaining small capitals in the lower tiers of the supply base. But assemblers will most likely also profit from the lower wages paid by component producers, including the novel mega suppliers. This should come as no surprise. In effect, had assemblers not proven able to reap a substantial share of the emerging benefits of the transferring of productive functions to mega suppliers, they would not have *deliberately* encouraged and fostered this wave of outsourcing in the first place.

In this sense, it is also worth bearing in mind that, as argued earlier, the ensuing differentiation in the conditions of reproduction of wage-workers was determined by the fragmentation of the exploitation of the varied organs of the collective labourer across different individual capitals (in contrast to the 'vertically integrated' extraction of surplus-labour in-house). Thus, this need to differentiate between individual exploiters of the collective labourer of the chain was exacerbated by the increasing share of highly trained (and therefore more expensive) workers in the assemblers' workforce. In fact, the process of outsourcing of subassembly production to mega suppliers resulted in a further specialisation at the top of the chain, allowing assemblers to invest a greater portion of their capital (hence also gaining scale) in design, innovation and 'system integration' functions, which were now regarded as their 'core competence' and as 'high value-added' activities (i.e. more profitable than direct manufacturing). These functions required such a massive scale to the point of exceeding the reach of most mega suppliers (Jacobides et al. 2016, 1960).

This is reflected as well in the clear-cut size difference in the magnitude of capital between assemblers in general and the largest suppliers.[5] Remarkably, it seems significant that despite the accelerated process of concentration and centralisation of capital among first-tier suppliers in recent decades, this scale disparity has remained firmly in place. In effect, whenever the size of the relatively smaller assemblers approached that of the largest mega suppliers, a process of mergers or 'alliances' between assemblers tended to ensue.[6] In other words, whenever those assemblers seemed to have fallen behind in the process of concentration of capital and were thus 'dangerously' approaching the apparent lower limit to be a normal capital in this branch of social production, the process of centralisation of capital restored their status as enhanced normal capitals, reinstating at the same time the 'entry barrier' in the assembly sector. This strongly suggests that the magnitude of capital required to act as a 'chain driver' in the automotive industry is still out of reach for most suppliers, even after the notable concentration of capital in the sector during the last decades. On this basis, assemblers maintained dominance over the chain, essentially expressing their character as 'enhanced' normal capitals *vis-à-vis* normal and small capitals.

Let us now recapitulate the fundamentals of our account of the recent process of restructuring in the automotive value chain. Organisational changes in the sector had a two-fold determination. First, they were a form of ramping up scales of production both on the assemblers' side (via specialisation in innovation, design, and system integration) and at the supply base (through vertical re-integration of manufacturing). Second, they mediated the process of differentiation in the conditions of reproduction of workers. In both cases, although the immediate beneficiaries were the individual capitals directly involved in the chain (and particularly among them the 'enhanced' normal capitals acting as 'chain drivers'), the essential outcome was the production of relative surplus value for the total social capital through the cheapening of labour-power. The new wave of 'globalisation' of the industry since the 1990s was certainly related to the first of these determinants of novel GVCs, for the consolidation of mega suppliers as normal capitals was closely associated with their global expansion as they followed the assemblers' own internationalisation. In this sense, global mega suppliers were able to 'solve' the contradiction between local sourcing for each assembly plant and economies of scale, by means of centrally-producing common components and then assembling customised modules close to terminals (Humphrey 2003, 125; Sturgeon et al. 2008, 306). In this way, mega suppliers could also fulfil their role as 'lieutenants' of assemblers (Wong 2017, 22) in managing the rest of the supply chain, i.e. the lower tier suppliers that were in most cases less global than mega suppliers.

But as we argued in section 3, the main driver of the globalisation of automotive value chains was the evolving NIDL structured around the international differentiation of productive attributes and costs of wage-workers. In fact, mega suppliers were particularly aggressive in their location strategies, establishing their centralised component production in low-wage sites, especially with regard to those more labour-intensive activities (Frigant and Miollan 2014; Sturgeon et al. 2008). Instead, assemblers kept a large portion of the labour-force at their home countries, mainly because design and research activities remained located at, or near, the traditional headquarters of these companies (and because they continued to assemble locally to serve a portion of domestic demand). This is not to say that assemblers were inimical to the NIDL; the point is that mega suppliers played the role of active agents in the relocation of manufacturing activities within the chain (Frigant 2009, 433ff.; Frigant and Zumpe 2017, 81). Indeed, it can be said that the rise of mega suppliers has been a concrete and necessary form of the international fragmentation of the productive subjectivity of the working class, since they have been the most prominent *direct* exploiters of cheap labour in 'low-cost' locations. Of course, it should be obvious at this stage of our argument that assemblers, as chain drivers, have managed to take a share in the resulting surplus profits.[7]

Conclusion

In this chapter, we have offered an alternative account of the nature of the articulation of individual capitals in capitalist global production of commodities, i.e. the so-called GVCs. This approach, we think, provides a sounder explanation of the most salient phenomena at stake than those offered by the more widespread GVC literature. In brief, we have shown that the different profitability of the various types of firms comprising the chain is actually an expression of the differentiation of individual capitals, resulting in turn from the realisation of the 'laws of motion' of capitalist production, i.e. of the law of value. In this sense, these chains are not simply an articulation of firms on the basis of direct social relations of power and command, but chains of production of surplus value that realise the indirect nature of capitalist social relations. As such, they mediate the unfolding of the process of concentration and centralisation of capital through which the latter asserts itself as the alienated subject of the development of the productive forces of society.

In this inquiry, we threw into relief what could appear as a somewhat striking development: the recent transformative dynamics of GVCs *seem* to imply the 'de-centralization' of capital, since the process of outsourcing effectively splits innovation from manufacturing into the core activities of different individual capitals, on top of the already fragmented manufacturing phase itself across the supply chain. Although this development has been a concrete form of expanding the scale of *both* phases of the material unity of the process of production of commodities, it remains true that the novel form of GVCs has very clear objective limits from the point of view of the development of the productive forces of society, a point which has been mostly overlooked by GCV scholars. In particular, the efficiency gains of outsourcing of manufacturing are conditioned by the extent to which mega suppliers and contractors achieve economies of scale deriving from the fact that they can cater for several lead firms. However, what scholars have not mentioned is that those economies of scale will tend to decrease as the centralisation of capital in final products markets leads to the shrinking of the pool of potential customers. Eventually, vertical 'reintegration' of innovation and the several phases of manufacturing will prove more conducive to the increase in the productivity of social labour and hence to the production of relative surplus value, thus making necessary yet a further leap forward in the concentration and centralisation of capital in the automotive industry.

Appendix

The rate of profit in the automotive industry

The transformations in the global automotive industry leading to the configuration of GVCs can be appreciated through the analysis of the profit rate of the different individual capitals that comprise the chain. The classical form of supply relations in this industry consisted in the association of normal capitals in the assembly sector with small capitals in the supply base. Table 8.1 shows the profit rate on own capital for the US automotive sector between 1947 and 1965.

These data show a clear differentiation in the profit rate between assemblers and suppliers, which is consistent with the differentiation of individual capitals discussed in this chapter. It should be noted that the difference is greater when only the 'Big Three' automakers (General Motors, Ford and Chrysler) are taken into account, although it is also apparent if all assemblers are considered.

The contemporary reality of the global automotive industry is shown in Table 8.2. During the period 1992–2019, the average profit rate of the 12 largest

Table 8.1 Profit rate on own capital in the US automotive industry

Years	*'Big Three' Assemblers*	*All Assemblers*	*Part Suppliers*
1947–1965	25.0	20.2	13.8

Source: Net income (after tax) as a percentage of net worth reported by Crandall (1968).

Table 8.2 Profit rate on own capital in the global automotive industry

Years	*Top 5 Global Assemblers*	*Global Assemblers (13 Firms)*	*Global Mega Suppliers (Top 10 by Sales)*
1992–2000	14.1	8.6	12.4
2001–2010	7.5	8.2	5.8
2011–2019	15.3	12.0	15.3
1992–2019	12.1	9.6	11.0

Source: Net income (after tax) as a percentage of net worth. Own calculations based on balance sheets and U.S. Census Bureau (2022).
Note: years with negative net worth are excluded.

global assemblers was essentially the same as the average profit rate of the 10 largest global suppliers, in both cases ranked by global sales. Despite the inherent difficulties of the measurement of the profit rate, the tables seem to support our characterisation of 'mega suppliers' as normal capitals.

Notes

1 'Lead firms', in GVC parlance, are those firms that 'drive' the chain (thus the similar term 'chain driver'). They include, for instance, final assemblers in the automotive industry and, more broadly, 'brand-name firms', which include other 'lead firms' in branches like electronics or apparel. We shall use all these terms interchangeably in the rest of the chapter.

2 More recently, GVC scholars have broadened the original notion of chain governance by incorporating other actors besides capitalist firms (Ponte et al. 2019), thereby providing a more nuanced classification of the 'types of power' observed in GVCs (Ponte et al. 2019). However, as these scholars themselves highlight (2019, 135), this typological approach remains just an analytic guide to the empirical research of particular GVCs rather than a proper theoretical framework. At the same time, a new critical strand of GVC scholars aims at further expanding the scope of the GVC approach to include dynamics of subordination and exclusion as constitutive moments in a process of uneven development (Bair and Werner 2011; Werner and Bair 2019). While these modifications in the approach may enhance its descriptive accuracy, they are still unable to solve its more deeply-entrenched incapacity to uncover the inner determinations that explain the very existence of power relations as concrete forms of realisation of capitalist competition between firms. In contrast, some recent contributions to the GVC debate from perspectives close to the Marxian critique of political economy have emphasised the need to ask *why* firms 'innovate, reorganise or relocate' within GVCs, rather than *how* (Havice and Pickles 2019, 177). However, besides some sharp observations about the striking lack of conceptualisation of the very concept of 'value' within the GVC approach (Gradin 2016), there has not been much progress in showing precisely how a solid grasp of the Marxian law of value could help elucidate the underlying determinations of the concrete forms of articulation of individual capitals in the chains. For instance, in one of the most elaborated attempts, Quentin and Campling (2018, 36) state that the purpose of value theory is merely to provide an objective parameter to detect 'potentially arbitrary money flows' and therefore to expose situations in which the law of value does *not* rule the relations between firms. In contrast, we think that from the standpoint of the Marxian critique of political economy, the task is concretely to demonstrate why and how the very operation of the laws that regulate the movement of capitalist competition leads to unequal valorisation capacities of individual capitals and, therefore, to different forms of 'capture' or transfer of value within the chain.

3 This is a summary of the main aspects of this process which are more relevant for the purpose of this chapter. For a more detailed account, see Starosta (2016).

4 Strictly speaking, the multiplication of the surplus population relative to the needs of the accumulation process has also constituted a transformation of productive subjectivity produced by the automation of large-scale industry (see Marx 1976, 533–75).

5 As expressed by different balance sheet measures like total and fixed assets and net worth.

6 Take, for example, the cases of the strategic alliance between Renault and Nissan, the creation of the FCA group upon FIAT's acquisition of Chrysler and, more recently, the formation of the Stellantis group through the merger between FCA and PSA. All these

cases involved relatively large firms which had lagged behind *vis-à-vis* the scale of the leading individual capitals with the greatest share of global output.

7 It should be noted that, although the search for a cheap and compliant labour-force across the globe by the total social capital can be traced back at least to the post-war internationalisation phases of the automotive industry (Fitzsimons 2020; Grinberg 2011, chapter 3), this form of the international division of labour has recently intensified through the 'regionalisation' of the industry that has taken place in the last decades. This is clearly exemplified by the relocation of manufacturing by US and European firms to the so-called 'integrated peripheries' of Mexico and Central and Eastern Europe (Jürgens and Krzywdzinski 2008; Pardi 2017). This aspect of the globalisation and regional integration of the auto industry is well-known, and it is quite undisputed that the process has been primarily driven by the search of lower labour costs. For a detailed discussion of the case of the South American auto industry, following the approach on the specificity of capital accumulation in this region developed in Chapter 10 of this book, see Fitzsimons and Starosta (2018) and Fitzsimons and Guevara (2023).

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9 The debate over the determinations of ground-rent and the implications for the comprehension of the exchange of agrarian and mining commodities on the world market

Introduction

Like other sections of Marx's *Capital*, the one on ground-rent has been approached in the past in the most varied manners. At present, however, many contemporary readings do not seem aware of this diverse theoretical lineage and simply proceed as if there were no alternative views of the determinations of ground-rent; or, even worse, they often overlook the contributions which pioneered the same interpretation that they are putting forward or the debate surrounding them. Thus, they end up treating long-standing arguments as radically novel insights. Be that as it may, and whatever the reasons for these omissions in the current literature on ground-rent, the point is that contemporary contributions hardly do any justice to the rich history of Marxist thought on the subject.

Against this backdrop, in this chapter, we shall offer a critical reconstruction of the debates and controversies over four fundamental aspects of the Marxian explanation of ground-rent. On the one hand, we aim at drawing attention to the existence of alternative perspectives which are critical of the dominant view in the literature. On the other hand, we intend to bring to light some contributions which have remained mostly overlooked but which, we think, are of utmost relevance for the investigation of several concrete phenomena of present-day capitalist society. Overall, this review of the different *problematiques* associated with ground-rent will serve us to offer a consistent approach to its determinations in line with the methodological and substantive foundations of the Marxian critique of political economy that we have unfolded in the rest of this book. On these general grounds, in the final section, we focus on some more concrete ramifications of this discussion and illustrate their significance for the inquiry into the dynamics of contemporary capitalism.

Controversies over ground-rent and its source

Ground-rent appears as a mass of value which ends up in the hands of landowners exclusively by virtue of their ownership of land. As Adam Smith (1982, 67) already observed, to the extent that 'the landlords, like all other men, love to reap where they never sowed', it is evident that this mass of value must be a portion of the

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total surplus value available in society. In this sense, one could wonder which specific part of surplus value constitutes the social substance which takes the form of ground-rent, i.e. who are the wage-workers whose objectified surplus labour is represented as the surplus value that landowners pocket in the form of ground-rent. A first group of scholars argue that, with the exception of simple monopoly rent, ground-rent is surplus value extracted *within* the respective branch of production (in these debates the focus has tended to be on *agrarian* production, although most of the arguments can be extrapolated to all the 'primary' sector). By contrast, other scholars maintain that, except for absolute rent, all forms of ground-rent have their substance in surplus value produced *outside* agrarian production.

The first of these views was initially developed by the Soviet orthodoxy in the context of the debate over the role of agrarian production in the 'socialist' industrialisation process. This orthodox stance was fundamentally concerned with calling into question what it considered to be the 'conventional wisdom' among Russian Marxists, which had found in Preobrazhenski's (2022, 259ff.) contribution the most authoritative voice. According to this latter perspective, as any other surplus profit, ground-rent represented a transfer of surplus value from other branches of social production, which flowed into the agrarian sector through the sale of agrarian commodities at higher prices than their value. In contrast, the Soviet orthodoxy argued that, since value is a reified social relation, its magnitude can only be determined in the exchange process. Consequently, those authors rejected the notion that there could be such thing as intersectoral transfers of previously-constituted masses of value (Lyubimov 1930, 262ff.). In rather less sophisticated interventions in the debate, which eventually ossified as official doctrine, it was simply claimed that insofar as ground-rent originates due to the higher productivity of labour which produces in more favourable circumstances, the substance of surplus value that constitutes ground-rent must be found in that labour itself. This is the conclusion drawn by, for instance, Lapidus and Ostrovityanov (1929, 279): 'ground rent, which constitutes an extra profit over and above the average profit, is created by the higher productivity of the workers employed on better soil' (see also Economics Institute of the Academy of Sciences of the U.S.S.R. 1957, 222–23). Against this backdrop, even usually dissenting scholars like Vygodskiĭ (1974, 101) also claimed that 'from Marx's theory of rent it follows that both the absolute and the differential rent as well result from the labour of the agricultural worker'.

As Itoh (1988, 397n30) reports, this latter position disseminated in Japan after the translation of Lyubimov's book appeared in the 1930s through the work of Kōza-ha scholars, especially in the contribution of Yamada (1948; cited in Itoh 1988). Those first interventions triggered a long debate among Japanese Marxists. Although the initial critical reaction to Kōza-ha scholars was that of Rōnō-ha theorists (in particular, Sakisaka, 1930 and Susuki, 1952, cited in Itoh 1988), this alternative perspective gained international impact through its elaboration by the so-called 'Uno' school (Itoh 1980, 92; 1988, 240ff.; Sekine 1997, 75ff.; 2020, 657; Uno 1977, 98).

More recently, the arguments originally put forward by the Soviet orthodoxy resurfaced in the most varied contexts, albeit without acknowledgement of their intellectual lineage. At the level of abstraction of the simplest determinations of ground-rent, they can be found in the work of Murray (1977), and with a more elaborate grounding in the theory of value, in Indart (1990), Balardini (2017) and Foladori (2013). A similar stance has emerged within the controversy over the unequal exchange between countries, with a particular regional focus on Latin America (see, among others, Astarita 2010, 222–23; De Paula 2020, 353ff., 394ff.; Féliz 2021; Higginbotom 2016; Salvatore 1997). In this more recent spate of contributions, the essential train of thought of the old Soviet orthodoxy has been further complexified; for instance, through the consideration of agrarian labour of higher productive power as 'potentiated', or by approaching this branch of production subject to uncontrolled natural conditions as an instance of the 'modified' application of the law of value by virtue of those 'extraordinary circumstances'.

In our view, the first problem with this line of reasoning is that it stands in blatant contradiction with the Marxian explanation according to which an increase in the productivity of labour leads to a larger quantity of use-values produced in a certain time but leaves unaltered the total amount of value (Marx 1976, 130–31). Furthermore, as pointed out in our discussion of the nature and source of extra surplus value, the implication of the idea that ground-rent is constituted by the surplus labour extracted from agricultural labourers is that the total quantity of surplus value generated across society would no longer coincide with the total quantity of surplus labour performed by the working class as a whole. The immanent unity between materiality and social form characterising capitalist society would thereby be torn asunder.

For its part, the view which claims that the surplus value which constitutes ground-rent is the social representation of the surplus labour extracted from wage-workers from other branches of production can be tracked down to the works of Russian Marxists challenged by the Soviet orthodoxy, with the work of Preobrazhenski standing out among them. Yet this position saw greater elaboration and sophistication in the aforementioned interventions to the Japanese debate on the nature of ground-rent. In a nutshell, the main argument was that since in agriculture the market price is regulated by the least favourable conditions of production, those privately-performed fragments of social labour which set into motion a higher productivity are thus also expressed in that market price. And this leads to a quantitative divergence between the latter and the magnitude of value of agricultural commodities. As buyers of the consequently dearer agricultural produce mostly comprise members of the working class, the mass of value at stake entails a deduction of the surplus value that could otherwise be extracted from them should they need not consume those higher-priced commodities. It follows from this that the surplus value which constitutes ground-rent originates in those branches of production in which the said wage-workers/consumers are employed (i.e. exploited by capital). In the words of Itoh (1988, 242), 'we can be sure that the substance of the differential rent is to be regarded […] as a transfer of social surplus-labour through the social transactions of the commodity labour-power, wheat and payment of rent beneath the forms of value'.

A similar line of reasoning was also independently advanced in the 1970s in the context of the debates over dependency and the agrarian question in Latin America. The first wave of contributions to address the subject comprised the works of Spilimbergo (1974), Ferré (2007) and Laclau (1969). Thus, for instance, the latter author argued that 'differential rent […] is surplus value produced by the foreign worker which flows into the country [Argentina] by virtue of the ample demand for raw materials from the world market' (Laclau 1969, 294). The argument was later revisited and further developed with greater complexity and precision by Bartra (1979) and Margulis (1979), who addressed the question through the explicit consideration of differences between values and prices of production derived from the diverse organic compositions and turnover times of individual capitals. Among the other authors who also shared this perspective in those years, the following could be mentioned: Flichman (1977), Vergopoulos (1977), Gutelman (1974), Klimovsky (1979), Baptista (1980), Foladori (1984, 34–35; 1985, 96, who, as we have seen, subsequently changed his views) and Mommer (1986). More recently, with a similar focus on questions of dependency and uneven development on a world scale, this stance has been put forward by E. Arceo (2003), Iñigo Carrera (2017) and Anino and Mercatante (2009a). In international scholarship, concerning the simpler determinations of ground-rent, this theoretical position has appeared in the works of Mandel (1971, 280), Economakis (2010) and Fornäs (2013).

In our view, this latter perspective is the one which is consistent with the substantive and methodological foundations of the Marxian critique of political economy. As a matter of fact, it is in line with Marx's (1991, 799) own argument in his examination of ground-rent, where he characterises this part of surplus value as a 'false social value', which 'results from the law of market value to which agricultural products are subjected'.

The controversy around differential rent II

In his systematic-dialectical exposition of ground-rent as a concrete form of surplus value, Marx identified two types of differential rent. Both emerge as a result of differences in the productivity of labour which, in turn, derive from capital investments in natural environments with diverse material properties, fundamentally fertility or location. Differential rent I simply derive from the varying productivity of labour set into motion by capitals invested on plots of land with distinct degrees of fertility or proximity to consumer markets (Marx 1991, 799ff.). By contrast, albeit predicated on the existence of type I, differential rent II stems from the varying productivity of labour borne by successive capital investments on the same plot of land (812ff.). In both cases, the limit to the extensive or intensive application of capital is reached with the last investment that yields the average rate of profit (i.e. allows the normal valorisation of capital), given the market price for the respective commodity as determined by effective demand. Whilst the determinations of differential rent I have remained relatively uncontroversial among Marxists, those which underlie type II have been subject to contrasting interpretations, although this diversity of readings has hardly taken the form of an explicit debate.

What could be labelled the 'classic interpretation' of type II differential ground-rent can be traced as far back as the contributions of Kautsky (1988, 71ff.) and Lenin (1977, 116ff.; 1978, 304), and was subsequently continued in the Soviet tradition by Lapidus and Ostrovitianov (1929, 276ff.), and within Trotskyism by Mandel (1971, 276–78), just to name the most popular works. According to this reading, the surplus profits which constitute this form of ground-rent derive from the structure of capital investment in agriculture as a sequence of successive outlays which set into motion varying labour productivities, with those with a greater productivity than that which determines the respective market price yielding an extraordinary mass of social wealth which is pocketed by landowners. In the words of Kautsky (1988, 76), 'production cannot only be increased by bringing land under the plough, but also […] by advancing a larger amount of capital […] If this additional capital produces a higher yield when applied to good land than would have been obtained by using it to bring poorer land into cultivation, this additional yield constitutes a new surplus-profit, new ground-rent'.

Towards the end of the 1970s, this classic interpretation of differential rent II became explicitly challenged by two novel approaches, one of which would very soon turn into the new dominant view. The first one was pioneered by Michael Ball (1977), who took issue with the classical reading for relying on a 'marginalist' method for the calculation of the regulating price of agrarian commodities. Instead, he argued, the formation of the price of agrarian commodities must be obtained by means of an average between the different individual conditions of production. The second approach was independently developed around the same time by Guillermo Flichman (1977) and Ben Fine (1979). Insofar as this latter perspective eventually turned into the new hegemonic view, we shall concentrate our discussion on it and cast Ball's contribution aside.[1]

Flichman's (1977, 23) angle on the question takes as the basis for this type of rent the differences in the distribution of capital and access to loanable capital among agrarian capitalists due to the 'relative development of capitalism in agriculture'. According to this author, this situation 'allows more advanced capitalists to obtain extraordinary profits […] which when the renewal of tenancy agreements is due […] turn into ground-rent'. In a nutshell, in this approach, differential rent II is constituted by the landowners' appropriation of the surplus profits from technical innovation. For its part, Ben Fine's take is much more ambitious in terms of the attempt to remain closer to the theoretical legacy in the Marxian critique of political economy. His starting point is the critique of the classical interpretation for its allegedly neoclassical leanings (Fine 1979, 251). On these grounds, he then develops an interpretation which seeks to reconcile the idea of the regulation of agrarian prices by the 'average market value' with Marx's textual evidence on the impact of successive outlays of capital in agrarian production. His solution consists of an interpretation of the sequential nature of capital investment in agriculture as comprising different individual capitals of varying magnitudes. Thus, he conceives of capitals of a larger scale as consequently able to appropriate a surplus profit, which eventually turns into ground-rent. In Fine's own words, '[t]he significance for him [Marx] of unequal capitals is their unequal size as a source of productivity increase and surplus-profits' (251).

In our view, this interpretation of differential rent II is rather problematic for various reasons. First, to the extent that those surplus profits are thus conceived as only 'temporary', they negate the very meaning of ground-rent as a specific form of income (Ball 1980, 310). To put it differently, those profits correspond to what must 'genuinely' accrue to the valorisation of normal individual capitals rather than to landowners. Either way, in both Flichman's and Fine's interpretations the shared roots with type I of differential rent get out of sight. Second, in this reading the existence of differential rent II does not constitute a general determination of the distribution of surplus value but hangs on very specific historical conditions. Above all, it hinges on the separation of the personification of capital and landed property in two different individuals, since the extra surplus value would otherwise remain in the form of extraordinary profits for capital instead of being converted into ground-rent. On the other hand, the transformation of this form of surplus profit into ground-rent, albeit abstractly possible, depends on the extent to which it is generated by a technical innovation which becomes materially tied to the soil, so that it must remain there upon termination of the tenancy agreement. Third, as Iñigo Carrera (2017, 139–40) has critically pointed out in relation to Flichman, this conception of differential rent II implies that the average rate of profit which regulates the price of agrarian commodities is not determined by the productive conditions of *normal* agrarian capitals but through an average between the latter's rate of profit and that of *small* agrarian capitals (otherwise normal capitals could not obtain an extraordinary profit). Fourth, far from salvaging the 'concept of market value' from the inconsistencies of neoclassical economics, as Fine would have it, this interpretation deprives the market value of concrete determination, since it is ambiguously seen as determined by both the worst plot of land and the normal capital (Ball 1980, 311). Fifth, insofar as this approach concludes that this type of ground-rent derives from the comparatively larger investments of certain agrarian capitals, it begs the question of 'how it is possible for the same plot of land to have two different rental fees' (Iñigo Carrera 2017, 149). Worse still, this train of thought implies that capitals of a higher degree of concentration, and hence of greater economic power in their antagonistic relationship with landowners, actually pay higher rents than smaller, hence weaker, capitals (149). Lastly, specifically in the case of Fine, the textual evidence that he presents to substantiate the Marxian lineage of his reading is rather weak and taken out of context. As Ball (1980, 310) bluntly puts it, at most Fine's approach 'comes close to one out of fourteen cases considered by Marx'. Conversely, he quite simply ignores the numerous passages which contradict his interpretation.[2]

Despite all these shortcomings, this problematic interpretation disseminated surprisingly rapidly and widely, to the point of becoming the prevailing one among contemporary Marxists. Within the anglophone scholarship, the main channels for the spread of this approach have been the works by Fine (1979; 2013), Harvey (1982; 2006) and Fine and Saad-Filho (2003). Nowadays, this reading is broadly accepted and mostly referred to as the only perspective on this type of differential rent (e.g. Campbell 2002; Campling and Havice 2014; Munro 2012; Park 2014; Ramirez 2009; Vlachou 2002). Thus, it is increasingly rare to find works which trace back this position to the pioneering works from which it originated or which, at least, acknowledge that the interpretation of this form of differential ground-rent has been subject to an intellectual dispute (e.g. Haila 1990; Jäger 2003). What is more, this interpretation has been assimilated even by authors who are critical of Marx's theory of ground-rent (Bryan 1990). For its part, Flichman's contribution has had an analogous reception in the Spanish-speaking world. Initially, it was enthusiastically endorsed by a few authors (Kamppeter 1983; Margulis 1979) and critically rejected by others (Klimovsky 1985). But only few years passed before it started to be taken for granted as the only existing interpretation, in some cases with due acknowledgement of Flichman's original contribution (N. Arceo and Rodríguez 2006; Kabat 1999), whilst in others with no reference to its intellectual lineage (Anino and Mercatante 2009b; Astarita 2010; Balsa 2006; Farina 2006; Sartelli et al. 2008).

In opposition to this contemporary neglect of what we have termed the 'classical interpretation', and despite the undeniable room and need for its further theoretical elaboration, we do not think that there are solid substantive grounds for rejecting the fundamentals of that forgotten alternative view. In fact, as we shall argue in the last section, we think that such a stance on differential rent II is on the right track to comprehend various aspects of the intensive application of capital in agriculture from the point of view of the critique of political economy.

Controversies over absolute monopoly rent

Landed property over differential natural conditions is not the only basis for the emergence of ground-rent. In effect, although a certain plot of land may not allow to set into motion a higher productivity of labour, it still remains a limited condition of production and, therefore, that is 'in no way a reason for the landlord to lease out his land to the farmer for nothing' (Marx 1991, 884). Riding on the power granted by their legal ownership of land, landowners can withdraw their 'land from cultivation until economic conditions permit a valorization of it that yields him a surplus' (891) and, on that basis, exact payment of *absolute monopoly rent* for the use of their privately-owned plots of land. This elevates the market price of agrarian commodities over the price of production corresponding to the worst or marginal natural conditions. Three main problematic issues concerning this form of ground-rent can be discerned in the Marxist readings of this phenomenon.

The first one is the confusion between (and/or conflation of) two different forms of rent which originate in the active exercise of the absolute monopoly over access to this fundamental condition of production. On the one hand, there is the absolute monopoly rent which derives from the form taken by the process of formation of the general rate of profit in branches of production in which there are natural conditions that can be subject to exclusionary proprietary rights. In the rest of the branches of the social division of labour, this process entails the elimination of the difference between value and price of production through cross-branch capital mobility in search of a higher profitability. However, to the extent that in the primary sector landowners can erect barriers to entry for capital, they can capture as ground-rent the surplus profits produced by the existence of values that remain over and above the respective prices of production. Marx (1991, 895) calls this kind of social wealth pocketed by landowners *absolute rent*. A different type of absolute monopoly rent can emerge in circumstances where the sheer activation of the power of private ownership of land manages to raise the market price of agrarian commodities above its value. In this latter case, landowners capture ground-rent purely by virtue of the existence of a 'genuine monopoly price' (898). For this reason, we can refer to this mass of social wealth as *simple monopoly rent*. As should be evident, this kind of rent can also arise in situations where the corresponding price of production is higher than the magnitude of value. In this latter case, simple monopoly rent emerges from the difference between the market price and the price of production.

Most critiques of this Marxian explanation of absolute monopoly ground-rents have called into question the argument on absolute rent by throwing into relief the determination of all absolute monopoly rents by market conditions. Achille Loria's (1895, 492) pioneering critique captures very well the essence of all these objections: 'in any case', this author states, 'absolute rent cannot be constricted to the Procrustean bed of the labour theory of value, but obeys instead the more elastic discipline of monopoly income'. This train of thought reappeared a few years later in Diehl's (1899, 466) contribution, who adds that Marx's account of absolute rent is not only a logically irrelevant explanation but also 'historically and statistically' unverifiable. Along the same lines, Kautsky (1988, 78) objected to Rodbertus that '[i]t is very doubtful whether intensive agriculture could be practised with a lower than average composition of capital', and then further posited that according to Marx absolute rent is solely determined as 'a function of the extent to which the laws of competition still operate within the limits imposed by monopoly' (80). Lastly, mention must be made of Bortkiewicz's (1910, 217) early well-known critique, which quite simply comes down to the admission of his own inability to understand Marx's argument: 'Why should the difference between "value" and "price of production" provide a measure of absolute rent? […] Why does landed property only reach this precise point?'. Subsequent critiques roughly repeated Bortkiewicz's arguments (Amin 2014, 12ff.; Bartra 1979, 103; Blaug 1985, 286; Emmanuel 1972, 216ff.; Flichman 1977, 34; Margulis 1979, 80; Vergopoulos 1977, 81).

The response by Marxists to these objections essentially revolved around the reassertion of Marx's own distinction between absolute rent and simple monopoly rent. The first author to draw attention to the difference between those two types of rent was probably Harvey (1988, 181–82) in his reply to Emmanuel's (1972, 216ff.) critique. About the same time, an identical line of response to Marx's critics can be found in the works of Clarke and Ginsburg (1976), Fine (1979) and Ball (1980), although, in Fine's case, he considers that the difference between values and prices which lies at the basis of absolute rent is determined by differential rent II. Despite these defences of Marx's original arguments and their explicit acknowledgement of the distinction between absolute rent and simple monopoly rent, a great deal of the more recent discussion still revolves around the classical objections (Economakis 2003; 2006; Evans 1991; 1999a; 1999b; Sandemose 2006).

The second issue to note concerning the reception of the Marxian exposition of absolute monopoly rent is the virtually total omission of the question of the qualitative and quantitative imbrication of this form of ground-rent and differential rent. The prevailing position is that the magnitude of absolute monopoly rents has no relationship whatsoever with the differences in the natural properties of the soil (Lapidus and Ostrovitianov 1929, 283). This is all the more noteworthy insofar as Marx was quite explicit that although in their simplest determination, absolute monopoly rents correspond to the worst conditions of production, their effects extend differentially to all lands and capital investments. Thus, he states, 'if the price of the product from a unit area of the worst land = P + r, all the differential rents rise by corresponding multiples of r, since by our assumption P + r becomes the governing market price' (Marx 1991, 897). In other words, at stake here is a differential appropriation of absolute monopoly rents. Among the few exceptional cases of authors who did throw into relief this phenomenon, mention must be made of Kautsky (1988, 80) and Bartra (1979, 72–73). More recently, Iñigo Carrera (2017, 58–60) brought this determination to light, also adding that if absolute monopoly rents are not an ephemeral effect of short-term conjunctural market circumstances, they tend to turn into differential rents. The reason for this is that the persistence of exceptionally-high market prices as a result of the exercise of the absolute monopoly power of landowners can incentivise production in formerly unutilised lands or intensive disbursement of formerly unprofitable capital investments, which come to be determined as those which regulate the price of production.

This leads us to a final aspect of debates around absolute monopoly rent. Usually, the latter has been treated as resulting from the intentional action of landowners, whereas differential rent is generally depicted as a result of the pure 'automatism' of economic determinations. As a matter of fact, one implication of Fine's (1979, 269–70) response to the classical critique by Bortkiewicz (1910), was to reassert the economic determination of absolute rent, which implicitly left simple monopoly rent deprived of objective determination. However, as Iñigo Carrera (2017, 47–54) observes, the latter can also emerge as a result of a purely 'economic' movement. For instance, that would be the case where the solvent social need for a certain primary commodity outstrips all possible output from available lands and if there were no possibilities for ramping up production through additional capital investment (as would be the case in a sector unconstrained by non-reproducible natural conditions). As we shall see in our discussion of the oil sector in the last section, even when ground-rent emerges from the active exercise of the landowner's absolute monopoly power, this conscious and voluntary action still remains a mediating form of concrete economic determinations.

Further issues in the investigation of the peculiarities of the primary sector: the problem of the 'personification of economic categories'[3]

Although it does not constitute, properly speaking, a debate or controversy, there is a last relevant issue worthy of discussion: the problem of the 'personification of economic categories' (Marx 1976, 92) in the primary sector. More specifically, this question refers to the existence of certain social subjects in primary production that cannot be directly and clearly classified as members of neither of the 'three great classes of modern society based on the capitalist mode of production' (Marx 1991, p, 1025), i.e. wage-labourers, capitalists and landowners. In the Marxian tradition, this problem can be traced back to the classic 'Agrarian Question', and particularly to the discussion on 'peasants', which were seen as social subjects that differ from those that should express the full development of the capitalist mode of production (Kautsky 1988; Lenin 1964). In more recent times, following the pioneering work of Gibbon and Neocosmos (1985) and Bernstein (1988), this notion has been progressively left behind. Instead, these authors consider that the peasant must be grasped through the specifically-capitalist category of 'petty commodity producer'. However, rather than systematically unfolding the determinations of the process of capital accumulation that engender petty commodity production, they just point, by way of explanation, to a set of external circumstances, such as 'conditions of access to key resources', the configuration of 'markets', 'nature' and 'government policies', among others (Bernstein 1994, 56). In other words, according to this approach, the limits and potentialities of petty commodity production cannot be immanently derived from the general determinations of the 'laws of movement of capital'.

Yet, we think that it is precisely through the systematic exposition of the general form-determinations of capital that one can shed light on the determinations of social subjects in primary production. As we have argued in previous chapters of this book, in its general determination as self-valorising value, capital is actually a materialised social relation between commodity owners differentiated into social classes, which, in its fully-developed form as the total social capital, becomes inverted into the alienated subject of the unity of the process of social reproduction and its expansion (Postone 1993; Starosta 2016). From this standpoint, every privately-organised productive unit, as a materially integral part of the social division of labour, becomes necessarily subsumed under the movement of formation of the general rate of profit. It follows from this that, whether they have the phenomenal form of an individual capital or not, all productive units become formally determined as if they were one. Hence, the human individuals whose reproduction process is subsumed to that private fragment of social labour, become invested as personifications of capital, labour-power and, eventually, landed property. Seen in this light, the peasant is an individual who is simply characterised by the concentration in their own subjectivity of the personification of those three different and antagonistic social roles (Marx 1988, 556; 1994, 142).

This approach to the social determinations of the peasant reframes the discussion of the characterisation and historical potentialities of the peasantry in relation to the kind of capital they personify and the relation that they have in that capacity with landed property. As already discussed in Chapter 8, it was precisely when considering peasant agricultural production that Marx hinted at the basic elements for a systematic exposition of the specificity of small capitals and their respective form of valorisation. In a nutshell, in those pages, Marx implies that despite its significantly smaller scale, the individual capital which the peasant personifies can survive competition from normal capitals. This is possible because ‘the smallholding peasant’s exploitation is not limited by the average profit on capital, in as much as he is a small capitalist; nor by the need for rent, in as much as he is a landowner’ (Marx 1991, 941). Therefore, the smallholding’s higher costs could be offset by having ‘the absolute limit’ to its reproduction in ‘the wage that he pays himself, after deducting his actual expenses’ (941–42). In other words, this absolute limit implies the absence of all profitability as personification of capital and an income which boils down to the peasant’s condition as personification of labour. Nevertheless, before reaching this extreme limit, the small agrarian capital does yield positive profitability, which is regulated by the rate of interest on the liquidation value of productive assets. Against this backdrop, the limit selling price which secures the small capital’s reproduction could even stand below that of the regulating price of production of normal capitals. Under those circumstances, the peasant’s small capital would outcompete normal capitals, with the result that a portion of the surplus labour performed there would be ‘presented to society for nothing’ (942).

The ‘colonisation’ of agrarian production by small capitals leads to a particular relationship between capital and landed property. In principle, there should be a tendency for the repulsion and separation between them. The reason for this is that capital invested in the acquisition of land yields the rate of interest only (Marx 1991, 760–61), whilst its valorisation in production yields the average rate of profit, which is, by definition, normally higher (480–82). By contrast, by virtue of the significantly lower-than-average rate which regulates the valorisation of small capitals, they are unaffected by this barrier to land ownership; it is a matter of indifference to them whether to invest additional capital in buying land or in the expansion of the scale of production. Hence the observable empirical tendency in agriculture for a tenancy regime which fuses together capital and landed property.

A formally analogous situation arises in the oil industry, where landed property has been often imbricated with industrial capital. Perhaps the clearest expression of this phenomenon is to be found in the ‘oil states’ of the Organization of the Petroleum Exporting Countries (OPEC), where nationalisations led to the exploitation of oil reserves by state-owned enterprises. In these countries, nation-states have conjoined the social role of both landowner and capitalist. Nevertheless, as we shall see in more detail later, this joint personification of different ‘economic categories’ in the oil industry can also be observed in cases where the property of land and of capital is formally differentiated, as in the United States throughout its history and in OPEC countries prior to the nationalisations of the 1970s.

Now, it is clear that in the case of the oil industry, this joint personification of landed property and capital cannot have the same roots as in the agrarian sector, since capital invested in the former is highly concentrated. How can one explain, then, this phenomenon? We think that in this case, the joint personification arises directly from the peculiar material features of the kind of ‘land’ involved in the extraction of oil. First, the oil industry differs from agriculture by the non-renewable nature of extractive resources in general. This has the self-evident but fundamental implication that upon completion of each production cycle, the land returns to the landowner in an inevitably deteriorated shape. In the second place, ownership of hydrocarbon deposits can be separated from ownership of land itself. In most oil-producing countries this separation of landed property has a clearly tangible legal expression, since all subsoil resources are considered state property, irrespective of the property relations over the surface. But even in the United States, where the ownership of the surface includes the rights to underground resources, access to oil deposits can be negotiated independently of the use of the land itself (Brown et al. 2016, 24). Lastly, a third peculiarity of extractive industries is that the actual availability of the resource as a means of production requires the previous advance of significant magnitudes of capital in exploration.

The crucial point in this regard is that these characteristic features have historically led to a situation where oil companies have a *de facto* control of reserves, even without being formal owners of oil fields. US oil leases provide a good illustration of this tendency, since in this country the property of the oil fields appears clearly differentiated from industrial capital. In this sense, the key aspect of leases is the ‘held-by-production’ clause. By this provision, the lessee is allowed to extend the duration of the contract beyond the original term, as long as oil is being produced (J. Smith 2018). Therefore, oil-producing capitals become, in practical terms, owners of the oil, since the landowner cannot reclaim the possession of the resource until its depletion (or until extraction becomes unprofitable). In this sense, the formal landowner is restricted to the personification of superficial landed property, and the lessee obtains the factual ownership of the subsoil’s resources.

From the standpoint of the owner of the superficial land, there is actually a sound reason to accept this form of long-term lease that implies a practical transfer of the property over oil to the lessee, that is, to oil capital. In effect, as already mentioned, the landowner of oil fields cannot expect to recover the land in the same original conditions that it had at the time of the lease. In this sense, landowners usually demand an upfront payment (the so-called ‘bonus’) to lease their oil fields, which varies for each lease according to the expected quality and magnitude of the field, in addition to the customary and relatively fixed royalty payments across fields. Actually, the fact that the bonus varies across fields means that it would have to be equal to the ‘present value’ of the future rent to be obtained from the exploitation of the oil field (Davidson 1963, 104; McKie and McDonald 1962, 108). Now, as agreed among the different schools of economic thought, the capitalisation of future rent constitutes the determination of the price of land. In Marx’s (1991, 944) words, this price ‘is nothing but the capitalized and thus anticipated rent’. Thus, if the leases involve an upfront payment that allows the lessee to obtain a future rent from the extraction of oil until the depletion of the field, this means that oil capital has essentially bought the resource, and with it, the right to appropriate the rent.[4]

In sum, although for reasons entirely different than in agriculture, in the oil sector, we also find a strong tendency for the combination of the social roles of landowner and capitalist in the same social subject; in this case, the ‘oil company’. It must be stressed, however, that here we are not focusing on the juridical aspect of the matter, i.e. on the question of the *legal ownership* of the natural resource. Rather, this conclusion applies to the question of the *personification* of the social role of landowner as the subject with the capacity to appropriate social wealth in the form of ground-rent. We shall return to this in the following section.

Some implications for the analysis of contemporary capitalism

In this last section, we would like to address some implications of themes discussed so far in the chapter which should illustrate their relevance for the comprehension of concrete phenomena of contemporary capitalism.

The controversy over the source of surplus value which constitutes ground-rent is of decisive importance to understand the role of raw material-exporting countries in the world market. In effect, as we shall see in greater detail in Chapter 10, the conclusion that ground-rent is surplus value extracted outside agrarian production implies that raw material exporting countries experience a permanent *inflow* of extraordinary social wealth which originates in the respective consumer countries. In other words, as much as within a national sphere of circulation the exchange of ground-rent-bearing commodities involves a transfer of surplus value produced by the working class as a whole towards the agrarian sector, an analogous process takes place at the level of the world market, albeit from raw material importing countries towards the respective exporters.

This conclusion openly contradicts all explanations of the specificity of the latter type of national process of accumulation based on analyses that posit the existence of a flow of surplus value in an inverse direction, that is, on the existence of an outflow of surplus value towards other countries, more specifically, towards those (mis-)termed ‘developed’, ‘core’ or ‘imperialist’ (for example, Dussel 2001; Emmanuel 1972; Marini 2022). In effect, what would have to be expected in a country toward which there permanently flows an extraordinary mass of social wealth from abroad is a multiplied potential for the development of its national process of capital accumulation. Yet, what these countries normally present is a situation of recurrent crises, a permanently lower productivity of labour, low wages, an unusually large and historically growing surplus population and so on.

Our solution to what might appear at first sight as paradoxical is to examine how the release of surplus value to the raw material-producing countries on the part of global total social capital transforms into its opposite, that is, into the *recovery* of this surplus value. In this sense, we shall argue in Chapter 10 that the specificity of most Latin American national processes of capital accumulation (and actually all South American ones) does not simply consist of being a source of cheap raw materials and means of subsistence for the world market. Specifically, those territories are also determined as sources for the recuperation of ground-rent by the global total social capital. In turn, we shall see that this latter potentiality is realised in a whole series of concrete forms which, given their nature, generate the existence of a specific limit to the expansion of the process of capital accumulation in this type of countries. This is consistent with the conditions of increasing impoverishment normally evident therein.

The implications of the controversy over differential rent II are not as wide-ranging, yet they are far from lacking in relevance. As a matter of fact, the intensive investment of agrarian capital has been a recurring theme in debates on the nature of the agrarian sector in Latin America, particularly in connection with the apparent limits to capitalist development in those societies (de Janvry 1981; Kay 2010; among others). Thus, in the 1960s most sectoral analyses agreed that the main problem in agrarian production resided in the low intensity of capital investment (CEPAL 1959; CIDA 1965). In turn, many scholars pointed to this phenomenon as the cause of the inability of Latin America to embark on a sustainable developmental trajectory, insofar as the latter hinged on the availability of foreign currency in the central bank which was mostly provided by agrarian exports (Vitelli 1999). By contrast, since the 1980s and especially during the 1990s, a new wave of sectoral analyses emerged which stressed that a substantial transformation in the patterns of agrarian investment had taken place. In this novel scenario, these scholars argued, there was a greater scale and pace of technical innovation in Latin American agriculture (Obschatko et al. 1984; Pucciarelli 1997). The old picture of the 'absentee feudal landlord' (Ferrer 2004; Giberti 1962) was left behind and was replaced with the image of a dynamic 'Schumpeterian entrepreneur' as the eminent social subject of agrarian production (Bisang et al. 2008). However, little light was shed by these literatures on the underlying economic foundations of those seemingly radical mutations of agriculture in Latin America.

The Marxian explanation of differential rent II can certainly contribute to laying bare the main determinations at stake in these recent changes in the configuration and dynamics of the agrarian sector. However, the different readings of the respective sections of *Capital* that we reviewed earlier lead to starkly contrasting views of the determinants of the intensive application of capital in agriculture. According to the currently hegemonic perspective, a low intensity of capital investment must be explained through the power of landowners to appropriate the potential surplus profits which emerge upon a subsequent round of capital investment on the same land. Conversely, a high intensity of capital investment must be accounted for by the possibility that the agrarian capitalist captures those surplus profits. By contrast, according to the classical interpretation, a lower intensity of application of capital obtains when the respective market price of agricultural produce drops to a correspondingly low level, which prevents the last investment of capital from yielding the normal rate of profit. Conversely, a high intensity of capital investment obtains when market prices rise to allow subsequent outlays on the same land to reach normal profitability.

Against the backdrop of our critical discussion of the controversies over differential rent II, it seems to us that it should be evident that the explanation of this recent pattern of greater capital intensity in Latin American agriculture must be searched in the evolution of the price of agrarian commodities. Indeed, this is the argument forcefully put forward by Iñigo Carrera (1999; 2007, 101ff.; 2017, 325ff.), who convincingly shows the link between the fluctuations in the intensity of capital investment in Argentine agriculture and the effects of the mechanisms of recuperation of ground-rent by the global total social capital on the level of domestic agrarian prices. A thorough discussion of this issue exceeds the scope of this chapter, so we refer readers to Iñigo Carrera's works just cited for a more in-depth treatment of the subject.

The last two controversies reviewed above, i.e. those related to absolute monopoly rent and to the joint personification of the social roles of landowner and capitalist, allow us to address some further ramifications of the particular stance adopted concerning the different determinations of ground-rent that have been at the heart of those Marxist debates. More specifically, these relate to the peculiarity of extractive industries in contrast to the 'classic' agrarian case. In what follows, we shall approach this issue by focusing on the oil industry.

First and foremost, it is apparent the prominence of direct actions in the establishment of prices in the oil sector, in contrast to the more immediate market determination of agrarian prices. Thus, the 'oil crisis' of 1973–1974 placed the nature of the profits derived from the sharp increase in world market prices in those years at the centre of academic disputes. However, in light of our previous discussion of absolute monopoly rent, we think that Marxist analyses of this issue suffer from serious limitations. Indeed, a first position directly denies the very existence of any type of rent beyond differential ones in the oil industry. On the one hand, the possibility for the emergence of absolute rent is ruled out on the grounds that the organic composition of capital in this industry is above average (Bina 2013, 120; Nwoke 1984, 52). However, hardly any evidence is provided to substantiate this point. On the other hand, simple monopoly rent is discarded through the rejection of 'Monopoly Capital' theory (Bina 2013, 41). Now, although in more general terms we concur with the critique of 'Monopoly Capital' theory, its extension into the critique of the notion of 'simple monopoly rent' completely misses the point. For it should be clear that this type of rent has nothing to do with the monopoly over *capital*. Instead, the issue at stake is the monopoly over *scarce and/or non-reproducible natural conditions of production*. This same confusion is also present in other authors who make the opposite case that simple monopoly rents do exist in the oil industry. For instance, Chevalier (1976, 285) states that 'monopoly rents' arise from high 'barriers to entry', which, however, he does not see as generated by *landed property*.

By contrast, Massarrat (1980, 31–32) correctly states that absolute monopoly rents are rooted in the monopoly over land, even though he does not clearly differentiate between absolute rent and simple monopoly rent. However, this author conceives of absolute monopoly rents as only relevant to the worst conditions of production, and thus separates them off from differential rents. In this manner, absolute monopoly rents lose virtually all significance for the analysis of the oil industry. In addition, Massarrat postulates that the worst conditions of production that regulate the market price of oil are actually those of coal production, since he sees both oil and coal as essentially the same 'commodity': energy (34). This also leads to hide absolute monopoly rents further from view in his analysis, since every oil field is rendered better than the marginal conditions of production of 'energy', namely, coal mines. In fact, this same line of reasoning has led Werrebrouk (1979, 126) explicitly to conclude that oil rent is exclusively formed by differential rents.

In a nutshell, the common thread that ties all these Marxist analyses of the oil industry together is the dismissal of the relevance of the absolute monopoly over land in the determination of the magnitude of oil rent, thus neglecting the role of direct and conscious actions as necessary forms of realisation (i.e. mediating concrete forms) for the establishment of oil prices. In this sense, Bina's (2013, 87) conclusion on the role of OPEC in the oil industry is quite telling: 'if tomorrow OPEC closes its doors for good and the members were to depart and go about their business, commensurate with the productivity of their oil, they would earn the same'.

Yet, we think that our approach to absolute monopoly rents allows us to explain the striking significance of direct power relations in the oil industry on the very grounds of the Marxian critique of political economy. Take, for instance, the stage often characterised by the domination of the 'International Petroleum Cartel' over global oil markets (lasting from the late 1920s to the oil crisis of the 1970s). In those decades, a reduced group of seven large North American and European oil companies (the so-called 'Seven Sisters') were able to regulate production through a system of quotas and thus influence oil prices, limiting their downfall tendency despite the continuous incorporation of the more 'productive' oil fields of the Middle East (*vis-à-vis* the formerly predominant US fields). This means that oil firms were restricting production (and therefore limiting the investment of capital) in order to raise oil prices. To put it simply, they were acting as landowners. In this way, the 'International Petroleum Cartel' managed to maintain the profitability of US oil fields (which were the 'worst' lands for oil production), whilst, simultaneously, they multiplied differential oil rents in the Middle East and other oil-producing countries with better than average natural conditions for oil extraction. Thus, in this scenario, even differential rents did not automatically result from 'pure' market forces. Quite the opposite, they arose as a consequence of the active exertion of the absolute monopoly over land that kept the worst oil fields in production. In other words, direct regulation of output on the part of the oil cartel increased total oil rent compared to the level that this rent would have attained otherwise.

Still, it must be stressed that this does not imply the abstract negation of the essentially indirect form of the capitalist social form of regulation of material production. On the contrary, the direct and conscious regulation of prices by the 'International Petroleum Cartel' (and a similar argument could be made about the OPEC after the oil crisis) was a normal concrete form of realisation of the Marxian 'law of value', given the peculiarities of the oil industry and, specifically, the non-renewable character of oil. In effect, oil landowners have a greater capacity to restrict the use of the natural resource that they monopolise *vis-à-vis* agrarian ones. The reason for this is that, unlike the case of agrarian landowners, they can fully or partially withdraw from production the land they own without incurring in an irrecoverable loss of output, which is the material bearer of their ground-rent. To put it differently, the ground-rent which they do not appropriate within the current productive cycle can, *ceteris paribus*, still be captured in the following periods (Iñigo Carrera 2017, 50). On this basis, the direct regulation of production by landowners, although it may initially manifest in the form of the emergence of simple monopoly rents, ends up turning into differential rent (insofar as it allows the incorporation of lands which, without the mediation of such a conscious and voluntary action, would not even yield the normal rate of profit). This constitutes a good example of the previously discussed imbrication between differential and absolute monopoly rents, and also illustrates how non-economic social forms can mediate the quantitative determination of ground-rent.

The difference between the agrarian and oil sectors ultimately resides in the fact that the latter's absolute limit to the availability of the natural resource *vis-à-vis* the solvent demand for it is expressed in a definite timeframe for the process of depletion. In this sense, the direct action of landowners that mediates the generation of simple monopoly rents is grounded in the economic necessity to regulate current output with regard to both the present and future relationship between available reserves and the demand for them. The *economic content* of the exercise of monopoly power – i.e. the regulation of the rhythm of extraction and of the geographical organisation of production – took *concrete institutional form* through the constitution of a new 'cartel' comprised by oil exporting countries during the 1970s. As Delgado Wise (1999, 26–27) observes, the rise of prices caused by the actions of OPEC largely was an expression of the need to recompose the relationship between output and reserves, which had significantly deteriorated. At the same time, it was also meant to incentivise production in novel areas with higher costs, like Alaska and the North Sea.

This argument about the material determination of the action of the 'International Oil Cartel' evidently links up with our discussion of the joint personification of landed property and capital in the oil industry.[5] In a nutshell, our argument in this regard is that the 'Seven Sisters' played, besides their obvious role as industrial capitals, the practical personification of landed property. In effect, these firms had secured effective control over the world's best oil reservoirs through the leases obtained in the first decades of the 20th century, despite oil states having remained the legal owners of both the soil and the subsoil (Yergin 2009, 504, 523). This is far from a semantic discussion. Indeed, the point precisely is that it is only because those contracts gave capitalist firms the monopoly *over land* that we can explain their power over oil prices without either resorting to 'Monopoly Capital' theory or, worse still, simply explaining away the oil cartel by deeming all forms of 'price administration' as pre-capitalist traits, as Bina (2006, 8–16; 2013, 91–92) and Masarrat (1980, 40–41) do. The peculiar form taken by their role as joint personifications meant that multinational oil companies (and not the oil states as the formal owners of the lands) were the social subjects whose intentional actions had to mediate the 'social compulsion' to maximise the appropriation of a portion of the surplus profit in the form of oil rent. In this sense, it is suggestive that, when in the 1970s oil states reclaimed full ownership of the land, they did not simply re-negotiate the terms of the leasing contracts. They moved forward to nationalise oil firms, and thus reproduced the joint personification of landed property and oil capital, but now in the novel figure of the state-owned oil company. This seems another strong piece of evidence that the exertion of the monopoly over land in the oil industry tends to be fused together with the personification of industrial capital.

Conclusion

In this chapter, we have offered a critical overview of the main controversies and debates over the determinations of ground-rent which have taken place among Marxists since the publication of Marx's *Capital*. In all cases, we have also advanced our own stance on each of these questions, with a view to articulating a general unified perspective on those diverse phenomena which pertain to the workings of the 'law of value' in those branches of social production in which the labour process is subject to natural conditions which lie beyond the normal control by capital, i.e. without affecting its valorisation at the general rate of profit. After presenting our views on the source of surplus value that constitutes ground-rent, differential rent II, absolute monopoly rents and the question of the joint personification of capital and landed property, we also offered some brief illustrations of their implications and ramifications for concrete empirical research. In this way, we sought to bring to light the significance of the investigation of those more abstract determinations for the critical inquiry into contemporary capitalism.

Notes

1 For an extensive and detailed discussion of Ball's approach, see Caligaris and Pérez Trento (2017).
2 See Starosta and Caligaris (2017, 336–38).
3 The following section draws partly on Caligaris et al. (2022).
4 The fact that the upfront bonus is complemented by a royalty payment appears to be explained by the uncertain results of the exploration phase, since this arrangement allows landowners and capitalists to share the risks involved (Davidson 1963, 104).
5 For reasons of space, we could not include the agricultural sector in this discussion. See, however, Caligaris et al. (2022).

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10 The specificity of capital accumulation in Latin America

A critique of dependency theory

Introduction

In his overview of theories of imperialism, unequal exchange and dependency, Dussel (2001, 205–14) perceptively notes that most Latin American attempts to account for the phenomenon of global uneven development and its specific manifestation in this part of the globe, whether debates on the mode of production prevailing in (or since) colonial times (Assadourian et al. 1973; Gunder Frank 1969; Laclau 1971) or sociological critiques of mainstream development theories (Bambirra 1978; Cardoso and Faletto 1979; Dos Santos 1978), have ultimately failed to go beyond explanations that focus on the historical genesis of the '*differentia specifica*' of the region. Or, at most, they simply provide descriptions of the outward 'empirical appearances' of the mechanisms that reproduce the limited potentialities of capitalist development in these countries, without inquiring into its *fundamental determinants*. In other words, Dussel's (2001, 211) argument goes, those approaches choose to follow a 'phenomenal road' in which 'not a single one of the essential categories of Marx's critical political economic discourse is used'. By contrast, he claims, the critical-scientific explanation of the qualitative specificity of Latin American societies must be based on a methodologically rigorous systematic development of the form-determinations that shape the unfolding of the law of value on a global scale (209).

Among the few notable exceptions that do follow this latter road, Dussel mentions Ruy Mauro Marini's (2022) pioneering and influential *Dialectics of Dependency*, based on the essentiality of 'super-exploitation' of labour as the distinguishing mark of Latin American national societies, and Kalmanovitz's (1983) critique of dependency theory. Moreover, in *Towards an Unknown Marx* Dussel (2001, 207–9) himself puts forward his own idiosyncratic take on unequal exchange based on differences in the organic compositions of capital in the 'centre' and 'periphery' (an approach that he traces back to non-Latin American scholars such as Grossmann, Battleheim and Palloix). Indeed, it seems fair to conclude that Marini's and Dussel's works probably are not only two of the most widespread Marxist approaches to dependency theory but also, without a doubt, the most sophisticated and rigorous theoretical perspectives when it comes to the attempt

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to marry that Latin American intellectual tradition and the Marxian critique of political economy.

The purpose of this chapter is thus critically to examine both Marini's and Dussel's approaches to the study of the social determinations and developmental potentialities of Latin American societies. We argue that there are two main weaknesses in all versions of dependency theory, which these Marxist reformulations fail to overcome, and which underlie their inability to offer a critical understanding of the fundamental determinations of uneven development on a world scale and its particular expressions in Latin America. In the first place, despite their self-conscious effort to transcend the 'methodological nationalism' characterising mainstream development studies, they nonetheless fail firmly to ground the constitution of national or regional specificities in the essentially global dynamics of the capital accumulation process. Secondly, and relatedly, they more or less explicitly end up conceiving of political forms of capitalist social relations, i.e. class struggle and/or the state (and its policies) as somehow autonomous from the (alienated) economic content of this historically-specific mode of existence of the human life process: the self-movement of valorisation of value. In brief, dependency theory is unable to uncover the inner connection between what outwardly appear as two sets of differentiated aspects of capitalist production which, constitute, respectively, their content and necessary mode of existence: the economic and the political, and the global and the national. By contrast, we shall submit that the key question resides in comprehending that the production of surplus value is an attribute of the *global total social capital*, whose *immanent unity or content* obtains at the level of the *world market*, but which becomes *self-differentiated* into qualitatively specific *national forms* that constitute individual organs of the international division of labour of uneven developmental potentialities.

Ruy Mauro Marini's and Enrique Dussel's attempts to marry dependency theory and the Marxian critique of political economy[1]

Ruy Mauro Marini's dialectics of dependency

Ruy Mauro Marini is probably the most influential author from the Marxist dependency theory tradition. His contribution stands out for making *super-exploitation* (hereafter SE), the fundamental or essential determination that marks the specificity of so-called 'dependent economies'. This feature, his argument goes, crystallises primarily as a *nationally-embedded* method of production of surplus value, which emerges as an 'adaptation mechanism' through which peripheral economies react to the outflows of surplus value that result from the 'unequal exchange' relations that they establish in international circulation with advanced capitalist countries (Marini 1978, 62ff.; 2022, 130ff.). In turn, this inequality in the world market results from the fact that certain countries (from the so-called 'centre' in dependency theory's jargon) produce certain commodities which others (from the so-called 'periphery') are unable to produce. Alternatively, the unequal exchange is also said to result from the centre's relatively higher productivity of labour for the same commodities, which leads to them reaping surplus profits (Marini 2022, 127–28). Either way, these conditions allow industrial countries to ‘evade the law of value’, that is, to sell ‘their products at higher prices than their value’, thus forcing ‘disadvantaged nations’ to ‘cede part of the value they produce’ (128).

The necessity of SE develops as a ‘compensatory mechanism’ in the face of these ‘value transfers’ (Marini 2022, 128).[2] Whether through the increase in the intensity of labour or the extension of the working day, the mass of value produced by workers goes up and, under the assumption of a given wage, so do the mass and rate of surplus value. A similar effect obtains by means of a sheer cut of the real wage, which also increases the amount of surplus value, albeit without augmenting the total mass of value produced. In all cases, and regardless of the concrete ways in which these different forms of SE become articulated, they involve the payment of labour-power below its value, whether by virtue of the curtailment of the consumption of use-values which are necessary for the *normal* reproduction of the ability to work of wage-labourers, or due to an abnormal daily expenditure of labour-power leading to its premature exhaustion (132). In Marini’s own words, SE essentially comprises the increase in surplus value through the conversion of ‘part of the wage fund into the fund for capital accumulation’ (161). Thus, this modality of surplus value extraction becomes the primordial determination of the specific form assumed by capitalist development in Latin America, insofar as ‘the three mechanisms identified – the intensification of work, the extension of the working day, and the expropriation of part of the labour necessary for the worker to replenish his labor power – give rise to a mode of production based exclusively on the greater exploitation of the worker, and not on the development of his productive capacity’ (131).[3]

Now, this configuration of the ‘mode of production’ engenders its specific ‘mode of circulation’. More concretely, the SE of labour-power tends to generate a disproportion between domestic production and consumption. To begin with, SE tends to reduce the wage-workers’ consumption, whether in absolute terms or in relation to total output. In this sense, Marini submits that in dependent economies the wage primordially acts as determinant of the rate of surplus value rather than as a source of solvent demand, as contrastingly happens, allegedly, in central economies. Domestic demand thereby depends to a larger extent on the amount of surplus value, which is specifically augmented by virtue of the existence of SE. However, a portion of surplus value escapes domestic accumulation and flows abroad via unequal exchange (especially during the so-called ‘agro-export’ stage), or through other forms of international value transfer which emerge and consolidate in later phases of capitalist development (such as profit remission and royalty payments).

Moreover, Marini points out that this exacerbated dependence on surplus value as a source for the realisation of the value of domestic output is further compounded by the relatively small share of domestic manufacturing in the overall supply of means of production, which implies that most of the surplus value spent within peripheral countries takes the form of revenue instead of being devoted to accumulation. This generates a peculiar structure of domestic consumption concentrated in 'luxury goods', which were initially provisioned by means of imports until the relative breakdown of foreign trade with the eruption of the 1930 crisis, and thereafter increasingly through domestic production as the subsequent turn to Import Substitution Industrialisation (ISI) gathered pace in Latin America. Thus, on the one hand, the size of domestic demand becomes specifically restricted by the dominantly export-oriented nature of local production and the drain of surplus value resulting from 'unequal exchange'; on the other, its composition becomes split into two clearly and strictly delimited spheres: a 'lower' segment corresponding to the individual or personal consumption of the working class, which is particularly limited by virtue of the existence of SE, and a thereby expanded 'higher' segment which relies on non-accumulated surplus value.

According to Marini, insofar as the relatively limited development of relative surplus value production still prevails in peripheral countries, this peculiar structure of the circulation of capital cannot but further bolster the tendency to increase the appropriation of surplus value by means of the SE of the working class which, in turn, leads to the continuous reproduction of their dependent status. Moreover, this necessitates permanent additions to the supply labour-power to sustain the SE of workers without undermining the reproduction of capital, which would otherwise risk clashing against a lack of 'human exploitable material' with the productive attributes demanded by the accumulation process itself. The 'circuit of dependent capital', Marini concludes, thereby consists of a peculiarly 'deformed' articulation between production and circulation. And he stresses that this unity between the two phases of the cycle of capital differs from the allegedly 'normal' and 'virtuous' combination prevailing in central countries, where working-class consumption acts as a vigorous source of effective demand for the realisation of capitalised surplus value.

Thus, as Barreda Marín submits in his meticulous reconstruction of both Marini's works and the subsequent debates to which it gave rise, if colonial forms of integration of Latin American countries into the world market and unequal exchange constitute the 'historical and functional determinants which lead to the *necessity* of SE', the large pool of latent relative surplus populations inherited from pre-capitalist societies, migratory flows and the 'dislocated' structure of the circuit of dependent capital, constitute the 'condition of possibility for the functioning of SE' (Barreda Marín 1994, 202), i.e. the *ossification* of capital's *generic* voracious appetite for the increase in the rate and mass of surplus value through SE, into a *specific* 'structural' trait of peripheral countries.[4]

Unequal exchange as the essential ground of Latin America's dependency in Dussel's 'Towards an unknown Marx'

Marini's consideration of SE as the *essential determination or ground* of dependency has been called into question by Enrique Dussel, the other author who stands out for his effort at developing dependency theory based on the categorial framework and dialectical method of the Marxian critique of political economy. Without denying the reality of SE as an 'empirically-existing' phenomenon in the periphery of the capitalist world-system, Dussel (2001, 212) points out that Marini 'errs when he confuses a "compensation mechanism" […] with an essential determinant'. By contrast, Dussel argues, 'Marx would have expressed the essential and fundamental simply: Dependency consists of the transfer of surplus value from a less-developed total national capital to a more developed one' (214). In other words, only because of the existence of such international transfer of surplus value, does SE eventually arise as 'a secondary, derivative mechanism' to compensate for the essence of the transfer, which resides in unequal exchange (205).

Now, Dussel is very emphatic that the phenomenon of dependency does not abstractly negate that of competition but, to the contrary, develops it. In this sense, he explicitly postulates that 'dependency is a moment in the competition of capital' (Dussel 2001, 214). Moreover, he adds that competition belongs in the sphere of circulation. For that reason, no surplus value can be generated through competition; the latter can only distribute the value which has been created in production. In effect, through the mediation of competition, the values of commodities take the concrete form of prices of production (which can be higher or lower than the former). In this manner, i.e. through the consequent formation of the general rate of profit, individual capitals with a higher organic composition appropriate part of the surplus value which has been extracted from wage-labourers by capitals from branches of social production with a lower organic composition. But insofar as this process takes place on the world market among 'total national capitals of different levels of development (i.e. of different organic composition and with different average national wages)' (225), it turns out that dependent countries prove to be those in which individual capitals, on average, tend to operate with a lower organic composition, thereby suffering a drain of surplus value into the pockets of 'dominant countries'. On these grounds, Dussel infers that the transfer of surplus value from a less developed to a more advanced total national capital implies that the latter valorises at the expense of the former (217–19). This essentially unequal exchange on the world market constitutes the fundamental basis of dependency.

Nevertheless, Dussel agrees that there are other secondary or derivative modalities of the transfer of surplus value. For instance, this is the case if 'the more developed country, as the only buyer, sets the "international monopoly price" of the product (coffee, for example) at less than the value of the commodity' (Dussel 2001, 228). Also, it could happen that capitals from more developed countries establish a monopoly over the supply of a particular commodity which is not produced in the periphery, which allows them to fix a market price above the respective price of production (as generally happens, according to Dussel, in the case of means of production) (229). Another secondary mechanism for the perpetuation of dependency occurs when individual capitals from more developed countries – i.e. Transnational Corporations (TNCs) – settle in peripheral countries to cater for the domestic market. Insofar as they set into motion a higher productivity of labour than local individual capitals from the periphery, they manage to sell their commodities at lower prices than the corresponding ('national') value or price of production in the respective branch, thereby capturing extraordinary profits that they remit to their central country of origin (230–31). Finally, building on the contributions by Emmanuel and Amin, Dussel mentions a variation of this latter mechanism which takes advantage of national borders through their impact on international differences in wage levels (231). When TNCs produce in the periphery to export their output to central countries, they pocket a surplus profit derived from a lower disbursement of variable capital *vis-à-vis* individual capitals that produce in their respective countries of origin. In a nutshell, through all these arguments, Dussel wants to throw into relief the primordial character of national borders as mediations for the transfer of surplus value. Whether through differences in the average organic composition of capital or wage levels, the demarcation of national spaces of accumulation act as a *fundamental barrier* to the fluidity of the self-movement of capital (224). On these grounds, Dussel concludes, a diversity of *national markets* crystallises which sustains the 'international *social relation* of domination' (224).

Still, Dussel is at pains to avoid lapsing into a 'methodological nationalism' which takes the unity of the world market as the outcome of the external interaction among constitutively autonomous national spheres of accumulation. In this sense, he maintains that from the point of view of the worldwide unity of the process of capital accumulation, the dependency in competition between a peripheral total national capital and a more developed one as part of the world market, is internal or constitutive of each of the asymmetric poles in the relationship (Dussel 2001, 217). Hence, for Dussel there is 'autonomy' of the total national capital within the total *world* capital; however, it is not 'absolute' but 'relative' (218).

On the other hand, Dussel indicates that the relationship of international subordination involved in the concept of dependency does not eliminate the exploitative social nexus between the bourgeoisie and the working class. On the contrary, he stresses that (unequal) international competition is the mediating form which resolves the share of each total national capital in the whole of the surplus value extracted by capitalists from workers across the globe. He thus makes the further point that, unlike the capital-labour relation that produces surplus value, it is not a 'vertical' exploitative relationship between social classes but a 'horizontal' one (Dussel 2001, 221). Yet, he stresses that it is crucial not to lose sight that the relation of dependency remains a social tie of 'international domination', namely: that 'of one capital over another in competition, which produces a transfer of surplus value from the weaker capital toward the stronger' (221). This is the reason why 'competition between total national capitals of different levels of development does not happen naturally with equal willingness on both sides' (221). Rather, the less-developed capital 'is coerced […] to *enter international competition*' (222). Without this moment of coercion, the less-developed total national capital would 'naturally' tend to 'protect itself by refusing competition, fortifying its borders, and establishing a "nationalist" *national monopoly* (within which there may be intra-national competition)' (222).

The weaknesses of Marxist dependency theory

One of the central elements of the ECLAC (Economic Commission for Latin America and the Caribbean) tradition that sedimented as 'received wisdom' of dependency theory was the notion of 'declining terms of trade'. In this sense, in *Dialectics of Dependency* Marini (2022, 125) explicitly maintains that it is a 'well-known fact that the increase in the world supply of food and raw materials has been accompanied by a decline in the prices of these products, relative to the price of manufactured goods'. Additionally, Marini continues, 'it is clear that such a depreciation cannot correspond to the real depreciation of these goods, due to an increased productivity in the non-industrial countries, since it is precisely there that productivity rises most slowly' (125). However, as Iñigo Carrera (2018, 47) perceptively notes, like his ECLAC predecessors Prebisch and Singer, Marini does not offer any shred of statistical evidence on the alleged evolution of the productivity of labour in primary commodities-producing countries *vis-à-vis* so-called industrial ones. Instead, he simply takes it for granted as an indisputable phenomenon, which would only need to be re-signified and explained within the categorial frame of the critique of political economy, in order to incorporate it as a constitutive element of the Marxist version of dependency theory.

But matters are not as straightforward and self-evident as Marini postulates. In fact, in a recent article, Iñigo Carrera presents an empirical estimate of the respective evolution of the productivity of labour in agriculture and manufacturing in the US. It must be borne in mind that this is one of the largest national spaces of accumulation, which does not erect any specific barriers to the increase in the productivity of agricultural labour and which, in addition, is one of the world's greatest exporters of agricultural commodities (Iñigo Carrera 2018, 48–49). In opposition to the 'conventional wisdom' on the 'declining terms of trade' uncritically endorsed by Marini, Iñigo Carrera shows that, although relative prices of agricultural commodities have certainly dropped around 60% *vis-à-vis* those of industrial commodities, 'the productivity of agricultural labour in the US has been continuously growing faster than in manufacturing. Whilst the former multiplied by 35 between 1910–19 and 2000–09, the latter has done so only by 12' (48–49). Hence, when the estimate of the evolution of relative prices between agricultural and manufacturing commodities factors in the movements of the respective productivity of labour, Iñigo Carrera observes that 'net' or 'adjusted' terms of trade turn persistently favourable to agricultural commodities. In effect, after an initial phase of decline between 1910 and 1930, the trend thereafter reverses direction and the 'net terms of trade' of agricultural commodities start to grow. Already in 1970, they had risen above the base year of the historical series, they subsequently peaked during the 1980s and then slightly fell but still remained above the base year ever since (50–51).

Several points crop up in light of these estimates. First, and in opposition to the beliefs of 'dependentistas', the evolution of net terms of trade shows that there has been a continuous *inflow* of extraordinary social wealth into countries which mostly specialise in the export of raw materials and staple foods to the world market. This international flow of value begs the question of why, despite this influx of extraordinary social wealth, those countries tend to lag behind in the capitalistic development of the productive powers of social labour. As we shall see, the answer to this question needs to lay bare the *specific social form* that constitutes this international movement of social wealth, namely: ground-rent. In this respect, it is striking the virtual absence of any significant discussion of the role or ground-rent in the social constitution of the specific modality and potentialities of capital accumulation in Latin America within the 'dependentista' literature, especially considering the importance given by this approach itself to the specialisation in primary production as determinant of the limited potentialities of accumulation in the periphery. And it is even more striking when one bears in mind that the question of ground-rent and its role in Latin America had cropped up in the controversies within dependency theory towards the end of the 1960s.[5]

We shall come back to the role of ground-rent in the determination of the specificity of capitalist development in Latin America in a later section. For the moment, suffice it to say that the mere existence of an inflow of ground-rent in countries specialised in the export of raw materials and staple foods to the world market allows us to call into question another key notion of the dependency tradition, namely: the idea of 'unequal exchange'. In effect, even if we momentarily set aside *differential* ground-rent and only consider *absolute* and *simple monopoly* rents (which are particularly relevant in mining and hydrocarbons production), this suffices to throw into relief aspects of the determination of the international price of primary commodities which, at the very least, should lead us to qualify any possible systematic drain of surplus value through other determinations of international trade that Latin American countries might experience (Iñigo Carrera 2013, 169–70), whether those derived from 'industrial' countries' alleged ability to 'evade the law of value' on a world scale through the establishment of monopoly prices for their products (Marini), or those which stem from the higher average organic composition of the 'more developed total national capitals' (Dussel). Thus, insofar as there is capitalist landed property, the market price of agrarian (and mining) commodities will necessarily tend to stand above the corresponding price of production or even above its value. And this will partially or completely counteract (if not simply reverse) any other possible drain of social wealth that could be mutilating the potentialities of the national processes of capital accumulation in Latin America.

But the existence of ground-rent is not the only peculiarity of social production in the primary sector which calls into question the notion of unequal exchange. First and foremost, with particular relevance for agrarian production, dependency theory's unilateral focus on the effects of the organic composition of capital in the determination of prices of production overlooks the evidently slow capital turnover time in productions which are subject to biological processes currently uncontrollable by human labour. Secondly, even narrowing down the focus to the organic composition of capital, an impressionistic look suffices to cast doubts on the alleged low incidence of constant capital in mining and, even more so, in hydrocarbons production (which are the key export sectors in many Latin American countries like Chile, Bolivia, Perú, Ecuador and Venezuela). And even in the case of agrarian production, although the assumption of a relatively low organic composition might have been sensible in Marx's times, contemporary evidence suggests that such an assumption might be in need of reconsideration. Turning again to the above-cited text by Iñigo Carrera (2018, 66), he observes for the USA that if we take the value of fixed capital disbursed in machinery and buildings and add the amount of circulating capital in inventories, 'the composition of agrarian capital is significantly higher than that of the manufacturing sector from 1925 until 2009, which is the last year of the series under analysis'.

Having raised some initial objections to the two general notions which structure the dependency tradition as a whole, let us now examine more closely the idiosyncrasies of the respective approaches of Marini and Dussel through which they attempt to articulate dependency theory and the Marxian critique of political economy. Marini's fundamental argument about Latin American 'dependent' economies is that their specificity resides in the relative cheapness of labour-power, a phenomenon which he encapsulates in the notion of SE. A first reservation against this view is that had capital found in Latin America a pool of sufficiently cheap and disciplined labour-power, it would have tapped into that reservoir of 'exploitable human material' to undertake world market-oriented manufacturing production. As we shall see in the following section, that is indeed what lay at the basis of the rapid 'late industrialisation' process in East Asia from around the late 1950s or early 1960s onwards. Yet, in Latin American economies, by contrast, world market-oriented production continued (and in South America continues to this day) amply dominated by raw materials and staple foods, whilst the industrialisation process has been (and in South America continues to be) overwhelmingly dominated by an inward-looking orientation to highly protected domestic markets of a specifically restricted size (or, in more recent times, to highly protected regional markets like MERCOSUR).

The other central idea of Marini's does not pertain to the specific 'mode of production' (i.e. SE) but to its corresponding 'mode of circulation', which takes shape in the particular form assumed by the 'cycle of dependent capital'. Analogously to his stance on the 'declining terms of trade', here Marini takes at face value the claims of Latin American development economics (especially the heterodox structuralist views of scholars like Celso Furtado) and simply attempts to incorporate them in the 'categorial frame' of the critique of political economy. The problem is that many of those claims have a questionable empirical basis. As Astarita (2010, 56–57) comments in this regard, 'it is not true that in Latin America consumer durables producing industries were condemned to a limited effective demand comprised of only five or ten percent of the population'. On the contrary, in countries like Argentina, Brazil, Uruguay and Chile a significant part of the working class incorporated those kinds of commodities in their normal conditions of reproduction.

On the other hand, and more importantly, in presenting the expansion of mass consumption as the condition for the realisation of surplus value, that eminently Keynesian train of thought inverts the determination of the value of labour-power and, more generally, the very content of the process of human metabolism subsumed under the capital-form. The alienated finality of capitalist production is not the satisfaction of human needs for use-values, i.e. the reproduction of human life, but the valorisation of capital. The value of labour-power and, therefore, the magnitude and qualitative material composition of the 'consumption basket' of the working class, is thus determined by the mass of commodities which are necessary for the *normal* reproduction of the materiality of all the productive attributes (both technical and 'moral') which must be set into motion to *produce* surplus value for capital.[6] By contrast, in a clearly *underconsumptionist* fashion, Marini's notion that the 'normal' or 'non-deformed' circuit of capital that allegedly obtains in 'industrial countries', requires a sufficiently high wage level to absorb certain commodities (regardless of those which are strictly required to reproduce labour-power in the material conditions demanded by the changing modalities of the real subsumption of labour under capital), presents working-class consumption in an inverted manner, as determined by the necessity to *realise* surplus value in circulation.[7]

Let us now turn to examine Enrique Dussel's approach, which explains the situation of 'dependency' as the outcome of 'transfers of surplus value' that take place through international exchange between total national capitals of different degrees of development, as expressed in the different levels of average organic composition of the individual capitals that operate in each type of national space of accumulation.[8] The first point to make against this view is that the representation of this social process as involving 'unequal exchange', i.e. with what is an eminently *normatively* charged label, involves taking the *necessary form* assumed by the norm which regulates the material unity of the capitalist mode of production, as if it were the abstract 'violation' of what is deemed 'ethically' normal (Iñigo Carrera 2017, 211). Thus, Dussel's 'horror and abomination' in the face of the alleged 'inequality' in the relations established by the individual organs of the global total social capital, implicitly considers that the equivalence which *should immediately govern* the exchange of commodities involves equal *quantities of value* and not of *valorised value*. In other words, the implication of Dussel's approach is that commodities should exchange as simple products of labour and not as products of labour subsumed under capital. As Iñigo Carrera eloquently puts it:

> As simple products of labour, the equivalence in commodity exchange corresponds to their condition as identical materialisations of privately-undertaken socially necessary abstract labour, i.e. to their conditions as values. But commodities […] are the products of capital. As such, their equivalence in exchange does not correspond to their abstract condition as equal values, but to their concrete condition as equally valorised values. From the viewpoint of the organization of social production and consumption in the capitalist mode of production, exchange at prices of production determined as the concrete form of value is the real egalitarian exchange.
>
> (Iñigo Carrera 2017, 211–12)

It follows from this that the fact that a national space of accumulation experiences an outflow of surplus value through international trade by virtue of the average organic composition of capital prevailing within its territory (in turn an expression of the sectoral composition of the productive structure), *does not entail any hindrance to its valorisation capacity*. In effect, the individual capitals that comprise that total national capital yield, on average, the *uniform general rate of profit* as any other capital across the world market. Put differently, the cession in circulation of a portion of the surplus value extracted from the domestic working class, which is directly exploited by a determinate 'collective capitalist' which operates in a certain national sphere, does not mutilate their respective accumulation capacity. Rather, it is the necessary form in which they affirm themselves as solidaristic undifferentiated organs of the *global* total social capital. In this sense, it is quite simply not possible to explain the constitution of national spaces of accumulation with different qualitative modalities and potentialities, based on an attribute which pertains to the simplest determination of the formation of the general rate of profit through the transformation of values into prices of production.

The accumulation of capital on a world scale, the international division of labour and the hierarchical stratification of the interstate system: general foundations of uneven development

Against the backdrop of our critical assessment of the two most sophisticated approaches to the Marxist dependency theory, we can infer a first general conclusion about a shared limitation in their respective accounts of the specifically-limited potentialities and contradictory dynamics of Latin American societies. In a nutshell, these theories fail to elucidate the *immanent* connection between the *essentially global content* of capitalist social relations and the *differentiated national forms* in and through which such social unity is established on a world scale. More concretely, they stop short at the apparent externality in which the inner nexus between global content and national form of the capital accumulation process manifests itself.

In the case of Marini, such externality is expressed in his representation of the specificity of capital accumulation in Latin America as residing in a particular, *nationally-embedded* method of production of surplus value based on the SE of labour, which in turn emerges as an 'adaptation mechanism' through which dependent economies react to the outflows of surplus value that result from the 'unequal exchange' relations that they establish in international circulation with advanced capitalist countries. In other words, for Marini, the production of surplus value is an attribute of each 'national total social capital', with its specificity determined by the *dominant* (i.e. essential but not necessarily exclusive) mechanism of exploitation of the working class. Latin American 'total social capitals' develop their own nationally-based methods of production of surplus value (SE) as a 'functionally-determined' consequence of the methods originally developed in advanced countries (technical progress).

Dussel, for his part, posits the national specificity of 'peripheral societies' as the emergent outcome of the unfolding of a single 'law of value' on a world scale. In turn, the latter is seen as the unitary immanent content which takes concrete form in the sphere of international competition through the unequal exchange between national total social capitals of diverse degrees of development. However, this initially-posited essential global unity is later torn asunder, as he eventually postulates a residual element of 'relative autonomy of the national-form', from which 'dependent countries' are coercively forced out by 'developed countries' in order to compel them to enter into relations of international competition. On this basis, Dussel then ends up representing the action of the state in 'dominated countries' as capable of abstractly negating the 'objective compulsion' of competitive relations on the world market (whether partially and temporarily in the case of 'populist' political regimes, or with full potentiality in the case of revolutionary movements of 'national liberation').

By contrast, we think that a sound comprehension of the patterns of national differentiation that structure the specificity of Latin American societies must part company with the notion of 'autonomy' implicit in both versions of the Marxist dependency theory that we just reviewed. As we shall see below, the key question resides in explaining why and how the immanently global unity of capital accumulation (the content) becomes self-differentiated into national spaces of valorisation of qualitatively varied modalities and potentialities (the form), as it *subsumes* under its movement of formally boundless self-expansion the materially diverse determinations of different territories and human productive forces across the globe, thereby engendering historically-changing constellations of the international division of labour.

As we have seen in the first two chapters, the historical specificity of capitalist production derives from the private and independent form taken by social labour. Social relations thus take the alienated form of powers of the product of labour, and human beings become determined as personifications of those objectified forms of social mediation. This indirect form in which the unity of social labour is established is fully-developed when it becomes capital. In this more concrete form as self-valorising value, the materialised social relation does not simply formally mediate the material life process of human beings, but actually becomes inverted into the very alienated subject of the process of social reproduction and its expansion *in its unity*: the material metabolism of society takes the inverted form of the accumulation of the *total social capital* (Marx 1976, 763).

In the process of renewal of the conditions for its self-valorisation, the total social capital produces and reproduces commodity owners as members of antagonistic social classes (Marx 1976, 723–24; 1992a, 185). In its simplest determination, the class struggle is thus the most general direct social relation between collective personifications of commodities (thereby distinguished as a political form of social relations), which mediates the reproduction of the indirect relations of capitalist production through the generalised commodity-form (hence determined as the economic form of social relations) (Kicillof and Starosta 2007; Starosta 2016a, 216ff.). Although it is a necessary form taken by the reproduction of the total social capital, the antagonistic character of the class relation disrupts the fluidity of the former's valorisation. The establishment of the general unity of social labour must, therefore, take shape through a further objectified form of social mediation, the state, which in bourgeois society confronts commodity owners (the personifications of money-as-capital and of the commodity labour-power), as an apparently external power with the authority and capacity to establish the overall direct regulation of their antagonistic social relations (Iñigo Carrera 2013, 91ff.). The state thus develops as the most concrete political form that embodies the direct organisation of the unity of the conditions of social reproduction in its alienated capital-form. That is, the state is the concrete form of essentially indirect social relations through the valorisation of capital. By virtue of this content, the state becomes the *general political representative of the total social capital*. In brief, capitalist social relations exist as differentiated into economic forms (the autonomised movement of capital commodities on the market) and political forms (class struggle and the state). The latter, far from enjoying 'autonomy' (relative or otherwise), are the necessary mode of realisation of the contradictory content of the economic mode of existence of capitalist social relations. In other words, class struggle and state policies are not to be conceived of as independent, self-subsisting factors that externally modify or influence the workings of the law of value. Instead, they need to be grasped as necessary modes of motion through which the law of value further unfolds beyond the strictly economic forms immediately springing from the indirect nature of the social relations of capitalist production.

Now, as argued in Caligaris (2016), the plan that Marx had outlined for the exposition of the critique of political economy culminated, at least in his most ambitious versions, with a book on the 'World Market' (Marx 1973, 108; 1983, 270; 1987, 261; 1991, 205). Thus, from an early stage, Marx considered capitalism to be a universal mode of production and, consequently, of an *essentially* global character (Marx and Engels 1975, 49; Marx 1992b, 340–41). This immanently global nature of capital does not simply boil down to the immediately observable fact that national markets are connected through foreign trade and investment flows, but means that the *world market* constitutes the 'vital or metabolic environment' for the process of capital accumulation. In other words, the world market is for Marx the only place where the total social capital fully affirms itself as the alienated subject of social production.

Thus, although in its *historical genesis*, the formation of the world market has been the outcome of the confluence of a multiplicity of national processes of capital accumulation (which happened during the phase of the so-called 'primitive accumulation'), once this stage of its becoming achieved completion, the relationship between the global and the national dimensions of capitalist society experienced an inversion: the worldwide unity of the process of accumulation turned into the very general social process whose self-movement is realised through its differentiation into territorially or jurisdictionally demarcated spaces of valorisation in mutual competition (Iñigo Carrera 2013, 57ff.). In other words, the unity of the global total social capital becomes self-differentiated into the circulation processes of distinct national total social capitals. In this way, the competition between individual capitals becomes politically mediated by the direct relations that are established between distinct national states – that is, their 'international relations' (Caligaris 2016, 58). The formation of the uniform world market rate of profit thus takes concrete shape through diverse and historically-changing geopolitical forms. However, this does not change the fact that the immanent content of both international economic relations between individual capitals and international political relations between national states remains the accumulation of the total social capital on a global scale, as the immanent content of the world market (Smith 2006, 193). Geopolitical competition in the 'interstate system' is thus but a further mediated form in which, through their political representation by their respective states, the 'multiplicity' of national total social capitals also asserts their unity as aliquot parts of the global total social capital, i.e. as 'hostile brothers' that partake in the collective exploitation of the international working class. In brief, as an expression of its inherently self-expansive nature, this fetishised social relation is global in *content* and national only in *form* (Clarke 2001).

It follows from this that the *essential determination* of the global dynamics that structure the world market is not one of 'imperialism', understood as a set of asymmetrical or hierarchical *direct political relations* of subordination between 'countries' that structure the interstate system.[9] As perceptively noted by the scholars from the Marxist dependency theory tradition discussed earlier, from the standpoint of the critique of political economy, those asymmetrical international political relations, without being 'empirically or factually' false, actually constitute the *phenomenal forms* of uneven development on a global scale but not its *foundation* (Marini 2022, 125–26). However, and here we part company with those authors, we think that the essential economic content of global uneven development does not reside in the 'unequal exchange' between the respective national total social capitals of centre and periphery (Dussel), or in a process 'led' by the production of relative surplus value in advanced countries to which 'dependent countries' must reactively adapt through particular forms of capitalist development centred on the SE of the working class (Marini).

In our view, the most general economic content which structures the inner global unity of the world market, whose movement takes outward concrete from through the uneven differentiation of national spaces, is the *production of relative surplus value by the global total social capital on a planetary scale*.[10] This eminently unconscious and crisis-ridden social process gives rise to historically-changing constellations of the international division of labour and, as a consequence, to qualitatively differentiated developmental potentialities for each national 'aliquot part' that mediates this social process across the globe. On the other hand, out of this spatial self-specification of the generic potentialities of global surplus value production, varied accumulation capacities do emerge for the diverse concrete modalities it assumes in each national space for the valorisation of capital. More concretely, it limits the specific potentialities of certain national total social capitals to act as immediate active bearers of the development of the productive powers of social labour. In this sense, the respective international geopolitical relations on the world market do not simply take antagonistic forms but become mediated by a stratified interstate system. Nevertheless, however unequal the force carried by each national total social capital in their mutual confrontation in the international arena, the general underlying content of their formally autonomous action when economically and geopolitically competing on the world market, does not revolve around the satisfaction of the interests of 'imperialist powers' or 'core countries' at the expense of 'peripheral or dependent nations'. Rather, it consists of giving course to the production of relative surplus value by the total social capital in its immanent global unity. The latter is, in sum, the essential social determination that is realised in the political form of state policies (domestic and foreign), competitive strategies of individual capitals and class conflict *in all countries*, albeit 'behind the backs' of the antagonistic actions of the personifications involved (that is, social classes and their diverse political organisations, political elites, and/or state managers).

The immanent unity between economic content and political form of the specificity of Latin American societies[11]

Now, as is recognised by virtually all accounts of the history of capitalist development in Latin America, the original subsumption of these territories to the global accumulation of capital was based on the production of agricultural and/or mining commodities for the world market.[12] As Marx remarks in *Capital*, the establishment of this 'classic' modality of the international division of labour (that he labels 'new'), which 'converts one part of the globe into a chiefly agricultural field of production for supplying the other part, which remains a pre-eminently industrial field' (Marx 1976, 580), was determined by the production of relative surplus through the system of machinery of large-scale industry.

In effect, the exceptional natural conditions prevailing in many of these territories allowed for a greater productivity of agricultural or mining labour, thereby resulting in the cheapening of means of subsistence and a lower value of labour-power. However, this form of subsumption of Latin American territories into the global circuits of accumulation was ridden with a contradiction: if, on the one hand, the total social capital enhanced its valorisation by reducing the value of labour-power, on the other this was partly offset by the drain of surplus value, otherwise available for capital's appropriation, flowing into the pockets of domestic landowners in the form of ground-rent. Moreover, to the extent that primary commodities produced in the region have been exported and consumed overseas, ground-rent has constituted a continuous *extraordinary* international *inflow* of social wealth (as opposed to the aforementioned *normal outflows* in the process of *equalisation* of the worldwide rate of profit overly emphasised by 'dependentistas').

Capital was thus driven to overcome this barrier to its accumulation capacity by reshaping those spaces of valorisation in order to recover part of that surplus value, through the establishment of an 'antagonistic association' with local landowners over the appropriation of ground-rent. From being simply a source of cheap raw materials and means of subsistence, those territories became also determined as sources of ground-rent recovery for global industrial capital. The developmental trajectory of these countries has been determined by the historical course of this modality of capital accumulation, not only throughout the so-called agro-export stage but also during the so-called Import Substituting Industrialisation (ISI) phase and, in South America, until contemporary times (Iñigo Carrera 2016, 34–47).

As argued in Caligaris (2016, 66), insofar as 'the political representation of the global total social capital by the state is mediated by the national form taken by the accumulation process' the total social capital's recovery of ground-rent 'must take shape, first of all, in the appropriation of ground-rent by the national total social capital of "resource-rich" countries through its own national state'. This political mediation has been necessary to block the 'spontaneous' course of ground-rent towards landowners through a wide array of state policies that intervene in the circulation of ground-rent-bearing commodities and divert its flow towards industrial capital. Thus, the transfer of ground-rent has been achieved through different policy mechanisms (overvalued exchange rates, export and import taxes, direct state regulation of staple food and raw material prices, etc.), which resulted in the establishment of specific domestic conditions for the circulation of capital within those national territories.[13] Consequently, its appropriation could only be done by industrial capitals operating within those countries and whose circuit realised its final phase (i.e., the sale of commodities) almost exclusively on protected domestic markets of a very limited size *vis-à-vis* world market norms (Grinberg and Starosta 2009, 769). Although this has meant that individual capitals could not reach the scale needed for profitably utilising advanced technologies, they have compensated for the resulting higher production costs by appropriating a portion of ground-rent. In this way, they have valorised at the average rate of profit despite their restricted magnitude and backward technologies. This abundant extraordinary mass of social wealth has systematically complemented the surplus value extracted from the domestic working class to the point of marking the very specificity of the accumulation process in those national spaces.

The modality of the accumulation of capital based on the appropriation of ground-rent in Latin American protected markets has been attractive for domestic capitals that, with the exception of those producing ground-rent-bearing commodities, were not competitive enough to sustain their expanded reproduction by producing for the world market. But additionally, and fundamentally, those markets have proved especially profitable for industrial capitals of foreign origin (i.e., TNCs), which were established there from the mid-to-late-1950s onward. Unlike the internationalisation strategy of TNCs in East Asia (the establishment of 'world market' factories, whether directly or through Original Equipment Manufacturer [OEM] arrangements), foreign capitals in Latin America operated on the smaller scale that those domestic markets required and, given their protected nature, actually made possible. In this way, TNCs in Latin America managed to valorise obsolete fixed capital and accumulate without spending a portion of surplus value in the active development of the productive forces of social labour. However, the other side of this same coin is that the scale of Latin American processes of capital accumulation continued to be structurally dependent on the highly cyclical evolution of the magnitude of ground-rent available for appropriation (hence the widespread 'political and institutional instability' that has historically characterised most Latin American countries, with sharp oscillations between nationalistic populist and/or developmentalist regimes and neo-liberal ones).

This also explains the noticeable lack of dynamism of capital accumulation in the region since the mid- to late 1970s, which was momentarily and only partially reversed during the 'primary commodities boom' of the past decade that came to an end about five years ago (politically expressed in the corresponding shift to the right in, for instance, Argentina, Brazil, and Chile after 2015)[14]: in effect, the mass of ground-rent, especially of agrarian origin, has been, on average, growing at a slower pace than is required by industrial capital in Latin American national spaces of accumulation. As a consequence, the process of capital accumulation in the Latin American countries slowed down or entered into a deep crisis. In this context, and in order to compensate for the slowly growing ground-rent in sustaining industrial capital's profitability, these national processes of capital accumulation have resorted to other sources of extraordinary social wealth, such as the payment of labour-power below its value and the massive inflow of global fictitious capital in the form of mounting foreign debts (the latter made available as a result of the expansion of international liquidity deriving from the long-standing crisis of global overproduction).

Now, since at least the late 1950s, the planetary production of relative surplus value by the total social capital has led to the emergence and gradual development and expansion of a novel configuration of the international division of labour, which has not simply displaced but co-exists alongside the 'classic' modality just sketched out. Premised on the concrete material forms taken by the further automation of the capitalist labour process and advances in means of transport and communication, the so-called New International Division of Labour (NIDL) has revolved around the *international fragmentation of the collective productive subjectivity of the working class* (Fröbel et al. 1980; Iñigo Carrera 2013, 53ff.; Starosta 2016b). Moreover, as a result of its own immanent tendencies, the simplest original form of the NIDL has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class. Each national sphere of accumulation that actively participates in the NIDL, therefore, tends to concentrate on a certain type of labour-power of distinctive 'material and moral' productive attributes of a determinate complexity. Whilst spatially dispersed from each other, they are all collectively exploited by capital as a whole in the least costly possible manner.[15]

Although this more recent global restructuring of the international division of labour had its most emblematic expression in the 'late industrialisation' experience of East Asia since the 1960s (Grinberg 2016), it also had a profound impact in Latin America; paradigmatically in Mexico after the 'debt crisis' of the early 1980s and more recently in Central America and the Caribbean Basin. Thus, despite the similar developmental trajectory of Mexico *vis-à-vis* Argentina and Brazil until the 1980s, in the past three decades, the former country has transformed the specificity of its capital accumulation process. More concretely, it has become a source of relatively cheap and disciplined simple labour-power for industrial capital in general, which exploits it in the material conditions (of scale and technology) needed for competitive world market production (whether directly in Mexico through the *maquilas* regime, or mediately through the international migration of workers into the United States). Hence the contrast with Argentina and Brazil, where capital continued to find it more profitable to valorise on the basis of the appropriation of a portion of ground-rent: this happened either because the specific kind of labour-power it needed was not there or was not cheap enough and/or because the mass of ground-rent was large enough to offset the benefits of a 'structural transformation' in the other direction by providing the source of extraordinary social wealth sustaining those profitable protected domestic markets.

Conclusion

In this chapter, we offered a critical examination of the Marxist dependency theory which centred on two main issues. On the one hand, we called into question the autonomy they more or less explicitly assign to political forms of social relations *vis-à-vis* their immanent economic content (especially in the case of Dussel). On the other, we challenged their inability, despite their best efforts, to transcend all traces of 'methodological nationalism' in their understanding of the global process of uneven development.

To transcend these shortcomings, we offered an alternative approach based on the methodologically-minded reading of the Marxian critique of political economy that we have been unfolding throughout this book. More concretely, we argued that it is necessary to leave behind the aforementioned two-fold notion of autonomy that implicitly or explicitly informs those perspectives. And this means taking the *immanent unity* of the capitalist world market as the starting point of the investigation and, as a consequence, grasping the changing patterns of national or regional differentiation as concrete forms that mediate the unfolding of the contradictory dynamics of the essentially global production of relative surplus value by the total social capital. In turn, the specific political forms prevailing in each country prove to be expressions of the movement of the economic forms taken by global capital accumulation in each national space of valorisation. In our view, these two insights are grounded in one of the most potent scientific discoveries of Marx's critique of political economy, namely, that capital is neither simply a thing (for example, the instruments of production), nor a productive unit or legal entity (such as a firm), nor a social grouping sharing common characteristics and interests (for instance, 'business' or 'the bourgeoisie'). In its general determination as self-valorising value, capital becomes 'the all-dominating economic power of bourgeois society' (Marx 1973, 107), whose 'substratum' is the 'world market […] in which production is posited as a totality together with all of its moments' (227).

Notes

1 This section partly draws on a Spanish version in Starosta and Steimberg (2019).

2 Elsewhere in his work, Marini offers a different formulation of the grounds of SE as the specific form of surplus value extraction in the periphery. See Córdoba and Kozlowski (2017). According to this novel angle on the question, the surge in the demand for food and raw materials up to 1870 propelled an increase in the intensive and extensive productive consumption of labour-power in Latin America to meet that greater demand. As a result, there was a rise in the mass of value produced in the periphery and,

more concretely, an improvement in the terms of trade for Latin America. But these favourable conditions of profitability in dependent countries unleashed an inflow of capital investment, which in turn led to a rising organic composition of capital, a higher productivity of labour, and a fall in the value of domestically produced commodities. Moreover, this process entailed a fall in the rate of profit. It is in this context, according to Marini's new argument, that SE developed as an adaptative response to the fall in profitability in Latin America.

3 Strictly speaking, Marini later qualifies this statement and puts into relief the interweaving of SE and the development of the productivity of labour. In other words, as Marini (2022, 164) himself clarifies in the *Postscript* to the *Dialectics of Dependency*, it is not a matter of two mutually exclusive forms of exploitation but of the 'greater or lesser occurrence of the forms of exploitation and their specific configuration they assume'. The characteristic feature of the periphery is therefore not the complete or absolute prevalence of SE but its relative dominance, which nonetheless reaches the point of marking the qualitative specificity of capital accumulation in the region.

4 Osorio, who probably is one of the leading contemporary scholars within the Marxist tradition of dependency theory inaugurated by Marini, adds that the resulting lower wages act as a barrier for the introduction of scientific and technical innovations. The reason for this is that the potential savings in paid living labour do not make up for the increase in constant capital entailed by such displacement of living labour. See Osorio (2017, 49). In this way, capital in the periphery does not immediately face the need to substitute dead for living labour.

5 See Chapter 9 of this book. As recognised by contemporary scholars, who are otherwise broadly sympathetic to dependency theory (Katz 2019), Marini in particular completely overlooks the role that ground-rent might play in the determination of the specificity of capital accumulation in Latin America. More recently, some of his disciples have attempted to consider this role (Osorio 2017). However, as Iñigo Carrera (2019) notes, Osorio's arguments rest on weak foundations in his understanding of the general determinations of ground-rent as a capitalist social form.

6 See Chapter 5 of this book for a fuller discussion of this.

7 In addition, note that this presupposes the absurd idea that the condition for capital to produce surplus value would be that it *relinquished* part of that mass of objectified unpaid labour-time that it extracts from the working class through their exploitation. But this could only occur under the extremely specific circumstances that the resulting multiplication of the scale of production led to such a fall in the value of 'wage-goods', that it redounded in an increment of surplus value. It goes without saying that it is highly unlikely that a process like this systematically took place in the concrete history of capital accumulation in 'central countries'.

8 Strictly speaking, we have seen that Dussel also mentions those transfers of surplus value derived from national differences in wages. However, in a similar vein to SE more generally, he considers that those other transfers are somehow secondary or derivative *vis-à-vis* the fundamental one based on differences in the organic composition of capital. Be that as it may, for a critique of explanations of unequal exchange based on the relative cheapness of labour-power in certain national spheres of valorisation, see Iñigo Carrera (2013, 171; 2017, 217–23).

9 For a contemporary contrasting view, which attempts to reassert the essentiality of the notion of imperialism, see Milios and Sotiropoulos (2009).

10 For a similar argument from a different perspective, see Burnham (1994) and Howe (1981).

11 This section draws on Starosta (2019).

12 Notably in the original colonial forms of subsumption, the production of the money-commodity would be a key determining element in the specificity of the valorisation of capital in the region.

13 See Iñigo Carrera (2007) and Caligaris (2016) for a detailed account of those policies and their role in transferring ground-rent to industrial capital (and the former bibliographical source, in particular, for statistical evidence supporting this argument for the case of Argentina).

14 For the so-called Pink Tide in South America, see Grinberg and Starosta (2014) for Argentina and Brazil, and Purcell (2016) and Dachevsky and Kornblihtt (2016) for Ecuador and Venezuela.

15 Note, additionally, that this point applies to intellectual labour as well (Huws 2014).

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The New International Division of Labour

Global Transformation and Uneven Development

Edited by Greig Charnock and Guido Starosta

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Global Transformation and Uneven Development

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LIST OF ABBREVIATIONS

AIFTA	Anglo-Irish Free Trade Agreement
ALBA-TCP	Bolivarian Alliance for the Peoples of our America-Trade Agreement of the Peoples
ARS	*peso* (national currency of Argentina)
BNDE	Brazilian Development Bank
BsF	*bolivar fuerte* (national currency of Venezuela)
CADIVI	Comisión de Administración de Divisas (Venezuela)
CET	Common External Tariff
CIDL	Classical international division of labour
CICP	Centre for Research as Practical Criticism
CPI	Consumer price index
CSN	Companhia Siderúrgica Nacional
CST	Tubarão Steel Company
DEC	Digital Equipment Corporation
EC	European Communities
EEC	European Economic Community
EMU	European Monetary Union
EOI	Export-oriented industrialisation
EU	European Union
FASA	Fabricación de Automóviles SA
FDI	Foreign direct investment
FTAA	Free Trade Area of the Americas
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
IBEX	Spanish stock market
INI	Instituto Nacional de Industria (Spain)
IPE	International political economy

ISI	Import substitution industrialisation
ISV	Independent software vendor
IT	Information technology
Mercosur	Common market of the Southern Cone
NAFTA	North American Free Trade Agreement
NDP II	Second National Development Plan, 1975–79 (Brazil)
NIDL	New international division of labour
OECD	Organisation for Economic Cooperation and Development
OEM	Original equipment manufacturing
OPEC	Organisation of Petroleum Exporting Countries
PC	Personal computer
PDVSA	Petróleos de Venezuela
POSCO	Pohang Iron and Steel Company
PPP	Purchasing power parity
R&D	Research and development
SEAT	Sociedad Española de Automóviles de Turismo
SOEs	State-owned enterprises
TNC	Transnational corporation
UK	United Kingdom
USA	United States of America
USD	United States dollar
U-W	Unix-Workstation
WWI	First World War
WWII	Second World War

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CHAPTER 1

Introduction: The New International Division of Labour and the Critique of Political Economy Today

Greig Charnock and Guido Starosta

> Thus, from the bare enumeration of some of the more glaringly obvious features of the present-day world economy, it can be seen that the old or 'classical' international division of labour, by which the underdeveloped countries were on the whole incorporated into the capitalist world economy as mere raw materials suppliers, no longer exists. The underdeveloped countries are increasingly chosen as sites for manufacturing industries producing goods that are competitive in the world market.
>
> … This tendency will be designated the '*new international division of labor*' (to be considered as an on-going, not a completed, process) (Fröbel et al. 1978: 845, 849).

In a recent anthology of his essays on *Global Capitalism* (2015) Hugo Radice recounts how in the 1960s and early 1970s progressive, broadly Marxist, scholarship fell short of providing a satisfactory means of understanding what was by then a rapidly changing world. The debates

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back then, he summarises, ‘had little to say directly about the transformations of production and work within firms, or about the political relations between organised economic interests and the state, while international economic relations between states were understood firmly in nineteenth century terms of autonomous and mutually antagonistic powers, great or small’ (Radice 2015: 9). Yet profound and lightning-paced transformations in worldwide production and trade were indeed palpable to any observer back then, and by the mid-1970s Marxist scholars in the UK and beyond were beginning to engage in highly productive—and still influential—debates on the labour process, state theory, and alternative political strategies in the context of deep world recession and heightened social and political tensions across much of the West. Radice recalls, in particular, his participation in a 1974 workshop in Starnberg, Germany, ‘at which Otto Kreye and his colleagues presented the first results of their project on the new international division of labour’. This work, he confirms, was to become ‘very influential for progressive scholarship on global capitalism’ (Radice 2015: 9).

The new international division of labour (NIDL) thesis developed by Folker Fröbel, Jurgen Heinrichs, and Otto Kreye very much stands out as one of the most influential and widely debated contributions at the forefront of discussions on late-industrialisation and global production long into the 1980s and 1990s. Based on their empirical studies in the 1970s, Fröbel, Heinrichs, and Kreye’s work seemed to capture extremely well the transformations in the world market taking place by the beginning of that decade, and very rapidly caught the attention of most analysts of international political economy (IPE) and the changing geographies of global capitalism. Although the argument in their book *The New International Division of Labour* (published in English in 1980) rested on very distinctive theoretical foundations and arguments, reviewed below, the expression ‘new international division of labour’ was to somehow acquire a life of its own and soon became very much a part of the working vocabulary of most scholars empirically concerned with global processes of industrial restructuring—a kind of conceptual shorthand to encapsulate what were regarded as the main developments in the world economy at that time. The ‘NIDL’ thus became a catchphrase, widely accepted and loosely used (sometimes by default) to *describe* the novel configuration of the capitalist world market, but without always making a self-conscious effort to acknowledge or flesh out the particular conceptual approach being deployed to *explain* this empirical phenomenon and its subsequent developments.

In a nutshell, the popularised version of the NIDL thesis consisted of the following stylised account of the process of global restructuring. Faced with declining profitability in advanced capitalist countries (mainly due to rising wages), transnational corporations (TNCs) started to relocate labour-intensive manufacturing to the then, so-called, Third World, thus acting as a major factor in the industrial decline that seemed to prevail in the former countries in the late 1970s and early 1980s. 'Third World' countries, for their part, provided TNCs with a huge potential reserve of low-paid and disciplined workers. Combined with technological advances in the means of communication and transport, the increasing fragmentation of production processes and the consequent simplification of semi-skilled and unskilled tasks created a tendency for the establishment of export-oriented 'world market factories' in the 'Third World'. Accordingly, the story went on, the classical international division of labour (CIDL)—revolving around the polarisation of the world economy into an industrialised 'core' and a dependent 'periphery' confined to the role of supplier of raw materials and staple foods—had been superseded by the NIDL, with an industrialised but still dependent Third World, and a 'First World' oriented to a service-based economy, which could not absorb the resulting unemployed population.

The NIDL thesis remained highly influential into the 1990s but—if the scant number of studies published in the last decade dealing directly with the NIDL is any indication—the thesis has since become passé. Undoubtedly, this can be explained in part by changing fads and the development of new lines of inquiry and debate among academics. Yet it is also the case that some scholars had started to put forward strong reservations against the NIDL approach by the 1990s—prompted principally by some empirical developments which seemed to contradict the major claims of the NIDL thesis. The 'impressive' developmental record of the first generation of Asian Tigers (especially South Korea), in particular, seemed to undermine a theory that put export-oriented industrialisation based on extremely low wages in labour-intensive industries at the heart of its argument. More broadly, as many critics have rightly highlighted, the initial formulations of the NIDL thesis contained untenable sweeping generalisations, which could not account for national differences in the developmental path of many countries. The industrial upgrading of the first generation of Asian Tigers, for example, would eventually include relatively complex, capital-intensive sectors rather than simply unskilled-labour-intensive ones, as the stylised version of the NIDL that became common currency appeared to suggest.

While accepting the veracity of some of the criticisms levelled at the original NIDL thesis and the version of it that became common currency by the 1990s, we believe that it now deserves to be revisited. We propose that a *properly reconsidered and revised* NIDL thesis can still shed light on the specificities of capitalist development in various parts of the world today, as well as the nature of uneven development across the capitalist world market. Taken together, the contributions to this book represent the basis for such a reconsideration of the NIDL thesis which rests upon the Marxian distinction between the global economic *content* that *determines* the constitution and dynamics of the international division of labour, and the evolving national political *forms* that *mediate* its development. More specifically, the book argues that national developmental processes across the world have been but *an expression of the underlying essential unity of the production of relative surplus-value on a world scale.* The fact that the approach taken in this book is rooted in the critique of political economy originally developed by Karl Marx over 150 years ago does not detract from its contemporary significance. Moreover, a revised NIDL thesis as put forward in this volume represents an original contribution to key debates in international and critical political economy, insofar as, firstly, its theoretical foundations lie in research that moves to some extent beyond Marx; and, secondly, it departs in significant ways from not only Fröbel and his colleagues, but also a variety of contemporary approaches that seek to understand the nature of—and the relation between—global transformation and uneven development.

From the Critique of Political Economy to a *New* New International Division of Labour Thesis

The book draws its inspiration from innovative theoretical scholarship that has emerged under the auspices of the Centre for Research as Practical Criticism (CICP), based in Buenos Aires, Argentina, and especially the work of the independent scholar Juan Iñigo Carrera. This work, which is only just recently beginning to appear in Anglophone literature—in part, because it has been developed outside of formal academic structures and networks[1]—represents a thorough re-examination of Marx's critique of political economy and its dialectical-methodical foundations. While drawing upon Marx's fundamental insight into the determination of capital as the immediate subject of the organisation of the process of social life, it also moves some way beyond it so as to cast fresh light on global transformation and uneven development in recent decades, as well as to offer ground-breaking research on the emancipatory subjectivity of the working class (a theme we do not broach directly in this book but see, for example, Starosta 2016). The following section outlines the basic contours of the approach pioneered by Iñigo Carrera.

Capital, the System of Machinery and the International Fragmentation of the Productive Subjectivity of the Global Working Class

As Starosta explains in Chap. 4, one of the most potent scientific discoveries of Marx's critique of political economy was that capital is neither simply a thing (for example, the instruments of production), nor a productive unit or legal entity (such as a firm), nor a social grouping sharing common characteristics and interests (for instance, business or the bourgeoisie). In its general determination as self-valorising value, capital is actually a materialised social relation between commodity owners differentiated into social classes, which, in its fully developed form as the total social capital, becomes inverted into the (alienated) subject of the unity of the process of social reproduction and its expansion (Marx 1976: 763). Thus, *capital* is essentially the movement of the self-expansion of the objectified general social relation between private and independent human beings which, in its own process, produces and reproduces the latter as members of antagonistic social classes (Marx 1976: 723–4; Marx 1992: 185). All moments of the human life-process thus become inverted into material bearers of the life-cycle of capital, or they become forms assumed by the flow of value in its circulatory process. Subsumed under the capital-form, the alienated content of social life becomes the production of surplus-value or the formally boundless quantitative progression of the general reified form of social mediation (Marx 1976: 251–7).

Although this content governs the movement of capital as a whole or as an alienated collective power, the *total (global) social capital* is nonetheless the product of the private and independent form taken by social labour. The general unity of the movement of the total social capital cannot be established immediately. It is thereby indirectly established through the exchange of commodities resulting from the apparently autonomous actions of individual capitals in competition with each other, as each of them pursues the maximisation of its profitability through the expanded reproduction of their formally independent cycles of valorisation. In their simplest form, those cycles can be represented through the well-known general formula of capital:

$$M - C \begin{matrix} \text{LP} \\ \\ \text{MP} \end{matrix} \ldots\ldots P \ldots\ldots\ldots C - M + \Delta M$$

Where M = money capital, C = commodity capital, P = productive capital, LP = labour power, MP = means of production. More specifically, the concrete form in which individual capitals assert their class unity as 'aliquot parts' of the total social capital is the process of formation of the general rate of profit (Marx 1981: 298–300, 312). This is the inner or essential determination of the general social relation between capitalist firms (or individual capitals).

The territorial or spatial dimension of the accumulation process—and the changing forms of the worldwide division of labour—therefore cannot be seen as being *determined* by the conscious locational 'strategies' of TNCs faced with given qualitative national and regional differences, in turn seen as established by allegedly autonomous state policies. Instead, it needs to be grasped as an expression of the underlying formal and material unity of the essentially global contradictory dynamics of the accumulation of the total social capital through the production of relative surplus-value, which are *economically mediated* by relations of competition among individual capitals like TNCs (again, as opposed to *determined*), on the one hand, and *politically mediated* by the policies of the nation state on the other. These contradictory and crisis-ridden dynamics, which, in their most developed form as large-scale industry, fundamentally *entail the permanent revolution in the modes of exertion of the labour power of individual workers and of their articulation as a directly collective productive body or organism* (Marx 1976: 617), lie at the heart of the changing historical forms of the international division of labour.

The production of relative surplus-value in the form of large-scale industry entails four divergent tendencies in the development of the productive attributes of the global working class (Iñigo Carrera 2013: Chap. 2). First, it expands the productive subjectivity of the part of the collective labourer responsible for the advance in the conscious control of the movement of natural forces (that is, science) and its technological applications in the directly social organisation of the immediate production process.[2] Although not explicitly addressed by Marx in *Capital*, the benefit of historical hindsight makes it very easy for us to recognise how the total social capital deals with its constant need for the development of the productive powers of science and for the conscious organisation of the increasingly social labour process, namely, by engendering a special partial organ of the collective labourer (see Starosta 2016: Chap. 8). Capital requires from these workers ever more *complex* forms of labour. As much as those discussed in *Capital*, these are also 'immediate effects of machine production on the worker' (Marx 1976: 517). Needless to say, inasmuch as this expanded productive subjectivity is nothing more than a concrete form of the production of relative surplus-value, the exercise of newly developed intellectual productive powers is also inverted into a mode of existence of capital in its movement of self-valorisation. Moreover, sooner or later many of these intellectual dimensions of living labour will also experience automation (or knowledge codification) and therefore become relatively simplified. As we shall see later in this book, this latter aspect has been central to the more recent phases in the evolution of the NIDL (as shown in Chap. 6 through a discussion of the Irish software industry).

Second, it tends to degrade the subjectivity of those workers that acquire and exercise their increasingly simpler manual or experienced-based productive attributes in the direct process of production. Indeed, large-scale industry is based on the objectification of *tacit* knowledge, previously embodied in the manual industrial worker and largely acquired through lengthy on-the-job, learning-by-doing processes, as an attribute of the system of machinery (Huws 2006). In this sense, the impact of capitalist automation certainly tends to be one of 'deskilling' or degradation of direct production work through the objectification of formerly manual tasks as functions of machines. Yet the effect of increasing automation has not just been one of deskilling. It has been mixed, also entailing a certain creation of new skills required by capital even from direct production workers. The key point, however, is that these newer skills have been of a different *kind* from those that have been eroded. While the older skills tended to be based on the *particularistic* development of the productive subjectivity of wage-workers (both manual and intellectual) as a result of the practical experience of machining in the direct process of production, the newly created skills tend to revolve around the *universalistic* dimension of the productive quality of labour-power, whose development is achieved in the general process of education and socialisation that precedes its actual application in the production process. For instance, and crucially for the general argument developed in the book, the ‘microelectronic revolution’ that is at the basis of the NIDL has entailed not only the degradation of the particularistic dimension of direct production work but also the emergence and generalisation of, so-called, soft or generic skills (see Ramioul 2006), such as familiarity with computers and flexibility or individual initiative in problem-solving or decision-making (Balconi 2002).

In the third place, while the new technologies have not resulted in the total elimination of manual labour from automated processes of production (Alcorta 1999: 164), they have recreated the conditions for the extended reproduction of what Marx called the ‘modern manufacturing division of labour’, that is those non-mechanised tasks and labour processes acting as an ‘external department’ of large-scale industry proper as the dominant form (Marx 1976: 588ff). This tendency has been fundamental for initial stages of the NIDL, which are the ones that Fröbel and his colleagues accurately but one-sidedly captured in the 1970s.

Fourth and last, the production of relative surplus-value through the system of machinery leads to the multiplication of the surplus population relative to the needs of the accumulation process, which also constitutes a transformation of productive subjectivity produced by the automation of large-scale industry (see Marx 1976: 553–75). More specifically, this tendency represents the most extreme case of material mutilation of the productive attributes of the working class resulting from capital accumulation, that is, not simply their degradation but their outright non-reproduction. Yet, it is from this tendency that the global pool of cheap but disciplined labour power, which has been central for the original constitution and evolution of the NIDL, has eventually derived.

What all the contributions to this book share is a conviction that the foundation of the uneven spatial differentiation of global capitalism must be searched for in these changing forms of the exploitation of the global working class by the total social capital, through the transformation of the material forms of the capitalist production process. The latter is, in our view, the *general content* that is realised in the political form of state policies (domestic and foreign) and class conflict, albeit behind the backs of the antagonistic actions of the personifications involved (social classes and their diverse political organisations, capitalist firms, ‘political elites’ and/or ‘state managers’). Taking their cue from Iñigo Carrera’s original approach, all the authors in this book see the transformations associated with NIDL as being products of the total social capital's drive to enhance the production of relative surplus-value on a world scale through the development of labour productivity, which finds its most advanced expression in the mechanisation of large-scale industry. Succinctly put, Iñigo Carrera's fundamental argument is that the 'essential' general content that defines the NIDL, and which has been reproduced under its evolving historical configurations since the 1950s until the present time, consists in the *international fragmentation of the productive subjectivity of the working class* (Iñigo Carrera 2013). Thus, as a result of its own immanent tendencies, the simplest original form of the NIDL—which we think Fröbel and his colleagues were right to identify as signifying an on-going process—has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class (through their impact upon their general conditions of reproduction and condensed in the so-called 'historical component' of the value of labour-power). Each country therefore *tends* to concentrate a certain type of labour-power of distinctive 'material and moral' productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner (Grinberg 2011: 35–6). Production in specific industrial sectors has thereby expanded in some countries while contracting in others where new and more advanced sectors have developed, following a rhythm determined by the evolution of two main factors, that is, technological change and relative cost and productive attributes of national labour forces.

This different constellation *does not* involve the transcendence of the NIDL, as many of the critics of the original thesis have suggested (see Chap. 4), but instead represents a more complex form assumed by the same general content. This was the content that the original formulation of the NIDL thesis by Fröbel, Heinrichs, and Kreye failed to uncover, influenced as those authors were by dependency and world-systems theories, and the view that different countries and regions of the world achieve different levels of development on the structural basis of 'unequal exchange'. And it is this content that has generally eluded alternative international and critical political economy approaches that seek in their own way to explain the specificity of national development and the relations between distinct national 'capitalisms' under conditions of 'globalisation' or of 'combined and uneven development'.

The Significance of This Approach for a Distinctive Understanding of Global Transformation and Uneven Development

We think that, whatever its shortcomings, the early debate over the NIDL in the 1980s (in particular, the contribution by Fröbel, Heinrichs, and Kreye) was indeed on the right track as regards grasping the specific nature of the recent transformations of the process of capital accumulation on a world scale. Thus, it actually provides richer material and a more fruitful starting point for a critical investigation of the determinations underlying the, so-called, globalisation process than many other contemporary international and critical political economy analyses. In this sense, we feel that the question of the NIDL should be put back on the agenda for a robust theorisation of global transformation and uneven development. There is no doubt, as conceded above, that the original debates around the NIDL left many theoretical and empirical questions unresolved. In particular, no contribution managed properly to account for the process of national differentiation as an expression of the underlying essential unity of the accumulation of capital on a world scale. The debate, in short, never resolved the tension between national and global dimensions in the articulation of the international division of labour. The significance of this book, then, is that taken together the contributing authors provide a basis for an alternative critique and reformulation of the NIDL thesis that, first, recovers what constituted its main achievement and which has been forgotten by contemporary theorising; namely, the understanding of national differentiation as an expression of the essential unity of the capitalist world system. Second, and by drawing on a particular reading of the Marxian critique of political economy grounded in the work of Iñigo Carrera, we believe the book provides a more distinctive foundation for the conceptualisation of that unity than can be found in Fröbel et al.'s *marxisant* world-systems theory. Let us elaborate.

Drawing directly upon the work of 'monopoly capital', 'world-systems' and 'dependency' theorists, Fröbel and his colleagues conceptualised the 'unequal development' they believed to be central to world capitalism in descriptive terms of: 'The splitting up of the capitalist social formation into "centre" and "periphery", and also possibly "semi-periphery", both intra- and inter-nationally, that is, the development of an international division of labour with different forms of control over labour for different types of production in different regions of the capitalist world economy'

(Fröbel et al. 1980: 32). In our view, attempts by world-system theorists to explain unequal development proceeded from a problematic theoretical-conceptual distinction between core and periphery. They sought to derive underlying, structural relations between different countries and regions on the basis of empirical evidence which suggested that capital-intensive production was concentrated in the core, that labour-intensive production was concentrated in the periphery, and that the international exchange relations between the core and periphery ensure the continuous development of the former at the expense of the latter.[3] Alongside, or overlaying, these international economic relations, they posited unequal political relations between countries engaged in competitive measures to promote or protect their own industries to the detriment of other countries' industries. At the root of this dualistic conceptualisation of unequal economic and political international relations is an analytical distinction between economics and politics that Radice (2009: 36) rightly, in our view, problematises for its confinement of 'class struggle to the realm of "politics", not realising that the existence of a separate realm of politics is in itself a condition of existence of capitalism'. Furthermore, this conceptualisation assumes that the 'central structural feature of "the economy" is the division of labour *in society*'—whether in national or international form—'rather than in manufacture, to use Marx's careful distinction' (Radice 2009: 34). In other words, it is *capital*—understood as an essentially global process—and not the external and contingent political and exchange relations established between a multiplicity of national states themselves, that *determines* their development. And it is capital's thirst to enhance the production of relative surplus-value, on the basis of the development of large-scale manufacturing and the fragmentation of the international working class, which is at stake in the historical development of the international division of labour, not the reproduction of relations of unequal exchange between domestic and international classes that are somehow socially and politically constituted outside of the global process of accumulation (see Chap. 2).

In any case, the fate of the NIDL thesis was not decided by critical theoretical engagement over the dubious assumptions of world-systems and dependency theories. Indeed, the demise of the NIDL thesis during the 1990s went hand-in-hand with a discernible move away from the consideration of *any* question of the structural unity of the global accumulation of capital by IPE and cognate literatures, and instead turned towards a widespread focus on national state institutions as autonomous drivers of economic development. Not least under the influence of neo-classical economists (such as Krueger 1990; Ranis 1989; Stiglitz 1996; World Bank 1993) and statist international political economists (notably, Amsden 1989; Evans 1995; Rodrik 1994; Wade 1990; Weiss 1998) who dominated debates on the efficacy and resilience of market-led co-ordination versus *dirigiste*, or state-led, development in the context of 'economic globalisation' (see Grinberg 2013: 173–8). As this debate ran out of steam in the late 1990s, scholars working in development studies and economic geography then embarked upon richly detailed research into global commodity chains, as a means of examining the impact of globalisation upon industrialisation in the developing world. While the foundational texts in this new paradigm were actually intellectually rooted in the lineage of monopoly capital and world-systems theory, the bulk of the emergent literature then arguably became highly descriptive and/or tended to focus on conceptualising industrial or business organisation on a 'network' basis (that is, based on the pure contingency of immediate direct social relations) and to the complete eschewal of the question of the constitution of 'commodity chains' and, later, 'value chains' and the dynamics of the global system as a whole (Starosta 2010). Meanwhile, in the IPE literature of the 1990s the question of explaining capitalist diversity became dominated by 'new institutionalist' approaches—not least the 'varieties of capitalism' approach pioneered by Hall and Soskice (2001)—which further compounded the tendency to focus upon the apparently autonomous constitution of individual capitalist states' institutional forms, at the expense of the consideration of what makes them 'capitalist' in the first place and the 'constitutive elements they hold in common' (Coates 2014: 21).

To be fair, a new generation of critical IPE and international relations scholars in recent years has at least sought to rectify the lack of a substantive theorisation of global transformation and uneven development in dominant debates, couched in questions of 'capitalist diversity' (Bruff and Ebenau 2014) or of 'uneven and combined development' (see Allinson and Anievas 2009). For us, however, these contributions have yet to offer a convincing, substantive basis for a 'unified field theory' of uneven development and the ever-changing geographies of capitalism—a necessity famously identified by David Harvey (2005: 58–9; see also Rioux 2015: 508; Smith 1989). Insofar as they do represent a welcome return to older, sidelined debates and canonical Marxist and *marxisant* literature, and an even more welcome exposé of the ideological nature of mainstream approaches, these new contributions ultimately run the risk of reproducing in new guises the problems we argue were already inherent in the classic literature: principally, in terms of explaining the concrete forms of 'variegated national capitalisms' and uneven development through the strategic and conscious action of key agents and 'social forces' that are somehow constituted outside of the process of capital accumulation; or in terms of resorting to the theory of 'unequal exchange' to explain 'underdevelopment'; or in terms of failing to *explain* the social determination of 'uneven and combined development', other than by means of a prior reliance upon the primacy of this under-theorised, abstract and trans-historical category.[4]

We suggest that the approach taken in this book can indeed provide such a unified field theory. By deciphering the national forms taken by the general content of an historically specific mode of the reproduction of total (worldwide) society, on the basis of the fragmentation of the productive subjectivity of the international working class, and through the development of the automation of large-scale industry within the NIDL, this book advances a substantive explanation of the inner relation between global transformation and uneven development that may well provoke criticism and debate, but which at least does so on distinctive and hitherto largely unfamiliar grounds.

Outline of the Book

The argument in Part I of this book—containing chapters by Iñigo Carerra, Caligaris and Starosta—sustains that Fröbel, Heinrichs, and Kreye were right to proceed from a global perspective on capital accumulation, and also right in the centrality they attributed to the recent material transformations of the capitalist labour process as key to the explanation of the developmental potentialities of late-industrialisation. On the basis of this critical re-examination of the NIDL thesis, the book goes on to argue that a revised NIDL thesis can shed new light on the specificities of capital accumulation in various parts of the contemporary world. Two particularly significant general insights emerge from these early chapters. First, that both the classical and new international divisions of labour should be most fruitfully re-signified in terms of the role played by *ground-rent* in specific national spaces of accumulation (a category explained in Part I). And second, that there remain essential continuities inherent to the classical international division of labour which necessitate that the current constellation of the world economy be understood as being constituted by the co-existence of both old and new international divisions of labour.

Such insights carry with them important and hitherto unacknowledged implications for the study of international political economy, and conclusions that contrast sharply with dominant critical and orthodox theories of global capitalism and uneven development.

The remainder of the book incorporates case study material on four countries in Latin America, two European countries, and one Southeast Asian country. The choice of national case studies in Part II is by no means arbitrary.[5] Each of the countries the respective authors examine is, in their own way, paradigmatic and emblematic of the essential dynamics of the NIDL that we are seeking to draw out theoretically and concretely in this book. Argentina and Brazil, for example, are the most visible examples of countries in which the structural characteristics of the CIDL persist and complement those of the NIDL to this day (certainly since the recent commodity export boom, and the revival of import substitution industrialisation under the Kirchners in Argentina). Ecuador and Venezuela represent the starkest examples of what Thomas Purcell in his chapter terms 'landlord states' within the contemporary international division of labour. And, notwithstanding their 'advanced' country status, Ireland and Spain continue to occupy a position within the NIDL on the basis of the differentiated and relativised development of the productive subjectivity of their working class, and therefore allow us to cast fresh light on the dynamics of development, capital accumulation, and crisis outside of the 'late industrialising' states of Latin America and Southeast Asia. Finally, South Korea stands out as the country which, in the past, has been used to undermine the original NIDL thesis since its 'take-off' is often said to be the exception that disproves the rule of that thesis (as formulated by Fröbel, Heinrichs, and Kreye, of course).

The book begins with a chapter originally published in Spanish, which introduces Juan Iñigo Carrera's take on the NIDL. In it, Iñigo Carrera proceeds from a particular point of departure, that is, from the *global process* of accumulation in its organic unity, and within which distinct national processes of accumulation emerge as specific concrete forms of that same global process. He argues that there is an objective determination relating to the formation of a general rate of profit as the regulator of the unity of the process of capital accumulation, and which engenders a qualitative difference between those capitals that are able to contribute to that formation and those which cannot—resulting therefore in differentiated concrete rates of profit. The latter sections of the chapter integrate these two arguments so as to present an innovative, critical, methodological basis for the re-examination of the CIDL and NIDL—one that sharply contrasts with dominant interpretations.[6]

In Chap. 3, Gastón Caligaris provides fresh insight into the old, or classical, international division of labour and into the development of capitalism in resource-rich countries whose longstanding historical role in the world market has been to produce ground-rent-bearing commodities. The chapter builds, again, upon the notion of capital accumulation as being global in content and national in form. From this perspective Caligaris challenges a dominant perspective that explains the functioning of a national economy as the result of domestic politics, and another that explains it as a consequence of foreign influence and domination. He instead presents an original approach that explains the specific characteristics of the national process of accumulation in countries specialised in the production of ground-rent-bearing commodities, and in doing so substantiates the argument that ground-rent is essentially constituted by the surplus-value resulting from the valorisation of industrial capitals abroad and which flows into 'resource rich', raw materials-producing countries. The chapter therefore further advances the critique of those approaches that attempt to explain such characteristics through theories and analyses of unequal exchange with advanced capitalist countries. The latter sections of the chapter use empirical evidence from the example of capitalist development in Argentina during the twentieth century to illustrate the core argument.

In Chap. 4, Guido Starosta turns his attention to the task of the critical reconstruction of the NIDL thesis. While acknowledging the insights of the original thesis, Starosta argues that the foundation for the emergence of the NIDL does not reside in the intensification of the manufacturing division of labour, that is, in the deskilling resulting from the subdivision of the production process into elements. Instead, the NIDL developed as an expression of the impact that the progress of the automation of capitalist large-scale industry has had on the individual and collective productive subjectivity of the working class. More specifically, the constitution of the NIDL has been the result of the transformation of the modes of existence of the global collective labourer, brought about by the leap forward in the process of computerisation and robotisation of the production processes of large-scale industry, especially since the 'microelectronics revolution'. As a result of its own immanent tendencies, the simplest original form of the NIDL has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class. Each national sphere of accumulation therefore tends to concentrate a certain type of labour-power of distinctive material and moral productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner. Production in specific industrial sectors has thereby expanded in some countries, while contracting in others where new and more advanced sectors developed, following a rhythm determined by the evolution of those two main factors—i.e. technological change and the relative cost and productive attributes of national labour forces. An important claim made by this chapter, therefore, and which subsequently has relevance for Chaps. 5 and 9, concerns the degree to which structural characteristics of the CIDL and the NIDL today co-exist in national spaces of accumulation—particularly in Latin America. This, the chapter concludes, actually confirms the validity of a reworked NIDL thesis rather than its unequivocal refutation.

Part II turns to national case studies of capitalist development within the international division of labour. In Chap. 5, Thomas Purcell scrutinises the experiences of two countries whose national governments have been said to be representative of 'post-neoliberalism', Ecuador and Venezuela. Taking his cue from Part I, Purcell argues that the CIDL was never simply reducible to the polarisation of an industrialised core and a dependent periphery, with the latter restricted to the role of supplier of raw materials and staple foods. Rather, there was an important process of accumulation in the periphery, whereby national industrial capital was able to valorise through the appropriation of inflows of ground-rent; a process which today also points towards the continuation of elements of the classic within the new IDL. The global rise in primary commodity prices in recent years has put the question of the use of income from natural resources for developmental goals back on the political agenda across Latin America. Drawing upon Iñigo Carrera (2007), Purcell examines the distinction between agricultural and mining landownership in the context of global transformation associated with the international division of labour, so as to explain the developmental trajectories of Ecuador and Venezuela. He argues that dual landlordism in Ecuador—in the form of an agro-export elite and a state-controlled oil sector—contrasts with the singular dominance of the state-controlled oil sector in Venezuela, and this, for Purcell, explains the manner in which the two national forms of insertion into the international division of labour have determined different national variants of post-neoliberalism.

Chapter 6 examines Ireland's rapid structural economic transformation during the 1990s, and the debates that emerged about the potentialities and limits of this idiosyncratic 'developmental model', and its apparently successful integration into the global economy. Whilst neo-liberal economists have tended to explain the Irish experience of rapid growth in terms of the adoption of a liberalisation and export-led strategy that opened the economy to vast inflows of 'high-tech' FDI (foreign direct investment), critical commentators have argued that such an account ignores the active role actually played by the Irish state and related institutions and organisations in shaping the precise mode in which the 'local' economy integrated into 'globalised networks' of high-tech production and innovation. According to this alternative view, the Irish case is actually that of a Network Developmental State that manages the connection between the local and the global and, through its active involvement in industrial development, steers the national economy along a path of integration into the technologically most dynamic elements of the world economy. In contrast to the authoritarian state developmentalism of the East Asian Tigers, and their (initial) reliance on the 'super-exploitation' of cheap manual labour, the Celtic Tiger model would be predicated on democratic institutions and more qualified, higher-wage jobs in cutting-edge sectors of the economy. Tomás Friedenthal and Guido Starosta take issue with these apparently opposed explanations insofar as they both explain the trajectory of the Irish developmental process on the basis of the successful implementation of 'correct' nation-state policies (even if they disagree on the precise nature of those policies). By contrast, this chapter argues that the Irish experience is yet another concrete expression of the further development of the essentially *global* dynamics of the NIDL. More specifically, it argues that the continuous skill-replacing technical change characterising the production of relative surplus-value across the globe has allowed capital to integrate national working classes with more skilled, but still relatively cheaper, labour-power into the NIDL. The peculiar state policies and institutions prevailing in Ireland are therefore grounded in this specific form of integration into the NIDL.

In Chap. 7, Greig Charnock, Thomas Purcell, and Ramon Ribera-Fumaz focus on the case of Spain in support of Iñigo Carrera's argument that, as a result of the general crisis of overproduction, the marked differentiation in the conditions of reproduction and exploitation of the working class *within* national borders since the 1970s has unfolded through a form of differentiated integration in Europe. Charnock, Purcell, and Ribera-Fumaz argue that it is crucially important to understand the longer-term historical role played within the NIDL by relatively late-industrialising countries that are today bearing the brunt of crisis and internal devaluation in a 'unified' Europe. Focusing on Spain, they argue that it is precisely on the material basis of its full integration within the NIDL from the mid-1970s that the conditions of the reproduction of the working class were reshaped, and it is this historical component in the reproduction of the Spanish accumulation process that has prefigured the process of the differentiation of the conditions of the reproduction of the working class across *and* within its borders ever since.

In Part III, we turn to specific sectoral case studies within the NIDL. The choice of case studies is again not arbitrary, since the automotive and steel production sectors have been at the historical vanguard of the move towards the NIDL, and they have been industries in which the actual determinants of the NIDL, which the book seeks to identify, have been most visible. In Chap. 8, Alejandro Fitzsimons and Sebastián Guevara examine the historical development of the Argentine automotive industry from the mid-1950s to the present. They argue first that the peculiar characteristics of low scales of production, obsolete technology, and the resulting low global competitiveness of the local auto industry in its initial stages were determined by the specific form of capital accumulation prevailing in Argentina as a result of its participation in the CIDL. This specificity had at its core the process of appropriation by industrial capital of a portion of the relatively abundant ground-rent available in Argentina; in this case, by transnational automotive manufacturers. Challenging the dominant point of view that the development of the NIDL led to the qualitative restructuring of the Argentinean automotive industry, this chapter examines concrete changes within the labour process and forms of valorisation of capital in the industry. In so doing the chapter argues that, despite these changes, the automotive industry in fact continued its development on the same basis as before—i.e. the appropriation by TNCs of a portion of agrarian ground-rent. Fitzsimons and Guevara conclude, therefore, that the NIDL did not 'restructure' the Argentine automotive industry—as is commonly claimed.

In Chap. 9, Nicolas Grinberg offers an alternative account to the mainstream, institutionalist view on the state-led process of economic development in Brazil and South Korea. Focusing on the development of the Brazilian and Korean steel industries, Grinberg claims that the specific form of participation of each economy in the production of relative surplus-value on a global scale has determined both the pattern of industrialisation that followed, and the political processes through which it came about. In Brazil, industrial capital has accumulated through the state-mediated recovery of ground-rent, which has implied small-scale production for protected domestic markets. By contrast, in South Korea industrial capital has accumulated through the exploitation of a relatively cheap and disciplined workforce performing simplified activities for world market production in increasingly complex sectors. The significance of Grinberg's analysis for us is that, while South Korea's 'take-off' is often used to refute the original NIDL thesis, the Korean case actually vindicates the revised version of the NIDL thesis put forward by this book.

NOTES

1. See, for example, Iñigo Carrera (2006, 2013, 2014, 2015). Several of Iñigo Carrera's other working papers are available in English through the CICP web site: http://www.cicpint.org/CICP%20English/Principal.html.
2. The productive attributes of workers include the strictly material or technical dimension of labour-power required by the particularity and complexity of the productive functions to be performed, as well as its 'moral' attributes (that is, the general forms of consciousness and self-understandings that make those workers suitable for the specific forms of discipline that a certain organisation of the capitalist labour process entails). The term 'productive subjectivity' captures this twofold dimension of labour-power.
3. As Radice (2009: 29) summarises, 'the mechanism through which this unequal distribution of rewards is sustained is, in essence, that of market structure: businesses and zones engaging in core activities have market power based on superior technology, management and access to finance, while those engaging in peripheral activities have only generic resources of cheap land and unskilled labour, the markets for which are highly competitive.'
4. All three of these frameworks/concepts figure in the selection of articles edited by Bruff and Ebenau (2014). See Rioux (2015) for a critical discussion of Trotsky's notion of 'uneven and combined development', and for a thorough critique of the (failed) attempt to come up with 'a social theory of the international' in the work of Justin Rosenberg and others.
5. It ought to be self-evident from the foregoing outline of the approach taken in this book that a focus on country case studies does not imply a crude

methodological nationalism on our part. But to clarify, Part II focuses on countries for two reasons: first, because even if it is a mediating form and not a self-subsistent content, the national form is real and objective, and it is actually by exacerbating national differentiation that the global content of the NIDL unfolds; and it allows us to show that it is impossible to explain national dynamics as if they were autonomous from the global content of accumulation.

6. An appendix to Chap. 2, which we have been unable to reproduce in this book due to space constraints, is available at: https://www.academia.edu/24332230/End_Notes_to_The_general_rate_of_profit_and_its_realisation_in_the_differentiation_of_industrial_capitals_1?auto=download. In it, Iñigo Carrera confronts two crucial problems: first, the asymmetric relation between national economies of markedly distinct structures; and, second, the asymmetric relation between capitals of very distinct accumulation capacities within the same value chain. Until now, the first question has been approached by means of theories of development and underdevelopment, imperialism, unequal exchange, dependency, and so on. Iñigo Carrera asserts that these theories all conceive of national processes of accumulation as being essentially autonomous. The second question of the asymmetric relation within value chains has, until now, been explained by theories of imperfect competition and of monopoly capital. Both theories agree that such asymmetry results from the behaviour of key agents. Therefore both theories erroneously eschew the existence of objective determinations that regulate social production and consumption through the formation of a general rate of profit.

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PART I

Capital and the International Division of Labour

CHAPTER 2

The General Rate of Profit and Its Realisation in the Differentiation of Industrial Capitals

Juan Iñigo Carrera

NORMAL INDUSTRIAL CAPITAL

In the capitalist mode of production, the allocation of the total labour power of society into each form of concrete useful labour takes place by means of the formation of a general rate of profit. Through this process, the total capital of society acts as the subject of its own valorisation by determining individual capitals as its aliquot parts. Individual capitals thereby realise the material unity of the movement of the total social capital through their respective privately undertaken actions as sums of value that valorise in equal proportion with respect to their size and turnover time.[1]

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The active participation of individual industrial capitals in the formation of the general rate of profit is dependent upon their reaching the necessary degree of concentration required (hence scale) to put into action the productivity of labour that determines the value of commodities.[2] The individual capital that has this attribute constitutes the *normal* or average for the sphere in which it acts. The production of relative surplus-value imposes the need to constantly increase the mass of value that must be accumulated for it to function as an autonomous normal individual capital.

The industrial capitals that fall behind in the process of concentration and centralisation cannot continue operating autonomously. They are compelled to become fragments integrated with other industrial capitals, that is, they are transformed into interest-bearing capitals.

Small Industrial Capital

As we have seen, industrial capitals that cannot keep up with the process of concentration and centralisation cannot continue operating autonomously, and are forced to turn themselves into interest-bearing capitals. However, they can postpone this outcome.

The valorisation of capitals smaller than the norm is not ruled by the general rate of profit but by the rate of interest, which is normally lower. And they do not access this lower rate in proportion to their value as independent industrial capitals. Instead, their value is reduced to that of the liquidation of their productive assets, which are now materially useless for the purpose of valorising as normal industrial capital. Therefore they can remain active as autonomous industrial capitals as long as the greater costs they incur for their small scale are compensated for by the lower profit that governs their existence as small capitals. This possibility of subsistence on the part of small industrial capitals constitutes in itself an obstacle to the development of the productive forces of society. Instead of immediately being displaced by those capitals that put into action the greatest productivity of labour, the extension of their individual life specifically obstructs the constant technical revolution imposed by the general determinations of the capitalist mode of production.

The limit to the subsistence of industrial capitals smaller than the norm is ruled by the general development of the productivity of labour. As soon as this development permits normal capitals to bring the price of production below the price corresponding to the rate of interest on the value of liquidation of small capitals, the latter are finally expelled from production. However, the limit to the subsistence of small industrial capitals can be extended further still when small capitalists are, at the same time, their own direct workers. In this case, the subsistence of small capital in production can be extended to the point at which its owner receives the equivalent of the wage that she could obtain as a simple wage-worker. In agricultural production, in particular, this transformation into a wage-worker can involve a change in the place of residence, which pushes the equivalent salary downwards. The limit may be reached therefore at the point in which it is no longer possible to resume the productive cycle covering the replacement of circulating capital with the return from the fixed capital consumed—that is, at the expense of exhausting fixed capital without replacing it.

On the other hand, the rate of interest generally maintains a direct relation to the size of the individual interest-bearing capital; the greater the size of the individual interest-bearing capital, the greater the rate of interest and vice versa. In this way, the limit imposed simply by the relation between the general rate of profit and the rate of interest presents a gradation that is proportional to the size of the small capital. And this gradation accompanies the increasingly widening gap from the condition of normal capital that necessarily befalls the small capital due to its relatively slower pace of concentration—that is, owing to its lower rate of valorisation. Therefore, small capital is that which does not reach a size necessary for it to actively participate in the formation of the general rate of profit from within its specific sector of production. But the range of small capitals extends from those whose difference with respect to the normal capital in their sector is imperceptible in a given moment (they can *appear* big), to others whose owners are clearly on the verge of liquidation and proletarianisation. At the same time, the continuous growth of the productivity of labour in pursuit of renewed relative surplus-value constantly renews the generation of the range of small capitals. While it expels some from the bottom, it incorporates new ones that had existed as normal capitals in their own right, as it continuously raises the individual scale that, in general, is necessary for a small capital to remain active.[3]

Sooner or later, the development of the productivity of labour by normal capitals will make small industrial capitals reach the limit of their existence. In the end, they are transformed into interest-bearing capitals, if there is anything left of them by then. However, before arriving at this point, it may be possible that small capitals expel normal capitals from the sectors in which they participate. This happens as long as their own limit price is located below the price of production. In this case, small capitals defeat normal capitals in competition.

The Release of Surplus-Value by Small Industrial Capitals

The key to the subsistence of small industrial capitals comes down, therefore, to the relation between the price of production and the price that corresponds to the compensation between the small capital's greater cost and its respective lower rate of profit. Yet, it is not necessarily the case that the price regulating the valorisation of small capitals must correspond to the level of the price of production that regulates the valorisation of normal capitals. In effect, the price that autonomously regulates the valorisation of small capitals cannot be located above that of production, but nothing prevents it from standing below the price of production. In this case, the sale of commodities produced by small capitals for less than the price of production but above the price that rules their specific valorisation implies their appropriation of an extraordinary profit. This extraordinary profit does not result from production at an individual price below the social price of production through a greater productivity of labour. On the contrary, it results from the inability of small capitals to set in motion the productivity of labour corresponding, at least, to the determination of the price of production. Therefore, that extraordinary profit necessarily results in competition between small capitals for its appropriation, thus causing an expansion in production. But this tends to bring the price of small capitals' commodities to the level that constitutes the limit for their subsistence. As a consequence, the extraordinary profit in question, necessarily and eventually, escapes them.

In the case of small agrarian capitals, the first destination for the profit they release can be the pockets of the landlords whose land they rent. Small capitalists pay a premium above the rent corresponding to normal capitals. It can also be the case that this difference is reflected in the greater price small capitalists pay to buy land, which thus exceeds the simple capitalisation of future rent discounted at the rate of interest. This latter modality of appropriation makes small capitalists sink deeper still into such a condition, by the deduction that the greater price of land implies on the total money capital they can turn into industrial capital to be applied productively upon the land.[4] When the profit freed by small capitals follows this path—as it is either generated or advanced in a lump sum through the price of land—the commodities they produce are simply sold at the price of production. The rest of industrial capital has neither won nor lost by this, but the freed profit may follow a different path.

When the accumulation of the total social capital has developed the social division of labour between individual capitals to a limited extent, small capitals tend to directly serve the markets of means of subsistence with their products. In this case, the difference between the lower price that rules the valorisation of small capitals and the price of production appears to benefit merely individual consumers. The corresponding portion of the social surplus-value appears to go into the pockets of consumers via the lower price they must pay for their means of subsistence. However, the course of this portion of surplus-value does not end here. When individual consumers are free labourers selling their labour-power, the lower price at which they buy their means of subsistence is reflected in a cheapening of their labour-power. They are still able to consume the same use values required to reproduce themselves, in spite of receiving a lower amount of value as payment. In this way the surplus-value that had been freed by the specific determination of small capitals ends up being appropriated by industrial capitals as a whole, including small ones. This appropriation is realised as an aliquot part of the respective variable capitals. Therefore it becomes, in turn, a specific concrete determination in the formation of the general rate of profit.

As the accumulation of capital develops, commodities go through a succession of sectors specialised in partial stages of their process of production and circulation before arriving at individual consumption. When, in some of these stages, small capitals intervene by selling below the price of production, the portion of surplus-value that, for them, represents an extraordinary profit, continues to escape them. But to arrive at the market of individual consumption, this amount of profit has to continue its course through the circulation of normal capitals that follow small capitals in the chain. That is, the extraordinary profit in question escapes from the small capitals by means of the normal competition they establish between themselves in circulation. But it can only arrive at individual consumption in the form of a commercial price lower than that of production through the competition that normal capitals following in the chain establish between themselves.

In an immediate way, the release of profit by small capitals to normal capitals takes place through the latter buying commodities at the price that governs the normal valorisation of the former, which is to say, at below the price of production. Now, if the normal capitals were to sell their own product at the price of production, they would appropriate the extraordinary profit contained in the lower price of purchase. It therefore appears inevitable that the competition between them for that extraordinary profit would drag the commercial price at which they sell to below the price of production in corresponding proportion. However, this extraordinary profit does not emerge from those normal capitals putting into action a higher productivity of labour than the social average, so that they can therefore sell their commodities below the social price of production but above the individual price of production. The flow of normal capitals directly in pursuit of extraordinary profit would not respond to the possibility of expanding the total production of the sector, expanding the social necessity for the commodity by selling at below the social price of production at the same time, owing to the greater productivity of labour. As the extraordinary profit is borne by each individual commodity purchased, the competition between normal capitals for the extraordinary profit will only be limited by the expansion of each one's individual productive capacity with the intention of absorbing all that is on offer. No normal capital could refrain from competing for the extraordinary profit before reaching this point. But this would result in the expansion of production beyond the point at which the extraordinary profit was eroded—that is, before the market sale price started to fall below the cost of production. Therefore, the immediate competition between normal capitals for the extraordinary profit would result in their rate of profit falling below the normal rate.

The normal capitals of the sector to which flow the profits freed by the small capitals can compete between themselves for this extraordinary profit only by means of that which is common to all sectors of social production; by increasing the productivity of labour so as to be able to sell under the social price of production but above the individual price. But they cannot compete among themselves directly for the appropriation of the profit released by competition between small capitals to which they relate in circulation through the purchase of their commodities, on pain of destroying themselves as simple normal capitals. The greater the centralisation of capital within the sector into which the extraordinary profit flows, the more apparent become the limits to direct competition to appropriate it. Since the said competition cannot develop, the released profit in question cannot pass to the following sector. It remains trapped as an extraordinary profit to be appropriated by the normal capitals that triumph in the simple competition established through the development of the productivity of labour. These capitals buy means of production at below their price of production, and they sell the commodities produced at the price of production.[5]

For the rest of the total social capital, this appropriation of extraordinary profit precludes the possibility of buying labour power at a reduced wage. In effect, its determination no longer includes means of subsistence being sold at below the price of production. But the autonomous organisation of social production does not provide protection against this situation; after all, the normal capitals of all the remaining sectors buy their means of production and labour-power strictly at the price of production. And the same happens with the means of subsistence bought by capitalists for their individual consumption. In the end, the formation of the general rate of profit is realised at a more concrete level by: determining the existence of below-normal industrial capitals that valorise at a lower concrete rate of profit; the existence of normal industrial capitals that valorise consistently at a higher concrete rate of profit; and [the existence] of normal capitals that simply valorise at the general rate of profit.

This is the true content which political economy inverts by explaining the differences in the concrete accumulation capacities by market-forms, under whose asymmetries this differentiation is necessarily realised. On the contrary, we must grasp the necessity of those market forms as modalities through which the equalisation of profit rates is realised in the concrete form of the differentiation of individual capitals based on their size; that is, from their determination as masses of value that bear no qualitative specificity other than a purely quantitative difference.

The Fragmentation of the Productive Subjectivity of the Collective Worker on the Basis of the Subsistence of Small Industrial Capital

When the total social capital needs to intensify the fragmentation of the productive subjectivity of the working class, it uses the differentiation between the individual capitals, discussed above, to realise it.[6] The precariousness in which decomposing industrial capitals find themselves because of their insufficient size makes them particularly well suited to exercising the brutal exploitation of labour-power whose productive subjectivity is being degraded in the manufacturing division of labour and in its condition as an appendage of machinery. In contrast, this same role can be played by the capital that appears in the opposite pole to small capitals; that is, the capital centralised as property of the state. This possibility is predicated on the constitution of those conditions of exploitation as the general norm within the national sphere.[7]

This functional division in the extraction of surplus-value provides normal capitals with the continuous flow of extraordinary profit discussed earlier. At the same time, the acceleration of the process of concentration and centralisation brought about by the transformation of the productive subjectivity of the worker in large-scale industry guarantees to capitals that triumph in that process the renewed flow of small capitals that release the aforementioned profit. A good part of the success of just-in-time production lies in: the development of information and transport systems; the flexibility of production processes; and in the development of systems of quality control based upon the automation of production processes. But the secret of the other part of its success is merely the reduction for normal capitals of immobilised stocks, at the expense of the accumulation of stocks provided by the small capitals which act as their suppliers. That is, thanks to the lower rate of profit that rules their normal valorisation.

For its part, 'outsourcing' consists purely in the multiplication of the sources of extraordinary profit for normal capitals on the basis of introducing independent small capitals for any of those processes of production and circulation that can be handed over. This introduction is facilitated by two conditions: the relative cheapening of production in limited batches, typical of small scale production, thanks to the automation of the processes of adjusting machinery; and by the more acute conditions of exploitation of labour-power typical of small capital, by virtue of differentiation within the working class. Modern outsourcing is no more than the old putting out system in the guise of scientific management.

Capital Specialised in the Development of Technical Innovations

Individual capitals do not immediately aim to produce relative surplus-value. From their point of view, an increase in the productivity of labour above that of their competitors has only one objective. This is to appropriate an extraordinary profit by selling below the social price of production, to realise on the market the output resulting from an increase in productivity, but at above the individual price of production corresponding to this greater productivity. However, the extraordinary profit disappears as soon as the new technique becomes the general modality of production, which tends to determine the social price of production. If this diminution of the price of production takes place in a sector of social production that, directly or indirectly, intervenes in the production of means of subsistence for the workers, it results in a decrease in the value of labour-power and, thus, in the production of relative surplus-value. Therefore, the production of relative surplus-value excludes the existence of a continuous flow of the extraordinary profit in question for the capitals from any sector of social production and, therefore, the continued realisation by these of a rate of profit superior to the social average.

The capitals that set in motion an increased productivity of labour within a sector of social production are not the only ones that can claim the extraordinary profit generated; it can also be claimed by capitals further upstream whose output consists in the novel means of production that is adopted by capitals further downstream. The capitals downstream that purchase the machinery in order to generate an extraordinary profit will be disposed to pay more for them than the price of production, providing the price paid allows them to cheapen the cost of their own commodity to the point of being able to sell it above the individual price of production. That is, capitalists selling machinery that makes possible the production of extraordinary profit are going to participate to a greater or lesser extent in its appropriation, capitalising it in the price of the new machine. In any case, this participation in the extraordinary profit will disappear as the use of this new means of production becomes more general. However, this changes when the objectified form of the general source of increase in the productivity of labour becomes the product of a special sector of social production. That is, when the production of the technical innovation becomes a sector separate from the production of the machinery in which that technical innovation is materialised. Each renewal of the productive cycle in this sector yields a product for which there is demand by virtue of it allowing the appropriation of extraordinary profit by the capitals that use it. In this way, the capital producing this commodity with the power to increase control over the forces of nature, can achieve a continuous flow of extraordinary profit, constantly renewing the basis for its capitalisation through the selling price.

The transformation in the direct subjectivity of the worker in the process of production is manifest therefore in the emergence of capitals that have the potential to accelerate their accumulation by continually receiving a flow of extraordinary profit, since its product is the basis for a permanent renewal of this flow. Far from violating the law of the formation of the general rate of profit, this capacity for accelerated accumulation merely arises from its realisation. Neither direct competition for the flow of permanent extraordinary profit among those capitals that produce the commodity that makes this profit possible, nor its continuous dilution at the hands of competition between the capitals that effectively utilise this commodity as a means of production, hinders the renewal of this flow.

Since the production of relative surplus-value depends upon the sector specialised in the production of the advance in the objectified capacity to control natural forces, the total social capital has a permanent and substantial reason to participate actively in it by means of its general political representative, that is the state. On the one hand, this production must generally be undertaken on a large scale, which is dependent upon a corresponding degree of the concentration of capital. On the other hand, because of its material form, it is a production in which a good part of the applied capital, if not all, can end up being spent without producing any use value. Since it is about increasing conscious control over the labour process, nothing guarantees the success of this process of production. Therefore, embarking on unproductive paths is a normal condition in achieving effective development. That is why a good part of this production must normally be undertaken by the total social capital itself. This means financing private capitals even if they do not obtain results, or taking on production directly through a state system of research and development. At the same time, when sellers and buyers of the innovations find themselves systematically separated by a national border, there takes place a continuous flow of extraordinary profit from the national sphere of the consumer of that innovation to that of the producer. This reinforces the necessity for every national state to directly participate in this production, in representation of its respective national portion of the total social capital.

FROM THE DIFFERENTIATION OF CAPITAL TO THE DIFFERENTIATION OF NATIONAL PROCESSES OF ACCUMULATION

Historically, the global process of accumulation of industrial capital did not start in an immediately worldwide concrete form. On the contrary, it arose as a confluence of various national processes of accumulation struggling to produce within their national sphere the generality of the commodities they consumed. This integrity of social production and consumption that takes place within a domestic sphere gives an individual appearance to each national process of accumulation. They seem to be whole units of social capital, and not national fragments cut out from the total social capital. To the extent that their effective content fits into this appearance, the accumulation of capital in 'classic' countries takes the concrete forms that immediately correspond to its most simple and general determinations. However, this does not contradict the fact that these spheres are still national fragments of the same total social capital, rather than mutually independent social capitals. In their struggle to affirm themselves through their relative independence, these national processes of accumulation clashed in competition, which is how the process of the global accumulation of capital took shape.

The formation of the world market has an immediate manifestation that goes beyond simple competition to sell the same commodity. The reproduction of individual capitals has, as an immediate condition, the general reproduction of their own national sphere of accumulation. In turn, the reproduction of the national working class as an active population *en masse* has, as an immediate condition, the very same general reproduction of the national process of capital accumulation. Therefore, the capitalist class and the working class in every country establish a direct relation which, in turn, places them in an antagonistic relation with the homologous unity between the class of exploiters and the class of exploited of other countries. This direct relation arises as a limit to the direct relation of international solidarity between the national working classes through which the general buying and selling of labour-power at its value necessarily takes concrete form.

The unity of each national process of accumulation is directly manifest by means of the antagonistic relation that these national processes establish with each other in the world market. The individual capitals do not simply compete as themselves in the world market, but as capitals that immediately represent the distinct national processes of accumulation. Competition in the world market, that is the concrete form through which the unity of the organisation of social production in capitalism is realised, is always mediated by the direct relation between the capitalist and working classes delimiting each national sphere. Therefore, the circulation of commodities in the world market is necessarily mediated by the direct relation that the general political representatives of each national fragment of the total social capital establish with each other—which is to say by the direct relation between the respective national states. The competition between individual capitals in the world market therefore takes a first specific form, that is, competition to sell to the capitals of other national spheres, and to avoid having to buy from them, as a means of expanding as much as possible the scale of their respective national processes of accumulation. Except that, of course, this expansion is dependent upon external supply.

Until now, we have considered the relation between 'classic' national processes in which the accumulation of capital is present in its most simple and general form. However, another form of international relations develops out of this relation between 'classic' national processes of accumulation. In addition to the struggle to sell without buying, the capitals of those national processes of accumulation establish a second focus of mutual competition in the world market; namely, the competition for the supply of raw materials from territories historically located beyond their borders. This concerns production processes in which the productivity of labour is particularly subordinated to natural conditions that are not under the control of normal capitals, and these conditions are most favourable—or simply exist—in those territories located outside 'classic' national spheres where accumulation presents itself in its simplest form. At the same time, capitals from the 'classic' spheres look to expand their own foreign market, selling to capitals or simple commodity producers that provide raw materials from those other national spheres. The capitals and commodity producers in the latter territories now have the capacity to buy since they have sold on the same world market.

Further still, to produce capitalistically in the new territories oriented to the supply of raw materials, with a greater productivity of labour to that prevailing in the 'classic' countries, it is necessary to disburse the capital needed for production and circulation. Its application must therefore be realised on a scale that corresponds to the determination of the price of production on the world market. On the one hand, this capital is gradually provided by the expansion of local accumulation in the new territories. But, as with the simple concentration of capital, this is a slow process that can even make it unviable. On the other hand, for the normal capitals from the 'classic' national processes of accumulation that demand the supply of raw materials, their application in these new productive processes constitutes a source of surplus-value as good as any other. Furthermore, this source can even be circumstantially better, so long as it entails rapidly expanding production, if it is possible to exploit the labour-power of the new country on the basis of the direct relations of personal subordination that already prevail there—or that can be imposed upon it.[8] Therefore, the process of the expansion of global capitalism based upon the differentiation of national processes of accumulation is not only characterised by the expansion of the flows of commodity-capital in the world market; it is also characterised by the flow of industrial capitals and of interest-bearing capitals from the 'classic' countries in which accumulation is based upon the general production of commodities to those countries in which accumulation is based upon the production of commodities bearing ground-rent. Of course, there is a corresponding flow in the opposite direction of the profits and interest that capitals appropriate in the latter countries. In particular, given that the scale of accumulation in the latter is specifically restricted to the production of commodities bearing ground-rent, as well as the complementary production processes that are necessary at the local scale so that those commodities can arrive at their destination, surplus-value flows out of the national spheres in question since it is not required to expand accumulation therein.

The incorporation of 'resource rich' territories with the objective of invigorating the 'classic' national processes in which accumulation appears in its general form has a first historical modality: the direct conquest of those new territories on the part of the 'classic' national fragment of the total social capital that is making use of them. It therefore consists in the military subordination of those territories to the jurisdiction of the conquering national state. The development of the world essence of the accumulation of industrial capital therefore takes the concrete political form of the development of the colonial system, of colonialism.

When the concrete history of the new territory prevents direct military occupation, the formation of an independent national sphere of capital accumulation takes the place of colonial domination. But it does so on the condition that the new national sphere does not reach the scale that is necessary to give rise to a process of accumulation immediately based on the production of the generality of commodities. Certainly, national fragments of the total social capital already in operation have no interest in creating new competitors in the world market. Instead, they are only interested in their geographical expansion to the strictly necessary point at which they can access the supply of raw materials produced with a higher productivity of labour, to increase the relative surplus-value that they appropriate in their national sphere of origin. Insofar as they have been engendered as a necessary concrete form of the expansion of the accumulation of capital in 'classic' countries, this second type of national accumulation process lacks from the very beginning the potentiality to become a ‘classic’ country.[9] The total social capital thus imposes, in various characteristic ways, specific limits to the potentiality of these national fragments *vis-à-vis* those in which accumulation takes place on the basis of production on a normal scale of the generality of commodities consumed domestically. For example: through the direct diplomatic and military action of national states from ‘classic’ national spheres of accumulation; through the supply of commodities usually produced with a productivity of labour unachievable on the scale of the new national sphere; and through the external indebtedness of the new territories. It needs to be stressed that, in all cases, these are the concrete forms taken by the realisation of the limited immanent potentialities of the accumulation process in those new national spheres of accumulation, and not its causes, although this is how it is pictured by those who believe that the accumulation of capital is a national process in essence, and not simply in form.

The production of raw materials from the national spheres specifically constituted for this purpose (‘resource rich’ countries) diminishes the value of labour-power exploited directly by industrial capitals that operate in the ‘classic’ national spheres where accumulation includes the production of the generality of commodities. It acts, therefore, as a source of relative surplus-value for these normal industrial capitals. However, this also involves a drain of surplus-value that these industrial capitals extract from the workers they exploit. A part of this goes into the pockets of the landlords who monopolise the differential and absolute natural conditions that permit the exercise of the greater productivity of labour in the production of raw materials in the form of ground-rent. The industrial capitals from which this portion of surplus-value is drained find themselves impeded—in the last instance by the sacrosanct principle of rights over private property—from recuperating the ground-rent appropriated by landlords within their own, respective ‘classic’ national sphere. But those industrial capitals from ‘classic’ countries do not confront the same problem as regards the portion of surplus-value which is appropriated in national spheres specifically delimited to the differential production of raw materials. All this therefore leads to a *new phase* in the global accumulation of capital based upon the differentiation of the national processes of accumulation between those ‘classic’ spheres where capital produces the generality of commodities and those whose unity hinges upon the production of one or more raw materials bearing ground-rent.

Each national fragment of the total social capital delimited by this second type of national sphere has its unity determined by the productive process that gave rise to the appropriation of differential and, eventually, simple monopoly ground-rent.[10] Hence, the general political representative of that national fragment of the total social capital, that is the respective national state, can act directly upon the mass of ground-rent that is appropriated within its country. Above all, it can become the direct owner of the land whose differential natural conditions allow the appropriation of ground rent. Alternatively, it can interrupt the flow of the ground-rent primarily flowing into the pockets of the landowning class through, for example: special export taxes on raw materials; the fixing of internal obligatory prices for these commodities; their production or commercial exchange by the national state itself; or the overvaluation of the national currency.[11]

In a first historical phase, prior to the 1930s, the portion of ground-rent appropriated in these forms had a primary destination. It was used to pay for foreign public debt borrowed at extraordinarily high interest rates to the capitals of the countries from where the ground-rent flowed. Previously, the funds originated by this indebtedness had been completely squandered instead of being used productively to enhance the general accumulation of capital in the country. More specifically, they had been devoted to the free private appropriation of the territory by the landowning class and to the very formation of the national sphere specifically based on the export of raw materials through warfare against similar countries. It was thus evident that those landowners and foreign capitalists who were creditors of the national state were partners in the formation of national processes of capital accumulation and now shared the appropriation of its fruits; that is, of the surplus-value that flowed towards the country in the form of ground-rent. They were joined by the industrial capitals of the same countries from which ground-rent flowed and which were put to work in the local circulation of raw materials.[12] They participated in the appropriation of ground-rent through the charging of higher prices than in their countries of origin and by taking advantage of the overvalued national currency when remitting abroad the profits obtained internally.

Through interest-bearing capital and the industrial capitals that operated specifically in the circulation of raw materials, the national processes of capital accumulation from where the surplus-value escaped in the form of ground-rent recovered as much of it as possible. However, in a second historical phase, clearly visible after the crisis of the 1930s, this recovery went directly into the hands of the industrial capitals from which the surplus-value in question had escaped.

In order for the ground-rent captured by the direct action of the national state to continue its return to the industrial capitals from which it was drained, these capitals must open and close their valorisation cycle within the national sphere of 'resource rich' countries. Therefore, this national sphere of accumulation has to exclude the possibility of industrial capitals initiating their cycle outside of it and selling their commodities within it. It must constitute itself, therefore, as a national sphere essentially closed to the import of commodities in general, to the extent that the appropriable ground-rent allows for their local production.[13] But, in so doing, this national sphere rules out the valorisation of capitals that locally produce commodities in general on the scale necessary to compete on the world market. It would appear, therefore, that ground-rent can only be appropriated by industrial capitals of insufficient scale to participate in the formation of the general rate of profit, which is to say, by capitals of less than normal or average concentration with respect to their sector of industry, that is, by small capitals. Meanwhile, industrial capitals from which surplus-value has been drained in the first place cannot meet either of the two conditions required for participating in its appropriation within the closed-off national sphere. In the first place, they do not open and close their cycle within the national sphere where the appropriation takes place. Second, their scale generally corresponds to the average necessary to participate in the formation of the general rate of profit in the world market, as they are the most concentrated capitals in the world.

Certainly, a first striking feature of a process of accumulation structured by the general production of commodities for a closed domestic market on the basis of the appropriation of ground-rent is the proliferation of small local industrial capitals. The said appropriation takes place through: the allocation of ground-rent in the form of direct subsidies; the buying of commodities by the national state at prices higher than those of production; public spending that creates the purchasing power to buy the production of small capitals and which, at the same time, generates a deficit financed by monetary issue that, in turn, results in a negative real interest rate at which those small capitals are indebted; and so on.

However, the expansion of small industrial capitals is but the first necessary requirement to generate the bases that make it possible for 'foreign' *normal* industrial capital to become the key beneficiary of ground-rent, in association with the local landowning class. This capital must detach from itself a *fragment* of insufficient scale to produce competitively on the world market, but which is sufficient to function as the most concentrated industrial capital that operates within the national sphere where the ground-rent is appropriated, given the size of this domestic market. This marks a significant difference from the previous historical period. In that earlier phase, the detachment of fragments of normal capitals from their country of origin to be able to valorise in new ones was dependent upon these fragments maintaining the attribute of being normal capitals, which is to say, that they had sufficient scale to produce for the world market. By contrast, in the new phase the detaching fragment of normal capital need only reach the restricted scale corresponding to the closed-off internal market of the national process of accumulation in which it is going to valorise.[14] In restricting itself in such a way, it becomes incapable of competing on the world market. The specific restricted scale with which this fragment of capital operates deprives it of the capacity to valorise at the general rate of profit. In part, this deprivation is to be compensated for by the most acute concrete conditions in which the exploitation of local labour-power takes place. But, above all, this deprivation is to be compensated—if not more than compensated—for by the appropriation of two sources of surplus-value now available to it by virtue of opening and closing its cycle within the national sphere in question: on the one hand, the ground-rent whose appropriation by industrial capital is mediated by the direct regulation of the national state; and, on the other, the surplus-value that is released in the competition between genuine small industrial capitals that link themselves to the fragment of normal capital in internal circulation.

In this way, normal capital valorises at the general rate of profit (and even at a higher rate of profit) by detaching from itself a fragment of a specifically restricted magnitude. Thus, it accumulates by doing the precise opposite of its general need to constantly expand the scope of the conscious control of social labour under its private command.[15] At the same time, it recuperates from the scrapheap the means of production (machinery, patents, and so on) now deemed obsolete by the growth in scale required to compete in the world market, but which appear as cutting-edge at the scale of the closed-off internal market in which they are now put to work. Normal industrial capital that valorises in this way is liberated, in corresponding proportion, from its historical generic necessity to develop the productive forces of society on the basis of constantly advancing the transformation of individual free labour into an immediately social power.

This mode of appropriation by industrial capital of the surplus-value that originally escaped from its hands in the form of ground-rent, necessarily takes the concrete form of an internal market closed to any normal capital from the world market—unless that capital detaches from itself a fragment of a specifically limited magnitude that will valorise as an industrial capital only *within* the national sphere in question. This is a condition that normal capitals need to impose *upon themselves* in order to realise this mode of appropriation. If this were not the case, normal capitals that produce from abroad and which, therefore, maintain an appropriate scale corresponding to the supply for the world market would wipe the floor with the fragments of normal capital that operate on a scale specifically adequate to the restricted scale of the internal market. But, at the same time, this fragmentation is a necessary moment in the generation of the modalities of the appropriation of ground-rent. Thus the fragments of specifically restricted scale from the most concentrated capitals of the world are the first to clamour for the protection of the national state of the country in which they have installed themselves, arguing their case as incipient industrial capitals in a struggle to consolidate themselves in the face of foreign competition.

The relative enclosure of the national sphere of accumulation presupposes the political autonomy of the national state. This national modality of accumulation clashes, therefore, with the colonial organisation of the supply of raw materials and the formation of markets for direct export from the 'classic' countries where accumulation takes simplest form. For the same reason, the specifically restricted fragments that are detached from normal capitals need to be politically represented in another specific way. That is, they need to be represented by their own national state, through its relation with the formally autonomous national state where the fragments are going to valorise. As the existence of this second state is but the concrete form of realising a particular aspect of the process of accumulation of the portion of the total social capital politically represented by the first, there is no doubt as to which of the two states is to have more political and military force when they are confronted formally as equals in an international relationship.

However, within its own national sphere, the local state plays a much more prominent role. Its actions take place at the very centre of the process of the appropriation of ground-rent. It becomes, therefore, the political subject that appears to create through its direct action a national process of capital accumulation that, according to the magnitude and form of the ground-rent it has at its disposal, more or less resembles one in which industrial capital tends to produce the generality of the commodities consumed in the domestic market. The state's own apparatus thus *appears*, in an inverted fashion, as the social subject capable not only of politically representing in a general manner the national process of accumulation, but also of engendering this process by itself. In this way, the fragments of normal capital manage to be represented internationally not only by their own national state of origin, but also by their local political representation exercised through the state apparatus from the country in which they are operating. However, this national process of accumulation must necessarily take the concrete form of an autonomous political process. As a consequence, the constitution of the national state can only result from the action of the local social classes.

The first social class that acts directly for the formation of an autonomous national state is that of the local landowners, who will begin to appropriate ground-rent as soon as land is put into production. The national petty bourgeoisie also acts, in association with the former, in the formation of the autonomous national state, even if this association appears in the form of a fight to the death over the appropriation of rent. This petty bourgeoisie engenders itself as the owner of the mass of small capitals that will constitute the basis for the later entrance of the restricted fragments of normal capital from abroad. In turn, the expansion of small capital, whether genuine or the particularly limited fragment of normal capital, engenders the national working class. This national working class may have originated in the transformation of the traditional local peasants, or it may have had its genesis in the import of workers from other countries. But, in any case, it ends up being peculiarly determined by the very specificity of the national process of accumulation. However much this national working class confronts the local petty bourgeoisie and the local representatives of the fragments of normal capital in the struggle over buying and selling labour-power at its value, it finds that its own immediate reproduction as an active working class is subject to the reproduction of the national process of capital accumulation. Thus it is subject to the reproduction of the specificity of that process. Therefore, the political party that embodies the general representation of the national working class acts as a specific political representative of this reproduction. Without going further here, it becomes an immediate necessity for this political party to associate with the two aforementioned personifications of the industrial capital operating locally in the struggle against landowners over the appropriation of ground-rent. This political party faces the same situation with respect to the confrontation that the same capital sustains against the normal capitals that operate in the world market as simple exporters of the generality of commodities. The general political representation of this type of national process of capital accumulation thus assumes its most characteristic ideological expression, that is populism (as a class alliance that acts on behalf of the national interests of the people).

The national process of accumulation into which ground-rent has primarily flowed, has failed to convert this mass of social wealth into industrial capital concentrated on a sufficient scale so as to *actively* participate in the development of the productive forces of society. On the contrary, only small capitals and specifically restricted fragments of normal capitals operate within it—that is, two forms of industrial capital whose existence is the negation of that development and, therefore, the negation of the historical *raison d'être* of the capitalist mode of production. At the same time, upon being tied in a specific manner to the generation and immediate reproduction of those two forms of capital, the national working class is deprived of the potential to revolutionise the material conditions of the social process of production. Therefore, it is deprived of the generic power of the working class to revolutionise the very mode of production.

However, all these negations and deprivations remain hidden, and appear inverted, when the analysis stops at the appearance that capital accumulation is above all a process of national nature. From this point of view, capital accumulation cannot be recognised as a process whose unity is *determined* by its global essence, and that is *realised* in the concrete form of mutually independent national processes. It thus appears that all national processes of capital accumulation have, in essence, the potentiality to include the production of the generality of commodities putting into action the productivity of labour corresponding to the valorisation of the capital that bears the development of the productive forces of society. The clear evidence that the national processes of capital accumulation in question are lacking in this potentiality is inverted as the expression of their insufficient development; insufficient development that, accordingly, appears as nothing but a mere stage in the natural course of every process of capital accumulation towards the realisation of its national essence. The negation of the development of the productive forces of society is thus represented, in an inverted fashion, as the affirmation of a national process of capital accumulation on its 'path to development'. If this process does not fully travel down the path to 'full development' as an autonomous national process of accumulation, the matter is solved by claiming that such a circumstance can only be due to the application of 'incorrect' economic policies or the presence of some internal 'deformity' or 'perverse behaviour'; for example, the lack of 'capitalist' behaviour on the part of landowners.

In contrast to this open apology of a form of capital accumulation that negates its generic necessity to develop the social forces of production, 'anti-imperialism' appears at first sight to be its uncompromising critique. However, this critique is also based on the *appearance* that capital accumulation is, in essence, a national process. Therefore, it attributes to capital a potentiality that it not only lacks, but which is also the opposite to that which truly corresponds to its existence in the concrete form that it takes in the, allegedly, 'underdeveloped' or 'oppressed' national spheres in question. The potentiality that these latter lack is precisely manifest in the fact that national industrial capital, except for the part that bears the ground-rent, is not able to close its turnover cycle by selling in the world market. Such impotence comes from the insufficiency of the productivity of labour that capital puts into action in those national spheres, owing to the insufficiency of its scale in relation to that determined by the formation of the general rate of profit in the global unity of accumulation. Yet, once the national fragment of accumulation is considered as its natural unity, the norm corresponding to capital accumulation's global essence appears ideologically inverted; it is not that the national fragment of the total social capital has an insufficient degree of concentration, but that those they confront in the world market have an abnormally excessive concentration—an inversion that can only be completed by reducing all essential differences in the capacity for accumulation of one or other capitals to their manifestation in circulation and to the political and military forms they take.

The specific limitations that prevent the expansion of the scale of these national processes of capital accumulation, and that arise from the fact that they are based upon the negation of the development of the productive forces of society, are in this way inverted as an external circumstance on a double basis. On the one hand, the power exerted by capitals that reach the normal level of concentration required to sell in the world market, which derives from their being bearers of the development of the productive forces of society, *vis-à-vis* the restricted power of those that subsist against the grain of that tendency, becomes ideologically represented as the exercise of an abstract 'monopolistic' character. On the other hand, the consequent differential power of the respective national state as the political representative of a national accumulation process bearing in its unity the development of the social productive forces over a state that politically represents a specific negation of this development, is ideologically conceived as the exercise of an abstract 'imperialist' character. In summary, the affirmation of the political autonomy of the national accumulation process as a condition for the appropriation of ground-rent by normal capitals that operate as such in their own countries, which partially liberates these capitals from their generic necessity to develop the productive forces of society, is conceived ideologically as an inverted process of 'national liberation' against 'monopolistic imperialism'.

The general growth in the concentration and centralisation of capital has a double effect on the reproduction of the specificity of these national processes of accumulation. On the one hand, it continually widens the gap between the productivity of labour that must be put into action to compete on the world market, and that which is sufficient for the specifically restricted magnitude of the national market. As a result, the reproduction of the national process of accumulation in 'resource rich' countries is dependent upon the availability of an ever-increasing mass of ground-rent so as to compensate for any productivity gap. On the other hand, the growth in the concentration and centralisation of capital in the relative terms that apply within the national sphere necessarily takes a specific form. It consists in the expropriation and liquidation of simple small capitals at the hands of the particularly restricted fragments of normal capital that operate within the country. This expropriation does away with the surplus-value that is released by those small capitals, and which constitutes one of the sources that enable the fragmentation of normal capital to operate at the restricted scale of the internal market. At the same time, this multiplies the mass of fragments of normal capital whose valorisation is specifically based upon the appropriation of ground rent and of the surplus-value released by small capitals. As soon as the ground-rent ceases to grow rapidly enough to compensate for the widening gap in the productivity of labour and the absolute and relative reduction of the surplus-value released by small capitals, the national process of capital accumulation reaches the specific limit to its reproduction. It enters into a contraction of scale, which can be merely relative with respect to the global pace of accumulation, or directly absolute. As a consequence, the reproduction of the national process of accumulation loses its original condition of being the specific basis for the expansion of the local demand for labour-power and turns into a correspondingly specific source of surplus labouring population in the process of consolidating itself in such a condition.[16] Before, this national process of capital accumulation mimicked that based upon the production of the generality of commodities for the world market, and, therefore, a process of development of the material productive forces of society. Now, its true content against the grain of such developments, and, therefore, as a source of multiplied misery and suffering for the working class, has become immediately manifest.[17]

The development of capital accumulation on the basis of the production of relative surplus-value has yet another effect on the specificity of national spheres. It massively transforms those peasant populations settled outside the countries in which they take the simplest form into a surplus labouring population. In part, capital produces this surplus population in such a magnitude that it no longer necessarily requires a proportion as an industrial reserve army. This population is consolidated as a surplus to such an extent that it is deprived of any potential productive subjectivity. When not reduced to this desperate condition, capital converts the peasant mass into a working population from which emerges the labour-power whose productive subjectivity consists in functioning as an appendage of machinery in the modern division of labour. Thus, it is generated as a latent surplus labouring population until the development of automation allows for the fragmentation, in an ostensible manner, of the reproduction of workers bearing the two types of productive subjectivity typical of large-scale industry.[18] Then, capital effectively puts this degraded productive subjectivity into action on the basis of the specific differentiation of its reproduction with respect to that portion of the working class which is a direct bearer of the development of the productivity of labour through an advance in the objectified control of natural forces.

Whether it is a consolidated surplus population, a latent one, or a labouring population that remains active on the basis of the degradation of its productive subjectivity, capital needs to remove all direct relations between all three segments of the working class and the portion bearing the productive subjectivity that advances in the control of the forces of nature. Furthermore, it needs to eradicate all direct relations between those three forms of existence of the global working class and the organ of the collective labourer of degraded productive subjectivity, which is simply a relative surplus population *vis-à-vis* the needs of the accumulation process, but which must remain localised in direct contact with the bearer of the developing productive subjectivity. Any direct relation that the first portions of the labouring population maintain with the second constitutes an obstacle to the differentiation of their conditions of reproduction.

Capital cannot liberate itself from reproducing the second upon the basis of the conditions that correspond to the reproduction of labour-power bearing the most developed productive attributes.

The direct relation that clashes most starkly with the differentiation in the conditions of reproduction of the working class, according to the distinct types of productive subjectivity, is that of the citizenship of the same national state. The colonial system establishes a direct citizenship relation that unites the two portions of the working class, no matter how asymmetric this relation might be. When entire territories move towards the condition of reservoirs of surplus population, the national fragments of the total social capital from 'classic' countries lose all interest in keeping political control over these territories. Furthermore, this occurs when the development of the general phase of relatively undifferentiated production of labour-power in activity is still in full swing.[19] The colonial system thus loses the last basis of its existence. Not accidentally, this is the moment when 'every man for himself' replaces the alleged 'commonwealth'. The colonialist states therefore sharpen their direct oppression of the population and the economy of the colonies until achieving political independence becomes a condition for the immediate reproduction of human life within them, even as a surplus population. The hour of triumphant anti-colonialist revolutions has arrived.

The capitalist apology based upon the inversion of the global unity of capital accumulation as an inherent attribute of every national process returns to the scene. From this point of view, the determination of the population of the new national spheres as a surplus labouring population stripped of its productive subjectivity by the growth of capital accumulation, appears as the consequence of an insufficient development of capital accumulation in these new national spheres. The very result of the full global development of capital is thus represented as its opposite, as a product of national 'under-development'. This apology has its correspondence in the critique based upon the same inversion. The more capital manages to feed accumulation on the basis of differentiating the reproduction of labour-power according to the productive attributes that it demands from each one of the fragments of the working class, the more it is liberated from its generic necessity to produce wage-workers bearing a universal productive subjectivity. Consequently more capital accumulates, in spite of moving against its generic historical necessity to develop the productive forces of society. However, the critique based upon the appearance of the national essence of accumulation sees an inverted content in the concrete political forms taken by the process in which capital is liberated from its own historical necessity. According to this critique, this consists in the defeat of 'imperialism' exercised by national states of 'monopolistic' capital at the hands of the processes of 'national liberation' of the 'oppressed peoples'.

NOTES

1. *Editors' note*: In accordance with the Marxian notion of capital-as-process, and of the concentration of capitals, Iñigo Carrera uses the Spanish word *monto* (amount or discrete magnitude), which we translate throughout this chapter as size.
2. This determination of industrial capitals formally extends to commercial capitals. These do not produce surplus-value, but, on the contrary, are themselves an unproductive expenditure of surplus-value. Commercial capitals whose scale permits the minimum unproductive expenditure of surplus-value necessary for their realisation participate in the distribution of the total surplus-value produced by the productive workers of industrial capitals. For greater clarity, the exposition only makes reference to industrial capitals. But, *mutatis mutandi*, the reasoning also applies in a formal manner to commercial capitals.
3. However large may be the scale of concentration required for an individual capital in a sector of social production to put into action the productivity of labour that corresponds to the determination of the value of the respective commodities produced, and even if to reach this concentration in a sector the same industrial capital needs to extend over several sectors, this degree of concentration is the one that defines normal capital. This is, therefore, the proper scale of individual capital without qualifications. The category of 'big capital' applied to normal capital does nothing but reflect the point of view of the ideological representatives of small capital, that is, the one that has particular restrictions in its capacity for self-valorisation due to its insufficient size. The purpose of this category is to give normal capital and small capital equal status so as to make them appear as simple species of a same genus, only differentiated by the power that seems to abstractly emanate from their magnitude. This is intended to hide the fact that, whereas the former bears in its increasing concentration the development of the material productive forces of society in the capitalist mode of production, the subsistence of the latter is an expression of the hindrance to that development raised by this same mode of production. Lenin uses the expression 'big capital' uncritically (Lenin 1964: Chap. 2) precisely from the economists of his time, who expressed the mentioned conception about the scale of concentration that was being reached by normal capital

at that moment. Lately, this category has been repeatedly used as if it contained in itself the revolutionary critique of the capitalist mode of production.

4. It is apropos of the determinations of ground rent with regard to small industrial capital applied to agrarian production that Marx, in *Capital*, leaves open the question of the specificity of the valorisation of small industrial capitals (Marx 1981: 938ff). And it was reasonable that Marx did not elaborate since—in contrast to the beliefs of those who put the differences in the concrete capacities of accumulation at the core of their analysis of the general historical development of the capitalist mode of production (resorting to the categories of monopolistic capital, big capital, and so on)—this differentiation is irrelevant for that development. It only relates to the concrete forms of competition. This, of course, is far from saying that it must be explained through the forms of the market.
5. We consider here only the simplest form of the flow of profit released by small capitals of one sector to normal capitals of another, in which the commodities sold by the former to the latter act as the vehicle. However, *mutatis mutandi*, the same determinations are valid for the inverse path, in which normal capitals of one sector sell their commodities at above the price of production, in the proportion required, to the small capitals of another sector.
6. *Editors' note* (see Chap. 4).
7. *Editors' note*: as is the case, for instance, for state-owned companies in contemporary China.
8. The capitalist mode of production is but the necessary historical form in which society develops its productive forces on the specific basis of transforming the productive powers of free individual labour into productive powers of free collective labour, in the concrete form of being the very negation of social labour, that is, as private labour. Therefore capital removes all forms of labour organised on the basis of relations of personal dependence, whether of a coercive nature or not. It needs to impose everywhere the labour of the doubly free workers, as in the sense of not being subordinated to any relation of personal domination, as well as being separated from the means needed to reproduce their life by working individually. That is to say, it needs to impose forced labour everywhere, not through direct coercion upon the workers, but based on their very condition as free individuals. Nonetheless, due to its immanent contradiction consisting in socialising free labour as an attribute of private labour, that is, of the very negation of the immediately social character of free labour, capital does not give up any chance to multiply its valorisation by acting against its own *raison d'être* as a specific historical form of the development of the productive forces of society. Hence, whenever the immediate multi-

plication of relative surplus-value by means of advancing the private socialisation of free labour is not at stake, it becomes the champion of forced labour through direct coercion against the worker. Agriculture and mining provide a twofold specific basis for this. Firstly, the submission of the productive power of labour to natural conditions not controlled by normal capital is a limit to the development of the technical composition of capital. Therefore, the productive attributes of free labour take longer to express their specific potentiality compared to industrial production in general. Secondly, the subsistence of relations of personal subordination that are the foundation upon which the direct coercion exercised by capital is based, presupposes the direct attachment of the worker to an essential means of production, namely, land. This circumstance has created the inverted appearance that social processes of production ruled by the production of capitalist commodities for the world market are but the expression of the subsistence of feudal or slavery relations prevailing over the valorisation of capital. An inversion from which it follows that the revolutionary path, in those cases, means engendering a national bourgeoisie that could establish locally the capitalist mode of production upon the remnants of feudalism and slavery. The more capital moves forward in its necessity to count upon a universal worker, the greater difficulty it finds in sustaining its valorisation in particular sectors of social production on the basis of the subsistence of directly forced labour. A clear example in this sense is the clash between industrial capital from the north of the USA with agrarian capital in the south over the abolition of slavery. But, at the same time, capital always keeps latent the choice for forced labour if it can be obtained with the productive attributes of free labour. The Nazi concentration camps are a brutal manifestation of this. In them, a portion of the total social capital lives the dream of any individual capital: counting upon an originally free labour-power without having to spend a penny even in its daily reproduction, as it could rely on a continuous flow of it and eliminate any individual immediately unable to work.

9. The exceptions to this determination can be counted, at most, on the fingers of one hand. But the case of the USA constitutes an absolute singularity. This is not the place to discuss this thoroughly. Nevertheless, we can quickly point out that this singularity synthesises several determinations. To begin with, the very emergence of the colony does not hinge on the production of precious metals used for circulation as world money based on indigenous labour-power. Nor does it hinge on providing forced workers for employment in other regions. On the contrary, it is engendered by British capital—in what matters for its future singularity—to satisfy the need to expand its own domestic market. And it does so by annihilating the indigenous population that organised its reproduction through direct per-

sonal relations. On this basis, it then occupies the territory with the surplus population generated by the development of its primitive accumulation and, afterwards, by the expansion of industrial capital in England and Europe. Hence, land ownership is fragmented among the settlers, in contrast with its concentration in the new territories devoted to the production of raw materials under the plantation system or to the breeding of livestock in natural plains. This contrast is also valid in relation to the south of the USA, a region that does not play a direct role in the determination of the singularity in question. Besides, the expansion of the domestic market could reproduce itself on the same basis by extending to the west, and on a scale greater than that possible in similar European national spheres. The formation of an independent national sphere on such a scale already implies a singular potentiality. But, additionally, the USA possessed within its own territory the two natural bases upon which large-scale industry historically developed: iron and coal.

10. *Editors' note*: hereafter, all reference to the appropriation of ground-rent refers to these two types of ground-rent (See Note 3 in Chap. 3, for a definition of the different types of ground-rent.).
11. *Editors' note* (see Chap. 3).
12. *Editors' note*: for example, through the construction and operation of the railway system.
13. *Editors' note*: Since ground-rent acts as the essential source of compensation for the higher production costs that result from the small size of the protected domestic market, the potentiality for the 'inward-looking' production of non-primary commodities depends on the magnitude of ground-rent flowing into the respective country.
14. *Editors' note*: here, Iñigo Carrera is mainly referring to foreign direct investment by transnational corporations since the mid-1950s in, for instance, Latin America.
15. *Editors' note*: in other words, it accumulates against its general tendency to strive to be at the vanguard of the development of the productive powers of social labour.
16. *Editors' note*: this has been the general course of capital accumulation in the southern cone of Latin America since the mid-1970s, and which underlies both its neoliberal and more recent neopopulist political and ideological forms (see Iñigo Carrera 2006; Grinberg and Starosta 2014).
17. Because of the material characteristics of agrarian production bearing rent, and the size and complexity reached by the national process of accumulation based on it, Argentina is the richest concrete case for the study of this specific national modality of accumulation (see Iñigo Carrera 1999, 2000, 2004, 2006, 2007).

18. *Editors' note*: Iñigo Carrera is here referring, on the one hand, to the expanded subjectivity of the organ of the collective labourer responsible for the more complex phases of the labour process consisting in advancing the conscious control of the movement of natural forces (that is, science) and its technological applications in the direct production process and, on the other, to the degraded productive subjectivity of direct production workers that confronts those productive powers as already objectified in the system of machinery (see Chap. 4).
19. *Editors' note*: Iñigo Carrera is here referring to the, so-called, Fordist or Keynesian historical cycle of accumulation and the Welfare State.

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CHAPTER 3

The Global Accumulation of Capital and Ground-Rent in 'Resource Rich' Countries

Gastón Caligaris

Drawing upon Iñigo Carrera's (2006, 2007) research on capital accumulation in Argentina, this chapter offers a general explanation of the particular characteristics adopted by national processes of capital accumulation whose main role is to supply ground-rent bearing commodities to the world market. The chapter adopts a methodological approach that recognises the concrete manifestations that such countries present as developed forms of the essential determination of *capital*—capital being the immediate subject of the organisation of the process of social life. Therefore, the chapter begins with an analysis that recovers the Marxian conception of the process of capital accumulation as being global in content and national in form. A perspective that, I argue, strongly contrasts as much with positions that explain the functioning of a national economy as a result of local class struggles, as with those which explain it as a result of foreign impositions within the national sphere. On the basis of the identification of 'resource rich' countries as being organs of the global

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process of capital accumulation, the chapter goes on to review some basic Marxian arguments about ground-rent that permit the identification of specific contradictions in the international economic relations established by such countries. On this point, the chapter brings to light a contrasting argument to those of a 'dependency' or 'world systems' perspective that explain this type of national economy on the basis of the existence of some kind of unequal exchange in their trading relations with other countries. Given that the concrete forms in which these contradictions are developed are mediated precisely through the national form of the process of capital accumulation, the chapter ends by examining the specificity of resource rich countries on the basis of the Argentine case.

The Global Accumulation of Capital and the Classical International Division of Labour: The 'Global Content' and 'National Form' of Capital Accumulation

The Global Content and the National Form of Capital Accumulation as Bases for the Explanation of the Specificity of 'Resource Rich' Countries

As is widely accepted by contemporary Marxist scholarship, Marx did not develop his critique of political economy by making generalisations based upon the particular characteristics of one national sphere but by departing from the capitalist system as the form of the organisation of social life (Pradella 2013). Consequently, in order to give an account of the particular characteristics of countries specialised in the production of raw materials, we have to systematically develop the determinations specific to such countries as concrete forms of the existence of (global) capital.

The plan that Marx had outlined for the exposition of the critique of political economy culminated, at least in his most ambitious versions, with a book on the 'World Market' (Marx 1981: 205, 1983: 270, 1987: 261, 1993: 108). Thus, from an early stage Marx considered capitalism to be a universal mode of production and, consequently, of a necessarily global character (Marx and Engels 1975: 49, 1992: 340–1). In this way the world market became for Marx the only place 'in which production is posited as a totality together with all its moments' (Marx 1993: 227), that is, the place where the total social capital (*gesellschaftliche Kapitals*) fully affirms itself as the alienated subject of social production.[1] From this point of view, the 'individual countries' that are 'integral parts' of the 'world market' (Marx 1976: 702) are but aliquot parts of the total social capital, or rather, the particular forms it takes. It follows that the specifically capitalist character of the constitution of national states presupposes 'the establishment of Modern Industry and of the world market' (Marx and Engels 1976: 486), that is, it already presupposes the fully developed global essence of the capitalist mode of production. Considered thus, the process of the accumulation of capital, that is to say the movement of the total social capital as the immediate subject of the organisation of social life, can be defined—paraphrasing Marx—as a process which is global in substance or content, and national only in form (Marx and Engels 1976: 495).

Although this summary goes without saying for many Marx scholars, as some authors have recently noted (Iñigo Carrera 2013: 168 ff; Grinberg and Starosta 2014; Guevara 2011), precisely the opposite conception forms the basis of the great majority of 'Marxist' explanations of the relations established between distinct national spaces. In effect, each time the particular course adopted by the national accumulation of capital is explained as a result of local class struggle and/or impositions from another national sphere—to name the most common explanations among Marxists—it is presumed that each national sphere of accumulation is autonomously constituted and that the relation between them is established on the basis of this same autonomous constitution. Therefore, the global process of the accumulation of capital and its corresponding national differentiation does not emerge out of the immanent necessity of the movement of the total social capital but, conversely, emerges from the interaction between abstractly autonomous national processes of capital accumulation. However, from our point of view it follows that, if the process of capital accumulation is global in content and national in form, the course followed by each national sphere of the accumulation of capital and, therefore, by the national class struggle, has to be explained by the role the national sphere plays in the global unity of capital accumulation, whose synthesis is the world market (Grinberg and Starosta 2014: 240).

According to Wallerstein (1991: 590), in a 'careful reading' of the texts where Marx himself analyses the class struggle at the national level, 'Marx repeatedly explains the different concrete political actions of the British and French bourgeoisies by the fact that they played different roles in the world market'. Although the degree to which Marx fully developed a systematic explanation of the class struggle in a particular national sphere can be debated (Engels 1990: 506–7), and notwithstanding how ‘repeatedly’ an ‘explanation’ can be found in Marx, as Wallerstein suggests, it is certainly possible to find in those texts the ‘repeated’ observation about the need to explain national class struggle through the role the corresponding national sphere occupies in the world market. For example, in *The Class Struggle in France*, when discussing approaches that abstract from the global determination of national class struggles, Marx argues: ‘But French relations of production are conditioned (*bedingt*) by the foreign trade of France, by her position on the world market and the laws thereof’ (Marx 1978: 56).

From this point of view, class struggles and corresponding state policies are, therefore, the concrete forms that mediate the unity of the movement of the total social capital. As is acknowledged by various contemporary Marxist contributions, national states are political representatives of the total social capital (Clarke 1991; Holloway and Picciotto 1978). But since the total social capital is global in content and national in form, national states only represent total social capital through the representation of *national* total social capitals.[2] That is, in the same way as individual capitals behave as aliquot parts of the total social capital, national total social capitals behave as aliquot parts of the global total social capital. The determination of national states as political representatives of national total social capitals is nothing more, then, than the mediated determination of national states as political representatives of global total social capital. In the Marxist literature on the state, this point of view is captured by Clarke (2001: 79) in the following way:

> Although the modern nation-state is constituted politically on a national basis, its class character is not defined in national terms … [T]he subordination of the state to the rule of money and the law, which is the foundation of the constitutional form of the capitalist state, confines the state within limits imposed by the contradictory form of the accumulation of capital on a world scale. Consequently the national form of the capitalist state can be defined only as a condensation, or nodal point, of an international state system.

The course of the national sphere of the accumulation of capital can be explained neither by national political relations nor by the direct relations that are established between distinct national states—that is, their ‘international relations’. As with all the direct relations of the capitalist mode of production, international political relations are but the concrete form in which indirect relations are realised, in this case, international economic relations, which are relations of competition established by individual capitals in the world market. Therefore, as with the political relations that are established within the national sphere, international political relations are mediated forms through which the global unity of capital accumulation is realised (Iñigo Carrera 2013: 145). As a consequence, it cannot be the basis of the explanation of the course adopted by a national process of capital accumulation. On the contrary, it is precisely this course, determined by the movement of the total global social capital, which explains the political relation that the national state establishes with other states.

In summary, this point of view contrasts strongly as much with interpretations that explain the form and the course adopted by a national economy through national political relations [perhaps the most common position in Marxist analysis, whose origin can be retraced to Engels (1990)], as with those that explain it through international political relations [a traditional position which goes back at least to Lenin (1964)]. Finally, it also contrasts with approaches that postulate a simultaneous determination of both national and international political relations [a similarly common and longstanding position that in recent decades has found a certain systematisation in Neo-Gramscian analyses, starting with Cox (1981)].

In reality, the explanation of national class struggles and international political relations by the place occupied by the national sphere in question within the global unity of capital accumulation, is not simply based on the recognition that capitalism is a global mode of production in content and national only in its form. It is based, fundamentally, on the recognition that capital is the dominant social relation and, as a consequence, all social relations are forms of its development. Definitively, it is based on the notion of capital being the concrete subject of the organisation of social life, since it is only from this point of view that political relations can be grasped as what they actually are, namely, concrete forms of the realisation of economic relations (Iñigo Carrera 2013: 95; Kicillof and Starosta 2007).

The Classic International Division of Labour as a Constitutive Part of the Current International Division of Labour

To account for the particular character of a national sphere of accumulation of capital we must, therefore, proceed from the immanent necessity of the global process of accumulation to differentiate itself into different national spheres. And this necessity can only spring out of the movement of the total social capital as the concrete subject of the organisation of social production. As is known, the *motor primus* of this movement is the production of relative surplus-value, which must therefore constitute the specific point of departure for the explanation of the role that each national sphere plays in the global unity of the accumulation of capital. More precisely, it concerns the development of the international division of labour that emerges from the materiality of the labour process belonging to the production of relative surplus-value. As we have seen, Marx did not manage to address the concrete forms in which the said unity of the global accumulation process is established through the world market. However, he did manage to show that this global unity and its corresponding national differentiation emerge out of the process of the production of relative surplus-value itself. More specifically, he located the basis of the polarisation of the world market in the most potent form of the development of this process, which is large-scale industry:

> [A]s soon as the factory system has attained a reasonable space to exist in, and reached a definite degree of maturity … as soon as the general conditions of production appropriate to large-scale industry have been established, this mode of production acquires an elasticity, a capacity for sudden extension by leaps and bounds, which comes up against no barriers but those presented by the availability of raw materials and the extent of sales outlets … A new and international division of labour springs up, one suited to the requirements of the main industrial countries, and it converts one part of the globe into a chiefly agricultural field of production for supplying the other part, which remains a pre-eminently industrial field. (Marx 1976: 579–80)[3]

That which Marx terms a 'new and international division of labour' appears to contrast with that which is currently also known as the 'new international division of labour' (NIDL) developed from the decades of the 1960s and 1970s (Fröbel et al. 1980), and whose basis is the 'transnational reorganisation of production … through the relocation … to new industrial sites where labour-power is cheap to buy, abundant and well-disciplined' (p. 15). However, as Grinberg and Starosta have noted, the course of historical development shows that the, so-called, NIDL did not result in the straightforward negation of the classical division of labour

(CIDL), but rather includes it as part of its substance (Grinberg and Starosta 2014: 241). In other words, one can currently find that within the NIDL there still are various countries that maintain their traditional role as producers of raw materials for the world market (Iñigo Carrera 2013: 65, 144 ff.). In this sense, Marx's cited text does not only retain validity but also, above all, confronts us directly with a question about the specificity of those national spheres of accumulation of capital that are based on the production of raw materials. What role do these national spheres play in the world market as the expression of the unity of the movement of global total social capital?

Ground-Rent and 'Resource Rich' Countries in the Global Unity of Capital Accumulation

The Loss of Surplus-Value by the Total Social Capital in the Form of Ground-Rent

The constitution of a national sphere based on the production of raw materials for the world market only makes sense to the extent that these raw materials are cheaper than if they were produced directly in the countries in which there is a demand. Furthermore, to the extent that these raw materials are commodities of agrarian or mining origin, this relative cheapness springs from the existence of relatively favourable natural conditions in the country that produces them. Ultimately, from the point of view of the global unity of the accumulation of capital, the constitution of a national sphere of this type only makes sense if the cheapening of the commodities that it supplies results in a lower value of labour-power exploited by the entire global total social capital, and in a growth in the corresponding rate of surplus-value.

However, the question is not as straightforward as it first appears. In contrast to common commodities, raw materials are normally bearers of a surplus-profit existing in the form of ground-rent, and the greater the relative favourability of the natural conditions in which they are produced, the greater the surplus-profit is. Consequently, the generation of national spheres specialised in the production of raw materials also implies the permanent transfer of a portion of global social surplus-value to landlords. As Grinberg and Starosta (2014: 241–2) argue, 'if, on the one hand, the total social capital enhanced its valorisation by reducing the value of labour-power, on the other this was partly offset by the drain of surplus-value, otherwise available for capital's appropriation, flowing into the pockets of domestic landowners in the form of ground rent'.

The question that arises at this point is, what is the origin of the surplus-value that constitutes ground-rent? From the point of view of the global accumulation of capital, if the surplus-value in question were the product of the labour of workers who produce raw materials, the generation of this type of national sphere would simply imply the failure to appropriate a part of the newly created surplus-value. However, if it did not concern the product of these workers' labour, it would imply the actual *loss* of a part of surplus-value that was appropriated before the existence of such national spheres. In this last case, the constitution of countries specialised in the production of raw materials would represent a greater contradiction for the global total social capital.

The question of the origin of surplus-value that constitutes ground-rent has been widely debated within Marxist scholarship. In essence, it is possible to distinguish two positions. On the one hand, some scholars consider that ground-rent—whether differential, absolute, or monopoly[4]—is surplus-value produced *within* the sector that produces raw materials. On the other hand, other authors argue that, with the exception of absolute rent, all forms of rent are constituted by surplus-value originating from *outside* the sector that produces raw materials. The first of these positions has been fundamentally developed by the Soviet tradition under the argument that the surplus-value that constitutes ground-rent emerges from the greater productivity of labour that produces the raw materials in question (Lapidus and Ostrovitianov 1929: 279; USSR Academy of Sciences 1957: 222–3; Vygodskiĭ 1974: 101). As I have argued elsewhere, the problem with this argument—and therefore with this position—is that it openly contradicts the most basic Marxian argument about value, according to which growth in the productivity of labour does not result in an increase in value, but in the growth of the quantity of use-values produced (Caligaris 2014a: 67). In contrast, the second of these positions, fundamentally developed in the 1970s by the Latin American Marxist tradition (Bartra 1979; Laclau 1969; Margulis 1979), argues that it is precisely because the labour that produces the raw materials in question is relatively more productive than the labour which determines their market price that the value that constitutes ground-rent has to be generated in another sector of social production. As was noted by the original contributors in this latter tradition, it concerns the same argument that Marx carefully developed in his examination of ground-rent and which led him to consider this portion of surplus-value to be ‘a false social value [which] results from the law of market value to which agricultural products are subjected’ (Marx 1981: 799).

Naturally, this essential determination of ground-rent does not change because a national border stands between the landlord and the industrial capitalist. Therefore, the ground-rent that is carried within raw materials exported from ‘resource rich countries’ is constituted by the surplus-value produced by foreign workers. As was argued early on by Laclau (1969: 294, author’s translation), this ground-rent ‘is surplus-value produced by the foreign worker which flows into the country’ supplying the raw materials. This means that the constitution of a national sphere specialised in the production of raw materials not only implies the cheapening of the labour-power consumed by industrial capital in general, but also that a mass of surplus-value which has not been generated therein flows permanently toward the national sphere in question. Such is the conclusion that follows from the worldwide development of the ‘law of value’, which is to say, from the movement of the global total social capital. Thus, this determination must constitute the point of departure for the entire explanation of the specificity of this type of national sphere of capital accumulation.

This conclusion openly contradicts all explanations of the specificity of the national economies in question based on analyses that posit the existence of a flow of surplus-value in an inverse direction, that is, on the existence of an outflow of surplus-value towards other countries, more specifically, toward those (mis-)termed ‘developed’, ‘core’, or ‘imperialist’ (for example, Emmanuel 1972; Marini 1991). Consequently, just as we discounted those explanations that were founded on the course of national class struggle or on international political relations, here we must also reject this other type of explanation that, even if not founded directly on the course of international political relations, is based on the existence of economic relations that contradict the essential determinations of ground-rent and, therefore, the law of value.

To conclude that a permanent mass of surplus-value produced by foreign workers flows toward the countries specialised in the production of raw materials would seem to contradict all the appearances presented by these national processes of capital accumulation. In effect, what would have to be expected in a country toward which there permanently flows an extraordinary mass of social wealth from abroad is a multiplied potential for the development of its national process of capital accumulation. Yet, what these countries normally present is a situation of recurrent crises, a permanently lower productivity of labour, low wages, an unusually large and historically growing surplus population, and so on.

The Potential for the Total Social Capital to Recover Part of the Surplus-Value Lost as Ground-Rent

Instead of abandoning the conclusion arrived at by the systematic development of the determinations of capital because it would appear to contradict immediate appearances, the path that the method of the critique of political economy opens up is precisely to continue developing such determinations. Therefore, what now has to be examined is how the release of surplus-value to the raw-material producing countries on the part of global total social capital transforms into its opposite, that is, into the *recovery* of this surplus-value.

First of all, the possibility of the recovery of lost surplus-value initially pocketed by landowners lies in the particular nature of the revenue that constitutes ground-rent. This form of revenue reproduces a social subject that plays no role in the immediate process of production, so that the appropriation of that part of the revenue by third parties does not affect the reproduction process in its unity. As Marx puts it:

> The capitalist is the direct exploiter of the workers, not only the direct appropriator but the direct creator of surplus-labour … he is himself a functionary of this production, its director. The landlord, on the other hand, has a claim—through landed property …—which enables him to pocket a part of this surplus-labour or surplus-value, to whose direction and creation he contributes nothing. Where there is a conflict, therefore, the capitalist regards him as a mere superfetation, a Sybarite excrescence, a parasite on capitalist production, the louse that sits upon him. (Marx 1989a: 539)

In effect, if the *normal profit* of capital is affected, the reproduction of capital is compromised and, with it, the process of production it puts in motion. Similarly, if the labourer's *normal wage* is affected it compromises her capacity to work, and therefore her capacity to produce surplus-value, obliging capital to interrupt the process of production. By contrast, nothing happens if the landlord's *normal ground-rent* is affected. It would seem that the total social capital has no other option but to get rid of the landowning class, taking directly into its hands the exercise of monopoly over the land, or rather, converting private property of the land into state property, so as to not have to cede to this parasitical class a part of the surplus-value generated by its own workers. This is precisely as Marx presents it:

> The abolition of landed property in the Ricardian sense, that is, its conversion into State property so that rent is paid to the State instead of to the landlord, is the ideal, the heart's desire, which springs from the deepest, inmost essence of capital. (Marx 1989b: 470)

However, the abolition of private property for a means of production as significant as the land cannot be realised without calling into question the private property for the rest of the means of production and private property in general. Thus considered, it would appear that the total social capital has no option but to live with the landowning class and, therefore, to cede to it all surplus-value corresponding to the form of ground-rent. Marx also underlines this point:

> The radical bourgeois … therefore goes forward theoretically to a refutation of the private ownership of the land, which, in the form of state property, he would like to turn into the *common property* of the bourgeois class, of capital. But in practice he lacks the courage, since an attack on one form of property—a form of the private ownership of a condition of labour—might cast considerable doubts on the other form. (Marx 1989a: 278)

The recovery by the total social capital of the surplus-value produced by its workers but which ends up in the hands of landlords in the form of ground-rent contains, then, a contradiction. On the one hand, a recovery could be possible insofar as landlords are mere social parasites and, therefore, useless for the entire process of the accumulation of capital; on the other hand, doing away with landlords would imply jeopardising private property of the land and, along with it, the very process of capital accumulation. Marx presents the development of his contradiction in the following way:

> Capital cannot abolish landed property. But by converting it into rent [which is paid to the State] the capitalists as a *class* appropriate it and use it to defray their State expenses, thus appropriating in a roundabout way what cannot be retained directly. (Marx 1989b: 470)

In summary, insofar as ground-rent is a mass of value that the landlord appropriates only by virtue of the economic relation she personifies, the total social capital can appropriate from her through the power of the state. However, precisely because ground-rent is revenue accruing to the private property of land, this appropriation is quantitatively limited by the very questioning of private property that it entails.

Now, the total social capital that Marx develops is, in reality, the global total social capital. For its part, the political representation of the global total social capital by the state is mediated by the national form taken by the accumulation process, that is, by the existence of national total social capital as an aliquot part of the global total social capital. Therefore, the appropriation of ground-rent by the total social capital through the state must take shape, first of all, in the appropriation of ground-rent by the national total social capital of 'resource rich' countries through their own national states.

THE CONCRETE FORM THROUGH WHICH GROUND-RENT ACCRUES TO THE NATIONAL LANDLORD CLASS AND THE LIMITS TO A PROCESS OF CAPITAL ACCUMULATION BASED ON THE PRODUCTION OF RAW MATERIALS: THE CASE OF ARGENTINA

Since it is mediated by the national form taken by capital accumulation, the question of the global total social capital's recovery of ground-rent flowing into 'resource rich' countries can only be developed by examining a particular national case. Iñigo Carrera (1999, 2006, 2007) has taken on this task in the case of Argentina.[5] In what follows, I offer a sketch of the Argentinean case to illustrate the concrete forms that the appropriation of ground rent flowing into 'resource rich' countries can take and, in turn, by the specific form such countries take by virtue of such forms of appropriation. Unless indicated, this brief account is based on the work of Iñigo Carrera.

The Forms Taken by the Recovery of Ground-Rent

A first form of recovering ground-rent is through direct taxation, that is, straight out of the landowner's pocket. This form was attempted in Argentina in 1973 under the tax on potential ground-rent (*Impuesto a la*

Renta Normal Potencial de la Tierra), but it has never been applied effectively (Nuñez Miñana 1985).[6] The reason for its ineffective application is not to be found in the abstract political power of the landowning class, but in the 'confiscatory' character, or the violation of the principle of fiscal equity, that this tax would entail given the mass of value at stake (Iñigo Carrera 2007: 120). In particular, given the natural differences between lands, this confiscatory character would represent a violent fiscal inequity that would divide the landowning class. But also, and fundamentally, it would affront the entirety of capital. For this reason, as Marx would say, this tax could not but remain merely the heart's desire of the Argentine and foreign capitalist class.

A second form of taking ground-rent from the landowner is to impose a general tax, not on the value captured by each particular landowner, but on the commodities that are bearers of ground-rent. The fact that this tax is applied, in the last instance, to the portion of ground-rent materialised in the commodity and not to constant capital, variable capital, or the profit materialised in the commodity itself, is explained with reference to the nature of the revenue that ground-rent constitutes. If the tax is imposed on capital, whatever its part, it would directly affect the material production of the commodities in question and, in the end, the very collection of the tax imposed. On the other hand, if ground-rent is affected, material production continues as normal. This tax has appeared time and again in Argentinean history in the case of agrarian commodities destined for export. However, the amount of this tax has always been limited with respect to the amount of ground-rent in circulation (Iñigo Carrera 2007: 88–90). In effect, beyond a certain magnitude, it also appears to have a confiscatory character and/or to be in violation of fiscal equity. In spite of this, and in contrast with the tax on potential ground-rent, this type of tax constitutes a real form of the appropriation of ground-rent.

The effect of taxes on exports does not end, however, with the commodities on which they are directly applied. Through the mediation of competition, the taxes on commodities destined for the world market reduce the price for the same type of commodities destined for the domestic market. Whomever purchases these cheapened commodities domestically, therefore, are themselves appropriating a mass of ground-rent in the same way as the state when it collects the tax on the raw materials being exported (Iñigo Carrera 2007: 20). Nevertheless, neither the working class that consumes these commodities nor the state are the end beneficiaries of this appropriation. Instead, and insofar as those commodities are usually 'wage goods', the end beneficiaries are generally individual capitals that end up purchasing labour-power more cheaply without affecting the latter's reproduction.

A third form of appropriating ground-rent from the landlord is to directly regulate the internal prices of raw materials. The same mechanism operates here as the application of a tax on exports. Consumers (that is, wage workers) pay a market price for the commodities in question that is less than the normal price, thus cheapening labour-power and thereby transferring a part of the ground-rent contained within them to its buyers (that is, individual capitals). The forms of regulation the state can bring to bear on internal prices are varied. In Argentina, the fixing of maximum prices for certain commodities and the existence of export quotas has predominated. However, the most potent form of this appropriation has been during brief periods in which the state directly purchased ground-rent bearing commodities at lower market prices than normal prices, in order to sell them later at a higher level. In this case the state enacts a direct appropriation of ground-rent, that is, without the mediation of individual or productive consumption that occurs under the other types of regulation of internal prices (Iñigo Carrera 2007: 88–90). Evidently, this form of appropriation of ground-rent entails the same limits carried by export taxes. As soon as a certain threshold of the rate of taxation is reached, its confiscatory character or the fiscal inequity involved becomes apparent. For this reason, the appropriation of ground-rent through the direct regulation of the prices of raw materials has been a relatively small proportion of the total mass of ground-rent available for capture. Moreover, its implementation has alternated with the application of export taxes.

Until now it would appear that, given the contradiction between the capturing of ground-rent from the landowner and the right to private property, the global total social capital could only recover a very limited portion of the ground-rent in question. However, there exists a mechanism of recuperation that, because of its veiled and also indirect character, manages to escape this contradiction and therefore allows for the recovery of ground-rent some way beyond the forms recently analysed. It concerns the overvaluation of the national currency in relation to the currency that functions as world money—historically, the US dollar (Iñigo Carrera 2007: 19). Because of its potency, this mechanism has been a constant in the history of the Argentine process of capital accumulation and is what explains its specific character. Before analysing it, and in order to give a clearer idea of its importance, note in Fig. 3.1 the magnitude and recurrence with which it appears in the course of the historical development of the Argentine national process of capital accumulation.

The overvaluation of the national currency means that whomever exchanges foreign currency for national money receives a lesser quantity of social wealth than they would receive if this type of exchange were at parity. To the extent that foreign currency enters the country by means of exports, the overvaluation of the local currency means that capitals that export must possess a surplus-profit that can be lost in the process of exchange without affecting their normal reproduction. In countries specialised in the production of raw materials this extraordinary profit is nothing but the ground-rent carried in agrarian and mineral commodities that are being exported.

The destination of the ground-rent retained in the foreign exchange mediation is varied, but two immediately appear. In the first place, the said ground-rent can end up in the pockets of importers that, due to the same currency overvaluation, need to pay out a lesser quantity of social wealth in order to acquire the foreign money with which they buy imported commodities. In the second place, it can end up in the hands of the state through extraordinary taxes on imports that compensate for the effect of the overvaluation of the national currency by raising the prices of imports to their normal price.

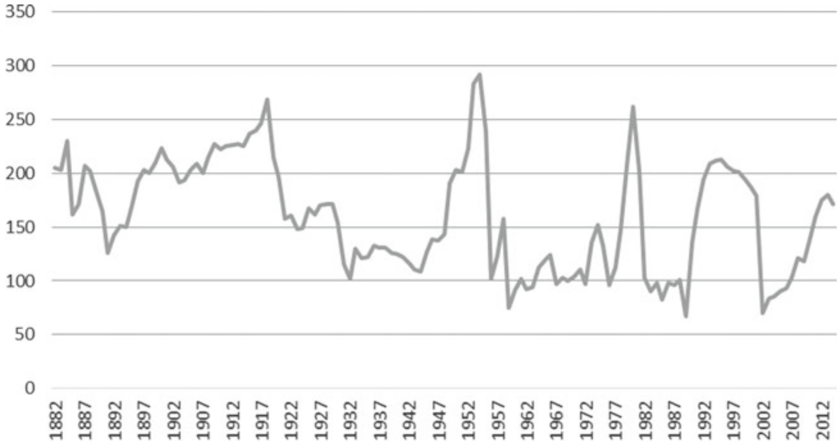

Fig. 3.1 Overvaluation of national currency, Argentina (1882–2014)

Source: Iñigo Carrera (2007), updated to 2014 on the same methodological basis

As in the case of export taxes, the effect on the prices of raw materials that are exported provoked by the overvaluation of the currency is automatically transferred to the same commodities that are consumed internally, so that the overvaluation also indirectly opens another route for the transfer of ground-rent. The appropriators in the first instance are the consumers of these commodities, although they are evidently not the final beneficiaries.

The Appropriation of Ground-Rent by the Total Social Capital and the Limits to a National Process of Accumulation Specialised in the Production of Raw Materials

Until now we have considered the historically most relevant mechanisms that, mediated by the political action of the national state as direct general representative of the global total social capital, have been developed so as to recover ground-rent from Argentine landlords. The question that remains is what the global total social capital has done to finally appropriate it for itself? Before answering this, or rather, as the first step in a response, we consider how the global total social capital presently acts in the Argentine national process—that is, how the capital that accumulates in this national space of valorisation acts, as a whole, and as an aliquot part of the global total social capital.

At first glance, it would seem that the global total social capital behaves in Argentina as it does in any of its other national forms. First of all, it is clear that a good part of the capital in question is of foreign origin. However, in contradistinction to the rest of the world, what characterises the foreign capital that accumulates in this country is that it produces on a scale restricted to the domestic market (see also Chap. 8). Indeed, if we take into account the degree and the historical recurrence of the overvaluation of the national currency, this characteristic should come as no surprise: insofar as the commodities produced by those capitals do not yield a permanent source of extraordinary profit, the existence of an overvalued currency prevents them from being exported without affecting the normal reproduction of capital. What does spring to attention, on the other hand, is the question of how it is possible to reproduce those normal capitals in as small an internal market as that of Argentina. Iñigo Carrera makes this clear in the case of the automotive industry:

> How do they fit into a market of only 36 million inhabitants, almost half of whom live below the poverty line today and whose average wage is just one tenth of the American wage? For instance, six of the world's main car manufacturers still have production plants in Argentina. Each export to the Mercosur zone is met by an import, thus balancing out any expansion of the scale of production, beyond that of the internal market. Conversely, in Italy, with a population that is two thirds larger and an average wage close to the American one, there is only one car manufacturer which is, furthermore, unable to sustain independent capital ownership. (Iñigo Carrera 2006: 193)

In effect, to produce exclusively for an internal market like that of Argentina means to produce on a small scale and, as a consequence, to produce with higher costs. In this context, to yield a normal rate of profit it is necessary to depend upon an alternative source of surplus-value that compensates for those higher production costs. Of course, one such source can be the circumstantial purchasing of labour-power below its value. Another can be the surplus-value released by small capitals that are linked together with the 'foreign' capitals in circulation (that is, in 'global value chains'—see Starosta 2010). But neither of those two phenomena can be the basis of the normal accumulation of capital in Argentina. If that were the case, instead of limiting themselves to the internal market, industrial capitals would basically produce for the world market (Iñigo Carrera 2006: 194). In fact, the essential source of surplus-value that compensates for the higher costs incurred by normal capitals is nothing other than the ground-rent that they capture from landlords through the mechanisms analysed above.

The normal capitals that accumulate in Argentina appropriate this ground-rent in various ways. The most significant are the following. To the extent that this rent falls directly into the hands of the national state—via taxes on exports, direct control of foreign trade, or taxes on imports that compensate for the overvaluation of local currency—it flows toward the capitals in question through subsidies, tax exemptions, the purchasing of their commodities, and so on. To the extent that ground-rent falls into the hands of the working class through the purchasing of agrarian commodities cheapened by the effect of taxes on exports or the overvaluation of the local currency, it is automatically transferred to capital in the form of a cheapening of the value of labour-power. To the extent that ground-rent is retained in the foreign exchange mediation by the overvaluation of the local currency, it is appropriated by capital through the purchase of cheapened imported means of production or the multiplication of the remission of its profits abroad.

In its unity, however, this appropriation of ground-rent by the global total social capital, in particular that which develops through the accumulation of normal capital, contains an insuperable contradiction. On the one hand, the overvaluation of the local currency, given its indirect and veiled character, is the only form in which a sufficiently compensatory quantity of ground-rent can be appropriated. On the other hand, this same form restricts the accumulation of normal capital to the internal market and therefore, given the size of this market, means the restriction of its scale of production. The result is a process in which global total social capital succeeds in appropriating ground-rent but, at the same time, does so at the expense of limiting the national process of accumulation in question. Thus, normal capitals that accumulate in this kind of country are limited by the quantity of available ground-rent that compensates for the difference between their scales of production and those that prevail on the world market, which are constantly increasing in scale. Meanwhile, the working population continues to grow and to swell the ranks of the superfluous population.

In summary, looking at the case of Argentina one can conclude, first, that the potentiality for the global total social capital to recuperate the surplus-value that flows toward resource rich countries in the form of ground-rent takes a whole series of possible concrete forms of realisation. And, second, that the nature of these forms of recuperation necessarily generates a limit to the expansion of the process of capital accumulation in the country in question.

Conclusion

This chapter has sought to offer a general explanation of the distinctive characteristics presented by countries specialised in the production of raw materials that does not contradict the fundamentals of the Marxian critique of political economy. With this methodological approach, the point of departure has been to recuperate the Marxian perspective according to which the process of capital accumulation that regulates our lives is essentially global and that, therefore, all national specificity has to be explained by the role that the country plays in correspondence with the global unity of the accumulation of capital. This viewpoint plainly contradicts any explanation based on the struggle of local classes, in international political relations, or in the conjunction of both. More specifically, these relations are nothing more than the mediating forms through which the movement of the global total social capital realises itself as the concrete subject of the organisation of social life.

By recognising that countries specialised in the production of raw materials are *organs* of the global process of capital accumulation, we have acknowledged that international economic relations are essential in explaining the specificity of raw-material producing countries. However, in contraposition to the theories that encounter in these economic relations some type of unequal exchange against 'resource rich' or 'peripheral' countries, we have seen that what concretely occurs in international trade is entirely to the contrary, that is, it is the 'resource rich' countries that receive a flow of the global social surplus-value not originally produced by them, in the form of ground-rent. The examination of the particular nature of the revenue constituted by ground-rent has confronted us with the potentiality for the global total social capital to recuperate part of the surplus-value lost in the purchasing of raw materials through the mediation of policies applied by the national states of the 'resource rich' countries. The Argentine case has shown that this potentiality is realised in a whole series of concrete forms. More importantly still, this case also demonstrates that, given their nature, these forms of recuperation of ground-rent generate the existence of a specific limit to the expansion of the process of capital accumulation in this type of countries, that which is consistent with the conditions of impoverishment normally evident therein. Of course, the conclusions drawn from the analysis of the Argentine case cannot be generalised in a mechanical and automatic manner to any country specialised in the production of raw materials. On the contrary, every case has to be examined in its specificity. In this sense, the objective of this chapter has been merely to set out a basis for carrying out this type of research.

NOTES

1. The term 'total social capital' is the usual English translation of what Marx variously terms '*gesamte gesellschaftliche Kapital*', '*gesellschaftlichen Gesamtkapitals*', or simply '*gesellschaftliche Kapitals*' in the original German.
2. The consideration of a national space of valorisation as an organic element of the worldwide accumulation process requires that we go beyond Marx and explicitly distinguish between the total social capital as the unity of all individual capitals and, in a more limited sense, as the unity of all individual

capitals that function within a national territory. In line with the Marxian terminology, I shall refer to the former as the *global total social capital* and to the latter as the *national total social capital*. Note, however, that national in the latter term does not refer to the nationality of the owners of capital but to the fact that this part of capital is valorised within the respective national territory.

3. In line with his systematic presentation of the determinations of capital as the dominant social relation, Marx was conscious of the fact that the explanation of the global unity of the accumulation of capital would not correspond to the planned book on 'the process of the production of capital' but, as noted earlier, to the book on the 'world market'. For this reason, Marx precedes this development by clarifying that he will refer 'to relations of a purely practical nature, the existence of which has not yet been revealed by our theoretical presentation' (Marx 1976: 578). This affirmation by Marx contrasts strongly with the interpretation proposed by Pradella (2013), who sees *Capital* as a systematic development of international relations.
4. Traditional readings distinguish three types of ground-rent: differential rent of types I and II that arise out of differences in fertility and/or the location of lands; and the absolute rent that emerges from the lower organic composition of capital invested in the worst land (Kautsky 1988). More recent readings have further distinguished the simple monopoly rent that emerges from the market power of the landlord class (Harvey 1973). Of course, this typology, as well as the definition of each type of ground-rent, is not free from controversy. For a synthesis of main debates, see Caligaris (2014a, b).
5. For an analysis of Brazil on this basis, see Grinberg (2008, 2011, 2013).
6. The first official draft of a tax on potential ground-rent was developed in the early 1960s. After several public discussions, in 1973 the tax obtained the status of national law (Law No. 20,538/73). However, this tax was never fully applied because the surveying and cadastral valuation of lands the law demanded were not carried out. For more information see Nuñez Miñana (1985).

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CHAPTER 4

Revisiting the New International Division of Labour Thesis

Guido Starosta

Despite being highly influential during the first half of the 1980s, the new international division of labour (NIDL) thesis advanced by Fröbel et al. (1980) seemed to fall out of favour in the 1990s. Prompted principally by some empirical developments which seemed to contradict the major claims of the NIDL thesis (especially the industrial upgrading of the first generation of 'Asian Tigers', which would eventually include relatively complex, 'capital-intensive' sectors rather than simply unskilled-labour-intensive ones, as predicted by Fröbel, Heinrichs and Kreye), many scholars then started to voice strong reservations about the NIDL approach. While many of these objections uncovered real weaknesses in the NIDL thesis, I argue that the critics' alternative explanations were not free from shortcomings themselves, and that debates on late-industrialisation eventually threw the baby out with the bath water. I show that many of those critiques were misguided and that there still is much of value to be recovered from the original insights contained in Fröbel, Heinrichs and Kreye's contribution for a critical approach to the contemporary dynamics of the international division of labour.

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The goal of this chapter is therefore to offer a critical reformulation of the NIDL thesis which preserves its rational kernel yet abandons its most contentious points. I argue that the former resides in its global perspective on capital accumulation and in the centrality attributed to recent material transformations in the capitalist labour process as key to the explanation of the developmental potentialities of late-industrialisation. The latter relate to weaknesses in Fröbel, Heinrichs and Kreye's conceptualisation of the changing material configuration of the production process in capitalism, and to their inability to offer a firmly grounded explanation for the resilience of the classical international division of labour (CIDL) in certain regions of the world (for instance, Latin America—see Chaps. 2, 3 and 5). On this basis, this chapter further submits that a revised NIDL thesis can shed new light on the specificities of 'export-led industrialisation' in the 'Third World', especially on East Asian developmental processes.

The New International Division of Labour Debate

Before reviewing the debates that emerged around Fröbel, Heinrichs and Kreye's work in the 1970s, it is worth briefly summarising the general thrust of the argument normally attributed to it. The popularised version of the NIDL thesis on the process of global restructuring argues that, faced with declining profitability in advanced capitalist countries (mainly due to rising wages), transnational corporations (TNCs) started to relocate labour-intensive manufacturing to the, then so-called, Third World, thus acting as a major factor in the industrial decline that seemed to prevail in the former countries in the late 1970s and early 1980s. Third World countries, for their part, provided TNCs with a huge potential reserve of cheap and disciplined labour-power. Combined with technological advances in the means of communication and transport, the increasing fragmentation of production processes and the consequent simplification of semi-skilled and unskilled tasks together created a tendency for the establishment of export-oriented world market factories in the Third World. Accordingly, the 'classical' international division of labour (CIDL)—revolving around the polarisation of the world economy into an industrialised 'core' and a dependent 'periphery' confined to the role of supplier of raw materials and staple foods—had been superseded by the NIDL, with an industrialised but still dependent Third World, and a 'First World' oriented to a service-based economy, which could not absorb the resulting unemployed population.

A first point made by several critics of this NIDL thesis has been that TNC competitive strategies have not been reduced to the search for world-market production sites based on cheap and compliant labour-power. This excessive emphasis on cost minimisation and the supply of ‘factors of production’ ignores that corporations also consider revenue maximisation and output markets when making decisions on the geographical location of production (Schoenberger 1989: 92). In this sense, the NIDL thesis allegedly overlooked that, in certain regions of the ‘developing’ world, foreign direct investment (FDI) in the last thirty to forty years has been driven to take advantage of profitable domestic markets (for instance, in sectors like the automotive and chemical industries) (Fagan and Webber 1999: 38; Jenkins 1984). Moreover, TNCs have continued to invest in new raw material ventures and agribusiness.

Despite much emphasis by critics on this point, Fröbel, Heinrichs and Kreye were aware of this. Indeed, they acknowledged that the emergence of the NIDL ‘does not mean that capital no longer exploits the possible benefits of production in countries whose local market is protected’ (Fröbel 1982: 511). It was also clear to them that the establishment of world market factories did not imply that investment in the production of agricultural and mineral raw materials (including its processed derivatives, as in agribusiness), which take advantage of privileged non-reproducible natural conditions like exceptional fertility of the soil, would necessarily come to a halt (Fröbel 1982: 512). Presumably, their argumentative strategy was to highlight the *novel* developmental *tendencies* of global accumulation, with the awareness that ‘the concretization, modification, or transcendence of this trends and tendencies through “local” particular circumstances will require further research’ (Fröbel 1982: 508).

And yet, it is fair to say that Fröbel, Heinrichs and Kreye *did* underestimate the resilience of the CIDL and tended to overgeneralise the potentialities of those newer developmental tendencies in the geography of global capitalism. For instance, their empirical study included evidence from Brazil as an example of the incipient establishment of world-market factories (Fröbel et al. 1980: 304ff.). However, Brazil is one of the most paradigmatic cases (alongside Argentina) of precisely the opposite tendency: *the persistence of the CIDL* and its enduring (albeit decreasing) potentiality to sustain industrialisation processes oriented towards protected domestic (or regional, that is Mercosur) markets in ‘peripheral’ countries (Iñigo Carrera 2007; Grinberg 2008). The truth of the matter is that the emergence and development of the NIDL did not entail overcoming the

CIDL. Both modalities coexist in the contemporary configuration of the world market, which leads to a more complex form through which the formal/material unity of the global accumulation process is achieved. This is a crucial insight, already advanced by Iñigo Carrera and Caligaris in Chaps. 2 and 3.[1]

Critics have further argued that the NIDL thesis also erred in its prognosis of the fate of the accumulation process in the 'First World'. In effect, the strong claims for the tendency to de-industrialisation of the former heartlands of capitalism were too heavily reliant on very specific assumptions about the evolution of the production process being one of a fragmentation of tasks and the deskilling and standardisation of products (Schoenberger 1988; Sayer 1986). However, restructuring in advanced national spaces of accumulation through the further automation of the labour process was an alternative strategy that TNCs have actually pursued together with the relocation of production (Schoenberger 1988, 1989). In other words, manufacturing could be 'relocated back north' (Cho 1985; Nanda 2000; Oberhauser 1990).

Inasmuch as Fröbel and his colleagues did one-sidedly emphasise the transformative dynamics in the 'global south' without shedding much light on the kind of mutations undergone by advanced capitalist countries, those critiques rightly uncovered one of the central limitations of the original formulation of the NIDL thesis. However, the particular arguments put forward did not rest on very solid foundations either. As the empirical discussion of the evolution of the Brazilian and South Korean steel industries by Grinberg in Chap. 9 shows, for example, the greater 'capital-intensity' of more highly automated labour processes has not precluded their relocation to 'peripheral countries'. In this sense, the general validity of the NIDL thesis does not rest on any particular assumption about the 'capital-intensity' of the production process.[2] The key issue concerns the relative cheapness and discipline of certain kinds of labour-power, whether in manual assembly tasks *or* as machine-operators in a more automated labour process.[3] What matters for the spatial implications of transformations in the capitalist labour process, is whether the production of workers with the varied qualities of labour-power required by the different tasks associated with an increasingly automated labour process, takes a shorter time, and therefore costs less, than before the introduction of technological change. Note that this point also applies to intellectual labour. Insofar as the latter also becomes *relatively* simplified, the exploitation of the consequently less complex forms of intellectual labour-power can also be relocated to countries where capital finds those kinds of workers more cheaply and with a more compliant subjectivity, as the current literature on offshoring of innovation and creative labour illustrates (Ernst 2005; Huws 2006, 2014). Thus, we shall see that industrial upgrading and the concomitant increase in real wages in countries like South Korea, and hence the subsequent development of hierarchically-structured *regionalised* production networks (Hart Landsberg and Burkett 1998; Bernard and Ravenhill 1995), is perfectly consistent with the NIDL thesis, rather than its negation, as some critics tended to assume (for example, Fagan and Webber 1999; Henderson 1989).[4]

On the other hand, the renewed wave of international migration by workers and the dismantling of state policies supporting the relatively undifferentiated reproduction of the different segments of the working class (that is, the so-called welfare state) have meant that capital did not necessarily need to relocate to benefit from the advantages of the NIDL. It could also *recreate* the general content of the NIDL within its national territory by accentuating the differentiation of the conditions of exploitation and reproduction of labour-power of heterogeneous complexities through the superimposition of the formal mediation of citizenship (and/or through the reassertion of the formal mediations of race, ethnicity, and gender) (see also Chap. 7).[5]

Finally, an intimately related objection put forward by critics stated that the NIDL thesis overstressed the role of TNCs in shaping the contours of the world market and failed to acknowledge the 'agency' of indigenous firms from the 'periphery' (Fagan and Webber 1999: 39). I argue that it is grounded in both a misreading of Fröbel, Heinrichs and Kreye's argument and, more importantly, in a misunderstanding of the actual determinant of the emergence of the NIDL, namely, the changing material conditions in *the process of valorisation of industrial capital on a global scale*. Irrespective of the 'nationality' of industrial capitals, this process, directly or indirectly, minimises the total cost of reproduction of the *global* working class and thus increases the rate of valorisation of global capital as a whole. The relevant question here is the spatial relocation of capital's valorisation process as such, not that of individual capitalist firms.[6] The emergence, consolidation, and even market leadership of 'national champions' from the 'periphery' (for example, the growth and industrial upgrading of Korean *chaebols*), has been as much an expression of the NIDL as world market-oriented FDI by TNCs. As Grinberg's discussion of the Korean steelmaker POSCO in Chap. 9 demonstrates, the objective basis of its global competitiveness and consequent success has been the same that attracted international investment by TNCs elsewhere in East Asia (or in other sectors of Korea), namely, the harsh exploitation of the domestic pool of relatively cheaper and more compliant wage-workers, which was in turn made possible by the prior material transformation of the steelmaking labour process that downgraded the requisite productive attributes of the respective collective labourer.

In sum, the global process of industrial restructuring has involved both automation-based technological change *and* spatial relocation. But these have not been mutually exclusive or contingently related competitive strategies pursued by TNCs, but different *forms* taken by the same intrinsically global *content*; the novel quality of the production of relative surplus-value on a world scale by *capital as a whole*. The next section further elaborates on this fundamental point.

A Marxian Re-examination of the New International Division of Labour Thesis

One of the strengths of Fröbel, Heinrichs and Kreye's contribution, which sets it apart from most of their critics in the view of the contributors to this book, derives from an analysis that was firmly rooted in the essentially global nature of the capitalist valorisation process. In other words, the world market was not regarded simply as the sum total of national economies interconnected through external trade and capital flows. Instead, Fröbel, Heinrichs and Kreye conceived of national economies as 'organic elements of one all-embracing system, namely a world economy which is in fact a single world-wide capitalist system' (1980: 8). Furthermore, and following from the previous point, their approach did not consider nation-state policies as 'autonomous' forces that determine the specific structure of national markets and processes of capital accumulation. These were seen as *political mediations* of the integration, through the international division of labour, of the *intrinsically global economic content* of the process of capitalist development, whose 'determining force, the prime mover … is therefore the valorisation and accumulation process of capital' (1980: 25). Accordingly, they rightly saw the emergence of the NIDL not as being *driven* by the deliberate strategies of states or of TNCs but, rather, as the 'unconscious' result of a qualitative change in the conditions of the autonomously regulated global process of capital accumulation.

The following passage from their book is eloquent and unequivocal in this respect, so it is worth quoting at length:

> We therefore interpret the currently observable relocation of production in industry (both within the traditional 'centre' and towards the 'periphery'), and in addition the increasing world-wide subdivision of the production process into separate partial processes as being the result of a qualitative change in the conditions for the valorisation and accumulation of capital, which is forcing the development of a new international division of labour. This new international division of labour is an 'institutional' innovation of capital itself, necessitated by changed conditions, and not the result of changed development strategies by individual countries or options freely decided upon by so-called multinational companies. It is a consequence and not a cause of these new conditions that various countries and companies have to tailor their policies and profit-maximising strategies to these new conditions (that is, to the requirements of the world market for industrial sites) (1980: 46).

Unfortunately, the general determinations behind this fundamental insight were insufficiently elaborated by Fröbel, Heinrichs and Kreye, thus opening the space for some of the misguided criticisms reviewed above. Moreover, the theoretical arguments that they did flesh out were based on a rather eclectic synthesis of Marxist and world-systems/dependency theory terminology that, in my view, did not contribute to the rigour and clarity of their discussion.[7] Specifically, what was missing from their otherwise insightful work is therefore a more rigorous inquiry into the general nature of capital as a *fetishised social relation*.

One of the most potent scientific discoveries of Marx's critique of political economy was that capital is neither a thing (for example, the instruments of production), nor a productive unit or legal entity (that is, a firm), nor a social grouping sharing common characteristics and interests (business elites). In its general determination as *self-valorising value*, capital is actually a *materialised* social relation between commodity-owners differentiated into social classes, which becomes inverted into the very (alienated) subject of the process of social reproduction in its unity (Marx 1976: 763). Thus, capital is essentially the formally boundless movement of self-expansion of the objectified general social relation between private and independent individuals which, in its own process, produces and reproduces the latter as members of antagonistic social classes (Marx 1976: 251–7, 1978: 185).[8]

Moreover, as an expression of this inherently self-expansive nature, this fetishised social relation is global in content or substance and national only in form (Iñigo Carrera 2013: 144–5; Marx 1993: 227–8). This means that it is 'the self-valorisation of value' on a global scale, or accumulation on the level of the 'total social capital', that constitutes the immanent end in the world market (Smith 2006: 193). The territorial or spatial dimension of the accumulation process—and the changing forms of the worldwide division of labour—therefore cannot be seen as *determined* by the locational strategies of TNCs faced with given qualitative national and regional differences, in turn seen as established by allegedly autonomous state policies. Instead, it needs to be grasped as an expression of the underlying formal and material unity of the essentially global contradictory dynamics accumulation of the total social capital, which are *economically mediated* by relations of competition among individual capitals like TNCs (again, as opposed to *determined*), on the one hand, and *politically mediated* by the policies of the nation-state on the other (Clarke 2001). As Burnham (1994) states against traditional Marxist theories of the global political economy, the immanent *content* of these global dynamics is not one of imperialism or dependency (that is, a direct political relation between states, another mediating *form*), but those of the production of (relative) surplus-value on a world scale (see also Howe 1981). In other words, the foundation of the uneven spatial differentiation of global capitalism must be searched for in the changing forms of the exploitation of the global working class by the total social capital through the transformation of the material forms of the capitalist production process. The latter is, in sum, the general economic content that is realised in the political form of state policies (domestic and foreign) and class conflict, albeit 'behind the backs' of the antagonistic actions of the personifications involved (social classes and their diverse political organisations, 'political elites' and/or 'state managers'). These contradictory and crisis-ridden dynamics, which fundamentally entail a permanent revolution in the modes of exertion of the labour-power of individual workers and of their articulation as a directly collective productive body (Marx 1976: 617), lie at the heart of the contemporary forms of the international division of labour.

Here we find one of the central weaknesses in the original formulation of the NIDL thesis, for, as Grinberg (2011) perceptively notes, the foundation of the emergence of the NIDL does not reside in the intensification of the *manufacturing division of labour*, that is, in the 'deskilling' resulting from the 'subdivision of the production process into elements' (Fröbel et al. 1980: 37ff). Instead, as Iñigo Carrera (2013) shows in his alternative account of the NIDL, it developed as an expression of the impact that the progress of the *automation* of capitalist *large-scale industry* had on the individual and collective productive subjectivity of the working class.[9] More specifically, the constitution of the NIDL has been the result of the transformation of the modes of existence of the global collective labourer brought about by a leap forward in the process of computerisation and robotisation of the production processes of large-scale industry, especially since the microelectronics revolution. Let us examine these productive changes more closely.

As is a general tendency in large-scale industry, these transformations have revolved around a threefold qualitative differentiation in the evolution of the labour-power of the members of the collective worker. In the first place, they have involved the *expansion* of the productive attributes of those wage-labourers performing the more complex parts of the labour process, that is, all those forms of (mainly) intellectual and scientific labour which are required for a leap forward in the automation of the system of machinery, both through the computerisation of their calibration and control, and through the robotisation of assembly and machine feeding. This has not only included the expansion of the productive subjectivity of those wage-labourers responsible for the development of the power to regulate in an objective and increasingly universal fashion the movement of natural forces, that is science. It has also included the multiplication of the human capacity to incorporate science in the immediate process of production, both through its technological applications in the systems of machinery and through the conscious practical organisation of the unity of productive cooperation based *machino*facturing. As Marx already anticipated in *Capital*, this development of the intellectual powers of humanity has taken on a separate existence vis-à-vis *direct* labourers in the immediate process of production, expressed in this context both in the growing importance of R&D labour and in the expansion of white-collar work involved in the programming of machine-tools and the planning of large-scale industrial production (as the latter activities became increasingly removed from the shop-floor). Yet, sooner or later many of these intellectual dimensions of living labour have also been subjected to the development of automation (or codification of knowledge) and therefore relatively simplified (e.g. the case of computer-aided design).

In the second place, these novel technological forms entailed a further step in the expulsion of the intervention of the human hand and of the experienced-based practical knowledge of workers in the labour-process vis-à-vis the forms that dominated the previous historical cycle of accumulation. Indeed, these productive changes have accelerated the codification of *tacit* knowledge, previously embodied in the manual industrial worker and largely acquired through lengthy on-the-job, learning-by-doing processes. Once codified, this knowledge has been objectified as an attribute of the system of machinery (Balconi 2002; Huws 2006, 2014). In this sense, the tendency has been one of deskilling or degradation of direct production work, although not as a result of the furthering of the manufacturing division of labour, as Fröbel et al. would have it, but through the objectification of formerly manual tasks as automated functions of machines. Now, this implementation of computer-based automation has also involved, alongside the redundancy of *old* skills, the creation of *new* ones, not only in the cases of laboratory and office work mentioned above, but also on the shop-floor. Thus, the effect of increasing automation on the productive subjectivity of direct production workers has not just been one of deskilling, but has been mixed, also entailing a certain up-skilling. However, the crucial point here, often missed in the debates on the impact of, so-called, flexible technologies, is that these newly emerging productive attributes have been of a *different kind* from those that had been lost. While the overall result has been a tendency for the degradation of those *particularistic* productive attributes (both manual and intellectual) which can only be slowly developed through the practical experience of machining in the direct process of production, many of the newly created skills—from familiarity with computers to flexibility or individual initiative in problem-solving or decision-making—have tended to revolve around the *universalistic* dimension of the productive quality of labour-power (so-called soft or generic skills; see Ramioul 2006), whose development is achieved in the general process of education and socialisation that precedes its actual application in the production process.[10] Note, however, that the fact that many of these latter skills can be said to be head based, that is involving controlling, planning, and consciously remembering (cf. Hirschhorn and Mokray 1992), does not mean that they are necessarily highly *complex* activities in the sense of requiring a longer process of training of the requisite kind of productive subjectivity (Coriat 1992: 183–4).[11]

In the third place, while the new technologies have not resulted in the total elimination of manual labour from automated processes of production (Alcorta 1999: 164), they have recreated the conditions for the extended reproduction of what Marx called the *modern* manufacturing division of labour, that is those non-mechanised tasks and labour processes acting as an '*external department*' of large-scale industry proper as the dominant form (Marx 1976: 588ff). Thus, the assembly process in many industries has remained heavily dependent on the manual skills of labourers. Other industries have been particularly resilient to mechanisation, given the current technical impossibility of replacing the subtlety of the movement of the human hand when dealing with certain materials (e.g. the clothing industry) (Walker 1989). Furthermore, the new technological conditions themselves have initially generated, as their own condition of existence, the proliferation of a multitude of new production processes or tasks, which are not mechanised, at least in their earlier stages (e.g. the assembly, testing, and packaging of the electronic micro-components needed by the development of robotised and computer-aided systems) (Henderson 1989).[12]

The upshot of all these material transformations in the capitalist labour process, has been an increase in the internal polarisation of the global collective labourer according to the type of productive attributes that its different members embody. As a concrete expression of the inner nature of the process of capital accumulation, these social processes have been *global in content* and *national only in form*. More specifically, this growing differentiation in the productive attributes of the collective labourer of large-scale industry has been at the basis of the emerging patterns of differentiation of national and regional spaces of accumulation in the last four decades. In effect, based on these productive changes and the revolution in communication and transportation methods, capital, globally, has been increasingly able to disperse the different parts of the labour process according to the most profitable combinations of *relative* costs and productive attributes of the different national fragments of the worldwide collective labourer (through their impact upon labour productivity and unit labour costs), thus giving birth to the NIDL.

The constitution of geographically dispersed 'global chains of production of surplus-value' certainly *started* with the relocation of simple manual labour processes (especially those of modern manufacture in the sense defined above), while concentrating its increasingly more complex parts in advanced capitalist countries. This is the particular initial manifestation of the NIDL that Fröbel and his colleagues rightly (though one-sidededly) captured in the late 1970s, without being able to uncover its general content. In fact, the very origins of the NIDL can be traced back to an even earlier period, to what one might call its phase zero. In this ‘primitive’ stage, roughly spanning from the 1950s until the late 1960s, the NIDL mainly emerged in either relatively mature industries, which were not the key material carriers of capital’s production of relative surplus value (e.g. garments and footwear), or in those sectors that, at this stage, were only the precursors of the technological microelectronic revolution that would erupt and spread over the following decades (e.g. simpler consumer electronics, such as the transistor radio in Japan) (Iñigo Carrera 2013: 67). This international fragmentation of production processes gained momentum in the second half of the 1960s and into the following decade, when it accelerated its expansion into what would become key technological sectors, such as the fabrication of more advanced semiconductor devices based on integrated circuits (Henderson 1989: 50–5). Indeed, one could say that these early manifestations of the NIDL constituted its determination as a historical *presupposition* of the latest microelectronics technological revolution which characterises the current phase of large-scale industry proper. But the plenitude of its potentialities could only come about as a historical *result* of the leap forward in automation through the computerisation and robotisation of the labour process. In these more developed forms, the NIDL would expand to a much wider array of sectors.

Thus, the emergence of the NIDL was originally guided by capital’s search for not only relatively low wages, but also domestic working classes whose specific productive attributes included the habituation to ‘intensive, collective and disciplined labour’ (Iñigo Carrera 2013: 66) under harsh conditions (otherwise, it could plausibly be argued that most countries in, say, Sub-Saharan Africa would have been actively integrated into the NIDL instead of virtually being turned into reservoirs of consolidated relative surplus populations). This has actually been the case for domestic working classes with a genesis in wet-rice cultivating societies, like those of East Asia (Grinberg 2014: 9).[13] Indeed, before being incorporated into the active industrial army, those national fragments of the global working class had formed a *latent relative surplus population* composed of formerly free peasants who were nonetheless subordinated to a centrally and hierarchically structured tributary system of exploitation (Iñigo Carrera 2013: 66). Therefore, it follows from this that the possession of a cheap domestic labour force that suited the emerging material requirements of the accumulation of capital on a global scale was not simply one factor among others. In reality, it was the *decisive* East Asian institutional specificity underlying its successful industrialisation process. Certainly, this process has taken shape through the consolidation of particular national state policies quite accurately described in great detail by, so-called, statist scholars in the debates over the nature and features of 'late development' in East Asia (Amsden 1989; Wade 1990). But, as pointed out above, those policies did not *determine* the form nor the potentialities of the accumulation process in that region; they only *mediated* the creation and subsequent reproduction of the necessary conditions to accumulate under that new specific modality. These have included: export promotion; liberalisation of imports of inputs used in export activities, as far as trade policies were concerned; and, in the area of industrial policy, the achievement of the extremely accelerated concentration and centralisation of private industrial capital required for world market production (or, when necessary, for the direct concentration of industrial and/or banking capital under state ownership) (Grinberg and Starosta 2009: 772–3). The need for such a rapid concentration and centralisation of capital, in particular, meant that those processes could not be left in the hands of the free will of individual capitalists and had to be imposed upon them by the capitalist state in the form of indicative planning, the preferential allocation of credit tied to export targets, competition rationalisation, and so on. But, above all, these so-called developmental states had in all cases the political suppression of independent labour movements as a fundamental content of their policies (Deyo 1989).

Now, as Marx already emphasised in *Capital*, large-scale industry's technical basis is revolutionary and 'never views or treats the existing form of the production process as the definitive one' (Marx 1976: 617). This generic feature of this material form of the production of surplus value has been potentiated by its microelectronic-based automation, which has led to a period of accelerated technical change. As a consequence, the technological support of the NIDL has experienced a permanent process of reconfiguration which, far from undermining the latter, has constantly renewed its basis and actually made possible its expansion into ever-newer sectors. In effect, as skill-requirements become revolutionised with each step forward in the automation and/or knowledge codification process, each of the organs of the collective labourer can be relocated into different countries according to the optimal combination of relative costs and productive qualities of the labour-power available in each national space of valorisation. In this sense, although as mentioned above the NIDL initially centred on the relocation of the valorisation process in 'unskilled-labour-intensive' industries, like clothing, footwear and, crucially, microelectronics assembly, its subsequent *immanent* dynamics have led to its extension into an ever-wider range of industrial sectors, including relatively complex ones, such as steel, automobile, and microelectronics production (Grinberg 2014: 10). Moreover, these very technological developments eventually made possible the international fragmentation of the productive subjectivity of the different *intellectual* organs of the global collective labourer, as many of these scientific and creative productive functions also experienced a process of *relative* 'de-skilling' (Huws 2014). But this evidently presupposes the further expansion of the productive subjectivity of wage-labourers responsible for codification of that knowledge that can be now transferred elsewhere and that of those responsible for managing, when necessary, the direct productive co-operation of those geographically dispersed partial organs of the collective worker. And this more highly scientifically developed labour-power tends to remain based in 'advanced industrial countries' (at least to date) (Iñigo Carrera 2013: 79). The NIDL thereby has extended its reach into the realm of scientific and technological development, that is into intellectual labour.

Thus, as local peasant surplus populations in the most advanced East Asian economies were exhausted (first in Japan and then in the first generation Asian Tigers), domestic working classes began to be reproduced under new conditions which, in turn, have enabled them to perform the increasingly more automated and/or complex labour-processes entailed by the expansion of the NIDL into ever-renewed industries and/or productive functions (Grinberg 2014: 10). These transformations of their productive subjectivity have been necessarily *mediated by* the educational and R&D policies of the respective nation-states. However, the successful industrial upgrading of those countries was not simply determined by the implementation of those policies. In the first place, their 'success' was premised on the prior transformation of the qualitative content of the respective accumulation processes through their active subsumption under the NIDL as renewed sources of cheaper and equally disciplined labour-power. In the second place, it was also premised on the prior development of *skill-replacing* technical change in certain sectors of social production and/or the increase in the value of Japanese labour-power.

Although this necessarily meant that real wages tended to rise (since the greater complexity of labour-power entails that its value must be higher), that the workers' movement strengthened, and that the class struggle intensified in these countries (since the rise in real wages cannot simply result from the pure automatism of the market but must be mediated by the organised political action of wage-labourers as a class), East Asian working classes continued being *relatively* cheaper for, and more submissive to, capital vis-à-vis the working classes in the more advanced capitalist countries. Note, however, that this industrial upgrading of the first generation of East Asian late-industrialising countries was generally possible *after* the introduction of technological changes that comparatively decreased the complexity of labour-power needed to perform the respective productive tasks (Balconi et al. 2007: 842). On the other hand, as soon as a particular national working class became too expensive (which tended to occur as their productive subjectivity, and hence the value of labour-power, progressively lost *almost* all trace of their peculiar peasant origin and became a genuine product of large-scale industry), capital started to relocate the simpler forms of labour-power to other countries which offered new similar sources of cheap and compliant labourers. Production in 'unskilled-labour-intensive' industries contracted in these countries, while it expanded in others where surplus populations of peasant origin were still extensive and real wages lower (e.g. Malaysia, Thailand, Indonesia, Mexico, and China) (Grinberg 2014: 10).[14]

The global total social capital has used this reconfiguration of the international division of labour to multiply the differentiation in the conditions of reproduction of the various segments of the collective labourer of large-scale industry on a world scale. Yet, as previously mentioned, this general global transformation in capital accumulation took concrete shape not only through changed patterns of *national* differentiation, but also *within* the latter and through the formation of wider *supranational* or *regional* spaces of valorisation, whose constitution thereby required the mediation of the development of novel international juridical and political forms (e.g. the European Union, EU—see Chap. 7). In this way, the divergence in the conditions of reproduction of the expanded and degraded organ of the collective labourer could occur inside advanced capitalist countries themselves. This process was, however, more difficult and drawn-out. The very material and social forms of the production of relative surplus-value prevailing during the prior historical cycle of accumulation constituted a barrier that needed to be uprooted before the aforementioned multiplication of the internal differentiation of the collective labourer could take place.

In effect, the so-called Keynesian phase of capitalist development was based on the relatively undifferentiated reproduction of the two general types of productive subjectivity, that is expanded and degraded. This had a twofold material basis. On the one hand, both kinds of subjectivity involved a certain degree of universality in the materiality of their productive attributes. This is obvious in the case of the expanded productive subjectivity, insofar as its increasingly scientific form aims at the conscious regulation of the universality of the movement of natural forces. But we have seen above that even the degraded productive subjectivity of large-sale industry requires the development of a labour-power with certain universal capacities before its exertion in the direct production process. On the other hand, however degraded the subjectivity of direct labourers was during this phase of capital accumulation, it still retained a strategic productive intervention at the heart of the production of relative surplus-value, that is in the production of machinery itself (Iñigo Carrera 2013: 61ff). In effect, both the calibration of machinery and the assembly process still depended on the subjective expertise of direct workers. This strategic intervention gave the degraded organ of the collective labourer a particular source of political strength in the struggle over the value of labour-power, which allowed those workers to force capital to moderate the differentiation of their conditions of reproduction vis-à-vis those performing more complex forms of labour. Under those circumstances, it was cheaper for the total social capital to socialise at least part of the reproduction of the working class through state-provided education, health, and so on, in order to produce universal workers on a mass scale. This is the essential content behind the development of the welfare state. Furthermore, this was not a merely an economic process that came about through the pure automatism of market forces, but it took necessary concrete shape in the political unity and increasing strength of the working class vis-à-vis the bourgeoisie in their struggle over the conditions of their social reproduction (see, for example, Clarke 1988: Chap. 10).

In order to spread the accentuated differentiation of the conditions of reproduction and exploitation of the varied organs of the collective worker within advanced capitalist countries, capital thereby had to break up the unity that the working class had achieved as an expression of those determinations of the prior historical cycle of accumulation. The very dynamics of the unfolding of the NIDL, mediated as they were by the general crisis of overproduction of capital on a world scale that exploded in the mid-1970s, provided the means by which such a process of restructuring could push forward (Iñigo Carrera 2013: 70–4). In the first place, in eroding the need for the strategic manual intervention and/or practical knowledge of direct labourers in the production process of machines, the microelectronics-based automation of the labour process at the basis of the development of the NIDL undermined the material source of the political power of this segment of the working class. This situation was further compounded by the real or potential shift of the valorisation process that, as we have seen, this technical change made possible. In the second place, working class solidarity was weakened even further through the disciplinary effects of the growth of the relative surplus population in most advanced capitalist countries, brought about by the open manifestation of the said global crisis of overproduction (whose definitive resolution has been postponed ever since through successive cycles of credit-fuelled expansion) (Iñigo Carrera 2013: Chap. 6). Thirdly, the concomitant crisis of 'national developmentalism' in the Global South also swelled the ranks of the relative surplus population, which, in turn, provided the source for a massive increase of migratory flows into advanced capitalist countries (Ceceña and Peña 1995). As already mentioned, this politically regulated international migration allowed capital to superimpose the formal mediation of national citizenship on the differentiation of the conditions of reproduction between the two general kinds of productive subjectivity *within* the borders of advanced capitalist countries. Finally, it should be obvious at this stage of our argument that the economic and/or political integration of national spaces of valorisation into broader free trade areas (for example, the NAFTA, North American Free Trade Agreement) or regional political community (for example, the EU), has been yet another concrete form in which capital achieved the increased heterogeneity in the reproduction of the varied organs of the global collective labourer.

In sum, as a result of its own immanent tendencies, the simplest original form of the NIDL has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the diverse past histories of the different national fragments of the working class (through their impact upon their general conditions of reproduction and condensed in the, so-called, historical component of the value of labour-power). Each country that is actively subsumed under the NIDL therefore tends to concentrate a certain type of labour-power of distinctive material and moral productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner. In this way, capital has fragmented the reproduction of the different productive organs of the collective labourer so as to pay for each individual kind of labour-power *only* (or as near as possible to only) that which is strictly necessary for the most immediate reproduction of that labour-power's relevant material and moral attributes. Crucially for the purpose of the general argument developed in this book, this different constellation of the global accumulation process does not involve the *transcendence* of the NIDL, but represents a more complex *form* assumed by the same general *content*, namely, the international fragmentation of the productive subjectivity of the global working class. Its general developmental dynamics have been nicely and succinctly captured by Grinberg (2011: 35), who argues that productions in specific industrial sectors has thereby expanded in some countries while contracting in others where new and more advanced sectors developed, following a rhythm determined by the evolution of those two main factors—that is, material changes in the capitalist labour process and relative cost and productive attributes of national labour forces (see also Silver 2003).[15]

Conclusion

This chapter has offered a revision of the original NIDL thesis that, I think, can account for the apparently more variegated recent trajectory of the world economy and, therefore, which can avoid many of its shortcomings. In order to do this, I reframed the insights found in Fröbel, Heinrichs and Kreye's contribution in an alternative approach to the relationship between the worldwide unfolding of the Marxian 'law of value' and 'uneven development'. More specifically, this approach posited the production of relative surplus-value through the development of *large-scale industry* as the driving force of the essentially global dynamics of capitalism.

On this basis, I have identified the main tendencies and transformations in the global process of capital accumulation since the 1960s, arguing that their *novel* features have certainly revolved around the constitution and subsequent development of the immanent dynamics of the NIDL. However, I have also noted that, contrary to the over-generalisations of the early formulations of the NIDL thesis, this modality in the material articulation of the global accumulation process has not led to the sheer *disappearance* of the, so-called, classical international division of labour. Indeed, as the subsequent case-study chapters in this book by Purcell, Fitzsimons and Guevara, and Grinberg make clear, it has been the continued reproduction of this long-standing pattern of differentiation in the world economy that explains the developmental potentialities of the accumulation process of most Latin American countries in the Southern Cone, both their stagnation since the mid-1970s up to the early 2000s and their recent boom in the last decade fuelled by the hike of international prices of primary commodities (Grinberg and Starosta 2014).

By contrast, the argument showed that the initial rise and more recent upgrading of East Asian industrialisation, which has been often used as evidence against the original formulation of the NIDL thesis by Fröbel, Heinrichs and Kreye, has actually responded to developmental patterns firmly rooted in the key social processes associated with it, namely: the potentialities created by contemporary forms of microelectronics-based automation; and the large local availability of relatively cheap, highly disciplined, and easily trainable working classes. However central to the long-term development of the East Asian countries, state policies did not *determine* their industrial success. They only acted as a necessary national political mediation of social processes grounded in the wider transformations of the global production of relative surplus-value by the total social capital.

More broadly, the central underlying implication of this chapter's contribution is fundamentally methodological, and concerns the inner connection between what outwardly appear as two sets of differentiated aspects of capitalist production: the economic and the political; and the global and the national (Grinberg and Starosta 2014). In a nutshell, the approach developed here takes the immanent unity of the capitalist world market as the starting point of the investigation. In this view, changing patterns of *national* differentiation should be seen as expressing the contradictory determinations of the essentially *global* unity of the accumulation process. In turn, the specific *political forms* prevailing in each country (that is, class struggle and state policies) should be grasped as the necessary mode of existence and motion of the *economic content* of capital accumulation. These relations are not grounded in the abstract general principles of 'structuralist' methodology. Instead, I think that they follow from the most general determination of capitalist social relations discovered by Marx through the critique of political economy; they entail the subsumption of the productive powers of the global collective labourer to the autonomised movement of the alienated product of their social labour. Such is the fundamental content of the self-expansion of capital on a world scale.

Notes

1. This, however, begs the question of why one or the other form of the international division of labour tends to prevail in a particular country or region. I think that neither Fröbel, Heinrichs and Kreye nor their critics offered a convincing answer. As Grinberg and Starosta (2009) argue, the existence and reproduction of those protected domestic markets have historically required the continuous inflow of an extraordinary mass of social wealth which complemented the surplus-value extracted from the domestic working class to the point of marking the very specificity of the accumulation process in those national spaces (see also Chaps. 2 and 3). The availability in some countries of an abundant mass of ground-rent, deriving from the presence of exceptional non-reproducible natural conditions in agriculture, mining and/or energy-production, has provided such an additional source of social wealth.
2. Besides, it should be noted that the 'relocation back north' line of reasoning relied on what has been convincingly shown to be a mythical story about the effects of new flexible technologies on the productive attributes of direct workers (Tomaney 1994).
3. This was grasped by Fröbel, Heinrichs and Kreye to a certain extent, although mentioned mainly in passing (see, for instance, Fröbel 1982: 538). In a subsequent study on export processing zones, they explicitly considered the debates on the effects of new technologies on the NIDL and correctly recognised that 'innovations in process technologies have not led firms to turn their backs on low-cost sites in the world-wide organization of their production', since the 'wage-differential' between 'North' and 'South' for the more skilled work often required could be even greater than that between wages for unskilled workers (Fröbel et al. 1987: 15).
4. As we shall see in Chap. 6, these dynamics of relative simplification and a subsequent international relocation of intellectual labour are also at the basis of the Celtic Tiger phenomenon, with software development as one of its emblematic sectors.
5. International migration is thus part and parcel of the NIDL and not its refutation (as implied, for instance, by Cohen 1987). Sassen (1988) offers a more balanced view.
6. In this sense, data on FDI cannot empirically settle the question about the validity of the NIDL thesis, as some authors argue (for example, Kiely 1995: 94).
7. See Jacobson et al. (1979), Walker (1989) and Liokadis (1990), for diverse critiques of the world-system/dependency theory leanings of Fröbel, Heinrichs and Kreye's account.

8. For further elaboration of the determination of capital as the alienated total social subject of the movement of modern society (and hence the inverted social existence of human beings as its personifications), see Starosta (2016).
9. This mistaken focus on manufacture instead of *machino*facture was accurately picked up by Jenkins (1984) in his early critique of the NIDL thesis, although he did not explore the implications of this confusion any further.
10. See Balconi (2002) on this twofold effect of new technologies on the skills of direct labourers. This general contradictory development of the particular and universal dimensions of labour-power subsumed to large-scale industry had already been identified by Marx as its characteristic form of motion. See his discussion of education clauses of the Factory Acts in *Capital* (1976: Chap. 15), and also Starosta (2011).
11. As for the, so-called, polyvalent worker, it has been amply demonstrated that its development might not entail any vertical expansion of skills. Instead, it has involved in most cases the horizontal incorporation of additional, quite simple tasks, that is the sheer intensification of labour (Elger 1990). Rather than being an obstacle, the generally weaker and more compliant working class in certain 'peripheral' countries might have been even more suitable for the greater labour intensity allowed by flexible production methods. This has been noted to be true of Japan as well, one of the hidden secrets behind its competitiveness vis-à-vis American and Western European capitals in the 1980s (Dohse et al. 1985).
12. Strictly speaking, the multiplication of the surplus population relative to the needs of the accumulation process has also constituted a transformation of productive subjectivity produced by the automation of large-scale industry (see Marx 1976: 553–75).
13. As Grinberg (2014: 2) points out, wet-rice cultivation has, among others, the following two characteristics. First, it is highly labour-intensive, notably during planting and harvest periods. Secondly, whatever their extent and complexity and, consequently, degree of centralisation, all irrigation systems have required the 'cooperation at various levels between the farmers in a single water control unit' (Bray 1986: 67).
14. It is this difference in timing that largely explains the divergence in the patterns of industrial development (that is, the extent of the deepening process) between the first generation East Asian Tigers and their 'followers' in South East Asia. Also, many of those later followers had a comparatively greater mass of ground-rent for capital to recover through protected domestic markets before being turned into sources of cheap and compliant labour power for world market production. Thus, it was generally after the collapse of raw material prices (hence of ground-rent) in the early 1980s

that these countries changed their mode of integration into the international division of labour (this also applies to the case of Mexico in Latin America). This, of course, does not mean that the industrialisation process in East Asia simply responded to the dynamics captured by the 'flying geese' thesis (cf. Kasahara 2004). Indeed, the NIDL has taken shape in a hierarchical structure (Bernard and Ravenhill 1995) which, due to global-scale requirements of different types of labour-power, narrows at the top and widens at the bottom. Moreover, the advent of China, with its 'unlimited' supply of relatively cheap and disciplined labour-power, has strongly restricted the upgrading possibilities of the rest of the followers.

15. As Grinberg (2011: 35) points out, the 'flying geese' theory reflects only the second of these factors. Moreover, this theory does not explain why industrial production for world markets using a relatively cheap and disciplined unskilled of labour force could develop in Japan in the first instance.

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PART II

Country Case Studies

CHAPTER 5

'Post-neoliberalism' in the International Division of Labour: The Divergent Cases of Ecuador and Venezuela

Thomas F. Purcell

In recent years global transformations associated with the new international division of labour (NIDL), led principally by the demand for raw materials in China, have breathed new life into forms of development based upon the reproduction of the classical international division of labour (CIDL).[1] Venezuela and Ecuador stand out as two well-known cases of left-populist, or post-neoliberal, regimes that have emerged in Latin America and whose 'revolutionary' projects have been financed by revenue from the export of raw materials.[2] In 2014, the share of primary exports as a percentage of total exports was 84 per cent in Ecuador and 98 per cent in Venezuela, signifying that they are both national processes of accumulation into which ground-rent primarily flows.

As Part I of this book has made clear, the CIDL was never simply reducible to the polarisation of an industrialised core and a dependent periphery, the latter restricted to the role of supplier of raw materials and staple foods. Rather, there was an important process of accumulation in the periphery whereby local industrial capital was able to valorise through the appropria-

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tion of inflows of ground-rent; a process which today also points towards the continuation of elements of the 'classical' within the 'new' international division of labour (Grinberg and Starosta 2009). Moreover, the continuation and deepening of the CIDL through the rise in primary commodity prices has, somewhat paradoxically, put back on the development agenda the use of income from natural resources for the development of productive forces. It is in this context that the 'post-neoliberal' projects of Ecuador and Venezuela have emerged.

In the recent academic tendency to assess the emergence of left-wing regimes in Latin America by distinguishing between moderate progressive governments (Brazil, Chile, and Uruguay) and, so-called, post-neoliberal variants (Bolivia, Ecuador, and Venezuela) little attention has been paid to the internal dynamics of countries' respective economies. In particular, the latter post-neoliberal variants are often lumped together, either under the notion that natural resources are being used to chart an alternative, welfare enhancing and poverty reducing path in the global economy (Lebowitz 2006; Raby 2006), or that resources are being squandered by profligate macro-economic populists, ineluctably reproducing the 'resource curse' (Bebbington and Bebbington 2011; Weyland 2009). Yet, a central claim of this book is that state policies cannot autonomously shape national processes of capital accumulation. Instead, when national spheres of accumulation are seen as aliquot organs of global capital, state policies can be seen as mediating the realisation and development of the worldwide process of capital accumulation. This chapter argues that even if state policies appear to contradict such unity by pursuing seemingly anti-capitalist development policies, upon closer inspection they reveal themselves as what they are: contradictory expressions of the realisation of capital accumulation rather than a challenge to the forces of global neoliberal capitalism in the name of the people.

With empirical reference to Ecuador's Citizens' Revolution and Venezuela's Socialism for the Twenty-first Century, this chapter argues that—depending upon whether the primary export is of agrarian or mining origin and whether property rights are in private or public hands—the modality, magnitude, and direction of rental appropriation and transfer can differ in significant ways. This turns on Iñigo Carrera's (2007) distinction between agricultural and mining landownership to explain particular national forms of capitalist development and the specific manner in which these are inserted into the global economy. Specifically, the dual landlordism in Ecuador in the form of an agro-export elite and a state-controlled oil sector contrasts with the singular dominance of the state-controlled oil sector in Venezuela. This material basis can be used to explain the manner in which the two national forms of insertion into the international division of labour have determined different national variants of post-neoliberalism.

The chapter is structured as follows. Section one briefly presents Iñigo Carrera's distinction between agricultural and mining landownership. Section two explains the political economy of exchange rate policies and access to foreign exchange in the contexts of dollarisation in Ecuador and extreme overvaluation in Venezuela. By reflecting upon contrasting economic and development discourses, section three asks why Ecuador signed a free trade agreement with the European Union (EU) in 2014, while Venezuela perseveres with the alternative regional trading bloc, the Bolivarian Alliance for the Peoples of our America-Trade Agreement of the Peoples (ALBA-TCP). The chapter concludes with general reflections on the political economy of ground-rent based capital accumulation in conditions of so-called post-neoliberalism.

Different Forms of Ground-Rent and the Social Power of Landlords Within the International Division of Labour

As Part I of this book has already argued, owing to the presence of a vast, irreproducible wealth of natural resources, national processes of capital accumulation in Latin America have been dominated by the export of raw materials. Historically, the insertion of Latin America into the international division of labour played a specific role in the development of global industrial capitalism. By cheapening the means of subsistence and reducing the value of labour power in the new industrial centres, the total global social capital experienced an increase in both labour productivity and the rate of surplus value production (Grinberg and Starosta 2009; Chap. 2). Yet, in order to gain access to non-renewable natural resources attached to such portions of land, capital has historically ceded a portion of surplus-value 'known as ground-rent' (Marx 1981: 755–6). Capital must absorb this loss of surplus-value, so as to not call into question the general social form of landlordism and therefore the very existence of private property (see Chap. 3). Moreover, to the extent that the commodity in question is consumed overseas, this cost is borne by the capital of the importing countries (Iñigo Carrera 2007: 15).

This ground-rent has its basis in natural conditions outside the control of normal capital, that is to say, it is appropriated by landlords who monopolise differential and absolute natural conditions that allow for greater labour productivity in the production of raw materials. Insofar as higher labour productivity is capitalised as ground-rent in the price of production, it is the appropriation or recovery of this extra surplus-value by industrial capital that has characterised the insertion of Latin American raw materials-exporting societies into the international division of labour. However, as Harvey (2005: 70) recognises, 'to the degree that natural resources are unevenly distributed so a certain kind of uneven geographical development results built around conditions of, say, agricultural productivity or the presence of oil reserves'. In fact, the differences between agriculture and mining are key to explaining the development of capitalism in specific countries. We can draw out the implication of this uneven geographical development within and across Latin American societies through an appeal to Iñigo Carrera's (2007: 13–14) analysis of mining and agrarian landownership and the specific capacities of landlords to appropriate differential, absolute, and monopoly rents (Fitzsimons 2014: 137–41).[3]

In general, the ability of landlords to appropriate ground-rent is premised upon the possibility that they could withdraw their lands from production at any moment; however, within this there are two further determinations. The first rests on the difference between the turnover cycles of capitalist production for agrarian and mining landlords. The latter can sit upon a given stock of social wealth (such as oil or minerals), calculating that what they do not appropriate today they can tomorrow, and that in the time in-between the magnitude of rents potentially appropriable will usually increase. This materiality of the mining productive process and the resource itself (which is non-renewable and naturally limited in supply) therefore increases the social power of mining landlords who can withdraw lands from production, thereby determining the marginal lands in the sector (Fitzsimons 2015: 10). For agrarian landlords, however, the decision to withdraw their lands from production can only be compensated for by an increase in the magnitude of future ground-rent. And, as is obvious, the rise in ground-rent due to lower supply will benefit those lands not removed from production. Therefore, in comparison with individual agrarian landlords, mining landlords exercise a relative individual independence in being able to remove their lands from a determined cycle of production and as a way of multiplying monopoly rents (Iñigo Carrera 2007: 13). Unlike the differential portion of the rent, monopoly rent varies not only according to fertility and productivity within the sector, but also according to the monopoly power of landowners relative to the demand from the global economy in general for a limited and non-renewable natural resource.

In contrast to mining landlords, then, agrarian landlords could only sustain monopoly rent on the condition that they restricted the use of their lands *en masse* through an act of solidarity as a class of landholders. It is this particularity that puts before us a second determination:

> by the unity of its content the accumulation of capital is a global process. It is this global unity that is realised by taking the fragmented form of different national processes of capital accumulation, which confront each other antagonistically on the world market. The determination of landlords as a class springs from the global unity of capital accumulation, while their fragmentation into national landlord classes is nothing but the expression of the limits of this class unity in conditions of international competition (Iñigo Carrera 2007: 14, author's translation).

So, for example, if through an act of class solidarity agrarian landlords within a country unilaterally withdraw their lands from production to increase ground-rent, the immediate beneficiaries of this action would be the landlords in the other countries that produce the same commodity. Therefore, should agrarian landowners wish to increase ground-rent on their land it would not be sufficient to count upon national solidarity, but they would have to put their class solidarity to work at the scale at which prices of production are determined—that is, the world market. This is because differential rents spring automatically from competition established between agrarian landlords, whereas monopoly rents can, in part, be put into action through conscious class action—in organisations such as the Organisation of Petroleum Exporting Countries (OPEC). Therefore, when organised as a class at the world market level, mining landowners will have more bargaining power than agrarian landlords *vis-à-vis* industrial capital, making the monopoly rent of mining landlord states—including oil landlord states—much larger (Grinberg 2010).

In addition to the different modalities of differential, absolute, and monopoly rent formation between mining and agrarian landowners, an added social determination is that mining lands tend to be held under public ownership as a means of ensuring that the state earns a net income higher than oil extracting and refining capitals—a pattern set by Venezuela's 1943 Hydrocarbons Act.[4] In contrast, agriculture has historically developed under the control of large private landowners (*latifundios*) and the intervention of the state has largely been restricted to measures such as export taxes and currency overvaluation to divert a portion of the ground-rent away from landlords (see Caligaris, Chap. 3).

The remainder of this chapter argues that the difference between agrarian and mining rents can explain the contrasting concrete political forms taken by state-policies in Ecuador and Venezuela. The difference between the two raw material-exporting countries is not simply due to a quantitative relation (an empirically intractable problem) determined by the type or magnitude of ground-rent, but is also related to the qualitative differences determined by the materiality of the raw material in question. The commonality is that state policies are always the vehicle that channels ground-rent towards industrial and commercial capital through a combination of exchange rate policies, export and import taxes, domestic market protection, price regulation, public subsidies, and state spending (Iñigo Carrera 2007). The following two sections explore specific aspects of exchange rate and trade policies in a comparative empirical context, to show how forms of landlordism and their respective insertions into the international division of labour have determined different national variants of post-neoliberalism in Ecuador and Venezuela.

The Political Economy of Exchange Rates and Natural Resources

The original insertion of both Ecuador and Venezuela into the international division of labour was founded upon the export of cocoa and coffee (Chiriboga 1978; Pérez Sáinz and Zarembka 1979). Inflows of differential ground-rent permitted the formation of an incipient national banking sector, the emergence of wage labour relations, and the embryonic development of internal markets. When in the 1930s the price of raw materials fell precipitously, the Ecuadorian state devalued the national currency, along with most other Latin American exporting states in an attempt to stabilise revenues and support agrarian exports, before embarking upon a shallow form of import substitution industrialisation (ISI) (Maiguashca and North

1991). However, in Venezuela the discovery of large oil deposits fifteen years earlier and the massive rise in exports provoked a revaluation of the national currency by 64 per cent, relative to the US dollar, in the period 1929–1938 (Hein 1980: 232). This led to the structural decline of agriculture as export prices became 'laughable', failing even to cover costs of production (Alberto Adriani, cited in Baptista and Mommer 1987: 12). It specifically spelled the end of the predominance of coffee and cocoa as the commodities that articulated the link between the Venezuelan national process of accumulation and capital accumulation at the world scale (Pérez Sáinz and Zarembka 1979). Therefore, while in Ecuador the predominance of agro-exports demanded a devaluation of the national currency, in Venezuela devaluation was seen to be more harmful to the economy than the potential gains from reactivating traditional agricultural exports—especially since a devaluation would favour foreign oil companies (Baptista and Mommer 1987).[5]

This juncture is worth revisiting here in order to historically locate the roots of exchange rate dynamics and vested interests that today influence the concrete political forms of post-neoliberalism in Venezuela and Ecuador. More recently, in the former, strict exchange rate controls were imposed to prevent capital flight during the failed business strike in 2002–2003, pegging the new *bolívar fuerte* (BsF) at an overvalued rate of BsF 1.90 to the US dollar (USD) and requiring applications to the specially created foreign exchange commission, Comisión de Administración de Divisas (CADIVI), to access dollars. In Ecuador, a financial crisis in the late 1990s and intense lobbying by the agro-export elite saw the abandonment of the *sucre*, as the economy was officially dollarised in 2000 at an extremely undervalued rate of 25,000 *sucres* to the dollar, hitting small national savers hard but reducing internal private and public debt (Gastambide 2010: 351; Ruiz Acosta and Iturralde 2013: 69). These exchange rate politics have given rise to distinct *rentier* social relations: in Venezuela, one that revolves around an oil landlord state in conditions of extreme currency overvaluation; in Ecuador one that revolves around a dualism between an agro-export elite and an oil landlord state with limited control over monetary policy.

It is estimated that during the Chávez government in Venezuela (1999–2013) exchange rate overvaluation—understood here as a deliberate state policy rather than the unintended impact of windfall revenues as argued by theorists of the 'Dutch Disease' (see Corden and Neary 1982)—remained higher than 200 per cent to the US dollar and has reached peaks of 400 per cent (Kornblihtt 2015). Despite five devaluations since the creation of the CADIVI in 2003, the 2015 USD exchange rate of BsF 6.3 (now administered by the National Centre for Foreign Exchange) was overvalued by almost 500 per cent when measured against the parallel 'real' market USD exchange rate of BsF 37.75 (Kornblihtt 2015).[6] The Venezuelan private sector only generated around two per cent of the foreign exchange that enters the country, but a huge dependence upon imports meant that the 98 per cent of foreign exchange generated by the state (through the state oil company PDVSA) was later sold at a fraction of its real value to a national importing capitalist class (Lozada 2013; Weisbrot 2014).[7] This overvaluation means that persons exchanging national for foreign currency receive a greater quantity of social wealth than if the exchange were at parity. For example, USD100 obtained through the official rate costs BsF 630, while the same amount sold on the parallel market generates BsF 3775, making the parallel market dollar six times more expensive.[8] This has given rise to an almost systematic process whereby groups able to import goods through the official overvalued rate profit handsomely from the appropriation of ground-rent, by selling at the parallel rate—despite state price regulation and severe sanctions against speculation. This brief synthesis illustrates what underlies the price speculation, hoarding, and heightened social tensions that have erupted in Venezuela since 2014.[9] Amidst endemic corruption and growing shortages, but with public opinion firmly against a drastic devaluation of the *bolívar fuerte*, calls have been made to nationalise all foreign commerce (Ellner 2015; Sutherland 2015).

In contrast to the situation in Ecuador, explained below, for the majority of the Bolivarian Revolution—and at least up until 2014—the Venezuelan state has easily financed its imports and has not faced substantial balance of payments problem, recording substantial current account and trade surpluses in 2013 and 2014 with over USD40 billion in foreign reserves (Weisbrot 2014). However, the plunge in oil prices towards the end of 2014 threw the Venezuelan accumulation process into considerable financial turmoil as the steady flow of dollars dried up. To sustain populist social spending and price controls, the government resorted to the inflationary expansion of the money supply and the restriction of imports. Yet, as foreign reserves dwindled to around USD15 billion (their lowest value since 2003), commentators from both ends of the ideological spectrum are suggesting a likely default in 2016, when USD10 billion worth of the dollar denominated bonds are set to expire (see Hausmann 2014; Sutherland 2015). Thus, with inflation nearing 200 per cent towards the end of 2015, it remained to be seen whether the government of President Maduro would devalue the drastically overvalued *bolivar fuerte* as a means of confronting an impending external debt crisis.

In Ecuador—a dollarised economy without the capacity to print or devalue its currency—concern has been rising about the non-oil trade deficit, which reached USD9 billion (9.7 per cent of GDP) in 2013, and an overall trade deficit of USD1.088 billion.[10] Therefore, although it is evident that ground-rent finances imports in both countries, Ecuador also requires sufficient foreign exchange flows to maintain the balance of payments and to safeguard dollarisation. These flows are dependent upon both state oil policy and the private agro-exports elite. In 2013, the private sector in Ecuador generated 43 per cent of foreign exchange through agro-exports, while the state generated 57 per cent through oil exports (Banco Central del Ecuador 2015). The advantage of this dual *rentier* political economy was evident when the dollar was undervalued on international markets between 2007 and 2008 and Ecuador benefitted from the rare occurrence of high prices for natural resource exports and a competitive exchange rate. This scenario saw both the agro-export elite and the state appropriate a high magnitude of differential rents under a seemingly harmonious cycle of economic expansion, recording 4.2 per cent annual growth between 2006 and 2013 (Unda 2013). However, the sharp appreciation of the dollar on international markets from mid-2014, coupled with the fall in oil and commodity prices, has since revealed the limits of dollarised post-neoliberalism in Ecuador.

In the absence of the ability to manipulate the exchange rate as a mechanism to transfer ground-rent, or to directly influence relative prices and therefore competitiveness, Ecuador has turned to an ad hoc system of tariff barriers, selective import substitution, and export compensation to channel ground-rent to local industrial and commercial capital. For example, in response to currency devaluations by Ecuador's neighbours, blanket tariffs of 21 per cent and 7 per cent on Colombian and Peruvian imports, respectively, were introduced in January 2015—some of the savings from which were to be channelled towards export promotion for national industrial capital in a bilateral move that contravenes the rules set out in the framework of the Andean Community. This is ostensibly part of an industrial development project by the Ecuadorian government designed to 'Transform the Productive Matrix' by promoting 'value added' national industrial and agricultural activity (Ministerio de Coordinación de la Política Económica 2011). However, in practice the demands of safeguarding dollarisation has meant that domestic market protection has been reduced to a strategy of limiting the exit of foreign exchange, rather than a mechanism targeted at productivity-enhancing national development (Ospina Peralta 2015). As we will see in the next section, trade deals and inter-regional agreements also emerge to a large extent out of the distinct *rentier* social relations that are evident in Venezuela's and Ecuador's post-neoliberalism, the former led firmly by political ideology and the latter by economic 'realities'.

Trade and Development Policies

Venezuela spearheaded the creation of ALBA-TCP, first through an agreement with Cuba in 2004 and later with eight other countries, including Ecuador.[11] Becoming one of the signature members of the ALBA-TCP resonated with Ecuadorian President Rafael Correa's official discourse around trade. As he stated upon his election in 2007, one of his 'revolutionary' platforms was to be a new form of 'Latin American integration that would create new organisms to replace mercantilist structures' (Becker 2012: 73). Nevertheless, in contrast to Venezuela, the importance of ground-rent from agrarian and maritime lands has increased for Ecuador over the past ten years as non-processed primary exports, such as bananas, shrimps, tuna, coffee, cacao, and non-traditional exports—for example, flowers—have become crucial sources of foreign exchange. Given that the magnitude of ground-rent available for appropriation is limited in comparison with Venezuela's mono-production economy, for instance, ensuring the competitiveness of such exports is essential to Ecuador. As we will see, for this reason the recent nationalist rhetoric in Ecuador's post-neoliberal trade policy has never reached the same depth of anti-imperialist rhetoric as it has in Venezuela, remaining instead at the level of diplomatic and political posturing over sovereignty.[12] While Ecuador moved to reconcile its agro-export interests within new free trade agreements with the EU—an indication that the magnitude of ground-rent in Ecuador is not enough to sustain import-substitution of any significant kind—the ALBA-TCP has been touted as a 'counter-hegemonic alternative' to (North American) free trade and 'capitalist globalisation' (Muhr 2012).

The ALBA-TCP bloc is structured upon the principles of 'fair and sovereign trade' in the areas of energy, finances, food, education, health, telecommunications, and infrastructure that directly involve eight signature members along with around twenty non-country members that participate in energy agreements and cooperation. The ALBA-TCP has been held up as:

> the first time a country [that is, Venezuela] has used its resources not only for endogenous development, but also for regional development. A new strategic regionalism that breaks, transcends and redefines the traditional parameters of international trade in favour of cooperation, complementarity and solidarity (Aponte García 2014: 19, author's translation).

In a regional context where leftist governments have come to power in a growing number of countries, Venezuela has used accumulated foreign reserves to lend to borrowing states with low creditworthiness—such as Argentina, Bolivia, Ecuador, and Uruguay—at below market rates (Grinberg 2010: 195). And within the ALBA-TCP group, Venezuela has committed USD 250 million for the construction of an Economic Fund for Cooperation and Productive Investment, along with USD1 billion for the emission of a special ALBA bond (Aponte García 2014: 198). The use of such funds has been championed by some as the means by which cooperative—rather than comparative—advantage will support the regional production of 'use-values over capital accumulation' (see, for example, Aponte García 2014: 194–5).

Although defenders of the initiative are keen to counter claims that the whole project rests upon Venezuela's oil wealth, the very strengths of the bloc are cited as its wealth in raw materials generally: the highest reserves of oil in the world; 50 per cent of the world's lithium reserves; the highest reserves of natural gas in Latin America; huge mineral reserves, including iron, gold, coltan, nickel, aluminium, copper, steel; large areas of cultivable land; and biodiversity.[13] This oil and natural resource diplomacy is couched in ideologically progressive notions of alternative production and cooperation.[14] For instance, the ALBA-TCP has established new concepts of productive and business complementarity through bilateral and multistate 'grand national enterprises', 'grand national projects' or action programs, and 'grand national institutes' or research centres—the scale and novelty of which have been enthusiastically celebrated by commentators (for example, Aponte García 2014: 19; Muhr 2012: 233). However, the grand national enterprises in particular reproduce the same normative and voluntaristic logic of national initiatives in Venezuela—such as social production companies (see Purcell 2013: 154)—whose explicitly stated aim is to satisfy social needs by producing use-values outside the 'logic' of capital accumulation. The problem with asserting this latter point is that use-value and exchange-value are not separate forms assumed by goods when subject to social rather than private production, but are distinct determinations of the same object, the commodity. As such, in the capitalist mode of production social wealth does not and cannot 'simply appear as the material accumulation of use-values but, rather, as the accumulation of value' (Iñigo Carrera 2006: 191).

Based upon this materialist reading, the main issue confronting the ALBA-TCP is that the form of wealth which it has at its disposal (that is, ground-rent) would have to be transferred into a form of capital that is able to actively participate in the transformation and development of society's productive forces—that is, into normal productive capital—if it were to engender development. That is to say, if the project could move to concentrate ground-rent at the scale necessary to put ALBA-TCP on a par with world market levels of productivity, but under a social form of regional state-control that redistributes and reinvests to meet the political and social goals of ALBA-TCP, then something other than an integration of 'underdeveloped' landlord states dressed up in ideological platitudes could emerge. Yet in practice, and notwithstanding the regional social and welfare achievements of the ALBA-TCP (see Muhr 2012: 235–6), inter-regional ALBA-TCP trade (aside from oil) is comprised of low-value industrial goods and foodstuffs that only made up around USD 8 billion worth of trade between 2005 and 2011 (Aponte García 2014). As Grinberg (2010: 198) has argued, 'the strong opposition of Venezuela to the implementation of the Free Trade Area of the Americas (FTAA), did not come from the recognition by their political leaders and populations of the policy failures of the 1990s'; instead, 'it arises from the recovery of the amount of ground-rent available for appropriation and its capacity to sustain industrial production for the protected domestic/regional markets'.

Although state policies protecting the national market have also emerged as a fundamental basis for the post-neoliberal project in Ecuador, the dual *rentier* economy therein has limited the ability to completely disavow the international context into which they are inserted. For instance, it has been pointed out that the purported USD1.7 billion in foreign exchange savings in 2013 were less influenced by import substitution measures than by the high prices reached by the export of shrimps, bananas, and cacao (El Comercio 2014). It is in this context that, after years of abstaining from inter-bloc negotiations, in January 2014 Ecuador returned to the negotiating table under pressure from the imminent expiry of the EU's Generalised Scheme of Preferences, which gives developing countries preferential access to the EU market. In the face of severe internal pressures (both for and against), new negotiations culminated in an agreement signed in July 2014. The definitive agreement will not be signed until 2016, when it also has to be approved by the National Assembly and the Constitutional Court. However, the interim deal ensures that Ecuadorean products, such as shrimps, bananas, African palm, and tuna will continue to enter the EU under preferential terms.

Earlier in 2014, Peru and Colombia—Ecuador's main competitors for the export of certain raw materials—had already signed bilateral free trade deals, and had undertaken the currency devaluations discussed above, intensifying regional competitive pressures within the international division of labour. For example, in 2014 the EU entry tariff for the export of a metric ton of bananas from Peru and Colombia was 110 €, whereas Ecuadorean exporters were paying 132 € per ton (CDES 2014). Given that the banana sector is Ecuador's most important export after oil, in terms of both foreign exchange earnings and employment, the importance of this agrarian source of ground-rent finally swayed the decision to sign the deal. In this context, Ecuador was forced to equal conditions agreed by Peru and Colombia, which included: new safeguards for intellectual property rights (on seeds and agro-chemicals); the liberalisation of the entry of capital goods and processed foodstuffs (such as milk and cheese); the lifting of restrictions on EU companies to purchase land and water reserves; the liberalisation of financial services and telecommunications; and the opening up of state contracts and public purchasing to bids from EU companies. This has been interpreted as a form of modernisation that favours pragmatic international trade in the interest of the *rentier-financial*-importing sectors, aligned with the demands of transnational capital (Muñoz 2013: 123). Furthermore, the deal is perceived to protect overwhelmingly the interests of large agro-exporters, intensifying local competition and negatively impacting thousands of small peasant producers. For example, the average production costs of a litre of milk in the EU is less than 27 cents, while in Ecuador the costs are around 40 cents—hence concern that the influx of cheaper milk is likely to bankrupt the many peasant family producers involved in the sector (CDES 2014).

The deal also illustrates the limits of class solidarity among agrarian producers, outlined earlier in this chapter. If Ecuador were to renege on free trade deals and lose markets for its agrarian exports, extra differential rents would flow to competitors whose land in production has a guaranteed market. Coupled with the inability to control their monetary policy so as to undertake a competitive devaluation, which may have offered an exit route from the agreement, Ecuador is locked into the same pattern of exporting raw materials and importing higher 'value added' goods and services.

As this book has stressed, processes leading to the formation of the NIDL have not been static (see also Fröbel et al. 1980), rather they have taken shape in a wide and constantly changing range of combinations of relative cost and productivity characteristics of national labour forces. Taking inspiration from the perceived possibilities inherent in the NIDL and the, so-called, knowledge-based economy, the state in Ecuador has in fact targeted investment toward 'future revolutionary industries such as biotechnology, nanotechnology, bio-electronics, new materials and new energies, socially shaped by the growing environmental awareness and concerns' (Pérez 2008). As it stands, knowledge-based development initiatives have an ideological rather than substantive character, seen for instance in the creation of Yachay—a new high-tech City of Knowledge—that seeks to emulate an 'innovation milieu', characteristic of Silicon Valley, in an old sugar cane hacienda. Meanwhile, free-trade agreements that ensure the future competitive export of primary resources are being rationalised by the government in terms of merely being a short-term measure to ensure inflows of foreign exchange that can fund the take-off of these other knowledge-based public investment strategies.

For different reasons, what the two cases of ALBA-TCP and free trade with the EU demonstrate is that all divisions of labour, whether national or regional, presuppose the international division of labour. As such, any form of protectionism 'amounts to a defence within, not against, the world market. Capitalist social relations are always already world market relations' (Bonefeld 2008: 71). Therefore, the ability of the ALBA-TCP to act as a defence against 'imperialism' or 'neoliberalism' within the international division labour rests upon the magnitude and qualitative origin of mining rents that the Venezuelan oil state can appropriate and transfer. In contrast, Ecuador's dependence upon foreign exchange from agrarian exports means the state cannot risk agrarian rents flowing to their nearest competitors, and the state has therefore defended its free trade agenda with the EU in terms of economic pragmatism.

Conclusion

To understand the divergent political forms of post-neoliberalism in Ecuador and Venezuela, this chapter has developed insights from Iñigo Carrera's distinction between agrarian and mining landlords. Drawing empirically upon examples of the political economy of exchange rates and trade, the chapter demonstrated that the source and magnitude of ground-rent available to finance different development models has a qualitative impact upon the capacity for state intervention. Venezuela's *sui generis* vision of post-neoliberalism, based upon a mono-production economy that generates huge oil rents and transfers social wealth to the rest of society through extreme currency overvaluation, rejects free trade and seeks a stronger model of regional integration based upon claims concerning social justice. To this end, the flagship regional development and trade initiative ALBA-TCP, financed unilaterally by Venezuelan oil rents, has favoured the ideological—rather than substantive—promotion of new concepts of productive and business complementarity, which, it alleges, point to a route out of, and beyond, capitalist relations of production. In contrast, Ecuador's dual dependence upon (public) mining and (private) agrarian ground-rent has tempered the government's radicalism: on the one hand, it has financed a shallow and limited process of ISI under the ideological banner of promoting a knowledge economy; while, on the other hand, it has worked to ensure the continued viability of dollarisation and access to agro-export markets. In sum, this chapter has shown that far from representing an alternative form of development that can resolve conditions imposed by an external international context, post-neoliberalism is predicated upon, and can be differentiated by, forms of the recovery of mining and agrarian ground-rent in raw material-exporting societies.

Notes

1. For data on the primary commodity boom since the early 2000s, relating to demand for raw materials produced in Latin America specifically, see Arboleda (2015: 2).
2. The term post-neoliberalism is widely used as shorthand to describe the policy and rhetoric adopted by left-populist governments across Latin America from the 2000s.
3. See Note 3 in Chap. 3, for a definition of these different types of ground-rent. What is specific about landlords in the petroleum industry is their capacity to determine the location of marginal lands. By restricting pro-

duction and monopoly rents, the latter then forms the basis for the appropriation of further differential rents because the higher price permits capital to invest in lands not previously used in production (Fitzsimons 2014: 141; Fitzsimons 2015: 10). It should be noted that in practice the different forms of rent never exist in isolation (Caligaris 2014); the schematic differentiation made in this chapter does however help to explain distinct concrete political forms taken by state policies when one type of rent *predominates* over others.

4. This was the institutional-juridical means by which the landlord state in Venezuela tried to secure the fullest possible appropriation of ground-rent.
5. By the time Ecuador discovered large oil deposits in 1967 and began large-scale exports in 1972, a small agro-exporting landlord class was well institutionalised as a financial-commercial-*rentier* elite (Chiriboga 1978; Conaghan 1988).
6. Estimates of an equilibrium exchange rate for Venezuela are somewhere around BsF 30 to the US dollar (Weisbrot 2014).
7. Because of the historic magnitude of currency overvaluation in Venezuela, oil has been the only commodity that can pass through the overvalued exchange rate while allowing oil-producing capitals to valorise normally.
8. With interest rates at 15 per cent and annual inflation running at 60 per cent in Venezuela, trading in dollars is estimated to be 50 times more profitable than either saving or investing in productive activities (Lozada 2013).
9. Since the 2002–2003 business lock-out and attempted coup against Chávez, business groups have attempted to use their control of imports as political leverage, inducing shortages and driving up prices to spread political disaffection with the government. Meanwhile, speculation on imports, bribing customs officials, and smuggling goods over the border to Colombia (a phenomenon referred to as *bachaqueo*) have become such lucrative forms of appropriating ground-rent that they have acquired an almost systemic character.
10. This illustrates the tendency for dollarised economies in Latin America to incentivise imports over exports (Hira and Dean 2004).
11. ALBA-TCP member states include Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Nicaragua, St Vincent and the Grenadines, and Venezuela.
12. Ecuador refused to sign the Andean Trade Preference Act with the US—a stance linked to the right to grant asylum to National Security Agency defector Ed Snowden—and removed US forces from a military base in Manta they were using as a forward operating location in the 'war on drugs' in Colombia. In June 2011, Ecuador was the only country to hold

out over the vote to readmit Honduras to the Organisation of American States following the coup against Manuel Zeyala. In 2012, Ecuador also boycotted the sixth Summit of the Americas in Colombia in protest at the exclusion of Cuba (Becker 2012: 74, 81).

13. See presentation by Alianza Bolivariana para los Pueblos de Nuestra America Tratado de Comercio de los Pueblos, the Food and Agriculture Organization of the United Nations Committee on World Food Security 39, Rome, Italy, 19 October 2012 (available at: http://www.fao.org/fileadmin/templates/cfs/Docs1112/CFS39Docs/SpecialSession/CFS_39_Special_Session_Alba_Food_Sp.pdf, accessed 29 May 2015).
14. Together with Chile and Mexico, which also have market-oriented economies, the ALBA-TCP countries have formed the Pacific Alliance—a regional trade and investment bloc (Lansberg-Rodriguez 2014).

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CHAPTER 6

The New International Division of Labour in 'High-Tech Production': The Genesis of Ireland's Boom in the 1990s

Tomás Friedenthal and Guido Starosta

This chapter examines the foundations of Ireland's rapid expansion during the 1990s and offers an alternative approach to those dominating debates that emerged about the potentialities and limits of this idiosyncratic developmental model and its apparently successful integration into the global economy. Whilst neo-classical economists have tended to explain the Irish fast-growing experience in terms of the adoption of a liberalisation and export-led strategy that opened the economy to vast inflows of high-tech foreign and direct investment (FDI) (Barry 1999, 2000; Krugman 1998; Ó Gráda 2002), critical commentators have argued that such an account ignores the active role played by the Irish state, and related institutions and

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organisations, in shaping the precise mode in which the 'local' economy integrated into 'globalised networks' of high-tech production and innovation (Ó Riain 2004). According to this alternative view, the Irish case is that of a, so-called, Network Developmental State that manages the connection between the local and the global and, through its active involvement in industrial development, steers the national economy along a path of integration into the technologically most dynamic elements of the world economy. In contrast to the authoritarian 'state developmentalism' of East Asian Tigers, and their (initial) reliance on the 'super-exploitation' of cheap manual labour, the Celtic Tiger model was predicated on its democratic institutions and better qualified, higher-wage jobs in cutting-edge sectors of the economy.

Without disputing the empirical value of many of the *descriptions* offered in the literature, here we take issue with those apparently opposed *explanations* insofar as they both account for the trajectory of the Irish developmental process on the basis of the successful implementation of 'correct' nation-state policies (even if they disagree on the precise nature of those policies). By contrast, this chapter argues that the Irish experience is yet another concrete expression of the further development of the essentially *global* laws of motion of the new international division of labour (NIDL), as explained in Chap. 4. More specifically, it argues that the *particularistic-skill-replacing* technical change that characterises the production of relative surplus-value across the globe has allowed capital to integrate into the NIDL not only national working classes which were materially and morally suitable for the performance of the simpler manual tasks initially required by the micro-electronics revolution, but also those with comparatively more skilled but still relatively cheaper labour-power. Moreover, we show that the very dynamics of the NIDL then made possible its extension into the more intellectual productive functions of the labour process of capitalist large-scale industry, such as software production. Premised on its origins as a source of latent and stagnant surplus population for the global accumulation of capital, the specificity of the Irish national sphere of valorisation has been determined by those two potentialities of the historical unfolding of the NIDL (that is, the subjection of relatively more complex and intellectual productive functions to its laws of motion). We therefore show that the particular state policies and institutions prevailing in Ireland are therefore grounded in this specific form of integration into the NIDL, which they have *mediated* but not *determined* by themselves.

The Historical Presuppositions of Ireland's Subsumption Within the NIDL

As mentioned above, the specific modality and potentialities of the subsumption of the Irish space of valorisation under the NIDL have their historical premise in the forms taken by Ireland's genesis as a nationally-independent territorial jurisdiction. In order to comprehend the origins of the Celtic Tiger, we must first place the process of capital accumulation in Ireland in a long view of its historical development. More concretely, in this first section we take a brief look at the early subsumption of the Irish economy under the capitalist international division of labour, which flowed from its existing links with England. We shall see that the secret of Ireland's developmental path resides in the formation and chronic reproduction of a relatively large surplus population, as a direct result of the unfolding of global capital accumulation; that is, that the Irish working class became essentially redundant for global capital accumulation by the end of nineteenth century, a condition that would stretch, in different shapes, well into the twentieth century.

The Economic Content of the Genesis of the Irish National Space of Accumulation: The Formation and Chronic Reproduction of a Rural Relative Surplus Population

The upsurge of industrial capital accumulation in England during the second half of the eighteenth century (with its concomitant increased demand for food), led to a long-term rise in corn prices which, also bolstered by the Napoleonic wars, caused the price of wheat to double between 1770 and 1810 (Regan 1980: 10). This process had a profound impact on the dynamics of capital accumulation in Ireland. In effect, the sharp increase in corn prices resulted in a widespread shift across the country from grazing to tillage, which brought with it a profound change in the rural social structure. The labour-intensive character of tillage promoted the subdivision of holdings and thus enabled the formation of new familial units that could survive on ever-smaller plots devoted to the subsistence cultivation of the potato.

Thus, an explosive rural population growth ensued in Ireland, intensifying the competition for land and increasing the pressure for a further subdivision of holdings. In turn, this led to an expansion of ground-rent, which would force an increase in tillage area at the expense of subsistence plots in each individual holding (Mulhall 1988: 97). The contraction of the acreage left for the peasantry's reproduction after the rise in rent was facilitated by the increased cultivation of the potato. Since this was both a rotation and a subsistence crop, the tenant's small plot could be split into a part devoted to corn for rent and another for growing potatoes for subsistence. Rural family labour engaging in cottage industry gave that contraction further room to develop. All this obviously implied a systematic extension of the annual hours worked by the rural family. As Breathnach (1988: 122) points out, these developments meant that by 1800 'the Irish economy had become characterised by a much-bloated labour force heavily dependent on what was to prove an ephemeral export market'.

By the time the Act of Union was passed in 1800, incorporating Ireland into the United Kingdom, the country possessed a fairly developed manufacturing industry compared with most European countries (with the exception of England) (O'Malley 1981: 29–30). Non-textile industries experienced growing competition but still managed to stay afloat by means of restructuring on a larger scale to keep pace with their English counterparts (O'Malley 1981: 31–2). However, the further advance of mechanisation, coupled with the definitive phasing out of tariff protection stemming from the provisions set in the Act of Union, heavily impacted on the Irish cotton and woollen manufacturers and many of them shut down permanently during the depression of 1825–1826. Weaving and embroidery of muslin continued in Ulster, but cotton yarn was being increasingly imported. Due to the concurrent development of powered spinning of fine linen yarn, many Belfast cotton mills were able to change over to linen production and escape closure. On this basis, Belfast managed to become a major global location for the development of mechanised fine linen spinning.

These developments dealt a hard blow to the rural poor, who depended upon domestic spinning to supplement their meagre farming incomes (Breathnach 1988: 129–30). The situation was further complicated when a rise in corn prices, which had formerly resulted in the profound changes in rural structure discussed above, returned after the end of the Napoleonic Wars in 1815. To make matters even worse, the decline of domestic spinning in Ireland coincided with the beginning of a secular rise in cattle prices that led to a widespread conversion from tillage back into (export-oriented) grazing lands. The basis of the entire existing rural system was seriously undermined, and it was only a matter of time until it eventually collapsed. As a result, the idiosyncratic Irish emigration trend started to gain momentum and would finally turn into an absolute population decline after the devastating Great Famine of 1845–1848.

If economic hardship had been limited mainly to the textile industries up to that point, further progress in the mechanisation of large-scale industry in the 1870s in Britain and elsewhere spread to the rest of the Irish manufacturing sector (O'Malley 1981: 33–4). And yet there was a notable exception to this general trend toward industrial decline. As Breathnach (1988: 130) notes, the aforementioned constitution of Belfast as a specialised site for mechanised linen production induced the establishment of a supplementary engineering industry and attracted a major shipbuilding sector. The north-eastern city and its surrounding satellite towns thereby became a classic urban-industrial region of the industrial revolution. By contrast, the remainder of Ireland became a location for agricultural production with low labour requirements, namely export-oriented cattle rearing (O'Malley 1981: 39). As a result, this latter part of the country would eventually turn into a vast reservoir of relative surplus population.

Nevertheless, general economic stagnation and decline in the south of Ireland was not the immediate outcome of its industrial crisis. As a matter of fact, the Great Famine was followed by a period of relative prosperity for Irish farming (Mulhall 1988: 98–9). Reversal to pasture due to the change in prices involved a steep fall in the total number of holdings while larger ones actually increased, therefore implying a process of consolidation enabled by the decimation of the surplus rural population through emigration and the famine. Moreover, these very same conditions of capital accumulation in southern Ireland would also form the material basis for the effective abolition of landlordism. Thus, the death knell for landowners started to ring when the agricultural crisis of the early 1880s set in.

In effect, diminishing transport costs increasingly made possible the integration of new national spaces with exceptional natural conditions into the international division of labour as raw-material and agrarian-commodities producing countries.[1] Domestic agricultural prices dropped sharply as a consequence and, just as the earlier rises in corn and cattle prices involved an expansion in the ground-rent available for appropriation in Ireland, this later fall in prices caused it to plummet. This shrinking of agrarian surplus meant that the valorisation of small agrarian capitals and the landlords' appropriation of ground-rent were no longer mutually compatible. So the land question moved to the forefront of the political arena and, as the mostly British ownership of the land turned the Irish land question into a national question, the struggle against landlordism became a struggle for national independence. The outcome of this struggle was: the abolition of landlordism, by way of a series of changes in the juridical relations governing the possession of the land—that is, agrarian reform (Guinnane and Miller 1997); and it would, soon after, result in the partition of Ireland and the emergence of a new national space of accumulation, the Irish Free State, later the Republic of Ireland.

Whereas a certain degree of concentration of holdings mentioned above meant that a novel class of prosperous small agrarian capitalists had already developed (that is the larger farmers, who represented about one-third of the population in 1900, according to Mulhall 1988: 99), this process was far from uniform and co-existed with the reproduction of the pre-existing fragmentation of land holdings into very small plots. In this sense, the abolition of landlordism and the establishment of peasant proprietorship did not do away with previously established patterns of differentiation in the rural social structure (Mulhall 1988: 129). Insofar as the land reform simply transferred existing holdings into outright proprietorship, the resolution of the land question did nothing to uproot the precarious basis for the material reproduction of the great bulk of Irish farmers, who continued to survive on the production of young cattle in tiny holdings for sale to dealers and fatteners elsewhere (Breathnach 1988: 130). Thus, the continued existence of a rural social structure that permitted the reproduction of the peasant through subsistence agriculture constituted an exceptionally large and sustained source of rural *latent* surplus population and determined a relatively low level of wages (which in turn acted as a barrier to mechanisation).

By the time both the land question and independence had been settled, capital accumulation by larger farmers in Ireland was being sustained by a double source of extraordinary social wealth. On the one hand, the remaining (rather minimal) ground-rent available for appropriation in the national space of valorisation, previously captured by the landlord, now flowed to a large extent into the pockets of the farmers. On the other hand, we saw that the prevailing conditions of reproduction of labour-power implied its relatively low value, which in turn entailed an increase in the surplus-value directly extracted by the eastern, larger farmers when employing wage-labour. Additionally, surplus-value was indirectly appropriated in commodity circulation when purchasing the smaller peasants' livestock below its normal price of production for subsequent fattening and re-sale.[2] The agricultural sector was thus the core of the newly independent state's economy, employing 670,000 out of a total workforce of 1.3 million (Kirby 2010: 16).

The Continued Reproduction of the Irish Surplus Population in New Modes of Existence Under a Weak 'Inward-Looking' Industrialisation Process

The decade following independence witnessed the continuity of capital accumulation under these conditions, which included intense and relatively free trade with England (Breathnach 1988: 131). But Ireland entered a *seemingly* different development path after 1932 when a regime of import substitution industrialisation (ISI) was introduced. Domestic industry protection was extensive and the average tariff level was raised from nine per cent to 45 per cent between 1931 and 1936, while tariffs on some goods reached 75 per cent. Non-tariff measures—such as quotas, import licenses, and regulations—were set in place, among which the most important were the Control of Manufactures Acts (1932 and 1934) aimed at securing Irish control of domestic industry. Furthermore, a state bank was established to divert surplus capital into the hands of industrialists, as banking institutions were reluctant to lend even under government guarantee (Kirby 2010: 17).

Here an important point of clarification is needed. As Caligaris's and Iñigo Carrera's earlier chapters flesh out in great detail, this phase of capitalist development geared towards an inward-looking industrialisation process did not actually involve a *qualitative transformation* in the specific modality of the accumulation process *vis-à-vis* the initial agro-export stage. Instead, it entailed the expanded reproduction of the very same mode taken by the overall circulation process of capital, defined by the appropriation of a portion of ground-rent flowing into the national space of accumulation through the export of primary commodities. In this sense, both are part and parcel (strictly, *stages* or *phases*) of the, so-called, classical international division of labour (CIDL).

With respect to all these general features, the Irish experience with ISI hardly differed from similar developmental trajectories elsewhere in the world. But what sets the case of Ireland apart is that, from its very early stages, the limited amount of ground-rent available for appropriation meant that capital had to resort to additional extraordinary sources of social wealth to sustain its accumulation under this specific modality, and in the face of the ever-growing difference between local and world-market production costs. Furthermore, these limitations would also rule out the eventual constitution of fragmented foreign normal capitals (that is transnational corporations, or TNCs) as the fundamental subjects of the appropriation of ground-rent (on this see Chap. 2). Rather, this form of the accumulation process took shape through the proliferation of a multitude of domestically owned small industrial capitals with a very low degree of concentration.

Therefore, this mode of accumulation of capital showed from its very beginning that it had specifically constrained potentialities to unfold in Ireland. Unlike the similar contemporary experiences of the largest Latin American countries (for example, Argentina, Brazil, and Mexico), the more limited magnitude of the extraordinary sources of social wealth sustaining capital's valorisation process in the Irish Republic's national space did not allow for its development beyond a (particularly weak) primary ISI phase, and had very limited capacities for labour-absorption. Thus, manufacturing output rose by just 7.2 per cent between 1932 and 1936, while gross national product at constant prices was only ten per cent higher in 1938 than in 1931, even though industrial employment rose from 110,600 to 166,100 over the same period, suggesting an overall productivity decline (Kirby 2010: 18).[3] Emigration volume fell, in turn, to an average of 14,000 a year over the decade (it had previously reached treble that rate, partly a consequence of the 1930s' world crisis). Furthermore, the inward-looking orientation of new industrial production brought about a 29 per cent decline in exports by 1933, which only recovered their 1930s' volume in 1960 (Kirby 2010: 18).[4] The fairly substantial industrial employment increase (about 40 per cent) over those first years of the new regime was nonetheless insufficient to eliminate the high chronic unemployment that stemmed from the peculiar, and essentially unchanged, Irish rural social structure. In sum: the ISI phase was already facing the immanent limits of its particularly small domestic market in the 1940s; considerable balance of payment problems emerged in the 1950s; while the 1.7 per cent per annum pace of output growth and 0.2 per cent average annual increase in manufacturing employment over the course of that decade caused unemployment to swell; and emigration reached over 50,000 a year, so that between 1946 and 1961 the workforce shrunk from 1,228,000 to 1,053,000 people (Kirby 2010: 19).

In our view, this quantitative evidence expresses the following. The reproduction of the specific content of Ireland's process of capital accumulation during this period revolved crucially around the association between small landholding agrarian industrial capital and small non-agrarian industrial capital over the appropriation of a twofold source of extraordinary social wealth: on the one hand, the remaining (although declining) ground-rent; on the other, and crucially for the purpose of our argument, the extraordinary surplus-value stemming from the peculiar conditions of existence of the Irish workforce, which allowed the cheapened purchase of their labour-power without undermining its normal long-term reproduction. Moreover, given that the magnitude of ground-rent was meagre and actually diminishing, capital accumulation increasingly came to rest one-sidedly on the relative cheapness of Irish labour-power. Those feeble foundations sustaining the accumulation of capital would mean that in less than two decades the widening productivity gap, with normal capital accumulating beyond the national borders, was already confronting the Irish process of capital accumulation with its specific inherent limits. As Breathnach (1988: 132) succinctly puts it, 'Ireland's rather tentative attempt at economic autarky … ran out of steam in the 1950s … at a time when the rest of Europe was booming'.

This idiosyncratic economic trajectory under such a weak ISI process carries a broader significance, whose implications would become apparent in the following decade, as we discuss in the next section. But, for the moment, let us just note that it means that this developmental path did nothing to transcend the general condition of the Irish national sphere of valorisation as a reservoir of surplus labouring population *vis-à-vis* the essentially global contradictory dynamics of capital accumulation. It only meant that the reproduction of the Irish working class as a relative surplus population changed its mode of existence.[5] The only novelty of the ISI phase *vis-à-vis* the earlier reproductive conditions of the Irish working class was that its chronic mode of existence as stagnant surplus population extended beyond the agrarian sector to include its employment by non-agrarian small industrial capitals.

Such were the conditions for the reproduction of capital and the working class in the late 1950s in Ireland. The specificity of the Irish process of capital accumulation was defined by the dominance of small capitals both in agrarian and non-agrarian sectors of industry, whose survival therefore progressively hung upon the purchase of the relatively cheap labour-power of Irish workers, while it constantly produced a permanent outward international migratory flow of the national labouring population. The prospects for the subsequent trajectory of this national space of accumulation did not look very promising. Yet, just as its potentialities appeared to be dwindling (if not, simply vanishing), the global process of production of relative surplus-value started to undergo profound transformations, which would revolutionise the specific form of the Irish process of capital accumulation and breathe new life into its development.

The Emergence of the NIDL and Global Capital's Early Tapping of Ireland's Cheap Labour-Power Reserves in Qualitatively Novel Forms

By the 1960s and through the production of relative surplus-value, which was actually behind the increasing productivity gap between normal capital accumulating in industrially advanced national spaces and small capital accumulating in Ireland, global capital was entering the germinal stages of a thorough revolution in the materiality of the capitalist labour process that would lead to the emergence and development of the NIDL. In its general determination, this emerging re-configuration of the international division of labour would involve the worldwide fragmentation of the different phases of the production process of large-scale industry.[6] Ireland became a very early expression of these novel tendencies shaping capital accumulation on a global scale. This should come as no surprise, given the country's prevailing condition as a reservoir of plentiful cheap wage-workers who, additionally, possessed the necessary productive attributes to be actively incorporated as specific organs of the, now globally dispersed, collective labourer.[7] On top of this essential determination, Ireland also enjoyed a favourable geographical location, in proximity to main industrial and consumer centres, and possessed natural conditions well suited for the maritime transport of commodities. As a consequence, from the 1960s onwards the process of capital accumulation would start to reproduce under a new form. State policies mediating the reproduction of the previous mode of accumulation were consequently dismantled, and were replaced by forms of state direct regulation that channelled the unfolding of the potentialities of Ireland's changed role within the international division of labour.

Ireland had already started to experience a persistent net inflow of foreign capital in the decade prior to the 'opening' of the economy in 1959, which was only partly due to state borrowing under the Marshall Programme.[8] However, the volume of this net capital inflow increased substantially during the following decade, escalating strongly after 1969.

In turn, the specifically outward orientation of capital accumulating under this new basis naturally involved a swift increase in the share of Irish manufactured exports to total exports, which increased from 6 per cent in 1950 to 19 per cent in 1959, and 37 per cent in 1971 (McAleese and Martin 1972). And, given that this surging trend in manufactured exports was essentially *global*, it naturally brought about a thorough reduction in trade restrictions in all major markets, which was nothing more than the establishment of the international juridical forms better suited to mediating the novel specific content of global capital accumulation. From the point of view of the national form of the capitalist state, this implied a new set of external and internal juridical and political regulations.

With respect to Ireland, the transformation of external juridical relations comprised the following measures, among others: the repeal of the Control of Manufactures Acts (which hitherto impeded the foreign ownership of Irish industry) in 1959; the unilateral reduction of external tariffs in 1963 and 1964, enabling the signing of the Anglo-Irish Free Trade Agreement (AIFTA) with the UK in 1966; the extension to Ireland of bilateral rights granting most-favoured-nation treatment by its principal trading partners (under the auspices of General Agreement on Tariffs and Trade (GATT), several years before Ireland became a contracting party in 1967); and finally, Irish integration into the European Economic Community (EEC) in 1973, which resulted in the abolition of the Common External Tariff (CET) on Irish exports by 1978. In the domestic sphere, the economic transformation was mediated by two main state policies: in the first place, grants to export-oriented industries—part of which were conceded only to firms located in rural areas; and, in the second place, a complete remission of income and corporate profit tax on manufactured exports, which was replaced by a ten per cent flat rate on all manufacturing in 1980.[9] Additionally, there were institutional changes within the state, among which the key role and increasing power and organisational autonomy of the Industrial Development Agency as a 'hunter and gatherer' of FDI stands out (Ó Riain 2004: 40). Note, however, that these changed political and juridical regulations were not the underlying *cause* of the new economic forms taken by the accumulation process in the Irish space of valorisation, as most of the literature tends to assume (thereby inverting the form and content of the phenomenon at stake). Instead, they only acted as *necessary mediators*, at the national level, for their emergence and subsequent reproduction, which was actually *grounded* in the transformations originating in the essentially *global* dynamics of the production of relative surplus-value by the total social capital. Indeed, we have seen that the seeds for Irish integration into the nascent modality of the NIDL had already been sown and were germinating by the time the juridical and political forms needed for its effective development first set in.[10]

Normal capital producing commodities for the world market thus flowed into Ireland, seeking the higher profitability attainable by exploiting the fairly well-trained but relatively cheaper Irish workforce in a range of advanced industrial labour processes, which was made possible by new skill-replacing technological changes. The range of sectors that attracted the relocation of capital was initially very varied and included food and milk products, textiles, clothing and footwear, metals and engineering, pharmaceuticals and chemical industries (McAleese 1972: 80). However, it would be fundamentally the electronics, engineering, and chemical-pharmaceutical industries that would act as the main 'drivers' of this reconfiguration of the material basis of capital accumulation in Ireland (Breathnach 1988: 133). 'Phase zero' of the NIDL's worldwide unfolding was taking place, and Ireland was directly involved (see Chap. 4).

Insofar as active participation in the NIDL required that individual capitals reached the necessary scale of operation to be able to compete on the world market, the rapid economic transformation involved precluded its channelling through the valorisation of small capitals that had dominated the Irish economy in the prior phase, since they obviously lacked the requisite degree of concentration.[11] The immediate subject of this process was thereby internationally relocating normal capital in the form of booming inward FDI, which was export-oriented. Indeed, foreign enterprises established in Ireland in the early 1960s exported, on average, 75 per cent of their gross output (McAleese 1972: 79–80). But the specific nature of new foreign capital formation in Ireland is also evident in the diverse origin of FDI and the particular evolution of the distribution of Irish manufactured exports by area of destination (McAleese and Martin 1972: 616–7). Together, the varied composition of origin of capitals (mainly British and German, with some US) and of the destination of their production, rule out the idea that capital relocating in Ireland was driven mainly by proximity and prospects of unrestricted access to the European market.[12] A breakdown of manufactured exports in 1970 also gives us a more detailed picture of the particular production processes in which Ireland specialised by that time. As well as subsectors of the chemical, textile, and construction industries with significant shares in exports, it is possible to observe a strong presence of subsections of machinery production, and especially domestic electric equipment and medical and measuring instruments, in manufacturing export trade (McAleese and Martin 1972: 628–31).

Still, the peculiar pattern of specialisation followed by Ireland in this process of integration into the NIDL was fundamentally determined by its direct participation in the production process of a core element of the novel technological base on which that division would come to rest, namely, computers. Although some (mainly US) electronic component manufacturers had already established plants during the 1960s (Drew and Foster 1994)—in what amounts to early evidence of the international fragmentation of information technology (IT) production—the decision by Digital Equipment Corporation (DEC) to set up a large-scale minicomputer manufacturing operation in Ireland in 1971 is widely acknowledged as a milestone in the Irish IT industry's development. Soon after, five other minicomputer producers and a mainframe manufacturer followed suit and located assembly plants in the country (van Egeraat and Jacobson 2004).

As with the previous wave of FDI in Ireland, the establishment of computer assembly operations was an expression of the international fragmentation of industrial labour processes, albeit a specific one. Indeed, although computers were the material basis for the automation of capitalist large-scale industry, and thus for a tendency towards the elimination of simple direct labour, their own production initially multiplied the need for the latter, insofar as computer assembly and subassembly originally required mostly *relatively* simple productive tasks. Thus, from the very outset the global total social capital tended to locate the simpler portions of the computer manufacturing labour process outside industrially advanced countries. Two main reasons explain why this nascent industry established its assembly facilities specifically in Ireland (and Scotland): the existence of a suitably skilled but relatively cheap workforce; and geographical proximity to user markets, given the rather bulky character of the final product, which entailed significant transport costs. Thus, while the peculiar combination of skills available and wage levels accounts for capital's location in Ireland (and Scotland) rather than in other Western European relatively low-wage countries (such as Spain, Greece, or Portugal), proximity and the kind of exploitable labour-power determined why computer final assembly was not initially located in (and actually was the last computer manufacturing process to relocate to) the East Asian region, where a substantially cheaper and more compliant workforce was being eagerly incorporated by the global total social capital into the active industrial army of labour. Conversely, even at that early stage of the development of the computer industry there were many components that could not be profitably produced in Ireland and which were already being sourced from East Asia, as technical skill requirements were substantially lower and geographical distance was comparatively unimportant given the small size and weight of this type of product.[13]

These tendencies in the evolution of the NIDL in Ireland would continue to unfold with the subsequent technological supersession of the minicomputer by the personal computer (PC) in the following decade. Emblematic landmarks in this industry's trajectory in Ireland were Apple's establishment of a PC assembly plant in 1980, and Intel's decision to locate an advanced microprocessor wafer manufacturing plant, along with PC and motherboard assembly facilities, in 1989. These foreign investments spearheaded a wave of relocations of computer manufacturers into the country, which would lead to a veritable boom in the Irish hardware industry up until the mid-1990s (van Egeraat and Jacobson 2004). However, increasing competition from lower wage countries, particularly from East Asia, struck the Irish electronic components sector, causing many low- and medium-tech component manufacturers to close their plants between 1995 and 1998 and relocate abroad (Barry and Van Egeraat 2008).[14] The increasing substitution of smaller notebooks for bulky desktop PCs in the personal computer market rapidly eroded the proximity advantage and led to the rise of East Asia as a world market site for computer assembly (firstly in Taiwan and South East Asia, and later in China) (Dedrick and Kraemer 2008). This latest technological development in the computer industry would therefore drive Ireland's status as a location for system assembly of PCs into a final decline.

Now, if the rise and demise of the computer hardware industry was not synonymous with the rise and demise of the Celtic Tiger, this could only mean that a novel base for Ireland's integration into the IDL had developed in the meanwhile. As we shall see, this novel base was software production. So Ireland, once a leading location (along with Scotland) for the offshoring of computer manufacturing, became an equally leading world market site for the offshoring of software production.

The Rise of the Irish Software Industry and the Basis for the Celtic Tiger's Boom in the 1990s

The global emergence of a separate software industry can be traced back to the 1950s and 1960s (Dossani and Kenney 2008: 53–4). Its subsequent evolution in the late 1970s and early 1980s revolved around two main lines of development. On the one hand, the material autonomisation of software from hardware and, on the other, the achievement of sufficient production scales for the creation of a distinct software market composed of independent software vendors (ISVs) (Grad 2015). These two mutually reinforcing processes came to fruition in the 1980s. On the hardware side a first key milestone was the successful introduction of the IBM PC in 1981, which combined Intel's microprocessor and Microsoft's MS/DOS operating system (the Wintel standard that would become dominant by the late 1980s), and which resulted in declining hardware prices and an increasing demand for applications. But perhaps more fundamental for the evolution of the independent software industry was the introduction of the workstation in the early 1980s, which was adopted by business users given the limited computing capabilities of the first generations of PCs. The workstation was not only suited to a wide spectrum of business end uses, but also enabled stand-alone programming for mainframes. On the software side a first crucial landmark was the development and universal adoption of the Unix operating system, which combined with the workstation to crystallise in the emergence of the Unix-Workstation (U-W) standard. But what really revolutionised the ISV industry was the development of (and further recoding of Unix in) portable C programming language, which gave rise to Unix/C. In effect, these developments warranted the portability of applications and *system* software (Johnson and Ritchie 1978). Thus, if the U-W standard rendered software *production* platforms independent (because the workstation allowed programming for a whole spectrum of computers), software *products* also attained that status, inasmuch as they could be easily ported to run on very different and rapidly evolving machines. Crucially for the development of the NIDL in the industry, Unix/C programming language opened the doors to a wide fragmentation of the software production process, for it enabled the detachment of system architecture, design, and integration from programming itself, thus rendering the programming component modularised (Dossani and Kenney 2008: 54).

These successive technical revolutions in software production changed the productive attributes that capital demanded from wage-workers involved in its development. In the early mainframe era, a relatively simple (and gendered) division of labour emerged between the *planner*—a highly-skilled, usually male, scientific user—and the *coders*—usually women—who carried out the less complex work (Ensmenger and Aspray 2002). Plain coding initially involved the purely mechanical task of translating a set of instructions or operations delivered to the coder in a language of a relatively higher level of abstraction into a machine-specific numerical (ultimately binary) code. With the development of assembler programmes and assembly languages, this simplest aspect of coding—and therefore of software labour—was fully automated and correspondingly eliminated. This consequently changed the nature of coding, and gave birth to the *programmer*. Inasmuch as assembly language statements usually maintained a one-to-one correspondence with machine language instructions, while the latter varied with the different computer architectures, programming (coding) was now, in its simplest aspect, machine-specific. This required an understanding of the material structure of the machine from the programmer that only *on-the-job* experience could provide. This platform dependency of software was a great obstacle to its development.

The first clear step towards the overcoming of these initial limitations came with the development higher-level languages, whose main conceptual lines of development revolved around formal syntactic notation and formal semantic definitional techniques (Sammet 1972: 607). However, the vast proliferation of higher-level languages signalled that the potential to transcend platform dependency ultimately remained unfulfilled. Programming still involved a great deal of routine manual code-writing and was still very much dependent on an understanding of machine-specific architectures; in other words, it involved a great deal of labour that only a relatively experienced workforce could deliver. These material conditions of software production resulted in the *particularistic*, craft-like character of early programming that was much debated in the late 1960s (Ensmenger and Aspray 2002). In turn, this lack of *universality* in programming labour implied that the necessary productive attributes of the programmer could not be yet developed through a process of formal education.

Under these circumstances a, so-called, software crisis erupted. Essentially, it was a result of the increasing technological gap between accelerating computing capacity and lagging software productivity, so that 'the errors in and cost of writing software tended to grow geometrically with the size of a software artefact' (Campbell-Kelly 1995: 87). Larger-scale projects also clashed with the prevailing subjective, or craft-like, basis of the software technical division of labour. All this led to a series of efforts aimed at the development of the scientific management of its production process, which materialised in, so-called, structured programming during the 1960s and in the discipline of software engineering in the mid-1970s (Mir et al. 2000). Nevertheless, the actual overcoming of these barriers would only result from the further step forward in the automation of software production made possible by the aforementioned development of the Unix-C programming language.

As we have seen, this language ensured easy portability, and therefore resulted in the virtual universality (or platform independency) of the products of programming labour, that is of software. Easy software portability was the outcome of the elimination of a considerable fraction of routine programming labour, known as *porting*. In turn, this was possible precisely because this language succeeded to a large extent in the aspiration that all languages shared, to render programmes virtually independent of the specific material structure of the machines that powered them. This led to the widespread adoption of Unix-C programming language in the late 1970s and early 1980s, which implied that automatic coding by means of a high-level language attained a far reaching universality (Ensmenger and Aspray 2002: 141). Moreover, high-level language programmers were now capable of writing programmes with no knowledge of machine-specific material architectures. In effect, computers controlled by programmes called *compilers* automatically translated the universal instructions spelt out by the programmer into machine-specific codes. Fundamentally, from the point of view of the productive attributes of wage-workers, the upshot of these material changes in the software labour process was that the general skill requirement for the bulk of programmers came down to a command of Unix-C programming language, which *could now* be attained through a process of formal education.

Needless to say, the knowledge of the specific material architecture of computers and components still remained a most important part of software production. However, it became the attribute of newly emerging specialised organs of the collective worker, which was the other side of the general degradation of the productive subjectivity of the programmer. In other words, this technical change entailed a process of internal differentiation of the software collective labourer, now composed of system architects, designers, integrators, and plain programmers. This was largely facilitated by Unix-C structured programming, which, by enabling a more definite separation between conception and execution, allowed the aforementioned modularisation of (plain) programming. In turn, this provided an objective material framework for the development of the technical division of labour and therefore a more solid basis for the development of larger-scale projects that the expanding processing capacity of computers increasingly demanded.

In sum, a particular combination of determinations was in place in the late 1970s and early 1980s that would prove of utmost significance for the 'sudden' emergence of the Celtic Tiger. On the hardware side, the appearance and rapidly-growing computing capacity of the microprocessor meant that smaller, more powerful, and substantially cheaper computers and hardware components could be produced, which became accessible to a wider range of business users. Additionally, the PC was created, opening a new and potentially immense market for computers. This implied, in turn, a huge increase in global demand for software production at all levels. As for software, the appearance of Unix-C programming language emancipated capital from the burden of its dependency on the lengthy on-the-job-learning of *particularistic* productive attributes of programmers, thus opening the door to speedy developments in the newly required universal productive attributes in portions of the existing or future workforce *worldwide*. Software production, a labour process that was at the core of computers (and hence of the NIDL), was itself starting to be subject to NIDL dynamics, in the same vein as hardware production had been a little more than a decade earlier. Economic conditions were therefore ripe for capital to valorise through the exploitation of the adequately skilled but *relatively* cheaper programmer that could be produced *outside* industrially advanced countries. The first steps in the fragmented internationalisation of the productive subjectivity of the collective labourer of software production started to unfold.

Now, inasmuch as both high-level programming language development and software companies with the capability to undertake large projects were mainly of US origin, a fluent command of the English language was an important and general skill requirement demanded from the potential respective organ of the collective worker to be offshored. On the one hand, while high-level languages tended to evolve towards everyday linguistic forms, English was the language of most pioneer developers. On the other hand, we are dealing here with the international fragmentation of a mostly *intellectual* labour process, where the technical division of labour is not *objectively* borne by the materiality of the system of machinery of large-scale industry. Instead, and similarly in this respect to the manufacturing division of labour discussed by Marx, the unity of the collective labourer is based on a '*subjective* principle' (Marx 1976: 501), that is, it has no other immediate material support than the direct relations that its, now internationally fragmented, members are able to establish. As a consequence, their generally direct social co-operation in the software labour process can only be established through a common spoken language. It is regarding other, more *specific* productive attributes that differences between potential locations arise.

Following the laws of motion of the NIDL, as described in Chap. 4, the offshoring of the software labour process certainly started with its simpler tasks, which can be roughly subsumed under the label of plain programming. Although the precise content of the work to be done and therefore the skills required surely differed by type of software, all of them involved a definite (yet varying) amount of those plain programming tasks. But the plain programmer is always an individual member of a team that itself is a collective sub-organ of the (wider) collective worker, whose unity actually establishes the organisation of the respective production process as a whole. The plain programmer is therefore always immediately associated with other more highly skilled software workers. As a consequence, the qualitative and quantitative articulation between these two general kinds of productive subjectivity (that is, degraded and relatively more expanded) determined the specific pool of skills—computer scientists, mathematicians, physical scientists, electrical engineers, systems analysts, programmers, and so on—that global capital demanded in each particular case. The specificities of Ireland as a national space of valorisation, determined as they were by the particular forms taken by its very early subsumption under the novel general forms of the international division of labour, would make it an ideal location in this regard.

As we have seen, Ireland's subsumption under the NIDL in hardware production entailed the presence of a specialised complementary pool of relatively more skilled workers, which was necessary from the very beginning—and was thereafter reproduced in an increased scale through formal education—for capital to exploit the larger, relatively unskilled, and cheaper Irish workforce involved in the initial assembly of computers. Among a broader spectrum of workers trained in scientific, engineering, and technical matters this complementary organ of the collective labourer was largely and crucially composed of individuals trained in electrical engineering, one of the main reservoirs capital would initially draw on to meet the demand for medium-skilled programming labour. Thus, Ireland could provide software-producing capitals with the skills pool that was technically necessary to profit from the exploitation of the relatively cheaper plain programming labour that was the main driving force behind the relocation of capital's valorisation process in the sector. On these grounds, Ireland would become the earliest preferred site for the global relocation of programming labour, which would in turn sow the seeds for the subsequent impressive expansion of the more variegated and dynamic software industry that was one of the key drivers of the prosperity associated with the Celtic Tiger boom during the 1990s.[15]

Thus, as the international fragmentation of software production took off—slowly at first in the second half of the 1970s, but more rapidly during the 1980s—Ireland became the main site for the relocation of a wide range of related labour processes. The activities of foreign (mainly US) companies locating in the country during those years can be divided into the following categories (Sands 2005: 47): (1) *software development centres;* (2) *systems integration, sales and consulting, custom software development;* (3) *software supporting sub-contractors;* and (4) *manufacturing, logistics, localisation, porting, testing*. A closer inspection of the distribution of firms in each category reveals that a broad base of leading TNCs, embracing virtually all different types of software related activities, were already locating in Ireland in the 1970s and 1980s. Thus, although US software product companies such as Microsoft, Oracle, and Lotus did tend to offshore mainly manufacturing, localisation, and distribution functions, there were significant cases of foreign TNCs that appended software development centres to their manufacturing operations, particularly among hardware manufacturing companies (such as Digital and Ericsson), and telecommunications firms (such as AT&T and Alcatel) (Coe 1997: 220–1). Interestingly for our argument, Coe also reports that Ireland would come to be seen as an important UNIX development centre in Europe, with companies such as Motorola and ICL establishing UNIX programming centres (Coe 1997: 220). In our view, this speaks to the fact that the original main driver of the international fragmentation of software production was, fundamentally, the search for cheap plain programming (coding) labour, the simplest but necessary part of any software labour process which, however, must always be technically combined with the corresponding full range of more complex associated skills. As a matter of fact, Coe notes that some kind of dual workforce was being created in Ireland, with two distinct cores: 'one of highly skilled development and localisation staff and one undertaking the less demanding and more repetitive manufacturing tasks' (1997: 223). Later on, this feature would turn out to be crucial for the development of a vibrant Irish indigenous software sector during the 1990s, which became one of the most visible distinguishing marks in debates over the Celtic Tiger phenomenon.

The sample compiled by Sands (2005) also suggests that the distribution of software TNCs in Ireland across those four categories changed during the 1990s, indicating that their FDI seem to have been more concentrated in the last category (that is manufacturing, localisation, distribution), which is also the least skill-demanding category. In effect, although the localisation component involved more skilled work, it represented about 30 per cent of jobs in a typical software firm—half consisting of language graduates involved in translation and the other half of graduate software engineers who actually adapt code for the various national markets (Coe 1997: 222). Yet, this low-skill bias of software TNCs has been to a large extent made up for by the emergence and expansion of a thriving indigenous software sector. Although in the late 1980s it was still composed of very small firms mostly focused on custom software development and other related services for the local market, during the 1990s their strategy changed to product development for export and firms became somewhat larger, but ultimately (despite normal concentration processes) remained small in the main, with the sector thus remaining a highly fragmented one (Sands 2005: 49–53). These smaller-scale operations usually require both low- and high-skilled workers, with the latter generally in a higher proportion *vis-à-vis* larger software development. The dynamism of this indigenous sector has therefore offered a compensatory source of demand for more skilled software labour in the face of the relative skill-downgrade of the more recent wave of relocation by TNCs.

So far our account of the genesis of Ireland's transformation into a Celtic Tiger has placed the accent on the country's integration into the NIDL through its active participation in the computer and software industries, the fundamental carriers of the far-reaching material revolution in the conditions of production that channelled capital's global restructuring of social labour. But those were certainly not the only industries that found in Ireland a convenient national territory for the exploitation of relatively cheap but suitably qualified workers, based on the international fragmentation of the productive subjectivity of the collective labourer.

Notably, an equally dynamic pharmaceutical industry developed from scratch from the end of 1950s and took off during the 1970s. Interestingly for our argument, it followed the same general pattern that governed the overall broader integration of Ireland into the NIDL, namely its participation in medium-complexity portions of industrial labour processes. Experiencing continuous employment growth beyond the 1970s (even after 2001 crisis), the Irish pharmaceutical industry accounted for approximately five per cent of the country's manufacturing employment in 2005, exporting USD17 billion in 2006 (16 per cent of Irish industrial exports and more than a six per cent share of global pharmaceutical exports). The sector's workforce is one of the highest skilled within Irish manufacturing (Egeraat and Barry 2009).

The Irish medical and precision instruments industry is another economic sector that has experienced considerable growth since the early 1970s, as a result of TNCs' increasing tendency to offshore manufacturing activities, in line with the general dynamics of the NIDL (Barry and Bergin 2013). Indeed, by 1970 Ireland's medical and measuring instruments exports already represented a substantial share (about 25 per cent) of Irish total manufacturing exports (see McAleese and Martin 1972: 630–1). According to Barry and Bergin (2013: 326), Ireland is actually 'the second larger exporter of medical products in Europe, after Germany'. Furthermore, it is noteworthy that the share of medical precision and optical instruments in total manufacturing employment in Ireland is quite high (7.9 per cent) *vis-à-vis* the European Union (EU) (2.9 per cent) (Addison-Smyth 2005).

Finally, during the 1990s the country benefited from an important wave of inward FDI in service activities, especially call centres, which has also been an expression of the more recent unfolding of the NIDL through the international fragmentation of back-office work (Breathnach 2000). Crucial factors in this development were Irish relatively low-wages, the existence of a modern telecommunications infrastructure (resulting from a complete overhaul in the 1980s), and the availability of language skills. Indeed, US firms (among which are IBM, Compaq, Dell, Citibank, Hertz, and Oracle) account for 70 per cent of call centres in Ireland and 80 per cent of the sector's total employment, of which a high-proportion (70 per cent) is female labour, and almost a quarter (23 per cent) are foreign workers. By mid-1998, total call centre employment amounted to 6000 persons, distributed in 50 operative centres mainly concentrated in the Dublin region. More broadly, the specific pool of skills demanded from the respective collective labourer also fits into the *general* pattern of Ireland's subsumption under the NIDL, that is, a comparatively high presence of medium-level productive functions coupled with the requisite army of cheap workers bearing a degraded productive subjectivity. As Breathnach (1988: 310) reports, employment in teleservices includes a considerable level of skilled graduate-level work (in the region of 50 per cent), but also a great bulk of routine work requiring lower skill levels.

In sum, we can now appreciate how the Celtic Tiger originated. As a consequence of the very early economic formation of Ireland as a national space of valorisation, the conditions prevailing in the country when the microelectronics revolution started to take shape favoured its pioneer-like integration into the nascent NIDL in a definite set of industrial activities. More concretely, although it also included some traditional sectors, the development of the Irish specificity within the NIDL was especially shaped by the international fragmentation of the pharmaceutical, medical and precision instruments, computer and software industries. These are all industries that demanded a comparatively large proportion of medium- to high-skilled workers, which global capital could find in Ireland at a substantially lower cost than in advanced capitalist countries (yet which were nonetheless geographically close to key European markets), alongside the requisite cheap and disciplined less-skilled work that for technological or economic reasons could not be relocated elsewhere (for example, East Asia). Moreover, all these sectors, along with an incipient international back-office service industry, experienced strong growth in Ireland as an expression of NIDL dynamics, and each one of them contributed to the 1990s boom. However, as for the boom itself, our approach suggests that the peculiar occasion of Ireland's sudden entrance on the world stage as the Celtic Tiger, was fundamentally determined by the explosive increase in global demand for computers and IT products during that decade, as the incorporation of the novel forms of computer-based automation generalised across the globe. Although the new technical basis of the global production of relative surplus-value had already emerged in the early 1980s, the cyclical downturn of the world market in the first years of that decade delayed the manifestation of the accelerated growth of the key driver sectors of the, so-called, new economy. As the world economy resumed an expansive phase during the second half of the 1980s, those sectors took off and actually led the recovery of global accumulation. It is no wonder then that most accounts tend to date the beginnings of the Celtic Tiger phenomenon to 1987, but cannot agree on the specific mix of (externally-related) economic and political factors that changed in those years in order to explain the boom (inter alia: fiscal stabilisation; tax cuts and government-size reductions; social partnership; belated natural convergence inhibited first by protectionism and then by 'poor and wrong-headed fiscal policy'; state policies that raised the education levels of the workforce; an unexplained miraculous sudden growth in export markets and/or inward FDI; competitive devaluations of the Irish pound in 1986 and 1992; the formation of the single European market;, or, lastly, EU structural funds) (see Breathnach 1998; Kirby 2004, 2010; O'Malley 2012). In our view, the reality is that the *fundamental 'structural' underlying causes or determinations* of Ireland's 'Tigerhood' had already been laid out earlier by the specificity of Ireland's subsumption under the NIDL as discussed in this chapter. In this sense, no profound change occurred *circa* 1987. The point is that the cyclical conjuncture of the world economy in the late 1970s and early 1980s meant that the effects of the structural transformations would remain latent for some years. Likewise, we can only tentatively suggest here that the explanation for the *end* of the boom (that is, the transformation of the Celtic Tiger into a Eurozone crisis economy) should also be sought in the twofold dynamics of the further development of the NIDL [the appearance of new competitors with cheaper and more disciplined but adequately-skilled labour-power in key sectors in Central and Eastern Europe and (South-)East Asia], and of the further cyclical development of the long-standing crisis of general overproduction of capital on a world scale.

Conclusion

In this chapter, we have offered a historical sketch of the long-term developmental trajectory of capital accumulation in the Irish national sphere of valorisation. We grounded it in the essentially global dynamics of the accumulation of the total social capital, through the production of relative surplus-value and changes in the modalities of the international division of labour they entailed.

As we have seen, from its genesis as a politically-autonomous national space of valorisation up until the crisis of ISI in the late 1950s, Ireland had been subsumed under the CIDL on extremely weak foundations, which in turn are the expression of a modest and declining flow of ground-rent into the national territory. This led to the constitution of what proved to be a long-standing and resilient determination of Ireland as a reservoir of latent and stagnant surplus population for the needs of global capital accumulation, which would be reproduced under changing historical forms. This determination gives unity to the first great phase of capitalist development in the country.

Premised on this ‘chronic’ historical condition that redounded in the availability of a mass of cheap yet adequately skilled labour-power and a strategic geographical location, the Irish national space of valorisation experienced a pioneering subsumption under the NIDL in the making from the 1950s. These conditions constitute the second great phase of capitalist development in the country, and would give the integration of Ireland into the NIDL an idiosyncratic shape. In the first place, from a very early phase the Irish process of capital accumulation was marked by a pattern of specialisation of its productive structure that revolved around, what was then, a key sector of an emerging microelectronics-based automation of capitalist large-scale industry (computers and hardware first in the 1970s and 1980s and software a decade later). In the second place, unlike the late-industrialisation experiences of the East Asian Tigers, the subsumption of Ireland under the laws of motion of the NIDL did not start with the simplest organs of the collective labourer of large-scale industry. Instead, from the very beginning capital could profit in Ireland from the exploitation of the cheaper labour-power of medium-complexity productive attributes available in that national sphere of valorisation (alongside the requisite mass of unskilled workers it could also find there). These are the historical conditions that eventually came into fruition in the 1990s and which therefore underlay the impressive economic expansion associated with the Celtic Tiger boom.

At first sight, this phase of prosperity seemed to imply that Ireland had definitively overcome its historical condition as a reservoir of relative surplus population for the global accumulation process. However, the Celtic Tiger’s recent crisis seems to suggest that one should not rush to conclusions and that Ireland’s subsumption into the NIDL might not rest on very solid foundations. On the one hand, the very transformative tendencies of the material forms of production of relative surplus value that underlie the NIDL constantly make possible the integration of ever newer sources of even cheaper and more compliant but suitably-skilled labour-power. On the other hand, those very same tendencies revolutionise the means of communication and transport and thereby lead to the gradual erosion of any competitive advantage in geographical proximity to European markets that has also played its part in the peculiar forms taken by Ireland’s subsumption under the NIDL.

Notes

1. See the respective Chaps. 2 and 3 for an extended account of the determinations behind the incorporation of new territorial sources of raw materials for global capital accumulation and the consequent configuration of the 'classical' international division of labour.
2. See Chap. 2 and Starosta (2010) for the determination of small industrial capitals and their systematic release of surplus-value in circulation.
3. Surprisingly, Kirby (2010) quotes these figures as evidence of the 'initial success' of the new government's industrialisation policy.
4. Between 1932 and 1938 exports were also affected by the Economic War with Britain that followed the Irish government's decision to stop payment of land annuities owed to the British Exchequer and which had originated during the land reform period.
5. See Marx (1976: 794–802) on the different modes of existence of the relative surplus population resulting from the unfolding of the general law of capital accumulation.
6. See Chap. 4 for a further examination of these issues.
7. Although from an early stage the Irish working class lacked the relevant 'particularistic' technical skills, they possessed the 'universalistic' productive attributes (including flexibility and versatility) derived from a generally good level of basic education (Breathnach 2007: 136). As for the former particularistic productive attributes, note that most jobs in the newly emerging sectors initially were either 'unskilled' or, in a minority of cases, were 'semi-skilled' (Barry and Brunt 2002; Breathnach 1993); in both cases, those attributes could be more or less rapidly developed with 'on-the-job' training.
8. The government received £40.8 million plus a £6.5 million grant between 1949 and 1952, but total net capital inflow during those years amounted to £106 million (McAleese 1972).
9. Some authors place this low corporate tax regime on an equal footing with cheap but adequately-skilled labour power as the fundamental reason for the inflow of FDI into Ireland (Barry 2004: 16). O'Hearn (2003: 37) goes as far as considering it as essential to the inflow of FDI by TNCs, with an available pool of relatively low-waged IT experts reduced to a factor of secondary importance, since their wage bill is relatively low compared to other costs. These views fail to ask about the source of social wealth that can sustain such a low corporate tax without eroding the normal fiscal base of the capitalist state. In fact, O'Hearn unwittingly offers clues to this question. As he notes, the low corporate tax regime went hand in hand with a drastic and regressive rise in taxes on incomes and expenditures which, moreover, was not directed towards spending in basic social

programmes (O'Hearn 2003: 47–50). Thus, the levels of state spending on health, social housing, and education were among the lowest in Europe in the mid-1990s, with many social services run down. But this can only mean that the low corporate tax rate regime is only sustainable at the expense of undermining the normal conditions of long-term reproduction of the Irish working class—that is, at the expense of the purchase of labour-power at its full value. In other words, the low corporate tax regime seems to be but a concrete form of the exploitation of relatively cheap labour-power and not an independent factor in attracting FDI.

10. Concerning the IDA in particular, it is noteworthy that even those who see it as a planning agency that autonomously steered the form of integration into the NIDL recognise that in key cases the selection of (eventually successful) target industries usually follows a prior wave of uninvited inflows of FDI. Thus Barry (2004: 18) narrates that 'having attracted several computer and components firms in the 1970s, for example, and being favourably impressed by their performance in situ, electronics and computer software were among the industries listed as meeting these criteria in 1983, when an all-out campaign to develop Ireland as a major European location of such activities began'. Similarly, the turn to a deliberate 'export-oriented strategy' in Korea occurred *after* the *unexpected* impressive performance of exports towards the end of the 'inward-looking' First Five-Year Plan, which took even policy makers by surprise (Grinberg 2011).
11. Strictly speaking, as the experience of late industrialisation in Taiwan shows, it is possible for a mass of small capitals to turn into the active immediate subjects of the valorisation process on the basis of their subsumption under the NIDL. However this possibility must be predicated on a much cheaper labour-power and more brutal conditions of its consumption (that is, exploitation) than the historical conditions of reproduction of the working class prevailing in Ireland allowed. As for the Korean experience of generating national champions (that is, the *chaebols*), it must be noted that those large industrial conglomerates had already been created *before* the turn to 'export-oriented industrialisation' (Krause 1997: 138; Kim 1976; Woo 1991).
12. Although it is true that the share of exports to the UK tended to decline, it still reached 63.1 per cent in 1971. By contrast, the share of exports to the EEC reached only 12.4 per cent (other OECD countries took 13.8 per cent and all other areas 8.1 per cent) (McAleese and Martin 1972: 616–7). The composition of exports by destination was therefore very varied.
13. By 1980–1981 the occupational structure of the electronics industry in Ireland was, in international comparative terms of the complexity of labour-power, halfway between that prevailing in the USA and that in the, so-called, East Asian Tigers (Drew and Foster 1994; see also Barry and

Brunt 2002; Breathnach 1993). On the other hand, compared with the average Irish manufacturing occupational structure, the electronic industry is relatively more skilled.

14. PC assembly operations peaked in 1998 (when measured by employment figures) and started to shrink thereafter, so that by 2002 the only system assemblers remaining in Ireland were Dell and Apple (with the latter heavily downsized) (van Egeraat and Jacobson 2004: 813–14).
15. Evidence of this lies in the fact that, even allowing for a threefold overstatement of Irish figures due to transfer price fixing by TNCs to benefit from the country's low corporate tax policy, Ireland's software exports in 1990 were still seven times greater than those of Israel or India (Dossani and Kenney 2008: 56).

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CHAPTER 7

New International Division of Labour and Differentiated Integration in Europe: The Case of Spain

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The tendency toward a new international division of labour (NIDL) intensified with the crisis of general overproduction that engulfed the advanced capitalist countries in the 1970s. From the 1980s in those countries, trade union power was defeated, industries were privatised, labour markets were

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segmented, and unemployment rates increased, while public spending on health and education diminished. The result has been a marked differentiation in the conditions of reproduction and exploitation of the working class *within* as well as across national borders—while, in general, average real wages have stagnated and income inequality has deepened. Iñigo Carrera (2013: 71–2; also Chap. 4) explains how this process unfolded in Europe through a form of differentiated integration:

> the gradual formation of a new national ambit of accumulation—and hence of a new national state—[is one] that starts by integrating formerly autonomous national spheres into a supranational organisation. The European Union includes national working classes bearing different histories with respect to their productive subjectivity and, therefore, with respect to the conditions in which they reproduce themselves. Under the concrete political form of an extended equality among their citizens, some countries of the union came to be suppliers of relatively cheap labour-power to the capital located in others. At the same time, the relative dissolution of each national unity allows an exacerbated regional and local differentiation in the internal reproduction of labour-power … Now, with an internal market that transcends [immediate national unity] capital maximises its accumulation on the basis of the regional and local differences in the reproduction of labour-power.

The more recent crisis of general overproduction that erupted with the collapse of large US investment banks in 2008, and which dragged much of the world's national economies into recession by 2009, has not only confirmed that a pattern of uneven development between countries exists in Europe, but also how crisis serves to further reinforce the process of internal differentiation of the reproduction of labour-power, particularly under the conditions imposed by European Monetary Union (EMU) and the adoption of a single currency, the euro.

While productivity increases surpassed wage growth in countries such as Germany between 1999 and 2007, wage growth and unit labour costs in the European South (including Ireland) outstripped the growth in labour productivity, which rose only sluggishly, stagnated, or (as in the cases of Italy and Spain) actually declined (Cambridge Econometrics 2011: 10; ILO 2013: 15–16). Economic growth and the expansion of social consumption across the European South during the 'boom' of the early- to mid-2000s rested instead upon the expansion of corporate and household debt, fuelled by an accelerated inflow and recycling of fictitious capital from the northern 'core' that was encouraged by low interest rates, banking deregulation, the high profitability of speculative urban and infrastructure construction and development (often linked to tourism), and the profitability of key non-tradable sectors in countries like Greece, Ireland, and Spain. A direct response to the 'Great Recession'—the sovereign debt problem arising out of banking bailouts and suchlike—across the EU has, as a consequence, consisted of the imposition of fiscal discipline and social austerity (Burnham 2011). Amidst rising unemployment and precarity across the Eurozone,[1] states have further sought to re-adjust national competitiveness by means of, so-called, internal devaluations (that is, reducing the cost of labour-power)—thereby deepening the structural differentiation of labour-markets within their respective national spheres.[2]

Much as Friedenthal and Starosta's contribution to this book asserts, it is of crucial importance that we understand the longer-term historical role played within the NIDL by relatively late industrialising countries if we are to grasp the essential relation between global transformations and (uneven) national development—and especially if we are to explain why and how some countries and regions are today bearing the brunt of crisis, austerity and internal devaluation in a unified Europe. As we will see in the case of Spain, it is precisely on the material basis of its full integration within the NIDL from the 1970s to provide a relatively cheap source of labour-power in geographical proximity to the European Economic Community's (EEC) market that the conditions of the reproduction of the working class were shaped, and it is this historical component that prefigured the process of differentiation within and across its borders since then—a process compounded and deepened by successive crises and the development of the NIDL itself since the 1970s.

The *Backward* Character of Capital Accumulation in Spain Prior to the New International Division of Labour

At first glance, there are perhaps reasonable grounds for comparison between the economic histories of Spain (and other southern European spheres of accumulation) and Latin American counties, since both have a history of late industrialisation on the basis of some version of a strategy of import substitution (ISI). In the Spanish case, after the fascist victory in the civil war (1936–1939), the national sphere of accumulation was largely closed to foreign imports of commodities as part of an especially restrictive, autarkist ISI policy.[3] Much as in Latin American countries at that time, the Spanish state imposed quantitative restrictions on imports, foreign exchange controls, a fixed and overvalued exchange rate, it controlled capital markets, and centralised the regulation of foreign trade—eventually administering it through a multiple exchange rate system. With such protectionist measures in place, the Franco regime created the Instituto Nacional de Industria (INI) in 1941; a state holding company charged with promoting national industrial development in key sectors—initially energy, iron, and steel production. Under ISI Spain began to industrialise, with average industrial growth rates in the 1950s four times higher than in the 1940s. By 1960, industry was contributing 30.93 per cent of GDP (Prados de la Escosura 2003: 584), with the INI having secured state monopoly control in over 60 national enterprises and across a range of sectors by the mid-1960s, including new sectors of national interest such as automotive manufacturing.

Yet there were always important differences between Spain—and other southern European countries that adopted ISI—and Latin America. One of the insights developed in the work of Iñigo Carrera (2007, 2013) concerns the specificity of the process of capital accumulation in countries where the relation between the total global social capital and the national sphere is politically mediated by ISI policies. This has historically been the case in ‘resource rich’ Latin American countries where the appropriation of ground-rent is mediated by state policies and institutions that transfer resources from the primary sector to the rest of the economy (see Chap. 3). The fundamental significance of national accumulation processes based upon the appropriation and recovery of ground-rent by the state, landlords, and (both national and global) industrial capitals is that the development of the forces of production proceeds on a limited, ‘backward’ basis, relative to world market norms. The appropriation of ground-rent compensates for higher production costs incurred by smaller, backward capitals, so they can nonetheless valorise at the general rate of profit. In Spain, however, given the absence of a sufficient magnitude of ground-rent and the limits inherent in the systemic payment of labour-power below its value (which was the primary basis for the valorisation of capital in the early years after the Civil War) ISI was always doomed to failure. The forms of compensation that extended the life of ISI up to the late 1960s were instead strongly dependent upon the expansion of capital accumulation outside Spain, and, as we shall see, in northern Europe in particular—which, of course, was drastically restricted in the general crisis of overproduction of the 1970s.

The primary basis for the valorisation of domestic capital in Spain prior to the 1960s was certainly the purchasing of labour-power below its value (Molinero and Ysás 2003; Vilar Rodríguez 2012: 7–8). While nominal wages increased slowly between 1939 and 1951, the rate of increase was maintained below that of wage-goods prices, resulting in the diminution of purchasing power for the majority of the population. In 1956, for example, the estimated real value of wages was between 15 and 35 per cent below the pre-Civil War level, with an associated low per capita consumption of staple foods (Lieberman 1982: 188). Nevertheless, by the end of the 1950s the limits to rapid industrialisation on the basis of an extremely restrictive version of ISI were beginning reveal themselves—and notwithstanding the additional compensatory benefits of bilateral aid agreements secured in this period (of note, the 1953 Pact of Madrid struck with the USA). By then, the state had exhausted its foreign exchange reserves, could no longer finance a spiralling budget deficit, and nor could it stave off workers' demands for wage increases in the context of high inflation.

The implementation of the 1959 Stabilisation Plan by Francoist technocrats—a turning point for most economic historians of this period—was a necessary response to a looming national crisis that expressed the limits to autarky. The Plan consisted of public austerity to attack domestic inflation coupled with the controlled liberalisation of imports. Multiple exchange rates were unified and, in Spain's joining of the Bretton Woods monetary system in 1961, the peseta was devalued and became convertible on international markets—thereby boosting the export capabilities of some national industries. Most significantly, however, new foreign investment regulations permitted up to 50 per cent ownership in Spanish firms, with no limits imposed on strategic sectors such as steel, textiles, shoes, leather, machine tools, and construction. As a result, between 1958 and 1972, Spain's most important local capitals expanded, but in turn (with the exception of the shipbuilding and electricity sectors) became heavily dependent upon FDI and foreign technologies in what constituted a later phase of the classical international division of labour (CIDL), in which foreign capitals invested in local capitals whose turnover cycles were largely opened and closed within the protected Spanish market.

The high levels of growth that Spain enjoyed in the 1960s were therefore based upon the continued reproduction of small industrial capitals (see Iñigo Carrera 2013: 136–8) producing for the domestic market. In the absence of a large magnitude of inter-sectoral transfers from primary materials exports that sustained ISI in Latin America, the Spanish state found that it could only sustain ISI beyond the 1950s due to three developments that brought into sharp relief the necessary relation between the national and the global (especially northern European) spheres of accumulation (Charnock et al. 2014: 48–50). First, the inflow of remittances from millions of Spaniards who left the country to work abroad (under different variations of the West German *Gastarbeiter* arrangement) had the effect of allowing Spanish households to consume wage-goods even when the state fixed wages below socially necessary levels (to the benefit of the valorisation of small industrial capitals). Second, flows of value from outside the national sphere of accumulation that arrived in the form of revenues from mass tourism had the combined effect of allowing Spanish workers employed (formally and informally) in the tourism economy to meet their subsistence needs, of expanding the domestic market, and, importantly, of allowing the Spanish state to finance its current account and balance of payments deficits. The third development was the arrival of restricted, incipient flows of FDI oriented toward production for the domestic market. In addition to the lowered costs of production provided by the exploitation of low-skilled, surplus labour-power in and from late industrialising countries, the rise in FDI from the 1960s can also be explained by the benefits that accrued from the importation of patents and machinery from abroad. States like Spain could establish a basis for the expansion of domestic industries by facilitating the import of technologies deemed obsolete by world market industry; that is, means of production that could no longer maintain the productivity of labour relative to new means of production and/or in new configurations of the labour process in specific branches of production for the world market, but which still served to raise the productivity of labour within the restricted scale of the protected domestic market, and so to raise the rate of profit for those small industrial capitals that put them to use in their labour process (the basis of, so-called, secondary ISI—see Phillips 2004: 43–4).

By 1974, however, Spain eventually did experience the onset of a global crisis of overproduction in the form of a crisis of ISI. The conditions were ripe, then, for Spain to assume a position within the emerging NIDL based upon the following conditions. First, that it offered foreign capitals the opportunity to relocate parts of the production process to a low-wage labour market,[4] and an economy in which internal demand was rising and obsolete industrial technology and patents could be profitably recycled by foreign industrial firms. Second, and after the state's watershed agreement with the Ford Motor Company (discussed below), which marked the beginning of a transition to the export-oriented subsumption of the national sphere of production to the NIDL, Spain offered foreign capitals geographical proximity to the expanding European internal market—a prospect that would be completed with the country's full accession to the European Community (EC) in 1986.

The Integration of Spanish Industry Within the New International Division of Labour: The Case of the Automotive Industry

From our perspective, an analysis of the Spanish automobile industry illuminates the basis upon which Spain was inserted into the NIDL from the 1960s, and allows us to examine the relation between global transformations and uneven national and regional development. Spanish automotive production was transformed in the 1940s under early ISI and the auspices of the INI, which established Sociedad Española de Automóviles de Turismo (SEAT) with a 51 per cent capital share in 1948 (the Italian firm Fiat providing the patents in return for a seven per cent initial share). In 1951, Fabricación de Automóviles SA (FASA) was created in Valladolid after an agreement was struck with the French producer Renault to produce FASA's vehicles under licence, with 70 per cent Spanish capital (mainly from Banco Santander), thereby establishing an effective duopoly in Spanish production (Catalan 2010: 211). By 1962, these firms were specialised in small vehicle production under Italian and French licences, and both fared well in the boom of the 1960s. By 1970, when the EEC reduced tariffs on Spanish imports, SEAT was Spain's leading export firm and its flagship 'national champion'. Yet, in García Ruiz's (2001) estimate, the development of the car industry was predominantly fed by rising internal demand up until 1967—the same year in which the state was forced to devalue the peseta in the face of a growing balance of payments deficit, the onset of rising inflation, and a brief recession that defined the limits of profitability on the basis of production solely for the domestic market (Román 1971: 86). Realising that the domestic market had reached the limits of its development, Fiat and Renault opted to permit exports of cars from Spain produced under their licence but demanded a greater share of SEAT and FASA, respectively, in return. However, the picture that had emerged by then was one of an industry that was technologically backward and increasingly dependent upon foreign investment and technology. Production by these firms during the 1960s and into the 1970s was characterised by small economies of scale, short production series, high labour intensity, technical backwardness, and the manufacture of products that were antiquated in relation to world market standards (García Ruiz 2001: 145; Ramos Barrado 1986). Outside the duopoly, the growth of an auxiliary components industry consisting of many small capitals was sustained largely by the state's insistence upon a 90 per cent quota of Spanish-made parts.

By the early 1970s, the limits to the ISI-based expansion of the Spanish car industry were being felt. Faced with increasing labour costs, SEAT's profits declined from a 4.2 per cent margin in 1967 to 2.2 per cent in 1971 (Catalan 2010: 216). At this time, the Ford Motor Company was also in negotiation with the Spanish state to invest USD 300 million in a new assembly plant in Almusafes, Valencia, in return for several concessions (Studer-Noguez 2002: 92–3). By 1972, in what are known as the Ford Decrees, the state agreed, among other things, to relax the quota on Spanish-made parts, to decrease tariffs on imports of Ford components, and to exclude imports from other foreign firms. For its part, Ford's aim was to assemble the small Fiesta car in Spain for the EEC market, taking explicit advantage of a flow of suitably qualified, guest-workers' labour-power now returning to Spain in the context of the European recession—'a welcome nucleus of already trained men' (Turner 1977: 41)—and saving on the cost of producing cars in the USA for export in short runs (Doz 1986: 72–3). Production of the Fiesta in Valencia commenced in 1976. The arrival of Ford therefore heralded the beginning of the transition toward a full insertion of the national process of accumulation into the emergent NIDL, based upon the export-oriented manufacturing of low-cost small vehicles of relatively lower technological complexity, and taking full advantage of the relatively cheap, adequately trained nucleus of labour-power then available to it.

The global crises of the 1970s impacted significantly upon the structure of the global car industry. Since then, production has been concentrated in a decreasing number of producers facing problems of over-capacity in European, Japanese and US markets—even in periods of growth. As the NIDL developed on the basis of transformations in the production process associated with *systemofacture*, and in the face of heightening global competition,[5] Spain became an attractive export base for Ford's global competitors, precisely on the basis of offering relatively low-wage labour capable of adapting to labour processes of relatively low complexity (Rubenstein 2001: 344). Following Ford, and the state's, relaxation of the Spanish-made components quota to 60 per cent for all producers in 1979, General Motors established a plant near Zaragoza to produce the Opel Corsa (launched in 1983). This, together with the effects of the crises of the 1970s, was disastrous for SEAT, whose market share in Spain fell from 51 per cent in 1973 to 26 per cent by 1980 (Catalan 2010: 222).[6] At the height of recession in 1981, Fiat relinquished ownership of SEAT back to the INI and negotiations commenced with the German producer Volkswagen that culminated in the transfer of 51 per cent of the company in 1986—marking the end of a period in which foreign capitals' presence in Spain was mainly on the basis of producing obsolete car models for the domestic market (Álvarez Gil and González de la Fe 1997).

From this moment, the position of the Spanish automotive industry became, in a sense, *intermediate*: its position within the NIDL was that of a producer and exporter of equipment and components of lower complexity, and an importer of higher value-added components (Catalan 2010: 222; Ramos Barrado 1986).[7] This position was further consolidated from the 1980s and into the twenty-first century as, confronted with rising production costs and falling demand, the global automotive industry's response to the crises of the 1970s was to seek to lower costs by adopting leaner production technologies and reducing the minimum efficient scale of production through the introduction of automated production technologies—mainly industrial robots and computer-aided manufacturing (see Grinberg 2013: 181–2). This transformation entailed the geographical dispersion of different moments of the production process and the expansion of networks of labour-intensive production of components by small-scale auxiliary suppliers. Unsurprisingly then, the takeover of Spanish automotive producers in the 1980s proceeded on the basis of the transformation of technologies and organisation of production in line with recent revolutions in the labour process (so-called Toyotisation, after the Japanese producer) (see Álvarez Gil and González de la Fe 1997; Pallarès Barberà 1997)—a process mediated by the then Socialist government's further relaxation of the legal restraints on foreign capitals' restructuring of the labour process and the quota of Spanish-made components.

Since the 1980s the structure of automotive production within Spain has become markedly differentiated, and in a manner consistent with the international fragmentation of the collective labourer in general under the NIDL—as explained below. From the 1980s there has been an expansion in the number of small capitals acting as auxiliary suppliers to foreign-owned capitals engaged in large-scale final assembly for export. The former produce products of low technological complexity, while the latter involve *relatively* more technologically complex, higher productivity labour processes (see Aláez Aller et al. 2009; Pallarès Barberà 1997, 1998; Truett and Truett 2001). In the latter's original equipment manufacturing (OEM) plants, capitals are compensated for paying higher wages due to relatively high levels of labour productivity; while wages in the auxiliary sector—in which a far lower proportion of workers are unionised—have been relatively low (Banyuls and Llorente 2010). The 2009 crisis and ensuing recession has further consolidated the Spanish automotive industry's position within the wider international and European division of labour—although it has also exposed it to further competitive pressures from the accession countries of central and eastern Europe, such as Hungary, where small cars and light commercial vehicles can be produced using relatively cheaper labour-power with sufficient capacity to work with relatively more complex technological processes than can be found in Spain (Minetur 2011: 42; also Aláez Aller et al. 2009: 51). Notwithstanding such pressures, Spanish automotive producers (who contributed 10 per cent of GDP and employed 9 per cent of the active labour force in 2013—PWC 2013: 39) increased output and direct employment since 2009, albeit on the basis of their lean, flexible reliance on components supplied by a mass of local small capitals (Anfac Research 2014; Galindo 2013). Indeed, the crisis has deepened the differentiation of capitals within the Spanish automotive industry, and to the extent that, firstly, producers have expanded their outsourcing practices in an increasing number of design, production, logistics, and assembly functions to auxiliary suppliers to reduce costs (Minetur 2011: 49).[8] Secondly, this process has accentuated the hierarchical relation between different tiers of components-supplying capitals within Spain: (1) those that belong to TNCs; (2) those small components manufacturers who have responded to competitive pressures by increasing their scale of production and upgrading technological processes; and, (3) those that have been unable to adapt to increased competition and whose reproduction is therefore at risk (Minetur 2011: 49–50)—further deepening the differentiation of the conditions of the reproduction of labour-power within the automotive industry.[9]

The New International Division of Labour and the Differentiation of Capitals and of the Conditions of the Reproduction of Labour-Power in Spain

The account above of the development of the Spanish automotive industry within the NIDL, reflects the general development of industry in Spain since the 1970s. To understand this development, it is crucial to bear in mind how state managers in Spain have struggled to create the necessary conditions for the expanded reproduction of capital since the crises of that decade and the political transition to a liberal democratic form of state. By 1977 the first civilian government in Spain had enacted a series of drastic economic policy measures, including curtailing the money supply, reforming labour legislation, and introducing wage controls. This occurred in the context of high interest rates across the classic capitalist countries, and the monetary squeeze that constituted part of a global disinflation strategy—the first move having been made by the US Federal Reserve and the, so-called, Volker shock of 1979. As is well documented in IPE literature, this marked an incipient process of economic and political restructuring that was ideologically justified by a new social realism and the championing of the free market (that is, neoliberalism). At the same time, the formal process of European regional integration gathered momentum. In this period, states across the European south had to find some way to confront the problems of falling profitability, high inflation, de-industrialisation, rising unemployment, and public deficits (Hopkin 2012: 38; Karamessini 2008: 514)—problems for which a single European market and monetary union were seen as the solution by successive governments.

Between 1977 and 1988 Spain's balance of payments steadily improved and inflation decreased (Boix 1995: 35), but at the cost of high numbers of closures of credit-dependent industrial firms and—under the Socialist government's industrial reconversion, or cleaning up programme (*el saneamiento*)—a total loss of some 700,000 manufacturing jobs (Lieberman 1995: 281–3). After the removal of restrictions on temporary contracts in 1984, fixed-term employment rose dramatically, reaching 30 per cent of total employment in Spain by 1991 (Jimeno and Toharia 1994: 18). From 1979 to 1986, real wages experienced a sustained decline (López and Rodríguez 2010: 148). Thus, the burden of transition toward a fully liberalised market and Spain's full insertion into the NIDL was placed squarely upon the Spanish working class (Etxezarreta 1991: 40). The rate of profit continued to rise throughout the 1980s up until the recession of 1992 (Nieto Ferrández 2007: 200). Meanwhile, according to Viñals et al. (1990: 161), labour costs in Spain by 1985 were about 43 per cent lower than in other industrialised countries, with the vast majority of new employment being on the basis of flexible contracts. At the same time, the growth of Spain's service sector and its recently territorially decentralised public sector—in the form of the 17 Autonomous Communities, which drew many women into employment in education, health and cultural sectors—began to grow disproportionately to manufacturing (Santos Preciado 1997: 155). From this point the markedly segmented character of the labour market (Vilar Rodríguez 2012: 21–2) served to reduce the membership base of the trade unions and to weaken their capacity to resist the downward pressures on wages and working conditions (Banyuls et al. 2009: 255; Boix 1995: 38).

Crucially, during this period levels of investment in industry remained relatively low; a problem exacerbated by a domestic banking crisis between 1977 and 1985 that restricted liquidity (and which culminated in the centralisation of 73 per cent of banking activity in the hands of the Big Seven large financial groups by 1984) (López and Rodríguez 2010: 154). Unemployment rose to 22 per cent by 1984, and was accompanied by the emergence of a huge informal economy as workers strove to cope with layoffs associated with the *saneamiento* (Benton 1992). The terms and conditions of work in industries such as textiles, footwear, toys, and other light manufacturing sectors were particularly affected by newly emergent subcontracting relations that transformed the spatial organisation of production in Spain and, with it, the structure of the Spanish labour market (see Santos Preciado 1997). The devaluations of capital and labour under industrial reconversion had, in short, provided a fresh supply of low-wage labour to Spain's small capitals and on the basis of flexible work contracts (90 per cent of all annual contracts issued from the mid-1980s, according to Martínez Lucio and Blyton 1995: 351), competing to supply to normal, foreign-owned capitals engaged in larger-scale production.

Since the 1990s Spanish industrial production has continued to be concentrated in a mass of small capitals whose development is either restricted to the scale required for local markets, or else is dependent upon their ability to survive in competitive, geographically-concentrated markets supplying mostly foreign-owned normal capitals with inputs of low- to intermediate-technological content (Cabrero Bravo and Tiana Álvarez 2012: 83; European Commission Staff 2015: 16). In terms of scale, for example, between 1990 and 1996 only 25.2 per cent of the 33,203 new manufacturing plants established in Spain had more than nine employees (Arauzo-Carod and Segarra-Blasco 2005: 150–1).[10] In sectors at the vanguard of the transformation of automation processes upon which the NIDL has been dependent (see Chap. 4), Spanish capitals have, in general, failed to develop in step with world market norms (Charnock et al. 2014: 70–2), notwithstanding the, so-called, multinationalisation of Spanish manufacturing firms from the 1980s (cf. Holman 1996).[11] The inflow of FDI in the 1980s did little to encourage investment in productivity by the majority of Spanish firms. Inter- and intra-industrial trade continued to be characterised by the export of goods of inferior quality to those being imported—a problem attributable to the pervasive use of relatively backward technologies (Martínez Zarzoso 1999). By 2005 Spain had invested just 1.03 per cent of GDP in R&D—half the average for the EU-15 (Mathieson 2007: 22).

The fifteen-year period following the 1992 recession in Spain nonetheless witnessed the aggressive expansion abroad of a select number of domestic banks and firms, to the degree that in 2005 the volume of outward FDI exceeded inward investment for the first time in Spain's history (Fernández 2011: 151). The bulk of Spanish direct investment abroad went into Latin America (see Santiso 2007). The basis for the expansion of some firms after the mid-1990s lay in the state's proactive role in the centralisation and concentration of capital in specific non-industrial sectors. The, so-called, big five (Endesa, Repsol, Telefónica, and the two major banks, BBVA and BSCH) were the main beneficiaries of state protection in the 1990s, and by 2004 shared more than 60 per cent of the net profits of the 35 companies that make up the Spanish stock market index (IBEX) (Etchemendy 2004: 648). By the mid-2000s, therefore, Spain's largest and most profitable capitals were concentrated not in general manufacturing sectors, but in sectors such as banking, construction, utilities, public services, retail, and hospitality. As we have explained, the relatively backward development of industrial capitals in Spain can be explained by their restricted production for the domestic market, on the one hand and on the other, on a scale required to compete in supply networks for foreign capitals (see Arocena 2004). Spain's most profitable capitals, on the other hand, reached the degree of concentration required to compete as normal capitals at the scale of the world market, and with the support of the state—albeit in specific sectors in which these capitals mainly opened and closed their valorisation processes abroad.[12]

One significant result of the outward internationalisation of certain Spanish capitals concerns the external debt that weighs heavily upon the state today. As the accumulation cycle intensified in Spain during the boom that ended in 2009, the state used growing tax receipts—especially from construction and housing—to support acquisitions abroad by Spanish firms under the terms of, so-called, goodwill payments (Chislett 2007: 4). Between 2005 and 2007, when the state boasted a current account surplus (generated from taxes collected during the height of the property boom), Spanish companies spent a total of €140 billion on domestic and overseas acquisitions (Royo 2009: 20–1). By the 2000s, therefore, Spain could boast globally competitive, internationalised capitals. Yet, at the same time, its domestic industries increasingly relied upon low-wage, low-productivity, informal labour-power producing either for local markets or in highly competitive and low-profit supplier networks. The uneven development of the branches of production in Spain was fed by large inflows of money capital that supported the internationalisation of select Spanish companies, unprecedented levels of growth in the Spanish construction sector,[13] and rising levels of debt-dependent private consumption.[14]

Crisis and the Compounded Deterioration and Differentiation of the Conditions of the Reproduction of Labour-Power in Spain

A national process of accumulation reproduced through the expanded consumption of imports over the production of exports, with stagnant or deteriorating productivity, but which grows at an annual average rate of 4.4 per cent for almost ten years, can only reproduce on the basis of some form of compensation, and, in the Spanish case, this was debt. The cycle of growth in Spain prior to 2008 rested upon huge inflows of fictitious capital from abroad (and especially from the European ‘core’ through the covered bonds market linked to mortgage-debt refinancing)—speculative investment that was switched into Spain through its savings and commercial banks into the then especially profitable construction sector and real estate market.[15] For much of the working class in Spain, expanded consumption during the pre-2008 boom depended upon rising levels of private debt and, often, upon cashing in the equity from rapidly rising house prices (López 2007: 219). The ratio of resident household debt to

GDP in Spain grew from under 55 per cent in 2000 to over 90 per cent in 2010,[16] while estimated net household debt as a percentage of disposable income grew from 85.97 per cent in 2000 to 144.32 per cent in 2006—almost 40 per cent greater than the eurozone average (OECD 2008: 25, Fig. 1.3).[17] As is widely acknowledged, the disproportionate expansion of the construction sector relative to other sectors during the boom raised the price of non-tradable goods and reduced the competitiveness of exports, fuelling inflation and exacerbating the need to fund social consumption through the further expansion of credit. Meanwhile, overproduction in the construction sector was endemic; between 2001 and 2011, there was a 24 per cent increase in housing stock (to more than 26 million homes), relative to just a 5.8 per cent increase in the population (to approximately 47 million inhabitants) (Stücklin 2013; see also García 2010).

In this context, it is not surprising that the dramatic rise in unemployment since 2008 has not been the only palpable indicator of the impact of the crisis on the working class (unemployment in Spain reached a record high in 2013 of over 6.2 million people, or more than 27 per cent of the population of working age, rising to 57 per cent for under-25s—INE 2014: 5). Indeed, the impact of the crisis on housing provision has been equally stark. Between 2008 and 2012 there were 172,000 court-ordered evictions in Spain as a result of mortgage payment defaults. By 2015 the rate of household evictions stood at 95 per day, in a country with an estimated 3.4 million empty homes (30 per cent of all vacant properties in Europe) (Keeley 2015). The sharp rise in unemployment has swelled the ranks of the surplus labour population in Spain, and to the extent that, by 2013, 12.6 million people were deemed to be at risk of poverty or social exclusion according to government figures (reported by European Commission Staff 2015: 6). The impact of the crisis from the point of view of capital is that internal devaluation (together with labour market reforms in 2010 and 2012) has borne fruit. Unit labour costs in Spain were reduced by 4.1 per cent between 2009 and 2013, while the cost competiveness gap between Spain and the core, northern eurozone countries narrowed due to wage moderation and some gains in productivity. Yet, the impact of the crisis on labour markets has been to fragment them further still; the share of temporary employment reached 24.6 per cent in 2014 (largely in low-wage, low-skilled positions), with 91.9 per cent of all new contracts in 2014 being fixed term (over half of which were for less than three months) (European Commission Staff 2015: 40). Meanwhile, Spain has once again become a country of net outward migration, as more and more workers leave to find work abroad.

The impact of the crisis upon the demand for labour-power in Spain in general has not been geographically uniform, however—a fact that reflects the differentiated development of industrial and non-industrial specialisation, and the uneven development of labour markets and the conditions of the reproduction of the working class within Europe and Spain. Of the ten EU regions with the highest unemployment rates in 2012, seven were Spanish (with six Spanish regions among the top ten EU regions in youth unemployment terms); while there were also four Spanish regions in the top ten EU regions in terms of increased unemployment rates, 2008–2012 (the others were in Greece) (European Commission 2013: 34, 36). In terms of the uneven impact of the crisis among Spanish regions, Andalucia, Aragon, Murcia, and Valencia saw their unemployment rate triple between 2007 and 2013 (Cuadrado-Roura and Maroto-Sánchez 2014: 8, 13), while the increase in jobless rates in other regions, such as the Basque Country, La Rioja, and Navarre, was relatively less pronounced—a situation that can largely be explained by longer-term, spatial patterns of regional specialisation in different productive sectors that saw the former regions concentrate production processes in construction and primary commodity sectors. The differences between the regions in terms of risk of social exclusion also reflects the uneven spatial differentiation in the conditions of the reproduction of the working class in Spain; while the rate of risk in the more industrialised, richer regions in the north—such as the Basque Country and Navarre—was less than 20 per cent in 2013, it ranged between 35 per cent and 39 per cent in the Canary Islands, Extremadura, Castille-La Mancha, and Andalusia—even reaching 47 per cent of the population in the city of Ceuta (Prats 2015).[18]

Conclusion

This chapter has offered an overview of the development of the Spanish national sphere of accumulation since the Civil War, tracing the material bases for this development within the CIDL as mediated by a—firstly restrictive and then relatively more open—ISI strategy on the part of the Francoist state. We argued that ISI was always beset by an inherently limited potentiality in Spain—the forms of compensation that extended the life of ISI therein being insufficient to sustain it beyond the late 1960s. Not only did the state's commitment to ISI put Spain on the path to a severe crisis by the mid-1970s, therefore, but it also prefigured the subsequent paths of both political transformation toward liberal democracy and the crisis-ridden integration into the European common market and, later, EMU. The failure of ISI to develop an industrial base of sufficient scale and competitiveness relative to world market industry meant that capital accumulation in Spain would continue to assume a specific, backward European form from the 1980s—even after consolidation of the process of subsumption of the national sphere of accumulation to the NIDL that began with the arrival of the Ford Motor Company in the mid-1970s and which unfolded through the, so-called, multinationalisation of the economy by the late 1990s. Ultimately, the Spanish case serves to illustrate a more general tendency toward differentiated, uneven integration in Europe in which the south is fast being 'reduced to a zone with a cheaper labour force, outside the safety network of the welfare state, a domain appropriate for outsourcing and tourism' (Žižek 2013)—a process based upon the fragmentation of the productive subjectivity of the working class and the on-going deepening of the internal differentiation of the conditions of the reproduction of labour-power, within and across various spatial scales within the Europe-wide sphere of accumulation.

NOTES

1. In 2013, the average overall employment rate in the EU stagnated at 64 per cent, with a declining rate among men; the EU-28 unemployment rate had increased to 11 per cent; and between 2008 and 2013 the overall pool of unemployed workers in the EU had grown by 10 million people. The proportion of long-term unemployed in the EU rose to 47 per cent in 2013. Nearly one in five EU workers then held a part-time job, with the proportion of available part-time to full-time work increasing markedly for lowest-skilled manual workers from 2008 (ETUI 2014: 43).
2. Fourteen EU countries have registered a decline in real wages since 2010—the largest reductions being in Greece (more than 23 per cent), Cyprus (−14 per cent), Romania (−13 per cent), Ireland (−6.8 per cent), Portugal (−6.5 per cent), and Spain (−6.1 per cent). Mediterranean and Central and Eastern European have also moved toward a more 'fragmented and decentralised model of collective bargaining' since 2009 (Schulten and Müller 2015: 350, 353; see also ETUI 2014: 68).
3. See Charnock et al. (2014: 40–4) for a review of the historical development of capital accumulation in Spain prior to the Civil War.
4. In 1979, Spanish wages in the automotive industry were 20 per cent less than in France, and 52 per cent less than in Germany (Pallarès-Barberà 1998: 350).

5. The number of producers in these markets has fallen from 36 in 1970, to 31 in the 1980s, 22 in the 1990s, and 14 by 2003 (Heneric et al. 2005: 34).
6. It is noteworthy that relations between the INI and the Italian investor Fiat became increasingly fractious from 1971, culminating in the latter withdrawing its stake in SEAT in 1981—the main issue being rapidly increasing labour costs as a result of concessions to the increasingly more militant trade union representing SEAT workers (Tappi 2007: 119–20).
7. Across Europe from the 1980s, there emerged a broader national and regional pattern of the uneven development of automotive production—a pattern into which the Spanish car industry's relatively backward position was further embedded. A spatial hierarchy in production emerged from the 1980s, with its productive and geographical centre in southern Germany (Bordenave and Lung 1996). There, and typified by Volkswagen, producers have since specialised in the production of larger, high-end, technologically advanced cars using the most complex labour processes, with the highest levels of labour productivity and concentration of R&D development and adoption (Rubenstein 2001: 343).
8. In some models, 80 per cent of components are supplied by sub-contractors (Minetur 2011: 49).
9. Including the differentiated capacities for different workforces to engage effectively in collective bargaining, depending upon the structural position of the capital employing them within the supply chain (see, for example, Las Heras 2015).
10. This remains a defining characteristic of local small capitals in Spain. By 2014, over 90 per cent of firms in Spain employed fewer than nine workers, and more than 50 per cent of workers were employed by firms with a workforces of less than 50 employees (compared with 23 per cent in Germany and 32 per cent in France) (European Commission Staff 2015: 18).
11. See Köhler and Woodward (1997) for a comparative study of the German and Spanish machine-tool industries; and the study of the Spanish steel industry by Montgomery and Sabaté (2010).
12. See Charnock et al. (2014: 77) for a discussion of Spain's other notable 'success story' since the 1990s—its fast fashion clothing production and retail industries, associated with brands such as Mango and Zara.
13. In 2007, construction accounted for 15.4 per cent of industrial output in Spain, compared with 4.7 per cent in Germany, 7.3 per cent in France, and 6.4 per cent in Italy (Cabrero Bravo and Tiana Álvarez 2012: 83).
14. The role of cheap credit in the internationalisation of some Spanish capitals was reflected in the rising level of corporate debt on the Spanish stock market in the mid-2000s; while private sector debt increased by 192.8 per cent between 1996 and 2010 to reach 227.2 per cent of GDP (Eurostat 2012).

The debt of non-financial corporations nearly doubled relative to GDP during the boom, from 74 per cent of GDP in 2000 to 137 per cent in 2008; by 2011, non-financial private sector debt reached 134 per cent of GDP, a rate second only to Ireland (Roxburgh et al. 2012: 27).

15. For an analysis of the material bases for overproduction in the Spanish real estate market, such as downward pressures on interest rates, land reform, the impact of the dot.com crash, the expansion of tourism and inward migration, and endemic *rentier* practices at the regional and municipal local state scales, see Charnock et al. (2014: Chap. 4).
16. International Monetary Fund data from 2011, at http://research.stlouisfed.org/fred2/series/HDTGPDESA163N (accessed 14 May 2013).
17. The ratio of household debt-to-income in Spain remained around 146 per cent at the close of 2014; while the total stock of private debt in Spain stood at 182 per cent of GDP—72.4 per cent of which was household debt, according to European Commission Staff (2015: 25, 29).
18. There are, of course, longstanding gender dimensions to the fragmentation of Spanish labour markets that have been exacerbated by the most recent crisis (Rodríguez Modroño 2014). For an analysis of the differential impact of the crisis on the disabled, migrants, the young, and the elderly, see Martinez-Molina et al. (2014).

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PART III

Sectoral Case Studies

CHAPTER 8

Transnational Corporations and the ‘Restructuring’ of the Argentine Automotive Industry: Change or Continuity?

Alejandro Fitzsimons and Sebastián Guevara

Toward the end of the 1980s, the Argentine automotive industry had already experienced 15 years of stagnation and contraction following a peak of production in 1973. Nevertheless, a series of studies had begun to circulate that highlighted how its development might be revitalised following global production transformations (Jenkins 1985; Kosacoff et al. 1991; Todesca et al. 1989). In the 1990s, a new expansive phase of local automotive production prompted another series of studies that emphasised the transformations taking place during that decade (for example, Bisang et al. 1995), only for the limitations of such changes to be made

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evident by the long crisis experienced by the Argentine process of capital accumulation between 1998 and 2002. But the strong expansion of the last decade has once again revived discussion about the 'restructuring' of the Argentine automotive industry (Barbero and Motta 2007; López 2007; Pinazo 2013; Santarcángelo and Perrone 2012). Beyond the differences due to theoretical approach and date of publication, it is clear that research on the automotive industry over the last 25 years shares a common point of view. In effect, most studies propose that restructuring has qualitatively changed the dynamics of the sector with respect to the preceding era. More precisely, the development of the local automotive industry is considered to have passed through two great 'models of development'. The first model, whose beginnings are located in the late 1950s and which ended at some point between the mid-1970s and late 1980s, is usually characterised by the orientation of production toward the domestic market, low levels of global productive integration, and limited international competitiveness. Owing to inward-oriented and relatively isolated production, this first stage of industrialisation is not seen as having been especially determined by the development of the international division of labour in this sector, but rather as part of the broader process of import substitution experienced by post-war Latin American economies. It is then usually argued that from the early 1990s the incorporation of the country into the new international division of labour (NIDL), through the reorientation of production toward external markets, put in place a second model of development. This new productive model permitted the overcoming—at least partially—of the shackles on growth deriving from the 'inward-looking' nature of the prior model.

A first aim of this chapter is to question this dominant account of the development of the Argentine automotive industry. In short, our argument seeks to highlight that the development of the NIDL in the global automotive industry did not result in a qualitative restructuring in the local automotive industry but, conversely, recreated it on the same bases as during the preceding period of the 1960s and 1970s. More precisely, we argue that even after the, so-called, restructuring of the sector, the valorisation of local subsidiaries of transnational corporations (TNCs) was based on the appropriation of a portion of ground-rent flowing into the Argentine space of capital accumulation as a result of its role in the classical international division of labour (CIDL) as an exporter of raw materials (see Chap. 3). In fact, we also argue that the development of the NIDL at global level did not appear 'from out of the blue' so as to qualitatively transform the Argentine automotive sector from a backward and isolated industry into a modern link in the international division of labour. Instead, we will see that technological change at global level, and changing forms in the international division of labour that derived from it, were fundamental determining factors from the very origin of the local automotive industry, and not only of its alleged modernisation through restructuring during the last quarter of a century. In this sense, a second aim of this chapter is to offer an analysis of the Argentine automotive industry based on the general approach developed in this book, which emphasises the persistence of the CIDL in the present day and its complementarity with the NIDL.

To tackle these objectives, we first concentrate on an analysis of the main arguments put forward by those who support the account of the qualitative restructuring of the local automotive industry, outlined above. Subsequently, we address a question that is almost universally avoided in specific studies of the sector, namely, the analysis of the concrete conditions of the valorisation of 'foreign', or TNC, capital in Argentina and, above all, its sources of profit. Finally, the last part of this chapter returns to the question of the historical long-term evolution of the Argentine automotive industry as part of the global automotive industry.

The, So-Called, Restructuring of the Argentine Automotive Industry

There is little doubt that the first stage in the development of the Argentine automotive industry—roughly from the mid-1950s to at least the mid-1970s—was characterised by its small scale, the use of backward technology by international standards, and the relatively low productivity of labour. In effect, the size of the domestic market proved insufficient for production under normal technological conditions prevailing in the most industrialised countries. For example, while production in Argentina reached a peak of almost 300,000 vehicles in 1973, annual output in the main European countries was between two to four million vehicles, that of Japan was more than five million, and that of the USA was some ten million vehicles. Due to the fragmentation of the domestic industry, in terms of both manufacturers and models produced, the technical difference in scale was even greater than that suggested by an international comparison of production levels. Even at its peak only a few models reached production levels of 15,000 annual units (Asociación de Fábricas de Automotores 1996). By contrast, according to various estimates from the period (see Husan 1997), the 'theoretical' minimum efficient scale of production was at least 200,000 units, while real production runs of the most produced models in the USA and Europe were greater still. In addition to the small scale of production, there also exists a consensus concerning the use of productive processes that were far from the cutting edge of technology at that moment (Baranson 1969: 46–8; Nofal 1989: 89–94; Sourrouille 1980: 121). In effect, Argentine factories were designed for productive processes with a high participation of manual labour. For example, in the machine shops production lines were initially planned with single stations, and manually controlled machines that allowed for the machining of many different parts. This meant that in each station the worker had to manually load, position, operate, and unload the machine and, in some cases, change the cutting tools for each sequence of the process (Nofal 1989: 90). Also, the transfer of the object from one station to another was done manually (Harari 2011: 143–4). In the press shop, moreover, the high rotation of dies imposed by the low volume of production (Baranson 1969: 47) made it impossible to automate the unloading of the presses, technology that was already in use in the USA by the 1950s (White 1971: 21). And, in final assembly the differences in scale mainly affected the speed of the assembly line, which was much slower in Argentina than in the USA. This resulted in a lower degree of worker specialisation and therefore of the machinery used; consequently, manual instruments were used instead of the automatic machines used in the USA (Baranson 1969: 47). In summary, while the global automotive industry was advancing toward the automation and deepening of large-scale industry through *machinofacturing*, factories in Argentina were predominantly organised around a manufacturing system based on the manual division of labour and not on a system of machinery.

Likewise, it is clear that the small scale of production had important negative consequences for the productivity of labour and the costs of local industry. In effect, productivity throughout the 1960s was between two and three times lower than in Europe, and more than five times lower than in the USA (Asociación de Fábricas de Automotores 1969). The low productivity of the sector, and subsequently of the auto-parts industry, appeared to have strong repercussions for costs of production which, it has been estimated, were twice those of the USA in 1967 (Baranson 1969: 34).

For these reasons, the majority of researchers have been very critical of this first stage in the development of the Argentine automotive industry. Their criticism has been directed toward state policies, which are deemed to have been misconceived or poorly implemented (Remes Lenicov 1973); or, alternatively, toward TNCs for their oligopolistic, speculative, and/or absenteeist strategies (respectively Sourrouille 1980; Schvarzer 1993; Nofal 1989). These motives, it is argued, prevented the domestic automotive industry from reaching normal international standards of productivity and quality. This argument presupposes the idea—sometimes explicitly—that the Argentine automotive industry could (and should) have superseded a first, 'protected', stage in order to reach a second, 'competitive', stage. The failure of this transition would, for such researchers, ultimately explain the 15 years of stagnation and contraction in the industry from the mid-1970s as being due to a fall in domestic demand and the trade policy implemented by the state.

Nevertheless, and albeit after a prolonged delay, the Argentine automotive industry resumed its growth from the early 1990s, surpassing the 1973 level of production by 1994. The number of firms operating in the country, which had fallen during the 1980s, rose again with the re-entry of various TNCs that had withdrawn in the heat of the crisis, and with new entrants. As mentioned in the introduction, the argument that emphasised profound changes in the dynamics of the industry gained credence among scholars thereafter. Furthermore, the strong recovery of the industry after the crisis of 2001, which raised domestic production to levels that far exceeded pre-crisis levels, only appeared to vindicate the restructuring thesis. In effect, various recent studies argue that the Argentine automotive industry has left behind its inward-oriented character, so as to integrate itself in global value chains. From this perspective, this was possible because of the growth in the scale of production, the modernisation of factories, the multiplication of labour productivity, and the fall in real wages, which jointly contributed to increasing competitiveness by means of reducing costs. As a further consequence, it is underlined that foreign trade by the sector has noticeably increased (Barbero and Motta 2007; López 2007; Pinazo 2013; Santarcángelo and Perrone 2012).

The principal problem of these studies is that they tend to restrict their analysis to the domestic sphere, leaving international comparisons in the background. That is, they affirm the positive changes in national indicators with respect to their previous performance but without sufficiently taking into account that the industry was also 'restructured' at a global level.

Even if they do explain the domestic transformation by departing from global transformations, they overlook that the latter were much more profound than the former, such that all improvements within national parameters are dwarfed when compared internationally. As we show, this demonstrates once more the permanence and, indeed, the deepening of the long-standing gap between national and global production conditions.

To begin with, although it is true that the absolute growth in production was significant, especially in recent years, the domestic scale of production continued to lag considerably behind that of the rest of the world. Even in 2011, a record year for domestic production, output in Argentina only reached one per cent of world production (a level only marginally superior to the 0.76 per cent achieved in 1973). On the other hand, although the relative gap in scale was reduced with respect to the 'classic' producing countries in the automotive industry, the difference in 2011 remained significant: in that year Argentine production was 9.5 per cent of that in the USA; 13 per cent of that in Germany; and 9.9 per cent of that in Japan (the absolute gap in scale, of course, greatly increased). Further, in relation to emerging economies the evolution was markedly negative. While in 1973 between two and three times more vehicles were produced in Argentina than in South Korea and India, in 2011 production in both of those countries was five times that of Argentina. Even with respect to Brazil the relative size of domestic production decreased, going from 39 per cent to 24 per cent between 1973 and 2011. And further still, if we include China, the difference in scale between Argentina and the currently largest global producer remains at the same level as in the 1970s, that is, around a difference of twenty times in the level of production.[1]

The persistence of high levels of fragmentation in the domestic industry, in contrast with a strong global tendency toward the centralisation of capital, tended to counteract any improvement that could have resulted from the increase in absolute scale at the national level. While during the contraction of the 1980s the number of firms in the automobile manufacturing sector had been reduced to three, the subsequent expansive phase was accompanied by an increase in the number of automotive firms, such that there are currently eight firms in the same sector. As a consequence, differences in scale by firm and by plant were greater than the aforementioned gap in national scales. Additionally, in spite of the specialisation derived from regional integration, the proliferation of models also maintained a characteristic limit to economies of scale in Argentina (see Tables 8.1 and 8.2).

Table 8.1 Largest automotive producer by country, 2013

Country	*Firm*	*Units produced (thousands)*
Japan	Toyota	4290
China	General Motors	3186
USA	Ford	2326
Korea	Hyundai	3125
Germany	Volkswagen	2471
France	PSA Peugot Citroën	939
Argentina	PSA Peugot Citroën	143[a]

Source: Asociación de Fábricas de Automotores; Organisation Internationale des Constructeurs d'Automobiles, 'Production Statistics' (at http://www.oica.net/)

[a] 2011

Table 8.2 Automotive production by plant, selected cases (2013)

Plant	*Units (thousands)*	*Models*	*Production by model*
Hyundai in Ulsan, Korea	1513	13	116
Honda in Marysville, USA	734	4	184
Toyota in Georgetown, USA	504	3	168
Volkswagen in Wolfsburg, Germany	807	3	269
PSA in El Palomar, Argentina	143	7	20

Sources: Japan Automobile Manufacturers Association (2014), Asociación de Fábricas de Automotores; Volkswagen (2014); Hyundai Motor Company (http://worldwide.hyundai.com/)

As a consequence of the persistence of problems of scale, the modernisation of domestic plants was also limited in extent. During the 1990s, when the importation of machinery was made much cheaper by the strong overvaluation of the national currency (see Chap. 3) and facilitated by trade liberalisation, modernisation consisted fundamentally in the relative flexibilisation of the pre-existing electro-mechanic technical base, and not in its replacement with microelectronics. For example, a study of the changes implemented in the Ford factory shows that, instead of renewing machinery, old presses in the stamping section (in production since the 1980s) were adapted through the attachment of numerical control units. In a similar way, the introduction of robots was limited to specific tasks in certain sections (especially in welding), co-existing with traditional manual labour in other operations (Lascano et al. 1999). In fact, the largest innovations were applied to new forms of work organisation (especially team-work) rather than to technical change; and even in this case the application was partial and by 'hybridising' methods used in parent companies with those being applied locally (Motta et al. 2007: 256). Therefore, by applying certain microelectronic components into old electromechanical machinery, and partially reorganising labour relations, capital could increase labour productivity without needing to comprehensively renew the equipment being used. As a result, the level of automation in Argentina, although higher than in previous decades, remained substantially lower than in Japan or the USA (Motta et al. 2007: 264). And the same could be said about the implementation of robotisation (López 2007: 43).

With regard to labour productivity, international comparison also brings into question the restructuring thesis based upon an analysis restricted to the national sphere. For instance, even at the peak of production in the years 2011–2013, output per worker was still two and a half times lower than in the most industrialised countries, and the productivity gap in absolute terms was more than twice that of the 1960s (see Table 8.3).[2] Moreover, if we consider the labour productivity of the best performing factories in different countries instead of national averages, the productivity gap increases notably (see Table 8.4).

Table 8.3 Vehicles per worker, selected countries

Japan (2013)	60
Spain (2013)	37
United Kingdom (2013)	61
USA (2013)	61
Argentina (2011)	26

Sources: Asociación Española de Fábricas de Automóviles y Camiones (2013); Japan Automobile Manufacturers Association (2013); Society of Motor Manufacturers and Traders (2014); Asociación de Fábricas de Automotores; Organisation Internationale des Constructeurs d'Automobiles, 'Production Statistics' (at http://www.oica.net/); Bureau of Labor Statistics (Current Employment Statistics)

Table 8.4 Vehicles per worker, selected plants

Nissan in Sunderland, UK (2002)	98
Renault in Valladolid, Spain (2002)	89
Honda in Greensburg, USA (2013)	105
Toyota in Blue Springs, USA (2013)	101
Renault in Santa Isabel, Argentina (2013)	36

Sources: World Markets Research Center (http://www.wmrc.com); Japan Automobile Manufacturers Association (2014); Asociación de Fábricas de Automotores

A final argument put forward by defenders of the restructuring thesis rests on the increase in foreign trade. From this perspective, this rise demonstrates the definitive abandonment of the inward-looking model. Effectively, Argentina came to export, on average, 50 per cent of production between 1995 and 2013, with peaks of more than 60 per cent. This situation makes the development of the Argentine automotive industry resemble that of other 'emerging' countries that were fully incorporated within the NIDL, such as Spain, South Korea, or Mexico. However, to fixate on this indicator can be misleading. To begin with, exports as a proportion of total production in these latter countries is significantly higher, oscillating between 70 per cent and 80 per cent. Of more importance are the differences between the markets to which these other countries export and the destination market for almost all Argentine exports, that is the Mercosur (the common market of the Southern Cone).[3] The latter is much smaller in comparison to other regional and even national markets, being half that of the Japanese domestic market, almost a quarter of the European, and more than five times smaller than the US market. Furthermore, it is highly protected, as is shown by the continued dependency of Argentine industry on the Mercosur's limitations on foreign competition.[4] But, above all, the principal restriction on the Argentine external market is due to the limited character of regional integration. In effect, far from being a complete integration of national markets within a larger regional market, the regime of automobile foreign trade between Argentina and Brazil was structured around rules of compensated exchange. As a consequence, access to the protected Brazilian market is conditional upon the proportional opening of the domestic market to imports from Brazil. Therefore exports, and as a consequence domestic production, remain limited by the size of the internal market, however much regional integration has permitted an increase in the specialisation of each country in terms of models produced.

In summary, international comparison allows us to conclude that the majority of characteristics usually deemed specific to the Argentine automotive industry in the 1960s and 1970s are, in fact, reproduced today, namely: production restricted by the size of the domestic market; a substantially smaller scale of production than in the principal producing countries; technology that is way behind the frontier of technical innovation; and, finally, relatively low labour productivity. Yet, alongside these limitations, another important characteristic is also reproduced, that is, the operation in the country of the principal automotive TNCs. And, furthermore, it is the case that the TNCs in Argentina have consistently obtained rates of profit equal to, or even higher than, those existing in the sector at global level, at least during the expansive stages of the industry (Sourrouille 1980; Fitzsimons 2014; Pinazo 2013). This begs a question that has not received the attention it deserves, despite it being crucial for an understanding of the development of the automotive industry at the domestic level, namely, how do TNCs manage to obtain normal (and sometimes extraordinary) rates of profit with small scales, backward technology, and generally obsolete systems of production?

Specific Sources of Profit for Automotive TNCs in Argentina

In order to reemphasise its importance, let us reformulate the problem. The normal source of profit for any industrial capital is the surplus labour of the workers it employs. However, the achievement of a normal rate of profit is conditional upon those workers producing under the normal technical conditions for the sector. Otherwise, the lower relative productivity of labour would result in a smaller quantity of physical production per unit of labour-time and, therefore, in greater 'individual values' of the commodities produced (Marx 1976: Chap. 12); or, more precisely, in greater individual prices of production relative to those that correspond to average social conditions. But, given that the social determination of value (price of production) depends precisely upon these average or normal conditions, the greater values or individual prices of production are not recognised in the market. In other words, backward capitals waste (surplus) labour-time by producing under suboptimal technical conditions, which results in their immediate incapacity to valorise normally due to their higher costs of production. Consequently, those capitals that operate in technical conditions inferior to normal capitals can only obtain normal profits if they regularly access other compensatory sources of profit, sources that are distinct from the appropriation of normal surplus-labour carried out by their own workers. In this sense, we argue that automotive TNCs in Argentina compensate for the relatively low productivity with which they operate, and for its corresponding effect on costs, on the basis of the existence and possibility of appropriation of extraordinary sources of profit.[5] What, therefore, were the extraordinary sources of profit in the Argentine automotive industry?

It is immediately obvious that greater costs of production can be compensated for either by selling at prices superior to those of socially existing prices of production, or by the payment of below normal wages.[6] Indeed, the two main existing responses in the literature to the problem we have posed (even if this problem is not clearly formulated in those studies) revolve around these two situations. On the one hand, the most widespread position has focused on the oligopolistic and/or speculative behaviour of TNCs, which would have allowed them—together with state policies—to focus their valorisation strategy on the imposition of abnormally high prices, instead of technical innovation, thereby perpetuating the inefficiency of the sector (Jenkins 1984; Nofal 1989; Schvarzer 1993; Sourrouille 1980). On the other hand, more radical approaches—and in particular those related to dependency theory—have placed greater emphasis on low domestic wages in relation to those in the more industrialised countries, which they immediately interpreted as a form of the 'super-exploitation' of the domestic working class (Cimillo et al. 1973; Marini 2007). We think, however, that both analyses have focused only on the superficial manifestations of the valorisation of TNCs, and have failed to identify the precise sources of social wealth which the latter appropriate via high prices and low wages.

Let us begin with the question of prices. The vast majority of scholars tend to agree that during the, so-called, inward-looking stage internal prices were set above international prices as a result of the prohibition on imports of finished vehicles (Jenkins 1984: 46; Sourrouille 1980: 81). Although barriers to imports were lifted after 1975, other restrictions replaced them, such as quota systems, compensated exchange, and tariffs. The difference between international and domestic prices was therefore maintained, allowing for the continuity of local sales of both domestically produced and imported vehicles at high prices, as has been repeatedly shown in the specialised literature (CENDA 2008; Guevara 2010; Llach et al. 1997; López 2007). But it is often overlooked that this means that, throughout the history of the Argentine automotive industry, there has been sufficient solvent demand to validate domestic prices that were consistently set above global prices of production. As a result, one must explain the sources of this exceptional purchasing power on the part of Argentine consumers relative to those of other countries.

A first explanation may be found in the market destination of automotive production. It is the case that in Argentina there is demand for vehicles for use as means of production and/or for the transport of agricultural commodities. The greater costs that agrarian capital must incur in paying for its automotive means of production above its price of production can be transferred upwards toward the rent of the landowning class. Consequently, the social wealth that flows to TNCs via the sale of their product at commercial prices superior to those of production is, in the corresponding proportion, a part of the agrarian ground-rent whose appropriation determines the specificity of capital accumulation in Argentina (see Chap. 3). In this sense, it is worth noting that, in the period 1960–1975, the Argentine automotive industry was especially oriented to the production of commercial vehicles (see Table 8.5). Although the proportion of commercial vehicles to total output later fell, the specialisation in the production of commercial vehicles grew considerably in the period of expansion after the crisis of 2001 (see Table 8.6). On the other hand, although it is difficult to estimate its importance quantitatively, another portion of production was certainly destined for the personal consumption of landowners. As is evident, the source of this purchasing power is also ground-rent. The existence of a sumptuary component in the consumption of vehicles in Argentina is obviously consistent with the relative importance of large cars in domestic automobile production in comparison with Europe and, further still, with Japan, especially in the 1960s and 1970s, when mainly small and medium vehicles were consumed in those countries (Table 8.7). In summary, both characteristics of the 'product mix' of the Argentine automotive industry appear to indicate that an important portion of the vehicles produced is linked to the cycle of agrarian capital, or with landowners' consumption, and that therefore overpricing acts as a vehicle for the appropriation of ground-rent on the part of TNCs.

Agrarian ground-rent also generated growing demand for automotive vehicles in general (and not only for those directly consumed by agrarian

Table 8.5 Commercial vehicles as percentage of all vehicles (1960–1975)

Country	
Argentina (1960–1975 average)	29.7
USA (1961–1975 average)	17.3
UK (1970)	21.8
Germany (1970)	18.5
France (1970)	10.6
Italy (1970)	7.3
World (1970)	23.5

Sources: Organisation Internationale des Constructeurs d'Automobiles, 'Production Statistics' (at http://www.oica.net/); and Asociación de Fábricas de Automotores

Table 8.6 Commercial vehicles as percentage of all vehicles (2003–2013 average)

Country	
USA	62
Mexico	40
Argentina	35
China	29
World	24
Spain	20
Japan	14
Korea	9
Germany	5

Sources: Organisation Internationale des Constructeurs d'Automobiles, 'Production Statistics' (at http://www.oica.net/); and Asociación de Fábricas de Automotores

Table 8.7 Percentage of vehicles by engine size, selected countries (1964–1965)

	Argentina	*Italy*	*France*	*Germany*	*UK*	*Japan*
Below 1000 cc.	37	68	51	9	18	86
1000–2000 cc.	25	31	43	87	69	14
Over 2000 cc.	38	1	6	4	13	0

Sources: Pratten and Silberston (1967: 377); Asociación de Fábricas de Automotores

capital and landowners). It did so because one of the normal courses followed by agrarian ground-rent in Argentina has been its primary appropriation by the national state and its subsequent conversion into public spending.[7] In this way, agrarian rent augmented the demand for industrial commodities in general, including that of the automotive industry. Consequently, the overpricing of vehicles destined for general domestic consumption was also sustained, at least partially, by agrarian ground-rent.

In summary, the existence of ground-rent was, directly or with the mediation of state policies, a source of growing demand for automotive vehicles. This explains the setting of domestic sale prices above international prices of production. Without this extraordinary source of social wealth that validated those relatively high prices, the fixing of protectionist measures—at national or regional levels—would simply have contracted the consumption of vehicles, instead of expanding it, as happened in Argentina, in every one of the growth phases of the industry.

As we saw, the second main response offered to the question of the sources of valorisation of automotive capital in Argentina is linked to the payment of low wages, in international terms. Usually, any ‘advantage’ derived from the hiring of cheap labour-power is interpreted simply as a reduction in costs (Barbero and Motta 2007; Jenkins 1985; Santarcángelo and Perrone 2012), without identifying the reasons for existing wage levels nor the source of the advantage in question. Dependency theory, for its part, simply asserts that this amounts to the ‘over-exploitation’ of labour-power; that is, the source of profit in the ‘periphery’ lies in the greater degree of extraction of the surplus labour from workers than in ‘core’ countries (Cimillo et al. 1973: 55–6, 95–7; Marini 2007: 124–31). We think, however, that the question of the conditions of the hiring and exploitation of labour-power deserves a deeper analysis.

To uncover the source of the advantage obtained by TNCs through cheapened purchase of labour power, it is crucial to transcend the simple comparison of wages by means of existing official exchange rates, as is usually the case in the aforementioned studies. In Argentina the official valuation of the currency (through diverse instruments of economic policy) has been a recurring form of the appropriation of social wealth. This distorts any effective comparison based on this variable. It is clearly necessary, therefore, to correct deviations in the official exchange rate with respect to the parity corresponding to the real capacity of the national currency to represent value. This allows us to capture more adequately the magnitude of value represented in the monetary wage received by Argentine automotive workers in relation to other countries. Taking the method of relative purchasing power parity over a base period (Iñigo Carrera 2007: 31–3),[8] it can be concluded that, in terms of value, the Argentine automotive wage has historically been between three and four times lower than its US counterpart (see Fig. 8.1). This means that, in order to put an automotive worker into production, TNCs must disburse as much as three to four times less variable capital than if they had to hire labour-power in the socially normal conditions of exploitation of labour-power prevailing at the global level.[9]

Nevertheless, this cheapening of labour-power does not necessarily imply a greater exploitation of labour-power. Leaving aside questions relating to the extension of the working day and the intensity of work,[10] the comparison of real wages shows that the Argentine automotive worker was capable of consuming between one half to three quarters of the levels of consumption reached by a US worker (see Fig. 8.1).[11] This means

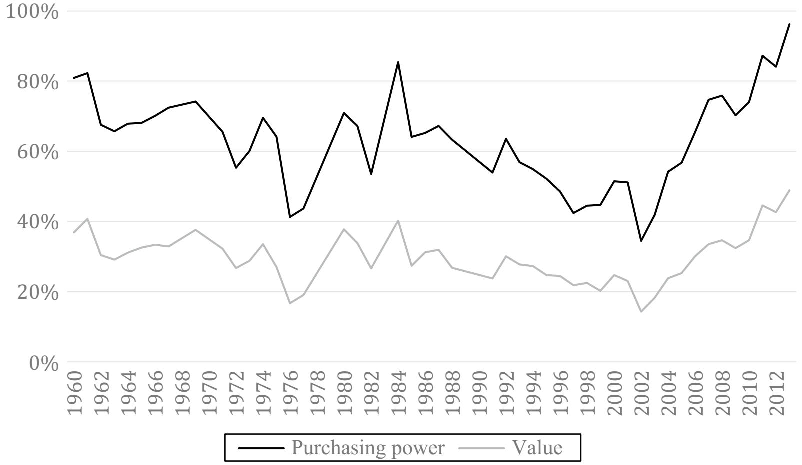

Fig. 8.1 The automotive wage in Argentina as percentage of the US wage. *Sources*: see Appendix

that the Argentine worker's ability to consume was much closer to that of the American's than is indicated by the value of her or his wage; or, put another way, that the Argentine worker could purchase more use values per unit of value than their American counterpart. The explanation for this situation resides in the domestic prices of wage goods for the working class. In effect, within the Argentine space of capital accumulation agrarian commodities circulate more cheaply than in the world market. Given that the domestic sale of these commodities below their normal price of production is only possible because of the existence of agrarian ground-rent, the cheapening of labour-power constitutes a vehicle for the appropriation of this rent by industrial capital and, in our case, by automotive capital. In brief, the process of appropriation of ground-rent by industrial capital explains, to a large extent, the relative cheapness of labour-power in Argentina. Quantitatively, this determination explains half of the difference between the Argentine and American automotive wage in the period 1960–2013. We see in the next section that, especially in periods of a relative contraction of ground-rent, this relative cheapening of labour-power has been complemented by a direct fall in real wages. In other words, what is at stake is not only the cheapening of the means of subsistence but also a fall in consumption on the part of the working class.

In conclusion, the preceding analysis shows that the fundamental basis for the valorisation of TNCs in Argentina has been the appropriation of a portion of the agrarian ground-rent circulating in the country, both through the purchase of cheapened labour-power and through selling at prices that have been set above those of production.[12] In this way, automotive TNCs have compensated for the backward technical conditions in which they operated. However, to do so they have had to complete their cycle of valorisation within the national (or regional) market. This is for two reasons: first, because the maintenance of those higher sale prices required tariff protection; and second, because the extraordinary profit gained from the cheapening of labour-power would have been more than offset had they oriented production toward exports. In effect, we have seen that a tendency to overvalue the currency has been a defining trait of the Argentine process of capital accumulation, precisely because of its role as one of the most powerful mechanisms for the appropriation of ground-rent.

However, while this specific form of the valorisation of capital explains to a large extent the main characteristics of the development of the automotive industry in Argentina (that is, the presence of the main TNCs, the orientation toward the domestic market, backward technology, and so on), we must also explain its historical evolution. In particular, the diverse phases through which the industry has passed at the domestic level, and the transformations involved, even though the most fundamental form of valorisation has remained essentially unchanged.

Change and Continuity in the Argentine Automobile Industry

A first challenge is to explain the precise moment of the establishment of TNCs in the country, which took place toward the end of the 1950s. The mere possibility of appropriating agrarian ground-rent is obviously not sufficient, since this possibility was present in its general form long before then. From our point of view, to be able to answer this question it is crucial to focus on the global development of the post-war automotive industry, so as to identify the determinations of the international expansion of TNCs in those years.

It is worth pointing out that the automotive branch of production was one of the pioneers, toward the mid-twentieth century, of the development of the automation of the productive process of capitalist large-scale industry. Before then, its system of production was based on a combination of the manufacturing division of labour and the mechanised assembly line (Grinberg 2011: 133–4; Coriat 1982: 27–43). The introduction of transfer machinery and, above all, its mechanical connection in an automated production line (a system known as fixed automation), triggered a spatial reorganisation of the global automotive industry. In enabling the incorporation of less-skilled labour-power as an appendage to the system of machinery, technical changes boosted the automotive industrialisation of East Asia; first in Japan, later in Korea, and later still in other countries of the region. In fact, the link between the development of automation and the emergence of East Asia as a region of industrial production for the world market has been at the core of the classic NIDL thesis. But the link between this technical revolution and Latin American industrialisation—including, of course, Argentina—has been frequently overlooked in the literature. We think that this point is key to understanding the process in the latter.

To begin with, the technical revolution took the concrete form, as always happens in the capitalist mode of production, of the intensification of competition between individual capitals for the appropriation of surplus profits related precisely to the innovation process (Marx 1976: 433–6; 1981: 279, 300–1). In turn, this competition imposed the need to discard increasingly obsolete machinery by virtue of what Marx called 'moral depreciation' (Marx 1976: 528; 1992: 250, 264), even if this machinery remained useful in the technical sense. This general determination was intensified in the case of US firms, which were widely dominant in the world market up to that point, due to the fact that automation had made possible the accelerated development of capital accumulation by European and, especially, Japanese firms (Pratten and Silberston 1967: 81). In effect, the relative cheapness of the labour-power in these latter regions made them more adequate for the incorporation of the new technical base, which required less-skilled labour-power. US firms, in contrast, were facing a double obstacle to technical change. On the one hand, labour-power was relatively expensive, owing to its higher qualifications (Grinberg 2011: 136–8); on the other hand, they were stuck with a large magnitude of fixed capital, corresponding to the antiquated technical manufacturing base, whose material form was increasingly obsolete (Wilkins and Hill 2011: 408). In summary, this was a period in which the automotive TNCs, especially US firms, faced a strong need to discard machinery so as to accelerate technical change in their home countries.

It was, in fact, this antiquated capital, obsolete for the new normal technical conditions, which was relocated to Argentina.[13] US firms principally [which were responsible for 60 per cent of foreign direct investment (FDI) in Argentina], but also European firms, found in Argentina a highly profitable alternative to the scrapping of obsolete machinery. In fact, the initial FDI in the Argentine automotive industry was directly made to a large extent in the form of machinery, equipment, and dies, with little or no investment in the form of money-capital (Sourrouille 1980). Also, there exists abundant evidence, as much qualitative as quantitative, attesting to the second-hand character of a good part of this machinery.[14] It is therefore especially significant that the sectors with the greater proportion of antiquated equipment were the machining, painting, and stamping sections (Asociación de Fábricas de Automotores 1969)—the very phases of the labour process in which automation had made more progress at the global level.

This antiquated machinery, already obsolete for the level of technical development prevailing at the global level, could be put into production in Argentina as a result of the specific form of valorisation centred on the appropriation of ground-rent. On this basis, the automotive TNCs increased their production in the country between 1960 and 1974. However, this 'strategy' had a very definite limit. In effect, the reproduction of this form of valorisation depended upon a sufficient quantity of ground-rent as a source of compensation for the lower productivity of labour. In other words, the reproduction of capital accumulation in the automotive industry was dependent upon the TNCs being able to access agrarian rent so as to obtain the normal rate of profit. But it so happened that the quantitative necessity for ground-rent as a source of compensation was growing, since technical change continued at global level. From the mid-1970s in particular, the development of microelectronics tended to widen the productivity gap between normal conditions of production at global level and those prevailing in the Argentine process of accumulation.[15] For its part, after the strongly cyclical movements of the 1970s, ground-rent stagnated in the 1980s at levels similar to the 1960s (see Fig. 8.2). Following a similar movement to the process of capital accumulation as a whole in Argentina, the combination of a growing necessity for sources of compensation and the stagnation of ground-rent brought the local automotive industry to a period of crisis and contraction between the end of the 1970s and the beginning of the 1990s.

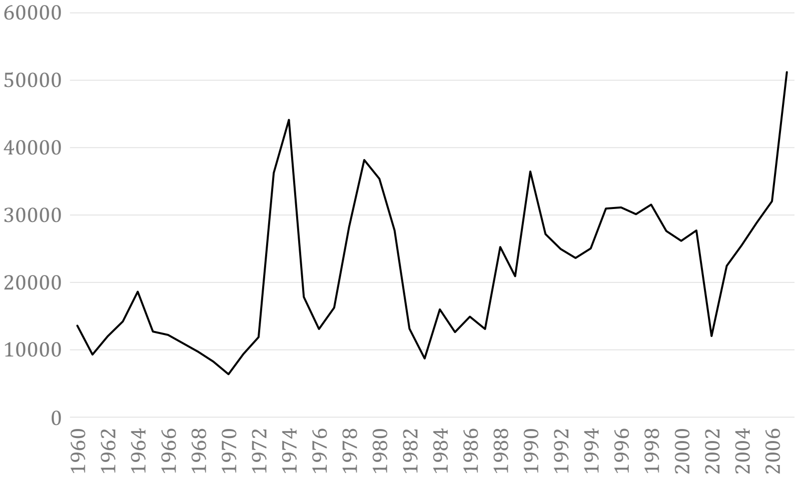

Fig. 8.2 Total agrarian ground rent (millions of 2004 ARS). *Source*: selected data from Iñigo Carrera (2008)

Various determinations combine to explain the recovery of the Argentine automotive industry during the last 25 years. First, the availability of agrarian ground-rent recovered from the contraction of the 1980s and stabilised in the 1990s at levels superior to those reached previously (with the exception of the relatively isolated peaks of 1974 and 1979; see Fig. 8.2). This increased source of extraordinary profit was appropriated by TNCs through the already analysed mechanisms linked to high domestic prices and the cheapened purchase of labour-power, to which could be added, in the latter decade, the remission of profits abroad with a sustained overvaluation of the currency.

However, and second, the conditions of purchase and exploitation of labour-power had worsened sharply as an expression of the general crisis in the national sphere of capital accumulation from the mid-1970s. In effect, the consumptive capacity of the automotive wage fell strongly from 1995, reaching levels in 2003 that were comparable with the most repressive years of the last military dictatorship (1976–1978).[16] In a comparative perspective with the USA, the wage fall in Argentina was of a greater size; in 1996–2003, the consumptive capacity of the Argentine automotive worker was 45 per cent that of the US worker, in contrast to almost

70 per cent in 1984–1988 (see Figs. 8.1 and 8.3, and Appendix). This divergence in the conditions of reproduction of the working class does not seem to derive from differences in productive attributes demanded from automotive workers in each country. If anything, the lower degree of automation of production in Argentina compared with the USA, and therefore the lower degradation of the productive attributes of the worker in the former country, would indicate an inverse relation to that which actually developed. Therefore, this absolute and relative fall in the Argentine real wage shows that the wage was, at least in this period, clearly lower than the value of labour-power. In this way, a second explanation for the recovery of the automotive industry is based on the emergence of a new source of extraordinary profit, namely, the appropriation of a portion of the value of labour-power. This fall in the level of the consumption of the working class adds to the cheapening of agrarian commodities seen earlier, increasing further still the wage difference (in terms of value) between Argentina and the USA.

Certainly, the pronounced recovery of the automotive real wage from 2004 tended to erode this new source of profit for automotive capital. But, simultaneously, the agrarian ground-rent grew abruptly, reaching levels much higher than those of the 1990s.[17] In this way, ground-rent

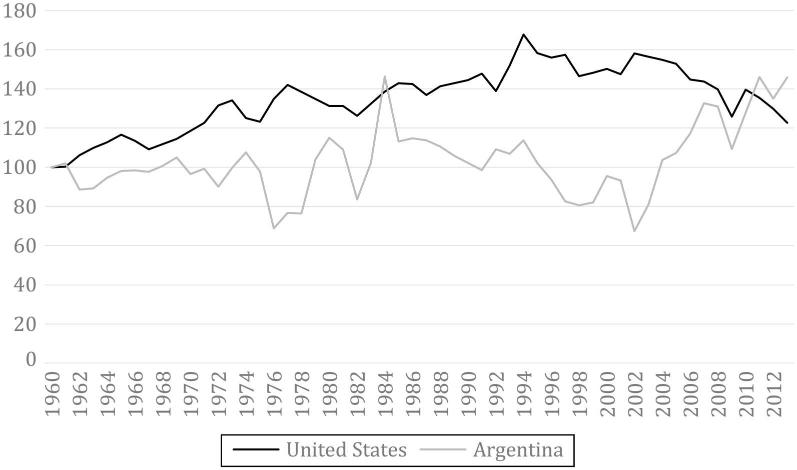

Fig. 8.3 The real automotive wage in Argentina and US (1960 = 100). *Sources*: see Appendix

resumed its leading role as a source of extraordinary profit for automotive capital, displacing the centrality of the sale of labour-power below its value. In effect, at least according to the data offered by the automotive firms, the recovery of the real wage in the years of the greatest boom in the sector (2011–2013), brought the consumptive capacity of Argentine workers to levels close to those of US workers. Despite this virtual equalisation in consumption levels, the relation between Argentine and American wages was 45 per cent in terms of value, demonstrating the full validity of the appropriation of ground-rent via the cheapening of the consumption bundle of labour-power in Argentina. Another element that demonstrates the renewed importance of ground-rent in the valorisation of automotive capital is the resurgence of specialisation in the production of commercial vehicles destined for use in the production and circulation of agrarian commodities (see Table 8.6).

The above perspective on the evolution of the forms of valorisation of automotive capital in Argentina allows us to put forward a novel point of view on the content of the, so-called, restructuring of the local automotive industry. In effect, far from implying qualitative changes in the functioning of the sector, the changes that took place over the last 25 years can be seen as the concrete form through which capital has been able to reproduce its form of valorisation by means of the appropriation of agrarian ground-rent. The increases in the scale of production, the relative modernisation of the factories, regional integration, and so on, allowed for the partial counteracting of the increase in the technical gap and of the scale that had emerged out of the deepening of the automation of large-scale industry by means of the development of electronics. In turn, this permitted capital to take advantage of the increase in extraordinary sources of profit available in the Argentine space of accumulation. However, this ‘restructuring’ did nothing more than reproduce, at the same time, the specific limit of this form of capital valorisation, that is, its dependence upon the magnitude of those same extraordinary sources of profit and, most especially, of the magnitude of ground-rent.

Conclusion

In this chapter we offered a general vision of the development of the automotive industry in Argentina. Our principal argument was that global technical change, and the corresponding forms of the international division of labour, determined the modes of valorisation of the automotive

TNCs from the origins of the local industry up until the end of the 1950s, and not only from the, so-called, restructuring of the 1990s. Concretely, we claimed that the participation of the Argentine space of accumulation in the CIDL as a producer of agrarian commodities was complemented by the global dispersion of industrial production most associated with the NIDL. This combination of both forms of participation of the Argentine space in the global accumulation of capital took the concrete form, in the case of the automotive industry, of the development of a specific modality of the valorisation of the capital of TNCs. Namely, these firms managed to valorise normally despite operating on a small scale and with obsolete technology, through the appropriation of a portion of the abundant (albeit strongly fluctuating) ground-rent and, in certain periods, a part of the value of labour-power.

This perspective also allowed us to explain the diverse phases in the historical development of the Argentine automotive industry. In this sense we argued that the development of the integral manufacturing of vehicles in the 1960s was linked to the development of automation at the global level, due to the necessity for the TNCs to relocate their older capital in order to accelerate technical change in their home countries. In the same way we argued that the crisis confronted by the Argentine automotive industry in the 1980s was principally determined by an increase in the technological gap resulting from the deepening of global technical change, together with the relative stagnation of ground-rent. Lastly, we explained the recent expansion of the industry through global transformations in the international division of labour. On the one hand, we showed that certain general elements related to the NIDL allowed for the counteraction of the increasing insufficiency of agrarian ground-rent; for example, the way in which the regionalisation of markets allowed for a relative increase in the scale of production, or how the worsening of the conditions of exploitation of the working class provided a new extraordinary source of profit for automotive capital. We also showed that these transformations combined with the survival of aspects linked to the CIDL (in particular, the expansion of agrarian exports and, as a consequence, of ground-rent), to enable the reproduction of the ‘old’ form of valorisation of automotive TNCs in Argentina.

Appendix: Motor Vehicle Industry Wages in Argentina and the United States

	Nominal wage in Argentina (current ARS)	*Real wage in Argentina (2005 ARS)*	*Nominal wage in USA (current USD)*	*Real wage in USA (2005 USD)*	*Absolute PPP (ARS/USD)*	*Wage domestic purchase power (ARG as % of USA)*	*Relative PPP (ARS/USD)*	*Value represented in wage (ARG as % of USA)*
1960	1.90E-08	45261	6676	47044	3.51E-12	80.9	7.70E-12	36.9
1961	2.20E-08	46131	6756	47130	3.95E-12	82.3	7.98E-12	40.7
1962	2.44E-08	40112	7229	49922	5.01E-12	67.6	1.11E-11	30.4
1963	3.05E-08	40383	7583	51683	6.13E-12	65.7	1.38E-11	29.1
1964	3.96E-08	42833	7884	53041	7.39E-12	67.9	1.61E-11	31.2
1965	5.27E-08	44404	8281	54833	9.35E-12	68.1	1.95E-11	32.6
1966	6.97E-08	44511	8289	53360	1.20E-11	70.1	2.52E-11	33.4
1967	8.95E-08	44225	8221	51334	1.50E-11	72.4	3.31E-11	32.9
1968	1.07E-07	45591	n/a	n/a	1.68E-11	n/a	3.57E-11	n/a
1969	1.20E-07	47540	9476	53851	1.71E-11	74.2	3.38E-11	37.6
1970	1.26E-07	43667	n/a	n/a	1.84E-11	n/a	3.60E-11	n/a
1971	1.74E-07	44943	11201	56049	2.37E-11	65.5	4.82E-11	32.2
1972	2.50E-07	40735	12406	60152	3.64E-11	55.3	7.53E-11	26.8
1973	4.44E-07	45098	13432	61310	5.49E-11	60.1	1.15E-10	28.8
1974	5.94E-07	48661	13905	57161	6.15E-11	69.6	1.28E-10	33.5
1975	1.53E-06	44276	14954	56332	1.59E-10	64.2	3.78E-10	27.1
1976	5.86E-06	31153	17315	61673	8.19E-10	41.3	2.02E-09	16.7
1977	1.80E-05	34705	19407	64902	2.12E-09	43.7	4.87E-09	19.1
1978	4.94E-05	34572	n/a	n/a	5.44E-09	n/a	1.28E-08	n/a
1979	1.75E-04	47087	n/a	n/a	1.27E-08	n/a	2.49E-08	n/a
1980	3.88E-04	52039	24391	57809	2.24E-08	70.9	4.21E-08	37.8

(*continued*)

(continued)

	Nominal wage in Argentina (current ARS)	*Real wage in Argentina (2005 ARS)*	*Nominal wage in USA (current USD)*	*Real wage in USA (2005 USD)*	*Absolute PPP (ARS/USD)*	*Wage domestic purchase power (ARG as % of USA)*	*Relative PPP (ARS/USD)*	*Value represented in wage (ARG as % of USA)*
1981	7.52E-04	49356	26912	57820	4.15E-08	67.2	8.26E-08	33.8
1982	1.52E-03	37807	27488	55629	1.04E-07	53.5	2.08E-07	26.6
1983	8.28E-03	46298	n/a	n/a	4.46E-07	n/a	9.02E-07	n/a
1984	0.0862	66250	32481	61054	3.10E-06	85.4	6.59E-06	40.3
1985	0.51	51248	34695	62973	2.31E-05	64.1	5.42E-05	27.4
1986	0.99	51960	35203	62728	4.32E-05	65.2	9.04E-05	31.2
1987	2.27	51504	35085	60316	9.64E-05	67.2	2.03E-04	31.9
1988	9.79	50068	37702	62241	4.10E-04	63.3	9.69E-04	26.8
1989	297.98	47915	n/a	n/a	0.0124	n/a	0.0297	n/a
1990	n/a	n/a	42580	63625	0.28	n/a	0.73	n/a
1991	18182	44582	45394	65091	0.74	53.9	1.69	23.8
1992	25153	49380	43953	61182	0.90	63.6	1.90	30.0
1993	27253	48369	49506	66909	0.97	56.9	1.98	27.7
1994	30237	51513	56058	73872	0.98	54.9	1.98	27.2
1995	28042	46213	54414	69730	0.99	52.2	2.08	24.7
1996	25777	42414	55207	68717	0.96	48.6	1.91	24.5
1997	22830	37368	56975	69328	0.94	42.4	1.83	21.8
1998	22493	36494	53857	64528	0.94	44.5	1.86	22.5
1999	22620	37117	55694	65287	0.91	44.8	2.00	20.3
2000	26109	43249	58347	66173	0.87	51.5	1.81	24.8
2001	25188	42173	58913	64966	0.84	51.1	1.85	23.1
2002	22911	30477	64142	69632	1.04	34.5	2.49	14.4
2003	31266	36662	64937	68925	1.15	41.9	2.64	18.3
2004	41780	46919	65963	68199	1.17	54.2	2.65	23.9

2005	48547	48547	67341	67341	1.27	56.8	2.85	25.3
2006	58830	53049	65836	63775	1.36	65.5	2.97	30.1
2007	75361	60093	67242	63333	1.50	74.7	3.34	33.6
2008	91138	59258	67828	61526	1.77	75.8	3.88	34.6
2009	87354	49454	60889	55424	2.04	70.3	4.42	32.4
2010	128591	57846	68671	61497	2.53	74.1	5.41	34.6
2011	181971	66094	68715	59655	3.04	87.2	5.95	44.5
2012	208114	61136	67266	57213	3.68	84.1	7.26	42.6
2013	283146	66064	64486	54055	4.56	96.2	8.99	48.9

Sources and methodology

(1) ‘Payroll’ divided by ‘all employees’, data from Asociación de Fábricas de Automotores (various years). Calculated as average between total number of employees on 31/12 of corresponding year and total on 31/12 of previous year. Asociación de Fábricas de Automotores data excludes the parts and components industry

(2) 1960–2006: Consumer Price Index (CPI) published by Instituto Nacional de Estadísticas y Censos (http://www.indec.mecon.ar/); 2007–2013: CPI published by Dirección Provincial de Estadísticas y Censos, Provincia de San Luis (http://www.estadistica.sanluis.gov.ar/)

(3) 1960–1988: ‘Payroll’ divided by ‘all employees’, ‘motor vehicles and equipment’ industry, data from Bureau of the Census’ ‘Statistical Abstract’ (http://www.census.gov/compendia/statab/). In order to estimate motor vehicle manufacturing wages only, we have added to the source data 3 per cent for 1960–1969, 6 per cent for 1970–1979 and 10 per cent for 1980–1989, based on the wage differential between ‘motor vehicles’ and ‘motor vehicle parts’ reported by Lewis and Bauer (1964), and Bureau of Labor Statistics (1976 and 1991). 1990–2013: ‘Average hourly earnings for production workers’ multiplied by ‘weekly hours’ worked, ‘motor vehicle manufacturing’ (NAICS code 3361), data from Bureau of Labor Statistics ‘Current Employment Statistics’; we added 4 per cent to estimate ‘all employees’, based on differential between ‘production workers’ and ‘all employees’ reported in Bureau of the Census’ ‘Statistical Abstract’, various years)

(4) CPI published by Bureau of Labor Statistics

(5) Absolute purchasing power parity (absolute PPP) between Argentine peso and US dollar for the year 2005 is taken from World Bank (2008). 1960–2013 series calculated with previously mentioned CPIs. For the distinction between ‘absolute’ and ‘relative’ PPP, see Balassa (1964) and Officer (1978). For the justification of the utilisation of absolute PPP for the comparison of national real wages, see Iñigo Carrera (2007: 31–2)

(6) = (1)/(5)/(3) × 100

(7) Relative purchasing power parity (relative PPP) between ARS and USD calculated with the base period of 1960–1972, using previously mentioned CPIs. See Iñigo Carrera (2007: 31–5) for the justification of the utilisation of relative PPP for the estimation of parity exchange rates between national currencies

(8) = (1)/(7)/(3) × 100

NOTES

1. Data from Organisation Internationale des Constructeurs d'Automobiles (http://www.oica.net).
2. Note the distortion introduced by the greater proportion of workers dedicated to existing R&D activities in the core countries, which implies an underestimation of the productivity of labour effectively applied in direct production in those countries.
3. During just a few years, the automotive TNCs located a significant part of their production in the Mexican market. For example, in the period 2004–2005, 45 per cent of automobile exports were destined for Mexico. However, note that these exports are carried out in a market of preferential agreement (Acuerdo de Complementación Económica N°55) that regulates trade exchange without tariffs in the process of a regime of compensation on imports and exports, similar to that which is in effect for the regional market.
4. The Mercosur tariff is 35 per cent. The tariff is 2.5 per cent in the USA, 0 per cent in Japan and 10 per cent in the EU (López 2007: 35).
5. This term is not synonomous with 'surplus profits' (Marx 1991: 279, 300–1), insofar as the obtainment of extraordinary profits is not necessarily expressed in above normal profits, but fundamentally in obtaining normal profits despite producing in backward conditions.
6. We are assuming, for the moment, that automotive firms must purchase their means of production at least at prices of production, discounting at this level of analysis the possibility of the reduction of costs related to constant capital.
7. From 1960 to 2007 the Argentine state annually appropriated, on average, 20 per cent of the total ground-rent that flowed out of agrarian production, with peaks of 50 per cent in some periods (see Iñigo Carrera 2008).
8. See Appendix for methodological references.
9. We take the US sphere of capital accumulation as the most immediate expression of normal conditions of the exploitation of labour-power. Automotive wages in the USA were historically the highest in international terms. Other countries, as in Europe and Japan, had lower wages in the 1960s and 1970s. But these lower salaries corresponded with less qualified labour-power. In fact, Japanese and European labour-power was put into production on a massive scale only when automation simplified the labour process and enabled the incorporation of these lesser-qualified workers. Progressively (although slowly), the wage difference between the 'classic' European countries (Germany, France, and the UK) and Japan compared with the USA was reduced, as the attributes of their respective working classes tended to converge. If one takes into account that the Argentine

automotive industry tended to be backward in terms of the incorporation of technical innovations relative to all the classic industrial countries (ruling out the skill-level of labour-power as a possible explanation of Argentine lower wages), it is therefore adequate to take the US wage as an expression of the norm in the payment of labour-power or, in other words, as an indicator of the value of automotive labour-power.

10. There is insufficient data on the working day, and there are complications inherent in the separation between intensity and productivity.
11. Using the method of absolute purchasing power parity (see Appendix).
12. There certainly exist other complementary forms of the appropriation of rent by TNCs, such as direct subsidies, tax exemptions, and lines of cheap credit, all of which resulted from different regimes of promotion of the sector implemented by the national state. For reasons of space, the examination of these other forms of transfer of ground-rent to automotive capital falls outside the focus of this chapter.
13. Other Latin American countries, and Brazil especially, show similar characteristics. In contrast, the automotive industry in East Asian countries (Japan and South Korea especially) were based on the development of more modern systems of production and the emergence of new individual capitals. See Grinberg (2011) for a comparison between Brazil and Korea.
14. The transfer of complete production lines by Kaiser Motors from the USA to Argentina (and Brazil) has been well studied and documented (see MacDonald 1988, for instance), as has the use of second-hand machinery on the part of General Motors and Ford (Jenkins 1984: 52). On the other hand, a study by the Asociación de Fábricas de Automotores shows that until 1967 a quarter of the total machinery used was over ten years old, which implies that it was second-hand when the first plants were established. Other evidence which supports the same conclusion can be found in a government survey from the early 1970s (reproduced in Sourrouille 1980, Table 27), in which Ford, General Motors, Chrysler, Fiat, Citroen, and Mercedes Benz are confirmed as having built their Argentine plants through the adaptation of existing technology from their countries of origin. The most prominent studies of the industry also agree on this point (Jenkins 1984: 52; Nofal 1989: 90–1; Schvarzer 1993; Sourrouille 1980: 169).
15. Note that the productivity of labour in the Argentine automotive industry remained practically unaltered for decades (in 1990 it was only 12 per cent greater than in 1960, according to the Asociación de Fábricas de Automotores 1996).
16. It should be noted that this regression in the real wage coincided with the moment in which the automotive TNCs deepened the relative modernisation of the productive process and the reorganisation of labour relations. Between

1994 and 1998, new automotive production plants were opened and the first collective labour agreements were signed that incorporated new—more flexible—forms of the organisation of the labour process (Guevara 2010: 123).

17. According to calculations by Iñigo Carrera (2011: 56), the annual average of agrarian ground-rent between 2003 and 2010 was 53 per cent greater than between 1991 and 2001, and 83 per cent more than in 2002.

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CHAPTER 9

Patterns of 'State-Led Development' in Brazil and South Korea: The Steel Manufacturing Industries

Nicolas Grinberg

The experiences of Brazil and South Korea have occupied a central place in the field of the comparative political economy of late-industrialisation. Both countries have been considered paradigmatic, since both have arguably enjoyed the strongest and deepest processes of industrial development among Latin America's and East Asia's newly industrialising countries. Most scholarship on the countries has settled on different versions of institutionalism that acknowledge the extended role played by the state in Brazil's and Korea's development processes, and which focus on the quality of state institutions as the most relevant factor in explaining their divergent experiences (Grinberg 2013a, 2014). Yet, despite their obvious differences, all mainstream accounts on the comparative political economy of Brazilian and South Korean development share one key theoretical starting-point that renders them equally incapable of fully accounting for the underlying forces. In a nutshell, they all regard the process of capitalist

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development as a nation-based process and the world market as the context where the national processes of capital accumulation develop with different degrees of politico-economic autonomy.

The goal of this chapter is to offer an alternative account to the mainstream, institutionalist view on the state-led process of economic development in Brazil and South Korea, taking as its starting-point two key insights from the Marxian critique of political economy. First, that the process of capital accumulation is global, rather than national, in terms of its general dynamics and historical potencies; and, second, that inter- and intra-state political processes are forms of realisation of the process of capital accumulation on a global scale, through the specific determination of each national portion of the total capital of world society (see Chap. 2). The chapter is organised as follows. The second section advances a brief explanation of the general trends of the process of capital accumulation in Latin America and East Asia. The third and fourth sections review the main politico-economic forms of the Brazilian and Korean processes of capitalist development since the end of the Second World War (WWII). The fifth and sixth sections analyse the development of the steel industry in both countries. This industry has not only played a central role in the process of industrialisation in both countries, but has also been at the core of state actions to promote the process. For these reasons, the steel industry has figured prominently in studies of Brazilian and Korean comparative development (see Auty 1991; D'Costa 1999a, b). The final section closes the chapter with a summary of its main points and conclusions.

Global Accumulation of Capital and Development in Latin America and East Asia[1]

The development of labour productivity is the most powerful lever of the accumulation process. It results in the reduction of wages necessary for a given quantity of labour-power, extensively or intensively spent—that is, in the production of relative surplus-value. The mechanisation of large-scale industry is, in turn, the most potent form of increasing labour productivity. This process is centred on the transformation of the productive potencies of individual labour-processes into a scientifically organised, although alienated, social power (Iñigo Carrera 2013: 15–23; Marx 1976: 508–17; Postone 1996: 336–49). Yet capital makes every effort to avoid this expensive and risky process by searching for locations where particular natural or historical conditions allow it to reduce the cost of producing the commodities that are directly or indirectly consumed by the labour-force and thus increase the mass of surplus-value available for its valorisation. Hence, beyond the formal expansion of markets, the global unity of capital accumulation is only fully developed in the process of the production of relative surplus-value (Iñigo Carrera 2013: 145–51).

Originally this process centred on the search for regions where, due to uncontrollable natural conditions, primary commodities could be produced and, if their production were possible elsewhere, at a lower cost—giving place to the classical international division of labour (CIDL) (Howe 1981, 91–4; Iñigo Carrera 2013: 145–6; Marx 1976: 579–81). This form of integration of portions of the planet into the global circuits of accumulation, however, was riven with structural contradictions that determined the long-term pattern of capitalist development therein. If the total social capital managed to enhance its valorisation capacity by reducing the value of labour-power, this was then partly offset by the drain of surplus-value flowing into the pockets of landowners in the form of ground-rent (see Chap. 3).[2] Global industrial capital therefore became compelled to overcome this barrier to its own capacity to accumulate by reshaping those spaces of valorisation to recover part of that surplus-value through the establishment of an antagonistic association with local landowners. From being simply a source of cheap raw materials, these spaces of accumulation—among which Latin America figured prominently—also became determined as sources of surplus-value in the form of ground-rent (Iñigo Carrera 2013: 145–50; Grinberg and Starosta 2014: 241–2).

The accumulation of capital through the recovery of ground-rent has taken a variety of economic and political forms; all of them involving the mediation of the national state. Until the 1930s, approximately, the alliance between capital and landowners over the appropriation of ground-rent generally revolved around the production, transport, and international trade of one or more primary commodities. Then the capitals that invested in these and related sectors, as well as foreign creditors to the emerging nation-states, became landowners' main partners in the appropriation of local ground-rent. But then, from the 1930s and crucially after the end of WWII, this position was taken over by industrial capital invested in manufacturing, in whose valorisation cycle originated the bulk of the surplus-value that formed the ground-rent (Iñigo Carrera 2013: 149–52).

The modality of ground-rent recovery by capital invested in manufacturing has determined the long-term development of the process of industrialisation in these parts of the world in a specific form. In general terms, and in order appropriate ground-rent, industrial capital has had to open and close its valorisation cycle in these countries' domestic markets. With a scale of production below world-market norms, and the use of vanguard technology thus restricted, such markets have had to be protected to a degree conditioned by the amount of ground-rent available to sustain local industrial production (see Chap. 8). Industrial capital's accumulation capacity therefore has been dependent on the evolution of the ground-rent available to compensate for the ever-growing difference between local and world-market production costs resulting from the difference between local and world market scales of production.

The, so-called, process of import substitution industrialisation (ISI)–that was consolidated in most primary-commodity producing countries between the 1930s and 1950s reached its peak during the 'commodities boom' of the 1970s, and was reproduced in a limited form thereafter—has been the paradigmatic form through which this specific modality of capital accumulation has come about. In general terms, two types of indissolubly united policy-created mechanisms have shaped this process. First, state policies—such as exchange-rate overvaluation, commodity-export taxes, and regulations on primary-commodity circulation—have intervened in the turnover cycle of primary-sector capital, separating a portion of ground-rent and interrupting its flow toward landowners' pockets. These policies have channelled that portion of ground-rent to industrial capital profits—lowering the domestic prices of foreign exchange, raw materials, and labour-power—or, in a first instance, to the state. Second, other policies have enabled the effective appropriation of the separated ground-rent by industrial capital when selling in domestic markets. These have included its protection from foreign competition and direct state actions, such as the provision of inputs at below-market prices, the purchase of output at above-market prices, the enlargement of markets through overstaffing, and outright subsidies. In other words, policies associated with ISI and the political processes through which they have come about have been the specific politico-economic forms of realisation of processes of accumulation based on the appropriation/recovery of ground-rent by global industrial capital.

As in all other regions participating in the global economy as primary-commodity producers, the process of capital accumulation in Latin America has, since its origins, revolved around the appropriation of ground-rent by different social subjects, crucially its recovery by industrial capital.[3] The Brazilian economy has not been an exception to this general trend. Conversely, given the relatively large size of the local ground-rent, the process of capital accumulation in Brazil has been paradigmatic of this specific form of capitalist development (Grinberg 2013a, b).

During the last forty years, however, the international division of labour has experienced a profound transformation as a result of the process of computerisation and robotisation of large-scale industry and, especially since the mid-1970s, of the microelectronics revolution (see Chap. 4; also Iñigo Carrera 2013: 66–70; Grinberg 2013a). This leap forward in the process of automation of labour's productive attributes has greatly accelerated the internal differentiation of the collective worker in large-scale industry. On the one hand, technological transformations have involved the further expansion of the productive attributes, and hence cost, of wage-labourers performing the more complex parts of the work process. On the other hand, automation has simplified the productive functions, and hence cost, of most manual labourers remaining on the shop-floor as operators or appendages of increasingly self-calibrating and self-adjusting machines. Moreover, the new technological conditions have themselves generated a multitude of production processes still subject to manual intervention by low-skilled labourers, like the assembly, testing, and packaging of electronic micro-components and appliances (Balconi 2002; Coriat 1992; Grinberg 2013a: 180–2).

In terms of their general dynamics, those transformations in the productive attributes of the collective worker in large-scale industry have been global. Yet they have resulted in a novel differentiation of national spaces of accumulation and in the reconfiguration of the international division of labour, and hence of the production of surplus-value on a global scale. Based on those transformations in the labour process, and the associated revolution in communication and transportation methods, industrial capital has been increasingly able to disperse spatially the different parts of the labour-process according to the most profitable combinations of costs and productive attributes of the different national fragments of the global labour-force, thus giving birth to the NIDL (Iñigo Carrera 2013: Chap. 2; Grinberg and Starosta 2009; Grinberg 2013b).

As a general trend, the NIDL has revolved around the relocation of simplified labour-processes to places where industrial capital had access to labour-forces that are not only *relatively* cheap, but also whose specific productive attributes include the disciplined subordination to centrally and hierarchically organised collective labour-processes, as in the wet-rice cultivating societies of East Asia (Bray 1986: 67). Those characteristics have made the East Asian labour-force particularly productive as an appendage of increasingly automated machinery systems or in manual assembly operations; hence the region's ubiquitous participation in the NIDL and its consolidation as a global industrial power (Iñigo Carrera 2013: 63–70, 74–80; Grinberg and Starosta 2009; Grinberg 2013a).

Initially, the NIDL manifested itself in the spatial relocation of 'labour-intensive' productions, like clothing manufacturing—in which, due to the early introduction of skill-replacing technical changes the labour-force functioned as an incipient appendix of the machinery—and the electronics industries—which worked with manual-assembly operations (as identified by Fröbel et al. 1980). Through the mid-1960s, however, skill-replacing technical changes began to affect 'capital-intensive', continuous-flow production in the heavy and chemical industries, transforming manual workers in those sectors into an appendix of the machinery. A decade later, as the microelectronics revolution took hold of large-scale industry—crucially through the robotisation of assembly operations—skill-replacing technical changes began to increasingly affect 'technology-intensive', serial mechanical production in the consumer durables and capital goods industries (Balconi 2002; Brown and Campbell 2001; Coriat 1992; Ernst 2005; Hasegawa 1996). As this occurred, production in those sectors tended to move to Japan and the, so-called, East Asian Tigers—the original participants of the NIDL—and labour-power therein increased in quality and cost. Industrial capital then sought out new spaces, in the region and beyond, where it could gain access to cheaper, and equally disciplined and acquiescent, workforces for lower-skill production in the light industries and subsequently, as the dynamics of technical change allowed, in durable and capital goods production (Grinberg 2014: 719–21).

As in any other form of realisation of the process of capital accumulation on a global scale, the NIDL has come about through specific nation-level political developments. The, so-called, developmental state has been the most characteristic political form mediating the development of East Asian processes of capital accumulation as an expression of the NIDL. Despite different national singularities, all East Asian developmental states not only facilitated the outward orientation of industrial capital while nurturing infant industry. But they have also decisively pursued the political repression of the working class, thus allowing capital to purchase labour-power below its value and to differentiate the conditions of reproduction of the various parts of national workforces according to their productive attributes. Due to its sizable labour-force and early participation in the process, the experience of South Korea has been paradigmatic of this specific modality of capitalist development, through which the production of relative surplus-value on a global scale has come about (Grinberg and Starosta 2009; Grinberg 2013a, 2014).

This modality of capital accumulation has shown a remarkable developmental potency, especially in the cases of Japan and the East Asian Tigers. Yet it is not free of contradictions. Not only has the dynamism of skill-replacing technical changes resulted in an ever-deeper 'race to the bottom'. More importantly, the productive attributes upon which this specific modality of capital accumulation has rested (discipline and acquiescence) are at odds with those required from wage-labourers performing vanguard scientific research and technology/product development. This high-value creating part of the labour process, in which the development of society's productive forces comes about, has thus been relatively undeveloped in those countries participating in the global economy in this specific form.

Brazilian Capitalist Development Since World War II[4]

When WWII ended, the Brazilian process of ISI was at least half a century old. The industrial sector was then populated by a myriad of small, nationally owned capitals and a few relatively large, foreign-invested firms which had been established between the end of WWI and the Great Depression. Both types of industrial capital had grown, initially, thanks to a combination of market protection and exchange-rate overvaluation allowing them to appropriate ground-rent and, subsequently, to the collapse of international trade. Between the end of WWII and the mid-1950s, Brazilian ground-rent experienced a substantial recovery and the process of capital accumulation manifested itself in the strong expansion of local industrial production, crucially by indigenous private capital. Yet, in contrast to the pre-WWII experience, it also came about through the creation of a large number of state-owned enterprises (SOEs) and developmental banks, in some cases through the nationalisation of public utility and transport companies into which most foreign investment had previously flowed. SOE activities, combined with market-protection reinforcement and exchange-rate overvaluation, shaped the 'state-led', or 'statist', ISI process through which the appropriation of ground-rent by social subjects other than landowners, notably industrial capital, would come about (on the genesis of statist ISI, see Kohli 2004: 177–82; de Paiva Abreu 2008:

320–33). Though both types of capitals—small-private and state-owned—would subsequently support the valorisation processes of foreign-capital subsidiaries, those developments were realised through the consolidation of a nationalist state backed by the, so-called, populist alliance between the local bourgeoisie and the urban working class, especially during the commodities boom associated with the Korean War, when the ground-rent available to support the process of capital accumulation grew strongly (Grinberg 2013a).

Through the mid-1950s, however, some of the features of Brazilian capitalist development started to change when large flows of foreign-owned capital, then pursuing a new phase of global expansion, began to invest in the most dynamic parts of the local industrial sector, attracted by the substantial growth of domestic markets that enlarged ground-rent had given rise to. Unlike in the previous period of ISI, a nationalist government with an anti-foreign capital rhetoric could not politically mediate this process. Populism therefore gave way to 'developmentalism', and economic growth revived strongly (Anglade 1985: 56–7; Avelãs Nunes 1990: 188–93; Kohli 2004: 183–4; Skidmore 2007: 146–9).

Yet, despite robust growth and rapid industrial development occurring in the period to the late 1950s, the limited and contradictory dynamics of the Brazilian process of capital accumulation soon led to a crisis as the ground-rent available for appropriation contracted while primary-commodity prices collapsed in the aftermath of the Korean War. Initially, a new source of extraordinary surplus-value in the form of loanable-capital inflows began to complement ground-rent in sustaining the process of capital accumulation through ISI. Foreign credit, however, soon proved to be insufficient and unreliable (Avelãs Nunes 1990: 210–11; Frieden 1987: 99) and a third source of extraordinary surplus-value thus developed; that arising from the payment of manual workers' labour-power below its value (Zurron Ocio 1986: 8–11). This new transformation in the forms of a realisation of the Brazilian process of capitalist development did not come about smoothly. Rather, it was realised through an economic crisis that expressed the intrinsic limits of the Brazilian process of capital accumulation and the replacement of the populist alliance with a military dictatorship as its general political form of realisation (Kohli 2004: 190–210; de Paiva Abreu 2008: 349–59; Skidmore 2007:187–302).

During the 1970s Brazilian ground-rent, and the inflow of loanable capital complementing it, experienced a strong, though irregular, expansion. The production of industrial goods advanced to include complex durable-consumer goods, as well as various types of equipment and basic inputs (Batista 1992; Barros de Castro and Souza 1985). The expansion and deepening of the ISI process was manifest in sharp increases in employment and real wages in the manufacturing sector. The authoritarian regime in charge of the political representation of the process of capital accumulation thus softened its grip over the working class, while economic policies regained their developmental features through the implementation of a series of industry-wide and sector-specific promotion plans aimed at boosting private domestic capital and SEOs (Anglade 1985; Corrêa do Lago et al. 1979; Skidmore 1988) as a form of transferring ground-rent, and loanable-capital inflows, to industrial capital. The mass of surplus-value appropriated by industrial capital increased strongly and economic growth thus accelerated.

Despite these developments, through the early 1980s the Brazilian economy entered a long period of weak growth, deindustrialisation, and recurrent economic crises. Primary-commodity prices then began a process of long-term decline, only partly reversed after the commodities boom of the late-2000s, which negatively affected the growth of local ground-rent. And, although credit supply expanded on a global scale thereafter, as 'developed-country' states have increasingly attempted to sustain consumption through easy-credit policies, loanable-capital inflows to Brazil have been irregular. To begin with, these were only re-established in the early-1990s, when the global supply of credit had grown sufficiently to, once again, reach non-'core' economies. Secondly, the expansion of global credit itself has not been constant. On the contrary, it has proceeded in a succession of periods when easy-credit policies resulted in loose monetary conditions that fuelled global growth, punctuated by periods when credit policies became more stringent as a means of addressing ensuing inflationary pressures (Brenner 2006: 143–63, 267–343; Iñigo Carrera 2013: Chap. 6).

The relatively slow growth of the combined mass of ground-rent and loanable-capital inflows led to a partial reversal in the process of state-led ISI through which their appropriation by industrial capital had come about. In other words, as these sources of extraordinary surplus-value reduced, relative to the demands placed upon them by industrial capital looking to valorise normally, state policies channelling them were partly or fully withdrawn. Market protection was reduced for some sectors and eliminated for others while SOEs were privatised. Neoliberalism thus replaced developmentalism as the general political and ideological form of realisation of the Brazilian process of capital accumulation which, nevertheless, continued to revolve around the recovery of ground-rent by global industrial capital.[5] In the post-1980 period, therefore, the state-led process of ISI became increasingly more limited, and industrial capital began to find a new source of extraordinary surplus-value to complement the ground-rent and loanable-capital inflows, the general payment of labour-power below its value.

The neoliberal restructuring of the ISI process started, incipiently, in the early-1980s, during the last years of the military government, and its deepening became the task of successive post-1990 democratic governments. After a decade-long weak economic performance and worsening labour-market conditions, there was no longer need for capital to rely on—politically expensive—authoritarian solutions to lower wages, deal with unemployment-related unrest, and divest state assets at fire-sale prices—all of which have been forms of realisation of the Brazilian process of capital accumulation during the period of *relatively* low rent.

Korean Capitalist Development Since World War II[6]

During the two decades following the end of WWII, the structure of the Korean economy did not qualitatively differ from Brazil's, where capital accumulated through the recovery of ground-rent. This specific modality of capital accumulation came about, as in Brazil and elsewhere, through a set of state policies ‘promoting’ ISI. The singularity of the Korean ISI process resided in the fact that the limited available ground-rent was complemented with a portion of small agrarian capital’s profits and foreign-aid inflows. The limited character of the Korean ISI process, especially *vis-à-vis* the Brazilian experience, thus resulted from the relatively small size of extraordinary surplus-value available to support industrial capital’s valorisation process (on the Korean ISI process, see Frank et al. 1975; Krueger 1979: Chap. 2).

Through the mid-1960s, however, the Korean process of capitalist development began to experience a structural change, as a result of the aforementioned transformation in the production of relative surplus-value on a global scale leading to the NIDL. Between the mid-1960s and the mid-1970s changes in the Korean economy resulted largely from the continuous appreciation of the Japanese industrial workforce as the global process of capital accumulation transformed Japan into a producer of consumer-durable goods, industrial inputs, and equipment. The Japanese labour-force was then increasingly replaced by new sources of relatively cheap and disciplined labour-power available in East Asia, which was capable of performing simple manual labour-processes in the textile, apparel, and electronics industries. After the mid-1970s, the transformations experienced by the Korean economy resulted not only from the further appreciation of the Japanese labour-force, but also, and crucially, from the direct impact of the contemporary processes of skill-replacing technical change, initially in process industries like steel and chemicals and subsequently, especially after the microelectronics revolution, in such serial production sectors as motor-vehicles, home appliances, and consumer electronics. Moreover, the Korean labour-force thereafter became itself a direct product of the process of capital accumulation; its quality was, thus, continuously improving through on-the-job experience and, increasingly, state mediation. As economic activity moved into higher value-adding sectors, the production of surplus-value expanded and the process of economic growth accelerated (Iñigo Carrera 2013: 76–82).

Three types of policy sets thus mediated the structural transformation of the Korean process of capitalist development throughout the 1960s and 1970s. First, some policies enhanced the export orientation of local industrial capital; second, other policies accelerated both the concentration of industrial capitals and the extent to which they became capable of normal world-market production; and, third, some policies mediated the reproduction of the local workforce with the characteristics and price needed for such activities. In general terms, the degree of direct state regulation of the Korean economy increased as the process of capital accumulation on a global scale changed the conditions of valorisation of capital in Korea in the direction of 'fixed-capital-intensive' industries like durable-consumer and heavy-industry goods. A relatively economically 'liberal', yet politically repressive, state mediated the emergence and initial development of the Korean export-oriented industrialisation (EOI) process during the 1960s. This process required large amounts of low-cost, unskilled labour-power and relatively low-cost fixed-capital investments. The provision of state guarantees for local firms' international-borrowing activities (for example, in the textile industry) and the establishment of foreign-capital subsidiaries (for example, in the microelectronics industry) were then sufficient to develop industrial capital for world-market production. In contrast, the emergence and subsequent development of durable-consumer goods and heavy-industry sectors came about through the consolidation of a nationalist 'developmental state' that not only disciplined while upgrading labour, but also accelerated the concentration of industrial capital to reach world-market scales, either through the provision of credit to private firms by state-owned banks or, as in the case of the steel industry, the centralisation of capital under direct public ownership. Moreover, policies protecting the long-maturing industries replaced the more liberal trade regime prevailing during the initial, light-industry-based stages of the Korean EOI process (for policy analyses, see Kohli 2004: 87–122; Krueger 1979: 99–138; Michell 1988: 61–8).

As in many other 'developing' countries, the early-1980s global recession triggered a process of financial sector and foreign trade liberalisation in Korea. However, unlike in Brazil and Latin America generally, this was not a political expression of the inability of the local ground-rent to sustain a diversified, domestic market-oriented industrial capital (Grinberg 2010). The strong growth and development of the Korean EOI process continued after the 1980–1982 recession, even in the context of raising wages. Liberalising reforms in Korea were, in the main, an expression of two other trends. First, the maturation of parts of its industrial sector which no longer required extended market protection and state support for their normal reproduction (for example, light industries). Second, the phasing out of other parts that proved to have had limited commercial potential (for example, aluminium and heavy-machinery industries) and of excessive productive capacity in potentially viable sectors (for example, shipbuilding). Meanwhile, during the 1980s, 'nascent' industrial sectors (for example, microelectronics and motor-vehicles) continued to be strongly supported by the state (Chang et al. 1998: 740; Green 1992: 416; Mathews and Cho 2000: 119–35), while, at the same time, developing the capacity to compete in world markets on the same basis as the large-scale heavy and chemical industries—namely, through the use of a *relatively* cheap and disciplined labour-force for simplified productive processes (Bello and Rosenfeld 1992: 113–18; Williams et al. 1994: 61–3).

Neoliberal reforms in Korea also contrasted with contemporary OECD country experiences, where they mediated the differentiation in the conditions of reproduction of the various fragments of the local industrial labour-force (see also Chap. 7). During most of the 1980s, wage differentials among Korean industrial workers declined, albeit from a highly unequal base (Lee and Lindauer 1997: 60–4). Manual workers' wages increased strongly across the board as the industrial base 'deepened', and so did the demand for more skilled labour-power that could no longer reproduce itself normally under wage conditions corresponding to its peasant origin. This process came about through a period of political opening up and the sharp, though short-lived (1987–1990), increase in working-class activism, crucially by core manual workers (Koo 2001: 153–87).

During the 1990s the Korean economy continued its growth process and its path of 'upgrading' to high-technology industries (Mathews and Cho 2000: 135–47), as a form of realising the production of relative surplus-value on a global scale through the NIDL. Though this new deepening of Korea's industrial sector resulted from the same global-scale economic forces as the previous development of light and heavy industries, it required a lower degree of direct state regulation of productive activities. As industrial capital matured, reaching world market standards, both market protection and the state's support of private-firm funding activities were no longer necessary. On the contrary, capital-account liberalisation became necessary to capture a portion of the expanding global credit supply, which was vital in funding the rapid upgrading of Korean industrial firms in light of emerging competition in world markets from firms located in countries with large supplies of cheaper and, arguably, equally disciplined labour-power (such as in China and Southeast Asia). As an expression of the economic transformations at stake, the 'neoliberal state' replaced the developmental state as the general political representative of the South Korean process of capital accumulation (Shin 2003: 136–70).

Although economic growth remained strong during the 1990s, these developments—that is, the surge of new competitors in global markets and the increasing reliance on external debts to fund investments—expressed the inherent limitations of the Korean process of capital accumulation. Indeed, when in the late 1990s the global process of overproduction of capital became manifest in the East Asian crisis, and demand for Korean exports slowed markedly, while the supply of credit to 'emerging markets' retrenched sharply, the South Korean economy entered its most severe crisis since the end of the 1950–1953 Civil War (Grinberg 2015). And, though in the post-crisis decade the Korean economy underwent a strong export-led recovery that was manifest in further industrial deepening, this process was, unlike in previous periods, supported with a strongly undervalued currency and an increasing, rather than decreasing, degree of labour-market fragmentation and precariousness (Chang and Chae 2004; Moon and Rhee 2009).

The Brazilian Steel Industry[7]

Brazil has a long history of large-scale integrated production of steel. Import substitution efforts in the sector began in the 1930s and expanded significantly during the 1940s under active state promotion. In 1941, after plans for the creation of a privately run project with foreign capital participation failed, the state-owned Companhia Siderúrgica Nacional (CSN) was finally incorporated. Five years later, Latin America's first fully integrated steel mill was completed in Volta Redonda, Rio de Janeiro, close to the country's major industrial areas and iron ore mines (Baer 1969: 68–79; Dahlman 1978: 34–9, 94–5; Fisher et al. 1988: 166–8).

State intervention in the industry increased during the 1950s developmentalist drive with the creation, and subsequent expansion, of a number of companies and plants, including Cosipa in Sao Paulo and Usiminas in Minas Gerais. Though controlled and partly funded by regional governments, these, as with CSN before, received substantial amounts of federal resources channelled through the National Development Bank (BNDE). Usiminas also incorporated the participation of Japan's Nippon Steel (Amarante de Andrade and da Silva Cunha 2003: 5; Dahlman 1978: 40–9).

As in many other developing countries, the declared goal of Brazilian steel SOEs was not only to achieve self-sufficiency in such a critical product for industrial development and national defence, but also to support downstream industries, like machinery, motor-vehicles, shipbuilding, construction, and railways; all of them key sectors in the ISI programme (Amann et al. 2004: 9; Baer 1969: 83; Fisher et al. 1988: 226). The economic content of that policy, however, differed from its ideological forms of realisation. State-owned steel mills in Brazil would act, as all other SOEs, as a medium for the transfer of ground-rent from landowners to industrial capital, crucially by selling subsidised outputs, buying inflated inputs, and by employing an overextended workforce. Moreover, but in contrast to other SOEs, they would also became an active medium for the transfer of ground-rent to industrial capital materialised in the price of iron ore, which was substantial given the country's large availability of low-cost, high-grade mineral deposits. A dual structure thus developed in the Brazilian steel industry, with state-owned integrated mills specialised in flat products, and private firms, mostly operating electric-arc furnaces, specialised in long products and using low-cost raw steel supplied by the former as their main input (Amann et al. 2004: 10). Under these structural conditions, the industry's development depended thereafter on the evolution of ground-rent, complemented by foreign credit, available to support the limited process of capital accumulation.

After growing rapidly for almost two decades, in the early 1960s the Brazilian steel industry, and in particular the state-controlled sector, entered a period of sluggish growth, as did most of manufacturing. As explained above, the growth of ground-rent then stagnated while external credits dried up. The downturn, however, was short-lived. By the end of the decade, the, so-called, Brazilian economic miracle was underway and the steel industry thrived again while resources to fund state investment were enlarging. In 1971 the long-delayed National Steel Plan was launched to coordinate investment and consolidate the sector to take advantage of economies of scale. To this end, it intended to create a holding company to embrace all SOEs and the National Steel Fund to finance the sector's expansion, although this never fully materialised. The Plan also reaffirmed the market division between state and private firms, and aimed to use 20 per cent of local capacity for export production (Amarante de Andrade and da Silva Cunha 2003: 5–6; Dahlman 1978: 95–8).

By the mid-1970s, the sector's recovery gained momentum and entered a second period of heavy investment. With ground-rent and credit inflows growing strongly again, steel companies received substantial state support under the auspices of the Second National Development Plan (NDP II 1975–1979) that aimed to promote further substitution of industrial inputs and capital-goods imports. In 1975 all steel SOEs finally came under the control of the holding company Sidebras, which, subsequently, also absorbed a number of small privately owned firms manufacturing specialty products (Dahlman 1978: 98–103). Large investments in productive facilities were thereafter undertaken by both state-owned and private-sector firms (Amarante de Andrade and da Silva Cunha 2003: 9). In the state sector the 1970s saw not only the further expansion of CSN, Usiminas, and Cosipa, but also the establishment of two new large mills, Tubarão Steel Company (CST) and Açominas. The former, a joint venture between the Brazilian state, Japan's Kawasaki Steel and Italy's Finsider, was constructed following the Japanese/Korean model in the coastal city of Vitoria with the purpose of exporting semi-finished slabs (D'Costa 1999b: 6–8). The latter was to produce finished and semi-finished products for both domestic and export markets. During this period, several wholly privately-owned firms also emerged, while others expanded their operations (Amann et al. 2004: 10; Dahlman 1978).

The Brazilian steel industry suffered in the debt crisis of the early 1980s, along with the rest of the manufacturing sector. Yet, by the mid-1980s, it was at the forefront of a short-lived export-led economic recovery that prompted several commentators to claim that the investments undertaken through the NDP II had finally succeeded in transforming the structure of the Brazilian economy by creating a self-sufficient, internationally competitive industrial sector (see Barros de Castro and Souza 1985). The reality of the Brazilian economy, however, could have not been more different, as the case of the steel industry makes clear. Labour productivity remained low by world-market standards and thus labour costs remained high, partly due to the low level of equipment automation and partly due to overstaffing in state-owned mills. Though the industry's expansion under the auspices of, and massive funding received from, the NDP II had allowed Brazilian steel SOEs to attain the lower end of the theoretical minimum efficient scale of production, this was well below the scale of Japanese and Korean plants with which they were competing (D'Costa 1999a: 89, 97; Fisher et al. 1988: 300). International markets could only be conquered thanks to a strong undervaluation of the national currency prevailing in the mid-1980s, the low local cost of iron ore and hydroelectricity, and the export subsidies that remained in place.

As can be observed in Table 9.1, in 1985 Brazilian average operational costs for the production of steel were, at exchange rates that reflected the relative evolution of the local currency to reflect value, substantially above those in Japan, Germany, and Korea. When depreciation expenses are considered, this cost disadvantage worsened further as Brazilian integrated mills had been purchasing equipment and contracting construction services from local companies at substantially inflated prices (Mendes de Paula 1993: 46). During the late 1960s, and crucially the 1970s, the local supply of highly-priced industrial equipment increased substantially under the auspices of various programmes implemented to deepen the ISI process, including the market reserve granted to local manufacturers (Amann 1999: 338–9). While construction costs of Korea's POSCO plant averaged USD500 per 1000 tons of annual production capacity, they reached USD1000 in Açominas and USD3000 in CST (D'Costa 1999b: 99).

The combination of high fixed-capital costs, overstaffing, and low-priced output affected the profitability of Brazilian steel SOEs. In 1985 the profit rate was –3.5 per cent for Açominas, producing a mixed output mainly for the domestic market, and –0.83 per cent for CST, producing slabs mostly for external customers. Their profit rates in the mid-1980s

Table 9.1 Cost of producing cold-rolled coil (USD per ton of finished product)

	Korea					*Japan*					*Brazil*					
	1985	*1991*	*1996*	*2003*	*2003*[a]	*1985*	*1985*[b]	*1991*	*1996*	*2003*	*1985*	*1985*[a]	*1991*	*1996*	*2003*	*2003*[a]
Labour costs	25	67	89	59	106	63	40	145	167	116	26	42	82	70	44	52
Main raw materials	103	153	148	124	124	96	96	141	142	113	92	148	150	148	105	123
Other materials	142	156	156	137	137	127	127	189	201	149	156	156	186	160	114	133
Total operational cost	270	376	393	320	367	286	263	475	510	378	274	346	418	378	263	308
Efficiency indicators																
Man hour/ton	8.2			3.9		5.4	3.5			3.1	9.0				4.4	
Continuous casting (%)	63.3	96.4	98.5	98.5		91.1	100	94.4	96.2	97.7	43.7		56.0	72.8	91.9	

[a] Parity exchange rates

[b] State-of-the-art facilities

Sources: data from Barnett and Crandall (1986); *World Steel Dynamics* (various issues) would have been around 16.3 per cent and 6.8 per cent, respectively, were these companies paying international prices for their fixed-capital investments.[8]

During the late 1980s and early 1990s, the Brazilian process of capital accumulation through ground-rent recovery underwent a structural crisis and would begin to reproduce itself under new politico-economic forms—namely, a limited or neoliberal ISI process. As part of that transformation, steel SOEs were privatised or shut down. They would no longer mediate the appropriation of ground-rent by industrial capital.

The 1990–1992 privatisation process gave way to the partial consolidation of the steel industry and, consequently, the rationalisation of employment practices and the upgrading of productive facilities (Amann and Nixson 1999: 76–8; de Andrade and da Silva Cunha 2003: 16). Labour productivity strongly increased, yet remained well below world-market norms, as most plants continued producing on a suboptimal scale and technological level. Hence, while through the mid-1990s the Brazilian steel industry became a global low-cost producer of low technology-intensive hot-rolled steel, its international competitiveness was based on the low local cost of iron ore, energy, and labour-power, and the relatively lax local environmental regulations (Amann and Nixson 1999: 69–79; McKinsey 1998: 28).

Moreover, despite early gains in international competitiveness, throughout the 1990s the Brazilian steel industry became, once more, increasingly oriented to the domestic market. As the decade progressed, exports fell below 30 per cent of total output, and became concentrated in semi-finished products, like slabs produced by CST and Açominas, and/or directed to protected regional markets (Instituto Brasileiro de Siderurgia 1995, 2000). The increasingly high overvaluation of the national currency, together with the high cost of local transport and port facilities, hurt the profitability of exported goods, other than raw or semi-processed materials (Mendes de Paula 1993: 52–3; McKinsey 1998: 13, 27, 34). In the steel industry, exports of high value-added products were only possible because of tax credits and subsidised loans made through the BNDE's modernisation fund for equipment acquisitions, which compensated for the negative impact of exchange-rate overvaluation on local costs other than raw materials (Amann and Nixson 1999: 81; Amarante de Andrade and da Silva Cunha 2003: 14–6). Exchange-rate overvaluation, nevertheless, reduced the domestic price of iron ore and imported equipment, largely possible after the 1990–1994 trade-opening reforms, and thus allowed, now privately-owned, steel producers to appropriate ground-rent when selling their output in the domestic market.

Unsurprisingly, the sector's profitability improved significantly in the post-privatisation period. First, employment in the steel industry was reduced by as much as 37.6 per cent during the 1989–1994 privatisation process and subsequent adjustment. Secondly, steel SOEs were purchased at prices far below the real value of their assets (Amann et al. 2004: 15, 31). In 1995, the return on capital invested in Brazilian steel producers was 3.6 per cent, 10.2 per cent and 23.4 per cent when calculated at, respectively, 'replacement cost', 'current market value' and 'privatisation values' (McKinsey 1998: 29).

After the 1999–2002 global and local economy slowdown, the Brazilian steel industry went through another process of consolidation, which included the entrance of major global leaders, like ArcelorMittal that bought CST and other smaller plants, and the fusion of domestically owned firms (for example, the consolidation of the Gerdau Group to take over Açominas, among others). This process resulted in significant investments in technological upgrading and the expansion of production capacities, both heavily supported by BNDE subsidised loans (Amarante de Andrade and da Silva Cunha 2003: 17–20). Yet despite these developments, no integrated mill in Brazil managed to achieve world-market scales of operation and, arguably, technological/environmental standards. Furthermore, the post-2004 increasing exchange-rate overvaluation—the general form of ground-rent transfer to industrial capital—significantly hurt export growth, notably of high value-added products, maintaining structural limitations on the expansion of the market and therefore on the introduction of vanguard technology (McKinsey and Co. 2013: 15). In 2008, Brazil's indirect trade in steel became negative for the first time since the mid-1970s, while locally owned firms took advantage of the strong exchange rate overvaluation to invest in facilities in industrially advanced countries (World Steel Association 2013).

In sum, before they were privatised in the early 1990s, steel SOEs, controlling almost all integrated facilities and the manufacture of flat products, played a central role in the promotion of the ISI process (that is, in the accumulation of capital through ground-rent recovery). They supplied steel products to their clients at subsidised values, purchased equipment and machinery from domestic producers at inflated prices, and employed an overextended workforce. The resources used to provide these subsidies originated not only in the profits of these companies but also in the ground-rent appropriated, and the foreign capital borrowed, by the state. In the post-privatisation period, steel companies no longer channelled a portion of the agrarian rent and external credits to their suppliers and clients. They continued, however, to mediate the appropriation of the rent materialised in the price of iron ore and hydroelectricity to steel producers and consumers (that is industrial capital, notably the automobile and white-goods sectors). Moreover, capitals invested in integrated steel mills themselves began, along with any other private capital in Brazil, to participate in the appropriation of local ground-rent and its complementary sources of extraordinary social wealth.

The Korean Steel Industry

In the mid-1960s, the Korean steel industry was practically non-existent. Private domestically owned firms, utilising obsolete facilities and a large amount of imported pig iron and scrap steel, satisfied around one-third of a limited domestic demand. Despite the ambitions of the Korean military government, there was not a single large-scale integrated mill, let alone an internationally efficient plant or quality steel producer. There were already three in Brazil at that time (Amsden 1989: 295; Cohen 1978: 422; D'Costa 1994: 52; Fisher et al. 1988: 168; Hogan 2001: 39).

The shape of the Korean steel industry, however, would soon change dramatically. In an import-substitution effort, and against the advice of foreign governments and international development agencies, the Korean state began to plan for the construction of a large-scale fully-integrated steel mill. This was allegedly necessary to help develop a 'balanced' industrial base, including the military industry needed to protect the nation from the security threat permanently posed by North Korea, and crucially after the change in US security policy on East Asia (Amsden 1989: 295; Clifford 1998: 67–71; Haggard 1994: 33–4).

In late-1960s Korea, however, such an enterprise was not a straightforward project. To being with, it was a project that required an amount of capital that no local private company could then hope to raise. And, even if this were otherwise, the local private sector was unwilling to risk resources in an industry that, given its importance for the process of industrialisation and national defence, could easily fall under strong government regulations (Park 2003: 67–8). Moreover, despite the government's efforts, foreign companies were not prepared to undertake such a supposedly unviable project (D'Costa 1994: 56; Hogan 2001: 3–10).

As in most other ‘developing’ countries, and many ‘developed’ ones, the state as the political representative of Korean social capital therefore took charge of the project and, in 1968, created POSCO (Pohang Iron and Steel Company) using its own and externally borrowed resources (including funds from Japanese war reparations). Later on, the company received a strong boost as part of the 1973 Heavy and Chemical Industries Plan. POSCO has since been the main Korean producer of high value-added flat products and, until recently, the only one with integrated facilities. All privately-owned mills have used electric-arc furnaces to finish the raw steel mainly bought from POSCO (D’Costa 1999b: 84).

The construction of POSCO’s first plant in the deep-water, southeast coastal city of Pohang was completed in five stages between 1970 and 1984. For this project, POSCO contracted most technology and technical assistance from global market leader Japan’s Nippon Steel, though it also sourced key parts of its equipment in Europe. The low cost of the local labour-force and the militaristic discipline used in the process maintained construction costs at internationally low levels (Amsden 1989: 297; Auty 1991: 19–20; D’Costa 1994: 58–60; Hogan 2001: 15–25). In contrast to the Brazilian experience, POSCO has always sought to purchase its fixed capital at the lowest prices possible, regardless of national origin. Production capacity in 1985, when POSCO’s first plant was finally completed, reached 9.6 million tons per year, well above the theoretical minimum efficient scale of 3.5 and almost equal to the average of the Japanese industry (Barnett and Schorsch 1983: 57–9). During the first stages of its history, POSCO concentrated on the production of heavy plates and hot-rolled coils used in the rapidly expanding shipbuilding, automobile, and machinery industries. More skill-intensive products, like cold-rolled coils and specialty steels, were relatively unimportant in the initial stages of POSCO’s development (Park 1997: 14–16).

POSCO’s fast ascent has strengthened those scholarly positions which point at state institutions as the main factor accounting for Korea's late-industrialisation (see, for example, Amsden 1989; Kohli 2004). This, however, is only a superficial part of the story. Often forgotten in those analyses is the fact that during the 1970s and 1980s the steel industry was being affected by the continual introduction of skill-replacing technical changes,[9] and that Korea had access to a low-cost, highly-disciplined and easily-trainable workforce—crucially after a two-year long compulsory military instruction for male workers and extended state repressive activities and indoctrination campaigns (Bello and Rosenfeld 1992; Grieves and

Saul 1986: Chap. 2). Moreover, existing labour market institutions, such as the extended use of subcontracting and null or weak trade-union representation, have been particularly propitious in reproducing a workforce with the combination of productive attributes and cost required by capital in the industry (D'Costa 1994: 68–9, 1999b: 105–6).

By the early 1980s, with the completion of the third expansion stage, the company was successfully competing with Japanese integrated mills, the contemporary lowest-cost producers, in world markets for finished steel—at least in non-specialty products (Auty 1991: 20). In sharp contrast to the Brazilian experience, during the 1970s and 1980s POSCO sold about half its output in the world market and most of the remainder to local, export-oriented sectors, such as the shipbuilding, machine-tools, and automobile industries (Hogan 2001: 37–61). Through the sale of steel to local consumers at subsidised prices, POSCO transferred a portion of its profits to these privately-owned downstream industries, helping them to strengthen their international competitiveness (Auty 1991: 24; D'Costa 1994: 69–70, 1999b: 87; Park 2003: 55). Hence, the alleged private-style management of this SOE cannot be held up as the reason behind its long-term commercial success, as argued elsewhere (see, for example, D'Costa 1994; Park 2003: 68–9). Nor can it be the quality of state institutions—the largely state-owned Korea Aluminium Company, for instance, was unable to replicate POSCO's success (Stern et al. 1995: 140–2).

Skill-replacing technological developments resulted in changes in the international competitiveness of capitals located in different countries, and hence in the international division of labour in steel production. As can be observed in Table 9.2, in the mid-1980s POSCO's operational costs for hot-rolled coils were lower than the average Japanese producer and roughly the same as those of a state-of-the-art Japanese plant. POSCO compensated for the lower productivity of its workforce, which was largely

Table 9.2 Cost of producing hot-rolled coil (USD per ton of finished product in 1985)

	Japan	*Korea*
Major raw materials	94	84
Labour costs	41	18
Non-major raw materials	54	47
Total operating costs	189	149

Note: administrative and financial costs not included

Source: Data from Grieves and Saul (1986) attributable to its relative inexperience and the less efficient technology used for casting processes, with lower wages (see Table 9.1). Japanese leading firms retained, at least for a period, a marginal cost advantage in the more technology-intensive cold-rolled coil production. POSCO’s competition eroded some of Japanese firms’ external markets, contributing to their excess capacity, as had happened a decade earlier to US mills when Japanese capital appeared in the global market for steel. This further increased their total average production costs, undermining their long-running international competitiveness. While POSCO attained 99 per cent capacity utilisation during the mid-1980s, the largest Japanese steel companies averaged only 52 per cent (Park 1997: 14).

These transformations in the global steel industry manifested themselves in differences in the valorisation and growth capacities of capitals invested in large-scale integrated mills in both countries. While the rate of profit for an average steel mill in 1985 Japan was about 8.45 per cent, POSCO’s pre-tax profit rate would have been around 20 per cent had it not sold part of its output in the domestic market at substantially subsidised prices. Conversely, the pre-tax rate of return on capital advanced for valorisation for a representative Japanese steel mill that year would have been around 26 per cent had they worked at full capacity and thus spread fixed costs more thinly. More importantly, POSCO’s rate of profit (at export rather than domestic market prices) in 1985 would have been around –2.3 per cent had it paid Japanese wages to its relatively low-productivity production workers.

As can be observed in Table 9.1 the slight advantage enjoyed by Japan’s most efficient steel mills disappeared throughout the second half of the 1980s, when POSCO installed its third continuous caster at the Pohang works, thereby attaining a 100 per cent continuous casting process, when it also built its state-of-the-art, fully automated and computerised plant in the southern coastal town of Gwangyang (Hogan 2001: 25–35; Park 2003: 61–2). Nevertheless, despite becoming one of the largest and most efficient steelmaking companies in the world, POSCO has not been at the forefront of technological developments in the sector. Rather, the company has concentrated on the introduction of incremental rather than radical innovations (Hogan 2001: 63–73; Park 2003: 56–60).

During the 1990s POSCO consolidated its world leadership and managed to out-compete the most efficient Japanese producers in almost every sector of the market (see Table 9.1 for the case of cold-rolled coils). As the new technological base was consolidated and worker experience matured, labour productivity in Korea as good as reached Japanese levels, while wages remained substantially lower (Park 1997: 14). Moreover, even after the revival of the US steel industry led by the mini-mill sector, POSCO could, unlike most of its Japanese counterparts, continue to compete successfully in world markets for non-speciality steel (Park 2003: 53–4). The company's rate of profit, when output is valued at world market prices, remained at around 25 per cent in 1995 despite the emergence of a new global steel crisis.

With POSCO's global leadership consolidated, the Korean state initiated its divestment from the company as part of an economy-wide liberalisation programme. The firm had by then already attained an efficient scale of operation and had become one of the world's largest and lowest-cost steel producers. Moreover, downstream industries were no longer in need of heavily subsidised steel products as they had also substantially improved their international competitiveness. On both sides, there was no longer a need for public ownership of the company. Yet, POSCO's sale was, unlike that of its Brazilian counterparts, a slow process; it only ended in 2001, when the state sold its remaining 20 per cent to 25 per cent of the company's equity. By the mid-2000s at least two thirds of the company's shares were owned by foreign investors (D'Costa 1999b: 101; Hogan 2001: 16).

Although POSCO's cost competitiveness in global markets remained strong during its post-1998, privately run era, it has not been as comfortable as before. As wages in South Korea increased, while local workforce skills expanded further, the cost gap with producers in both higher-wage/productivity and lower-wage/productivity countries narrowed. As Table 9.1 shows, in 2003 operational costs for the production of cold-rolled coils at parity exchange rates—that is, discounting the post-crisis undervaluation of the Korean currency—were still lower than in industrially advanced countries but already higher than in China where, nevertheless, steel products are arguably of a lower quality. This, however, might be misleading because the Chinese *yuan* was also widely considered to have been strongly undervalued (Grinberg 2014). At market exchange rates, POSCO's operational costs were still lower than Chinese costs.

In sum, the emergence and long-term development of the South Korean steel industry was not simply a product of bold state policies, as is often argued. Rather, it resulted from the development of the autonomously regulated process of capital accumulation on a global scale, whose contradictory motion has been necessarily *mediated* by the actions of the Korean state. In effect, the Korean state's long-term efforts in the promotion of the sector only began to pay-off after the mid-1970s, when the development of the NIDL created the conditions for capital to take advantage of the large availability in Korea of relatively cheap, highly disciplined, and easily trainable labour-power. More specifically, automated and computerised technologies had by then significantly simplified production processes and thus made possible the use of relatively low-skilled workforces. Before the mid-1970s state policies had been as ineffective in building an internationally competitive steel industry as in many other developing countries.

Conclusion

This chapter has compared the processes of ‘state-led’ industrialisation in Brazil and South Korea. It claimed that the specific form of participation of each economy in the production of relative surplus-value on a global scale has determined the pattern of industrialisation that followed and the political processes through which it came about. In Brazil industrial capital accumulated through the state mediated recovery of ground-rent, which implied small-scale production for protected domestic markets. By contrast, in South Korea, industrial capital accumulated through the exploitation of a *relatively* cheap and disciplined workforce performing simplified activities for world market production in increasingly complex sectors. These claims were substantiated with the analysis of the differentiated development of these countries’ steel industries.

Notes

1. This section draws upon on Iñigo Carrera (2013), Grinberg and Starosta (2009, 2014), and Grinberg (2013b).
2. Ground-rent is surplus-value appropriated by landowners due to their differential and absolute *monopoly* over uncontrollable natural conditions of production that, respectively, increase labour productivity or make production possible (Marx 1981: 779–823).
3. The structure of the process of capital accumulation in Mexico and Central America was transformed in the 1980s as a result of the same economic forces that accounted for the emergence of East Asia as a global industrial powerhouse (Grinberg 2010).
4. This section is based upon Grinberg (2016).
5. As in the industrially advanced economies, neoliberalism has also been the politico-economic form through which capital realised the differentiation of the conditions of reproduction of the different portions of the workforce

according to their, increasingly distinctive, productive attributes (Iñigo Carrera 2013).

6. This section is based on Grinberg (2013b and 2016).
7. The following two sections draw upon Grinberg (2011: 115–33).
8. See Iñigo Carrera (1996) for the theoretical and methodological foundations of the model used to measure the profitability of individual industrial capitals; and Grinberg (2011: 181–3) for the sources used to pursue the computations of representative capitals in the Brazilian and Korean steel industries.
9. Skill-replacing technical changes in the steel industry centred, initially, on the computerisation of the control of the physicochemical processes required to transform raw materials into final products and, subsequently, on the automation of the regulation and interconnection of such processes (Balconi 2002; Coriat 1992; Hasegawa 1996).

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… and all science would be superfluous if the form of appearance of things directly coincided with their essence.

MARX 1991, p. 956

• • •

The idea of one basis for life and another for science is from the very outset a lie.

MARX 1992b, p. 355

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Chapter 3 incorporates material from 'Which "Rational Kernel"? Which

"Mystical Shell"? A Contribution to the Debate on the Connection between Hegel's Logic and Marx's Capital', in *Hegel's Logic and Marx's Capital*, edited by Fred Moseley and Tony Smith, Leiden: Brill, 2014: 89–111.

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Parts of Chapter 8 include material from 'The system of machinery and determinations of revolutionary subjectivity in the *Grundrisse* and *Capital*', in *In Marx's Laboratory: Critical Interpretations of the Grundrisse*, edited by Riccardo Bellofiore, Guido Starosta and Peter Thomas, Leiden: Brill, 2013.

This book is dedicated to my wife Nara and my children Oliverio and Lola: without your love and affection, this book would never have seen the light of the day.

Introduction: On the Current State of Revolutionary Theory

The topic of this book is emancipatory subjectivity. More precisely, it is a scientific inquiry into the social determinations of the revolutionary subjectivity of the working class. Given the current state of radical intellectual labour, this may sound like an outmoded, if not directly courageous but hopeless, subject of research. In effect, since some intellectuals proclaimed that the time had come to wish farewell to the working class,[1] critical social theory has not ceased moving away from the notion that the working class is the social subject whose revolutionary action will put the alienation inherent in the capitalist form of social life to an end. As Iñigo Carrera vividly puts it, critical social theory moved from seeing the working class as the social subject meant to abolish the capitalist mode of production to seeing the latter as having abolished the working class itself.[2]

Unfortunately, the search for answers to the question of the *social* determinations of revolutionary subjectivity in the work of contemporary Marxist scholars – where one would expect to find them – does not look very promising either. Certainly, there have been plenty of interesting developments within the Marxist tradition in recent times; in particular, among those working within a broadly understood 'form analysis' approach.[3] Thus, since the 1980s there have been important contributions to the investigation of the more general economic form determinations of capitalist social relations,[4] the state form,[5] the legal form,[6] and, more recently, a renewed interest in Marx's dialectical method and its connection to Hegel's.[7] A

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[1] Gorz 1982.

[2] Iñigo Carrera 2008, p. 9.

[3] I refer to those currents that grasp Marx's critique of political economy as a critical investigation of the historically specific alienated forms of social mediation of capitalist society.

[4] See, among others, the essays contained in Elson 1979b; Williams 1988; Arthur and Reuten 1998; Campbell and Reuten 2002; Bellofiore and Taylor 2004; Moseley 2005; Bellofiore and Fineschi 2009; Fine and Saad Filho 2012.

[5] Holloway and Picciotto 1978; Bonefeld 1993; Bonefeld and Holloway 1991; Clarke 1988, and 1991b.

[6] Fine 2002; Miéville 2005; Engelskirchen 2011, chapter 5.

[7] Moseley 1993; Moseley and Campbell 1997; Albritton and Simoulidis 2003; Ollman and Smith 2008; Chitty and McIvor 2009; Jameson 2009; Mészáros 2010 and 2011; Carchedi 2011a.

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large number of novel detailed commentaries on (and introductions to) Marx's *Capital* have appeared as well.[8]

However, not many works have actually put the problematic of revolutionary subjectivity at the centre of the critique of political economy. I do not want to imply that scientific reflection on the determinations of revolutionary subjectivity has been *completely* absent from recent Marxist theorising (although it must be said that many of the contributions to the resurgence of value form theory since the late 1970s and early 1980s, and certainly most of the discussions of the dialectical method, did fail to establish a firm link between revolutionary theory and the concrete political action of the working class).[9] But in the few cases where that question has been explicitly addressed, emancipatory subjectivity has usually been grasped, as Postone rightly notes, as *transcendentally* or *ontologically* rooted.[10] This means, in a nutshell, that the ground for emancipatory subjectivity is seen as standing *outside* the alienated forms of social mediation through which the life process of humanity asserts itself. For instance, the substance of revolutionary subjectivity is seen as residing in a generic material content – the 'constituting power of human productive practice' – which, in its most refined versions, constitutes the negated presupposition of capitalist forms of social mediation.[11] That is, the content of revolutionary subjectivity is not grasped as the 'unity of many determinations', but remains simple and *unmediated*, mediation pertaining at best only to *non-revolutionary* forms of working-class subjectivity. In the same vein, the exposition of the determinations of revolutionary subjectivity is not the *synthetic* result of the scientific dialectical unfolding of the movement of the social forms of capitalist society, but is represented as the product of the *analytic* reduction of those social forms to the postulated generic material content.[12] The scientific critique of capital thereby comes down to the invocation of the powers of an unmediated human practice in the form of a (Kantian) moral imperative.[13]

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[8] Saad-Filho 2002; Milios et al. 2002; Bidet 2007; Albritton 2007, Veraza Urtuzuástegui 2007; Fine and Saad-Filho 2010; Harvey 2010 and 2013, Heinrich 2011 and 2012; Jameson 2014.

[9] As commented by Mohun, regarding value theory, in a collection of essays from those debates (1994a, p. 4).

[10] Postone 1996, p. 38.

[11] Cf. Bonefeld 1995.

[12] This point was insightfully hinted at in the 1970s by Giacomo Marramao in his critical appraisal of the polemic between the more subjectivist positions of Korsch and the Dutch Left Communists (Pannekoek, Gorter) and the defenders of the theory of capitalist breakdown (Mattick, Grossmann) (Marramao 1975–6, pp. 152–5; 1982, pp. 139–43). As Marramao states against the 'spiritualisation' of revolutionary consciousness by Pannekoek: 'Thus, the genesis of class consciousness is not *explained* in terms of the process of production and reproduction, and from within the objectivity of social relations, but is *presupposed* as

Eventually, the logic of this approach ends up taking the conscious reflection on the determinations of revolutionary subjectivity away from *social theory* (the critique of political economy) and into the realm of *philosophy*. Thus, in his recent investigation of revolutionary subjectivity, Holloway abandoned the approach of his earlier work on the economic and political forms of capitalist social relations of production, and conceptualises revolutionary theory through a blend of an Adornian philosophical critique of 'identity' and a Blochian philosophy of hope.[14] In another, widely debated strand of work, Hardt and Negri, even if at least offering some insights into the *social* determinations of working-class subjectivity (e.g. through their theory of 'immaterial labour'), ultimately ground its revolutionary form through a recourse to a different philosophical combination: an *ontology* of the 'productivity of desiring machines' inspired by the poststructuralism of Deleuze and Guattari, and a Spinozan *political philosophy* of the 'multitude'.[15]

The key to the overcoming of the limitations of all these approaches has been correctly identified by Postone in his own recent attempt to reconstruct the Marxian critique of political economy: emancipatory subjectivity must be *socially* grounded.[16] Hence, it is a question pertaining to dialectical *social theory* – the critique of political economy – and not to philosophy. More concretely, this means grasping emancipatory subjectivity as *immanent* in the very unfolding of the reified forms of social mediation of capitalist society. Hence, Postone rightly argues, the question that critical social theory faces is to discover emancipatory consciousness as socially constituted by the alienated *historical* dynamic of capital itself.[17] The problem with his approach is that in his idiosyncratic reconstruction of the Marxian critique of political economy, that historical dynamic actually *denies* the working class (*qua* working class) the determination of material bearer of revolutionary subjectivity.

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a result of an irreducible autonomy that at a certain point of development, makes the qualitative jump which breaks the quantitative uniformity of the empirical world' (Marramao 1975–6, p. 155). Marramao's additional point, namely, that the elements for a dialectical alternative to this subjectivism can be found in the work of Grossmann, is, however, less persuasive.

[13] As pointed out by Neary 2004.

[14] Holloway 2002b, and 2010.

[15] Hardt and Negri 2000, 2004, and 2009.

[16] Postone 1996, p. 38.

[17] Postone 1996, p. 38.

This book takes up the challenge posed by Postone and aims at the development of a materialist inquiry into the social and historical determinations of revolutionary subjectivity. It also does this through a *critical reconstruction of the Marxian critique of political economy*. One, however, that yields an opposite result to that of Postone, namely, that the outcome of the historical unfolding of the dialectic of the objectified form of social mediation turned into the very alienated subject of social life (i.e. capital) is to determine, as its own *immanent* determination, the constitution of the (self-abolishing) working class as a revolutionary subject.

A crucial element in this intellectual endeavour is the recovery of the old Marxian insight, contained in the oft-quoted passage from the Postface to the second edition of *Capital*, into the intrinsic connection between the specifically dialectical form of social science and its revolutionary content.[18]

> In its mystified form, the dialectic became the fashion in Germany, because it seemed to transfigure and glorify what exists. In its rational form it is a scandal and an abomination to the bourgeoisie and its doctrinaire spokesmen, because it includes in its positive understanding of what exists a simultaneous recognition of its negation, its inevitable destruction; because it regards every historically developed form as being in a fluid state, in motion, and therefore grasps its transient aspect as well; and because it does not let itself be impressed by anything, being in its very essence critical and revolutionary.[19]

In this sense, it could be said that this book represents a *methodologically minded* development of the critique of political economy. More precisely, the book argues that the latter is but the scientific self-consciousness of the working class about its own social determinations as an alienated yet revolutionary subject. Because of this determination, itself the product of its dialectical form, social science becomes determined as *practical criticism*.

This general methodological approach to the critique of political economy adopted in this book is primarily inspired by the work of the Argentine independent scholar Juan Iñigo Carrera, to whom I feel immensely in debt for many of the ideas developed here.[20] As I hope to demonstrate throughout the course of the argument, this approach is highly original and provides a rigorous and powerful answer to many of the scientific questions that Marx scholars (especially those associated with those currents of critical Marxism that have tried to break with the Marxist-Leninist orthodoxy) have been debating at least over the last 30 years. Unfortunately, very few of Iñigo Carrera's works have been published in English.[21] Coupled with the fact that his research has been carried out independently, i.e. outside the formal structures of academia, Iñigo Carrera's work has remained largely unknown within English-speaking Marx scholarship. A first aim of this book, then, is to introduce this particular approach to the critique of political economy to the wider English-speaking readership. Furthermore, this book also intends to show that this approach provides not only a powerful tool for the contemporary further development of the critique of political economy, but also a very fruitful way of uncovering the methodological thread that gives unity to Marx's overall intellectual development. In particular, I have utilised the clues found in Iñigo Carrera's writings to develop a close reading of Marx's major work, namely, *Capital*.[22] Through this reading, I hope to prove my point about the revolutionary nature and contemporary relevance of the Marxian critique of political economy.

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[18] A point forcefully made after Marx's death fundamentally by Lukács in *History and Class Consciousness* (1971).

[19] Marx 1976g, p. 103.

[20] See Iñigo Carrera 1992 and 2008.

Structure of the Book

To develop the argument, the book is structured into two parts. A critical reading of Marx's early writings from the perspective of his later works is carried out in the three chapters comprising the first part of the book. The reading attempts to find in both the insights and limitations of the young Marx clues towards the direction that his scientific development would take and which would culminate in the intellectual and political necessity of writing *Capital*. This critical engagement with Marx's early texts is not carried out through an exhaustive chronological assessment of each of those works, a task which in itself would require a whole book and which, moreover, would presumably reveal plenty of repetitions in terms of the scientific achievements contained in each text (e.g. the materiality of human productive subjectivity in both the *Paris Manuscripts* and *The German Ideology*). Rather, the book selects and concentrates on three key moments in Marx's early intellectual development which, I think, demonstrate with greater force both the achievements and limitations of the early writings in terms of the revolution in the mode of scientific knowledge that Marx was undertaking, and that would eventually crystallise in the writing of *Capital* as the most developed form of the critique of political economy, that is, of the dialectical critique of the capital form.

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[21] Only very recently, a couple of articles on method (Iñigo Carrera 2013 and 2014) and some of his empirical work on the specificity of capital accumulation in Argentina (Iñigo Carrera 2006) have come to light in the English-speaking world. Many of his other articles in Spanish are available now on his website: http://www.cicpint.org/.

[22] At the time of finishing the first draft of this manuscript, there was no published detailed commentary on Marx's *Capital* by Iñigo Carrera. A commentary on the first chapter is now available. See Iñigo Carrera 2007. I have nonetheless benefited greatly from illuminating discussions over the past 17 years, throughout which I have collaborated closely with him. In addition, recordings of his course on *Capital* (in Spanish) have recently been uploaded on his website.

The first two chapters deal with two different aspects of the 1844 *Paris Manuscripts*. Chapter 1 firstly outlines some of the crucial breakthroughs contained in that text. In the first place, it points to this work as involving Marx's first *materialist* comprehension of the revolutionary subjectivity of the proletariat. And this meant the overcoming of the *philosophical* standpoint from which he had previously grasped the emancipatory mission of the working class. The chapter further argues that this transcendence of the philosophical representation of proletarian subjectivity actually springs from another fundamental achievement found in the *Paris Manuscripts*, namely, the discovery that the key to the comprehension of any historical movement lay in its referral to the development of the *materiality* of human *productive* individuality. On the other hand, I also argue in Chapter 1 that Marx's elaboration of all these theoretical breakthroughs eventually clashed with an insurmountable barrier: the *methodological insufficiencies* underlying this first attempt at a critique of political economy. I show that Marx's reliance on a Feuerbach-inspired transformative criticism, although serving him analytically to uncover alienated labour as the hidden foundation of 'economic categories', eventually leaves him unarmed to comprehend the historical dynamic of alienated labour in the qualitative specificity of its concrete forms. He thus resorts to an *extrinsic* application of a *general* dialectic formally borrowed from Hegel's *Phenomenology of Spirit*. The unfolding of the concrete social determinations of revolutionary subjectivity could not but remain outside the reach of this early critique of political economy.

Chapter 2 undertakes closer scrutiny of two fundamental claims made in the first chapter. First, that Marx's adoption of a materialist perspective was tantamount to the transcendence of philosophy. In the second place, I argue that, especially through the confrontation with Hegel's philosophy in the third manuscript, Marx starts to show self-awareness of the inadequacy of the transformative method inherited from Feuerbach as the revolutionary form of proletarian science. Moreover, I argue that both questions are intrinsically connected. In order to do this, and unlike most commentaries, the chapter focuses not on Marx's critique of Hegel's *Phenomenology*, but rather that of the *Science of Logic*. It is argued that it is especially with the latter critique that Marx became aware of the essential character of philosophy as uncritical alienated thought and, hence, of the need to overcome philosophy *tout court*. At the same time, the chapter advances the proposition that the very same confrontation with Hegel's *Science of Logic* was crucial for Marx's first steps in the critical appropriation of the 'rational kernel' to be found in the Hegelian dialectic, namely, the discovery of the revolutionary essence of the 'reproduction of the concrete by means of thought' – i.e. dialectical cognition – as the necessary *method* of science determined as practical criticism. Whatever the role played in the *Paris Manuscripts* through its materialist inversion as the dialectic of human labour, the self-development of Spirit through alienation and its overcoming is not where that rational kernel resides. Rather, the chapter argues, already at that early stage Marx was coming to terms with the fundamental distinction between what Hegel called the 'understanding', with its characteristic externality between the ideal necessity of thought and the inner life of the object of scientific cognition, and what he called 'speculative thought', as the form of scientific cognition with the power to follow in thought the movement of negativity immanent in real forms. However, Marx did not uncritically appropriate that insight, but instead turned that distinction against Hegel himself.

Some of the essential ramifications of this early recovery of the revolutionary power of the dialectical method are explored in Chapter 3, mainly by means of a reconstruction of Marx's critique of Proudhon. The latter, I think, constitutes another key moment in Marx's intellectual development that condenses the theoretico-methodological breakthroughs he achieved during the 1840s. The first methodological aspect that crops up in Marx's critique of Proudhon is the critical distinction between dialectical *logic* and dialectical *method*. The former is what results when the dialectic is conceived of as a general formalistic methodology to be taken ready-made from Hegel's *Science of Logic* and then applied to whatever particular content we face; in the case of Proudhon, to the 'material' questions of political economy. By contrast, the dialectical method does not consist in the application of the general necessity of logic – however 'dialectical' in form – to particular objects, but simply follows in thought the *specific* necessity immanent in social forms themselves. Hence the significance of the *Poverty of Philosophy*: it contains Marx's first positive attempt to reproduce in thought the real movement of capitalist economic forms. Moreover, I try to show that this critique of Proudhon entails much more than an abstractly methodological interest; rather, the text reveals that at stake is the knowledge of the social determinations of the political action of the working class. In brief, the text makes evident the *political* nature of the dialectical critique of political economy determined as the conscious organisation of the practical critique of the capital form.

And yet the rudimentary and germinal state of Marx's critique of political economy at that stage limited the scientific comprehension of the social determinations of revolutionary subjectivity to an equally underdeveloped stage. The political task that Marx faced thereby became clear to him: to put all these theoretico-methodological insights gained in the 1840s concretely into motion by giving the dialectical critique of political economy its fully developed shape. This, the first part of the book partially concludes, is what the writing of *Capital* was all about.

The second part of the book aims at substantiating this last point through a methodologically minded critical reading of Volume 1 of *Capital* and the *Grundrisse*. Chapters 4 and 5 develop a very close reading of the first chapter of *Capital* in order to show how only through a sound comprehension of the dialectical method, as broadly reconstructed in the first part of the book, can the implications of Marx's presentation of the determinations of the commodity form be uncovered in all their plenitude. Particular attention is given to Marx's investigation of the commodity form as entailing both the most general form of *objectivity* and *subjectivity* of the capitalist mode of production, an issue that is spelled out in Chapter 5. On the other hand, Chapter 6 also problematises the relation between the critique of these more abstract forms of alienated social life and the uncovering of the concrete determinations of emancipatory subjectivity. The argument put forward is that the former constitutes only a first step of a laborious journey involving the reproduction in thought of the further mediations underlying the latter. Only by going through that development can the critique of political economy become determined as the self-consciousness of the social necessity of revolutionary action.

This point is reinforced in Chapter 7 through a reconstruction of the precise form in which Marx introduces the class struggle in his dialectical presentation and a discussion of various implications that follow from it. In contradistinction to many contemporary readings that tend to *ontologise* the class struggle, thereby turning it into the most general *content* of the movement of social life in its capitalist form, the chapter argues that it is a necessary *form* in which the valorisation of capital realises its determinations. The reason for this does not lie in the formalistic methodological principles of structuralism.[23] Rather, it is an expression of the concrete development of the historically specific alienation inherent in the commodity form; in the form of the *total social capital*, the materialised social relation between private and independent individuals *becomes determined as the concrete subject of the movement of modern society*. This does not imply the denial of the transformative powers of human practice personified by workers. But it does imply that whatever transformative powers the political action of workers might have – *both* capital-reproducing *and* capital-transcending political action – must be an immanent determination begotten by the alienated movement of capital as subject and not external to it. And in its *simplest* determination (i.e. as an expression of the *formal subsumption* of labour to capital), the class struggle only exists as a necessary form of capital's reproduction, but not of its transcendence.

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[23] As alleges Bonefeld 2014.

As explored in Chapter 8, the socio-historical genesis of the emancipatory subject can be found in the transformations in the *materiality* of social life brought about by the *real subsumption* of humanity to capital. As Marx shows in *Capital* and the *Grundrisse*, through the constant revolution in the material conditions of social labour, capital progressively transforms the subjectivity of the workers according to a determinate tendency: they eventually become *universal labourers*, that is, organs of a collective subject capable of consciously ruling their life process by virtue of their power scientifically to organise the production process of any system of machinery and, therefore, any form of social co-operation. This mutation of their *productive subjectivity* is the necessary prelude to the constitution of the labourers as truly social individuals through their self-abolition as wage workers and the construction of the free association of individuals. This, I argue, is the inner material *content* of social life which is expressed in the *form* of the political revolutionary subjectivity of workers.

By way of a conclusion, Chapter 9 provides a further examination of the determinations of revolutionary subjectivity beyond those explicitly developed by Marx. By drawing together and elaborating on many themes only tangentially touched upon in the previous chapters, the concluding remarks of the book explore the further qualities of the emancipatory subject: the alienated nature of its transformative action; its inner material determination as productive subject; the specific scientific form of revolutionary consciousness (i.e. dialectics); the connection between the revolutionary abolition of the capital form and the 'conquest of state power'; and, finally, the necessity for its action to be consciously self-organised.

PART 1

Marx's Early Critique of Political Economy: The Discovery of the Revolutionary Subject and the Development of Science as Practical Criticism

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CHAPTER 1

The Dialectic of Alienated Labour and the Determinations of Revolutionary Subjectivity in the *Paris Manuscripts*

Introduction

There was a debate among scholars in the 1960s and 1970s over the way in which Marx came to embrace the idea – explicitly appearing for the first time in the *Introduction to the Contribution to the Critique of Hegel's Philosophy of Right* – of the proletariat as the revolutionary subject of the abolition of the capitalist mode of production. Was it through 'empirical' contact with real proletarians? Tucker states it was not, and claims that it was through the reading of socialist and communist literature of the time.[1] Avineri, for his part, argues that it was through the critique of Hegel and his notion of a universal class.[2] Finally, McLellan thinks that it was through his immersion in a radical-socialist political and intellectual environment as he moved from Germany to Paris.[3]

Now, as Perkins rightly notes, what matters is not the biographical question of how Marx came to discover the proletariat, but the *meaning* of that discovery.[4] In this sense, regardless of the precise form in which Marx came to discover the proletariat as a revolutionary force, the crucial point to highlight is that, until 1844, the proletariat was for Marx a *philosophical category*. More concretely, it was the mediating category through which he tried to make philosophy descend from the heavenly realm of abstract thought to the real social life of concrete human beings.[5]

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[1] Tucker 1961.

[2] Avineri 1993, pp. 52–64.

[3] McLellan 1973, p. 97.

[4] Perkins 1993, p. 33. Apart from the works by Tucker, Avineri and McLellan cited above, classic but still good sources on the details of Marx's intellectual evolution and biography can be found in Rubel 1975 and 1980 and Oakely 1983, and 1984–5. Musto 2010a provides a more recent examination of Marx's intellectual biography up to the *Grundrisse*, incorporating the latest advances of philological research based on the MEGA project. For a commentary on the later, see Musto 2010b.

[5] Perkins 1993.

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Thus, even if he were attempting to transcend what he saw as the abstract character of idealist philosophy as present in both Hegel and the Young Hegelians, I think that Marx's intellectual development before the *Paris Manuscripts* was carried out within the boundaries of philosophical discourse. In particular, he was attempting to solve the whole theory-practice problematic as it appeared when seen through philosophical lenses. And this meant that, thus conceived, his endeavour was doomed to failure from the very outset. As I shall argue in the following chapter, in the *Paris Manuscripts* Marx would come to discover that it is in the very essence of philosophy (however 'materialist' or 'dialectical' in form) to remain trapped within abstract thought and, therefore, to be indifferent to the real movement of human practice. Within the limits of philosophical thought, no real mediation is possible between theory and practice, only the appearance of it. Or, seen from another angle, within philosophy the relation between theory and practice cannot but become inverted. Instead of seeing revolutionary science ('theory') as the necessary concrete form through which the transformative action of the proletariat ('practice') is consciously organised, the latter appears as the necessary form through which the universal claims of philosophy are realised. Revolution thus becomes a logical necessity of philosophy and consists in making the world become 'philosophical'.[6]

The perspective of the *Paris Manuscripts* is very different. In this text Marx's starting point is no longer the universal claims of philosophy. As he states when opposing political economy's recourse to a mythical primitive society of simple commodity producers: 'we shall start out from a *present-day* economic fact'.[7] Marx attempted to analyse this concrete economic form in its historical specificity and existing reality and, *from this point of departure*, he *then* both made sense of previous history and discovered the hidden transitions to the supersession of modern capitalist society. Hence, communism ceased to be a philosophical *ideal* in any meaningful sense of the word, notwithstanding the mediations with the real introduced, and became 'a *real* phase, necessary for the next period of historical development, in the emancipation and recovery of mankind'.[8] As Marx put it in an oft-quoted passage from *The German Ideology*:

> Communism is for us not a *state of affairs* which is to be established, an *ideal* to which reality [will] have to adjust itself. We call communism the

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[6] Marx 1992a, p. 257; O'Malley 1970, p. xxii.

[7] Marx 1992b, p. 323.

[8] Marx 1992b, p. 358.

> *real* movement which abolishes the present state of things. The conditions of this movement result from the premises now in existence.[9]

The quotation cannot be clearer. Although there is a formal similarity between Marx's approach to the problem of social transformation before and after August 1844 (in terms of the finding of the future immanent in the present), there is also a subtle difference expressed in the passage from philosophy to materialist science; one, however, which cannot be neglected if we want to grasp the innovations in Marx's thought to be found in the *Paris Manuscripts*.[10]

The second central aspect of the *Paris Manuscripts* is a direct result of Marx's first attempt at the critical investigation of the specific nature of modern society through the critique of Hegel's *Philosophy of Right*, i.e. through an analysis of bourgeois political forms. As Marx himself tells us in the short intellectual 'autobiography' found in the *Preface to the Contribution to the Critique of Political Economy*, the main conclusion he reached was that the key to the comprehension of the specific nature of capitalist society was not to be found in the critique of the doctrine of the state, but that the critique of modern society had to start with the critique of political economy in order to, then, continue into a critique of the state.[11] This was the science that was able to penetrate the 'internal physiology' of the modern world to be found in 'civil society' and, more precisely, in 'private property'.[12]

In light of this conclusion, in the *1844 Manuscripts* Marx turns his attention to the way in which human life is materially reproduced as the key to the understanding of society and its historical development. As Arthur points out,

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[9] Marx and Engels 1976a, p. 49.

[10] For a philological discussion of Marx's manuscripts and notebooks of 1844, see Musto 2009. On the *meaning* of Marx's intellectual development leading to the writing of the *Paris Manuscripts*, see Murray 1988 and Teeple 1984. The latter, in particular, raises the point of the often neglected importance in the development of Marx's ideas of his doctoral dissertation. Löwy's important book on the theory of revolution in the young Marx is also quite illuminating for the early stages of Marx's intellectual evolution (Löwy 2003). It is also especially relevant for the argument developed here insofar as Löwy specifically focuses on the question of emancipatory subjectivity, albeit from a different theoretical perspective. More recently, Leopold has critically re-examined the early Marx's relationship with prior German philosophy, particularly with Bauer's and Feuerbach's thought, covering the writings from the period stretching from March 1843 to September 1845 (Leopold 2007).

[11] Marx 1992d, pp. 425–6.

[12] Teeple 1984, p. 201.

> [F]or the first time he attributes fundamental ontological significance to *productive activity*. Through material production humanity comes to be what it is … material production is the '*mediation*' in which the unity of man with nature is established.[13]

Marx therefore placed, for the first time, the material determinations of human society in the centre of his inquiry. The critical standpoint originally developed in the *Introduction to the Contribution to the Critique of Hegel's Philosophy of Right* thereby acquired a more concrete meaning. In that text, Marx stated that the radicality of the critique was to be measured by the extent to which it 'grasped things' as having their roots in human beings themselves.[14] In the *Paris Manuscripts*, this general statement about tracing all socio-historical forms to the practical activity of individuals became more specific. The key to the comprehension of any historical movement lay in its referral to the development of human *productive* subjectivity. That is, in tracing social forms to what he discovered to be specifically human about the human being.

Simply as such this emphasis on the material determinations of society is certainly not peculiar to Marx. As Clarke notes, this is a feature that one can find in Classical Political Economy and that it inherited from the Scottish Enlightenment.[15] Yet in opposition to the ahistorical naturalism of, for instance, Adam Smith's theory of the co-evolution of modes of subsistence, class relations and forms of property, Marx's originality lay in unearthing the historical specificity of the social forms in which human productive subjectivity developed or the historicity of what he would later call the social relations of production.[16] Clearly, at this stage Marx did not posit the question explicitly in these latter terms. However, as Colletti rightly points out, many of the elements constituting the mature critique are, certainly in an underdeveloped and abstract form, in this early text.[17] When dealing with the question of the historicity of social forms, I am already entering into the discussion of another central aspect of the *Paris Manuscripts*. For here he discovered the specificity of bourgeois relations of production in *alienated labour*.

The aim of this chapter is thus to critically investigate the breakthroughs achieved by Marx in that early text from 1844. The said discovery of the historical specificity of alienated labour and, what is the flipside of this, of the economic content of the communist transformation of human life, definitely constitutes one of the fundamental scientific achievements to be found in the *Manuscripts*; one, moreover, which would lay the foundations for Marx's subsequent intellectual development. In this sense, one could argue that the *Paris Manuscripts* constitute a necessary *first* step in the production of Marx's revolution in the *mode of scientific knowledge* that the radical transformation of the world demands. On the other hand, we shall also see that the *methodological insufficiencies* of that text did not allow Marx to take that revolutionary transformation of scientific knowledge into *practical criticism* to completion. And yet, as argued in the course of this book, it was precisely the self-awareness of those limitations that gave Marx the key to the path that his scientific revolution needed to undertake.

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[13] Arthur 1986, p. 5.

[14] Marx 1992a, p. 251.

[15] Clarke 1991a, Chapter 2; 1998, p. 13.

[16] Clarke 1991a, pp. 57–8.

[17] Colletti 1992, p. 56.

Transformative Method and the Discovery of Alienated Labour

The first issue that emerges when engaging with Marx's analysis of alienated labour in the *Paris Manuscripts* is the risk of becoming bogged down in what by now might seem like the tedious and somewhat scholastic question of the relation between Marx's earlier works and *Capital*. This story is quite well-known. In opposition to structuralist readings of Marx, which postulate a rupture between a Hegelian-idealist young Marx and a materialist-scientific mature Marx,[18] 'heterodox' Marxist perspectives tend to have as their defining characteristic the view that there is continuity running through the whole of Marx's work. According to the latter, this unity within Marx's intellectual enterprise is determined by his discovery of alienation as the fundamental aspect of his critique of capitalist society. In this sense, this tradition of unorthodox Marxism stresses the importance of the Hegelian influence on Marx's thought for understanding the critical nature of his work. Hence, these authors tend to adopt as a strategy the return to both Hegel and the young Marx, in order to recover the critical force that resides in *Capital*.

Writing in the twenty-first century, it is more than fair to say that this debate has been settled both from a theoretical and textual point of view.[19] The existence of an inner unity underlying the different phases of Marx's intellectual project is now part of the 'ABC of Marxism'. Yet this consensus still begs two related questions. First, the precise meaning of 'alienated labour' in Marx's thought. Second, the question of the difference through which that unity of Marx's thought asserts itself.[20] The clarification of these questions is crucial for our purpose of tracing Marx's discovery of the determinations of the revolutionary subjectivity of the proletariat. Or, to be more exact, the former task is synonymous with the latter. An emphasis on an abstract identity between 'the young Marx' and 'the mature Marx' leads to an obliteration of the differences that it is possible to find in the concrete development of Marx's work and, therefore, to an external imposition of the young Marx's analysis of alienation onto *Capital*.[21] Moreover, inasmuch as those differences imply a deepening of Marx's investigations of the social determinations of alienated labour into an analysis of the particular forms that this alienation takes, of their movement – i.e. their inner connection – and of their contradictory historical development into their own annihilation, those readings risk depriving the critique of political economy of its concrete revolutionary power. The key to avoiding these shortcomings consists, as Levin suggests,[22] in inverting the reading strategy of most defenders of the 'continuity thesis'. That is, instead of trying to demonstrate the presence in *Capital* of the themes developed in the *Paris Manuscripts*,[23] it is necessary to assess the early texts in light of the mature form in which Marx presented those very same insights. Only in this way is it possible to grasp both the merits and the *limitations* of Marx's early critique of political economy.

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[18] The *locus classicus* of this position within non-Soviet Marxism is Althusser 1969. The most comprehensive critical assessment of Althusser's work can still be found in an early work by Clarke 1980.

[19] Marcus 1982, p. 140.

In this regard, I think that the very form of Marx's investigation (i.e. the method utilised in this first critical encounter with political economy) constitutes the main limitation to be found in the *Manuscripts*. Marx's critical appropriation of the critical power of the dialectical method had not fully developed at this stage and he was still under the influence of Feuerbach's transformative criticism.[24] In the *Manuscripts*, Marx attempted to do with political economy what he had previously done with Hegel's *Philosophy of Right* (and what Feuerbach had done with religion). That is, whereas in 1843 he applied the transformative method to the theorists of the political forms of bourgeois society, in 1844 he applied it to the scientific representations of economic forms.

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[20] Marcus 1982, p. 141. Clarke develops a useful critical assessment of the shortcomings of both orthodox and heterodox readings of Marx's analysis of alienated labour in the *Paris Manuscripts* (Clarke 1991a, pp. 70–8). A more recent concise overview and assessment of those debates on Marx's concept of alienation can be found in Musto 2010c. In the last 30 years, and with the controversy over the unity in Marx's thought broadly settled, the interest of Marxists has moved away from his early discussion of alienated labour into his 'mature' notion of fetishism in *Capital*. See, however, Sayer 2011.

[21] See, for instance, Elliot 1979; Walton 1972.

[22] Levin 1997, pp. 63–4.

[23] Cf. Avineri 1993.

[24] See O'Malley 1970, pp. xxviii–xxxii; Avineri 1993, p. 10; Breckman 1999. Colletti, however,

Basically, Marx's transformative method involves four interrelated moments. First, the denunciation of the hypostasis whereby the forms of social objectivity are presented by theory as self-subsistent and actually determining the life of the human individual, who becomes determined as the predicate of those social institutions turned into the subjects of social life. Secondly, the refutation of the claims of those theories by referring all forms of autonomised social objectivity back to their origin in the practical life of the human being, that is, understanding the former as forms of alienated objectification of specifically human attributes, capacities and relations. Thirdly, the exposure of the contradictions that arise in theory for its naturalisation of this inversion between subject and predicate. Finally, the recognition that those theories are not simply false in the sense of offering an inaccurate characterisation of social life, but that both their conceptual inversion of subject and predicate and their internal contradictions are uncritical expressions of real inversions and contradictions existing in society.

What is important to note is that, in this approach, the motion of social forms themselves is not engaged with. Transformative criticism of capitalist society develops through the (textual) analysis of the theories of those authors who, within the limits of their bourgeois horizon, took the scientific comprehension of the former to its highest possible development. But there is no independent study of the movement of social forms themselves. Hence, the object under critique (capital or alienated labour) can only be grasped as an undifferentiated totality whose historical 'laws of motion' are not subject to investigation. In fact, as Markus suggests,[25] at times Marx gives the impression that the whole enterprise of offering an alternative critical presentation of the concrete forms

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warns the reader of his edition of Marx's *Early Writings* that the influence of Feuerbach should not be overstated, since the theme of the inversion between subject and predicate 'is in fact one of the most profound and ancient themes in philosophical history' (1992, pp. 23–4). Still, Colletti himself concedes that it was a contribution of Feuerbach to develop that theme in the specific context of the critique of Hegel. Moreover, what is relevant for my argument is not the intellectual lineage of the method of transformative criticism, but the fact that Marx resorted to it. Another author who casts doubt over the alleged influence of Feuerbach is Teeple (1984, pp. 47–8). But, again, he does not deny that the method of inversion of subject and predicate plays a part in Marx's critique of Hegel.

[25] Marcus 1980, p. 82; and 1982, pp. 141–2.

of motion through which alienated social life develops is doomed from its very beginning. Especially in the first pages of the *Manuscripts*, the tone of his presentation seems to equate such a project with a complicit attitude towards these alienated forms of social life. Yet we cannot generalise this to the whole of the *Manuscripts*. As we will see, it is one of Marx's scientific results in this text to reach the conclusion that not only does such an alternative account not involve an uncritical stance towards capital, but it is also the necessary form to discover the ways in which to transcend it. Without this mediation, the scientific critique of capital remains too general and abstract and, hence, impotent to develop into conscious revolutionary action.

Hence the crucial importance of the question of the methodological limitations of the *Manuscripts*, which impinge on the rest of the exposition and, therefore, on Marx's investigation of the social determinations of the revolutionary subjectivity of the proletariat. In fact, Marx's awareness of this problem acted as a trigger for the direction that his subsequent research would take: the self-clarification regarding the adequate form of critical scientific knowledge and the positive (dialectical) exposition of the determinations of the totality of capitalist social forms. Retrospectively, one can say, paraphrasing the mature Marx, that his utilisation of Feuerbachian transformative criticism proved helpful in order to 'discover by analysis the earthly kernel of political economy' (alienated labour). However, this method proved impotent to 'develop from the actual, given relations of life the forms in which these have been apotheosized'.[26] In order to substantiate this claim, let us move to the concrete examination of Marx's discussion of the determinations of alienated labour.

As already noted, Marx does not take as his starting point the economic forms of capitalist society themselves, but instead engages with the *categories and* (*external*) *relations* through which political economy represents them.[27] Thus the first part of the first manuscript is devoted to an unoriginal exposition of the theories of political economy in their own terms, showing the antinomies that arise according to the very same 'laws of movement of private property'.[28] On the one hand, political economy finds in labour the 'subjective essence of private property', which is thus turned into the principle of this specifically modern science.[29] On the other, the autonomous movement of private property it postulates results in the degradation and misery of the worker, the material bearer of that principle. Even when the wealth of society is increasing, the poverty of the worker does so too, in relative if not absolute terms. Moreover, every progress in the productivity of labour is also turned against the worker: its outcome is not the creation of disposable time for her/his 'spiritual' development, but an expansion of the amount of manual work she/he performs. The introduction of machinery, through which this increase of productivity takes place, also has the effect of deskilling the capacities of the labourer.[30] In brief, political economy, as 'private property become conscious for itself … modern industry as self', postulates at the same time the affirmation and denial of the human being.[31] As Marx himself tells us at the beginning of the section on alienated labour, it is by advancing through the concepts of political economy taken as given that he arrives at this contradiction:

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[26] Marx 1976g, p. 494.

[27] Iñigo Carrera 2013, pp. 44–5.

[28] Marcus 1980, p. 81.

[29] Marx 1992a, p. 341.

> We have started out from the premises of political economy. We accepted its language and its laws … From political economy itself, using its own words, we have shown that the worker sinks to the level of a commodity, and moreover the most wretched commodity of all; that the misery of the worker is in inverse proportion to the power and volume of his production.[32]

Since political economy 'proceeds from the fact of private property', it just unconsciously expresses this contradiction without actually 'explaining it'.[33] Through the path consisting in the development of the concepts of political economy, Marx was able to discover the foundation of this contradiction in the character of productive activity under the specific capitalist form, namely, in *alienated labour*. The objectivity in which the subjective powers of the worker are realised is turned into an alien power that dominates the producer herself/himself. This, says Marx, is the reason behind the autonomous movement of private property that results in the mutilation of the worker's subjectivity:

> All these consequences contained in this characteristic, that the worker is related to the *product of his labour* as to an *alien* object … The externalization [*Entäusserung*] of the worker in his product means not only that his labour becomes an object, an *external* existence, but that it exists *out-*

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[30] Marx 1992a, pp. 285–9.

[31] Marx 1992a, p. 341.

[32] Marx 1992a, p. 322.

[33] Ibid.

> *side him*, independently of him and alien to him, and begins to confront him as an autonomous power; that the life which he has bestowed on the object confronts him as hostile and alien.[34]

Two important remarks are in order in light of the previous quote. In the first place, as Clarke remarks, it is clear that this alienation of the worker's productive powers as attributes of the product of labour does not refer either to an ideological or psychological problem of false consciousness on the part of the labourer,[35] or to her/his subjective experience of indifference towards the work she/he is doing[36] – although this is likely to be the case as a concrete manifestation of alienated labour. Nor does it refer to the fact that the labourer has to subordinate the exercise of her/his consciousness and will in the production process to the direct authority of the capitalist who, in turn, expropriates the product of the former's labour.[37] The alienation of the productive activity of the labourer refers to *a real inversion between subject and object*, where the latter dominates the former. In order to make this point clear, it is important to note that, for Marx, this alienation also reaches the capitalist. The alienation inherent in the capitalist social form of human life involves, as I shall comment on below, the realisation of the human species-being itself – i.e. productive activity – in the form of an alien and impersonal power, the power of a thing. And this includes the non-labourer too. This is why Marx states at the end of the first manuscript that 'everything which appears for the worker as an *activity of alienation, of estrangement*, appears for the non-worker *as a state of alienation, of estrangement*'.[38] As much as the labourer, the capitalist also actualises her/his human species-being. However, she/he does so only in the form of the direct coercive control over the productive activity of the labourer in the alienated name of her/his capital. Therefore, her/his conscious life activity does not participate *directly* in the *active* transformation of the objective world. Nonetheless, in this process the capitalist does not act freely. She/he only acts *as the immediate personification of the human powers incarnated as attributes of the product of labour which dominates the producer*. Hence, she/he is alienated too, but this alienation is expressed in the capitalist as a *state* instead of as an *activity*. In other words, the realisation of the activity of the labourer under the direct 'coercion and yoke of another man'[39] is a concrete form of an essentially inverted mode of existence of humanity's life activity. In the words of Marx:

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[34] Marx 1992a, p. 324.

[35] Clarke 1991a, p. 75.

[36] As in De Angelis's reading (1995).

[37] Maguire 1972, p. 67; Mandel 1971.

[38] Marx 1992b, p. 334.

> So through estranged labour man not only produces his relationship to the object and to the act of production as alien and hostile powers; he also produces the relationship in which other men stand to his production and product, and the relationship in which he stands to these other men.[40]

And this leads to the second remark: now there can be no doubt that for Marx *alienated labour* (*understood as this real inversion between the producer and the product*) *is the defining characteristic of the specific form of labour under capitalist social relations of production*.[41] This becomes evident in the section on rent of the first manuscript, with the analysis of feudal landed property and its necessary transition into capitalist private property. There Marx contrasts the command over the human productive power of the serf as a personal attribute of the feudal lord (and hence as the *direct* or *personal* political domination of the former by the latter), with the command over the human capacities of the free worker as an *impersonal*, *objective* attribute of the product of labour in the form of capital, which, as stated above, dominates both the producer and the non-producer:

> It is inevitable that this appearance should be abolished and that landed property, which is the root of private property, should be drawn entirely into the orbit of private property and become a commodity; that the rule of the property owner should appear as the naked rule of private property, of capital, divested of all political tincture … Finally, it is inevitable under these conditions of competition that landed property, in the form of capital, should manifest its domination both over the working class and over the property owners themselves, inasmuch as the laws of the movement of private property are either ruining them or raising them. In this way the medieval saying *nulle terre sans seigneur* gives way to the modern saying *l'argent n'a pas de maître*, which is an expression of the complete domination of dead matter over men.[42]

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[39] Marx 1992b, p. 331.

[40] Ibid.

[41] A point that cannot be grasped if alienated labour is seen as an unmediated expression of the direct domination of the labourer by the capitalist in the process of production, as happens with the orthodox approach. On this issue, see Clarke 1991a, p. 75.

[42] Marx 1992b, p. 319.

So far, then, I have followed Marx's discovery of alienated labour as the concealed foundation of political economy with emphasis on the relation of the worker to the product of her/his labour as an autonomous power. However, this initial expression of alienated labour constitutes only the first of its four determinations. From this initial relation, Marx goes on to describe further developments of this alienation in the relation of the human being to her/his own productive activity (since the alien character of the product of labour cannot but be the outcome of the alien – and hence, forced – character of the productive activity itself); to her/his very species-being (since conscious productive activity is what distinguishes human life from animal life); and to other human beings (since the relation of the human individual to her/his own activity also reveals her/his relation to the activity of other human beings). In all these other forms, the content of the first determination is maintained: these relations take the form of hostile potencies which dominate the human individual. Marx's analysis of the third determination of alienated labour is particularly remarkable since, through its exposition, he presents for the first time the general determinations of human life from his materialist perspective; a conception which would remain basically unaltered throughout the rest of his works, namely, the specific determination of the human being as a *productive* subject or of human individuality as an expression and mode of development of her/his *productive subjectivity*.[43]

The Historicity of the Social Relations of Production and the Determination of Communism as the Supersession of Alienated Labour

The importance and centrality of Marx's discovery of the specific determination of the human being in its productive subjectivity cannot be overestimated. For what is at stake in this insight *is precisely the uncovering of the material foundation from which the revolutionary powers of the proletariat must spring*. Hence, although through this discussion Marx seems to move far away from the concrete question he was trying to answer – i.e. the necessary form of the revolutionary political action of the working class – he actually never lost contact with that immediate problematic. From the methodological perspective of his mature works, one can easily make sense of the role of these reflections. In a nutshell, it seems plausible to read Marx as engaged in the 'analytical moment' of the research process (the movement from the 'concrete' to the 'abstract', in his later terminology). In other words, he was attempting to grasp the more abstract forms that were behind that immediate concrete form that triggered his whole intellectual endeavour, i.e. the will to social transformation of the proletariat.

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[43] The exposition of the generic determinations of the labour process in Chapter 7 of *Capital*, Volume I (Marx 1976g, pp. 283–90) does not involve any substantive change in comparison with the discussion of the human species-being in the *Manuscripts*. In both cases, the main point is the same: it is the mediation of individual consumption by labour or conscious life activity that distinguishes the human form of the appropriation of nature from its animal form.

Now, this general material content cannot by itself account for the social necessity of the proletariat's revolutionary subjectivity. The relation between the latter and the former is not immediate. To put it simply, the mere fact of being the direct producers whose productive activity – the key mediator in the production of human life – is alienated does not constitute the foundation of the capacity of the workers to abolish alienated labour, that is, of their determination as a revolutionary class.[44] Or, better stated, I shall argue that this fact constitutes the basis for the revolutionary subjectivity of the working class *only with the mediation of the material mutations in their subjectivity* as such direct producers that the historical movement of alienated labour brings about.[45] In fact, the crux of the matter resides precisely in the mediations that make the radical transformation of the mode of development of human productive activity take the form of the revolutionary action of the working class. Evidently, Marx would not solve this question thoroughly in the *Paris Manuscripts*. However, this text is full of interesting insights that, retrospectively, show how Marx was moving in that direction.

The reconstruction of the exposition in the *Manuscripts* reveals that what Marx offers in this text up to this stage is a description of what he discovered as the hidden foundation of the independent movement of private property, i.e. alienated labour. However, it is clear that it is not sufficient for an investigation of the real nature of capitalist society to claim that human subjectivity is realised in this alienated form and to describe the characteristics of this mode of existence of humanity. A real explanation must include an account of *how* and *why* labour becomes alienated. Aware of this situation, Marx poses the question in the following way towards the end of the first manuscript:

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[44] In this respect, see my discussion of Arthur 1986 below.

[45] To put it in the 'mature' terminology of *Capital*, I shall show that the determination of the working class as a revolutionary subject is not an expression of the *formal* subsumption of labour to capital, but of the *real* subsumption; more concretely, of the productive subjectivity of the latter's most developed form as large-scale industry.

> We have taken the *estrangement of labour*, its *alienation*, as a fact and we have analyzed that fact. How, we now ask, does *man* come to *alienate* his labour, to estrange it? How is this estrangement founded in the nature of human development?[46]

It is my view that the first question leads Marx to the investigation of the specific capitalist form in which social labour is organised, i.e. the social relations of production of capitalist society. The other side of this is the discovery of the general content of the form of social relations that can overcome alienated labour. In turn, the second question leads Marx to try to find the historical reason for the existence of capitalist society (its historical mission in the genesis of communism). Obviously, the answer to these two questions must lie at the very basis of the social determinations of revolutionary subjectivity. I shall argue that in trying to answer these two questions (especially in the case of the second one), Marx's investigation starts to become blurred. The limits of an exposition, which started with the categories and laws of political economy as a given presupposition, become increasingly manifest.

Regarding the first question, it is clear that it is a necessary corollary of Marx's discussion of the determinations of the human species-being. For, although human productive powers are borne by each particular individual, the actualisation of these potentialities characterising the species – i.e. the realisation of the transformative powers of the human being – can only affirm itself through the organic unity of individual lives, through social life. Marx's discussion of scientific activity in the third manuscript amounts to nothing more than this.[47] It is a clear comment on the necessary social character of individual life activity or, seen the other way round, the necessity for the process of social metabolism to be realised through individual life processes.

> It is above all necessary to avoid once more establishing 'society' as an abstraction over against the individual. The individual *is* the *social being*. His vital expression – even when it does not appear in the direct form of a communal expression, conceived in association with other men – is therefore an expression and confirmation of *social life*. Man's individual and species-life are not two *distinct things* …[48]

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[46] Marx 1992b, p. 281.

[47] See Marx 1992b, p. 350.

[48] Ibid.

In other words, the realisation of the human species-being (and so the development of human productive subjectivity) necessarily takes concrete form in the *social relations of production*, i.e. in the concrete historical form through which society organises the reproduction of its life. Hence, an alienated mode of existence of the human species-being can only have its foundation in the specific historical form of the social relations of production. Consequently, one would expect Marx to proceed to the exposition of the specificity of the capitalist mode of production in order to clarify the source of alienated labour. Unfortunately, this is not the path he follows. Instead, he starts to consider communism as the historical negation of capitalist society and as the supersession of alienated labour. Yet implicit in his discussion of communism lies hidden the specific nature of capitalist relations of production as its opposite. For if Marx considers communism as the becoming fully social of the human individual, it is clear that he is contrasting this unity between the individual and the social character of human activity with their separation in bourgeois society – that is, with the private character taken by social labour. Moreover, as Clarke notes,[49] even if this appears ambiguously in the *Paris Manuscripts*, it is discussed explicitly in the *Comments on James Mill*. In this text, Marx focused on the development of the connection between alienated labour and money. In a nutshell, he dealt with money as the concrete material incarnation of the social powers of alienated labour. And although this idea appears in the *Paris Manuscripts* as well, the importance of the *Comments* is that they present in a clearer form the connection between alienated labour and the most abstract economic forms of capital: the value form and the money form.

> Why must private property finish up in money? Because as a social animal man must finish up in *exchange* and exchange – given the premise of private property being presupposed – must finish up in *value*. For the mediating movement of man engaged in exchange is not a social, human movement, it is not a *human relationship*: it is the *abstract relationship* of private property to private property, and this *abstract* relation is the *value* which acquires a real existence as value only in the form of *money*.[50]

In turn, this investigation leads Marx to posit in a more explicit form the question of the specificity of capitalist social relations of production. Thus, he shows very clearly that the ground of alienated labour lies in the fact that the reproduction of human life is organised through the production and exchange of commodities. In other words, he shows that labour becomes alienated because social labour takes the form of its opposite: private and independent labour. Obviously, this is the terminology of *Capital*. In this earlier text, he still uses a somewhat philosophical language and speaks of the contradictory existence of universal – 'the community' – and particular – 'the human individual'. Thus Marx states:

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[49] Clarke 1991a, p. 75.

[50] Marx 1992c, p. 261.

> The process of *exchange* both of human activities in the course of production and of *human products* is equal to the species-activity and the species-spirit, whose real, conscious and authentic existence consists in *social* activity and *social* enjoyment. Since the essence of man is the *true community* of man, men, by activating their own essence, produce, create this *human community*, the social being which is no abstract, universal power standing over against the solitary individual, but is the essence of every individual, his own activity, his own life, his own spirit, his own wealth. Therefore, this *true community* does not come into being as the product of reflection but it arises out of the *need* and *egoism* of individuals, i.e. it arises directly from their own activity.[51]

In brief, already at that time Marx discovered that the alienation of human powers as attributes of capital springs from the private form of social production or, what is the same, from the commodity form of social relations.[52] However, neither in the *Manuscripts* nor in the *Comments* does Marx develop this profound insight into the direction which, on its own terms, it demanded, namely, the establishing of the connection between the private character of labour and all the different alienated economic forms which political economy represented with its categories and, more importantly, their historical movement towards their own dissolution through the revolutionary action of the proletariat. Without this link, the critique was condemned to remain too abstract and external. Nevertheless, I think that Marx himself was aware of this necessity and, one may say, took it as a sort of work plan.[53]

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[51] Marx 1992c, p. 265.

[52] Private property, the general juridical form of this alienation, is always conceived of by Marx as the consequence of private (hence, alienated) labour.

[53] Towards the end of the first manuscript, he states: 'Just as we have arrived at the concept of *private property* through an *analysis* of the concept of *estranged, alienated labour*, so with the help of these two factors it is possible to evolve all economic *categories*, and in

On the other hand, this discovery of the specificity of capitalist social relations made Marx turn his attention to the form of the social life process that negates the alienation immanent in capitalist social forms, i.e. communism. With his discussion of communism as the 'positive supersession of private property', Marx was making an important step forward in the concretisation of the nature of the determinations of the complete human emancipation that he had previously counterposed to the merely political emancipation demanded by the Young Hegelians. In particular, in the *Manuscripts* the content of the supersession of modern society is no longer posited simply in terms of its political forms (true democracy as the abolition of the separation between state and civil society, or *citoyen* and bourgeois), but becomes, in its simplest determination, essentially material/productive (communism or the conscious universal co-operation between the associated producers).

What is, then, according to Marx, the material content of the communist transformation of social life? In the *Manuscripts*, Marx presents his views on the specific determinations of communist social forms after the critical account of the content of communism by previous socialist thinkers. His first statement in this regard is the following:

> *Communism* is the *positive* supersession of *private property* as *human self-estrangement*, and hence the true *appropriation* of the *human* essence through and for man; it is the complete restoration of man to himself as a *social*, i.e. human, being, a restoration which has become conscious and which takes place within the entire wealth of previous periods of development … it is the *genuine* resolution of the conflict between man and nature, and between man and man, the true resolution of the conflict between existence and being, between objectification and self-affirmation, between freedom and necessity, between the individual and the species. It is the solution to the riddle of history and it knows itself to be the solution.[54]

Briefly put, Marx is implying that the production of communism involves the supersession of alienated labour and the full realisation of the human species-being.[55] This is quite a strong statement, so it deserves close scrutiny. Let us

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each of these categories, e.g., trade, competition, capital, money, we shall identify only a *particular* and *developed* expression of these basic constituents' (Marx 1992b, p. 333).

[54] Marx 1992b, p. 348.

[55] Passages like the one just quoted, when read outside the context of Marx's overall work,

then try to disentangle the meaning of Marx's dense quotation. I have already mentioned that Marx saw the specifically human form of the natural life process in the fact that human beings regulate their process of metabolism through consciousness. That is, they appropriate the objective powers of the environment through the organisation of the externalisation of their own objective, socially developed forces by means of thought, thus giving their life process the form of productive activity, of a labour process. Through this process of appropriation of the objective world, human beings expand their own product-

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could give the impression that he sees the human essence as a generic content (an abstractly free and creative human subjectivity) that is realised in defective appearances until showing itself immediately as such under communism. The use of phrases like 'restoration of man' can certainly lead to such a reading. Marx's immediate identification of the human individual as a free being (see Marx 1992b, p. 328) – simply by virtue of having conscious life activity – could also be misleading (as accurately noted by Ollman 1971, p. 112). But it is clear from Marx's overall argument that human productive subjectivity (i.e. the human species-being) only exists and develops (and, therefore, is produced and reproduced) *in and through* its historically determined social forms, there being absolutely no exteriority between them. 'Really' free subjectivity is not an abstract human essence that 'returns to itself' after ridding itself of the limitations imposed by 'inhuman' social forms, but a concrete form that the *materiality* of human individuality acquires in the course of its historical process of development when becoming *fully* conscious. Indeed, under those circumstances the human individual embodies the potentiality consciously to affirm her/his *historically achieved* material powers of the species in their plenitude, i.e. universally. On the other hand, it is self-evident (but a triviality) that the concrete form of freedom acquired by human life in history must be a potentiality intrinsic to its species-determination, in the same way that it is a real material potentiality of the caterpillar to become a butterfly. The recognition of this does not amount to any sort of abstract, ahistorical 'essentialism'. On the other hand, however, this does not make human freedom the content or substance striving for realisation in the course of history. The latter, essentially Hegelian, view is precisely the approach ridiculed by Marx and Engels in their critique of the Young Hegelians in *The German Ideology* (see especially their critique of Stirner in Marx and Engels 1976a, p. 254). And yet, as we shall see in the second part of the book, one could argue that it is precisely that view that, implicitly or explicitly, underlies most contemporary Marxist approaches to the determinations of revolutionary subjectivity, seen as the expression of the affirmation of an abstractly free humanity ridding itself of capitalist forms of social mediation, the opposite of its capital-determined, alienated form of existence. See Clarke for a critique of those approaches in relation to the *Paris Manuscripts* (1991a, pp. 64–6). In terms of readings of *Capital*, the Marxist-Humanist current associated with Dunayevskaya is particularly expressive of this 'materialist' appropriation of the Hegelian dialectic of freedom as the substance of human history and, hence, of revolutionary subjectivity (see Dunayevskaya 1988 and 1989, Chapters 1 and 2; see also the excellent critique of this aspect of Dunayevskaya's thought by Paul Mattick 1958).

ive powers and, therefore, their capacity to regulate the metabolic 'dialogue with nature' by means of conscious activity. Hence, Marx's reference to the 'strife between existence and essence' can only mean that, before the advent of communism, the development of that human potentiality to act consciously and universally upon nature takes the concrete form of its own negation. In pre-capitalist social forms, this negation is the result of the restriction of the manifestation of human life within particularistic boundaries. Modern capitalist society develops and mobilises the universality of human powers, but only to negate their immediate manifestation as such, through their inversion as powers borne by the product of labour. As the negation of this negation, communism involves giving both 'subjective and objective nature' a 'form adequate to the *human* being'.[56] Hence a first determination of communism must be the development of productive subjectivity in a form adequate to the display of the universality of its 'mastery over natural forces, of his own nature as well of those of so-called "Nature" ',[57] i.e. as directly taking the form of the universal 'self-confirmation' of human productive powers in and through the subjectivity of each human individual.

On the other hand, we have seen that, according to Marx, the affirmation of human productive powers and, therefore, the development of productive consciousness, can only assert itself through the integration of the individual processes of metabolism into a process of social metabolism, that is, through social productive co-operation. In other words, the human being is, by its very nature, a *social* being. This means that the development of that potential universality of productive subjectivity can only take concrete form through the universality of social relations. Again, 'private property' develops this universal sociability but only in the form of estrangement, that is, as universal relations of atomisation and separation between human beings. Communism, as the determinate negation of the rule of private property, can only mean the positing of this universal sociability as a direct, conscious determination of social existence.

The fact that in the third manuscript Marx takes stock with Hegel's reduction of human (productive) subjectivity to knowing self-consciousness and, in particular, with the abstraction 'absolute knowing' as the *speculative* identity of thought and being, should not blind us to the centrality of consciousness to the social transformation which brings about the communist constitution of social life. If 'it is true that thought and being are *distinct*, but at the same time they are in unity with one other',[58] this can only imply that the form of human subjectivity that results from the immediate positing of the human individual as a social being must involve the complete awareness of this necessarily social character of individual life. In a passage where Marx anticipates his well-known dictum that social existence determines social consciousness, he states:

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[56] Marx 1992b, p. 391.

[57] Marx 1993, p. 488.

> As *species-consciousness* man confirms his real *social life* and merely repeats in thought his actual existence; conversely, species-being confirms itself in species-consciousness and exists for itself in its universality, as a thinking being.[59]

It is crucial to bear in mind Marx's emphasis on the human individual's consciousness of its own social determinations as a fundamental condition for the communist form of productive association. This is the reason why Marx states that not only is communism the solution to the riddle of history, but it also '*knows* itself to be this solution'. As a consequence of this, it is clear that the revolutionary subjectivity that produces the communist society must be the bearer of a consciousness that is fully aware of the socio-historical necessity of its action. *Revolutionary action is such for being a fully conscious action.* For the communist 'thinking consciousness',

> The entire movement of history is therefore both the *actual* act of creation of communism – the birth of its empirical existence – and … the *comprehended* and *known* movement of its *becoming*.[60]

In brief, Marx now clearly sees that the transcendence of this inverted social existence has its content in the transformation of the economic forms of society (although this obviously involves the transformation of the whole of social life). Thus he discovers the material content of the proletarian revolution and, therefore, of the form of social life that supersedes capital, i.e. communism, as the conscious, directly social productive association of individuals.

This leads us to the second question that follows from the determination of communism as the conscious realisation of the social being of the human individual. For it should be clear by now that the communist constitution of social life involves a transformation of the forms of human subjectivity and, therefore, of the forms of human consciousness. Now the question arises as to the specific character of this revolutionary consciousness that becomes aware of the social necessity of its action. Is it just an immediate consciousness, which can discover the determinations of its social being through *mere* intuition or feeling? Or is it a mediated form of consciousness? And in this latter case, is it a scientific consciousness or a philosophical one? I shall give a more complete answer to this question during the course of this book. But from what has already been anticipated above regarding Marx's critique of philosophy as a developed expression of the alienated consciousness, it seems fair to narrow the question down to the dichotomy between seeing revolutionary consciousness as an expression of immediate intuition or as a scientifically mediated form of subjectivity. The following passage, I think, speaks quite eloquently in favour of the latter:

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[58] Marx 1992b, p. 351.

[59] Marx 1992b, pp. 350–1.

[60] Marx 1992b, p. 348.

> But natural science has intervened in and transformed human life all the more *practically* through the industry and has prepared the conditions for human emancipation, however much its immediate effect was to complete the process of dehumanization. Industry is the *real* historical relationship of nature, and hence of natural science, to man … Natural science … has already become – though in an estranged form – the basis of actual human life. The idea of *one* basis for life and another for *science* is from the very outset a lie.[61]

As Marx states very clearly, the scientific transformation of human life already happening under the rule of 'private property' constitutes the necessary preparation of the material basis for human emancipation. It is clear then that the consciousness that arises out of this new form of 'industry' in order to emancipate it from its alienated mode of existence must be a scientific one, since there 'cannot be a different basis for life and science'. This is why Marx is very explicit in recognising the progressive role of private property in the historical development of human productive subjectivity. Moreover, it is on these grounds that he criticises those crude, romantic versions of communism that, in light of the inhuman consequences of the alienated form of existence of the scientific appropriation of the powers of nature, want to negate 'the entire world of culture and civilisation', and to return to 'the *unnatural* simplicity of the *poor*, unrefined man who has no needs and who has not even reached the stage of private property, let alone gone beyond it'.[62] Needless to say, this has nothing to do with a positivistic technocratic utopia, built on the basis of the existing forms of natural-scientific consciousness. Quite to the contrary, Marx is very emphatic that the emancipation of humanity does not simply involve the de-subordination of natural science to the requirements of the alienated movement of private property, but also *the transformation of the very nature of scientific consciousness itself*. This new form of science, on the basis of which the revolutionary subjectivity will be able to achieve the communist transformation of society, Marx refers to as the 'human natural science, or the natural science of man,' or, simply, 'true human science'. In Marx's view, it will comprise the totality of what in its alienated form of existence appears as the different objects of distinct forms of science (the natural and the social), on the one hand; and as a purely theoretical activity, on the other, 'since true practice is the condition of a real and positive theory'.[63] Its basic principle, discovered in its general form by Feuerbach, consists in putting at the centre of the inquiry 'the social relation of "man to man"'.[64] Yet, as I shall argue, this basic principle as such would prove insufficient to give the revolutionary science its adequate form.[65]

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[61] Marx 1992b, p. 355.

The Determinations of the Revolutionary Subjectivity of the Proletariat and the Limits of the *Paris Manuscripts*

In the previous section, I left a question unanswered, namely, Marx's explanation of the necessity of alienation in human historical development. In other words, the issue at stake is the grounding of capital's historical *raison d'être* and, therefore, of its overcoming. Having shown how, for Marx, the realisation of the human species-being can only be the product of historical development, it is clear that he is not suggesting that it is a contingent and extrinsic tragedy imposed onto an otherwise eternally free human essence and that it is a matter of recovering a pure subjectivity oppressed by private property. The alienated existence of human subjectivity must play a determinate role in its development. Moreover, it is precisely the fulfilment of this role that has to constitute the necessary condition for its historical supersession. This is what links the future and the present so that the former is not just a utopian project but finds the conditions for its emergence immanent in the historical movement of bourgeois society. In this sense, for Marx freedom can only be the result of a 'self-superseding movement', which 'will in reality undergo a very difficult and protracted process' of social transformation.[66] In turn, this theme is immediately linked with the question of the determinations of the revolutionary subjectivity of the proletariat. For if the working class is the historical subject whose revolutionary action is to achieve the abolition of alienated labour, this can only mean that those conditions which private property engenders in the course of its development, and which generate the necessity of its own dissolution as a form of existence of human subjectivity, are necessarily activated through the political action of the former.

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[62] Marx 1992b, p. 346.

[63] Marx 1992b, p. 364.

[64] Marx 1992b, p. 381.

[65] More concretely, following one of the key contributions of Iñigo Carrera (2014), I shall argue that the transformation at stake of the nature of science concerns its very form, i.e. its method. A 'true human science' can develop such a revolutionary content only by virtue of its *dialectical* form.

I would like to argue that it is especially in this aspect of Marx's early critique that its abstract character is most strongly felt and the course of his exposition becomes increasingly blurred. As we shall see, in the *Manuscripts* Marx was unable to develop the mediations that connect the revolutionary transformation of the forms of social life required by the further development of the materiality of the human species-being with the political action of the workers.

Yet this does not mean that no evolution obtains with respect to Marx's previous formulation, which posed the question in terms of the realisation of philosophy. An expression of the novel insights developed can be read in Marx's critique of other socialist thinkers:

> But the antithesis between *propertylessness* and *property* is still an indifferent antithesis, not grasped in its *active connection*, its *inner* relation, not yet grasped as a *contradiction*, as long as it is not understood as the antithesis between *labour* and *capital*.[67]

This passage can be taken as a kind of self-criticism of his previous views on social transformation. For the antithesis between lack of property and property is what he posited in the *Introduction to the Contribution to the Critique of Hegel's Philosophy of Right* as the ground for the revolutionary subjectivity of the proletariat. Since he showed that private property is only the juridical expression of alienated labour, it is clear that the overcoming of alienation can only spring from the abolition of the latter. Without the annihilation of the alienated character of productive activity, the juridical elimination of private property can only lead to another form of the reproduction of alienated labour, one in which

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[66] Marx 1992b, p. 365.

[67] Marx 1992b, p. 345.

> [t]he community is simply a community of *labour* and equality of *wages*, which are paid out by the communal capital, the *community* as the universal capitalist. Both sides of the relation are raised to an *imaginary* universality – *labour* as the category in which everyone is placed, and *capital* as the acknowledged universality and power of the community.[68]

On the other hand, by posing the question in terms of alienated labour, he eliminates the externality between the revolutionary subjectivity of the proletariat and capitalist social forms that characterised his previous formulation. That is, from an abstract negation of capital, revolution becomes its determinate negation. Whereas before he conceived of the proletariat as being excluded from the general social relation of modern society (private property) and founded his revolutionary role precisely in this social existence alienated from society (propertylessness), he now sees the worker as *within* the general social relation of bourgeois society (alienated labour or capital). So much so that in the second manuscript Marx shows that the inversion between subject and object is so real to the point of directly turning the conscious existence of the worker into a mode of existence of capital.

> The worker is the subjective manifestation of the fact that capital is man completely lost to himself, just as capital is the objective manifestation of the fact that labour is man lost to himself. But the *worker* has the misfortune to be a *living* capital …[69]

Instead of deriving the proletariat's revolutionary being from the universal exclusion from the specific, alienated social relations governing modern society (and therefore from some sort of pure subjectivity uninfected by private property), he came to derive it from the proletariat being the concentrated, active incarnation of the former. Hence, the externality between labour and capital is eliminated and they are now seen in their necessary, albeit contradictory, unity. It is this contradictory character, deriving from the fact that human productive subjectivity develops its powers as an attribute of its product that gives alienated labour its dynamic, self-moving character that drives it into its own dissolution. And Marx makes explicitly clear that the revolutionary movement can only derive its transformative powers from the historical movement of this alienated social existence.

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[68] Marx 1992b, pp. 346–7.

[69] Marx 1992b, p. 335.

> It is easy to see how necessary it is for the whole revolutionary movement to find both its empirical and its theoretical basis in the movement of *private property* or, to be more exact, of the economy.[70]

Simply put, what this means is that the consciousness of the workers is a concrete form of the alienated consciousness. And this holds for both the forms of working class subjectivity that reproduce the movement of alienation and that which develops the historical powers necessary to abolish it, that is, *revolutionary consciousness*.

This crucial point is correctly highlighted by Mészáros's detailed study on the *Paris Manuscripts* when he states that the revolutionary consciousness is not a free, non-alienated consciousness, but a 'consciousness of being alienated'.[71] However, this insight is not argued on the grounds of the development of the concrete determinations of the alienated consciousness that make it become conscious of its own alienation. The reason he gives is purely formal and comes down to the fact that if the movement of the alienated consciousness did not produce the awareness of its own social existence, the conscious transformative action aiming at its transcendence would be impossible. Thus he states:

> Were society an 'inert totality of alienation', nothing could possibly be done about it. Nor could there be any problem of alienation, or awareness of it, for if consciousness were the consciousness of this 'inert totality' it would be one with alienation … not a consciousness that reveals and opposes – in however abstract a form – the alienated nature of this inert totality. Alienation is an inherently dynamic concept: a concept that necessarily implies change. Alienated activity not only produces 'alienated consciousness', but also the 'consciousness of being alienated'. This consciousness of alienation, in however form it might appear … not

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[70] Marx 1992b, p. 348.

[71] Mészáros 1970, p. 181.

> only contradicts the idea of an alienated inert totality, but also indicates the appearance of a *need* for the supersession of alienation.[72]

This is certainly true, but it is close to a truism. That is, once we correctly highlight that there is no 'outside' from which to dissolve this alienated social existence, and that this is a transitory, historical phenomenon that is bound to disappear, it is evident that it must be the movement of alienated activity itself that produces the antagonistic form of alienated consciousness capable of putting an end to alienation. The question is about the concrete forms in which this negation of the negation asserts itself. Thus stated, Mészáros's argument simply involves a purely logical necessity. Moreover, what is of interest here is the *concrete*, fully developed revolutionary consciousness of this alienated social existence and not one that opposes it in 'however abstract a form'.[73] This is not for any scholastic reasons but because this study searches for the determinations of the transformative action of the proletariat embodying the social powers that enable it to abolish alienated labour. Hence, I do not find satisfactory the only reference to the materiality of social life that this author puts forward in simply arguing that 'needs produce powers just as much as powers produce needs'.[74] For the central question remains unanswered: what are the concrete social determinations of the *materiality of the productive subjectivity of the labourers* that give those very same 'powers and needs' a conscious revolutionary form? No response to this crucial question can be found in Mészáros's reading of this early text. As a matter of fact, he ends up offering a *moral* basis for the necessity of transcending the alienated forms of bourgeois society. More problematically, he even states that after the abolition of alienation, not only does morality persist but so too does the legal form.[75]

Without entering into a detailed assessment of the merits and limitations of Mészáros's own account, let me just point out that, at least from the exegetic point of view, this grounding of the revolutionary subjectivity of the proletariat on a moral necessity is completely misguided. As matter of fact, Marx makes the explicit critique of moral consciousness as an uncritical form of the alienated consciousness. Thus he states:

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[72] Ibid.

[73] Ibid.

[74] Ibid.

[75] Mészáros 1970, pp. 186–9.

> It is inherent in the very nature of estrangement that each sphere imposes on me a different and contrary standard: one standard for morality, one for political economy, and so on. This is because each of them is a particular estrangement of man and each is centred upon one particular area of estranged essential activity; each is related in an estranged way to the other …[76]

Mészáros is aware of this Marxian critique of morality as an uncritical expression of alienation.[77] But he reads Marx as implying that what is wrong is not morality *per se* but the abstract, transcendental form of the moral argument. One, precisely, that abstracts from the material questions that political economy deals with. For him, the unalienated moral consciousness is that which, while still arguing in terms of moral evaluation, critically reflects upon those material questions of the concrete life activity of human beings, e.g. the nature of productive activity. Yet I think that the quotation is quite revealing as a critique of moral standards altogether as the basis for any action aiming to revolutionise the alienated conditions of social life.

Although Mészáros's recourse to a moral necessity as the ground for the revolutionary subjectivity of the proletariat is unacceptable, his inability to find a consistent account of its determinations in the *Manuscripts* is, to some extent, understandable. For one of the problems of this early text is precisely its lack of a rigorous exposition of those social determinations and their historical genesis through the unfolding of the contradictions of alienated social life. This does not imply that no reference to this problematic can be found. Certainly, as commented above, Marx was well aware of the need to address this question. But the problem resides in the unsatisfactory character of his attempt at an explanation, derived, in turn, from the limitations of Marx's own comprehension of the 'laws of motion' of alienated labour at that time.

What, then, is Marx's account of the necessity of alienated labour and its transcendence in the *Paris Manuscripts*? It is difficult to find a straightforward answer to this question, since Marx's own discussion is unclear and hesitant. Thus he seems to oscillate between different grounds for the workers' revolutionary subjectivity. Now, I would like to argue that behind this insufficiency of Marx's exposition we can find the methodological limitations of this early text. For a satisfactory account of this problematic would have required the deployment of the critical power of the dialectical method understood as the 'reproduction of the concrete by means of thought'. This is the method that Hegel deployed, albeit in a mystified form, in his *Science of Logic*. The critical appropriation of Hegel's discovery fully crystallised only some years later in Marx's life through the development of his 'mature' critique of political economy. Regarding the question of the abolition of alienated labour, Marx's appropriation of the insights developed by Hegel related more to the 'materialist inversion' of Hegel's account of the historicity of the forms of human subjectivity and their historical development through the process of self-alienation and its transcendence:[78] hence Marx's account of the reason to be of private property. In a quite Hegelian fashion, he grounds the necessity of alienation in a very abstract and general dialectic, as a kind of movement of engendering a determinate negation through the previous development of its opposite into its plenitude. What Hegel essentially sees in terms of an abstract mental labour, that is, as a movement of consciousness, Marx grasps in its reality as the historical movement of real, sensuous productive activity of human beings.[79] Yet he takes from Hegel's account the validity of the general form of the historical movement in the 'dialectic of negativity as the producing principle'.[80] Although in the *Phenomenology* 'the various forms of estrangement which occur are therefore merely different forms of consciousness and self-consciousness',[81] Hegel has the merit of conceiving

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[76] Marx 1992b, p. 362.

[77] Mészáros 1970, p. 187. To be more exact, moral consciousness is the alienated consciousness of the commodity producer who, unaware of the social determinations of her/his life activity, sees her/his social being as an external force standing over and against her/his apparently independent individuality in the form of an 'ought to be'. See Iñigo Carrera 2007, pp. 64–5.

> the self-creation of man as a process, objectification as loss of object [*Entgegenständlichung*], as alienation and as supersession of this alienation; that he therefore grasps the nature of *labour* and conceives objective man – true, because real man – as the result of his own labour.[82]

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[78] And yet, I shall argue in the next chapter that, already in the *Paris Manuscripts* – more precisely, in the section discussing Hegel's *Logic* – Marx initiated the critical appropriation of the rational kernel of the dialectical method as developed by Hegel.

[79] For a good discussion of this aspect of the young Marx's critique of Hegel, which avoids the misreading of existential and phenomenological Marxism, see the already cited work by Arthur (1986).

[80] Marx 1992b, pp. 385–6.

[81] Marx 1992b, p. 385.

[82] Marx 1992b, p. 386.

It is this form of the Hegelian 'dialectic of negativity' that Marx uses to account for the necessity of the historical dynamic of alienation and its supersession. For he seems to suggest that private property is necessary insofar as the human species-being, in order to develop the plenitude of its powers to objectify itself, must first negate itself as a fully conscious social productive activity, thus affirming itself as alienated, unconsciously social activity. In turn, only after the expansion and generalisation of private labour – hence, of private property – and the consequent plenitude of alienation, can the moment of negation of the negation emerge.

> The *real, active* relation of man to himself as a species-being, or the realization of himself as a real species-being, i.e. as a human being, is only possible if he really employs all his *species-powers* – which again is only possible through the cooperation of mankind and as a result of history – and treats them as objects, which is at first only possible in the form of estrangement.[83]

We can see that the movement is presented as following an abstract and generic 'dialectical' necessity. This is not necessarily wrong as a formal description of the movement of the self-production of humanity, but it is precisely its generality that makes it insufficient to account for the concrete determinations that we are searching for. In other words, this general dialectic lacks any concrete specificity regarding the form of motion of the annihilation of capital through the revolutionary action of the working class.[84] This led Marx to offer several grounds for the proletariat's revolutionary subjectivity. The reason for this is that every extreme manifestation of the alienated social existence (whether progressive or not) can be seen as a symptom of that state of plenitude and could therefore fit into that general scheme as the condition for the emergence of the revolutionary powers of the workers. One instance of this can be found in the passages I have already referred to regarding Marx's views on a 'truly human science'. There he argues that since the universal alienation in the object leads to the development of 'industry' and the consequent coming into being of the complete humanisation of nature, it must engender the scientific consciousness which eventually frees itself from all traces of its alienated existence through the practical abolition of private property.[85] That is, it is the generalisation and complete intensification of inhumanity that produces the constitution of real humanity. As he states some pages later in the section called *Money*:

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[83] Ibid.

[84] One can say that in the *Manuscripts* Marx is guilty of the charges made by Dühring of externally imposing the negation of the negation on history. Engels correctly points out why this is not the case of *Capital*. See Engels 1975, pp. 107–12.

> Only through developed industry, i.e. through the mediation of private property, does the ontological essence of human passion come into being, both in its totality and in its humanity; the science of man is therefore itself a product of the self-formation of man through practical activity.[86]

In another instance, he poses this movement as pertaining to the development of the totality of the physical and intellectual senses of the human being.[87] These can develop in a truly human form only after acquiring an alienated mode of existence whose synthetic expression is their one-sided subordination to the sense of having. Again we see the general dialectic at work:

> Therefore *all* the physical and intellectual senses have been replaced by the simple estrangement of *all* the senses – the sense of *having*. So that it might give birth to its inner wealth, human nature had to be reduced to this absolute poverty.[88]

Marx, somehow idealistically, also fits the 'self-development of communist consciousness' into this general scheme. In his critical account of the different forms of communist consciousness, he states that 'the supersession [*Aufhebung*] of self-estrangement follows the same course as self-estrangement'.[89] He seems to be arguing that, in order to develop itself, truly communist consciousness must first negate itself as the real determinate negation of private property by taking some undeveloped form. In the form of 'crude communism', the political programme put forward would not lead to the abolition of private property, but to its generalisation.[90] This 'first positive abolition of private property' is partially negated by those forms of communistic consciousness that, although clear about the necessity to abolish private property (instead of equalising its distribution) as the form of superseding human self-estrangement, are 'still held captive and contaminated by private property'.[91] Finally, communist 'thinking consciousness' develops the plenitude of its critical powers completely to abolish alienated labour. In this form, it no longer represents the abstract negation of private property, but its determinate negation and therefore its truly positive supersession.[92]

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[85] Marx 1992b, p. 355.

[86] Marx 1992b, p. 375.

[87] Marx 1992b, pp. 351–4.

[88] Marx 1992b, p. 352.

[89] Marx 1992b, p. 345.

[90] Marx 1992b, p. 346.

Marx thus alternates between different foundations for the social necessity of abolishing alienated labour without offering a solid ground for this process of social transformation. Moreover, there is no account of the different stages through which alienated social development must pass before attaining its communistic form, or of the role of the political action of the workers – the class struggle – in that contradictory process. Marx just states the necessity of the starting point and the finishing line. But he does not demonstrate the genesis of either of them. What is worse, there is no real mediation between that material ground for the abolition of private property and the subjectivity of the labourers. The need for such mediation is correctly identified by Arthur:

> [T]here are two levels of necessity for the overthrow of private property: (a) abstractly, there is the need to restore man to himself subsequent to the supersession of the system of estrangement; (b) concretely, there is the process whereby capital in its own development leaves the proletariat with no other option than to take the struggle against alienation to its conclusion through identifying the problem as capital, itself the product, expression and mediation of alienated labour.[93]

The key, as far as revolutionary subjectivity is concerned, is, precisely, the mediation between these two points. In the *Manuscripts*, the only connection in this regard is that condition (a) refers to the development of productive subjectivity and, regarding point (b), that the proletarians are the class of direct producers. Thus the emancipatory mission of the proletariat is derived from their being the active incarnation of the estranged relation to productive activity which lies at the basis of all forms of alienated social existence due to the 'ontological centrality' of labour in the constitution of social being.

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[91] Marx 1992b, pp. 347–8.

[92] Marx 1992b, p. 348.

[93] Arthur 1986, p. 40.

> It further follows from the relation of estranged labour to private property that the emancipation of society from private property, etc., from servitude, is expressed in the *political* form of the *emancipation of the workers*. This is not because it is only a question of their emancipation, but because in their emancipation is contained universal human emancipation. The reason for this universality is that the whole of human servitude is involved in the relation of the worker to production, and all relations of servitude are nothing but modifications and consequences of this relation.[94]

Arthur is right in pointing out that we should not read Marx as implying that the identification of the proletariat as the 'class of the future' is based on its universal suffering, as a 'matter of a sympathetic identification with their problems'.[95] However, I disagree with this commentator's view that Marx's grounding of the revolutionary nature of the proletariat in its 'strategic position in the economic order' where productive activity is the 'key social mediator', suffices as an explanation of the social determinations of the revolutionary subjectivity. This explanation must include the positive exposition about the forms of capital's development that produce in the workers not only the will to social transformation but also the material powers to achieve it. And it is this latter investigation that is missing in the *Manuscripts*. What is more, the materiality of the conditions generating Arthur's 'abstract necessity (a)' seems to stand in blatant contradiction to the barbaric materiality of the life conditions of the workers that Marx described to be the result of the movement of private property. Hence, it is not clear how that 'abstract level of necessity for the overthrow of private property' can be activated concretely in the subjectivity of the workers. In other words, how to reconcile that revolutionary scientific consciousness that discovers the necessity to abolish capital with the brutalised state to which the workers are condemned by the division of labour of manufacture? How to turn the degradation of the physical and intellectual senses of the workers into that fully developed human sensuousness that Marx claimed to be a necessary prerequisite for the emergence of communism? As Markus points out,

> [T]here seems to be no imaginable practico-political strategy, able to bridge this gap and to render the initial contact between theory and

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[94] Marx 1992b, p. 333.

[95] Arthur 1986, p. 145.

> practice, between the actual situation of the revolutionary subjects and the radical content of the theory possible.[96]

No wonder, then, that in attempting to offer this mediation, Marx only deploys again that generic dialectic of generation through extreme negation of the previous stage. Without a detailed positive account of the laws of motion of alienated labour and the determinations of the political action of the workers as personifications of the former, no significant guide to action can be drawn from revolutionary theory. Or, better stated, from a too general and undifferentiated account of the nature and movement of capitalist society, only an overly general and abstract political programme can be advanced: abolish alienated labour! The scientific critique of capital was bound to remain external and thus impotent to fully unite with practice.

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[96] Marcus 1980, p. 84.

CHAPTER 2

The Overcoming of Philosophy and the Development of a Materialist Science

Introduction

In the first chapter I have traced Marx's initial discovery of the proletariat as the revolutionary subject. My partial conclusion was that the *Paris Manuscripts* represented an enormous breakthrough in Marx's intellectual development. More concretely, I attempted to show that in that text one can find Marx's first attempt at a materialistic perspective on the determinations of the revolutionary subjectivity of the working class. However, I also argued that this first step did not solve all the questions that it had set out to answer. Rather, this early text can be seen as laying the foundations for the future research that he would undertake throughout the rest of his life. The *Paris Manuscripts* may be thus seen as both asking the correct questions and giving the *general* direction to be followed in order to find the social determinations of the revolutionary political action of the proletariat. That approach, I argued, consisted in focusing on the development of the materiality of human productive subjectivity in its historically specific forms as the basis for any investigation about the transformative powers of human action. However, I also showed that beyond a certain point Marx's exposition became incapable of further advancing his discoveries. In brief, I tried critically to engage with this 'early Marx' in order to highlight both the insights and limitations to be found at that stage of his development of the critique of political economy in the light of its developed form in *Capital.*

Regarding the merits of the *Paris Manuscripts*, I pointed out that one of the crucial steps forward made, which marked a difference in relation to his previous writings, was the definitive abandonment of the standpoint of philosophy. In other words, I claimed that Marx's adoption of a materialist perspective was tantamount to the transcendence of philosophy. On the other hand, I argued that most limitations of Marx's early critique could be explained by the inadequacy of the transformative method inherited from Feuerbach as the revolutionary form of the proletarian science.

In the previous chapter, these two rather strong claims were just tangentially touched upon. It is a first aim of this chapter to give those assertions closer scrutiny. I shall show that, in fact, both aspects are interrelated. This

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is because, although Marx's positive development throughout the whole of the *Paris Manuscripts* already moves beyond the philosophical discourse, it is not until the third manuscript that he feels the need explicitly to address the question of the status of philosophical thinking. Initially, Marx develops this investigation through the critique of the Hegelian dialectic from a still Feuerbachian methodological perspective. However, in the very course of his discussion, he becomes aware of both the limitations of Feuerbach's materialist 'transformative criticism' and the critical power which, once purged from its idealist inversions, could be found in the dialectic. As we shall see, from this moment onwards, Marx's scientific enterprise consisted in further developing this insight up to the point of giving the critique of political economy a fully developed dialectical form.

The Need to Come to Terms with Hegel's Philosophy

As Arthur suggests, Marx's turn to the critique of the Hegelian dialectic in the *Paris Manuscripts* seems to be quite abrupt. In effect, up to that point Marx had been developing his first critical confrontation with political economy along Feuerbachian methodological lines.[1] More concretely, a look at the original order in which Marx developed his argument (different from the one in which it was published), shows that this sudden turn occurs in the context of the discussion of the historical movement leading to the supersession of alienated labour in communism. It is at that point that he veers radically, momentarily leaving behind the critique of economic categories, in order to develop

> by way of explanation and justification … some considerations in regard to the Hegelian dialectic generally and especially its exposition in the *Phänomenologie* and *Logik* and also, lastly, the relation (to it) of the modern critical movement.[2]

How are we to understand this abrupt change in Marx's object of criticism? In his detailed commentary on the *Paris Manuscripts*, Arthur gives a plausible explanation for this. According to him, in discussing the process of the genesis of man as man (the historical realisation of the human species-being), Marx became aware of the formal similarity between that movement and the one Hegel attributes to the absolute spirit in his *Phenomenology of Spirit*.[3] Both involve a process of immediate unity between subject and object, a stage of opposition or radical difference and a recomposition of that unity but now as a mediated unity, in which both the subject and the object appear as the former's own product. In other words, in both cases we are facing a process of historical self-production. The difference between them lies in their views on which is the subject: absolute spirit for Hegel, and the human being as a natural productive being for Marx.

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[1] Arthur 1986, p. 45.

[2] Marx 1992b, p. 379.

Whilst I do not want to deny the exegetical accuracy of this line of argument, I think that it is not the most fruitful way of approaching the question. First, this materialist appropriation of Hegel's historical dialectic, although important for Marx's discovery of communism as the immanent result of the historical development of human productive subjectivity in its alienated capitalist form, eventually proved incapable of grounding the revolutionary subjectivity of the working class. As I have already mentioned, that abstract dialectic could only account for the general form of movement of the development of human productive subjectivity up to the negation of its alienated form, but could not explain the concrete forms through which it unfolds in the course of history. In other words, that abstract dialectic did not say anything about the specific 'laws of motion' presiding over the movement of modern society. And neither did it explain the concrete historical genesis of the capitalist mode of production and, therefore, its concrete role in the 'natural history' of human productive subjectivity. In fact, we shall see that as Marx advanced in the scientific cognition of the concrete determinations of the movement of capital (and therefore, of the concrete determinations of the development of the conscious revolutionary action of the proletariat), he progressively dropped the recourse to that general dialectic as the ground for the abolition of capital. Hence, whatever the role it played in 1844, that 'materialist inversion' of the formal movement of Hegel's *Phenomenology of Spirit* played no significant part in Marx's subsequent intellectual development.

In the second place, although in the *Paris Manuscripts* Marx clearly started his critique of Hegel with a critique of the latter's *Phenomenology of Spirit*, he also engaged with Hegel's *Science of Logic*. And it is especially with the latter critique that Marx became aware of the essential character of philosophy as uncritical alienated thought. By converting logic into ontology, Hegel actually took philosophy to its necessary extreme, thereby exposing the idealist inversion inherent in all forms of philosophical thought. While other philosophers dogmatically and extrinsically imposed a general logical necessity upon the movement of real concrete forms, according to Marx, Hegel went further and self-consciously took the movement of pure logical forms as constituting or engendering the more abstract content of the real itself. In an absolutely inverted form, Hegel thus claimed to have eliminated the exteriority between the form and content of scientific knowledge, between method and object of cognition.[4]

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[3] Arthur 1986, p. 46.

As I shall try to show, this confrontation with Hegel's *Science of Logic* was crucial for Marx's discovery of the revolutionary essence of 'the reproduction of concrete by means of thought' – i.e. dialectical cognition – as the necessary method of science determined as practical criticism. A one-sided emphasis on Marx's materialist inversion of the form of motion of Hegel's *Phenomenology of Spirit* overlooks this crucial step in Marx's advance in the production of the critique of political economy as the scientific revolutionary consciousness of the proletariat.

Hence, to the implicit reason behind Marx's engagement with Hegel's thought mentioned by Arthur, I think it necessary to add the explicit one put forward by Marx himself in the opening passages of that section. There he states:

> Modern German criticism was so pre-occupied with the old world, and so entangled during the course of its development with its subject-matter, that it had a completely uncritical attitude to the method of criticism, and was completely unaware of the seemingly formal but in fact essential question of how we now stand in relation to the Hegelian dialectic. The lack of awareness about the relation of modern criticism to Hegelian philosophy in general and to the dialectic in particular has been so

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[4] On this particular point, Marx was simply following Feuerbach's groundbreaking path, for whom Hegelian philosophy represented the 'culmination of modern philosophy'. See Feuerbach 1986, p. 31. The difference between them, as I argue below, is that Feuerbach's critical supersession of Hegelian philosophy remained essentially philosophical. His 'new philosophy' entailed 'the *realization of* the Hegelian philosophy or, generally, of the philosophy that prevailed until now', albeit one which 'is at the same time the *negation*, and indeed the negation *without contradiction*, of this philosophy' (Feuerbach 1986, p. 31, original emphasis). In contrast, my claim is that Marx's overcoming of Hegelian's inverted dialectic involved the overcoming of philosophy as such, precisely through a materialist appropriation of the critical power of the dialectical method.

> pronounced that critics like Strauss and Bruno Bauer are still, at least implicitly, imprisoned within Hegelian logic …[5]

According to this passage, what moved Marx to a critical engagement with Hegel's philosophy is the fact that the critical form of consciousness prevailing in Germany at that time, far from going beyond the Hegelian mystification of the dialectic, was actually reproducing it 'word by word'.[6] The motivation, then, was not abstractly theoretical, but political through and through. In this sense, it is important to remember the domination by the Young Hegelians of the radical circles in Germany.[7] In particular, Marx is reproaching 'modern German criticism' for the fact that, by 'becoming imprisoned within Hegelian logic', their critique of modern society remains inevitably *philosophical*, that is, incapable of developing into *practical* criticism involving the radical transformation of the existing state of affairs. Instead of leading to the practical abolition of the contradictions of modern society, 'absolute Criticism' ends up trapped 'into the *single* dogmatic antithesis of its own cleverness and the stupidity of the world', which stubbornly remains indifferent to the 'absolute truths' discovered by the former.[8]

But why is philosophical critique necessarily incapable of achieving a radical transformation of the world? Is that not a specific problem of Hegel's *idealist* philosophy, which can be overcome by replacing it with a *materialist* one? As stated above, Marx's critique of Hegel's philosophy actually involved the critique of philosophy as such: this is because, as we shall see, Hegel is considered by Marx to be the one who pushed philosophy to its limits, unconsciously laying bare its essential nature as

> nothing else but religion brought into thought and developed in thought, and that it is equally to be condemned as another form and mode of existence of the estrangement of man's nature.[9]

Therefore, a truly critical appropriation of Hegel's thought could only mean for Marx the transcendence of the philosophical standpoint *tout court*. For how can a mode of existence of the alienated consciousness, intrinsically bound to uncritically express human alienation, be the basis for its supersession? The

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[5] Marx 1992b, pp. 379–80.

[6] Marx 1992b, p. 380.

[7] Shortall 1994, pp. 12–15.

[8] Marx 1992b, p. 381.

[9] Ibid.

'establishment of *true materialism* and of *real science*'[10] initiated by Feuerbach, and which Marx attempted to bring to completion, was incompatible with the starting point of philosophical reflection. A real science, Marx learnt from Feuerbach, can only have as its point of departure 'the social relationship of "man to man"'.[11] In fact, it was Feuerbach who had accomplished the development of a true materialist philosophy. Through the inversion of Hegel's dialectic, he showed that a true philosophy should take nature not as a mediating stage in the self-development of the Idea, but must have the former as both starting point and endpoint of its theoretical reflection. As Schmidt points out:

> For Feuerbach, Hegel's philosophy is philosophy from the standpoint of the philosopher, while he is a philosopher from the standpoint of non-philosophy. Instead of beginning with philosophy in order to end with philosophy, he wanted to begin with non-philosophy in order to return through philosophy to non-philosophy … The new philosophy no longer claimed any special position as against the other sciences but had its presupposition, like them, in nature.[12]

Yet even though Feuerbach developed his critique of Hegel from the standpoint of 'non-philosophy', he remained a philosopher. Although he did not see his own philosophy as bearing any privilege over the rest of the sciences, insofar as it also had its presupposition in nature,[13] he still saw his intellectual endeavour as a philosophical reflection. In other words, he offered a general – in his case, naturalist – *interpretation of the world* (a 'worldview') that was meant to provide an external 'philosophical' foundation for the materiality (and hence objectivity) of human subjectivity. The human subject (hence thought as her/his corporeal, material attribute) was thus turned into an *object of theoretical contemplation*.

> The new philosophy makes man – with the inclusion of nature as the foundation of man – the unique, universal and highest foundation of philosophy.[14]

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[10] Ibid.

[11] Ibid.

[12] Schmidt 1971, p. 24.

[13] Ibid.

[14] Feuerbach 1986, p. 70.

And from that philosophic standpoint, which ultimately still 'regards the theoretical attitude as the only genuinely human attitude',[15] it was impossible for Feuerbach to see the materiality of human thought in its determination as the form in which 'sensuous human activity, practice' is organised.[16]

At this juncture, and in order to clarify the matter further, it is worth delving deeper into my prior, admittedly controversial, claim, namely, that already in the *Paris Manuscripts* and for the rest of his lifetime, Marx's materialist dialectical science entailed the transcendence of *all* philosophy.[17] In other words, the inability of philosophical thought to translate into transformative practical criticism – hence to achieve the real, and not merely formal, unity of 'theory and practice' – is not simply a problem of Feuerbach's contemplative theoreticism, which could be redressed through the development of a materialist 'philosophy of praxis'.[18] According to this latter train of thought, the key issue in Marx's critique of Feuerbach comes down to the substitution of the historically situated productive activity of the human being as the active mediator in the establishment of the unity between humanity and nature for the merely passive unity emphasised by the latter.[19]

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[15] Marx 1976d, p. 3.

[16] For good analyses of the similarities and differences between Marx and Feuerbach, see Colletti (1973, pp. 222–8; and 1992, pp. 51–6), Schmidt (1971, pp. 24–33) and, especially, Arthur (1986, pp. 114–25). In Spanish, Sánchez Vázquez (2003) provides an insightful discussion of the connection between Marx and Feuerbach, specifically focused on the notion of 'praxis', which also sheds light on the precise reason behind the latter's 'theoreticism'. In my view, he convincingly shows that attempts to downplay their distance such as Mondolfo's (1960) remain unpersuasive.

[17] From a *textual* point of view, as remarked by Korsch in *Marxism and Philosophy* (1970), the claim is uncontroversial after *The German Ideology* and the *Theses on Feuerbach*, where there are numerous remarks in which Marx and Engels explicitly reject philosophy for being inherently uncritical alienated thought. My claim is that this rejection already obtains in the *Paris Manuscripts*. It goes without saying, as Gunn (1989, p. 3) puts it, that this overcoming of the philosophical standpoint does not amount to a relapse into a positivism or scientism uninterested in 'categorial questions'. See footnote 25 below.

[18] The explicit formulation of the idea of Marxism as a 'philosophy of praxis' is usually attributed to Gramsci's critique of the objectivism and scientism of the Marxism of the Second International epitomised in Bukharin's *Manual*. See Sánchez Vázquez 2003, pp. 64–7. More generally, for a study of Gramsci's thought as a whole, see the recent groundbreaking study by Thomas (2009). But, of course, the *philosophical* attempt at a restoration of subjectivity and the problematic of the unity of theory and practice has been the thread guiding all the works of the 'founding fathers' of so-called 'Western Marxism' (Adorno 2007; Korsch 1970; Lukács 1971). In my view, for reasons which will become apparent in what follows, the very fact that the attempt was carried out philosophically, rather than through the further systematic development of the critique of political economy, doomed it to failure.

That this is part and parcel of Marx's critique of Feuerbach is without dispute. But my argument is that the radicality of Marx's break with Feuerbach's philosophy, which in turn leads him to transcend philosophy altogether, cannot be captured if one stops short at that dimension of his critique. For, thus posed, the critique only amounts to a change of the cognitive *object* of philosophical analysis, which nonetheless remains in a materially external relation to transformative conscious life activity itself. In other words, 'historically-determined productive practice' replaces Feuerbach's 'abstract man' as the external object of cognition, but the abstractly and one-sidedly theoretical determination of scientific knowledge is not overcome. Scientific knowledge remains, to borrow Gunn's expression, a *theory of*, that is, a form of cognition that 'construes its object ... as something which stands over against the subject who lays claim to know it',[20] thus reifying its object. In this case, it becomes a *general theory of human practice* as an object of philosophical analysis.[21]

Thus, interpretations of Marx's dialectical science as a philosophy of praxis tend to take as their *point of departure* the construal of a general concept of human productive activity, in order to ground its essential rationality, freedom, transformativity, morality, cognitive objectivity, etc. On that basis, it is then 'applied' *normatively* to assess the potentialities of concretely existing human actions in their singularity. Or, alternatively, theory is instrumentally mobilised to ‘guide’ or ‘inform’ human actions; in particular, revolutionary practice.[22] Either way, theory is rendered a self-subsistent activity which starts from itself and achieves closure within itself and which, only after its abstractly cognitive act reaches completion, is then utilised to guide or judge actually existing transformative actions. Seen in this way, and no matter the declamation of the philosopher of praxis, the connection between theory and practice is bound to remain external.

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[19] Schmidt 1971, pp. 26–7; Sánchez Vázquez 2003, pp. 123–5, 180.

[20] Gunn 1992, p. 4.

[21] Strictly speaking, Gunn's discussion of scientific knowledge as 'theory of' refers to 'society' rather than to 'practice' as a reified object of cognition. As for his own take on the connection between theory and practice in Marx's thought, Gunn tries to capture it through what he calls theory's practical reflexivity. According to Gunn (1989, pp. 6–7; see also 1987), a theory is practically reflexive when it not only theorises its 'object' but also, in the very same conceptual and totalising movement, self-consciously reflects both on its own practical situatedness (i.e. it inheres in a practical totality or it is an expression or 'moment' of an essentially practical social world) and on the validity of its own categories or truth criteria. Although Gunn (1987, p. 42) claims that this conceptualisation of the relation between theory and practice renders it 'internal', I think it does not transcend all exteriority between them, the latter still remaining a reified object from the point of view of the subject of cognition. Thus, theory reflects on itself while reflecting on practice, but it still subsists as an abstractly theoretical activity. It is 'in unity with' practice but nonetheless remains 'distinct from it' (Gunn 1987, p. 41). See Chapters 6 and 9 below for an elaboration of the further ramifications of this discussion.

By contrast, as Iñigo Carrera insists, Marx’s revolutionary science does not start out by construing a general philosophical concept of praxis, but takes as its starting point the search for an answer to the directly practical question about the conscious organisation of ‘actually existing’ human transformative action in the unity of its determinations.[23] It therefore immediately is, in its generic condition as a historical form of social consciousness, an *inner* moment of the unfolding of human practice itself: the ideal appropriation of nature’s potentialities as the specifically human form of organising their real appropriation in the course of the social life process. This is why Marx remarks in the second *1844 Manuscript* that ‘the idea of one basis for life and another for science is from the very outset a lie’.[24]

In this sense, science as practical criticism does not need to be applied to or guide an externally conceived practice, since it situates itself *within* the field of real human action in its concrete singularity from the very outset. And it does so with the aim of uncovering and *ideally* appropriating human practice’s *immanent* material and social determinations – hence its objective transformative potentialities – in order consciously to regulate their *real* actualisation through ‘revolutionary’, ‘practical-critical’ activity. This, I think, is the only meaningful way in which to materialistically understand the so-called ‘unity of theory and practice’.[25]

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[22] See Sánchez Vázquez 2003, whose study of the ‘concept of praxis’ in Marx and Marxism is a particularly telling case in point.

[23] Iñigo Carrera 1992, p. 2.

[24] 1992b, p. 355.

[25] Note that in the course of its unfolding, the search for the inner transformative potentialities of concretely existing human action will most certainly have to advance towards more abstract determinations which transcend immediate perception or intuition. Many of them will be forms of the real whose investigation usually falls within the domain of philosophical reflection (epistemological and/or even ontological) and which tend to be deemed ‘metaphysical’ questions by positivistic thought. As a matter of fact, many of the simpler ones have been discovered and expounded by Hegel in his *Science of Logic*, albeit within a mystical shell which comprises a series of redundant categories and formal steps

In brief, Feuerbach cleared the terrain for the necessary step forward in the development of a materialist standpoint. However, it was only Marx who took up this challenge and discovered that the completion of the materialist inversion of Hegel required more than the 'naturalisation' of philosophy. It involved the discovery that the starting point for any true materialist science was not just the 'social relation of man to man' in the abstract, but grasped in its essential determination as historically determined conscious productive practice. Moreover, the latter was not simply seen by Marx as an alternative external object of scientific-philosophical inquiry. Instead, it was the real form which carried, as an immanent necessary moment of its unfold-

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in the systematic-dialectical exposition. On this issue, see Caligaris and Starosta 2014. In this sense, science as practical criticism does not deny the objectivity of those more abstract determinations of human action. However, it does not approach them *philosophically* (hence as a self-contained external object that constitutes the point of departure of theoretical reflection) but through critical-practical dialectics. It thereby discovers them analytically as *immanent* in concretely existing human transformative practice itself in the very process of its conscious organisation (I shall return to the specific determination of the moment of analysis in the dialectical method in the next chapter). In other words, those more abstract determinations constitute an inner content which is carried by human action itself, the latter being their most concrete or complex mode of existence. To make the point differently, in the same vein as many Marxists acknowledge that Marx's dialectical investigation of the same capitalist social forms which political economy represents ideologically does not turn the former into an 'economic theory' but is a *critique of political economy*, the inquiry into more abstract determinations of the real which are usually the object of philosophical representation does not turn the Marxian scientific endeavour into a philosophy but represents a *critique* of it. In *Marxism and Philosophy*, Korsch (1970) poses the problematic quite sharply, but, presumably as an overreaction to the hostility to 'philosophical questions' in the positivistic Marxism of the Second International, did not dare making the next step involved in the transcendence of the standpoint of philosophy. Thus, he speaks of (and actually vindicates) the 'philosophical content' of Marxism and still sees the 'revolutionary materialist dialectic' as the 'philosophy of the working class', albeit one which aims at its self-abolition through the overthrow of bourgeois society as a whole. See Korsch 1970, p. 97. The same tension runs through Adorno's *Negative Dialectics* from the very opening lines of the Introduction: 'Philosophy, which now seems obsolete, lives on because the moment to realize it was missed' (Adorno 2007, p. 3). This hesitant attitude of Adorno's towards the status of Marxian practical-critical dialectics vis-à-vis philosophical thought has been carried over by his contemporary disciples who took up his methodological research programme to develop a critical reconstruction of the critique of political economy. Thus Backhaus (1992, p. 55) locates the latter 'in-between philosophy and science', since economic concepts are not simply economic but philosophical.

ing, the rational comprehension of its own inner determinations i.e. revolutionary theory. It was in the very nature of Feuerbach's philosophy, and *a fortiori* of *all* philosophical thought, to be incapable of grasping this elementary determination of human subjectivity. The development of a materialist science, as the comprehension – and hence conscious organisation – of concretely existing human transformative practice, entailed the overcoming of philosophy.

Hegel and the 'Dilemma of Epistemology'

The central question of modern philosophy is, to put it simply, an epistemological one, in the sense of being an enquiry into the conditions for the genesis and attainment of true scientific knowledge. As Gunn puts it, modern philosophy is essentially a 'metatheory', a 'second-order discourse' aiming at evaluating and validating the categories employed by scientific theory, conceived as 'first-order discourse'.[26] More concretely, philosophy is meant to offer, in the manner of an external arbiter, the criteria against which we might attribute 'objective validity' to the representations produced by scientific theory. This means, therefore, that the objectivity of scientific knowledge is considered to be extrinsically grounded in the generic *subjectivity* of an abstractly rational and free-thinking human being.[27] The difficulties of epistemology arise because of its attempt to provide, through an act of cognition, a foundation for the conditions under which a valid act of cognition can take place.[28] From this starting point, two possible paths seem necessarily to follow. Either the formulation of a further external arbiter which could validate the procedures of the epistemological cognitive act itself, which would in turn be in need of external grounding; or the dogmatic utilisation of those very same criteria with which it attempts to found the original act of knowledge, in order to account for the objectivity of its own activity. Epistemology's own claims to truth seem to fall into the trap of either circularity or infinite regress.[29] Faced with this dilemma, Kant ended up claiming that the only way out is to humbly recognise the limits of true human knowledge which thus becomes restricted to the phenomenal world, leaving the 'thing-in-itself' as an unreachable content for the act of cognition.[30]

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[26] Gunn 1989, p. 89.

[27] Iñigo Carrera 2008, p. 253.

[28] Colletti 1973, p. 199.

[29] Gunn 1989, pp. 89–90; Arthur 1986, p. 50.

[30] Williams 1989, pp. 32–8.

With his characteristic sarcastic tone, in the Introduction to the *Encyclopaedia*, Hegel summarises very clearly the oxymoron that self-conscious traditional epistemology (which he saw in what he calls 'critical philosophy') had set for itself:

> One of the main points of view in the *Critical* Philosophy is the following: before we embark upon the cognition of God, or of the essence of things, etc., we should first investigate our *faculty of cognition* itself, to see whether it is capable of achieving this. We should first get to know about the *instrument*, before undertaking the task that is supposed to be accomplished by means of it; for, otherwise, if the instrument is inadequate, then all further effort would have been expended in vain … But the investigation of cognition cannot take place in any other way than cognitively; in the case of this so-called tool, the 'investigation' of it means nothing but the cognition of it. But to want to have cognition *before* we have any is as absurd as the wise resolve of Scholasticus to learn to swim before he ventured into the water.[31]

This point was also made by Hegel in the Introduction to the *Science of Logic*. There he remarked on the specific nature of the science which had thought as its own particular content. For the rest of the sciences, method and subject matter are distinguished so that they are

> permitted to speak of their ground and its context and also of their method, only as premises taken for granted which, as forms of definitions and such-like presupposed as familiar and accepted, are to be applied straight-way, and also to employ the usual kind of reasoning for the establishment of their general concepts and fundamental determinations.[32]

However, since logic has those laws of thinking themselves as its own content, it cannot presuppose them but needs to discover them in the course of its development. This does not mean that no justification for the objectivity of pure thinking is needed. But this justification is not to be part of the science of pure thought itself but the presupposition of its beginning. Hegel had given this deduction, which is nothing more than the movement of consciousness until discovering the objectivity of its own cognising activity, in the *Phenomenology of Spirit*.[33]

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[31] Hegel 1991, p. 34.

[32] Hegel 1999, p. 43.

The point is that the whole problematic arises because epistemology starts from the radical *separation* between knowledge and reality, or subject and object of cognition. Hegel's alleged solution was then to solve those contradictions by going right to their essential source in that deficient starting point of traditional epistemology. The general result of his *Phenomenology of Spirit* is precisely the ontological *identity* between thought and being.[34] This is the essential content of absolute knowledge as the self-knowledge of absolute spirit's own dialectic. Certainly, Hegel does not extrinsically *confront* this essential truth with the allegedly wrong starting point of traditional epistemology in order to replace it with his own, more satisfactory account. This would leave him with exactly the same dilemma that traditional epistemology faced. The whole gist of his phenomenological method consists precisely in taking what he calls the standpoint of consciousness (i.e. that which sees a radical separation between consciousness and its object) as the starting point for his science of the experience of consciousness (that is Hegel's definition of phenomenology). More precisely, he starts from the simplest figure of that knowing subjectivity, i.e. immediate certainty. From this beginning, and through a method of *immanent critique*, Hegel attempts to show that his own absolute knowledge is a necessary concrete form into which that simple initial figure of the knowing consciousness develops.[35] The phenomenology is the laborious odyssey of consciousness passing through all of its defective figures until reaching its plenitude as absolute knowledge. The crucial thing is that this development is not the product of the failure of the different forms of consciousness to measure up to some external yardstick provided by the philosopher, the alleged bearer of absolute truth. On the contrary, this motion is generated by the contradictions produced by each figure of consciousness itself when measured against its own standards. Although at first there seems to be a perfect identity between what consciousness takes to be the object in itself and the way it knows the object (i.e. the object for consciousness), closer scrutiny of each figure's cognising experience reveals that those two moments are actually in opposition. It is the development of its own contradictions that pushes consciousness forward to ever newer, more complex forms until reaching the stage of absolute knowing. In this sense, it is a process of philosophical self-education of ordinary consciousness. The philosopher does not teach ordinary consciousness the content of absolute knowing (the identity of thought and being), but just describes the self-movement of the latter through which it eventually grasps that essential truth by itself. The false is then revealed to be not simply 'wrong', but a partial view that results from the fixation and absolutisation of what actually is a determinate moment or appearance of a more comprehensive, concrete totality, namely, absolute spirit's self-development.[36] At the end of the journey, consciousness thus learns that the opposition and dichotomy between subjectivity and objectivity was posited by consciousness itself.

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[33] Hegel 1999, p. 49.

[34] Houlgate 2001 and 1998.

[35] On immanent critique in Hegel, see Hyppolite 1991.

> Spirit, therefore, having won the Notion, displays its existence and movement in this ether of its life and its *Science* … Whereas in the phenomenology of Spirit each moment is the difference between knowledge and Truth, and is the movement in which that difference is cancelled, Science on the other hand does not contain this difference and the cancelling of it. On the contrary, since the moment has the form of the Notion, it unites the objective form of Truth and of the knowing Self in an immediate unity.[37]

In this way, absolute knowing reveals that the externality between form and matter of cognition is an appearance that vanishes as soon as one comes to adopt its standpoint. Thus, according to Hegel, the problem of traditional epistemology is solved. The determinations of thought are not pure subjective forms that organise a given content but the immanent essential determination of everything that exists when grasped in its universality, that is, in the objectivity of its 'logical element'. Liberated from 'the opposition of consciousness', pure thinking recognises its own objectivity as the Notion, i.e. as

> the nature, the peculiar essence, that which is genuinely permanent and substantial in the complexity and contingency of appearance and fleeting manifestation … the notion of the thing, the immanent universal … the very heart of things, their simple life-pulse, even of subjective thinking of them.[38]

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[36] Hegel 1977, pp. 490–1.

[37] Hegel 1977, p. 491.

[38] Hegel 1999, pp. 36–7.

On this basis, logic is thus free to proceed with the presentation of the self-determining movement of the Notion by showing the multiplicity of different thought forms that structure being in all its complexity. However, after the reconstruction of the experience of consciousness in the *Phenomenology of Spirit* it becomes evident for philosophy that this exposition of objective pure thinking cannot consist in the mere external 'aggregate of definitions and propositions which ordinarily passes for logic'.[39] This collection of external relations among the different thought forms is, according to Hegel, the picture philosophy gets when it wrongly borrows its scientific method from the science of 'the quantitative aspects of the determinations', i.e. mathematics.[40] Quite to the contrary, Hegel argues, in the *Phenomenology of Spirit* he had already shown the workings of the 'scientifically correct method' as the ideal reproduction of the 'inner self-movement' of the object of cognition, which is governed by the 'dialectic which it possesses within itself'.[41] That is, science must proceed by following 'the inner negativity of the determinations as their self-moving soul':[42]

> All that is necessary to achieve scientific progress – and it is essential to strive to gain this quite simple insight – is the recognition of the logical principle that the negative is just as much positive, or that what is self-contradictory does not resolve itself into a nullity, into abstract nothingness, but essentially only into the negation of its particular content, in other words, that such a negation is not all and every negation but the negation of a specific subject matter which resolves itself, and consequently is a specific negation, and therefore the result essentially contains that from which it results; which strictly speaking is a tautology, for otherwise it would be an immediacy, not a result. Because the result, the negation, is a specific negation, it has content. It is a fresh Notion but higher and richer than its predecessor; for it is richer by the negation or opposite of the latter, therefore contains it, but also something more, and is the unity of itself and its opposite. It is in this way that the system of Notions as such has to be formed – and has to complete itself in a purely continuous course in which nothing extraneous is introduced.[43]

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[39] Hegel 1999, p. 51.

[40] Hegel 1999, p. 52.

[41] Hegel 1999, p. 54; see also 1977, pp. 31–2.

[42] Hegel 1999, p. 56.

[43] Hegel 1999, p. 54.

Thus Hegel distinguishes between what he terms the 'understanding' and 'speculative thought'. The former grasps thoughts as self-subsistent entities or immediate affirmations:

> Thinking as *understanding* stops short at the fixed determinacy and its distinctness vis-à-vis other determinacies; such a restricted abstraction counts for the understanding as one that subsists on its own account, and simply is.[44]

Moreover, and this is what distinguishes understanding from mere 'representation', on that basis it attempts to establish

> a necessary relation between the isolated determinations of representation – whereas representation leaves them *side by side*, in its undetermined space, linked only by the simple 'and'.[45]

However, unwilling to recognise that 'according to its proper determinacy ... the dialectic', or negativity, 'is the genuine nature that properly belongs to the determinations of the understanding, to things, and to the finite in general',[46] the understanding can only end up establishing a connection among all those conceptions by means of purely *subjective* reflection, that is, by following a necessity which is *external* to the immanent determination of the object of cognition at stake.

Conversely, speculative thought involves the consciousness both of the 'dialectical moment' present in all 'things [as they are] in and for themselves',[47] and also of 'the affirmative that is contained in their dissolution and in their transition'.[48] It therefore discovers in the dialectic 'the moving soul of scientific progression ... the principle through which alone *immanent coherence and necessity* enter into the content of science'.[49] Speculative science thus grasps the relations among things in their objective, immanent necessity.

In this way, Hegel claims to have moved beyond the antinomies of philosophical thought. He sees himself as not only overcoming the externality between the form and content of knowledge, but also as discovering in the dialectic the form in which the universality of the Notion moves, thus giving life and motion to every particular real form, whether natural or 'spiritual'. Thus seen, logic 'no longer stands as a particular alongside other particulars, but includes them all within its grasp and is their essence, the absolutely True'.[50]

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[44] Hegel 1991, p. 125.

[45] Hegel 1991, p. 50.

[46] Hegel 1991, p. 128.

[47] Hegel 1991, p. 129.

[48] Hegel 1991, p. 131.

[49] Hegel 1991, p. 128.

It is with these conclusions, according to Marx, that far from solving the dilemma of epistemology, Hegel carried the idealist inversion intrinsic to all philosophical thought to its limit. And this is so in a two-fold sense. Negatively, he thereby unwittingly exposed the source of the idealist inversion inherent in philosophy in the replacement of the movement of the real, i.e. its determinate immanent necessity, with a *logical necessity*. The content of the materialist inversion needed thus became clear, namely, the overcoming of all forms of *logical representation* of reality through the discovery of the *specific* necessity immanent in the *determinate* object of cognition (and hence of transformation) at stake, that is, through the 'reproduction of the concrete by means of thought'.[51] Positively, in discovering contradiction as the 'negativity which is the indwelling pulsation of self-movement and spontaneous activity'[52] of every existing real form, Hegel grasped the dialectic as the *form* of cognition (i.e. the method) capable of expressing the aforementioned 'inner necessity controlling the object' to be known. *With these two insights in their unity*, Marx would begin his positive development of science determined as a necessary concrete moment of the revolutionary transformation of society into the free association of individuals.[53]

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[50] Hegel 1999, p. 59.

[51] Following Iñigo Carrera (2008), I shall use the expressions 'logical representation' or 'representational thought' to refer to the form of scientific or philosophical cognition that moves according to a purely ideal necessity, external to the real forms to be known. By the 'reproduction of the concrete by means of thought' or, simply, 'dialectical knowledge', I mean that form of science which grasps the necessity for self-transformation immanent in things themselves. They correspond to what Hegel called 'understanding' and 'speculative thought', respectively, minus his idealist inversion.

[52] Hegel 1999, p. 442.

[53] The reduction of the materialist inversion of Hegel to the latter insight only, generally coupled with the dogmatic claim that the subject of the movement described by Hegel's *Logic* is not the 'Idea' but 'Matter', does not move an iota beyond logical representation. It just formally changes an idealist dialectical logic into a 'materialist' one, to be extrinsically applied to every determinate concrete form of material reality. This kind of reading of the 'Hegel-Marx connection' is broadly contained in the orthodox views of *Diamat* as epitomised in Stalin (1947) and official Soviet manuals, which in turn drew direct inspiration from the classical works of Engels (1987 and 1991), Plekhanov (1965), and Lenin (1961). In the founding works of *Diamat*, the *Logic* is usually taken as containing 'the

Marx's Critique of Hegel's Philosophy in the *Paris Manuscripts*

Even among the most lucid commentaries on Marx's *Paris Manuscripts*, the section on the critique of the Hegelian dialectic is read primarily as an attempt to develop a materialist inversion of Hegel's *Phenomenology of Spirit*. In this sense, Arthur's detailed commentary is a case in point.[54] According to this author, the essence of Marx's criticism consists in the inversion of Hegel's historical dialectic through the replacement of 'his Bildungsroman of spirit with that of man'.[55] Thus Marx is seen as part of the Young Hegelian tradition of critical appropriation of Hegel's thought. This involves the recognition that Hegel's dialectic expresses truth but in mystified form. Feuerbach's influence in particular consisted in that attempt to refer all in Hegel that belongs to that abstraction called 'Spirit' to real man as an objective, natural being. However, the argument goes, against the passivity and ahistoricity of Feuerbach's views about the human being, Marx recovered the 'active', productive and historical side contained in the Hegelian dialectic. Hence the latter's positive aspect of the 'dialectic of negativity as the producing principle'.[56] The self-development of Spirit through alienation and its overcoming is actually a mystified representation of the human being's self-production through labour.[57] The essential difference between Marx's and Hegel's accounts thereby lies in the concrete subject of the dialectic of negativity. Whilst for Hegel the subject of this activity is an abstraction called consciousness, for Marx, building on Feuerbach's criticism, it is the 'real, corporeal *man*, his feet firmly planted on the solid earth, and breathing all the powers of nature'.[58] In turn, this question would revolve around the difference in political stances towards capitalist society between Hegel and Marx. For the former, the overcoming of alienation does not involve

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fundamental laws of dialectics', which are then to be applied to more concrete objects such as history, capitalism, and so on. It is thus argued that Hegel would have discovered those laws, but 'in his idealist fashion as mere laws of thought' (Engels 1987, p. 356). This position is nicely expressed by Lenin's famous aphorism in his *Philosophical Notebooks*: the question is to 'read Hegel materialistically … that is to say … cast aside for the most part God, the Absolute, the Pure Idea, etc.' (Lenin 1961, p. 104). A more thorough critical discussion of this orthodox perspective in connection with contemporary 'systematic dialectical' approaches can be found in Caligaris and Starosta (2014).

[54] But see also Marcus 1980, pp. 82–3.

[55] Arthur 1986, p. 56.

[56] Marx 1992b, pp. 385–6.

[57] Arthur 1986, p. 60.

[58] Marx 1992b, p. 389.

the practical, real abolition of an alienated social world but only a change in the attitude of consciousness regarding those forms of objectivity.[59] In brief, in this reading, the primary aspect of Marx's criticism of Hegel in the *Paris Manuscripts* concerns the question of the idealist character of the Hegelian dialectic of human consciousness. Moreover, this critique would have served Marx as a way of developing the central insight of his 'social ontology', namely, the essentiality of *productive activity* in the historical development of human beings.

Although the relevance that this question about the idealism of Hegel's *Phenomenology of Spirit* had for Marx's development *in those years* is beyond dispute, I think that a more fruitful reading strategy should focus not on the critique of that 1807 text, but on Marx's confrontation with Hegel's *Logic*. And there are mainly two reasons for this. First, as was already discussed, although the question of productive subjectivity and its historical forms remained an essential element of Marx's materialist standpoint, the general dialectic of negativity as the foundation for the overcoming of alienated labour was left behind in his later works. Secondly, that one-sided emphasis on the discussion of the *Phenomenology of Spirit* overlooks the fact that Marx's concern for that early text is subordinate to his critique of the *Science of Logic* as the consummation of Hegel's hypostasis of logic's ideal necessity.[60] Hence, according to our reading the significance of those pages for Marx's subsequent intellectual development is not so much 'socio-ontological' as *methodological*.

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[59] Although I cannot address the question here, I would like to acknowledge the existence of a debate over the fairness of Marx's critique of Hegel. Thus Rose (1995, pp. 214–15) has challenged Marx's reading of Hegel for being essentially Fichtean (see Arthur 1986, pp. 74–6, for a reply to Rose; and Smith 1990b for a critique of Arthur). Other authors have also criticised Marx for not realising that, actually, there is no difference between Hegel's dialectic and his own (Fraser 1998, pp. 34–6). Fine (2001, Chapter 5) also argues that Marx failed to recognise the methodological affinity between his dialectical method and Hegel's. But, in addition, he explores the consequences of the misreading of Hegel for Marx's own thought. Be that as it may, the relevant point for this book is not whether Marx was right or wrong in his reading of Hegel, but the positive methodological insights developed *through* the critique of the latter.

[60] The only commentator I am aware of who adopts this reading strategy of that section of the *Manuscripts* is Murray (1988, pp. 46–7). However, he does not develop this in the methodological direction of the distinction between representational thought and dialectics. Instead, he uses it to put forward his own variant of the 'homology thesis', which sees a parallel between Hegel's logical concept and capital, inasmuch as they are both hypostasised abstractions indifferent to any qualitative distinction. On the 'homology thesis', see the debate between Chris Arthur (2003a and 2003b) – supporter of a strong version of the thesis, whereby the parallel between the Idea and Capital is not just general but applies to almost every single category – and Tony Smith (2001 and 2003) – for

Certainly, Marx's initial entry point for the discussion of Hegel is the latter's abstract dialectic of absolute spirit with its allegedly conservative result. After praising Feuerbach for positing nature and the human being – 'the self-sustaining positive' – as the starting points of his philosophy, he goes on to argue that it is for exactly the opposite reason that Hegel's dialectic is to be criticised. However, this critique should recognise that, albeit in an idealist form, Hegel had unconsciously discovered the general form of motion of the historical process through which the human being is produced. According to Marx,

> Hegel has merely discovered the *abstract, logical, speculative* expression of the movement of history. This movement of history is not yet the *real* history of man as a given subject, it is simply the process of his *creation*, the *history of his emergence*.[61]

While in the conventional reading this quotation is read with an emphasis on Hegel's finding of the form of the 'movement of history', I think that, conversely, the crux of the matter resides in Marx's emphasis on the 'abstract, logical, speculative' nature of Hegel's account. Thus Marx's praise of Hegel's discovery of the dialectic of negativity as the 'producing principle' should be qualified. The latter not only served Marx to reveal its material content in the dialectic of labour's self-alienation, but also gave a clear illustration of Hegel's speculative transformation of logic into the source of all movement and life. This is a crucial point. It exposes the procedure of philosophical representation consisting in the substitution of a mental, logical necessity for the real one. Instead of following the real movement of humanity's historical self-development and then discovering that, as far as its form is concerned, it moves according to a dialectic of negativity, Hegel sees the movement of real history only as an(other) instantiation of the logical principle of pure negativity.

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whom the thesis does not withstand close scrutiny. Another proponent of the mapping of Hegel's logical categories onto Marx's critique of political economy is Meany (2002), although he does it in relation to the *Grundrisse*. More recently, the examination of the homology thesis has been resumed in some of the articles in Moseley and Smith (2014). See, in particular, Smith 2014; Bellofiore 2014; Arthur 2014; Caligaris and Starosta 2014.

[61] Marx 1992b, p. 382.

> Since this so-called negativity is nothing more than the *abstract, empty* form of that real living act, its content can only be a *formal* content, created by abstraction from all content. Consequently there are general, abstract *forms of abstraction* which fit every content and are therefore indifferent to all content; forms of thought and logical categories torn away from *real* mind and *real* nature.[62]

This passage shows with utmost clarity the point which Marx is getting at and of which the discussion of the *Phenomenology of Spirit* constitutes a prelude, namely, the alienated nature of philosophy. That is why Marx wants to take stock of Hegel's philosophy in its entirety, which, inasmuch as he sees it as the most developed form of philosophical consciousness, entails a critique of philosophy *tout court*. In this sense, as Murray points out, Marx's 'concern for Hegel's *Phenomenology* must be understood in terms of the attention to his logic [of absolute idealism]'.[63] As Marx makes clear right at the beginning of that section of the *Manuscripts*, the critique of Hegel should aim at his philosophical *system* as a whole, as presented in the *Encyclopaedia*, since it is that work which condenses the essence of philosophical thought as alienated thought thinking itself.

> Hegel's *Encyclopaedia* begins with logic, with *pure speculative thought*, and ends with *absolute knowledge*, with the self-conscious, self-comprehending philosophical or absolute mind, i.e. superhuman, abstract mind. In the same way, the whole of the *Encyclopaedia* is nothing but the *extended being* of philosophical mind, its self-objectification; and the philosophical mind is nothing but the estranged mind of the world thinking within its self-estrangement, i.e. conceiving itself abstractly.[64]

On the other hand, it is to be remembered that Hegel's *Phenomenology* is not part of his *system* but constitutes its *introduction*.[65] This is why Marx states that the critique of Hegel's philosophy as a whole must *begin* with his *Phenomenology*, which is 'the true birthplace and secret of the Hegelian philosophy'.[66] Hegel considers the *Phenomenology* the work that leads consciousness from its immediate mode of existence to the essential determination of absolute knowledge in the identity of thought and being. In this way, consciousness recognises that its thought determinations are not something different from the determinations of objects existing independently 'out there', but that its own thinking about itself *is* the thinking about the determinations of being. In the words of a Hegel scholar,

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[62] Marx 1992b, pp. 396–7.

[63] Murray 1988, p. 46.

[64] Marx 1992b, p. 383.

[65] Houlgate 2003, pp. 368–70.

[66] Marx 1992b, p. 383, my emphasis.

> What consciousness comes to understand at the end of the *Phenomenology*, therefore, is the Kantian idea that the determinations of being are in fact the determinations of consciousness, together with the un-Kantian idea that the determinations of consciousness are the determinations of *being*.[67]

Only once consciousness has gone through that journey that lands it on the realm of absolute knowledge can proper philosophy actually begin by reconstituting the path from the abstract determinations of being to its most concrete forms of existence as Spirit. To put it differently, abstractly considered, a consciousness that, for whatever reason, does not hesitate a second about the identity between thought and being could easily skip the phenomenological experience and move straight to the starting point of the system of philosophy which begins with the *Logic*.[68] Hence Marx's critique of Hegel's false starting point with an abstract consciousness, the philosophical representation of the real, corporeal human individual (a point already made by Feuerbach) in her/his historical social relations (the specifically Marxian point). Because that possibility demonstrates that far from moving from the sensuous concrete to the abstract, Hegel's philosophical standpoint never abandoned the realm of abstraction. The alienated essence of philosophy is precisely exposed by its systemic starting point with logic, the science of pure thinking. In particular, the idealist inversion appears with full force in the problematic of the transition from the logical idea to nature. The autonomisation of thought forms from nature and consciousness in the form of pure logical categories and their further integration as moments of the logical Idea reaches its moment of truth when faced with its self-determination as its 'other'. Here Marx resorts to a Feuerbachian line of criticism. Indeed, Feuerbach's characterisation of Hegel as an 'abstract realist' in the *Principles for the Philosophy of the Future* speaks precisely to this problematic:

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[67] Houlgate 2001, p. 135.

[68] Houlgate 2003, p. 368.

> The statement that only the 'concrete' notion that carries the nature of the real in itself is the true notion expresses the recognition of the truth of concreteness or reality.[69]

The difficulties of that transition betray the absoluteness of Hegel's Idea and actually constitute a proof that abstract, presuppositionless thought is nothing without nature.

> Hegel's positive achievement in his speculative logic is to present *determinate concepts*, the universal *fixed thought forms* in their independence of nature and mind, as a necessary result of the universal estrangement of human existence, and thus also of human thought, and to comprehend them as moments in the process of abstraction … But the abstraction which comprehends itself as abstraction knows itself to be nothing: it must relinquish itself, the abstraction, and so it arrives at something which is its exact opposite, *nature*. Hence the whole of the *Logic* is proof of the fact that abstract thought is nothing for itself, that the absolute idea is nothing for itself and that only *nature* is something.[70]

What makes this metaphysical transition from the idea to nature necessary is precisely the fact that during the whole movement of the idea in its purity (the *Logic*) no particular, determinate content was touched upon. Only the general, the logical, the essentialities or thought determinations were developed, which, because of their generality, are said to structure all forms of the real. But the abstraction reached in this form cannot but long for a particular content, otherwise abstract thought would keep revolving around itself. And this would mean the recognition of its non-absolute character, since its other (nature) would persist in its independence and 'otherness'. Hence the need to bring nature in. However, says Marx, alienated thought can only acknowledge nature as a thought entity. Its existence is the last logical necessity of the absolute idea in its purity, which, to demonstrate its absoluteness, has to self-posit itself in the form of externality, i.e. as nature.

> [T]his whole idea, which conducts itself in such a strange and baroque fashion, and which has caused the Hegelians such terrible headaches, is purely and simply *abstraction*, i.e. the abstract thinker; abstraction which,

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[69] Feuerbach 1986, p. 48.

[70] Marx 1992b, p. 397.

> taught by experience and enlightened as to its own truth, resolves under various conditions – themselves false and still abstract – to *relinquish itself* and to establish its other-being, the particular, the determinate, in place of its self-pervasion [*Beisichsein*], non-being, universality and indeterminateness; to let *nature*, which it concealed within itself only as a mere abstraction, as a thing of thought, *issue freely from itself*, i.e. to abandon abstraction and to take a look at nature, which exists *free* from abstraction.[71]

The philosopher, who, as 'pure' thinker, sees her/himself as the ultimate incarnation of the human, is actually the ultimate incarnation of the alienated existence of the human. Inasmuch as she/he sees her/his own species-being (that is, her/his specific determination as a labouring natural being) as the very negation of true humanity,[72] she/he can separate thought from the concrete, real thinking human and consider it as the attribute of an abstractly pure thinking subjectivity. Thought forms are thus transformed into categories of pure thinking, which moves according to its own mental necessity and is therefore indifferent to every natural (and hence human) determination. In other words, thought forms are turned into *logical categories* and their movement into logic. In this abstract universality, thought forms are thus seen to express the ideal necessity of reason in its purity, uncontaminated by the contingency of particular contents. While different philosophers tended to privilege this or that group of pure thought forms as the essential logical categories, Hegel synthesised them all in his *Logic* as the science of pure abstraction. This is one of the ways in which, according to Marx, Hegel represented the ultimate expression of philosophical thought. But additionally, as I have already noted, Hegel pushed the idealist inversion to a complacent self-awareness and hence to its plenitude. Certainly in a mystified form, philosophers before Hegel had still preserved some link between thought and the human being. To be more precise, an alienated, abstract representation of the human being as a purely thinking subject. But Hegel went one step further and completed the severance of thought from the human subject, the result of which could only be their reunion in an inverted form, that is, with the process of thought turned into an independent subject itself.[73]

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[71] Marx 1992b, pp. 397–8.

[72] Fracchia 1991, pp. 155–7.

[73] Marx 1976g, p. 102.

> The man estranged from himself is also the thinker estranged from his *essence*, i.e. from his natural and human essence. His thoughts are therefore fixed phantoms existing outside nature and man. In his *Logic* Hegel has locked up all these phantoms.[74]

And in a footnote, Marx adds:

> We shall see later why Hegel separates thought from the *subject*; but it is already clear that if man is not human, then the expression of his essential nature cannot be human, and therefore that thought itself could not be conceived as an expression of man's being, of man as a human and natural subject, with eyes, ears, etc., living in society, in the world and in nature.[75]

It is the difficult and painful transition from pure thought to nature (difficult for the abstract thinker, that is) that exposes the speculative trick. Because now all the logical categories repeat themselves in the movement of nature, that is, not in their purity, but in the form of externality. Hence, the philosopher involuntarily reveals that those abstract logical categories which she sees herself as engendering by herself through her pure thinking activity, are in fact specific determinations of nature (matter), which she had abstracted from the latter and, by giving them the form of an abstract universality, transformed them into pure thought forms. The subsequent necessary return to nature can only produce an inverted image of nature, that is, as a dead materiality which has life, movement and meaning only as a mode of existence of the logical concept. In other words, the philosopher deals not with real nature, but with a thought entity.

> But *nature* too, taken abstractly, for itself, and fixed in its separation from man, is *nothing* for man. It goes without saying that the abstract thinker who decides on intuition, intuits nature abstractly. Just as nature lay enclosed in the thinker in a shape which even to him was shrouded and mysterious, as an absolute idea, a thing of thought, so what he allowed to come forth from himself was simply this *abstract nature*, nature as a thing of thought – but with the significance now of being the other-being of thought, real, intuited nature as distinct from abstract thought. Or, to put it in human terms, the abstract thinker discovers from intuiting nature

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[74] Marx 1992b, p. 398.

[75] Marx 1992b, p. 389.

> that the entities which he imagined he was creating out of nothing, out of pure abstraction, in a divine dialectic, as the pure products of the labour of thought living and moving within itself and never looking out into reality, are nothing more than *abstractions* from *natural forms*. The whole of nature only repeats to him in a sensuous, external form the abstractions of logic.[76]

Marx's critique of Hegel's *Logic* in the final section of the *Manuscripts*, and especially the transition from the Logical Idea to Nature, is crucial to grasp Marx's revolution in the mode of science. In effect, in the course of his engagement with Hegel he becomes aware of the source of the idealist inversion of which all representational thought suffers for being condemned to remain a concrete form of the reproduction of capital (i.e. uncritical alienated thought). And the key to this critique does not simply reside, as *Diamat* would have it, in the fact that Hegel sees the Idea as the subject of the dialectic, so that the inversion would consist in leaving his dialectic intact and dogmatically claiming that the subject is nature or matter. There is no doubt that all that exists (human thought included) is a more or less developed concrete form of matter, resulting from the latter's self-movement through a process of differentiation, that is, through the self-production of qualitative differences. The only alternative to this would be a creationist view. Now from a communist perspective, that point, however valid, is a self-evident truism. Already in Marx's time, the atheist standpoint was well established in the communist movement, so that, as he states in the *Manuscripts*, it already constituted a basic presupposition of revolutionary science.

> Atheism, which is the denial of this unreality, no longer has any meaning, for atheism is a *negation of God*, through which negation it asserts *the existence of man* through this negation. But socialism as such no longer needs such mediation.[77]

But as this passage also makes clear, proletarian science does not come down to atheism. Or, more precisely, the revolutionary science of the working class does not even need such mediation, since 'its starting point is the *theoretically and practically sensuous consciousness* of man and of nature as *essential beings*'.[78]

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[76] Marx 1992b, pp. 398–9.

[77] Marx 1992b, p. 357.

[78] Ibid.

Hence, the *philosophical* quarrels within Soviet Marxism over the question of the primacy of thought or matter in the process of knowledge, which is nothing but the disguised secular form of the classical theological question,[79] were not only scholastic but peculiarly anachronistic ones. As an expression of the backward nature of the Russian process of capital accumulation, those essentially ideological forms could not, as German criticism in Marx's time, but 'be preoccupied with the old world'.[80] Later, when the Stalinist regime completed the dogmatic codification of Marx's revolutionary science through its conversion into an official state ideology, that anachronistic emphasis on the materialist *philosophical worldview* as the distinguishing mark of proletarian science was taken even further. That distinction was used to legitimise the use of state violence against those who personified working class resistance to that absolutely centralised process of exploitation.

Coming back to my point: the importance of Marx's critique of Hegel's *Logic* in the *Paris Manuscripts* does not consist in opposing a materialist philosophy to Hegel's absolute idealism. The crux of the matter resides in the fact that through the critique of Hegel, Marx got to grips with the essential difference between representational thought, as the uncritical form of alienated consciousness, and the reproduction of the concrete by means of thought as the form of revolutionary science. Hegel's *Logic* exposed without ambiguity the source of the idealist inversion present in logical representation in all its expressions, whether scientific or philosophical. In a sense, the distinction between the idealist and the materialist standpoints was relevant for Marx. However, it did not pertain to two different 'philosophical outlooks', but was embodied in the very form of the process of cognition, in the mode of scientific knowledge. The point Marx is making is that the idealism of logical representation springs from its replacement of the determinate movement of nature and history with a mental construction, structured on the basis of a logical necessity. The latter, by its own nature as a subjective reflection, can only remain external to the particular natural or social forms at stake. Behind the need to provide an external mental necessity to put real forms into 'theoretical relation' rests the assumption that those forms are incapable of establishing relations by themselves. In other words, that those forms are lifeless abstractions which therefore do not embody any qualitative potentiality or determinacy whose realisation involves its self-transformation into another, more concrete form. As already mentioned, this is what Hegel discovered as the flawed procedure of what he called the 'understanding', which represented real forms as a universe of indifferent and self-subsistent entities. Devoid of any immanent necessity driving them to self-movement, real forms can only be put into *external* relation by means of subjective reflection. Against this view, Hegel opposed the reproduction of the immanent movement of real forms or dialectical cognition as the scientifically correct method. However, for Hegel this did not involve the transcendence of logical thought. On the contrary, it involved the elevation of logic, the science of pure thinking, to the status of *the* science *par excellence*. For although he claimed the correct form of science to be the reproduction of the 'inner life' of the determinate object of cognition, the original source of that movement did not lie in those particular real forms themselves but *in their determination as concrete modes of existence of pure logical thought forms*. The latter are the ones that posit life into what would otherwise be lacking in meaning and inner movement. In the words of Marx,

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[79] Marx 1992b, p. 381.

[80] Marx 1992b, p. 379; see also Pannekoek 1938, Chapter 7.

> In the natural form, superseded Movement as Matter corresponds to superseded Becoming as Being. Light is the *natural* form of *Reflection-in-itself*. Body as *Moon* and *Comet* is the *natural* form of the *antithesis* which, according to the *Logic*, is *the positive grounded on itself* and the *negative* grounded upon itself. The Earth is the *natural* form of the logical *ground*, as the negative unity of the antithesis, etc.
>
> *Nature as nature*, i.e. insofar as it is sensuously distinct from the secret sense hidden within it, nature separated and distinct from these abstractions is *nothing*, a *nothing proving itself to be nothing*, it is *devoid of sense*, or only has the sense of an externality to be superseded.[81]

In discussing Hegel, the issue at stake for Marx was not the philosophical question of whether matter determined thought or vice versa, but the distinction between logic, which was 'completely indifferent to all real determinateness',[82] and the reproduction in thought of that 'real determinateness' as it unfolds in nature and history.[83] And here it is important to point to a subtle but crucial difference between the critique of Hegel's *Logic* in the *Paris Manuscripts* and in the *Critique of Hegel's Philosophy of Right*. At first sight, they seem to come down to the same essential point. According to Marx, whether in the case of nature or the state, Hegel inverts their specific movement as an instantiation of the logical movement of the concept. Whilst this is true enough as far as the negative view of Hegel's idealistic inversion is concerned, this similarity of the critique between the two texts overlooks their difference regarding Marx's positive view on what was to replace Hegel's 'applied metaphysics'. Indeed, there is a substantial leap in the *Paris Manuscripts* compared with the criticism raised a year before in the *Critique of Hegel's Philosophy of Right*.[84] In this latter work, Marx opposed to Hegel's claim of generality for his logical concept ('the matter of logic'), the necessity to develop 'the logic of the matter'.[85] By contrast, in the *Manuscripts* Marx no longer distinguishes between a *general ideal* necessity and a *particular ideal* necessity. He realises that the relevant distinction is that between the ideal necessity *tout court* – logic – and the determinate movement of the real. In this way, he criticises philosophical representation in all of its forms. In other words, the clear distinction between the latter and dialectical cognition was not present in the 1843 critique. So much so that, as we have seen, in 1843 Marx still saw his work as philosophical, and revolution as the realisation of philosophy. In 1844, he came to see philosophy as the epitome of representational thought, as abstract thinking or alienated thought that thinks itself. Hence, emancipation cannot be the realisation of philosophy, but rather its annihilation.

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[81] Marx 1992b, p. 399.

[82] Marx 1992b, p. 383.

[83] It is precisely on this point that Marx's critique of Hegel parted company with Feuerbach's earlier critique. For in too hastily identifying self-mediation or the movement of contradiction as inherently tied to Hegel's absolute idealism, Feuerbach missed the methodological rational kernel contained, certainly in a 'mystical form', in the dialectic. Thus, Feuerbach did nothing to make scientific use of Hegel's insight into the general form taken by the movement of 'real determinateness', i.e. self-negativity or self-mediation. Schmidt (1971,

On the other hand, in 1844 Marx started to get to grips with (or at least made explicit) something which he seemed to have overlooked in the 1843 critique regarding the 'rational kernel' to be recovered from the Hegelian dialectic. As argued above, Hegel was aware of what was at stake in the development of the 'scientifically correct method', namely, the overcoming of the externality between the ideal necessity of thought and the inner life of the object of scientific cognition characteristic of the 'understanding'. Notwithstanding the inverted nature of his proposed solution, the fact remained that he was the first thinker not only to pose the problematic and attempt a solution explicitly, but

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p. 28) correctly notes this, although he does not develop the discussion along its methodological implications. By contrast, Colletti (1973) fully endorses Feuerbach's identification of self-mediation with absolute idealism and attributes that view to Marx as well. As Caligaris and I (2014) have argued elsewhere, Colletti's argument is not only unconvincing but actually relies on a misreading of the dialectic of the 'finite' in Hegel's *Science of Logic*.

[84] Iñigo Carrera 2008.

[85] Marx 1975a, p. 18.

also to discover the *form of scientific cognition* with the power to overcome that externality, namely, the dialectic. Many years later, Marx gave recognition to this revolutionary aspect of Hegel's thought in the oft-quoted passage from his Postface to the second German edition of *Capital*:

> The mystification which dialectic suffers in Hegel's hands, by no means prevents him from being the first to present its general form of working in a comprehensive and conscious manner. With him it is standing on its head. It must be turned right side up again, if you would discover the rational kernel within the mystical shell.[86]

However, my claim is that this rediscovery of the rational kernel in the distinction between the *representation* of reality and the *ideal reproduction in thought of the movement of the real* began to take shape already in 1844, precisely through the critique of the inverted solution put forward by Hegel. Against the latter's *absolutisation* of logic by giving it the form of the dialectic, Marx searched for the *overcoming* of logic by giving the revolutionary science of the proletariat precisely that general form discovered by Hegel.

The fact that this was the key issue in, and main result of, Marx's critique of Hegel's *Logic* becomes evident when one considers the direction that Marx's subsequent work took in *The Holy Family*, *The German Ideology* and *The Poverty of Philosophy*. In those texts, Marx directed his criticism at the vulgar version of Hegel's thought as represented by both the Young Hegelians and Proudhon. As we shall see in the following chapter, through the discussion of Marx's critique of Proudhon, the main point of his attack, ceaselessly made throughout those pages, was that instead of reproducing in thought the real movement of history and bourgeois society, Proudhon (as much as the Young Hegelians) replaced the latter with an ideal, logical necessity. I now turn to this question.

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[86] Marx 1992b, p. 103.

CHAPTER 3

Marx on Proudhon: The Critique of Dialectical Logic and the Political Determination of Science as Practical Criticism

Introduction

As much as his critique of the Young Hegelians, the central aim of Marx's critique of Proudhon was eminently political. In actual fact, one could say that the latter was even 'more' political than the former. This is not just because of the nature of the critique, but also because of its historic-political significance. While, in the last instance, the critique of the 'True Socialism' of the Young Hegelians remained within the boundaries of a discussion among a small circle of radical 'intellectuals', the critique of Proudhon involved a political intervention right at the heart of the dominant ideological form of the continental workers' movement as a whole. As Shortall notes, Proudhonian socialist ideas had a strong grip among the artisans and craftworkers who composed the great bulk of the working class at that time in continental Europe.[1] On the other hand, by that time Marx and Engels had already made their first contacts with the existing forms of socialist activism and politics in London and Paris, and were attempting to get involved in the organisational aspects of the immediate political action of the working class of their time.[2] Hence the political urgency of Marx's text.

However, from the perspective of Marx's scientific development, the significance of that polemic against Proudhon went beyond his immediate political concerns. As we shall see, three main interrelated questions emerge from Marx's critical engagement with Proudhon's works. First, Marx made explicit that the materialist inversion of the Hegelian dialectic entailed more than the overcoming of its speculative nature, through its application to the 'material questions' of political economy. This approach can only lead to the conversion of the dialectic into another form of *logic* and, therefore, remains within the uncritical alienated realm of representational thought. Thus we encounter again the crucial *methodological* significance of Marx's text. Secondly, in *The*

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[1] Shortall 1994, pp. 36–8.

[2] Ibid.

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Poverty of Philosophy, Marx attempted for the first time positively to unfold the reproduction in thought of the real movement of capitalist economic forms. Albeit in a rudimentary form, this represents Marx's first attempt at a dialectical critique of political economy. In turn, the latter is revealed as the necessary scientific form of the proletarian consciousness that gives course to the practical critique of capital. Thirdly, as a necessary corollary of this, science ceases to be an abstractly contemplative enterprise. Marx's critique of political economy is not meant to provide another economic theory of bourgeois society, albeit from the perspective of the working class. From that very moment, Marx's scientific endeavour constituted an attempt at the positive investigation of the social determinations – and hence necessity – of the different forms of the political action of the workers aiming at the radical transformation of the capitalist mode of production. In brief, we shall see that interest in the question of the 'scientifically correct method' turns out to be not abstractly epistemological, but directly political in nature. Let us now turn to the discussion of each of these aspects of Marx's polemic against Proudhon.

The Dialectical Method as Logic in Proudhon

The first two sections of Marx's *The Poverty of Philosophy* comprise a reconstruction of Proudhon's arguments about the basic economic categories such as use value, exchange value and money. The gist of Marx's critique comes down to the following two aspects. In the first place, he demonstrates a lack of originality in Proudhon's ideas. In order to counter the latter's self-proclaimed originality, Marx resorts to some quotes from the classical political economists, particularly Ricardo, and demonstrates that the assertion that economists failed to deal properly with the 'opposition' between use value and exchange value is plainly false. In all this there is nothing particularly original in Marx's development itself and, fundamentally, he bases his economic analysis on the theories of the Ricardian school.

In the second place, Marx criticises Proudhon's absurdities about the opposition between an allegedly ethically ideal determination of value in labour time and its empirical determination through the contending wills of buyer and seller, which would lead to the deviation from the former due to the social power of direct exchangeability monopolised by money. According to Proudhon, it is not the exchange of commodities as such which lies at the basis of the capitalist exploitation of labour, but only its distorted concrete form of operation leading to unequal exchange. Therefore, Marx points out, Proudhon's deficient critical engagement with political economy actually justifies his ideological view of socialism as the realisation of the ideas of justice and equality springing from the determinations of the commodity form itself. Again, in order to refute Proudhon's assertions Marx does not offer any original analysis and limits himself to the claim that, far from being the law regulating the negation of present-day society, the 'law of value' actually is the adequate expression of the movement of social labour in its capitalist form.

> Ricardo shows us the real movement of bourgeois production, which constitutes value. M. Proudhon, leaving the real movement out of account, 'fumes and frets' in order to invent new processes and to achieve the reorganization of the world on a would-be new formula, which formula is no more than the theoretical expression of the real movement which exists and which is so well described by Ricardo … Ricardo's theory of value is the scientific interpretation of actual economic life; M. Proudhon's theory of values is the utopian interpretation of Ricardo's theory.[3]

In this judgement, Marx basically cites approvingly the political economists, only adding the critical insight that these social forms do not represent the absolute realisation of human individuality but its enslavement in alienated forms. In this sense, the realisation of the determinations of the 'law of value' can hardly be the basis of the emancipation of the workers.

> Thus relative value, measured by labor time, is inevitably the formula of the present enslavement of the worker, instead of being, as M. Proudhon would have it, the 'revolutionary theory' of the emancipation of the proletariat.[4]

In brief, in these first pages there is nothing significantly novel about Marx's critique of Proudhon. The interesting insights emerge when Marx turns to the discussion of the scientific source of the limitations suffered by Proudhon's critical approach to political economy. This source, Marx argues, is to be found in the defective way in which Proudhon tried to appropriate Hegel's dialectic in order to deal with the subject matter of political economy. The gist of Marx's attack against Proudhon is that far from developing a dialectical critique of political economy, the latter offers merely an idealist reconsideration of economic categories by subjecting them to an extrinsic application of the categories of Hegel's *Science of Logic*. According to Marx, then, the source of Proudhon's idealism lies in his reduction of the dialectic to another *logical method*, a ready-made set of formal rules of thinking to be applied to the object of cognition at stake or, more precisely, to the theoretical representations of it. Marx characterises Proudhon's account in the following way:

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[3] Marx 1976b, pp. 123–4.

[4] Marx 1976b, p. 125.

> Economists explain how production takes place in the above-mentioned relations, but what they do not explain is how these relations themselves are produced, that is, the historical movement which gave them birth. M. Proudhon, taking these relations for principles, categories, abstract thoughts, has merely to put into *order* these thoughts, which are to be found alphabetically arranged at the end of every treatise on political economy. The economists' material is the active, energetic life of man; M. Proudhon's material is the dogmas of the economists.[5]

Note how Marx emphasises the importance of reproducing in thought the real movement of production relations, instead of dealing with the 'categories' of political economy in an allegedly 'dialectical' fashion. According to Marx, the economists at least take as their starting point the confrontation of the real movement of economic forms, that is, they face the 'active, energetic life of man'. Yet they do so not to ideally reproduce the real movement, but to construct a *theoretical representation* of it. In other words, what the political economists lack is a grasp of the 'inner connections' between the different forms of social relations. This is because they lack the 'genetic' approach of the dialectical method that is needed to account for the movement through which 'these [social] relations themselves are produced'.

It is precisely this genetic approach that Proudhon claimed to be developing regarding the subject matter of political economy. But Marx's point is that that was far from being the case. The reason for this is that Proudhon did not take the necessary starting point of any dialectical investigation, namely, the confrontation of the concrete forms of social reality themselves. Instead, Proudhon's 'dialectical' critique took as its starting point the 'dogmas of the economists'. And what he then did was simply to reorder those 'categories' according to allegedly dialectical criteria and relations, giving the *appearance* of a dialectical presentation. In other words, Proudhon uncritically took the economic categories, 'which are to be found alphabetically arranged at the end of every treatise on political economy', and reorganised them according to a 'dialectical logic'.[6] What in Hegel was developed with the profundity characteristic of great thinkers making real discoveries (namely, the general form of motion of the dialectical method), in Proudhon led to an unhappy marriage of 'bad philosophy' and 'bad political economy'.[7] Moreover, what in Hegel was justified in its own terms (that is, his engagement with pure thought forms or categories) and given an explicit idealism which saw logical forms as the essentialities of things, led Proudhon to antinomies and absurd conclusions. In other words, the problem with Proudhon was not the construction of an idealist speculative dialectic, but the fact that he did not offer even that. He just provided a reformulation of theses already formulated by the political economists in a dialectical jargon, utilising logical categories and forms of argument taken from Hegel's *Logic*. Marx's point is that, instead of a critique of political economy, Proudhon develops just another form of 'applied metaphysics', in which the specific movement of economic relations is seen as an immediate expression of the abstract form of the logical movement.

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[5] Marx 1976b, p. 162.

It is important at this point to highlight that Marx did not object to the emphasis on the self-movement of real forms as the lesson to be drawn from Hegel. As evidenced by the following passage, Marx accepted that the most general determination of all reality is that it *self-moves*, in the specific sense that each form of the real carries the necessity to become another.

> All that exists, all that lives on land and under water, exists and lives only by some kind of movement. Thus, the movement of history produces social relations; industrial movement gives us industrial products, etc.[8]

In other words, Marx took on board Hegel's insight on the 'mediacy of all immediateness', albeit without the idealist mystical shell. In fact, the passage just cited is but a 'materialist' paraphrasing of Hegel's remark on the inner connection between immediacy and mediation in the introductory section dealing with the question of science's systematic point of departure in his *Logic*.

> Here we need only quote from it this, there is nothing, nothing in heaven, or in nature or in mind or anywhere else which does not equally con-

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[6] Ibid.

[7] Marx 1976b, p. 109.

[8] Marx 1976b, p. 163.

> tain both immediacy and mediation, so that these two determinations reveal themselves to be *unseparated* and inseparable and the opposition between them to be a nullity.[9]

Understood dialectically, this can only mean that reality is contradictory, the movement of contradiction. In turn, I would like to argue that, for Marx, this can only mean, in its simplest form, the affirming through self-negation of real forms. Still, it is true that in the above passage Marx just argues that real forms exist through some kind of movement but does not explicitly tell us the general form that that movement takes. However, in another text of the same year Marx reiterated that insight about all real forms realising their determination through movement (or what he in this case called 'development'), but now specified its general form, namely, the affirming through self-negation. Hence he states in *Moralising Criticism and Critical Morality*:

> Any development, whatever its substance may be, can be represented as a series of different stages of development that are connected in such a way that one forms the *negation* of the other. If, for example, a people develops from absolute monarchy to constitutional monarchy, it *negates* its former political being. In no sphere can one undergo a development without negating one's previous mode of existence.[10]

But if the movement of contradiction is the 'rational kernel' that Hegel had discovered, what is wrong with the 'application' of this insight to the 'categories' of political economy? Precisely the idea that we are before an absolute *logical principle* that needs to be *applied* to *theoretical categories*, instead of the general form of motion of the real which we ideally grasp in the *specificity* of the particular different forms of 'all that exists'. In other words, what Marx criticises is the conversion of that simple truth regarding the general form of motion of reality into a logical category, in order to then account for every specific movement by recourse to an unmediated application of this most abstract determination. Self-mediation or self-movement is realised or exists in specific mediating forms. None of those more concrete mediations can be skipped over when facing a real form in order to cognise it and transform it. This means that there are no basic or general principles of thought (the unity of opposites, the negation of the negation, the transformation of quantity into quality, and so on) to be followed in order to *represent* reality more accurately than through formal logic. Contradiction simply means that every real form (whether natural or social) realises its qualitative determination by transforming itself into a more concrete form, that the process of determination is a process of becoming another, i.e. a movement of self-mediation.[11] As the form of movement, the 'inner life', of the concrete object that we want to appropriate by means of thought, it has to be followed in its specific modes of existence and development. This is why, for instance, Marx's *Capital*, as a critique of political economy, is not, *pace* Engels, an application of dialectical logic to political economy,[12] but the ideal reproduction of the real determinations of capital as the alienated social subject of bourgeois society, starting with its simplest mode of existence, i.e. the commodity. In short, although contradiction is the general form of movement of reality, this is not a general axiomatic principle which is unmediatedly 'applied' to whatever concrete form we are facing.[13] In fact, and despite Marx's own usage, I think that the very term 'application' should be dispensed with altogether when referring to the development of dialectical cognition. The dialectical method is concretely *set into motion* on each occasion when one wants to appropriate in thought the determinations of a concrete subject matter, in order to realise through our own transformative action the potencies immanent in the object of cognition at stake. Dispensing with the mediation of the latter in the name of correct methodological *rules* or ontological determinations is precisely what reduces everything to applied logic or metaphysics.[14] According to Marx, this was the mistake made by both Hegel and Proudhon.

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[9] Hegel 1999, p. 68.

[10] Marx 1976a, p. 317.

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[11] Iñigo Carrera 2008, pp. 259–60. This is one of the elements of the rational kernel to be found in Hegel's *Logic*, which he explicitly discusses in the pages on the dialectic of the finite and the infinite. *Pace* Colletti (1973, pp. 14–15), Hegel is not demonstrating the idealistic 'annihilation of matter'. Instead, what he is simply expounding in those pages is that real forms of 'being' affirm through self-negation. It is in that specific sense that, according to him, reality is the movement of contradiction. To put it differently, Hegel's point in those pages is just to say that the true infinite is nothing but the immanent *self*-movement of finite forms of being (Hegel 1999, pp. 129–31; Houlgate 2005, p. 429). For a further elaboration of this point, see Caligaris and Starosta 2014.

[12] Engels 1987, p. 343.

[13] All this raises the following question, namely, how the most abstract determination of reality as the movement of contradiction is discovered. In other words, the question of the necessity of process of determination itself still needs to be addressed. I cannot elaborate on this issue here. Later in this chapter, I explain that it can never be a dogmatic, metaphysical starting point, but rather the result of the process of dialectical *analysis*, which constitutes the first stage of a scientific investigation that always has the question of the conscious organisation of transformative action as its starting point. As the simplest content of the real, the affirming through self-negation should be discovered as an inner determination carried, *in a highly mediated form*, by human transformative action itself. Thus, upon its *analytical* discovery, the movement of contradiction must be ideally reproduced in its *synthetic* self-development through the *full sequence* of diverse qualitative forms it assumes until returning back to the singularity of the concrete conscious human action that initially triggered the investigation, i.e. the revolutionary action of the working class. Strictly speaking, then, at stake here is not the discovery of an ideal metaphysical abstraction called 'matter' which would constitute the common generic 'substance' that makes up all that exists. Instead, the point is to uncover the *immanent materiality, or simplest inner material content, of human 'critical-revolutionary' practice*. In

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this sense, although Alfred Schmidt (1971, pp. 34–5) is right to point out against *Diamat* that 'matter' always exists in definite concrete forms and cannot be taken dogmatically or metaphysically as an all-embracing universal or ontological first principle from which we can explain the world, he is wrong to conclude that human beings cannot objectively cognise the simplest or most abstract mode of existence of the real as the pure movement of affirmation through self-negation, which is what one could call 'matter as such' (Iñigo Carrera 2008, p. 259). For a 'stylised' and concise presentation of the most relevant mediations involved in the two-way process of analytic discovery and synthetic unfolding of the movement of contradiction, see Iñigo Carrera 2008, pp. 256 ff.

[14] An attentive reader should have already realised that the champion of that inversion is *Diamat* (see Chapter 2, footnote 53 above). By transforming dialectics into logic, *Diamat unmediatedly applied* its *logical representation* of the more abstract determinations of matter into its more concrete forms of existence. This instead of reproducing in thought the way in which the abstract forms of matter self-develop into more concrete forms precisely by *qualitatively transforming* (*hence negating*) themselves, i.e. *by a process involving several mediations*. Hence *Diamat's* crude objectivism and naturalisation of the social world, which dissolved the specificity of the transformative powers of human productive subjectivity and action in the name of metaphysically conceived 'dialectical laws of matter'. Yet the critique of this vulgar materialism should not take the form, as happens with most Western Marxist currents, of a severing of the link between natural and social forms. This abstract radical separation between nature and society results from postulating that contradiction, the affirming through self-negation or self-movement at most only belongs to the human world, and that to claim otherwise necessarily leads to downplaying the active role of the human subject in the making of history (Colletti 1973; Lukács 1971; Schmidt 1971; Sartre 2004). This is the ground on which these authors take issue with Engels's project of a 'dialectics of nature'. Here it should be also noted that the question of whether the movement of contradiction constitutes a generic determination of both natural and social forms differs from that of whether Engels's own views on the matter are unproblematic, which I think in many respects they are. Now, as Veraza Urtuzuástegui (1997) convincingly shows, although there is no doubt that the idea of a 'dialectics of nature' *as understood by Diamat* certainly played the ideological part of reserving the role of conscious subject of history to the 'party-state' in order to suppress the struggles of workers, those reactionary

> Just as by dint of abstraction we have transformed everything into a logical category, so one has only to make an abstraction of every characteristic distinctive of different movements to attain movement in its abstract condition – purely formal movement, the purely logical formula of movement. If one finds in logical categories the substance of all things, one imagines one has found in the logical formula of movement the *absolute method*, which not only explains all things, but also implies the movement of things … All things being reduced to a logical category, and every movement, every act of production, to method, it follows naturally that every aggregate of products and production, of objects and of movement, can be reduced to a form of applied metaphysics. What Hegel has done for religion, law, etc., M. Proudhon seeks to do for political economy.[15]

In this idealist reduction of concrete movements to the logical form of movement, the transitions and relations between forms are justified by recourse to the logical necessity of the abstract form of movement, thus replacing the specific real necessity with general ideal ones. From its determination as the reproduction in thought of the real movement of things, method becomes, firstly, transformed into logic. Secondly, if one is to be consistent to eliminate the exteriority between form and content of knowledge, method becomes hypostatised as the force which bestows movement upon things (as, according to Marx, happened with Hegel).

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implications do not necessarily follow from the way in which Engels himself approached the question or, more importantly, from the idea of a 'dialectics of nature' as such. As a matter of fact, the rejection of the existence of the movement of contradiction – hence of internal relations – among purely natural forms of reality actually leads to quite embarrassing results. In the first place, it implies accepting capital-determined forms of natural-scientific knowledge (based as they are on logical representation and external relations) as the eternal mode of human cognition of nature. In other words, it entails postulating a form of social consciousness (natural science) which would not be an expression of social being (capital), unlike every other social form, which would be seen as historically determined. Secondly, it deprives the very specificity of the conscious human subject that it purports to extol of any material foundation in the movement of nature. Far from 'empowering' human subjectivity and its transformative action, this denial of its emergence out of the movement of contradiction of natural forms renders it a purely idealistic construct, which can only be grounded on an abstract freedom of the individual. Whereas *Diamat* postulates an abstract and unmediated unity between the movement of nature and that of history, its Western Marxist critics end up positing an abstract difference. They are just the mirror image of each other.

[15] Marx 1976b, pp. 163–4.

But this is not all. In a sense, here Marx seems to be just repeating the critique of logical representation I have already discussed. And yet I think that this further formulation throws new light on the methodological question. First, because, as I have shown above, these passages make clear the all-important centrality of both Marx's insight that dialectical cognition consists in the ideal reproduction of the real movement of contradiction *and* his awareness of the risks of transforming the latter into another logical principle. This awareness, and the difficulties involved in their avoidance, would accompany Marx throughout the rest of his intellectual development of the critique of political economy. This is revealed, I think, by the explicit (albeit occasional) remarks he made about it, the reworking to which he subjected the crucial chapter one of *Capital*, and his eventual refraining from the publication of some pages with a summary of the general form of his method.[16] Furthermore, I think that Marx had no doubts about the source of the risk of relapsing into a logical representation. Namely, the reduction of the dialectical method to the formal way in which one deals with the *theoretical categories* through which representational science grasps real forms or, alternatively, which the dialectical logician constructs in the manner of representational thinking. In the case of Hegel, this was not really a problem, since he self-consciously considered that dialectical cognition should tackle the movement of pure thought forms as the prelude and source of movement of natural and social forms. But in the case of Proudhon, who attempted to develop a materialist account of the genesis and movement of economic forms of bourgeois society, it turned out to be quite problematic and actually led him to the most absurd contradictions and, eventually, to the most idealist of inversions.

> Economic categories are only the theoretical expressions, the abstractions of the social relations of production, M. Proudhon, holding this upside down like a true philosopher, sees in actual relations nothing but the incarnation of the principles, of these categories, which were slumbering – so M. Proudhon the philosopher tells us – in the bosom of the 'impersonal reason of humanity'.[17]

The central objection that Marx is raising against Proudhon is that he deals not with the forms of capital themselves – i.e. 'the social relations of production' – but with the 'economic categories' through which political economy represents them – i.e. 'the theoretical expressions'. Interestingly, as I have already pointed out in a previous chapter, that was precisely the methodological limitation of the *Paris Manuscripts*. But here Marx is unambiguous about the lesson he had drawn from those shortcomings of the 1844 text. The dialectical critique of political economy could not take the categories of political economy as ready-made, given presuppositions to constitute the starting point of an investigation. In other words, the critique of political economy does not consist in an allegedly more sophisticated logical treatment of categories, definitions, and so on, found in previous theories, the greater sophistication springing from the use of a dialectical logic instead of a traditional one. Quite to the contrary, it entails the confrontation of economic forms by oneself in order to provide a new ideal reproduction of the determinations immanent in them with the purpose of consciously acting upon them and thereby effecting their transformation.[18] I think that the crucial point Marx is getting at is exactly the same as the one made many years later in his last economic writing, the *Notes on Adolph Wagner's 'Lehrbuch der politischen Ökonomie'*.

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[16] Murray 1988, p. 109.

[17] Marx 1976b, p. 165.

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[18] Needless to say, this does not exclude the critical study of other authors as part of the process of tracing out the inner connections between economic forms, as a question of self-clarification in the process of inquiry. But our point is that the aim guiding the dialectical investigation of bourgeois economic forms is not the solution of the antinomies of the science of economics (Cf. Althusser and Balibar 1968), but the production of a novel science, the critique of political economy, which, *additionally*, 'solves' the scientific questions left unresolved by the former. The so-called 'transformation problem' is a typical case in point. With respect to this question, Marx did not try to solve the theoretical conundrum of classical political economy, namely, the relation between 'value' and 'price'. In the same vein, the problem for contemporary critics of political economy is not to prove that Marx was right, or to correct him by providing an alternative, 'logically consistent' solution to the 'theoretical problem' of the relation between value and price. The point is to develop the totality of the determinations of the forms of capital as the alienated subject of social life in order to find our revolutionary action as the necessary form in which capital produces its own annihilation. In this process we would certainly find that the law regulating the exchange of commodities, when seen in their most abstract determination as simple products of (privately performed) labour, negates itself as such when their most concrete determination as products of capital is discovered and followed into its further concrete forms. This would reveal that the law regulating the exchange of commodities takes on, as its own immanent necessity, a different concrete form when the latter is discovered in its concrete existence as an exchange of products of equally valorised individual capitals (Iñigo Carrera 1995). That is, of individual capitals affirming their unity as aliquot parts of total social capital – as a *class* vis-à-vis the workers (Arthur 2002a; Iñigo Carrera 1995). As a necessary moment of its development, this process of dialectical cognition would lay bare the real relations between the value of commodities and its concrete form of existence as price of production beyond the antinomies at which political economy arrives through its representation of those relations. However, this would not be

> In the first place [*De prime abord*] I do not start out from 'concepts', hence I do not start out from the 'concept of value', and do not have to 'divide' these in any way. What I start out from is the simplest social form in which the labour-product is presented in contemporary society, and this is the '*commodity*'.[19]

In opposition to this standpoint, Proudhon did proceed from 'concepts' or 'categories', and therefore inevitably reduced the dialectic to another empty formal methodology, used to give the appearance of a dialectical movement to the former, in turn uncritically taken from the political economists. Marx's later judgement about Lasalle's similar attempt at expounding political economy in the manner of Hegel is perfectly applicable to Proudhon as well. That is, the latter did not realise either that 'it is one thing for a critique to take a science to the point at which it admits of a dialectical presentation, and quite another to apply an abstract, ready-made system of logic to vague presentiments of just such a system'.[20]

Now, before proceeding to the reconstruction of further aspects of the Marxian critique of Proudhon's 'applied metaphysics of political economy', it is worth taking a detour and probing deeper into the implications of some passages contained in these pages of *The Poverty of Philosophy*, where Marx, in the course of his critical observations on Proudhon's peculiarly crude 'dialectical' treatment of economic categories, offers some methodological remarks whose significance is broader, and actually sheds additional light on his critique of Hegel's *Logic* beyond the points made in the previous chapter. Also, this discussion will hopefully provide further clarification of the point just made that Marx does not start out from 'concepts' or 'categories'. In a nutshell, Marx hints at the argument that Hegel's hypostasis of logic (hence his idealism) involves two prior interrelated steps, which the systematic unfolding of logical categories presupposes. In the first place, Marx takes Hegel to task for taking a *thought*

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the aim of that development, but, as it were, a secondary 'by-product'. As a 'theoretical problem', the so-called transformation of value into prices of production is a scholastic abstraction of representational science.

[19] Marx 1975b, p. 198.

[20] Marx 1983, p. 261.

form (that is, a purely *ideal or formal* abstraction) instead of a real concrete form of 'material or sensuous being' as the starting point of his 'systematic-dialectical' development. This somehow resonates with the earlier Feuerbach-inspired critique of the *Science of Logic* found in the 1844 *Manuscripts* and is not, strictly speaking, something new. Secondly, and here we encounter the actual novelty in these further critical comments on Hegel, Marx points out that an immediate source of such a flawed systematic beginning resides in the methodological procedure by which the former (and, more generally in Marx's view, metaphysics) arrives at the simplest logical 'categories' which are deemed as the 'essentialities of things'. The problem, Marx insinuates, is that Hegel substitutes an inherently idealist method of *abstraction* for a proper dialectical *analysis* of real material forms.

Abstraction vs. Analysis: From Hegel's Ideal Reproduction of the Ideal to Marx's Ideal Reproduction of the Material Concrete[21]

In order to make sense of Marx's rather incidental comments on Hegel in *The Poverty of Philosophy*, it is firstly necessary to contextualise them through a brief critical discussion of the beginning of the *Science of Logic*.

Hegel opens his book with the category of 'pure being' as thoroughly 'empty thinking'.[22] In other words, the *Logic* starts with being as a *thought form* or the *thought of being*. The profound meaning and broader significance of this peculiar point of departure in Hegel's philosophy has been the subject of numerous controversies among commentators, particularly with regard to the connection between this category of thought and 'real being'. However, few scholars have actually taken Hegel to task for beginning his systematic dialectic with a thought form. In order to do so, I shall start out by critically examining the methodological procedure that is presupposed by Hegel's discovery of 'pure being' as the simplest category that sets in motion the subsequent dialectical unfolding of logical forms.

Hegel's choice of categorial starting point and the procedure by which he arrives at it follow from his idea that true speculative philosophy must involve *presuppositionless thinking*.[23] The 'beginning', he states, 'must be an *absolute*, or what is synonymous here, an *abstract* beginning; and so it *may not presuppose anything*'.[24] 'Strictly speaking', he further argues in the *Encyclopaedia*, 'this requirement is fulfilled by the freedom that abstracts from everything, and grasps its pure abstraction, the simplicity of thinking'.[25] More concretely, the procedure through which one can arrive at this pure abstraction consists in casting aside any thought that entails a certain complexity or concreteness, that is, any thought whose content presupposes the existence of any other thought. At this juncture, one could, of course, object that such an elementary abstraction would not have been reached on properly scientific grounds, that is, that it would be the result of a purely formal procedure that does not guarantee that we have actually reflected the immanent life of the subject matter under consideration. In other words, this category would be a purely *formal abstraction* resulting from an act of subjective reflection that remains external to the object of cognition. Indeed, Hegel's retrospective discussion of the beginning of science in the section on the Absolute Idea speaks to this issue: the simplest category constituting the point of departure of his *Logic* is depicted as an 'abstract universal', which is said to be arrived at by *abstracting from* all determinacy.[26] In other words, pure being, as the category that sets in motion the (synthetic) movement of the *Logic*, is a category akin to those of the 'understanding' or 'representational thought', that is, one which only grasps objects one-sidedly in terms of their abstract self-identity.[27] In fact, as Carlson suggests, it could be said that it is actually the understanding that undertakes the act of abstraction and not speculative thought as such.[28] In this sense, Hegel saw the specificity of his 'absolute method' as essentially residing in the synthetic moment, that is, in the reconstitution of the unity of the different moments of the totality through a movement from its most abstract thought form (pure Being) to its most concrete (the Absolute Idea).[29] Thus, he did not seem to recognise anything specifically speculative in the procedure through which the simplest category is arrived at, that is, in the reverse movement from the concrete to the abstract which the synthetic phase of systematic science presupposes.

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[21] This section draws heavily on Caligaris and Starosta (2014). I am grateful to my co-author for kindly agreeing for me to include material from our jointly written article in this chapter.

[22] Hegel 1999, p. 82.

[23] Houlgate 2005, pp. 29 ff.

Still, for Hegel, such a discussion of the nature of the act of abstracting is immaterial at the initial stage of the investigation, since, strictly speaking, science proper has not actually begun. As he puts it some pages later in the *Logic*, '[w]hen being is taken in this simplicity and immediacy, the recollection that it is the result of complete abstraction … is left behind, outside the science'.[30] A Hegel scholar puts it nicely and helps clarify the point. In order to remain firmly on the path to a science without presuppositions, 'we must even abstract from and set aside – indeed deliberately forget – the very fact that pure being is the product of abstraction'.[31] Indeed, *once the standpoint of 'absolute knowing' is adopted*, and therefore *thought* as such is taken to be the legitimate immediate object of the investigation, the scientifically poor nature of the procedure through which its simplest category has been grasped (that is, the relative poverty of formal abstraction) does not compromise the validity of the subsequent dialectical unfolding that 'pure Being' sets in motion. Thus, regardless of the procedure used, the essential point is that in this process the speculative thinker has never abandoned her/his 'object realm', namely, pure thought. In this sense, as long as (some version of) the identity of thought and being reached in the *Phenomenology of Spirit* is taken on board, Hegel's argument is perfectly coherent on this score, although, as I argue below, it is inherently tied to his idealism.

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[24] Hegel 1999, p. 70.

[25] Hegel 1991, p. 124.

[26] Hegel 1999, pp. 69–72, 827–9.

[27] Hegel 1999, pp. 795 ff., 828.

[28] Carlson 2007, pp. 27–8.

[29] Hegel 1999, pp. 830–1, 838.

However, matters are very different from a materialist standpoint. From this perspective, the method of formal abstraction as the prelude to synthetic development is rather problematic. In effect, when the immediate object of the act of cognition is not thought but an existing form of 'material being', the formal abstraction resulting from arbitrarily casting aside all specific determinations inevitably takes us rather far from, and actually outside, the very 'object realm' that we originally set about to cognise, namely, material reality. Here we can finally get at the gist of Marx's critique of Hegel's and the metaphysicians' methodological procedure in *The Poverty of Philosophy*, which he sarcastically presents through the example of the idealist reduction of a house to a logical category. As Marx puts it, if we abstract from the materials which make up a house, the result will be a purely ideal representation of a house with no materials, something which has no real referent, since there is no such thing in material reality.[32] Hence, in abstracting from particular features of a concrete material object (a procedure that can be repeated as many times as the thinker wishes in order to find an ever simpler or more universal determination), we will no longer be dealing with really existing objects, but with *purely*

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[30] Hegel 1999, p. 99.

[31] Houlgate 2005, p. 87.

[32] Marx 1976b, p. 163.

ideal or formal abstractions, that is, with 'pure thoughts'. On this basis, the subsequent reconstitution of the unity of the object cannot but result in a purely ideal construct, which will remain external to the object of cognition that constituted the starting point, and which only by chance will reproduce in thought 'the immanent life of the subject matter'. It follows from this that, for a materialist, the consequence of using the method of formal abstraction is, if she/he does not wish to become a Hegelian idealist, the relapse into Kantian dualism, where the theoretical construct, no matter how internally consistent or coherent, will inevitably be radically separated from the real object of cognition.

This is why a materialist engagement with Hegel's *Logic* cannot avoid the critique of the method of absolute formal abstraction that sets into motion the whole systematic development, a question which is not often addressed by commentators. Thus, in criticising Proudhon, Marx takes the opportunity to take stock with this aspect of Hegel's thought. In fact, this was precisely the cornerstone of Feuerbach's foundational critique of Hegel, as the following passage from *Principles of the Philosophy of the Future* eloquently puts it. Hegelian philosophy, Feuerbach states,

> … presupposes nothing; this is nothing more than to say that it abstracts from all objects given immediately … In short, it abstracts from everything from which it is possible to abstract without stopping to think, and makes this act of abstraction from all objectivity the beginning of itself.[33]

In part, Marx would develop, in *The Poverty of Philosophy*, the critique of Hegel's idealist abstraction along clearly Feuerbachian lines:

> Is it surprising that everything, in the final abstraction – for we have here an abstraction, and not an analysis – presents itself as a logical category? … If we abstract thus from every subject all the alleged accidents, animate or inanimate, men or things, we are right in saying that in the final abstraction, the only substance left is the logical category. Thus the metaphysicians who, *in making these abstractions, think they are making analyses* … are right in saying that things here below are embroideries of which the logical categories constitute the canvas.[34]

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[33] Feuerbach 1986, p. 19.

[34] Marx 1976b, p. 163, my emphasis.

The methodological significance of the latter passage for the purpose of my argument is broader and goes beyond a rehearsal of Feuerbach's earlier critique. More importantly, the text brings to light what Marx mentions as the alternative to Hegel's procedure of formal abstraction, namely, *analysis*. Unfortunately, despite the stark contrast between abstraction and analysis made in the text above, Marx does not probe into the issue any further. Moreover, despite the many occasions on which he highlights the important role of analysis as a necessary moment of his scientific method,[35] there is no place in his works where he fleshes out in any detail the *specific form* of the analytical process within his materialist dialectical method.

Now, although Marx did not leave us any written formalisation of the specificity of materialist analysis, we shall see in the next chapter that it is possible to grasp its concrete workings from the 'analysis of the commodity' contained in the opening pages of *Capital*. For the moment, it suffices to note that, as is now widely acknowledged in the literature, the sequence at that particular stage of Marx's argument consists in going from *form* to *content*. However, the crux of the matter does not simply reside in realising this (which, at any rate, is explicitly announced by Marx himself in those pages), but in grasping the precise way in which properly dialectical analysis discovers the content behind the form and, therefore, their inner connection. In order to discuss this crucial point, we need momentarily to stray away from Marx's critique of Proudhon.

It is here where we can appreciate the relevance of Iñigo Carrera's contribution to the contemporary debate on Marx's dialectical method. For in his work he not only throws light on the *synthetic* moment of the dialectical investigation (i.e. the movement from the abstract, or content, to the concrete, or form), as do most authors in the 'systematic dialectics' readings of *Capital*; he also puts particular emphasis on the formalisation of the specifically dialectical form of the phase of analysis in Marx's method (the reverse sequence from the concrete to abstract). Moreover, he shows that the two stages constitute an indissoluble unity in materialist dialectics, so that a proper grasp of the first analytical phase is the condition for a successful unfolding of the synthetic phase of reproduction proper.

As Iñigo Carrera points out,[36] conventional scientific method analyses a concrete form by separating what repeats itself from what does not in order to arrive at a certain characteristic. In turn, this common attribute makes possible the mental construction of a definition of that concrete form as that which has this or that attribute. On his part, I have shown how Hegel's pure abstraction in the *Logic* proceeds by casting aside all particular features of objects (that is, all determinacy) in order to find through that one step the 'abstract universal' that constitutes its simplest element. Regardless of their differences, these two procedures have in common that they result in strictly mental abstractions or categories which, by their own nature as 'pure thoughts', cannot but remain external and alien to real forms of material reality. Conversely, dialectical thought analyses a concrete form, first of all, by facing it as embodying a qualitative potentiality for transformation, and second, by grasping that qualitative potentiality as the concrete form in which a more abstract form realises its own qualitative potentiality, that is, its real necessity. Thus the dialectical analytical appropriation of the universe of different real forms does not proceed through an identification of the distinctiveness of forms on the basis of the degree of repetition of certain attributes. But neither does it operate, like Hegel, by *abstracting from* every particular determination. Rather, it analytically separates the different forms by discovering as *immanent* in a particular concrete form the realised potentiality of another real form, which is abstract with respect to the first one, but concrete with respect to another form of which it is the realised potentiality.

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[35] Marx 1989b, p. 500; and 1993, p. 100.

[36] Iñigo Carrera 2013.

It follows that while conventional scientific method grasps the general determination of real forms as immediate affirmations and hence self-subsistent entities, the distinctive mark of the process of analysis in dialectical research is to grasp, *in the same analytic movement*, both the concrete form under scrutiny and the more abstract one of which the former is the developed mode of existence. In other words, dialectical thought grasps each form as the affirmation through self-negation of another, more abstract one (hence, as subjects of their own movement). Moreover, in contradistinction to Hegelian abstraction or conventional scientific analysis, Marx's dialectical analysis at no point leaves the terrain of the real. Both the immediate concrete form that he encounters and the relatively more abstract one discovered through analysis (the content) are wholly objective and real determinations of the object under scrutiny. In particular, it is important to highlight that the more abstract form is discovered *within* the immediate concrete form that constitutes the starting point. The content is thus immanent in the form as its mode of existence. This analytical procedure must be then renewed for those other more abstract forms, but now treated as the real concrete whose inner content the research is trying to uncover. Only once all those inner form determinations have been discovered through analysis should the investigation undertake the 'return journey' through which those abstract determinations, now in their self-movement, lead to 'the reproduction of the concrete by means of thought'.[37]

Now, this materialist intellectual reproduction of the concrete not only differs from Hegel's idealist systematic dialectics by virtue of its distinctive starting point with a real determinate form of 'material being' as the object of *dialectical analysis* (as opposed to the purely ideal concepts or categories resulting from Hegel's formal abstraction or representational analysis). Furthermore, and actually as a consequence of this, it leads to a different formal structure of the synthetic phase of reproduction, a point which is also picked up on by Marx in his methodological critical observations on metaphysics in *The Poverty of Philosophy*. Let us therefore elaborate further on this point, through an examination of the general form taken by Hegel's systematic unfolding of categories.

Towards the end of the *Logic*, Hegel discusses this question explicitly. 'What is to be considered here as method', he states, 'is only the movement of the *Notion* itself … the *universal absolute activity*'.[38] However, this movement is not presented by Hegel as simply taking the generic form of affirmation through self-negation through which a self-determining subject realises its own immanent necessity. Instead, insofar as he conceives of it as a pure movement of thought striving for a fully developed mode of expressing its truth content, he presents it as the unity of the *three moments* through which thought needs to pass in order to self-posit in such an adequate shape. Thus, he concludes, 'the whole form of the method is a triplicity'.[39] The movement of affirmation through self-negation, which, as the simplest content of the 'immanent life' of any material object, constitutes the generic form taken by a materialist dialectical unfolding, is represented by Hegel as the abstract sequence of an affirmation, a negation and, lastly, the negation of the negation. In other words, Hegel does not directly present the third moment, which is the only one that constitutes the effective material reality of the object. Instead, he firstly needs to posit the prior two 'imperfect' moments, which are just formal stages through which thought needs to go to grasp the 'truth' of the object, as if they were constitutive of the effective objective reality of the object itself. This 'triadic structure' of the absolute method, which derives from the idealist character of the Hegelian dialectic, is also eloquently and sarcastically criticised by Marx in *The Poverty of Philosophy*:

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[37] Marx 1993, p. 100.

[38] Hegel 1999, p. 826.

[39] Hegel 1999, p. 836.

> So what is this absolute method? The abstraction of movement. What is the abstraction of movement? Movement in abstract condition. What is movement in abstract condition? The purely logical formula of movement or the movement of pure reason. Wherein does the movement of pure reason consist? In posing itself, opposing itself, composing itself; in formulating itself as thesis, antithesis, synthesis; or, yet, in affirming itself, negating itself, and negating its negation.[40]

In brief, what is rational in Hegel's dialectic, that is, its method of immanent self-development of the life of the subject matter, appears inverted under the mystical form of the three moments of self-developing pure thought. Again, this mystical shell directly stems from the fact that Hegel's systematic dialectic does not ideally follow the immanent life of a concrete material object but an ideal one, namely, pure thought. Hegel's 'mysticism' in the *Logic* therefore derives from being the *ideal reproduction of the ideal*. By contrast, in engaging in analysis instead of abstraction, Marx's scientific method at no point leaves the concrete material object of investigation behind. No matter how abstract and far removed from its immediate sensuous existence the analytical process eventually takes him, *he remains firmly within the materiality of the object*. As a consequence, the moment of systematic synthetic unfolding cannot but be the 'reproduction of the concrete by means of thought'.

Marx's Movement of Contradiction beyond Proudhon's *Representational* 'Unity of Opposites'

In addition to the previous aspect of Marx's critique of *dialectical logic* discussed above, which, as it were, dealt with the 'logical' part of the expression, there is in *The Poverty of Philosophy* another crucial dimension of the question related to the 'dialectical' part. Whilst the first part has been occasionally highlighted by the most elaborated commentaries on Marx's scientific method,[41] the latter has been generally overlooked.[42] I am referring to the transformation that the real movement of contradiction suffers when *represented* through a *dialectical logic*. In the case of those forms of representational thinking that structure themselves following a traditional formal logic, the problem does not even arise. That is, since they start by excluding the contradictory character of reality as the elemental rule guiding their representations, the conscious attempt to ideally appropriate its movement does not even form part of their agenda. The case of those forms of thought explicitly accepting the reality of contradiction, and which therefore try to grasp its movement, is quite different. And it is this perspective of which Proudhon is a case in point. For what he attempted to develop is precisely the 'system of economic contradictions'. Yet I would like to argue that the relevance of Marx's critique of this aspect of Proudhon's thought goes beyond this specific author. For the claim that the superiority of dialectics consists in its ability to deal conceptually with the contradictory nature of reality (natural and social for some, only social for others) has been a trademark of most currents of Marxist thought since its inception. The question is what do these authors understand by reality being 'contradictory'. And the point I want to make is that Marx's critique of Proudhon throws light on the way in which, when dialectic is reduced to a form of logic, contradiction and its movement are grasped through a *representation* of them. According to Marx's critique of Proudhon's 'metaphysics of political economy', in what does the representation of the movement of contradiction by

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[40] Marx 1976b, p. 164.

[41] The works by Murray (1988) and Meikle (1985) are perhaps the most sophisticated in this respect, although I part company with the idiosyncratic conclusions developed by them from that correct initial insight about Marx's rejection of formalistic methodologies. For instance, I cannot agree that what follows from that insight is the conception of Marx's novel mode of scientific knowledge as involving a new relation between science and *morality* (Murray), or as involving a *philosophy* that prioritises ontology over epistemology (Meikle). Marx's revolution in the mode of cognition transcends both morality and philo-

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sophy in all of its forms. Still, among its merits Meikle makes a crucial point rarely found among Marxists, namely, that in Marx there is no such a thing as 'dialectical logic'. See especially Meikle 1979. Precisely for this reason, and in spite of its otherwise thought-provoking quality, I find unsatisfactory much of the recent literature on the dialectical method coming from that broad current within Marxism grouped under the name 'new or systematic dialectics', which makes use of Hegel's *Logic* to make sense of the dialectical exposition in *Capital* (for a useful overview, see Kincaid 2008). Despite their own recognition of the inseparability of content and form of knowledge, one could argue that many of these authors run precisely the risk I have highlighted of turning the dialectical method into a general logic to be applied to an external content. See, among others, Reuten and Williams 1989; Tony Smith 1990a and 1993; Uchida 1988 – although not formally associated with the others – and, from the Uno School, Albritton 1999 and Sekine 1997. Supporters of the 'homology thesis' like Arthur (2002b) in a way avoid this shortcoming, but only at the cost of the adoption of a highly contentious idea about the strict isomorphism between Capital and the Idea.

[42] This is another key methodological insight to be found in the work of Iñigo Carrera (1992 and 2008).

dialectical logic consist? In order to answer this question, let us take a look at the way in which Marx characterises Proudhon's depiction of contradiction.

> Let us see now to what modifications M. Proudhon subjects Hegel's dialectics when he applies it to political economy.
>
> For him, M. Proudhon, every economic category has two sides – one good, the other bad. He looks upon these categories as the petty bourgeois looks upon the great men of history: *Napoleon* was a great man; he did a lot of good; he also did a lot of harm.
>
> The *good side* and the *bad side*, the *advantages* and *drawbacks*, taken together form for M. Proudhon the *contradiction* in every economic category.
>
> The problem to be solved: to keep the good side, while eliminating the bad.[43]

If we set aside the specificities of Proudhon's particularly crude conception, consisting in the mere enunciation of a good side and a bad side in each economic category, we can reach a more general point regarding the representation of contradiction by dialectical logic. In a nutshell, the latter grasps the contradictory nature of things as consisting in being the *unity or interpenetration of opposites*.[44] In this sense, it claims to go beyond formal logic since it accepts that the real determinations of things cannot be grasped through a single attribute since they are the embodiment of antithetical determinations. But does it? In other words, is it in this form that we can appropriate in thought the inner life of the subject matter at stake, overcoming the appearance of externality through which the relation between real forms presents itself? In order to answer this question, let us recall the objective basis for the appearance of externality between real forms.

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[43] Marx 1976b, p. 167.

[44] Note that the key issue at stake is not terminological (i.e. whether Marx actually used the expression 'unity of opposites', which might have been occasionally the case), but revolves around the specific meaning attributed to the term. Thus, abstractly considered there is nothing wrong about referring to the contradictory nature of the real as involving a 'unity of opposites', as long as it is made clear that what matters is the *movement* that gives unity to those 'opposites', through which one becomes determined as the concrete mode of existence of the other, more abstract form. However, given the widespread association of the expression with the kind of representational perspective criticised in this section, I think it is sensible to refrain from using the term altogether.

In its immediate manifestation, reality appears as a universe of unconnected real forms. In this sense, every real form appears as a self-subsistent entity, and the realisation of its determination as an immediate affirmation. This appearance is not a subjective misconception but the necessary form in which the inner connections between real forms appear when the process of determination is externally grasped in its immediacy, as already realised. That is, when we obviate the mediations that make a real form a concrete mode of existence of the necessity of another, more abstract form. Since, as Marx stated regarding the relation between commodities and money, 'the intermediate steps of the process vanish in the result and leave no trace behind',[45] the objective illusion arises that 'those intermediate steps' do not exist at all. Hence, real forms of different degrees of concreteness appear as co-existing side by side without any real necessity linking them in a determinate fashion. In brief, the representation of the world through formal logic grasps the *movement* of affirmation through self-negation that constitutes the determination of real forms only in its result, sticking to the appearance of externality between an abstract form and its necessary concrete mode of existence.[46]

Now, the following question arises. Does the representation of real forms as a unity of opposites characteristic of dialectical logic overcome that manifestation of exteriority between them? It is my claim that it does not. For the difference between dialectical logic and formal logic actually comes down to the fact that the former does not represent real forms as isolated entities, but always finds each of them as 'necessarily' associated with another one which, it claims, is its 'contrary'. However, this does not mean that the indifference between them has disappeared. Because the fact that each form is represented as coexistent with its opposite does not change the fact that each real form still continues to be seen as an *immediate* affirmation and so does their unity. But the *specific movement* that *mediates* the existence of 'all that exists on land or under water', and which constitutes the immanent connection between different real forms, continues to be beyond the comprehension of this alternative form of logical representation. The unity that is thereby grasped continues to be completely extrinsic. It is *a unity between two opposing immediate affirmations* which, at most, 'interpenetrate in a relation of struggle'.[47] But each of the poles of that unity does not carry within itself the necessity of its own self-transformation. That is why, again, movement is not seen as the immanent necessity characterising every real form, but needs to be insufflated by the ideal necessity of logic. Hence, it is only the subjective reflection of the dialectical logician that leaps from one pole to the other generating only the 'shadow of movement' which pushes cognition forward. As much as formal logic, dialectical logic is therefore impotent to reproduce the real movement in thought and represents real forms as motionless abstractions.

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[45] Marx 1976g, p. 187.

[46] Iñigo Carrera 2008, pp. 279–80.

[47] The *locus classicus* of this latter formulation is the work of Mao (2007) who, despite the occasional reference (or rather 'lip service') to self-movement (2007, pp. 69–70), is unable to grasp the affirmation through self-negation of real forms. Mao himself was basically rehearsing the earlier remarks of Lenin in his *Philosophical Notebooks* (1961), and of

It is important to emphasise that I am not rooting for the replacement of one absolute logical principle (unity of opposites) with another, allegedly superior one (affirmation through self-negation). And yet I am aware that, confined to this abstract level, my discussion might give the false impression that this is the case. But my point is just that when cognition fails to reproduce in thought the *specific* necessity for self-negation immanent in a determinate real form, it inevitably ends up representing the former movement as a unity of opposites. Hence, in order to demonstrate this point fully, the general discussion of how dialectical logic represents the movement of contradiction through the unity of opposites remains insufficient. I should therefore proceed by showing concretely how this inversion takes place in the case of the determinations of a specific concrete form. However, that is not the path that I shall follow in the rest of this chapter. The reason for this is that a satisfactory way of addressing the question would require that I run too far ahead in the main argument of this book concerning Marx's discovery of the determinations of revolutionary subjectivity. I shall therefore deal with that issue in the following chapters, in

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Engels's unfortunate codification of the 'unity of opposites' as one of the three 'fundamental laws of dialectics' in the *Dialectics of Nature* (Engels 1987, pp. 357, 492–8). This is not the place to assess Engels's own views on the dialectical method, even less so to address the thorny issue of the extent to which his views coincided with those of Marx and/or whether they are the intellectual source of the vulgar materialism of *Diamat*. But it seems to me an uncontroversial point that there are a number of formulations in Engels's work in which he did tend to confuse affirming through self-negation with the unity of opposites. To begin with, he makes *reciprocal action* and the 'universal interconnection of everything' the central notion of his dialectics of nature (Engels 1987, pp. 511–12). See Veraza Urtuzuástegui 1997, for an excellent balanced commentary on this aspect of Engels's dialectics of nature. But this is also clear from the allegedly unorthodox formulation of the connection between economic and political forms of capitalist social relations in the oft-quoted 1890 letter to J. Bloch, in which he posits that the movement of society is a matter of 'the *interaction* of all these elements' (Engels 2001, p. 35). Clearly, he does not say that the movement of contradiction is a matter of *economic content and its self-negating political form of existence*.

which I will illustrate this critique of dialectical logic by looking at the different social forms taken by the modern alienated social subject. Moreover, and in order to show the political nature of what at first sight might seem a purely scholastic question, I shall also deal with the relevance of all this for the comprehension of the social determinations of the revolutionary consciousness of the proletariat.

I prefer, for the moment, to leave the discussion at this abstract level and move on with my reconstruction of the way Marx advanced in his revolution in the mode of scientific cognition. And I think that the next crucial step Marx made in that direction through the criticism of Proudhon was in making explicit the practical character of a truly dialectical critique. That is, in discussing the question of workers' strikes and combinations, Marx showed very clearly that the new science that he was in the process of developing was of an eminently political nature. In short, what was at stake in his investigation was the conscious organisation, i.e. the discovery of the social necessity, of the political action of the working class.

Marx on Proudhon II: Dialectical Knowledge and Political Action

In the previous section, I dealt with the methodological significance of Marx's critique of Proudhon as a critique of dialectical logic from the perspective of a materialist dialectical *method*. However, I have already mentioned that this engagement with Proudhonian socialism entailed other aspects that I regard as crucial in the development of Marx's thought. I find these additional aspects, which also pertain to the specific mode of Marx's scientific thinking, and which expose without ambiguity the inherently political character of the methodological question, synthesised in Marx's discussion of workers' strikes and combinations. This question, together with Marx's insights on the adequate way of tackling it, illustrates very clearly the distinctive features of dialectical scientific thought as practical criticism. On the other hand, we shall see that Marx's own treatment of the question at that time was rather rudimentary and, in this sense, unsatisfactory as a way of displaying the plenitude of the critical and revolutionary powers of the critique of political economy. And yet I will show that those very limitations of Marx's scientific development also prove to be illuminating (albeit in a negative way) of the immediately practical nature of science in its dialectical form. Moreover, those limitations also provide an indication of the direction in which Marx's thought would subsequently take. That is, one can read the incompleteness of Marx's critique of political economy as programmatic for his mature works.

What triggered Marx's polemic against Proudhon was the latter's 'political indifferentism' concerning industrial action over wages and revolutionary action in general. Regarding the former, and as an expression of his economic analysis, which denied the practical operation of the determination of value by labour time in capitalist society, Proudhon saw it as completely useless. This is because he concluded that the only result of an increase in the nominal wage would be an increase in the price of the means of subsistence of the labourers, thereby leaving the real wage (i.e. the conditions of reproduction of the workers) intact. Regarding revolutionary action aimed at obtaining 'political supremacy', Proudhon rejected it too, preferring 'to burn property by a slow fire, rather than give it new strength by making a St Bartholomew's Night of the property owners'.[48] For him, the most potent form of political activity available to workers was not their revolutionary action upon the alienated forms of their social being in order to effect their transformation in the direction of their self-annihilation. According to Proudhon, those social forms should be left alone. Instead, the energies of the workers had to concentrate on building the alternative socialist schemes devised by socialist theoreticians. Hence Marx's sarcastic comment that 'the Socialists want the workers to leave the old society alone, the better to be able to enter the new society which they have prepared for them with so much foresight'.[49] That is, Marx criticised Proudhon for thinking that workers could escape their general social relation and implement alternative socialist schemes of mutual aid in the 'interstices' of this society. The abolition of capital would then be the result of the slow but progressive spread of these schemes 'by example'.[50]

The aim guiding Marx's polemic was, therefore, the nature of the political action of the working class. The question at stake was the provision of scientific grounds for his political position concerning the content and form of proletarian action antagonistic to capital. In other words, what this controversy shows is that for Marx the starting point of his scientific development was not an abstractly theoretical discussion of economic categories (for instance, the wage), but the transformative action of the working class. Thus, this specific controversy exposes a more general feature of the dialectical method. Namely, what sets into motion the dialectical investigation is the answer to the question of the form that we must give our transformative action in order to 'change the world'. As practical criticism, science thereby consists in giving that transformative action a fully conscious form. This means that what draws our attention to a particular concrete form is not an abstract desire for knowledge. If we face a concrete form of reality as an object of scientific cognition, it is because it can affect us when realising its own determinations, or, more importantly, because we can realise the potentialities it embodies through the actualisation of the potentialities of our action. The discovery of the relation between those two potencies in the totality of its determinations (i.e. the real necessity of transformative action beyond any appearance) is the generic aim of dialectical cognition.[51] To transform or to be transformed; that is the question.

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[48] Cited in McLellan 1973, p. 160.

[49] Marx 1976b, p. 210.

[50] Shortall 1994, p. 36. One could argue that there is a striking similarity between the Proudhonian understanding of the abolition of capital and the Autonomist Marxist view – widespread among some social movements associated with, for example, 'Social Centres' in Italy in the 1990s – that revolutionary activity is about the micro or molecular politics of experimental construction of 'autonomous spaces of freedom' (Negri and Guattari 1999, pp. 73–80; Krasivyj 1996; Wright 1995/6). Or, alternatively, about 'exodus' from capital, i.e. from the alienated *general* social relation of present-day society (see Virno 1996).

In the concrete case Marx was facing, the relevance of the first concrete form at stake in the discussion with Proudhon (the wage form) was almost self-evident. That is, even a superficial observation of the movement of wages revealed the way in which it could affect (i.e. transform) the social existence of the workers. The question to answer was, therefore, what is to be consciously done in relation to wages? What form should workers give to their action to transform a determinate concrete form they were facing (to begin with, the quantitative transformation of the wage)? Should they struggle? Should they co-operate in that struggle, i.e. organise themselves? Or should they refrain from political action, and harmoniously and unconditionally submit their will to that of the capitalist, since wages are not determined by their political action or the will of the capitalist, but through the operation of the laws of political economy? Or should they not combine, since at any rate any real rise in wages eventually dissolves as an effect of a correspondent increase in prices? Furthermore, assuming that they definitely need to form combinations, should their conscious association stop at the level of an individual capitalist firm or at the level of a branch of production? Or should the struggle against the capitalists become general and, therefore, take the form of a *class action and, therefore, a general political action*? The need to tackle these questions in a fully conscious manner (i.e. dialectically) is evidenced by the reactionary political conclusions that emerge when they are addressed by a form of scientific consciousness, such as that of economists and utopian socialists, which stops at the immediate appearances of real relations. In particular, the appearance of externality between the laws that regulate the 'regular process of industry' and the struggles of workers through the formation of 'combinations'.

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[51] Iñigo Carrera 1992.

According to the economists, wages are determined by the eternal laws of political economy and, among them, by its most sacred, i.e. the law of supply and demand. Moreover, combinations breach the main condition under which those laws can harmoniously operate in their purity, i.e. 'competition', and therefore act as an external disruption of the otherwise smooth workings of the economic process, thus leading to crises, the introduction of machinery and a further reduction in wages. Hence, the economists conclude, workers' struggles are not only ridiculous but also dangerous for the preservation of their own living conditions.[52] Thus was the advice of the spokespersons of the bourgeoisie.

For his part, Proudhon followed the economists in their rejection of combination not only for its lack of actual influence on the real wage, but also for its impotence *substantially* to alter the form of social relations. No matter how much they struggle, Proudhon's argument went, 'workers will continue nonetheless to be workers, and the masters will continue to be masters, just as before'.[53] Hence, instead of futilely wasting their energies in organising their struggle against capitalists, workers should devote themselves to the peaceful implementation of fair utopias based on the eternal principles of human reason, leaving the movement of the wage to the unjust laws of political economy.

As stated above, Marx's reply to the objection to working class 'combinations' by both Proudhon and the economists shows at the same time the insights he was developing regarding the role of science as the conscious organisation of proletarian political action, and the limitations of his approach, given the preliminary status of his development of the critique of political economy at that time.

Regarding the former, it is interesting to note how Marx tackled the question by attempting to overcome the appearance of externality between 'the laws of political economy' (i.e. the movement of capital accumulation) and the political action of workers (i.e. the class struggle) through the conscious reproduction of the relevant determinations at stake. This involved, in the first place, the dialectical sensitivity to grasp the inner connection between what appeared to the ideological consciousness as absolute opposites, namely, competition and direct association, in the relation among workers. For the logical representation of both the economists and Proudhon, either one or the other operated in capitalist society. For the former, the atomistic relations of competition between commodity owners were the essence of the 'pure' laws of capital accumulation, whose smooth operation could not but be disrupted by what was a clear attempt to impose some sort of 'monopsonic' conditions in the sale of labour power. For his part, Proudhon agreed with the economists on the natural character of competition, since, as an 'economic category', it must be just another incarnation of the 'impersonal reason of humanity'. The problem resided, according to him, in the distorted way in which it operated in bourgeois society and which brings about the 'bad side' of competition. Far from attempting to negate, through their political action, the atomistic relations in which they find themselves, workers should try to recreate them but in pure form, through the implementation of alternative schemes 'outside' bourgeois society. The establishment of relations of direct solidarity between workers in their struggle over the wage was seen by Proudhon not only as being incapable of really affecting the level of wages, but also as playing no role in the radical transformation of bourgeois society.

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[52] Marx 1976b, p. 209.

[53] Marx 1976b, p. 210.

Against these two views, Marx came up with the discovery that far from being absolute opposites, competition and association were necessary forms that the relations among workers took as concrete forms of the movement of their alienated general social relation, i.e. the accumulation of capital. That is why, 'in spite of both of them, in spite of manuals and utopias, combination has not yet ceased for an instant to go forward and grow with the development and growth of modern industry'.[54] In other words, Marx is highlighting that the relations of solidarity among workers are not the abstract negation of their competitive relations, but the concrete form in which the latter develop as a result of their own movement. On the one hand, competition is actually the most general social relation characteristic of the mercantile nature of bourgeois society, 'which is association founded on competition'.[55] On the other hand, inasmuch as it develops large-scale industry, it is the very result of the movement of competition to produce the necessity of its own negation, namely, 'combination'.

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[54] Marx 1976b, p. 210.

[55] Marx 1976b, p. 194.

> Large-scale industry concentrates in one place a crowd of people unknown to one another. Competition divides their interests. But the maintenance of wages, this common interest which they have against their boss, unites them in a common thought of resistance – *combination*.[56]

Thus, the direct association between workers does not represent the *elimination* of relations of competition between commodity owners. It just polarises the latter into two antagonistic classes of commodity owners: capitalists and workers.

> Thus combination always has a double aim, that of stopping competition among the workers, so that they can carry on general competition with the capitalist. If the first aim of resistance was merely the maintenance of wages, combinations, at first isolated, constitute themselves into groups as the capitalists in their turn unite for the purpose of repression, and in the face of always united capital, the maintenance of the association becomes more necessary to them than that of wages.[57]

In brief, Marx is arguing that it is in the nature of the laws of motion of the present form of social being (and not a distortion of it) to engender the necessity of the collective political action of workers through the formation of associations. In this sense, workers cannot abstractly *choose* not to do it. As personifications of their alienated social being, they are *compelled* to associate by the very conditions in which they are reproduced and, as Marx continues, they will eventually and inevitably *expand the scope* and *transform the aim* of their association.[58] Furthermore, he makes clear that the objective potency to succeed in that struggle does not spring from the abstractly self-determining will of the proletariat, but rather arises from the objective determinations of the reproduction of the specifically capitalist social relations of production ('competition'). So much so that the result of its struggle eventually crystallises in the only form in which the general conditions of social reproduction can impose themselves as an alienated attribute of capital, namely, as a legal regulation by the capitalist state.

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[56] Marx 1976b, p. 210.

[57] Marx 1976b, pp. 210–11.

[58] And yet, as we shall see in the second part of the book, the alienated social necessity to establish relations of solidarity in the sale of labour power, which the workers must personify, is mediated by their *apparently* free will.

> In England, combination is authorized by an Act of Parliament, and it is the economic system which has forced Parliament to grant this legal authorization. In 1825, when, under the Minister Huskisson, Parliament had to modify the law in order to bring it more and more into line with the conditions resulting from free competition, it had of necessity to abolish all laws forbidding combinations of workers. The more modern industry and competition develop, the more elements there are which call forth and strengthen combination, and as soon as combination becomes an economic fact, daily gaining in solidity, it is bound before long to become a legal fact.[59]

Thus far, I have reconstructed the way Marx replied to the objections of the economists and Proudhon to the collective industrial action of the workers. From the point of view of *method*, the important point to highlight is that the form of his reply was to develop (albeit in a rudimentary and insufficient way) the scientific consciousness of the real determinations of the workers' trade-union struggles so as to become aware of their *necessity*.

Now, even if necessary as a form of political action, the question remains as to whether trade-union struggle has any role to play in the overcoming of capitalist society. In this sense, it is important to remember that Proudhon's opposition to that form of political action not only came down to its futility regarding the quantitative movement of wages, but also, and more importantly, involved its rejection as a valid form of attempting to go beyond capital.

Again, one can see Marx's way of putting the question as being exemplary of the dialectical form of tackling any concrete form as an issue concerning the political action of the class. For although Marx grasped the social necessity of trade-union action, he also realised that it was limited in its *immediate* transformative power: in its simplest determination, it can only produce a quantitative change of the wage form, but not a substantial qualitative transformation of it, i.e. its abolition. Hence the need for workers' political action to transcend that limited form and Marx's subsequent 'phenomenology of class struggle' leading to the revolutionary conquest of political power in the rest of the text. However, Marx did not just extrinsically *counterpose* the different forms of political action of the proletariat, confining trade-union action to the realm of reformism, in turn seen as the abstract opposite of revolutionary action. As I mentioned above, dialectical cognition must provide the necessity of the transformative action of the workers in the *totality* of its determinations. And seen from a 'world-historical' perspective, the political action of the proletariat is the unity of its different necessary moments until it becomes produced as a fully conscious revolutionary action with the power to abolish capital through the construction of the free association of individuals.[60] In this sense, the struggle over wages and working conditions, along with the formation of trade unions as its adequate organisational form, is seen by Marx as one of those necessary moments in the historical production of the fully developed revolutionary subjectivity of the proletariat.[61] On the other hand, we shall see that it is precisely on that point that the insufficiency of Marx's positive development of the critique of political economy at that stage was more strongly felt. For, in actual fact, in this text Marx did not provide a dialectical exposition of all the determinations involved in the different forms of political action of the workers necessary for its production as fully conscious revolutionary action. Quite to the contrary, he offered no more than an impressionistic description of the concrete history of the workers' movement in England, which he extrapolated and generalised as *the* historical tendency of the working class as a whole.

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[59] Marx 1976b, p. 209.

In all fairness to Marx, it is important to point out that his insights into the determinations of proletarian action went a little further. For, in relation to the particular case of trade-union action, Marx was already aware that its determinations were not exhausted in being an active force in the quantitative transformation of the wage form. As we can see from the following passage, the former's transformative power exceeded the mere quantitative change in the wage form:

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[60] Thus the traditional opposition between reform and revolution misses the point. The common understanding of those two terms is the ideological representation of different moments of the progressive transformations of capitalism towards the free association of individuals personified by distinct forms of the political action of the working class, which emerges when we abstract those transitions from their concrete determinations. From a dialectical standpoint, what is always at stake is precisely the recognition of the necessity of a determinate form of political action as a concrete form in which capital develops and, therefore, moves towards its dissolution through the conscious revolutionary activity of the proletariat. This recognition involves the discovery of the concrete determinations of each form of political action, which would show their respective transformative power in its determinacy, that is, both in its potentiality and the limitations to that potentiality.

[61] Marx 1976b, pp. 210–12.

> In England, strikes have regularly given rise to the invention and application of new machines. Machines were, it may be said, the weapon employed by the capitalist to quell the revolt of specialized labor. The *self-acting mule*, the greatest invention of modern industry, put out of action the spinners who were in revolt. If combinations and strikes had no other effect than that of making the efforts of mechanical genius react against them, they would still exercise an immense influence on the development of industry.[62]

That is, even if in its simplest determination the result of trade-union action is limited in its transformative power to quantitative variations of the wage, Marx was already aware that it also carried within itself a further mediated potentiality. Namely, the determination of strikes as 'triggers' of technical innovations, such as the introduction of machinery or, to put it differently, the determination of the class struggle as a progressive active force in the development of the material productive forces of society. In this sense, the transformative powers of proletarian struggle also entailed the transformation of the wage form through the *qualitative* mutation of the material conditions of social labour and, therefore, in the social form of existence of the productive subjectivity of the workers themselves. But this determination as such did not involve the *immediate* production of the conditions for the social constitution of the fully conscious revolutionary subjectivity. Marx already knew that it was in the very nature of capital to constantly revolutionise the material conditions of social labour. And if we take those two insights together, a necessary conclusion follows which reinforces the social necessity of proletarian struggle. In short, the latter is not only the way in which the proletariat can put a limit to the fall of wages below subsistence level, but also the form in which they force capital to produce the conditions for its supersession, i.e. the development of the material productive forces of society.

> An oppressed class is the vital condition for every society founded on the antagonism of classes. The emancipation of the oppressed class thus implies necessarily the creation of a new society. For the oppressed class to be able to emancipate itself, it is necessary that the productive powers already acquired and the existing social relations should no longer be capable of existing side by side. Of all the instruments of production, the greatest productive power is the revolutionary class itself. The organiz-

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[62] Marx 1976b, p. 207.

> ation of revolutionary elements as a class supposes the existence of all the productive forces which could be engendered in the bosom of the old society.[63]

We can see how Marx's science as practical criticism allowed him to discover how the class struggle is also determined as an active force in the production of the material conditions under which it will be produced as the personification of the historical necessity to abolish capital. Moreover, Marx insists against Proudhon that this transformation can only take place in the determinate concrete form which the latter rejected, namely, 'through the organisation of the revolutionary elements as a class'.

The Limits to Marx's Early Attempt at a Dialectical Revolutionary Critique of Political Economy

Thus far I have focused on the advances made by Marx in his development of the dialectical cognition as the most potent form of organisation of the political action of the working class. However, it should be obvious that at that time that development was still rudimentary. Marx was very far from accomplishing what *needed to be done*: the positive conscious development of the determinations of capital. Certainly, as I tried to show with my previous discussion, Marx had produced certain discoveries that allowed him to go beyond the 'utopianism' of Proudhon. But it should be noted that these were actually more like discrete insights whose real determinations and inner connections were still beyond Marx's horizon. Thus it would be more accurate to say that Marx only *hinted* at the discovery of the social necessity of the different forms of political action of the workers which aim at revolutionising capitalist society.

That this is the case is revealed by Marx's subsequent intellectual development immediately after *The Poverty of Philosophy*. The next scientific endeavour on which Marx embarked was an attempt to deepen his understanding of the determinations of wages and the necessary connection between their movement and the struggles of the workers through the formation of associations. This materialised in the manuscript edited as 'Wages', which formed the basis of Marx's lectures on the subject in Brussels published in 1849 as *Wage-Labour and Capital*. This betrays the fact that Marx himself was aware of the limits of the critique of political economy he had produced in those years.

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[63] Marx 1976b, p. 211.

In fact, in the preliminary words to *Wage-Labour and Capital*, Marx explicitly acknowledges his deficit and states that it is the purpose of that work to cover it.

> From various quarters we have been reproached for neglecting to portray the economic conditions which form the material basis of the present struggles between classes and nations. With set purpose we have hitherto touched upon these conditions only when they forced themselves upon the surface of the political conflicts … But now, after our readers have seen the class struggle of the year 1848 develop into colossal political proportions, it is time to examine more closely the economic conditions themselves upon which is founded the existence of the capitalist class and its class rule, as well as the slavery of the workers.[64]

Marx then states that he attempts to explain the economic conditions upon which the class struggle, already 'proved' empirically in 1848, is based. And I take him to mean that he was going to develop the concrete determinations behind the necessity of the class struggle, the task that he had begun in *The Poverty of Philosophy*. And yet this first conscious attempt at a systematic presentation of the determinations of capital as the adequate form of the critique of political economy would also prove insufficient. In a nutshell, the conclusion that Marx draws regarding his investigation of the determinations of wages is that they have a tendency to fall as the result of the movement of the accumulation of capital. This he grounds in terms of the effect of the detailed division of labour on the value of labour (power), the displacement of labour brought about by the introduction of machinery and the inclusion of female and child labour which, in turn, increases the competition among labourers.[65] He then moves to another effect of the movement of capital accumulation which is to intensify its crisis tendencies. In turn, crises result in the further degradation of the living conditions of the working class since they increase the competition among them, thus putting the burden of their consequences upon the shoulders of the workers.[66] Certainly, when seen from the perspective of the explanation offered in *Capital*, this appears as a completely one-sided account which centres on workers whose productive subjectivity becomes degraded through capital's development of the system of machinery.

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[64] Marx 1977, p. 197.

[65] Marx 1977, p. 227.

[66] Marx 1977, p. 228.

As an account of the necessity of class struggle, this work is still unsatisfactory. Marx seems more concerned to show the negative impact of capitalist development upon the living conditions of the working class than to provide a thorough investigation of the concrete determinations of the movement of wages and the role of the class struggle in that movement. Marx seems eager to provide a stronger foundation for the direct confrontation with those who claimed that there was some sort of harmony of interests between workers and employers. If the unchecked imposition of the will of the capitalist class leads to those degraded conditions, the working class cannot submit itself unconditionally to the interests of the capitalists but must affirm its own, antagonistic interests. The necessity of the struggle and the formation of associations is seen simply as a way of preventing wages from falling even below the ever decreasing 'minimum' or, when possible, to temporarily raise them above it. This account was still miles away from the one offered in *Capital*, where the question entails the distinction between labour and labour power, between the price and the value of labour power, the determination of the latter as an expression of the concrete materiality of the productive subjectivity of the labourers determined by the forms of production of relative surplus value, and so on.

These shortcomings are even more marked when considered in relation not just to the necessity of that limited form of the class struggle, but also to the development of the conscious revolutionary subjectivity of the workers. According to Marx, the associations are not just a means for the struggle over wages. More generally, they also serve to bring workers together and to constitute themselves as a class against the bourgeoisie. That is, it is the way in which their competition turns into its opposite, direct or conscious association. And this conscious collective action is the form that the revolutionary activity of the working class must take. Therefore, Marx sees these associations as a necessary 'training ground' for the revolutionary struggle of the class which would emerge under determinate material conditions (which capitalist development itself brings about, as he notes in the section that follows called 'Positive aspect of wage labour').

> If in the associations it really were a matter only of what it appears to be, namely the fixing of wages, if the relationship between labour and capital were eternal, these combinations would be wrecked on the necessity of things. But they are the means of uniting the working class, of preparing for the overthrow of the entire old society with its class contradictions … And if in their moments of philanthropy Messrs the bourgeois and their economists are so gracious as to allow in the minimum wage, that is, in the

> minimum life, a little tea, or rum, or sugar and meat, it must by contrast appear to them as shameful as incomprehensible that the workers reckon in this minimum a little of the costs of war against the bourgeoisie and that out of their revolutionary activity they even make the maximum of their enjoyment of life.[67]

Implicit in this account is the rather simplistic view that the revolutionary subjectivity of the workers is the result of the 'accumulation of experience of struggle', a kind of quantitative extension of the trade-union struggle. Marx does not offer here a proper basis for this view. He just wants to say something about the transition between non-revolutionary and revolutionary forms of working class subjectivity in order to show the transitory nature of capital. But in light of the lack of a proper account of the concrete determinations of the latter, he can only offer a general statement based on the abstract self-development of the consciousness of the workers which is indifferent to the social determinations producing the different forms of working class subjectivity.

In this sense, Marx did not advance much from the 'phenomenology' of organisational forms of the class struggle already offered in *The Poverty of Philosophy*. Initially, workers organise just in the form of combinations. But then, this merely 'economic' form of the class struggle takes increasingly political forms. In a passage already quoted, Marx states:

> But the maintenance of wages, this common interest which they have against their boss, unites them in a common thought of resistance – *combination* … If the first aim of resistance was merely the maintenance of wages, combinations, at first isolated, constitute themselves into groups as the capitalists in their turn unite for the purpose of repression, and in the face of always united capital, the maintenance of the association becomes more necessary to them than that of wages … In this struggle – a veritable civil war – all the elements necessary for a coming battle unite and develop. Once it has reached this point, association takes on a political character.
>
> Economic conditions had first transformed the mass of the people of the country into workers. The combination of capital has created for this mass a common situation, common interests. This mass is thus already a class as against capital, but not yet for itself. In the struggle, of which we have noted only a few phases, this mass becomes united, and constitutes

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[67] Marx 1976f, p. 435.

> itself as a class for itself. The interests it defends become class interests. But the struggle of class against class is a political struggle.[68]

The first remarkable point of this passage is the presence of the distinction between 'class in itself' and 'class for itself'. But note as well that this distinction refers not, as is generally interpreted, to the fully conscious revolutionary forms of the class struggle, but rather to the class struggle in general. The class constituted as a class 'for itself' just means the class affirming its essential antagonistic relation to the bourgeoisie through the political action of its members, whatever form the latter takes. So it does not necessarily imply a fully developed revolutionary proletariat consciously transforming capitalist society into the free association of individuals through its self-abolition as a class. Secondly, it is true that Marx makes a distinction between forms of the class struggle that do not take a political form and political struggles. But note that not only does he not refer to the former as merely 'economic', but he also makes clear how class struggle in a political form is a necessary form which the embryonic non-political forms of struggle tend toward. Thus these passages clearly go against the Leninist rigid separation between economic struggles and political struggles, the former developing spontaneously but the latter needing the external intervention of a revolutionary vanguard. That is why that quote has often been used by defenders of so-called 'spontaneist' accounts of the development of revolutionary subjectivity (along the lines of Luxemburg) to make a case for their anti-Leninist position.[69] However, although those approaches are right in their criticism of the Leninist separation between economic and political struggles, they are wrong in identifying Marx's reference to the political character of the struggle with its revolutionary form. When Marx refers to the 'political struggle' between the two classes, he refers to the class struggle in general, not just to its revolutionary form. Its political character derives from the following interrelated points. Firstly, it objectively reaches the universality of the members of the class. Secondly, it transcends the confrontation with capitalists within the boundaries of individual capitals or restricted groups of them within branches of production, to become directly centred on the struggle over the form of political representation of social capital, i.e. the state. In this way it becomes determined as the form through which the directly general conditions of social reproduction are established.[70] 'Non-political' forms of the class struggle are, for Marx, those first manifestations of the class struggle in which the proletariat had not yet affirmed itself as a class with an independent political representation.

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[68] Marx 1976b, pp. 210–11.

[69] Müller and Neusüss 1975.

[70] Marx 1965.

Be that as it may, it is clear that the inadequacy of this early formulation of the question by Marx paves the way for all this confusion. In particular, taken at face value, Marx's formulation can certainly be read as a kind of 'Luxemburgist' approach based on an 'accumulation-of-experience-through-struggle' theory of revolutionary subjectivity. Briefly put, for that approach, revolutionary subjectivity is the product of the 'self-development' of class consciousness in the course of the struggle against capital, a potentiality which is carried by any form of the class struggle. While it is evident that the different (antagonistic) forms of class consciousness can only develop through the political actions of the workers against capital, this does not mean that class struggle as such is the self-determining ground for the production of revolutionary subjectivity. In fact, the picture of working-class consciousness as set into motion by itself, now growing, now retreating – that is, as essentially self-moving – is the one we get when externally grasped in its apparent concrete forms. Only as an expression of determinate material conditions does proletarian struggle acquire a conscious revolutionary form. This is what Marx makes clear immediately after the quoted passage when he states that 'the organization of revolutionary elements as a class supposes the existence of all the productive forces which could be engendered in the bosom of the old society'. However, this is no more than a very general statement, which does not do much as an account of the qualitatively specific form that those productive forces must acquire, or of the historical process that begets them, including the role of the different forms of proletarian political action in it.

Clearly, then, Marx's investigation of the concrete determinations of the political action of the working class, i.e. the critique of political economy, was at that time in an embryonic stage. Therefore, Marx could not but eventually *represent* the qualitatively different forms of the class struggle in terms of the *quantitative* difference of their respective scope. That is why, when read as a self-contained account, it could be read in a simplistic and mechanistic fashion, as involving a linear and continuous expansion of working-class organisation until reaching its truly revolutionary form. Or, alternatively, as a 'contradictory learning process', with steps forward and setbacks, but always potentially self-developing into revolutionary subjectivity. However, when read from the vantage point of Marx's more developed dialectical account in *Capital*, a different picture emerges. On the one hand, it is clear that Marx was (becoming) aware of the need to grasp the specific qualitative determination immanent in each of the forms of the class struggle in order to discover their necessity.

On the other hand, Marx's insufficient development of the critique of political economy allowed him to offer just a glimpse of the concrete determinations involved in those social forms. As a result of this, when those determinations do appear, however deficiently, in Marx's discussion (for instance, regarding the relation between 'associations' and the movement of the wage), they give the impression of being merely the 'objective conditions' for proletarian action. In turn, those conditions appear as 'moulding', 'limiting' or 'constraining' the deployment of the otherwise self-determining potentiality of the 'subjective factor'. In a nutshell, when externally grasped, the social determinations of working-class consciousness and action become reduced to a 'context' in which the latter freely develops (maybe as a 'response' to the latter).[71]

I would like to argue that in both their merits and shortcomings, these texts embody a wider significance beyond the concrete questions they address and the specific (and limited) answers they give. For, when seen from the perspective of the direction that Marx's subsequent scientific development took, we can see those texts as embodying a programmatic significance regarding the specific form of dialectical cognition in its immediate condition of conscious organisation of human transformative action. The starting point of Marx's investigation, the very form in which he attempted to address the questions to be answered, and the limitations he encountered, all reveal *the general form of motion of scientific knowledge determined as practical criticism*. This, I think, is the lesson that Marx drew from his polemic against Proudhon and, a little bit later, from the defeat of the 1848 revolutions.

It is my claim that Marx became aware that only through the positive reproduction in thought of the determinations of capital and its form of movement could the working class develop its revolutionary consciousness. Science, as Alfred Schmidt puts it, becomes determined as the 'conscious product of historical movement'.[72] Moving forward in its production and giving it a socially reproducible form – i.e. a book – thereby turned out to be a most urgent political task. In a letter to Meyer from 1867, in which he apologises for the tardiness of his reply, Marx speaks in this way about his activities of the previous years:

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[71] In fact, it could be argued that the whole history of Marxism revolves around the attempt to solve this (false) antinomy between the forms of objectivity and subjectivity of the capital relation. This illusion arises because, as we have seen, when the inner connections between social forms is broken by logical representation, abstract and concrete forms appear side by side as self-subsistent entities, which, at most, interpenetrate. And this applies to the relation between the objective and the subjective forms of the alienated social being as well. For excellent historical accounts of this problematic, and for thought-provoking reflections, see Aufheben 1993, 1994 and 1995; Marramao 1975/6 and 1982; Jacoby 1971 and 1975.

[72] Schmidt 1983, p. 29.

> Why then did I not answer you? Because I was the whole time at death's door. I thus had to make use of **every** moment when I was capable of work to complete my book [*Capital*] to which I have sacrificed my health, happiness, and family. I hope this explanation suffices. I laugh at the so-called 'practical' men and their wisdom. If one wanted to be an ox, one could, of course, turn one's back on the sufferings of humanity and look after one's own hide. But I should really have thought myself *unpractical* if I had pegged out without finally completing my book, at least in manuscript.[73]

That book, *Capital*, turned out to be Marx's most developed attempt to concretise the general form of motion of dialectical cognition determined as revolutionary science and outlined in this first part of the book through the discussion of Marx's early works. In the second part of this book, I shall attempt to demonstrate this through a critical reading of Marx's mature critique of political economy. The latter, I shall argue, is but the scientific development of the revolutionary consciousness of the proletariat becoming aware of its own social determinations in their unity and, therefore, of the historical task which, by virtue of them, it will be compelled to do: the conscious production of communism as the most developed form of the critique of capital.

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[73] Marx 1987c, p. 366.

PART 2

Dialectical Knowledge in Motion: Revolutionary Subjectivity in Marx's Mature Critique of Political Economy

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CHAPTER 4

The Commodity Form and the Dialectical Method

Introduction

In the Preface to the First Edition of *Capital*, Marx makes evident that he was fully aware of the complexity entailed by the first steps in the critique of political economy. Thus he states:

> Beginnings are always difficult in all science. The understanding of the first chapter, especially the section that contains the analysis of commodities, will therefore present the greatest difficulty.[1]

The endless debates over the real meaning and implications of Marx's discussion of the commodity form seem to suggest that, if anything, Marx's warning actually fell short of the real difficulties at stake. And whether it is explicitly acknowledged or not, it is clear that the diverse readings of Marx's critique of political economy entail different political implications.[2] In fact, it could be argued – and, hopefully, this chapter and the ones that follow will substantiate this claim – that those 'minutiae', which the discussion of the determinations of the commodity form 'appear to turn upon',[3] are of paramount importance for the conscious organisation of the revolutionary action of the proletariat. This is shown not only in Marx's insistence on the impossibility of correctly grasping the determinations of those more abstract social forms from the bourgeois standpoint of political economy,[4] but also in the central role they played in his critique of the ideological representations of them coming from the working class movement itself, e.g. Proudhonian socialism.[5]

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[1] Marx 1976g, p. 89.

[2] Dimoulis and Milios 2004.

[3] Marx 1976g, p. 90.

[4] Marx 1976g, p. 174.

[5] See Clarke (1994) and Shortall (1994) for good reconstructions of Marx's critique of Proudhonian socialism based on the latter's misunderstanding of the nature of the commodity and money forms. Thus, the gist of Marx's critique of Gray's proposal to preserve private commodity production while replacing the money form with labour time certificates issued by a national bank, comes down to the latter's inability to comprehend the immanent necessity of the value of commodities to take on the independent form of money (see Elson 1979b, pp. 135–6). Similarly, in the *Grundrisse*, Marx ridicules Darimon's proposal of abolishing the privilege of money (that of being directly exchangeable for all commodities) by making 'by decree'

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It is my view that this diversity in the ways in which Marx's followers have read the ideal reproduction of the determinations of the commodity form contained in *Capital* is closely connected to the varied methodological perspectives from which those authors have attempted to grasp the former. In other words, those different interpretations of the actual *content* of the first section of *Capital* express different understandings of the very *form* of scientific knowledge unfolded in that book. Seen the other way round, and this is the fundamental issue to be discussed in this chapter and the next, I would argue that only on the basis of a sound comprehension of the dialectical method can the implications of Marx's investigation of the commodity form be uncovered in all their plenitude.

The need to reconsider Marx's presentation of the commodity form in Chapter 1 of *Capital* through a reassessment of his dialectical method (in particular, its connection to Hegel's *Science of Logic*) has been widely recognised by a growing number of scholars. In effect, the last twenty to twenty-five years have witnessed a renewed interest in Marx's dialectical method and its implications for value theory.[6] However, despite all the light that these works have cast on the form of Marx's argument, they have been mainly focused on the *synthetic* aspects of Marx's dialectical presentation (i.e. on the exposition of the dialectical movement from the 'abstract to the concrete'). In this sense, it could be argued that this literature has glossed over two further fundamental aspects of Marx's dialectical method, which I have discussed in the previous chapter. First, those works have not sufficiently thematised the peculiar role of the *phase of analysis* in Marx's dialectical investigation generally and in his presentation in *Capital* in particular. Second, they have not paid sufficient attention to the *specific form of the analytical process within dialectical thought*.[7] My aim here, therefore, is to fill these gaps in the literature.[8]

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all commodities directly exchangeable (Marx 1993, p. 126). In all these cases, the common thread of the Marxian critique lies in the incapacity of those authors to grasp the necessary inner connection between the commodity and money forms.

[6] See, among others, Murray 1988; Smith 1990a; Moseley 1993; Moseley and Campbell 1997; Arthur 2002b; Albritton and Simoulidis 2003.

[7] The distinction between analysis (in the sense of dissection of the 'whole' into 'parts' or 'identification of differences') and synthesis (in the sense of reconstitution of the 'unity' of the whole) is not peculiar to dialectics. As I argue below, what sets the latter apart from formal-logical methodologies is the specific *form* taken both by the analytical and synthetic processes in dialectical thought. Zelený provides a concise discussion of the different meanings of analysis and synthesis in science and philosophy, which also traces back their intellectual lineage (see Zelený 1980, Chapter 10).

[8] These other aspects have not been entirely absent in the literature. However, they came up in

The main purpose of this chapter is to provide a methodologically minded critical reading of Marx's argument about the determinations of the value form of the product of labour in the first chapter of *Capital*. Through this reading, I shall substantiate the claim made in the first part of the book that *Capital* crystallises the positive deployment of the methodological insights gained by the 'young Marx' through his critique of Hegel, the Young Hegelians and Proudhon. In other words, I shall show that *Capital* contains Marx's dialectical method, as discussed in the first part, concretely set into motion for the intellectual reproduction of capitalist social forms. While this latter statement is true of the book as a whole (or, at least, to its first volume, the only one that Marx prepared for publication), the detailed examination of the structure of the first three sections of Chapter 1 is of particular significance. In effect, the exposition of the determinations of the commodity form contained there is, arguably, the most paradigmatic place where he presented the concrete workings of his dialectical method of research in the indissoluble unity of its analytic and synthetic stages.[9] On these grounds, additionally, I will try to show that many of the confusions and misunderstandings among both followers and critics of Marx spring from an inadequate grasp of the dialectical structure of Marx's exposition.

Finally, this close examination of the expositional structure of the first three sections will set the stage for the discussion in the following chapter of this book, in which I discuss Marx's presentation of the fetish character of the commodity. As will became evident later on, only by properly grasping the precise content and formal structure of the first three sections of Chapter 1 of *Capital* can the specific object of exposition and systematic significance of the section on 'commodity fetishism' be fully appreciated.

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the debate among 'new dialecticians' relatively late (Murray 2002; Reuten 2000) and have not been pursued any further until recently (see Reuten 2014, who does address in great detail the connection between analysis and synthesis, and that between inquiry and presentation, in systematic dialectics). See also Brown et al. (2002) for a discussion of some of these issues through a comparison between critical realism and systematic dialectics. Be that as it may, it is my view that compared to the light thrown on the synthetic aspects of Marx's method of presentation, the nature of the relation between analysis and synthesis in the presentation, and the way in which this relates to the formal determinations of the dialectical inquiry, have not been explored with the same degree of clarity.

[9] Iñigo Carrera 2013.

Inquiry and Presentation, Analysis and Synthesis: On Some Controversies over the Initial Passages of Marx's Argument in *Capital*

In *Capital*, Marx puts into motion the discoveries which allowed him to overcome the limitations of his early account of alienated labour and its supersession. In contradistinction to the *Paris Manuscripts*, and as he clearly states in the *Marginal Notes on Adolf Wagner*, he takes as a point of departure neither the concepts of political economy nor any concept whatsoever,[10] in order thereby to discover alienated labour as their presupposition. As the title of his most important work denotes, the subject whose determinations the dialectical investigation proceeds to discover and present is *capital*, which, as the alienated subject of social life becomes 'the all-dominating economic power of bourgeois society' and must therefore 'form the starting point as well as the finishing point' of the ideal reproduction of the concrete.[11] In this sense, Marx's exposition in *Capital* does not advance towards the discovery of alienation, but instead starts from what the dialectical inquiry revealed as its most abstract and general form.[12] He starts with the immediate observation of the simplest *concretum* in which the alienation of labour is expressed in order to develop the real determinations specific to this social form.[13] As has now been widely acknowledged, this starting point is not an ideal-typical – or worse, historically existent – simple commodity-producing society, as in the orthodoxy derived from Engels and popularised by authors such as Sweezy and Meek.[14] In Marx's own words, he starts with the commodity as the 'economic cell form of bourgeois society'.[15]

> We begin with the commodity, with this specific social form of the product – for it is the foundation and premise of capitalist production. We take the individual product in our hand and analyse the formal determinants that it contains as a commodity and which stamp it as a commodity.[16]

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[10] Marx 1975b, p. 198.

[11] Marx 1993, p. 107.

[12] Iñigo Carrera 2008, p. 323; Meikle 1985, pp. 71–2; Schmidt 1983, pp. 48–9.

[13] Marx 1975b, p. 198.

[14] Engels 1980; Sweezy 1968; Meek 1973. For a critique of the Engelsian orthodoxy on this question, see Arthur 1996, 1997 and 1998b; Backhaus 1980; Robles Báez 2000; Reichelt 1995; Weeks 1981.

[15] Marx 1976g, p. 90.

[16] Marx 1976c, p. 1059.

However, Marx's presentation does not directly start with the essential determinations of the commodity form, but rather starts from the immediate observation of an individual commodity in its outward appearance.[17] In a presentation which will prove full of 'metaphysical subtleties and theological niceties',[18] Marx shows that what determines the commodity as a form of social wealth is not only that, as any product of labour, it possesses a use value, but that the latter acts as the material bearer of a second attribute, namely, exchange value. The further analysis of the commodity reveals that exchange value is actually the form of expression of a content distinguishable from it – the value form, or the attribute of general exchangeability of the commodity – the substance of which resides in the abstract labour congealed in it, and whose magnitude is consequently determined by the socially necessary abstract labour time required for its production.

The above line of reasoning has been the subject of all kinds of objections put forward by different interpreters of Marx. As I argue below, those reservations about Marx's argument have their source in an inadequate comprehension of, or insufficient attention to, the nature of the crucial distinction between two different moments involved in Marx's dialectical inquiry and presentation, namely, the stage of analysis and that of synthesis. In particular, I think that it is confusion over these questions that lies at the basis of widespread critiques of Marx's line of argument about the determinations of the commodity form;

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[17] Properly speaking, there is a previous step in Marx's presentation. He first starts with the form in which social wealth appears in capitalist society, namely, an 'immense collection of commodities' (Marx 1976g, p. 125), the individual commodity being its elementary form. The unfolding of the determinations behind this appearance is not completed until Volume II, where the unity of the movement of the total social capital itself, in the form of the circuit of commodity capital, is revealed as positing social wealth in the form of an immense collection of commodities (Marx 1978, pp. 174–7). The secondary literature on Volume II is remarkably limited compared to what has been written on Volumes I and III. Certainly, there has been a lot of discussion of the final part on the schemes of reproduction, misguidedly revolving around the notion of a mechanical impossibility of capitalist reproduction as constituting the limit to capital (see Rosdolsky 1986, for a survey of the early classical debates on that question). But the first part of Volume II has been generally neglected. Some of the few works available that deal in some detail with aspects of the former include: Fine 1975; Shortall 1994; Fine and Saad-Filho 2003; Arthur and Reuten 1998. On the circuit of capital, see especially the contribution by Arthur (1998a) in the latter book. More recently, David Harvey has contributed to redress the situation in the second volume to his *Companion to Marx's Capital* (Harvey 2013).

[18] Marx 1976g, p. 163.

not only by well known critics such as Böhm-Bawerk,[19] but also among some of Marx's disciples.[20] In brief, the general thrust of those objections is as follows: in *Capital*, Marx did not provide an adequate 'logical proof' that commodities have a 'something' in common and that that 'something' is congealed abstract labour.[21]

The first point at stake in this objection has already been forcefully made by other scholars, so I will refer to it only briefly. In a nutshell, the question comes down to the radical methodological difference which, as Meikle insightfully notes, separates Marx's dialectical approach to science from the formalism and atomism of bourgeois conceptions.[22] Clearly based on the latter, Böhm-Bawerk's objections came from someone who could only see science as a purely

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[19] Böhm-Bawerk 1975.

[20] Thus both Reuten (1993, p. 107) and Arthur (1993, p. 76) agree that Böhm-Bawerk's objections to Marx's line of reasoning about abstract labour as the substance of value are justified; not because Marx is wrong in seeing abstract labour as the substance of value, but because his grounding of that point is defective from a 'systematic dialectical' perspective. This objection can actually be traced back to Hans-Georg Backhaus's groundbreaking essay of 1969, 'On the Dialectics of the Value-Form' (Backhaus 1980, pp. 99–100). A non-Ricardian, value-form critique of Backhaus (and defence of Marx's argument) can be found in Murray (2013).

[21] A good and concise account of the essence of this critique can be found in Kay (1979, pp. 48–58). See also Park 2003. Specifically, Böhm-Bawerk objected that Marx did not take into consideration common properties other than being products of labour – e.g. utility, scarcity, and so on – as possible determinants of exchange value (Böhm-Bawerk 1975, pp. 74–5). In this sense, it is worth noting that in the process of *inquiry* Marx did consider – but discarded and, hence, excluded from the *presentation* – 'utility in general' as the substance of value. This is evidenced by the following remarks from the preparatory *Manuscripts of 1861–63*: 'We have seen that the basis of value is the fact that human beings relate to each other's labor as equal, and general, and in this form social, labor. This is an abstraction, like all human thought, and social relations only exist among human beings to the extent that they think, and possess this power of abstraction from sensuous individuality and contingency. The kind of political economist who attacks the determination of value by labor time on the ground that the work performed by 2 individuals during the same time is not absolutely equal (although in the same trade), doesn't yet even know what distinguishes human social relations from relations between animals. He is a beast. As beasts, the same fellows then also have no difficulty in overlooking the fact that no 2 use values are absolutely identical (no 2 leaves, Leibniz) and even less difficulty in judging use-values, which have no common measure whatever, as exchange values according to their degree of utility' (Marx 1988, p. 232).

[22] Meikle 1985, Chapter 3.

'logical construct' and not the reproduction in thought of 'how things essentially are'.[23] Thus, with 'the characteristic empiricist gap between "truths" and the entities they are supposed to be true of',[24] he could only read Marx's initial pages as an abstract, formal process of 'logical proof'.[25] The possibility that those pages unfold the real nature and specific self-movement of a determinate content (the commodity form of the product of labour) and do not contain a formal deduction was beyond Böhm-Bawerk's formalistic field of vision.[26]

Secondly, and more important for the purpose of this chapter, at stake here is another aspect of Marx's argument in the first pages of *Capital* that has not been sufficiently or satisfactorily explored by most scholars: the specific nature and significance of the difference between the phase of analysis and that of synthesis within a dialectical exposition. This double movement in the dialectical *presentation* is not an arbitrary stylistic or rhetorical strategy introduced by Marx, but, as discussed in the first part of this book, reflects a real difference characterising the specificity of dialectical *inquiry*. The latter must involve *both* identification of the different forms taken by the subject whose determinations the dialectical investigation attempts to reproduce in thought (i.e. the analytical separation between social forms according to their relative degree of concreteness) *and* the 'tracking down of their inner connection' (i.e. the *synthetic* discovery of the immanent real necessity linking those different forms).[27] A fundamental implication follows from this: the exposition of the

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[23] Meikle 1985, p. 80.

[24] Meikle 1985, p. 79.

[25] As Sayer (1979, pp. 94–5) notes, Althusser and Balibar (1968) and his British followers (Hindess and Hirst 1975 and 1977) fell prey to this appearance.

[26] Kay 1979, pp. 51–2. Besides, it is to be noted that Böhm-Bawerk completely missed the actual object of Marx's presentation in Chapter 1 of *Capital*, which is the commodity and not the causal determination of exchange ratios (Kliman 2000, p. 104).

[27] Marx 1976g, p. 102. Here my approach differs from that of both Murray and Reuten. The former seems simply to identify analysis with inquiry (what he calls 'phenomenology'), and synthesis with presentation (Murray 2000, pp. 36–8). Reuten does allow for synthetic moments in the process of inquiry, but only as 'provisional outlines of inseparability of phenomena' (Reuten 2000, p. 143). Moreover, although he is right to see the need for the dialectical presentation to be fundamentally synthetic, he does not fully explore the possibility that the dialectical researcher presenting the results of the inquiry may include 'stylised' moments of analysis in order to highlight the unity of the dialectical process of cognition. He only mentions this possibility in passing when discussing Banaji's argument about the twofold starting point of Chapter 1 of *Capital* (Banaji 1979, pp. 36–40; Reuten 2000, p. 158). But as I argue below, this presentational strategy plays a central role at least in

explanation proper of the necessity underlying the relations between different social forms – what would amount to a 'logical proof' in the language of formalistic methodological approaches – is not to be found in the dialectical *analysis*, but in the *synthetic* movement of the exposition. Now, since it is in the latter only that the unfolding of the real movement of determination – hence the explanation – actually takes place, the presentation of the findings of the dialectical inquiry could take, in principle, a fully synthetic form.[28] However, this is not the way Marx structured his dialectical exposition in Volume I of *Capital* (the only one he edited for publication himself); this exposition tends to include, in a 'stylised' form, brief presentations of the analytic process.[29] Since this peculiar structure of Marx's presentation of the determinations of the commodity form actually recurs throughout most of Volume I, and given that its misunderstanding has caused so many controversies among critics and followers alike, it might be worth providing further elaboration on this last point.

In a nutshell, this structure of Marx's dialectical presentation starts by taking the immediate concrete appearance of the determinate social form at stake. Through a brief analytic movement, it subsequently uncovers its inner essential determination.[30] The exposition then proceeds by synthetically unfolding the realisation of that (more abstract) determination. This stage goes on until the specific potentiality defining the essential determination of the social form

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the whole of Volume I. Fineschi (2009) offers an interesting overview of German debates in the 1970s dealing with the connection between Marx's method of inquiry and his method of presentation.

[28] Iñigo Carrera 2008, p. 317.

[29] On the role and the pros and cons of this analytic moment in the peculiar structure of the dialectical exposition in *Capital*, Volume I, organised around presentational 'nodes', see Iñigo Carrera 2008, p. 323.

[30] Marx sometimes includes *apparent* (hence flawed) analytical paths in his exposition that are revealed to be such through a movement that leads the reader back to the unmediated starting point, that is, without making any progress towards the discovery of the underlying specific determination defining the object under scrutiny (Iñigo Carrera 2008, p. 320). The presentational role of the inclusion of these flawed analytical movements is mainly pedagogical; they serve to place more emphasis on the correct analytical path. Marx's consideration of the possibility that the particular material properties of the commodity under investigation constitute the more abstract form behind the attribute of general exchangeability is an example of this (Marx 1976g, pp. 127–8). Incidentally, it is to be noted that this is the real meaning of what Böhm-Bawerk mistakenly saw as Marx's 'method of exclusion', through which he allegedly provided a 'purely negative proof' of abstract labour as the substance of value (see Böhm-Bawerk 1975, pp. 68–9).

under scrutiny, and whose realisation the exposition is ideally reproducing, negates itself as immediately carried by that abstract social form to become affirmed as immediately pertaining to the more concrete form into which it has metamorphosed. This signals that the first presentational node has been exhausted. A new one thereby begins, but now with the more concrete form whose genesis has been traced in the former as the subject of the movement to be ideally reproduced. However, the new node does not directly start with the inner determinations of this more concrete social form but, again, with its immediate manifestation. An analytic movement therefore precedes the former.[31]

Returning to my main argument about the general aspects of this formal structure of Marx's presentation: as mentioned above, it is the exposition of the *dialectical synthesis* that reveals the 'why' of real relations. The analytic stage only separates a social form from a more abstract one, whose realised potentiality it carries within itself in the form of its own immanent potentiality. In this sense, the analytic stage is about not the *why*, but the *what*. Evidently, since the separation of social forms according to their relative degree of abstractness/concreteness ideally expresses the objective necessity (the real relations) residing in the object, and is not the product of the subjective caprice or imagination of the scientist, the mere reference to the 'what' carries implicitly some hint of the 'why'. Thus, if the dialectical analysis reveals that the value form is the concrete form in which the objectification of the abstract character of private and independent labour affirms itself as an abstract form, the separation between the two already says something about the real relation involved. But this something is no more than, as it were, a 'pointing out', an observation. The actual ideal reproduction of that inner connection – the explanation – takes place in the synthetic movement.[32]

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[31] At this juncture, it is important to point out that, in the dialectical *inquiry*, analysis and synthesis overlap in the concrete intellectual labour of the scientist. Thus the actual activity of inquiry of the dialectical researcher involves a constant passage from phases of analysis to phases of synthesis, and therefore they do not immediately appear as distinct aspects of the process of cognition. However, they do constitute two real determinations of the dialectical method and therefore it is crucial to bear their difference in mind. And it is this real difference which appears 'in its purity' in the dialectical exposition, when the author decides to reproduce the analytical stage (whether in whole or in part) in the presentation.

[32] In his *Science of Logic*, Hegel refers to this distinction between the role of analysis and synthesis as the difference between the *apprehension* of what is and its *comprehension* (Hegel 1999, pp. 793–4). However, Hegel develops this distinction as pertaining to the 'under-

With this in mind, it is easy to understand the main reason why the criticisms levelled at Marx over his inadequate explanation of abstract labour as the substance of value in the first pages of *Capital* are not simply based on a misunderstanding about the particularities of his argument, but are completely off the mark. To put it simply, those critiques search for an explanation in the wrong place, that is, in the pages where Marx is just presenting the analytic separation of real forms, which comprise the first two sections of Chapter 1. Marx's alleged explanation of why abstract labour is the substance of value in those pages sounds unconvincing simply because it is not there. As we will see, the unfolding of this particular 'why' only occurs in section three, which discusses exchange value as the form of manifestation of value. Before engaging in that aspect of Marx's presentation of the determinations of the commodity form, let us first probe deeper into the *specifically dialectical* form of the analytical moment that precedes it.[33]

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standing', that is, an underdeveloped form of thought. Dialectical cognition, 'speculative science' in Hegel's parlance, is for him essentially synthetic (see Caligaris and Starosta 2014).

[33] Regarding Chapter 1 in particular, this structure has been recognised by Banaji (1979) and Elson (1979a). However, they both seem to reduce the content of the synthetic stage of the presentation simply to the question of revealing exchange value as the necessary mode of expression of value, i.e. to the formal necessity of the money form. But as I argue below, the latter is precisely the moment when Marx is synthetically unfolding the necessity of privately performed abstract labour as the substance of value. Neither Elson nor Banaji explicitly address the question of where exactly the 'why' of abstract labour as the substance of value can be found. Elson in particular seems to concur with Rubin (see below) that it is actually in section 4. Murray (1988, pp. 148–9) rightly sees the structure of Chapter 1 as comprising a 'double movement' of form to content and then from content to form. However, presumably reducing the dialectical movement to the synthetic stage, he sees nothing particularly dialectical in the first movement; hence his analogy with Descartes's analytical reduction of the bit of wax to primary quality matter, i.e. a search for a 'third party' or common element. In reality, the general point about the twofold movement of analysis and synthesis in Marx's exposition had already been made by Rubin in his seminal work on the theory of value (Rubin 1972, p. 113). However, as I shall discuss below, his understanding of the way they structure the exposition is, I think, incorrect. Furthermore, although Rubin does distinguish between the analytic and the synthetic (genetic, as he calls it) stages of the presentation, he seems to restrict the dialectical method to the latter (Rubin 1978, p. 110). In this way, the specific form of the dialectical analysis vis-à-vis the analysis of representational scientific thought is overlooked.

The Phase of Analysis

In contrast to the claims of those critics referred to above, I think that in the opening pages of Chapter 1, Marx is not searching for a common property in commodities. Rather, he is searching for (i.e. not yet unfolding) the specific determination defining the potentiality of the commodity as a historical form of social wealth.[34] This potentiality Marx initially 'discovers' by looking at the use value of the individual commodity, which in capitalist societies acts as bearer of a second, *historically specific* attribute of the products of labour, namely, *exchange value*. Two things follow from this. First, inasmuch as it is materially borne by the use value of the commodity, this attribute is *intrinsic* to the commodity itself. Second, as argued above, Marx is not *trying to prove logically the existence of a common property*, but *the commodity itself*, in its immediacy, shows that it *has* that 'common property' immanent in it.

Here a problem might arise, because Marx does not explicitly say in what that second attribute of the commodity consists. He just names it (exchange value) and then directly proceeds to its analysis. I think that the reason for this is that the meaning of that attribute was self-evident in the name itself in light of its everyday usage at that time. The fact that commodities have 'exchange value' simply means that they have the *power of exchangeability*, that is, *the 'fantastic' aptitude to be transformed into a different use value without the mediation of any material transformation in its bodily existence*.[35] What immediately follows in Marx's exposition is, then, the *dialectical analysis* of this social power of exchangeability of commodities. That is, Marx proceeds to answer what is the source of this specific potentiality intrinsic to the commodity, i.e. what is the abstract form appearing in the concrete form of the power of exchangeability.

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[34] The difference between these two forms of grasping Marx's argument in the first pages of *Capital* expresses the difference between the dialectical form of the analysis and that of representational thinking. Many authors have highlighted the distinction between the abstractions of dialectics and those of representational thought as one between 'real abstractions vs. mental generalisation' (Saad-Filho 2002) or 'empiricist abstractions vs. determinate abstractions' (Gunn 1992). 'Empiricist abstractions' have also been called 'formal abstractions' (Clarke 1991a) or 'general abstractions' (Murray 1988). However, as Iñigo Carrera (2008, p. 282) points out, what most authors have overlooked is that the difference in the respective kinds of abstraction emerges as a result of the very *form* of the process of cognition on the basis of which those abstractions are identified. My argument is that this difference in form not only applies to the synthetic or genetic phase – as is usually assumed – but *crucially pertains to the process of analysis as well.*

[35] Iñigo Carrera 2007, p. 216.

As happens with every real form, the first thing he encounters when facing the exchangeability of the commodity is its *immediate manifestation* – the quantitative relation 'in which use-values of one kind exchange for use-values of another'.[36] Thus, the first step in the analysis of exchangeability is the separation of the *content and form* of that specific attribute of the commodity, this being the only way in which one can penetrate through the concrete form in which an abstract form presents itself. Again, this is the immediate object of Marx's exposition in the passages that follow, and not the search for a 'common something' or 'third thing', the existence of which the distinction between form and content presupposes.[37] This separation between form and content reveals that the different *particular* exchange relations that a commodity establishes with other commodities are actually expressions of something else that inheres in commodities and which gives them the identical *qualitative* potentiality of *general exchangeability* in a certain *magnitude*. Once form and content of the attribute of general exchangeability are distinguished, Marx continues with the analysis of the latter, which consists in separating that form of general exchangeability from the abstract form whose necessity it carries within itself as its 'other'. The particular form that this analysis takes is, again, not the search for a common element, but the search for the determinate action which posits that specific attribute existing in commodities.[38] That action, Marx states, is a human action in one of its facets, namely, productive labour in its general character or abstract labour. Commodities have this attribute of general exchangeability as products of the abstract character of the labour objectified in them.[39]

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[36] Marx 1976g, p. 126.

[37] In order to avoid confusions, I am not implying that the existence of a common property and exchange equivalence are not important elements of Marx's arguments. My point is that Marx is not *logically proving* the existence of a common property or that the only possible substance of that common property is abstract labour. He '*finds*' that common property immanent in the commodity (actually, its immediate manifestation), and then proceeds to its *dialectical* analysis (i.e. separation of form and content). See Kicillof and Starosta 2007a and Iñigo Carrera 2007, for a fuller discussion of why being the products of the abstract character of labour is the only reasonable determination behind the value of commodities.

[38] Iñigo Carrera 2007, p. 218.

[39] Admittedly, Marx's transition to abstract labour might seem abrupt and too unproblematic. But here it is important to bear in mind that insofar as it presents results laboriously obtained through previous research, the dialectical exposition has a fluidity which does not reflect the complexity of the real activity of analysis in the process of inquiry, in which the researcher might have mistakenly taken other analytical steps. In principle, the latter

And here there is a tricky aspect in Marx's presentation, which might have contributed to much of the confusion. Because, although at that stage of the argument he has already shown that the common 'something' is the form of general exchangeability, he does not actually *name* it until separating, in turn, that form from its content or substance.

> All these things now tell us is that human labour power has been expended to produce them, human labour is accumulated in them. As crystals of this social substance, which is common to them all, they are values – commodity values [*Warenwerte*].
>
> We have seen that when commodities are exchanged, their exchange value manifests itself as something totally independent of their use value. But if we abstract from their use value, there remains their value, as it has just been defined. The common factor in the exchange relation, or in the exchange value of the commodity, is therefore its value.[40]

Marx names that intrinsic attribute of general exchangeability which is manifested in exchange value, and which is posited by the abstract character of labour, *value*.[41] Now, in opposition to the claims of a great deal of contempor-

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do not need to be included in the dialectical presentation, although the researcher might decide to present them in order to stress the correct analytical path that leads to the discovery of the determinate content behind a specific social form (see footnote 30 above). Hence, when considering the action that posits the form of general exchangeability of commodities, the only actions other than labour that Marx contemplates (and obviously discards) are purely natural actions. In other words, he does not consider other kinds of human action, such as exchange or subjective 'valuation' of the utility of the commodity. However, as Iñigo Carrera (2007, p. 24) points out, neither of those other human actions can explain the *two* features that, at that stage of argument, Marx has already discovered as constituting the commodity. First, the fact that the attribute of general exchangeability is specific to capitalist society (subjective valuation of utility is a human action which occurs in non-capitalist modes of production as well, and yet it does not objectify in the value form of the product). Second, the value form is materially carried by the use value of the commodity as its bearer, which means that the action that posits those two attributes must be the same (in this sense, exchange is an action which *presupposes* rather than posits the existence of the use value of the commodity).

[40] Marx 1976g, p. 128.

[41] This postponement of the naming of value is one of the changes that Marx made to the First Edition of *Capital*. In the latter, the naming of 'value' occurs *before* discovering its content as 'congealed abstract labour' (see Marx 1976e, p. 9). As Fitzsimons (2012, p. 25) notes, the introduction of specific terms *after* the content of their respective determina-

ary literature on Marx's theory of the value form, I think that the (analytic) search for the specific determinations of the commodity – Marx's stated aim in Chapter 1, according to the quote above – is evidently not achieved with the discovery of abstract labour as the substance of value.[42] Quite to the contrary, that very specificity seemed to have slipped through Marx's fingers. In effect, although he found the specific attribute of the commodity in its value, when he moved to account for its substance he ended up with something which bears

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tions has been unfolded is an aspect of Marx's exposition that recurs throughout *Capital*. This presentational strategy is underpinned by a substantive methodological issue that sets apart dialectics from representational thought. Whereas the latter starts out from 'concepts' or 'categories' (i.e. purely ideal or mental abstractions) and their definitions, in dialectical science definitions do not *determine* in advance the content of a term and therefore cannot be the point of departure of the exposition. Instead, they only encapsulate determinations that have already been laboriously *developed*. In other words, definitions are arrived at rather than departed from.

[42] As a reaction to the ahistorical, Ricardian reading of Marx's account of the value form, the 'new consensus' tends to see abstract labour as a purely historical, specific social form. See, among others, De Angelis 1995; Postone 1996; Reuten 1993; Arthur 2001b; Bellofiore and Finelli 1998; Kay 1999; Saad-Filho 1997; Mohun and Himmelweit 1978; de Vroey 1982; Eldred and Haldon 1981; Bellofiore 2009a; Heinrich 2009; Mavroudeas 2004; McGlone and Kliman 2004; Roberts 2004. I have developed a more extended critique of this new consensus in Kicillof and Starosta (2007a and 2007b). Here I can only offer some brief remarks on this issue. As I argue below, abstract labour is a generic material form, a 'productive expenditure of human brains, muscles, nerves, hands etc.' (Marx 1976g, p. 134). What is specific to capitalist society is the role it plays by being determined as the substance of the most abstract form of objectified social mediation, namely, value. Murray (2000) comes very close to recognising this through the distinction between 'physiological' abstract labour and 'practically abstract' labour. A proper discussion of Murray's own solution to what he terms 'Rubin's dilemma' exceeds the scope of this chapter. Here I would only like to note that Murray's merit is to grasp the importance of highlighting the *materiality* of abstract labour while making clear that this does not necessarily lead to an asocial perspective on the value form. In this way, his recent contribution to the debate provides a necessary correction to what I see as a formalist overreaction of much recent theorising on the value form. See also Reuten's reply to Murray (Reuten 2000) and the latter's rejoinder (Murray 2002). Whilst still seeing abstract labour as capital-specific, Robles Báez (2004) offers probably one of most interesting treatments of the *movement of the contradiction* between the generic, physiological materiality of abstract labour and its historically specific *social* determination as the substance of value deriving from the private character of labour in capitalism. See also Carchedi (2009 and 2011a, pp. 60–74) for a similar argument. The debate on the nature of abstract labour has not been settled and has continued in more recent times. See Bonefeld 2010b and 2011a; Carchedi 2011b; Kicillof and Starosta 2011.

no specifically capitalist character: 'merely congealed quantities of homogeneous human labour, i.e. of human labour power expended without regard to the form of its expenditure'.[43] But it is evident that in any form of society, human beings objectified their subjective labour power and that that process of objectification entailed both a concrete or particular character and an abstract or general one. Thus far, then, this stage of the analytic process does *not* show *why* this generic materiality takes the objectified social form of value. It does not even tell us *what* is the historical form of social labour which is determined as value-producing. It *only* tells us *what* is the *material* determination of that which in capitalist society is *socially* represented in the form of value. This is the reason why Marx still carries on with the analytic search for the '*formal determinants* that it contains as a commodity and which stamp it as a commodity'.[44] This leads Marx's dialectical analysis to give closer scrutiny to the labour that produces commodities. As any attentive reader could tell, the analytic process continues and only in the section on the dual character of labour does Marx finally find the historically specific form of social labour that produces commodities and, hence, value.

In effect, Marx observes that the individual commodity he is analysing is only one among many within a totality of different commodities. But the same follows for the particular labours that underlie the varied use values taking the commodity form. In other words, Marx points out that generalised commodity production presupposes the existence of an extended social division of labour and that the latter, as the 'totality of varying deployments of useful labour', is an 'eternal necessity of nature for the sake of mediating the material interchange between man and nature (i.e. human life)'.[45] On the other hand, this analysis also makes clear that the reverse relationship does not hold, that is, the division of labour must not necessarily take the social form of the production of commodities. The formal determination of the commodity must therefore spring from the specific social form taken by the organisation of the division of labour in our present-day society. The commodity, Marx eventually concludes, is the objectification 'of mutually independent acts of labour, performed in isolation'.[46] In other words, it is the 'labour of private individuals who work independently of each other',[47] or *private and independent labour*, which constitutes the specifically capitalist form of labour or productive activity. In this social form of the human life process, the producer has the full conscious productive capacity to control the individual character of her/his labour, but cannot recognise and organise (i.e. she/he is unconscious about) the social determinations of human individuality. Hence the inversion of those social powers into an attribute of the product of labour, namely, the value form. The analytic process completes the search for the specific determinations of the value form by revealing that the attribute of general exchangeability of the commodity springs from the abstract or general character of socially necessary *privately performed* labour materialised in it. The value form, then, becomes known in its essential determination as the *objectified or reified expression of the social character of the individual labour of private and independent producers*. Its objectivity is thus revealed to be wholly social, without an atom of 'matter' entering into it.[48]

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[43] Marx 1976g, p. 128.

[44] Note that had abstract labour as such constituted the specificity of value-positing human action, Marx's analytical search would have come to an end.

[45] Marx 1976e, p. 12.

[46] Marx 1976g, p. 131.

[47] Marx 1976g, p. 165.

The Synthetic Phase of Reproduction Proper

It is only now that the synthetic stage of the presentation begins. This consists in ideally following the realisation of the discovered potentiality immanent in the commodity. From then on, the commodity ceases to be grasped in its exteriority as an 'inert' social form – as a sheer external object – and the exposition starts to follow its self-movement as the subject of the development of those determinations – previously discovered through analysis – into its more concrete forms.[49] This is subtly indicated by Marx at the end of his discussion of the qualitative determinations of the relative form of value.

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[48] Marx 1976g, p. 138.

[49] Iñigo Carrera 2008, p. 321. In a recent article, Arthur (2004a, pp. 41–2) also acknowledges this important aspect of Marx's presentation. However, he still maintains that Marx failed to provide in Chapter 1 an adequate explanation for the determination of abstract labour as the substance of value and should have postponed the introduction of abstract labour until the level of abstraction of the capital form. See also Arthur 2005, p. 119. The shortcoming of this view – also shared by Lapavitsas (2005) and Campbell (2013), the latter following Reichelt (2007) – is that it leads to a formalistic understanding of the value form, which obscures the very question that the latter, in its own reified way, is meant to solve: the establishment of the material unity of social labour when it takes the form of private labour (Brown 2008). This idiosyncratic separation of the form of value from its substance at the level of the commodity form had already been advanced by Itoh (1988). See Clarke (1989), for a critique of Itoh's radical separation of the theory of the form of value and the theory of the substance of value.

> We see, then, that everything our analysis of the value of commodities previously told us is repeated by the linen itself, as soon as it enters into association with another commodity, the coat. Only it reveals its thoughts in a language with which it alone is familiar, the language of commodities. In order to tell us that labour creates its own value in its abstract quality of being human labour, it says that the coat, in so far as it counts as its equal, i.e. is value, consists of the same labour as it does itself. In order to inform us that its sublime objectivity as value differs from its stiff and starchy existence as a body, it says that value has the appearance of a coat, and consequently that in so far as the linen itself is an object of value [*Wertding*], it and the coat are as like as two peas.[50]

The unfolding of this movement spoken 'in the language of commodities' is precisely what the subsequent synthetic stage of the presentation consists of. Being a *purely social* power of the commodity, value cannot be immediately expressed in its sensuous corporeal materiality. As the capacity of the commodity to be exchanged for other different commodities, value can only be manifested in the social relation between commodities. Therefore, the value of a commodity necessarily expresses itself only in the use value of the commodity that is exchanged for the commodity in question as its equivalent. In this way, value takes the concrete shape of exchange value as its necessary form of appearance. In its most developed form, value acquires independent existence as money and the expression of value in the particular commodity acting as money becomes determined as price. The opposition inherent in the commodity is thus externalised through the doubling of the commodity form into ordinary commodities and money. The power of direct exchangeability of commodities negates itself as such to become affirmed as a social power monopolised by the money form.

It is in the course of the synthetic movement of this development, when seen from the point of view of its *qualitative content*, that the answer to the 'why' questions which the analytic stage was unable to provide is given. In other words, it is the development of the expression of value that unfolds the explanation as to why the objectification of the abstract character of privately performed labour takes the social form of value or, to put it differently, why private labour is value-producing.

In a nutshell, the issue comes down to the fact that it is only the expression of value that progressively reveals to us the problem that the commodity form of the product of labour is meant to solve. I am referring to the mediation in the establishment of the unity of social labour when performed in a private and independent manner. And since this unity becomes condensed in the money form, it is the unfolding of its determinations, synthesised in the peculiarities of the equivalent form and derived from its general determination as the form of immediate exchangeability, that provides the answer to the question as to why private labour must produce value.[51]

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[50] Marx 1976g, pp. 143–4.

As the other side of its two-step analytic discovery, the synthetic ideal reproduction of the determinations of the value form comprises two aspects, each one corresponding, respectively, to the second and third peculiarities of the equivalent form. The first one – whereby the concrete labour that produces the particular commodity acting as general equivalent becomes the form of manifestation of the general character of human labour – shows, precisely, why that material expenditure of labour power has to act as the social form of labour, i.e. why it is that *abstract* labour is the substance of value. The second one – whereby the private labour that produces the equivalent commodity becomes the immediate incarnation of directly social labour – in turn makes it evident why private labour must produce value at all.

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[51] In the Second Edition of *Capital* and the 'Value form' appendix to the First Edition, Marx develops all the peculiarities of the equivalent form as part of his discussion of the *simple* form of value. By contrast, in the First Edition, the second and third peculiarities are developed in the context of the 'reversed' form of the expanded form of value, an intermediate step which Marx did not include in the Second Edition, where he directly jumped from the expanded form of value to the general form. I think that, for my purpose here, the presentation of the First Edition is clearer. In effect, as Marx himself notes (Marx 1976e, p. 26), the solution to the problem at stake (the establishment of the unity of social labour) is revealed only when the expression of value acquires its plenitude as the form of general exchangeability by relating through the value form the universe of all existing commodities. This only occurs with the general form of value (although a defective – because it is not unified – manifestation, is already found in the expanded form). That is why I shall follow the presentation of the First Edition. On the other hand, there might be a strong reason why Marx decided to move the peculiarities of the equivalent form to the simple expression of value. In a nutshell, the point is that for the presentation of the unfolding of the specific content of the *qualitative* determination involved in the expression of value, its simple form suffices. That is why Marx states that 'the whole mystery of the form of value lies hidden in this simple form' (Marx 1976g, p. 139). The *further* formal unfolding of the more developed expressions of value only entails *quantitative* differences within that very same *qualitative determination* (Iñigo Carrera 2013). Certainly, that purely *formal* construction *helps* the comprehension of the qualitative determination entailed in the form of value by making explicit aspects of the former which are not *immediately visible* in the simple form. But no novel *quality* is unfolded. In this sense, and contrary to the claims of some scholars (Robles Báez 1997), the expansion and inversion of the simple form of value does not entail, properly speaking, any 'dialectical' or immanent self-movement. It is only a wholly formal (hence extrinsic) *representation*, which involves a *quantitative generalisation* of the qualitative determination already *fully realised* in the simple form. Incidentally, this illustrates what is the role of *formal logic* within dialectical knowledge, namely, the *representation* of the (necessarily external) determinations of quantity, that is, of 'difference determined as indifference' (Iñigo Carrera 2008, pp. 269–70). In the words of Hegel, 'a being that is indifferent with regard to determinacy' (Hegel 1991, p. 157).

In effect, through the general expression of value, all commodities relate to each other as possessing an identical social essence as exchangeable things in the same magnitude. In other words, albeit in a mediated form that reflects their social form of value as the immediate attribute of the general equivalent, their social relation of general exchangeability achieves its unity. But since they are only values as expressions of the same common social substance, i.e. abstract labour, the unity of the expression of value puts us before the unity of *undifferentiated* human labour. In determining the concrete labour that produced the equivalent as the immediate mode of appearance of abstract human labour, now the social relation between commodities itself makes plain that the different concrete labours that produced them are but different ways in which the total labour power of society has been expended. Those varied useful labours now show themselves to be what they actually are: differentiations of the expenditure of human labour power or determinate modes in which the human body has been productively exerted. In this 'roundabout way', as Marx puts it, the development of exchange value confronts us with the generic problem that any society must confront, namely, *the social regulation of the differentiation of human labour*, which 'is capable of receiving each and every determination … but is undetermined just in and for itself',[52] and which is necessary for the reproduction of human life. The exposition of the dialectical analysis of the commodity had already discovered that a commodity-producing society presupposed an extended division of labour. Now we can see that the materialised social relation itself – the value form – *affirms itself as the mediator* in the articulation of that division of labour, i.e. in establishing the relation between different labours as organic specifications of human labour in general.

> As *values* the commodities *are* expressions of the *same unity*, of abstract human labour. In the form of *exchange value* they *appear* to one another

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[52] Marx 1976e, p. 20.

> *as values and relate* themselves to one another *as values*. They thereby relate themselves at the same time to abstract labour as their *common social substance*. Their *social relationship* consists exclusively in counting with respect to one another as expressions of this social substance of theirs which differs only quantitatively, but which is qualitatively equal and hence replaceable and interchangeable with one another … It is only the kind of thing that can turn mere objects of use into *commodities* and hence into a *social* rapport. But this is just what *value* is. The *form* in which the commodities *count* to one another as values – as coagulations of human labour – is consequently their *social form*.[53]

The necessity of abstract labour as the substance of value thus becomes finally unfolded. Abstract labour is the substance of value not because a logical argument says that it is the common property of commodities we were searching for in the name of sound principles of logic. Abstract labour becomes determined as the substance of value because *in reality* the latter is the objectified social form that mediates the organisation of that purely material expenditure of the human body into its different concrete forms across society. Given that the latter is what the value form mediates, what else could be represented in that objectified form? On the other hand, it is self-evident that abstract labour does not cease to be a generic material form because of this determination as the substance of value. Hence, as stated above, the determination of labour as abstract labour is not the reason behind its existence as value-producing labour. What is specific to capitalist society is that this purely material form negates itself as simply such so as to become affirmed as the producer of the (objectified) general social relation.[54] Once objectified, the generic *materiality* of the abstract character of labour plays a particular social role in the process of social metabolism by being represented as the *social objectivity of value*.

> The commodities' social form is their relationship to one another as *equal labour*; hence – since the equality of *toto coelo* [utterly] different labours can only consist in an *abstraction from their inequality* – their relationship to one another as *human labour* in general: expenditures of human labour power, which is what all human labours – whatever their content or mode of operation – actually *are*. In each social form of labour, the labours of

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[53] Marx 1976e, pp. 28–9.

[54] Kicillof and Starosta 2007a, 2007b and 2011; Iñigo Carrera 2008, pp. 340–1.

> different individuals are related to one another as human labours too, but in this case this *relating itself* counts as the *specifically social form* of the labours.[55]

To recapitulate, thus far I have discussed how the formal development of exchange value, and in particular the unfolding of the determinations of the second peculiarity of the equivalent-form, contains the account of the reason why *abstract labour* is the substance of value. What still remains to be answered is why this general material character of the expenditure of human labour power becomes *substance of value*. In other words, we have to see why human productive activity becomes determined in capitalist society as value-producing, the second step in the synthetic movement referred to above.

The answer to this question follows from the third peculiarity of the equivalent form. In effect, as the social incarnation of human labour in general, the concrete labour that produces the equivalent acquires in its immediacy the form of equality with respect to the other concrete useful labours. In this form of immediate identity with every other concrete labour, the labour that materialises in the general equivalent is *immediately social*, whilst the useful labours producing the rest of commodities remain *not-immediately social*. Thus the development of the expression of value in the form of exchange value puts us before the reason why the organisation of the division of labour must necessarily be mediated in this reified form or, what is the same, why commodity-producing labour is essentially value-producing. Although materially dependent upon one another as part of the 'primordial system of the division of labour', this irreducibly social character of *private labours* is not immediately manifested when they are actually objectified in the direct process of production. Hence, this necessary social articulation of private labours is realised through the mediation of the exchange of the products of private labour as commodities. Only at that moment is the question of whether the expenditure of the portion of social labour which each producer personifies is socially useful able to be answered. This is the reason why the social character of the privately performed individual productive activities is specifically represented as a determinate objective attribute of the products of labour: the form of their general exchangeability or their value form. The basis of this reified social mediation thus resides in the fact that the unity of social labour is manifested, as Marx puts it in the *Grundrisse*, only *post festum*, through the exchange of the products of labour.[56] Furthermore, the unity of social labour thus becomes socially represented in the form of the particular private product that the rest of commodities separate as their general equivalent and which eventually ossifies in the money form. In tracing the genesis of the latter through the ideal reproduction of the expression of value, the synthetic stage of the dialectical exposition thereby positively unfolds the determinations of that which the analytic process could only *point out*. Namely, that the value form of the product of labour is the materialised general social relation of human beings in the capitalist mode of production and, therefore, the *social subject* of the *form* taken by the social process of production of human life in this historical stage of its development.[57]

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[55] Marx 1976e, p. 32.

Only at this juncture does Marx introduce the fundamental discussion of the fetish character of commodities. The question that immediately arises, and which is hardly addressed in the literature, is why only and precisely then? I think that the answer to this question is inseparable from the issue about the determinate content of the section on commodity fetishism and its place in the overall structure of Marx's exposition in *Capital*. The aim of the next chapter, then, is to proceed to deal with these questions. Again, I will show that only through a proper grasp of the dialectical method can the full implications and significance of Marx's account of commodity fetishism be uncovered.

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[56] Marx 1993, p. 172.

[57] We shall see that in becoming capital, the materialised social relation of private and independent individuals is constituted as the social subject of the form *and content* of the process of production of human life.

CHAPTER 5

The Role and Place of Commodity Fetishism in Marx's Dialectical Exposition in *Capital*

Introduction

Ever since the publication of works such as Rubin's *Essays on Marx's Theory of Value*[1] or Lukács's *History and Class Consciousness*,[2] the emphasis on Marx's analysis of commodity fetishism has been a hallmark of critical traditions of Marxism. In effect, according to those traditions, commodity fetishism is the cornerstone upon which the understanding of Marx's mature works as a *critique* of political economy (as opposed to political economy or economics) depends.[3] While there is no doubt that the fetishism of commodities plays a fundamental part in Marx's critique of political economy, the question is, once we accept that premise, what are the precise meanings and implications of such a notion for the scientific comprehension of capitalist society as a whole, and, more concretely, for the proletarian political action through which the movement of capital realises its own annihilation? Here, the mere reference to the centrality of the historicity of bourgeois social forms and their fetishistic character does not suffice to grasp the critical and revolutionary nature of the critique of political economy. As I have been arguing throughout this book, the specific form of the dialectical method is fundamental in this respect. And *pace* Rubin,[4] however central to the comprehension of Marx's critique of political economy, the fetishism of commodities is *not* the basis of the determinations of the value form. On the contrary, I would like to argue that the former is a necessary development of the latter.[5] This is far from being a minor point and is actually crucial for a proper comprehension of the nature of commodity fetishism and, therefore, for the ideal reproduction of the determinations of the most general concrete forms of objectivity and subjectivity of capitalist society.

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[1] Rubin 1972.

[2] Lukács 1971.

[3] Clarke 1991a; Holloway 1992; Postone 1996; Backhaus 2005; Reichelt 2005.

[4] Rubin 1972, p. 5.

[5] See Iñigo Carrera (2008, pp. 347–51) for a critique of this inversion by Rubin. De Angelis (1996, p. 15) makes a similar critical point, although from a very different approach.

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The Immediate Object of Exposition of the Section on Commodity Fetishism and Its Systematic Place and Significance

In order to clarify the issue, let me go straight to the point and pose the fundamental question which underlies the proper comprehension of the systematic place and significance of the section on commodity fetishism in the structure of Marx's presentation, namely, from the point of view of the dialectical method, what is the immediate object of the exposition in that section? As Iñigo Carrera points out,[6] those pages fundamentally develop the determinations of the alienated consciousness of the commodity producer. Or, better stated, they unfold the determinations of the alienated consciousness as such, which, therefore, becomes *explicitly expounded* as an alienated consciousness. This is because, in reality, the whole of Chapter 1 (and, actually, the whole of *Capital*) has as its object the alienated consciousness of the commodity producer. However, the text starts out not with the alienated consciousness in and for itself, but with its most general *objectified* form of existence, namely, the commodity. Although the commodity *will prove to be* the alienated consciousness of the commodity producer, it is not yet known to be such at the beginning of the dialectical presentation. The commodity, not its producer, is thus the immediate subject of the determinations unfolded in the first three sections of Chapter 1.

Conversely, in the section on commodity fetishism, Marx turns his attention to the reasons why the products of private labour appear, to the producers themselves, as bearers of those reified powers whose autonomous self-movement he ideally reproduced through the expression of value contained in the exchange relation. Having discovered behind the power of exchangeability of commodities the historically specific form in which capitalist society resolves the social organisation of the organic unity of human life, the exposition needs to explain why the producers, the actual subjects whose material reproduction is at stake, must represent that process in their consciousness in such a mystical and fetishistic form. The transition is, then, from the *formal* subject of the value determinations, i.e. the commodity, to the *material* subject, i.e. the human individual.

In this respect, it could be said that the section on commodity fetishism opens a kind of new presentational (sub)node, which, in turn, will prove to be a necessary mediation for the determinations to be unfolded in Chapter 2 on the process of exchange. This is the case insofar as the section on commodity fetishism focuses on the determinations of the consciousness of the commodity producer analytically separated from the human action it regulates in the process of exchange. In other words, it expounds the determinations of consciousness mainly with regard to its *form*. Once Marx has established the historical formal determinations of human consciousness, in Chapter 2 he can then follow the mode in which the latter moves in the realisation of the general social relation, i.e. in its unity with action as conscious practice in the sphere of circulation (which is the phase of material reproduction in which human individuals *directly* confront, albeit as 'representatives of commodities', the manifestation of the general unity of social labour *indirectly* established behind their backs).[7]

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[6] Iñigo Carrera 2007, pp. 260–1.

As corresponds to the nodal structure of Marx's exposition, he starts the section on commodity fetishism with an immediate observation: 'A commodity appears at first sight an extremely obvious, trivial thing'.[8] However, very quickly he develops the analytic movement which brings us to the inner determinations of the commodity discovered in the previous section. In effect, Marx points out that although it immediately appears as a trivial thing, the commodity is in reality an entity full of metaphysical subtleties, a sensible/suprasensible being with the fantastic power of being transformed into another use value without even touching its materiality.[9] On the other hand, at this stage of the process of cognition, we already know where to find the source of such mysticism; it must derive from the commodity form itself, i.e. from its character as the reified mediator in the establishment of the unity of the social character of private labour. In the commodity, all the qualitative and quantitative determinations of social labour appear to the material subject of this activity as objective attributes of its product.

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[7] And even at that level, the alienated action that personifies the realisation of the necessity of the commodity to establish an exchange relation is still abstract and is part of what Marx calls, in the *Contribution to the Critique of Political Economy*, the 'theoretical phase of circulation' of commodities, 'preparatory to real circulation' (Marx 1987a, p. 303), which can only take place once 'as a result of establishing prices, commodities have acquired the form in which they are able to enter circulation' (Marx 1987a, p. 323). By this Marx means the ideal reproduction of the determinations of the circulation of commodities which constitute the premises of its actual movement. This 'theoretical circulation' comprises Chapters 1 and 2, and the first section of 3 (the functions of measure of value and standard of prices). Only then is the actual circulation of commodities reproduced in thought, revealing the subsequent functions of money not as its preconditions, but as its concrete forms.

[8] Marx 1976g, p. 163.

[9] Marx 1976g, p. 163.

> Whence, then, arises the enigmatic character of the product of labour, as soon as it assumes the form of a commodity? Clearly, it arises from this form itself. The equality of the kinds of human labour takes on a physical form in the equal objectivity of the products of labour as values; the measure of the expenditure of human labour power by its duration takes on the form of the magnitude of the value of the products of labour; and finally the relationships between the producers, within which the social characteristics of their labours are manifested, take on the form of a social relation between the products of labour.[10]

In the passage above, Marx is simply bringing together the results reached by the ideal reproduction of the form determinations of the commodity in the previous three sections of Chapter 1. However, the dialectical exposition has so far uncovered this essential content of the commodity form purely in terms of the search for the latter's immanent social determination as an exchangeable entity. As I shall argue in more detail below, the form determinations of the commodity must now be revisited from the perspective of the human being, which in section 3 has been implicitly discovered as the actual material subject of those determinations formally carried by the product of labour. In doing so, the dialectical presentation will shed new light on that very content itself. By way of a momentary analytic 'detour' from the synthetic movement of the presentation, which penetrates further into the inner determinations of the fetishistic appearance of the commodity as an autonomous subject with the social power to establish the exchange relation, the value form is revealed as the inverted representation, in the consciousness of the human being, of the social character of her/his own activity. In other words, the commodity proves to be the alienated mode of existence of the private producer's consciousness of the immanent unity of social labour of which her/his own activity is but an organic moment. It is the transposed form in which the producers consciously experience the indirect nature of their general social relation in this mode of production, projecting it as a social power external to their own individuality.

> The mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men's own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things. Hence it also reflects the social relation of the producers to the sum total of labour as

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[10] Marx 1976g, p. 164.

> a social relation between objects, a relation which exists apart from and outside the producers. Through this substitution, the products of labour become commodities, sensuous things which are at the same time suprasensible or social … [The value-relation] is nothing but the definite social relation between men themselves which assumes here, for them, the fantastic form of a relation between things.[11]

Now, before proceeding with this reconstruction of Marx's further unfolding of the determinations of the alienated consciousness of the commodity producer, it is worth probing deeper into some methodological aspects of the way in which his exposition approaches the determinations discussed just above. As we will see, the peculiar structure that he gives to the presentation disrupts the fluidity of the pure synthetic ideal reproduction of the commodity form. This has several consequences that could result in a misunderstanding of the systematic sequence of form determinations by inattentive (or rather, uncritical) readers. On the one hand, and more generally, it could give the impression that the section on commodity fetishism actually has no determinate *systematic* place and significance whatsoever, simply being a 'sociological' analysis which constitutes the basis of Marx's 'theoretical political economy',[12] or a 'philosophical' excursus which strays away from the exposition of the unfolding of the 'economic' determinations of the value form.[13] On the other hand, we will see that this presentation inevitably leads to repetitions of points already made earlier on in Chapter 1, which can generate the appearance of an inverted order of presentation of certain determinations.[14]

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[11] Marx 1976g, pp. 164–5.

[12] Rubin 1972.

[13] Balibar 2007.

[14] As far as I am aware, works coming from the 'New Dialectics' approach, which are those that emphasise the systematic dialectical structure of Marx's argument (and hence the necessity of the sequence of form determinations), tend not to discuss the precise role and place of commodity fetishism (although they obviously do highlight its fundamental importance in the critique of political economy). For an overview, see Kincaid 2008; see also Reuten and Williams 1989; Tony Smith 1990a and 1993; Arthur 2002b; Uchida 1988; and from the Uno School, see Albritton 1999 and Sekine 1997. Heinrich (2012), in his introduction to the three volumes of *Capital*, offers a very detailed and rigorous commentary of each paragraph of the section on commodity fetishism which, at least implicitly, implies the acknowledgement that there is a systematic guiding thread structuring the flow of Marx's argument. However, he does not connect the latter with the form of motion of the dialectical presentation. Furthermore, oddly enough, without offering any explicit reason, Heinrich introduces the commentary on the section on commodity fetishism after his dis-

The first point to note in this regard is that one of the particular features of Marx's presentation in the section on commodity fetishism is that, unlike the analytic passage from the form of value to its substance between sections 1 and 2,[15] or the synthetic return to the unity of that substance with its form of existence in section 3,[16] he does not *explicitly inform* the reader about the content of the presentational movement that he is undertaking (e.g. the passage from value and its monetary mode of existence to the consciousness of the commodity producer), or about the formal necessity of that step in the dialectical sequence of form determinations. However, this does not mean that there is no immanent necessity structuring the flow of the argument, as implied by Reichelt's claim that Marx tended to 'conceal' the dialectical method in the published versions of the critique of political economy (and especially in the second edition of *Capital*) in order to popularise the exposition.[17] As Iñigo Carrera points out,[18] what Marx removed from the exposition, in contrast to that of earlier manuscripts like the *Grundrisse*, are the explicit reflections on the direction that his ideal reproduction of the immanent unity of content and form of a determination should take. In fact, Iñigo Carrera continues,[19] those remarks are, strictly speaking, external to the ideal reproduction of the inner determinations of the object of cognition, which is what the dialectical method is all about. In this sense, the exposi-

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cussion of Chapter 3 on the functions of money. This undermines his otherwise insightful attempt at showing the systematic connection between the first two chapters of Volume I. As argued in this chapter, the section on commodity fetishism is a necessary mediating link between the commodity and the action of commodity owners in the process of exchange. Still, the rigour of Heinrich's commentary markedly sets it apart from David Harvey's popularising reading in his recent *Companion to Marx's Capital* (see Harvey 2010). In this recent book, Harvey characterises the writing style of the section on commodity fetishism as 'literary … evocative and metaphoric, imaginative, playful and emotive, full of allusions and references to magic, mysteries and necromancies', which he contrasts with the 'dull accountancy style of the previous sections' (Harvey 2010, p. 38). Although probably a humorous remark in a book based on lectures to postgraduate students, that characterisation of the passage from the 'language of commodities' to the 'language of human beings' has the unintended consequence of trivialising (and thus obscuring) the systematic necessity of such a transition and, as a consequence, the significance of commodity fetishism in the dialectical development of form determinations.

[15] Marx 1976g, p. 128.

[16] Marx 1976g, p. 139.

[17] Reichelt 1995; 2005 and 2007.

[18] Iñigo Carrera 2013, p. 65.

[19] Iñigo Carrera 2013, pp. 65–6.

tion in the published versions of the critique of political economy could be said to be actually *improved* from the point of view of the dialectical method, since it focuses more 'purely' on the 'immanent life of the subject matter' without any alien additions. It is down to the critical reader to recognise and make explicit those formal-methodological aspects which are only implicit in Marx's presentation. By contrast, this could, of course, lead other 'inattentive' readers to think that the section on commodity fetishism has no systematic place in the dialectical presentation, however fundamental it may be in other respects.

The second issue concerns the point made above about the 'disruption' of the fluidity of the systematic ordering of form determinations, partly entailed by Marx's idiosyncratic exposition in the first chapter of *Capital*, but partly a reflection of the nature of the subject matter under consideration itself. In effect, one of the peculiar features of Marx's exposition of the determinations of the commodity form in sections 1 to 3 is that when analytically moving to the more detailed discussion of 'labour' as the human action that posits the value form (more specifically in section 2), he treats it, as it were, in a purely 'objective' fashion, simply as the source or substance of value, i.e. as the content of the attribute of general exchangeability of commodities. The consequence of this is that nothing is said at that stage about what labour generically is, namely, the specifically human form of the life process and, in that determination, the *conscious* action of the working subject. In Marx's exposition, the explicit positing of this generic determination of labour as conscious metabolic interaction with 'external' nature occurs only in Chapter 7 on the 'The Labour Process and the Valorisation Process'.[20] However, he develops the generic determination of consciousness as the form of organisation of human productive action rather one-sidedly, that is, only in relation to an abstractly presented individual character of labour without regard to its immanent social determinations.[21]

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[20] Here I would like to argue that there is an element of flexibility in the dialectical presentation. Although overall form determinations tend to follow a 'strict' systematic sequence, there are certain aspects of the object of cognition which, in principle, could be addressed at different points of the presentation. In those cases, it is down to the researcher to judge where a particular determination fits better. An example of this is Marx's postponement of the treatment of the transfer of the value of the means of production until Chapter 8. Although there is no strict systematic necessity not to address the different roles of past and new labour in the process of value formation at the level of the commodity form (since all the determinations presupposed by that qualitative difference have been unfolded at that stage), there are formal reasons that make it more sensible to leave it until later on in the dialectical presentation. Arguably, the distinction acquires full significance in relation to the determination of the diverse elements of the labour process as modes of existence of the production of *surplus value*. Dead labour now becomes a necessary form that capital must assume in order to absorb the only direct source of its valorisation

Be that as it may, the important point for the purpose of my argument here is that in the first three sections of Chapter 1, labour as subjective activity (hence consciousness) is entirely omitted from Marx's presentation. Although no more than an 'informed guess', a plausible explanation for this is that Marx wanted to stress the *real automatism* characterising commodity production as the general social relation. For this reason, he structured his exposition purely around the movement of the commodity, that is, around the simplest form of the labour *product* and the explanation of its power of exchangeability as its historically specific objective attribute (the value form). Thus, instead of directly starting with 'individuals producing in society' as he had earlier announced in the Introduction to the *Grundrisse*,[22] in *Capital* Marx took as his point of departure the *thing* that appears as the immediate carrier of that power to establish the unity of the general social relation when the human individual does not consciously organise the latter as his/her personal attribute.[23] What follows from that starting point is the ideal reproduction of the self-movement of those form determinations, and only as a *result* of this exposition, culminating with the money form as the thing-like mode of existence of the social character of labour in capitalism, does Marx make clear that at stake here is the form in which 'individuals produce in society'. But *in the course* of the dialectical unfolding of the commodity, its producer (and hence her/his consciousness) is virtually absent. The consequence of this is that when Marx does eventually address the consciousness of the commodity producer as the immediate object of his expos-

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(living labour), but in which its generic determination as a self-expanding magnitude is immediately negated. It becomes posited as *constant* capital in opposition to the only part that does attain self-valorisation, i.e. *variable* capital. From the perspective of the simple production of commodities, the explicit differentiation between the modalities in which the diverse functional elements of the labour process enter into the formation of value of the final product is less relevant. What fundamentally matters for the simple commodity producer is that her/his commodity's value is realised in full in order to be able to buy all the other use values she/he needs for the production of her/his life. The division of the total socially necessary labour into past and fresh new living labour expended is not of the essence.

[21] Fitzsimons 2012, pp. 43–4.

[22] Marx 1993, p. 83.

[23] Iñigo Carrera 2013, p. 68.

ition in section 4, the transition might appear as an abrupt (if not extrinsic) leap. However, my claim is that it immanently follows from the determinations discovered in section 3.

Now, regardless of Marx's 'extreme' presentational strategy of obliteration of all reference to human subjectivity in the first three sections of Chapter 1, the very 'inner life' of the subject matter precludes an earlier introduction of a fuller discussion of the form determinations of the consciousness of the commodity producer as immediate object of exposition.[24] In effect, insofar as the commodity *really is* the form taken by the general social relation in capitalist society, its content in the general social character of labour could hardly be posited until presenting its 'roundabout' manifestation through the expression of value in section 3, that is, in indissoluble unity with its necessary reified mode of social mediation. Seen from a different angle, when Marx's exposition eventually addresses (commodity-producing) labour as such in section 2, it is quite simply impossible to immanently discover the unity of the general social relation since, precisely by virtue of the private character of productive activity in this society, that general social character of production is not directly manifest as an attribute of labour in act. *A fortiori*, it is not possible at that stage to expound in and of itself the form in which commodity producers carry that social character of their individual productive activity as a form determination of their consciousness. Although the 'socially necessary' aspect of value-producing labour discovered through *analysis* already makes evident that the product must be useful for an individual other than its producer (it must be a 'social use value'), this social character is still not posited (and hence fully discovered) as entailing the *general unity* of the process of human metabolism as whole. True, Marx does discover in section 2 that the existence of the commodity he is analysing presupposes a *generalised* social division of labour (yet the latter is not the 'consequence of propensity to truck, barter and exchange', as Adam Smith argued in Chapter 2 of *The Wealth of Nations*). However, this analytical discovery is reached by *representational* means when facing the concrete character of labour;[25] more concretely, by the external observation that

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[24] This is valid, of course, if one wants firmly and strictly to remain true to the ideal reproduction of the object. However, the dialectical researcher could decide, for didactic and pedagogic reasons, to introduce remarks which are external to the real movement at stake, but which might help readers who will most likely be used to representational thought but unfamiliar with the form of motion of the dialectical method. In other words, there is a trade-off between rigour and 'reader friendliness' in a context where dialectical cognition is not yet the general form of scientific thought.

[25] Iñigo Carrera 2007, p. 229.

> the totality of heterogeneous use-values or physical commodities reflects a totality of similarly heterogeneous forms of useful labour, which differ in order; genus, species and variety: in short, a social division of labour.[26]

In other words, Marx simply points to the seemingly unconnected collection of different concrete labours which comprise social production. In turn, the specificity of the contemporary form of social mediation of the division of labour is discovered by an equally extrinsic comparison of commodity-producing society with pre-capitalist forms of organisation social life, showing that the division of labour is 'common' to both and hence a generic determination that does not explain the historicity of value production. At most, then, the initial analytical encounter with 'labour', resulting from the search for the substance of value, could present the determination of consciousness as the human form of organising the one-sidedly individual character of productive activity. This would then reveal that, in the organisation of her/his privately undertaken process of production, the consciousness and will of the commodity producer is not directly subordinated to any other consciousness and will that could tell him/her how to allocate her/his labour power in a determinate concrete form. In other words, the productive consciousness of the commodity producer would be grasped as being in full control over the *individual* character of labour. However, nothing could be said at that stage of the presentation about the way in which that productive consciousness mediates the organisation of the insertion of that singular productive action into the system of the social division of labour, i.e. about the social character of individual labour.[27]

In sum, an exposition that rigorously sticks to the ideal reproduction of the object can address the form determinations of the consciousness of the commodity producer only after facing the unity of the general social relation. The latter can be firstly discovered only as 'spoken in the language of commodities' (i.e. through the expression of the value content in the form of exchange value) and not directly as a personal determination of the human individual. However, once that point in the dialectical exposition of the commodity has been reached (now *known*, in its money form, as the immediate carrier of the unity of the general social relation of production), its own immanent development demands that the presentation veers toward the explicit scrutiny of the consciousness of the producer as its immediate subject matter.

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[26] Marx 1976g, p. 132.

[27] An earlier introduction of the subjectivity of the commodity producer along the lines suggested above can be found in Iñigo Carrera's alternative exposition of the commodity (see Iñigo Carrera 2007, pp. 33–4). The advantage of this presentational strategy is that it allows a smoother transition between the form of value and commodity fetishism, since by the beginning of section 4 consciousness is already there confronting its own social determinations in the autonomous shapes of the commodity and money forms. The downside is that it 'spoils' the strategy of making the presentation reflect more starkly the objective automatism of the organisation of the process of social metabolism through the commodity form.

Now, in this passage, the exposition will inevitably have to retrace some of its steps and reconsider 'commodity-producing labour'. However, in this new take on its determinations, labour can be immediately grasped in the unity of its individual and general social character *and* 'spoken in the language of human beings', that is, as their *conscious* socially determined individual life activity. It is this reconsideration of labour as human action which, as anticipated above, allows the exposition to throw new light on the *content* of the value form. For, as we have seen, the latter is thus revealed not simply as the thing-like representation of the social character of privately undertaken labour. Additionally, it can now be recognised as a form of objectivity which is unconsciously projected by human consciousness itself when regulating such a privately performed productive action. Value becomes known as the mode of existence of the alienated consciousness of the private producer, a 'socially valid', therefore objective, form of thought.[28]

Note, however, that from the point of view of the formal structure of presentation, this reconsideration of the content of value, even if necessary, entails an instance of diversion from the synthetic progress of dialectical development. It is the 'analytic detour' in Marx's presentation to which I referred above, and that takes the reader from value/money back to privately organised social labour (now explicitly posited as mediated by consciousness). Once this analytic deepening of the content of value is exhausted, the dialectical presentation must obviously resume the synthetic movement of reproduction from the prior point at which the analysis culminated, namely, the discovery of value as the alienated form in which the consciousness of the private producer organises her/his individual participation in the process of social metabolism in its unity. But this obviously implies an unavoidable element of repetition of the passage over the synthetic sequence from 'private labour' to 'value'. As I shall argue below, it is precisely those passages from Marx's discussion of commodity fetishism which constitute the textual source of the rather widespread but mistaken reading that considers that section as mainly providing the explanation of why private labour must take the value form of its product. In order to clarify this point, let us return to the more detailed reconstruction of Marx's systematic argument in the fourth section of Chapter 1.

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[28] Marx 1976g, p. 169. On the connection between commodity form and consciousness, see the detailed discussion in Fitzsimons (2012). Reichelt (2007) also provides insightful reflections on value objectivity as 'unconsciously posited by an act of consciousness'.

The Determinations of the Alienated Form Taken by the Productive Consciousness of the Private Individual

My methodologically minded reading of the section on commodity fetishism has so far reached the point at which Marx's exposition analytically discovers the alienated consciousness of the (private) producer behind the commodity form of the product of labour. The limits of this analytic discovery of the alienated consciousness for the further progress of the dialectical investigation are formally analogous to those experienced by the search for the content of the exchangeability of the commodity in sections 1 and 2 of Chapter 1 of *Capital*. As a reflection of the general role of the phase of analysis in the dialectical method discussed in the previous chapters, it can only account for the 'what' of the phenomenon under scrutiny, but is incapable of offering an explanation of its determinate 'why'. Specifically, the analysis of the commodity form from the perspective of the human being as the material subject of social labour can shed light on what the fetish-like character of the product is: the inverted representation of the social determinations of individual labour in the form of value. But this raises the question as to why the consciousness of the human being must experience her/his own immanent determinations in such an alienated form. As follows from Marx's materialist standpoint, this fetishised form of consciousness can have no other basis than the historical form taken by social being in capitalism, that is, the 'specific social character of the labour which produces' commodities, namely, private labour: 'Objects of utility become commodities only because they are the products of the labour of private individuals who work independently of each other'.[29]

The explanation of the necessity of the alienated consciousness of the commodity producer must therefore lie in the ideal reproduction of the form in which the social character of private labour asserts itself through the exchange of commodities. Having reached that point, Marx's exposition thus resumes, in the rest of the sixth paragraph of section 4, the synthetic unfolding of the movement of the unity of the general social relation mediated by the commodity form. However, unlike the earlier account in section 3 on the 'Value form, or exchange value', the dialectical development can now explicitly posit the indirect form in which social labour attains unity from the perspective of the conscious practical activity of private individuals.

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[29] Marx 1976g, p. 165.

> The sum total of the labour of these private individuals forms the aggregate labour of society. Since the producers do not come into social contact until they exchange the products of their labour, the specific social characteristics of their private labours appear only within this exchange. In other words, the labour of the private individual manifests itself as an element of the total labour of society only through the relations which the act of exchange establishes between the products, and, through their mediation, between the producers. To the producers, therefore, the social relations between their private labours appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material [*dinglich*] relations between persons and social relations between things.[30]

Marx's presentation thus finally unfolds the necessity of the alienated consciousness of the commodity producer. As a private and independent human being, the producer is incapable of recognising that her/his productive action possesses social determinations that transcend the immediacy of its singularity. Consequently, when organising the expenditure of the labour power that she/he embodies, the consciousness of the human individual must project or transpose – hence confront – those individually borne social powers as external to her/his individuality and existing as the objective attribute of the product, which allows it to enter the exchange relation and manifest indirectly the human subject's immanent determination as an individual organ of social labour: the form of exchangeability or the value form. In sum, the latter is the fetishised form in which the consciousness of the private producer resolves the organisation of her/his participation in the general process of social metabolism.

With this Marx expounds the determination of consciousness with regards to its most *general form* in capitalism. From this simplest determination of the consciousness of the commodity producer, he then proceeds to unfold its more concrete form of realisation in its generic condition as the human form of organising transformative action upon nature. In the first place, through the productive action that it privately regulates in the direct process of production. Thus, the producer not only faces her/his own social powers as external to her/his subjectivity and carried by the product of her/his labour in the process of exchange through which social labour attains unity. As exchange extends its role in social reproduction, the plenitude of which is reached in capitalist society where it becomes the general social relation, this inverted consciousness starts to regulate the direct production process itself. Under those circumstances, already at that moment must the commodity producer put her/his consciousness at the service of social powers which she/he sees as alien to her/his subjectivity, that is, as belonging to the commodity.[31] When resolving the concrete form in which she/he will privately expend the aliquot part of the total labour power of society that she/he embodies, the social character of her/his labour already appears to the consciousness of the producer as an attribute of the product in a twofold sense.[32] Firstly, she/he must produce a use value which must satisfy the needs of other individuals with whom she/he does not have any immediate or direct social nexus. Secondly, that socially useful character of the product must be formally mediated by its determination as the bearer of the property to be transformed into any other use value, that is, the attribute of general exchangeability or the value form. Thus, at the very moment in which she/he actually exerts her/his productive subjectivity in the direct process of production, and in order to organise her/his affirmation as an individual organ of the social division of labour, the private individual must produce not only socially useful things, but also exchangeable products; she/he must posit value. In brief, the private individual must already alienate her/his productive consciousness in the commodity when acting in the immediate production process.[33]

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[30] Marx 1976g, pp. 165–6.

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[31] Iñigo Carrera 2007, pp. 58–9.

[32] Marx 1976g, p. 166.

[33] In this sense, value-positing is for Marx an immanent result of the direct production process and not, as Rubin and contemporary 'circulationist' value-form theorists argue, a determination of the sphere of circulation which 'leaves its imprint' on a labour process that posits value only 'mentally' or 'latently' (Rubin 1972; Reuten and Williams 1989; Heinrich 2011 and 2012). For a more detailed critique of Rubin's circulationist value-form theory and its political implications, see Kicillof and Starosta 2007a. Bonefeld (2010b), drawing on Bellofiore (2009a) and Arthur (2001b), attempts to avoid the pitfalls of Rubin's circulationist views by giving an objective character (as opposed to merely mental or

At this juncture, after having uncovered value as the reified mode of existence of the determinations of consciousness, Marx hastens to clarify that this by no means implies that the human individual is actually aware of this fact. Thus, he argues, it is not the case that commodity producers consciously recognise the determination of their private labours as individual fragments of human social labour and thereby exchange their products as equivalent materialisations of abstract labour, i.e. give them the form of value. It is the other way round. They *unconsciously* give the products of labour the form of value and, through this reified social mediation, they equalise behind their own backs their private labours as individual organs of the total labour of society on the basis of their material identity as pure expenditures of human labour power.[34] The constitution of the social objectivity of the value form, although being the spontaneous product of their own brain (hence of their consciousness), appears to the commodity producers as a *fait accompli* springing by nature from the materiality of the product of labour. In sum, the consciousness of the commodity producer, in its most general and simple form, is not only an inverted consciousness, but also an apparent one. As the bearer of that form of consciousness, the human individual is unable to recognise the necessity – i.e. the determinations – of her/his conscious action beyond the appearance of being an abstractly independent action. As the necessary 'spontaneous and natural' form in which the producer privately organises the insertion of her/his practical action into the social metabolic process as a whole, this immediate practical consciousness persists even after political economy scientifically discovers the labour content of the value form.[35]

In this sense, the corollary of Marx's discussion of commodity fetishism is that consciousness is actually torn asunder when social being takes the form of private labour. It simultaneously exists both as a form of the subject of social labour and as an objective form of its product.[36] Before continuing with the textual commentary on commodity fetishism, let us probe deeper into this fundamental point.

In its generic condition as the specifically human capacity to organise the life process, consciousness always entails a twofold determination as much as the

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ideal) to the projection of the ghost-like objectivity of value back into production from its original constitution in exchange. For a critique of Bonefeld's position, see Kicillof and Starosta 2011.

[34] Marx 1976g, pp. 166–7.

[35] Marx 1976g, p. 167.

[36] Fitzsimons 2012, p. 37.

labouring activity that it regulates.[37] On the one hand, it is the form in which the human being rules the immediacy of the individual productive expenditure of her/his corporeal powers in order to appropriate and transform external nature into a means for human life. In this determination, consciousness is the human capacity to organise the unfolding of the individual character of labour. On the other hand, those individually borne productive powers can only be constituted socially, that is, they can only develop as a result of the productive action of other individuals (who, for instance, have participated in the production of the use values whose consumption resulted in the productive attributes borne by the former individual's labour power). Moreover, the individual labourer produces use values not solely for her/his own consumption, but for others, that is, *social* use values. Although an individual human action, labour therefore always has an intrinsically social character as well. This twofold character is borne by consciousness as its necessary form of organisation. Consciousness thereby does not simply undertake the regulation of the individual appropriation of the potentialities of external nature in order to transform it, but must also mediate the establishment of individual labour's immanent unity with the socially general metabolic process of which it is an organic part. As an attribute borne by the individuality of each human being, consciousness is thus the capacity to establish the unity of social labour through the individual productive action of each of its subjects, i.e. to regulate the social character of individual labour.

It is this twofold immanent potentiality of consciousness which is torn apart in commodity-producing society. Insofar as the private form of labour negates the capacity of human subjectivity to recognise and control the social character of its activity, that material potentiality of consciousness becomes formally alienated in the commodity. In this social determination, consciousness thereby exists in the mode of the objectivity of value. But the other side of this inversion is that, as subjective capacity, the consciousness of the commodity producer becomes determined as an abstractly individual human attribute. Only in this one-sided form does consciousness immediately exist *as consciousness*.

Based on these premises, let us now return to Marx's argument in the section on commodity fetishism. After having established the *genesis* or *social constitution* of the doubling of the consciousness of the commodity producer, Marx systematically proceeds to unfold the concrete form in which this abstractly individual practical subjectivity apprehends the alienated mode of existence of its social determinations as an *already constituted objective form*. More specifically, the immediate practical consciousness of the commodity producer ideally represents the movement of her/his alienated social being in the form of an estimate of the proportions in which her/his commodities will exchange for the other commodities she/he needs. Thus, Marx comments:

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[37] Fitzsimons 2012, pp. 44–6; Iñigo Carrera 2007, pp. 43–9.

> What initially concerns producers in practice when they make an exchange is how much of some other product they get for their own; in what proportions can the products be exchanged?[38]

Now, insofar as consciousness is but the organisation of human action, the next systematic step after presenting the *form* in which the private producer represents 'in her/his head' the value determinations in a constituted form, must consist in expounding the way in which this practical subjectivity productively *acts* on this basis in order to take part in the system of all-round material interdependence characterising generalised commodity production. When faced with the movement of the unity of their social life process in a form that escapes their own individual potentialities, human beings are condemned to act, in Reichelt's eloquent formulation, as

> executors of constraints generated and reproduced by themselves, which are implemented in and through their conscious actions without, however, being consciously accessible to them.[39]

At stake here, then, is the *autonomisation* of the general social relation from the conscious control of individuals and the consequent real appearance or 'objective illusion' of *automatism* characterising capitalistic production.

As Marx argues, this determination of the practical action of private individuals becomes firmly established only when the movement of the quantitative articulation of the social division of labour becomes regulated by the magnitude of value.[40] This is because the degree in which the products of labour are exchangeable starts to vary independently of the producer's individual consciousness and will. Hence, in order to satisfy her/his qualitatively and quantitatively determined needs – thereby reproducing her/his natural life – the producer cannot but determine her/his consciousness and will as the servants of the capricious changes of the magnitude of value of the commodity she/he produces, which varies 'continually, independently of the will, foreknowledge and actions of the exchangers'.[41] In other words, she/he not only faces her/his own social determinations as alien powers borne by the product of labour, but the latter comes to control the producer herself/himself. As Iñigo Carrera succinctly puts it,[42] the commodity producer can reproduce herself/himself as a *person* only by acting as the most abject *personification* of the commodity.[43]

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[38] Marx 1976g, p. 167.

[39] Reichelt 2007, p. 5.

[40] Marx 1976g, p. 167.

With this characterisation of the practical subjectivity of human beings as personifications of the movement of the value form, Marx's exposition completes the ideal reproduction of the simplest social determinations of the alienated consciousness of the private individual and its concrete forms in the sphere of production. From the point of view of the formal structure of the dialectical presentation, the important point to bring out is the precise sequence of form determinations that guides the flow of Marx's argument, which I will now formally sketch out.

As I have shown in the previous section, Marx's exposition firstly moves analytically in order to discover the alienated consciousness of the commodity producer behind the value form and private labour as the foundation of the former. From that point onwards, he undertakes again the synthetic return journey from private labour to value, albeit now as mediated by consciousness, thereby accounting for the 'why' of the latter's alienated mode of existence in the commodity. In this phase of his argument, the unfolding of novel form determinations concerning the inner connection between consciousness and value inevitably overlaps with repetitions of points made earlier about the inner connection between private labour and value. After moving from human subjectivity to its transposed form of existence in the objectivity of value, Marx turns his attention back to the material subject of social labour in order to uncover the form of this consciousness which, in its immediacy, appears as abstracted from its social determinations. It is here that, strictly speaking, the presentation of entirely new content actually starts to unfold. The exposition thus reveals the sundering of the immanent twofold determination of human productive consciousness (individual and social) into an abstractly individual attribute of the material subject of social labour and the objectified mode of existence of its social determinations in the commodity, the latter being posited by the spontaneous or unconscious act of consciousness itself. What follows is the development of the concrete form in which the private producers ideally reflect on those social determinations, grasping them in their immediacy as already existing forms of human life. On the basis of these immediate appearances, they organise their alienated practical action in order to reproduce the materiality of their lives, thereby becoming determined as personifications of the autonomised self-movement of those objectified forms of social mediation. Note in this regard that this means that the relation between consciousness and value suffers, as it were, a reversal. If, at the beginning, value appeared as the self-negating mode of existence of consciousness, the exposition later reveals that human subjectivity and its conscious practical action actually develop into a concrete form of the self-movement of the value form. One could argue that in this way Marx eventually justifies his presentational strategy of total obliteration of subjectivity when structuring the argument in the first three sections of Chapter 1 in apparently 'objectivistic' terms around the explanation of the exchangeability of the commodity as such: the establishment of the unity of capitalist social production proves to be predicated on a real automatism and not on the conscious knowing and willing of the material subject of social labour.

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[41] Ibid.

[42] Iñigo Carrera 2008, pp. 11–12.

[43] The rest of the section in Chapter 1 of *Capital* deals with the *ideological* scientific form of the alienated consciousness of the modern individual (political economy) and with general comments on other social forms and their respective forms of social consciousness. The latter are external observations in the dialectical presentation which evidently play a didactic or pedagogical role by helping to emphasise the specificity of capitalist social forms.

With all this in mind, we can now take stock of the precise systematic place and significance of the section on commodity fetishism in Marx's order of presentation. Inasmuch as it has the consciousness of the commodity producer as its immediate object of exposition, it can only appear *after* the analytic and synthetic development of the determinations of the value form. The reason for this is that the determinations unfolded in the former are nothing more than the forms in which the latter concretely develop. To put it plainly, *the individual consciousness of the commodity producer is a concrete form in which the commodity, as the formal subject of the process of human metabolism, realises its own determinations*.

The full significance of this order of determination can be better appreciated in Chapter 2, in which, as anticipated above, Marx presents that alienated consciousness in motion, effectively acting as personification of her/his commodity in the sphere of exchange, that is, in the phase of the social reproduction process in which the unity of the social character of labour becomes manifest through a direct relation between human beings (i.e. the voluntary contract). In other words, when he presents the process of exchange as the concrete realisation of the social relation materialised in the commodity. After analytically penetrating the immediate appearance that it is the human individual who consciously and voluntarily controls the product of labour, Marx sets out to unfold the realisation of the essential determination with which the previous section finished, namely, in capitalist society,

> the characters who appear on the economic stage are merely personifications of economic relations: it is as the bearers of these economic relations that they come into contact with each other.[44]

What follows, then, is the alienated action of individuals determined as personifications who, through their unconsciously organised social action, cannot help manifesting by way of their 'natural instinct' the 'natural laws of the commodity' discovered in Chapter 1.[45] In effect, out of the development of the exchange process necessarily crystallises the money form of the commodity. The value form of the product of labour affirms itself as an abstract form through its self-negation, that is, by realising its own necessity in the form of the atomistic action of commodity owners, which act as vehicles for the realisation of the 'will' of their commodities.[46] Hence the importance of not only grasping the unity between the section on commodity fetishism and the rest of Chapter 1, but also accounting for the crucial presentational unity between the latter as a whole and Chapter 2.

As the ideal reproduction of these real relations among forms of different levels of abstraction, the dialectical presentation cannot posit the fetishism of commodities – i.e. the inverted self-consciousness of the commodity producer and its determination as personification of the value form – prior to the unfolding of the social relations whose unity is ideally mediated in that historical form of consciousness. If it did so, it would, like it or not, fall prey to the idealist inversion of positing consciousness as taking concrete form in social being. And since the times of *The German Ideology*, Marx and Engels had made clear that such a way of conceiving of the relation between social being and forms of consciousness entailed turning the real relations upside down. Maybe aware of the risk that his own exposition might be read in that inverted fashion, Marx in the first edition of *Capital* explicitly stated the order of the relation:

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[44] Marx 1976g, p. 179.

[45] Marx 1976g, p. 180.

[46] Arthur correctly points this out (see Arthur 2004a, pp. 37–8). Heinrich also brings out this issue in distinguishing between Marx's exposition of the 'economic determinate form' and the 'activity of commodity owners' (see Heinrich 2012, pp. 72–9).

> First their relationship exists in a practical mode. Second, however, their relationship exists as relationship for them. The way in which it exists for them or is reflected in their brain arises from the very nature of the relationship.[47]

In order to highlight the importance of this, let us briefly discuss Rubin's claim that the account of commodity fetishism constitutes the 'propaedeutic' to, and basis of, the determinations of the value form.[48] In a nutshell, Rubin considers that the content of the section on fetishism is what, as I have argued above, in reality corresponds to section 3 on the form of value or exchange value, i.e. the synthetic exposition of the reason why the product of labour must take on the value form. And this confusion should come as no surprise, since, as I have already pointed out, Marx's exposition itself contains elements for an inattentive reader to be led to these mistaken conclusions. In effect, we have seen that Marx interjects as part of the development of the alienated consciousness as such *repetitions* of arguments he had already developed when he was effectively presenting the determinations of the commodity as the general social relation (the objectified social being, so to speak). That many of those passages just reinstate points already made earlier is evidenced by the way in which Marx introduces them:

> *As the foregoing analysis has already demonstrated*, this fetishism of the world of commodities arises from the peculiar social character of the labour which produces them.[49]

Now, regardless of the ambiguities in Marx's presentation, it is not there that the basis for Rubin's confusion is to be found. The problem resides, in reality, in Rubin's inadequate comprehension of the dialectical structure of the exposition in Chapter 1 of *Capital*. As we have seen, the place where Marx unfolds the synthetic movement from (private) labour to value is not in the fourth section which, in broad systematic outline, corresponds to the synthetic movement leading from value to consciousness, albeit necessarily retracing some steps in order to discuss the social determinations of the productive consciousness of the commodity producer, but in section three on 'The form of value or exchange value' (in which, as I have argued, the sequence from private labour to value is unfolded in the 'language of commodities', that is, in unity with that which leads from value to exchange value/money). And yet in Rubin's scheme of things, this latter section plays no fundamental part. Why? Because, for him, section 3 of the first chapter contains a *purely formal* development that simply illustrates the different forms of exchange value as modes of expression of value. In Rubin's view, there is nothing about the qualitative content that is affirming itself through self-negation in the mode of that formal development.[50] So much so that in the 275 pages of his book on the theory of value, the formal development of exchange value only deserves some comments in passing[51] and a couple of footnotes.[52] In these places, moreover, Rubin only mentions the development of exchange value to state that he will not occupy himself with the form of value, only with value as form.[53] No wonder, then, that when he later in the book finds those repetitions of the synthetic movement from private labour to value in the section on commodity fetishism, he is led to think that that development appears for the first time there and, therefore, constitutes its fundamental content.[54]

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[47] Marx 1976e, p. 36.

[48] Rubin 1972, pp. 6, 61.

[49] Marx 1976g, p. 165, my emphasis. Heinrich also notes that with that introductory line Marx refers to the content of the previous sections (Heinrich 2011, p. 176).

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[50] This is how Rubin comments on the content of section 3 of Chapter 1: 'Marx himself mentions "the form of value" in various passages incidentally. The third section of Chapter 1 of *Capital* has the title "The Form of Value or Exchange Value". But Marx does not remain on the explanation of the form of value, and quickly passes to its various modifications, to the individual "forms of value": accidental, expanded, general and monetary' (Rubin 1972, p. 114). Thus, the precise place where Marx unfolds in great detail the explanation of the reason to be of value is taken by Rubin as containing no more than a merely 'incidental' brief passage on value as social form.

[51] See, for example, Rubin 1972, pp. 122–3.

[52] Rubin 1972, pp. 68, 112.

[53] If section three only contains a non-fundamental formal development, one wonders, then, why did Marx introduce in the first edition an appendix on the form of value? Besides, had Rubin paid attention to that appendix, he would have noticed that insofar as the section on commodity fetishism is a concrete form of the development of the form of value, Marx introduced the former discussion as the fourth peculiarity of the equivalent form (Marx 1976e, p. 59). The point about the place of commodity fetishism in the appendix to the first edition has also been noted in passing by Arthur (2009).

[54] And where exactly does Rubin find a 'detailed elaboration' of the value form? For instance, in a footnote, specifically, number 34 in the Penguin edition of *Capital* (Rubin 1972, p. 114). Now, by definition, a footnote can hardly contain the elaboration of the essential content of a form determination. Furthermore, in that particular footnote, Marx is unambiguously commenting on the ideological and apologetic character of the science of political economy (for falling prey to the fetish-like character of the commodity), and is not, by any stretch of the imagination, 'elaborating in greater detail' on the determinations of the value form.

What are the implications of this misreading, so influential among contemporary followers of Marx? In a nutshell, a conception of Marx's critique of political economy, and in particular of the section on commodity fetishism, one-sidedly determined as an exposition of the social constitution of the forms of objectivity of capitalist society. The transposed relation between human practical activity and its objectified forms of social mediation is exhausted in the constitution of those forms of objectivity as a hostile alienated social power standing above and constraining human individuality. But this inversion is not followed through to its necessary unfolding in the determination of the latter as personification of the value form. This has the consequence of rendering the most general determination of human individuality in capitalism under-theorised, thus opening up the possibility of postulating an instance of exteriority between human consciousness and will (i.e. subjectivity) and the value form; the former is thus seen as not fully determined as a mode of existence of the latter. As we shall see later on, this exteriority eventually hinders the full comprehension of what a consequent dialectical development of these abstract determinations necessarily leads to, namely, the discovery of the determination of (social) capital as the concrete alienated subject of the historical movement of present-day society. To put it differently, I will show that those readings fail to follow the transition from the fetishism of commodities to the fetishism of capital, that is, from its abstract determination as a formal inversion between subject and product of social labour up to its full transformation into a complete real inversion. I shall leave this aside for the moment, since it will be the topic of later chapters. In the next chapter, I return to the discussion of commodity fetishism in order to probe deeper into the concrete forms taken by the alienated subjectivity of the commodity producer.

CHAPTER 6

The Commodity Form, Subjectivity and the Practical Nature of Defetishising Critique

Introduction

As we have seen above, the historical specificity of the commodity form of social relations resides in the constitution of private and independent production as the mode of existence of social labour. This, I have argued, constitutes the ground of the historical determination of productive labour as value-producing. The commodity producer is condemned to see the social determinations of her/his activity as an objective attribute of the product of labour. Thus far, then, the determinations of the alienated consciousness of the commodity producer have been reconstructed on the basis of Marx's explicit account of commodity fetishism. The question that needs to be addressed now is the following: how must this private producer, who has projected her/his social powers as the value form of the product of labour, see herself/himself in order to effectively act as the personification of her/his commodity? In other words, if the commodity form is the *objective* form of existence of the alienated consciousness, what is its corresponding *subjective* form?

The answer to this question is another fundamental aspect of the determinations of alienated consciousness, which arises already at the level of the commodity form, and which, I think, even the most sophisticated readings tend to overlook.[1] Admittedly, this is not *explicitly* posed by Marx in the section

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[1] The *programmatic* statement about the commodity form as the basis for the forms of objectivity *and subjectivity* of capitalist society can be traced back to Lukács in *History and Class Consciousness* (1971). However, the specifics of his argument, overly leaning on a romantic abstract opposition between activity and passivity, and a Weberian conception of reification as an 'iron cage', undermined his otherwise valid research programme (Starosta 2001). More recently, the research programme has been taken up by Postone (1996, pp. 36–9, 216–25, 273–7, 314–25) in a way that avoids many of Lukács's shortcomings by more consistently attempting to ground forms of subjectivity immanently and historically in the alienated movement of present-day 'structures of social mediation' (both capital-reproducing and capital-transcending forms of consciousness). See also Postone 2003. However, I think that Postone's own approach does not fully fulfil its programmatic premises (Starosta 2004). Thus, despite some references in passing to bourgeois forms of individuality (Postone 1996, pp. 32–

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on commodity fetishism. However, it appears more clearly in the *Grundrisse* and, as far as *Capital* itself is concerned, it is scattered in different parts of Volume I.

3, 273–7), Postone fails to grasp the apparently self-determining freedom of the commodity producer as the most general subjective form taken by the realisation of her/his alienated productive subjectivity. As a consequence, he is unable to specify the concrete form taken by the consciousness that constitutes the determinate negation of freedom as the form of alienation. In fact, although he claims to ground revolutionary consciousness socially and historically, capital's intrinsic developmental dynamic as unfolded in his book only posits immanently the *possibility* for emancipatory subjectivity to emerge, by creating an internal tension between the actuality of capitalist industrial production, which is impoverishing for the many, and the historical potentialities it contains for the mode of social labour to become 'enriching' to everyone (Postone 1996, pp. 28, 34–5). But the *realisation* of that possibility is not seen by Postone as an immanent necessity engendered by the very movement of that alienated form of social mediation. Although not explicitly stated by Postone, it follows from his approach that revolutionary subjectivity must be eventually posited as abstractly free and self-determining, externally 'reacting' or 'responding' to the 'objective' contradictions of capital in the form of self-activating 'needs, demands and conceptions that point beyond capitalism' (Postone 1996, p. 37). In the end, he offers an admittedly more sophisticated version of the Classical Marxist abstract opposition between objective and subjective conditions for the abolition of capital, the former providing the external context which 'facilitates' or 'triggers' the self-development of the latter. It is more sophisticated insofar as the essential contradiction of capitalism is not represented simply as one between socialised production and private appropriation, but, following Marx's discussion of the fragment on machines in the *Grundrisse*, as a contradiction between materiality and social form intrinsic to the capitalistic form of the labour process itself (large-scale industry in particular). However, the *objectivistic* way in which he conceives of that essential contradiction – the tendential disappearance of direct labour rendering anachronistic its determination as source of value (Postone 1996, pp. 24–5) – does not allow him to see the way in which its historical development can only find 'room to move' in the form of its self-overcoming, which in turn must necessarily take the form of the revolutionary political subjectivity of the working class. Thus, Postone not only fails to see how the immanent contradictions of the capital form (the content) can only exist and develop in and through the political action of workers as a class; in addition, partly as result of a flawed reading of the qualitative determinations of the productive subjectivity of large-scale industry, he also denies the working class the determination of material bearer of the necessity to abolish capital. Instead, he postulates a socially undetermined 'people' as the subject of the 'reappropriation of socially general capacities that are not ultimately grounded in the working class and had been constituted historically in alienated form as capital' (Postone 1996, p. 357). As I shall argue later on, the key to avoiding these shortcomings consists in discovering that the essential contradiction of capitalism is immanently carried by the transformations of the qualitative determinations of the productive subjectivity of the working class. I come back to these questions in the last two chapters of the book.

Be that as it may, even if it is not *systematically* integrated by Marx into the dialectical exposition, one of key insights to be found in Iñigo Carrera's work is to have shown that it is implicit in *Capital* from the very first chapter. Indeed, I think that here lies one of Iñigo Carrera's most important contributions to the contemporary reconstruction of the Marxian critique of political economy: as he forcefully argues at great length, in capitalism free consciousness is neither the abstract opposite to nor the content of alienated consciousness, but the concrete form in which the latter affirms through its own negation.[2] In other words, the other side of the coin by which the human individual sees her/his social powers as the objective attribute of the product of social labour is her/his self-conception as the bearer of an abstractly free subjectivity. This insight will prove to have fundamental implications for the comprehension of that which, as I have been arguing, is the central aim of the scientific development of the critique of political economy, namely, the self-consciousness of the determinations of its own revolutionary subjectivity by the working class. Let us therefore subject this issue to closer scrutiny.

Free Subjectivity as Alienated Subjectivity

The development of the commodity as the general social relation presupposes the dissolution of all relations of personal dependence. The consciousness and will of the commodity producer is therefore not subordinated to any other consciousness and will in the organisation of her/his material life. In other words, seen in its immediacy (and that is the standpoint of all ideological representations of capitalist society), the consciousness of the commodity producer is *free* from subordination to the direct authority of any other individual or any other direct social relation (such as customary community or kinship relations). What is the actual meaning of this freedom when seen from the only materialist point of view, that is, from the point of view of the organisation and development of human productive subjectivity? Inasmuch as she/he is not subject to any relation of personal dependence, the private individual has the *full conscious control* over the *individual* character of her/his productive activity. The 'tragedy' of this individual is that she/he is not the only one enjoying this apparently absolute freedom. In the same vein as every other consciousness and will is completely excluded from her/his own productive decisions, she/he is absolutely incapable of having any say in the organisation of any other process of individual metabolism, the organic totality of which comprises the metabolism of society. This means not only that the commodity producer has no personal capacity to establish the concrete form in which other members of society will exert the labour power that each of them embodies. It also involves the incapacity to organise their consumption, which means that she/he has no control over the determination of the products of her/his labour as *social* use values.[3] Hence the cost at which the plenitude of this control over the individual character of labour comes, namely, the absolute lack of control over its *social* character and the consequent constitution of the value form as the reified mediator in the process of production of human life. And hence the need to put this free consciousness and will to produce an alien social power – i.e. value – in the best possible manner, as the only way to reproduce the producer's material life. The realisation of her/his freedom proves to be the concrete form taken by its inner determination as personification of the social powers of her/his commodity. In other words, her/his free consciousness is, in reality, a concrete mode of existence of an essentially alienated consciousness.[4]

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[2] Iñigo Carrera 2007, Chapter 3.

The crucial point at this juncture is to grasp the real relation between this freedom as autonomy or self-determination and alienation beyond any externality – or inversion – between them. Thus the inverted appearance could arise that the relation between form and content of the consciousness of the private individual is such that alienation is the mode of existence of an ahistorically conceived freedom of the human subject. But my point is that the real relation consists of alienated consciousness affirming through self-negation by realising its immanent social determination in the form of free consciousness.

Perhaps I can put this important point across more clearly by briefly comparing this perspective to the one put forward by Richard Gunn who, in probably one of the most sophisticated attempts to explicitly deal with this question within Marxism, clings precisely to that inverted appearance between freedom and alienation.[5] For Gunn, the whole 'trick' that is necessary to grasp the contradictory relation between freedom and alienation in capitalist society is 'to see unfreedom as a mode of existence of freedom'.[6] Thus he claims that, in reality, there is no such thing as unfreedom, but only 'unfree freedom', which 'amounts to freedom contradicted, or to freedom subsisting alienatedly, i.e. in the mode of being denied'.[7] We shall see the practical consequences of this kind of inversion below, but for the moment let us just focus on the *methodological* dimension of this discussion and note that despite his references to dialectics being the ideal expression of the real movement, Gunn reaches these conclusions through an exemplary exercise in dialectical *logic*. He starts with an axiomatic (ontologically or transcendentally grounded?) definition of the concept of freedom as self-determination and then subjects this concept to the general *logical* necessity of 'affirming through self-negation'.

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[3] Iñigo Carrera 2007, p. 51.

[4] In other words, from a materialist standpoint, complete freedom is neither the absence of all determination nor an abstractly individual self-determination ('doing as one pleases' in the face of '*external*' constraints). Instead, it is the self-conscious control by the human being over her/his twofold *immanent* determination (individual and social) as a working subject, that is, over her/his *individual* participation in the *intrinsically social* process of human metabolism.

[5] Gunn 1992.

In the argument presented here, by contrast, I started, paraphrasing Marx's remark in his notes on Adolph Wagner, with a 'concretum': not the universal 'concept of freedom', but the historically determined free consciousness of the commodity producer. And by concretely reproducing in thought the realisation of its *specific* material potentiality as capable of ruling the individual character of labour, but not its social character, I uncovered its actual determination as the form of the alienated consciousness, hence as personification of the value form. Only *after* concretely unfolding the movement of these social forms could one *recognise* the general form of motion as one of 'affirmation through self-negation'. But I did not justify this *specific* form determination by recourse to that *general* form of movement of the real. This, I think, illustrates the sometimes thin line separating the dialectical *method* from dialectical *logic*, already identified in Chapter 3.

Thus, it is not that this freedom as apparent 'self-determination', abstractly conceived of as a natural attribute of human beings, is negated in capitalist society by taking the form of an alienated consciousness, which is 'constrained' to produce value by the external compulsion emanating from the 'objective social context' in which the individual finds herself/himself. It is the other way round. In the material process of producing her/his life at this particular stage in the historical development of the material productive forces of society, individuals can only socially relate with each other through the production of value, i.e. as personifications of the commodity, which, in turn, produces in these individuals this free consciousness as its necessary concrete form. It is by seeing herself/himself – and therefore practically acting – as personally free that the individual reproduces the subordination to the commodity form. The affirmation of this freedom as abstract self-determination of the subject becomes determined as the concrete form of the movement of the alienation inherent in the commodity form of social relations, i.e. in private labour. The fetishistic appearances of the objective forms of the alienated consciousness are thus paralleled by the corresponding 'fetishism' of their subjective forms. We have seen the determination of the alienated consciousness of the commodity producer as an apparent consciousness that cannot recognise in value the social determinations of her/his individual productive activity, thereby seeing it as a natural attribute springing from the materiality of the product of labour. In the same vein, the commodity producer is incapable of recognising her/his free consciousness as the necessary concrete form taken by the affirmation of its alienated character, thereby seeing it as a natural attribute of human individuals springing from an anthropological determination of the species. In their unity, the value form of the product of labour and the apparently free consciousness of the producer, respectively, constitute the most general, objective and subjective forms of existence of the alienated consciousness in the capitalist mode of production.[8]

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[6] Gunn 1992, p. 29.

[7] Ibid.

As evidenced by my reconstruction of Marx's account of commodity fetishism in Chapter 1 of the first Volume of *Capital*, his presentation of the determinations of the alienated consciousness of the commodity producer does not explicitly address its concrete form of subjectivity as free consciousness at that stage. In general, the references to the latter appear in the context of more concrete determinations, i.e. at the level of the capital form. Furthermore, only in the chapter on simple reproduction, when the plenitude of alienation is presented through the constitution of social capital as the subject even of the process of individual consumption, does Marx make the explicit point about free consciousness as the necessary form of reproduction of its alienated content.[9] At the level of the commodity form, the closest reference to this determination of free consciousness appears very briefly only in relation to its more concrete *juridical* expression at the beginning of Chapter 2. That is, it appears only in relation to commodity *owners* (as opposed to producers), in the context of the *direct* (hence conscious and voluntary) relation between two *particular* private individuals established in the process of *exchange* – the contract – through which the *general indirect* (hence unconscious) relations of commodity *production* assert themselves.[10]

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[8] Note that the problem does not reside in the isolated or 'monadic' affirmation of this free consciousness, whose limitations would be overcome by simply assuming a directly collective mode of realisation of this very same freedom. As I argue below, the determinate negation of this apparent freedom consists in a form of consciousness which is free not for being 'self-determined', but by virtue of being conscious of its own immanent social determinations; which in this mode of production, given the latter's real inverted existence in an objectified form, can only mean being self-conscious of its own alienated nature and of the productive potentialities historically developed in such an alienated form. In other words, it also involves a *transformation* of the form of human freedom into the fully conscious knowledge of the social determinations of individual labour and, *as a consequence*, the recognition of the necessity to regulate it as a directly collective power.

In the *Grundrisse*, however, not only are the juridical forms of commodity production subject to a more detailed treatment, but in addition, Marx makes the point about this determination of free consciousness as the concrete form of the alienated consciousness without ambiguity.

> In present bourgeois society as a whole, this positing of prices and their circulation etc. appears as the surface process, beneath which, however, in the depths, entirely different processes go on, in which this apparent individual equality and liberty disappear. It is forgotten, on one side, that the *presupposition* of exchange value, as the objective basis of the whole of the system of production, already in itself implies compulsion over the individual, since his immediate product is not a product for him, but only *becomes* such in the social process, and since it *must* take on this general but nevertheless external form; and that the individual has an existence only as a producer of exchange value, hence that the whole negation

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[9] Marx 1976g, pp. 717–19.

[10] See Iñigo Carrera 2012. It is precisely those more concrete *juridical* expressions of free consciousness – the notion of legal personality – that recent contributions within Marxism have developed (Fine 2002; Reuten and Williams 1989; Miéville 2005), in general on the basis of a critical appropriation of the pioneering work of Pashukanis (1983). However, my point is that the determination of free consciousness as the concrete form of the alienated consciousness already obtains at the more abstract level of the materiality of the organisation of the development of productive subjectivity. It is to this more abstract determination that I have been referring. As Marx puts it in the *Grundrisse*, the juridical concrete forms taken by the free productive subjectivity of the private working individual are just 'this basis to a higher power': 'Therefore, when the economic form, exchange, posits the all-sided equality of its subjects, then the content, the individual as well as the objective material which drives towards the exchange, is *freedom*. Equality and freedom are thus not only respected in exchange based on exchange values but, also, the exchange of exchange values is the productive, real basis of all *equality* and *freedom*. As pure ideas they are merely the idealized expressions of this basis; as developed in juridical, political, social relations, they are merely this basis to a higher power' (Marx 1993, p. 245).

> of his natural existence is already implied; that he is therefore entirely determined by society; that this further presupposes a division of labour etc., in which the individual is already posited in relations other than that of mere *exchanger*, etc. That therefore this presupposition by no means arises either out of the individual's will or out of the immediate nature of the individual, but that it is, rather, *historical*, and posits the individual as already *determined* by society. It is forgotten, on the other side, that these higher forms, in which exchange, or the relations of production which realize themselves in it, are now posited, do not by any means stand still in this simple form where the highest distinction which occurs is a formal and hence irrelevant one. What is overlooked, finally, is that already the simple forms of exchange value and of money latently contain the opposition between labour and capital, etc.[11]

In this passage, Marx raises two critical points. First, against those who want to preserve the forms of freedom and equality which emerge out of the simple circulation of commodities without its transformation into a process of capitalist exploitation, he states that simple circulation is just the abstract form in which capital's valorisation process – the exploitation of labour – appears. This is the part of Marx's critique of modern freedom and equality that is generally – and correctly – emphasised within Marxism, usually in debates over the derivation of the state form.[12] But note that Marx develops another aspect of his critique, which is precisely the one I have been stressing. Namely, that even at the level of abstraction of the commodity form, the freedom of private individuals is revealed as the way in which they act as personifications of the social determinations of their commodities. Their free consciousness is the concrete form of subjectivity of their 'existence only as producers of exchange value'.

Leaving exegetical questions aside, my discussion should have made clear that even if not explicitly addressed by Marx, the whole section on commodity fetishism latently contains the exposition of the determinations of free productive consciousness as the form of an essentially alienated consciousness. At any rate, the important point is not whether Marx said it or not, but what are the implications of this discovery of the inner connection between freedom and alienation in the capitalist mode of production for the determination of science as practical criticism and, on the other hand, what are the consequences of overlooking it? In the following section, I move to the discussion of these further fundamental issues in order to show, once again, that only on the basis of the dialectical method can these questions be adequately dealt with.

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[11] Marx 1993, pp. 247–8.

[12] See, for instance, Blanke et al. 1978.

Why Does Method Make a Difference? The Implications of Marx's Investigation of the Commodity Form for the Determinations of Revolutionary Subjectivity

The discussion in the previous section permits me to draw a first provisional conclusion about the *differentia specifica* of Marx's *critique* of political economy, as opposed to political economy or sociology (no matter how radical or 'Marxist' their political stance). Through the ideal reproduction of the determinations of capital, Marx discovers its historical specificity in the private form taken by social labour, this being the general social relation of production regulating the reproduction of human life and hence the development of human productive subjectivity. As an expression of this historical form of social being, the consciousness of the private and independent individual becomes concretely determined as alienated. This alienated consciousness acquires two concrete modes of existence: objectively, it takes the value form of the product of labour thereby determined as a commodity; subjectively, it is realised through the apparently free consciousness of the modern individual. The most general defining characteristic of Marx's scientific enterprise as a *critique of political economy* consists precisely in the discovery of this *twofold* determination of social existence (hence social consciousness) in capitalist society. As the essential *content* of revolutionary knowledge of capitalist social forms, those discoveries can only be the result of its *dialectical form*. In order to substantiate this point further, let us see the consequences of the attempt ideally to apprehend the determinations discussed above through the lenses of *representational thought*, i.e. through *logic* (whether formal or dialectical), an issue which, I think, has also been insightfully and systematically explored by Iñigo Carrera and beyond the insight Marx left us explicitly in *Capital*.[13]

In the case of formal logic, the question is very straightforward. Since it conceives of real forms as isolated immediate affirmations, freedom and alienation repel each other by definition. From this point of view, freedom is freedom, and alienation is alienation, there being no way that one could be the mode of existence of the other. If, as generally happens, it stops short at the more immediate appearances of bourgeois society, it falls prey to the illusion that the human individual is free by nature and that the 'objective context' of capitalist social relations allows that freedom to express the plenitude of its potentialities. This has been the simplest element defining the apologetic character of *bourgeois* social science. This is perfectly compatible with the postulation of this or that external limitation to the affirmation of freedom engendered by the autonomised regulation of capitalist social relations. In this case, adequate social reform by the state is conceived of as being capable of removing those constraints, thereby leading to a kind of capitalism with a 'human face'.[14] Still, formal logic has even made its incursions within Marxism. Rational Choice or Analytic Marxism is a case in point.[15] In this more radical version, this formal-logical representation could even find the constraints to the affirmation of freedom in whole 'institutions' which they see as defining the capitalist mode of production itself. For instance, this would be the case of capitalist private property, which is seen as limiting freedom by leading to an unjust distribution of social wealth, resources and/or capabilities. Hence, defenders of 'market socialism' see the transcendence of capitalism as entailing the preservation of the freedom and independence inherent in the commodity form, which they take as given as the natural form of productive subjectivity of human beings, but without the inequality springing from private property in the means of production. In other words, they put forward a political programme which postulates the oxymoron of wanting to preserve the commodity as the general social relation without its necessary development into capital. Here formal logic provides these Marxists with another service: the respective existences of the commodity form and the capital form are just immediate affirmations, so we can have one without having the other.

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[13] Iñigo Carrera 2007, pp. 67ff.; and 2008, pp. 252–6.

This inability to grasp the real relation between freedom and alienation in capitalist society manifests itself in a more subtle way in the case of *dialectical logic*.[16] The latter, I think, has been the way in which Marxism has been attempting to grasp said relation between free consciousness and alienated consciousness, which can be seen as such an application of a dialectical logic. In this case, the issue is all the more relevant since it directly pertains to the central theoretico-practical question I have been tracing in this book, namely, the determinations of revolutionary subjectivity. In a nutshell, the question at stake is the following: if the general social relation regulating human life in the capitalist mode of production takes concrete form in a reified consciousness, how is the overcoming of alienation and consequent affirmation of human freedom possible? The question turns out to be posed in terms of the relation between the form of consciousness bound to reproduce its alienation and the one embodying the potentiality of its transcendence, i.e. revolutionary subjectivity. And here is where – more or less explicitly – dialectical logic comes into play. Sticking to the apparent external relation between free subjectivity and alienated subjectivity in the capitalist mode of production, the consciousness of the subject of revolutionary transformation – the working class – is logically represented as the antagonistic unity of those opposing determinations.[17] What is more, the relation is not only grasped in an external fashion, but also becomes actually inverted. Hence, also falling prey to the appearance of 'free creative subjectivity' as the natural attribute of human beings, the dialectical-logical representation conceives of the latter as the essential pole of that relation which is contradicted by the coexistence of the reified pole, in turn seen as constituting the inessential or apparent side of that relation. The difference between the different currents arises by virtue of the precise way in which they conceptualise that unity of opposing yet immediate affirmations.[18] But in all cases, working class consciousness is more or less implicitly represented as the unity of an alienated pole ('false' or 'reified' consciousness) and a free one (the true class consciousness, corresponding to the essential being of the proletariat as the 'universal class'). In turn, each pole is usually assigned to a specific kind of action by workers so that some forms of working-class action are seen as being the affirmation of a false or reified consciousness, whilst others – in particular, revolutionary action – are seen as the affirmation of the workers' essential freedom, i.e. not determined as a concrete form of their alienation in capital.[19] At most, this dialectical-logical representation could go as far as submitting that the antagonistic unity of opposites permeates all capitalist social existence, so that the two poles cut across every manifestation of class struggle (indeed, the singularity of each human subject), there being no privileged form of action which can be said to express the affirmation of a pure non-alienated subjectivity. 'Reform' ('labour as a moment of social reproduction in the form of capital') and 'Revolution' ('as process in and against capital in terms of working class self-determination') are therefore seen as constituting 'extreme poles of a dialectical continuum that social practice represents'.[20]

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[14] This is, for instance, Keynes's utopia in the *General Theory*, which amounts to capitalism without capital (Kicillof 2004).

[15] See Roemer 1986. An excellent critique of Rational Choice Marxism can be found in Bensaïd 2002.

[16] On the distinction between dialectical *method* and dialectical *logic*, see the discussion of Marx's critique of Proudhon in Chapter 3.

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[17] Iñigo Carrera 2008, p. 254.

[18] Thus, note that this applies both to so-called 'Leninist' and 'spontaneist' conceptions. The difference between them resides in the concrete social subject that appears as the immediate bearer of that freedom: the vanguard (who must guide or enlighten, and hence liberate, workers) or the working class as a whole. But in both cases, the 'substance' of revolutionary subjectivity is the apparently natural freedom of the human being.

[19] See footnote 50 of Chapter 7 for various references to this ontological or transcendental grounding of revolutionary class struggle in diverse currents of Marxism. But take, for instance, Lukács's argument in *History and Class Consciousness*. In that text he stresses that, at least in its immediacy, the standpoint of the proletariat is not different from that of the bourgeoisie; it is a reified consciousness and, hence, cannot go beyond the immedi-

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ate appearances of capitalist society in order radically to transform it (Lukács 1971, p. 150). However, he later claims that any transformation can only come about 'as the product of the *free* action of the proletariat itself' (Lukács 1971, p. 209, my emphasis). The most paradigmatic expression of the grounding of revolutionary action in a pure 'autonomous creativity' of the subject within Marxism can be found in the Autonomist's 'inversion of class perspective' centred on the concept of working-class 'self-valorisation', which designates the self-determined positive power to constitute new practices outside capitalist social forms (Cleaver 1992, pp. 128ff.; De Angelis 2007, pp. 225ff.). Furthermore, this pure affirmation of the working class as autonomous subject is considered as (onto)logically prior to its 'cooption' or 'repression' by capital, deliberately represented, in line with post-structuralist thinking, as an external and self-constituting 'disciplinary' power (Hardt 1993). Thus, according to De Angelis, the theoretical starting point for the understanding of revolutionary subjectivity must be the self-sustaining *affirmation* of the multiplicity of needs, aspirations, affects and relations of human subjects (De Angelis 2005).

[20] Bonefeld 1992, p. 102. Thus, as evidenced in the quote above from Bonefeld, so-called Open Marxists consider that the moment of 'transcendence' (i.e. revolutionary subjectivity), even if always intertwined with 'integration' (the determination of the wage worker's alienated subjectivity as personification of the reproduction of capital), is the expression of working-class *self-determination*, that is, as an element of subjectivity that is not a mode of existence of (hence determined by) the capital form. Open Marxists are usually at pains to overcome the externality between labour and capital extolled by 'Autonomist Marxists' (see previous footnote), without relapsing into a structural functionalism (e.g. Jessop 1991) that reduces class struggle to a form of the reproduction of capital and denies its capital-transcending potentialities (Bonefeld 1993, pp. 26–8). They do so precisely by emphatically stressing the 'internal or dialectical relation' between labour and capital as one between material content ('the constitutive power of human practice') and its alienated mode of existence ('social reproduction as domination'). However, when it comes to grounding the determination of the class struggle as capital-transcending revolutionary action, this initial premise is left behind. In the very course of their argument, they surreptitiously transform contradiction, from a self-negating mode of existence of a determinate content, into an interpenetration of two antagonistic opposite contents in struggle that cut across the working class itself: the aforementioned 'dialectical continuum' between integration and transcendence ('the presence of labour *in and against* capital'), whose resolution is 'open to the process of struggle itself' (Bonefeld 1992, p. 102).

Moreover, the specifically revolutionary resolution of that struggle is seen as an *unmediated* assertion of the undetermined, residual and pristine human content lurking behind those fetishised social forms. 'Revolution', Gunn and Wilding thus state in a recent sympathetic critical assessment of Holloway's *Crack Capitalism*, 'is an expression and articulation of already-free action' (Gunn and Wilding 2012, p. 178), albeit one which exists in a 'distorted form' *in a pre-revolutionary situation* (Gunn and Wilding 2012, pp. 181–2). In other words, for Gunn and Wilding, mediation only pertains to capital-reproducing 'moments' of subjectivity, but not to the revolutionary 'pole of the continuum', which is seen as an affirmation of the human being's innately free self-determining subjectivity that 'breaks through' its alienated 'integument'. This shows very clearly in the way they conceptualise 'uncontradicted self-determination', in a twofold sense. In the first place, when they claim that in a generally non-revolutionary situation, such an uncontradicted self-determination already makes its appearance within an alienated society, albeit in a 'proleptic or prefigurative' fashion, in and through 'islands of mutual recognition' in the 'cracks and fissures' of a contradictory social world (Gunn and Wilding 2014). Out of the blue, human life is now turned into the unity of two intertwining opposites: an alienated pole for the greater part of social existence and a free one in those 'islands of mutual recognition'. In the second place, it is noteworthy how they construct their concept of freedom on the basis of Hegel's concept of recognition as played out in the Master-Slave dialectic from Chapter IV of his *Phenomenology of Spirit* and further developed historically in Chapter VI, which culminates with the discussion of patterns of recognition in the French Revolution. In other words, they construct the ground of the communist revolution based on a conceptual framework whose actual content is but the emergence and concrete development of the modern, capitalistic 'self-determining' freedom of the commodity owner out of relations of personal dependence, which is ideologically presented by Hegel in an inverted fashion as the movement of an abstract individual self-consciousness deprived of social determinations. As a consequence of all this, their critique of Holloway's occasional appeal to a 'pristine' or 'undistorted' freedom is thus limited to noting that 'such an immediacy that lies outside alienation's realm' cannot be taken '*as starting point*' for the search for the genesis of revolutionary subjectivity within a non-revolutionary situation (Gunn and Wilding 2012, p. 184), yet it does constitute the 'key' to (i.e. the content of) its interstitial emergence and eventual proliferation. Hence, despite their best efforts, Open Marxists end up sneaking an abstractly free subjectivity through the backdoor as the ground for the revolutionary transformation of society. In the end, the difference from the Autonomists comes down to a more sober and cautious *subjective attitude* when assessing 'really-existing' working-class struggles. Against the 'euphoric and triumphalist poetry that prevails in various *Autonomia*-influenced accounts', Gunn and Wilding's Open Marxist perspective 'allows for respect for a reality principle (in Freud's sense)' (2012, p. 182), a 'word of warning' about the 'difficulties' and 'complexities' involved in revolution. But the ground of revolutionary subjectivity in an abstractly free and self-determined subject remains the same. I return to the critical engagement with the Open Marxist approach in the next section, through a discussion of the practical nature of 'defetishising' critique.

Still, I think that despite their differences and distinct degrees of sophistication and depth, a common thread runs through most of those conceptions. And this is the idealist notion that, somehow or another, the revolutionary consciousness embodying the overcoming of alienation derives from some more or less residual element of externality to the alienated general social relation through which human beings reproduce their life in capitalist society. In other words, the source of the power to abolish the capitalist mode of production is to be sought in the (smaller or larger) irreducible element of free, self-determining productive subjectivity, eternally present in human life. It is the immediate affirmation of this abstract freedom that is seen as constituting the substance of the revolutionary abolition of alienated social existence. As Postone rightly points out, the underlying assumption of that train of thought is that 'revolutionary consciousness must be rooted ontologically or transcendentally'.[21]

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[21] Postone 1996, p. 39. As an illustration of this, see the contributions to the symposium on Postone's 'Time, Labor and Social Domination'. With the exception of Stoetzler (2004) and Neary (2004), most authors explicitly distance themselves from the view that the subsumption of the working class to capital (hence alienation) is total and end up postulating a moment of human subjectivity external to its inverted mode of existence as the transcendental or ontological ground for revolutionary consciousness (see Albritton 2004; Bonefeld 2004; Arthur 2004b; Hudis 2004; McNally 2004). As I have argued above (see footnote 1), Postone himself cannot follow through his initial insight right to its full implications and ends up grounding revolutionary consciousness in a self-activating transformative action that reacts to the contradictions of its 'objective conditions', which are therefore rendered external to the subject (as opposed to immanently carried by subjectivity). On the other hand, even authors like Stoetzler who, as just mentioned, does not 'recoil in horror' in the face of the social constitution of capital as alienated total subject (see also Stoetzler 2012, p. 200, n. 7), ends up grounding capital-transcending action outside capital, in an abstract freedom of the subject. Thus, after critically noting that the notion of an abstract, pure subject keeps being reintroduced through the back door in Holloway's earlier argument in *Change the World without Taking Power* (Stoetzler 2005), in his assessment of Holloway's more recent formulation in *Crack Capitalism*, Stoetzler makes an extremely problematic (yet thought-provoking) distinction between *revolution*-as-the-negation-of-capital (which would be done by *us-as-capital*) and *communism*-as-the-negation-of-capital (which would be done by *us-as-not-capital*) (Stoetzler 2012, p. 192), i.e. in a moment of subjectivity not determined as personification of objectified forms of social mediation. In reality, Soeltzer's approach just resembles Postone's train of thought which, as discussed above, relapses into positing an externality between the objective and subjective conditions for the abolition of capital; the former conditions creating the *possibility* of communism and the latter abstractly self-developing to undertake (or not) its realisation. However, unlike Postone's implicit assumption, he makes *explicit* his reliance on an abstractly free subjectivity as the source of 'communism-as-the-negation-of-capital':

Now, from where does this notion of self-determining free subjectivity, which constitutes for those Marxist currents the content of revolutionary subjectivity, arise? Certainly not from the imagination of the theorist. When looked at more closely, we can realise that it is in fact the concrete form of the alienated consciousness abstracted from its content, transformed into its 'logical' opposite and, from that apparent exteriority, posited as the source of the revolutionary negation of alienated subjectivity. On the other hand, we can now appreciate how this is just the other side of the unilateral reading of Marx's critique of political economy (and especially, the section on commodity fetishism) solely as a genetic development of the forms of objectivity of capitalist society. Because according to this reading, the fetishism of commodities refers only to the social constitution of an apparently self-subsistent objectivity which confronts individuals as an alien and hostile power that dominates them. In this way, it overlooks the concrete form of free consciousness that is the necessary other side of the constitution of that alienated form of social objectivity.[22] Emancipation is then posed in terms of riddance of the external coercion imposed by those modes of social objectivity upon its self-

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'*No less, no more*: by way of constituting capital, we also constitute its intrinsic, in-built, inevitable self-negation, but not, in and of itself, communism. Not communism, but only the possibility of communism follows from the inherent contradictions of the capital relation. Although capital's self-negating dynamic produces the elements and conditions of communism, communism is more than just the self-negation of capital. Communism emerges from capitalism only as a potentiality; it is born out of freedom, if it is born at all, not out of necessity. Freedom is what communism essentially is. In other words, the abolition of capitalism will create a chance which humanity has the freedom to spoil or to use. Only because we can spoil it we can also make communism: if it were a guaranteed outcome, it would be freedom arrived at by ways of unfreedom; guaranteed, necessary freedom, though, is implausible' (Stoetzler 2012, p. 193).

[22] Some authors do develop and subject to criticism the notion of bourgeois individuality. But the latter is reduced to *individualism*, that is, to the *atomistic* affirmation of that abstractly free subjectivity. Hence, the collective, solidaristic affirmation of that very same subjectivity in the form of class struggle is seen as the absolute opposite of alienated subjectivity (or, at least, as embodying the immediate potentiality to 'self-develop' into such an absolute negation of bourgeois individuality). See, for instance, Shortall's derivation of a 'counter-dialectic of class struggle' – i.e. 'the potential class subjectivity of the working class' – that 'comes to delimit the functioning of the dialectic of capital', and whose foundation resides in the presupposition of the worker 'as both a free subject and as *non-capital*' (Shortall 1994, pp. 128–9, original emphasis). By contrast, I will show in the next chapter that the solidaristic collective affirmation of that abstractly free subjectivity is but a more concrete realisation of the very same alienated content, hence, of the reproduction of capital.

determination by that apparently free consciousness. In other words, that one-sided reading aspires to get rid of the commodity, money, capital and the state *precisely on the basis* of the concrete form of the alienated consciousness which is the necessary complement of the existence of those forms of objectivity.

As stated above, the *critique* of political economy is such not only for grasping in thought the inner determinations of the value form of the product of labour as an alienated social form, but also for discovering free consciousness determined as the concrete form of alienated consciousness in the capitalist mode of production. By ignoring this second 'leg' of the critique of political economy, Marxism deprives the latter of its revolutionary character and condemns it to remain just another concrete form of the reproduction of alienated human activity. Thus, it thereby transforms the critique of political economy from the revolutionary reproduction of the concrete by means of thought into another logical representation.

Fetishism and Critique in Contemporary Marxian Theory: A Methodological Assessment of Some Recent Contributions

Another methodological issue implicit in the above discussion is the precise nature of the method of critique involved in Marx's account of commodity fetishism. Associated with the aforementioned one-sided reading of commodity fetishism as an account of the genesis of the most general forms of objectivity of capitalist society is what one could term a Feuerbachian understanding of Marx's mature method of critique, i.e. a kind of transformative criticism. Even in its most sophisticated versions, which one could locate in some of the contributions to the so-called *Neue Marx-Lektüre* in Germany,[23] and its Anglophone, more 'political' reception and appropriation by Open Marxist scholars,[24] this critique boils down to demystifying commodity fetishism by tracing the human origins of that alien objectivity. In this sense, there appears to be no difference between this method of critique and the one in the *Paris Manuscripts*. The only difference would be that in *Capital* Marx not only reduces alienated social forms to their human content, but also answers (more fully) the question of why that content takes that fetishistic form. But the thrust of the critique is seen to consist just in uncovering the practical activity of human beings as the social foundation of value.

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[23] Backhaus 1980, 1992 and 2005; Reichelt 1982, 1995, 2005 and 2007; Heinrich 2009; Fineschi 2009.

[24] Bonefeld 1998, 2001 and 2014. For a concise historical and intellectual contextualisation of the *Neue Marx-Lektüre* in English, see Endnotes 2010.

But if the point is to change the world, then the subsequent problem is how to turn this insight into *practical criticism*, that is, how to convert it into emancipating conscious practice. And here lies the crux of the matter. Because for these readings, that connection seems to be as follows: the recognition of relations between human beings behind relations between things constitutes the foundation of radical transformative action. Since the content of the value form is our conscious practice, i.e. the 'determining power of social labour', then it follows that we must have the power of giving our practice another social form and getting rid of the value form. In other words, for such Marxists the transformative powers of our action are located not in commodity-determined practice itself, but in the essential character of an abstract material content deprived of social determinations which is 'logically' prior to its perverted social form as value-producing, albeit only appearing and existing immanently in and through it. For those readings, this mere discovery of the human content of 'economic categories' exhausts the thinking needed consciously to organise the practical critique of capitalism.[25] Let us examine this matter more closely through a discussion of some of these contributions.

Perhaps a good place to start is the work of Hans-Georg Backhaus, who explicitly traces the Feuerbachian lineage of Marx's method of critique. According to Backhaus, from an initial application 'in his critique of the metaphysical theory of the state', Marx expanded the scope of this method to economic objects as material forms of self-estrangement, commensurable to its metaphysical and theological forms.[26] This 'critical genetic method' is said to have two main aspects – the critical and the anthropological. The former does not simply consist in describing and denouncing the existing contradictions between dogmas and institutions, but aims fundamentally at explicating the inner genesis or necessity of those contradictions.[27] In turn, the anthropological aspect of the method involves an *ad hominem* reduction, the demonstration of the human basis of the economic object as a material form of self-estrangement, which is thus rendered in its totality as an object of critique.[28] The critique of economic categories thus entails the transcendence of the economic standpoint.[29]

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[25] Holloway 1995 and 2002b; Bonefeld 1995, 2010a and 2012.

[26] Backhaus 2005, pp. 18–19.

[27] Backhaus 2005, p. 19.

[28] Ibid.

[29] Backhaus 2005, p. 23.

In Backhaus's reading, this 'application' of the 'critical genetic method' to the discipline of economics is employed by Marx not only in his early writings (an indisputable fact which I have already discussed in the first part of this book), but also in his mature critique of political economy.[30] The main thrust of the critique remains the same: whilst economics

> accept[s] economic forms and categories without thought, that is in an unreflective manner ... Marx, in contrast, seeks to 'derive' these forms and categories as inverted forms of social relations.[31]

The 'dialectical method of exposition' is thus essentially seen as the genetic development of those alienated forms of *objectivity* out of human sensuous practice.[32] The general method of critique does not change in this reading, only its terminology.[33] In the words of Backhaus himself:

> In variation of this thought process, Marx argues in the mature *Critique* of 1859 that what the economists 'have just ponderously described as a thing reappears as a social relation and, a moment later, having been defined as a social relation, teases them once more as a thing' (Marx 1971, p. 35). If one replaces 'social relation' by 'appearance of humanness' and thing qua 'value thing' by the thing in 'difference from humanness' that, as a transcendental thing, is transposed in a sphere 'outside of Man', then the continuity of the fundamental character of Marx's critique of economics from the early writing to *Capital* becomes sufficiently clear.[34]

Now, lest my argument be misread, my claim is not that these contributions from the *Neue Lektüre* see no methodological change whatsoever between Marx's early critique of economics and his mature version. My point is that they do not posit any change insofar as the nature of *critique* is concerned: the *reductio ad hominem* is considered to be the continuing ground for revolutionary praxis.[35] Yet, this novel reading does develop two additional methodological elements which are relevant for the purpose of the present discussion.

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[30] Backhaus 2005, pp. 21 ff.

[31] Backhaus 2005, p. 21.

[32] Backhaus 2005, p. 22.

[33] Backhaus 2005, p. 25.

[34] Ibid.

[35] Reichelt 2005, p. 38.

In the first place, these authors argue that in Marx's mature critique, the genetic aspect of his method is not simply predicated on Feuerbach. Insofar as the 'inverted world of capital' (as self-valorising value) resembles Hegel's second supersensible world, 'which in its reality … contains within itself … both the sensuous and the first supersensible world',[36] Marx's mature critique also drew on Hegel's *Logic* for the 'dialectical development of categories'.[37] In other words, Hegel's dialectical method served Marx for the *synthetic* exposition of the necessary sequence of form determinations understood as 'objective forms of thought'.[38]

Secondly, taking cue from Adorno's concept of society as the 'unity of subject and object',[39] which involves 'an ongoing process of inversion of subjectivity and objectivity, and vice versa',[40] both Backhaus and Reichelt posit the alienated determination of human beings as 'personifications of economic categories' or 'character masks', as a central element of Marx's dialectical method in *Capital*.[41] Abstractly considered, this insight could be a promising programmatic starting point for an attempt at a critical investigation of the determinations of revolutionary subjectivity. Unfortunately, this is not a path that these German scholars followed. Their discussion tends to remain at a very high level of abstraction, dealing with the simpler form determinations of capital. As Endnotes write, 'class plays little role in the writings of Backhaus and Reichelt and they treat the question of revolution as outside their field of academic expertise'.[42] Nonetheless, it is possible to examine the practical implications of this approach by turning to the work of Werner Bonefeld who, as stated above, has not only introduced it into Anglophone Marxism, but also developed it further along resolutely political lines, i.e. by putting the revolutionary class struggle at the centre of his investigation.[43]

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[36] Reichelt 2005, p. 32.

[37] Reichelt 2005, p. 43.

[38] Reichelt 2005, p. 57.

[39] Backhaus 1992, p. 56.

[40] Backhaus 1992, p. 60.

[41] Ibid; Reichelt 1982, p. 168.

[42] Endnotes 2010, p. 99. It goes without saying that the treatment of the question of revolution as 'outside their field of expertise' by scholars whose research programme revolves around the Marxian notion of *critique* seems quite odd, to say the least. The real reason seems to reside at a deeper level and is actually political. As Endnotes further remark: 'Most accounts of the *Neue Marx-Lektüre* understand as one of its main characteristics to be a rejection of Marx's attribution of an historical mission to the proletariat and a sensibility of scepticism towards the class struggle has been prevalent on the German Left' (2010, p. 98). Moreover, although seldom discussed explicitly by these scholars, there are certain passages in their work which give the impression that they would tend to locate the source of revolutionary subjectivity in a moment of human individuality which transcends its alienated existence as 'character mask': 'Marx presents the humans themselves only insofar as they have intercourse with one another as character masks. Insofar as they come into

A recent article by Bonefeld on Adorno and social praxis is a fertile ground to discuss this issue. The starting point of Bonefeld's discussion is the recognition that in capitalism the 'subject's objectification exists in an inverted form, in which the thing subjectifies itself in the person, and the person objectifies him- or herself in the thing'.[44] In other words, Bonefeld takes up the Adornian insight, which originally triggered the *Neue Marx-Lektüre*,[45] that in this society, individuals become determined as 'character masks' or 'agents of value': their social activity becomes the activity of 'personifications of economic categories'.[46] In more overtly Adornian terms, Bonefeld speaks of this phenomenon as involving a specific 'objective conceptuality', which 'holds sway in reality (*Sache*) itself'.[47] However, unlike Backhaus and Reichelt, Bonefeld explicitly poses the question of the implication of this form determination of human individuality for emancipatory praxis, i.e. for revolutionary class struggle:

> The critique of political economy is not satisfied with perpetuating the labourer. Its reasoning is subversive of all relations of human indignity. Subversion is not the business of alternative elites that seek revolution as mere conformist rebellion – a revolution for the perpetuation of wage slavery. Their business is to lead labour, not its self-emancipation. Subversion aims at general human emancipation.[48]

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relation with one another as individuals, they are not the object of the theory. Insofar as they act as individuals, they withdraw from the building of theory in this specific sense; there they anticipate something which still has to be constructed' (Reichelt 1982, p. 168). If my reading is correct, rather than simply residing 'outside their field of expertise', for these scholars revolutionary subjectivity would lie outside the scope of the dialectical presentation of 'economic categories'.

[43] Endnotes 2010, p. 98. For an earlier assessment of the relation between value-form theory, systematic dialectics and revolutionary politics, see also the discussion provided by Eldred 1981.

[44] Bonefeld 2012, p. 125.

[45] Reichelt 1982.

[46] Bonefeld 2012, p. 124.

[47] Bonefeld 2012, pp. 125–6.

[48] Bonefeld 2010a, pp. 62–3.

The interesting thing about Bonefeld's answer to this question is that, at least in principle, he explicitly rejects those attempts at grounding 'resistance' against reification in an 'asserted subject conceived in contradistinction to society', and whose transhistorical basis would be the worker's 'humanity and soul' (Lukács), 'the inner transcendence of matter' (Bloch), a 'materialist instinct' (Negt and Kluge), or biopower (Hardt and Negri).[49] In other words, Bonefeld is at pains not to relapse into any exteriority to the perverted forms of existence of the social individual as the ground for the revolutionary subject:

> And Adorno? He would have none of this. The idea that there is a world out there that has not yet been colonized by the logic of things is nonsensical. Instead of a concept of society, these differentiations of society into system and soul/transcendent matter/materialist instinct/bio-power separate what belongs together.[50]

Bonefeld elaborates further on this through a 'philosophical' discussion of Hegel's conception of the relation between essence and appearance.[51] Essence, he argues following Hegel, has to appear (it cannot choose not to do so). Moreover, this appearance is its (only) mode of existence. This means that there is no exteriority to essence's actual manifestation, however perverted the latter might be: 'its appearance is thus at the same time its disappearance'.[52] Translated into social theory, this philosophical argument means that human sensuous practice (essence) does exist as personification of economic categories (appearance), and that this inversion is no mere subjective illusion, but is all too real. Now, whilst this certainly allows Bonefeld formally to avoid relapsing into an externality between human subject and society, it begs the question as to how to avoid the political dead-end to which Adorno pessimistically succumbed. In other words, the question arises as to how to avoid the conclusion that 'there could be no such thing as emancipatory praxis because the reified world of bourgeois society would only allow reified activity'.[53]

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[49] Bonefeld 2012, p. 131. As Charnock and Ribera-Fumaz (2011, p. 617) note, Henri Lefebvre is also an exemplary proponent of this kind of 'residualist' view of revolutionary class struggle. For a critical discussion of the relationship between Lefebvre's contribution and the Open Marxist tradition, see Charnock 2014.

[50] Bonefeld 2012, p. 131.

[51] Bonefeld 2012, pp. 127–8.

[52] Bonefeld 2012, p. 128.

[53] Bonefeld 2012, p. 124.

And here lies the crux of the matter, because, in my view, Bonefeld can remain true to the project of emancipatory praxis only by backtracking on his declamation to reject any exteriority between 'essence' and 'appearance'. Thus, right after claiming that the former vanishes in the latter, he endorses Adorno's claim in *Negative Dialectics* that 'objects do not go into their concepts without leaving a remainder' since 'the concept does not exhaust the thing conceived'.[54] According to Bonefeld, the critical move consists in 'opening the non-conceptual within the concept'.[55] This non-conceptual content, Bonefeld further argues, 'subsists within its concept but *cannot be reduced to it*'.[56] Crucially, *it is this moment of irreducibility of the content which, in that simplicity and unmediatedness, constitutes the ground of revolutionary subjectivity*. In other words, the latter is seen by Bonefeld as the expression of the direct affirmation of the ('non-conceptual') content. The fact that he does not see this affirmation as a pure positivity but only as negation of 'the negative human condition'[57] makes no difference. The point is that the immediate 'source' of that negativity is located in the (formless) content itself: 'Subversion is able to negate the established order because it is "man" made'.[58] The postulate of immanence between content and form ultimately thereby remains just a formal declaration which is belied as the argument unfolds. In the end, an element of exteriority to alienated social practice creeps back in as the residual 'substance' of revolutionary subjectivity.[59]

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[54] Adorno 2007, p. 5.

[55] Bonefeld 2012, p. 130.

[56] Bonefeld 2012, p. 130, my emphasis.

[57] Bonefeld 2012, p. 130.

[58] Bonefeld 2010a, p. 66.

[59] In more concrete terms, Bonefeld puts it as follows: 'For example, the conceptuality of the wage-labourer as a personification of variable capital entails what it denies. It denies sensuous practice, and this practice is immanent in the concept wage-labour. Sensuous practice exists within the concept of variable capital in the mode of being denied – sensuous practice cannot be reduced to the concept of variable capital – it subsists within its concept but cannot be reduced to it. Further, for variable capital to function, it requires the ingenuity and spontaneity of human purposeful practice. Yet, this too is denied in its concept' (2012, p. 130). The revolutionary class struggle is seen by Bonefeld as an expression of that sensuous human practice that 'variable capital' denies. In actual fact, his point seems to be that all struggles by workers express something more than their social determination as personifications of 'variable capital', namely, their 'human social autonomy' and 'freedom'. That is why they can always potentially develop, in and of themselves (i.e. not as expressions of any concrete social determination), into communist struggles. See Bonefeld 2010a, pp. 68–72.

Now, I have already discussed at greater length the shortcomings of this kind of approach in the previous section. Here the important point to address is the implication of this conception of revolutionary subjectivity for the *meaning of science as critique*. Briefly put, for Bonefeld, dialectical critique comes down to the demystification of 'economic categories' by revealing their social constitution as perverted modes of existence of human activity, that is, by discovering sensuous practice as the negated content behind those reified forms of social mediation.[60] What follows from this is that, for Bonefeld, the 'subversive' moment of Marx's methodological programme is essentially *analytic*: it consists in the discovery of the content of a determinate form. Drawing on the work of Backhaus commented on above,[61] it is through *reductio ad hominem* that science as critique provides enlightenment on revolutionary practice.

Yet I have shown in earlier chapters that dialectical analysis is actually incapable of offering an *explanation* (hence comprehension) of the *raison d'être* of determinate concrete forms of reality. In moving 'backwards' from concrete form to content, dialectical analysis can at most reveal *what* are the more abstract determinations whose realisation is presupposed and carried by the immediate concrete form under scrutiny. But it cannot account for its 'why' (i.e. its necessity). In this sense, the analytical discovery of the human content of fetishised relations between things can shed little light on the comprehension of revolutionary subjectivity. As we have seen, that was the achievement of the early Marxian critique of political economy, which allowed him to grasp the *simplest* (human) determination behind the content and form of the abolition of the fetishism of capitalist social relations. But the whole point of Marx's subsequent scientific endeavour was precisely to advance in the comprehension of the *further mediations* entailed by the social and material constitution of the revolutionary subject, which could only be the result of their *synthetic* ideal reproduction.

Evidently, this presupposes that one considers that there actually *are* further mediations that need to be unfolded synthetically in order fully to comprehend revolutionary practice. But this is what Bonefeld's approach denies. As I have argued, despite his critique of other perspectives that resort to the immediacy of 'an asserted subject externally counterposed to society', his own endeavour ultimately finds the immanent ground of revolutionary subjectivity in something simple and unmediated, i.e. the abstract materiality of 'sensuous human practice' which 'lives within and through relations between things'. Bonefeld's restriction of the subversive moment of dialectical critique to analysis is therefore perfectly coherent on this score. In his view, when it comes to revolutionary subjectivity, there are actually no *determinations* at stake, there is nothing to be explained. In other words, the revolutionary abolition of capital has no material, social or historical *immanent necessity*.[62] Its only 'necessity' is moral, the practical realisation of the 'communist categorical imperative of human emancipation'.[63] In brief, it is the result of an abstractly free and socially autonomous political action, represented as the absolute opposite of the alienated automatism of the capital form (albeit one that can only exist as 'negativity', i.e. in the struggles 'in and against' capitalist oppression):

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[60] Bonefeld 2001, pp. 56–9; and 2012, p. 127.

[61] Bonefeld 1998.

> The existence of the labourer as an economic category does therefore not entail reduction of consciousness to economic consciousness. It entails the concept of economy as an experienced concept, and economic consciousness as an experienced consciousness. At the very least, economic consciousness is an unhappy consciousness. It is this consciousness that demands reconciliation: freedom turns concrete in the changing forms of repression as resistance to repression.[64]

It follows that the only thing that actually requires explanation is the social constitution of the fetishised forms of objectivity in which human practice exists in capitalism. In this sense, Bonefeld acknowledges that the critical power of the dialectical method involves not only analysis, but also, fundamentally, synthetic or 'genetic' reproduction. Thus, in an article on the meaning of critique, he approvingly quotes Marx's methodological remark that

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[62] Bonefeld 2010a, p. 64. Taking at face value the orthodox Marxist *mechanistic* (hence extrinsic) notion of determination of subjectivity for the only available one, Bonefeld can only see in the idea of historical necessity an accommodating and passive attitude towards the alienated laws of motion of capital. It can never be the point of departure for the conscious organisation of its practical abolition: 'The future that will come will not result from some objective laws of historical development but will result from the struggles of today. The orthodox argument about the objective laws of historical development does not reveal abstract historical laws. It reveals accommodation to "objective conditions", and derives socialism from capitalism, not as an alternative but as its supposedly more effective competitor. There is no universal historical law that leads humankind from some imagined historical beginning via capitalism to socialism. Neither is history on the side of the working class. History takes no sides: it can as easily be the history of barbarism as of socialism' (Bonefeld 2010a, pp. 63–4).

[63] Bonefeld 2010a, pp. 66, 77.

[64] Bonefeld 2010a, p. 71.

> It is, in reality, much easier to discover by analysis the earthly kernel of the misty creations of religion than to do the opposite, i.e. to develop from the actual, given relations of life the forms in which these have been apotheosized.[65]

However, this synthetic reproduction is recognised by Bonefeld as the only materialist and scientific method for the genetic development of perverted social forms, i.e. for the social constitution of fetishised *forms of objectivity* out of human relations. As far as forms of *subjectivity* are concerned, they might at most be considered part of the genetic development of forms only insofar as individuals 'act rationally as executors of economic laws over which they have no control',[66] which for this approach is the only aspect under which human beings act as personifications of economic categories. But as for *antagonistic* forms of subjectivity and action, they seem to fall outside the scope of the systematic unfolding of 'economic categories' (except, of course, as instances of abstract negation of the latter's self-movement, i.e. as struggles *against* it). Thus Bonefeld states: 'Does it really make sense to say that workers personify variable capital? Variable capital does not go on strike. Workers do'.[67] And they do so not (only?) as owners of labour power trying to secure the reproduction of their commodity. More importantly, the workers struggle daily against 'the capitalist reduction of human purposes to cash and product'.[68]

In sum, for this kind of approach the synthetic movement of the dialectical exposition concerns the social constitution of 'economic categories' and the continuous process of reproduction of the constitutive premise of their existence at every turn of the conceptual development. Bonefeld locates this premise in the 'logic of separation' of labour from its conditions,[69] i.e. in the *formal subsumption of labour to capital.* But the systematic sequence does not entail any progress in the knowledge of the immanent determinations of revolutionary subjectivity. The significance that Bonefeld attaches to the culminating point of Marx's systematic exposition in Volume 1 of *Capital*, which for him should be better confined to the concept of *primitive accumulation*, is symptomatic in this regard.[70] The chapter on the 'historical tendency of capitalist accumulation' only matters insofar as 'it also continues the process of expropriation in its own terms, as capital centralization'.[71] As for the revolutionary expropriation of the expropriators and the bursting asunder of the capitalist integument that Marx posits as the necessary outcome of the alienated socialisation of private labour, Bonefeld considers that they should be left aside as 'desperately triumphal remarks'.[72] This should come as no surprise. As I have shown, according to his approach, revolutionary subjectivity is quite simply self-grounded in an abstract inner negativity, which is expressed in every manifestation of resistance to oppression. However, I have also shown that this idea is deeply problematic: it entails the naturalisation of the apparently free consciousness of the commodity producer and hence the practical impotence to abolish the fetishism of commodities.[73] The connection between science as critique and commodity fetishism thus requires an alternative formulation. To this discussion I will now turn.

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[65] Marx 1976g, p. 494.

[66] Bonefeld 2012, p. 128.

[67] Bonefeld 2010a, p. 68.

[68] Bonefeld 2012, p. 72. As we shall see in the next chapter, strictly speaking, workers do not go on strike as 'variable capital', but as owners of the commodity labour power. Be that as it may, the point is that they do it in full accordance with their alienated social being as 'executors of economic laws that they cannot control' and not in 'defiance' of them.

[69] Bonefeld 2011b, p. 395.

Commodity Fetishism and Science as Practical Criticism

According to the approach developed in this book, the question must be posed differently. As already argued in the first part, the starting point of a truly dialectical critique of political economy must be our own conscious practice in its singularity. Science as practical criticism is such for being the conscious organisation of transformative action. Thus, the question under investigation when engaged in dialectical research relates to the social determinations, i.e. the necessity, of our action.[74] Only on that basis can we come to know what concrete form our action should take in order to achieve the willed transformation of the world. As Lukács puts it in *History and Class Consciousness*, the question at stake is the establishment of the 'genuine and necessary bond between consciousness and action'.[75]

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[70] It is also symptomatic that in his otherwise rigorous, stylised reconstruction of the systematic sequence of Marx's exposition in *Capital*, Volume 1, the concrete forms of production of relative surplus value are absent (Bonefeld 2011b, pp. 392–5). As we shall see later on, it is precisely in those chapters on the *real subsumption of labour to capital* that Marx unfolds (albeit incompletely) the determinations of revolutionary subjectivity.

[71] Bonefeld 2011b, p. 394.

[72] Bonefeld 2011b, p. 395.

[73] Iñigo Carrera 2007.

[74] Iñigo Carrera 1992, p. 1.

My own reconstruction of Marx's dialectical investigation of the determinations of the commodity form (commodity fetishism included) thus leads to a different conclusion regarding the social determinations of revolutionary action. True enough, in this process of cognition we become aware of the human content of the objective social powers borne by the commodity. However, what follows from this insight is not that we therefore immediately carry the power to negate the commodity form of our general social relation. Rather, it follows that whatever power we might have to radically transform the world must be a concrete form of the commodity itself. Yet, far from revealing the existence of that transformative power, the abstract determinations of social existence contained in the commodity form show no potentiality other than the reproduction of that alienated social form. So much so that the free association of individuals (the *determinate* negation of capitalism) appears in Chapter 1 (incidentally, precisely in the section on fetishism) as the *abstract* opposite of value-producing labour and hence, as the *extrinsic* product of the *imagination* of the subject engaged in that process of cognition. Thus, Marx starts that passage referring to communism by saying 'let us finally *imagine* …'[76]

Thus, the defetishising critique of revolutionary science does not simply consist in discovering the constituting power of a generic human practice as the negated content of capitalist alienated forms, which would constitute the ground for our revolutionary transformation of the world. Rather, it involves the production of the self-awareness that the reproduction of human life in all of its moments, *including our transformative action*, takes an alienated form in capitalism. The immediate result of the demystifying critique of the fetishism of commodities is to become conscious of our own alienated existence, i.e. of our determination as personifications or 'character masks'. This *is* our general social being and there is no exteriority to it. This means that fetishism *is total* which, in turn, means the social powers of our transformative action are effectively borne by the product of labour and we cannot but personify them.

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[75] Lukács 1971, p. 2. As I have argued elsewhere (Starosta 2003), although Lukács correctly posed the problem of dialectical knowledge as practical criticism, he eventually *failed* in establishing that link between consciousness and action. This failure lies behind his relapse into the Leninst separation between scientific organisation and execution proper in the political action of the working class (Starosta 2003, pp. 57–8).

[76] Marx 1976g, p. 171, my emphasis.

This obviously bears on the question discussed earlier on the relationship between alienation and freedom. Specifically, this means that upon consciously discovering the social basis of the value form, we do not *cease* to be determined as its personifications and become able to affirm an abstractly free self-determining action. What this discovery changes is, as Iñigo Carrera puts it, that our social determination as personification of the commodity no longer operates behind our backs.[77] In this way, we do affirm our freedom. However, we do so not because we realise that 'in reality' we are free beings by nature and could thereby choose to 'stop making capitalism' if we tried hard enough, i.e. if we *turned our backs* on our social being.[78] Instead, through the critical investigation of the value form we affirm our freedom because we come *consciously to cognise* our own determination as alienated social subjects.[79] Armed with that objective knowledge of the alienated nature of our subjectivity, we could *consciously act upon* those alienated determinations in order to transform them in the direction of their revolutionary transcendence. Still, this would only be possible if those determinations actually carried the objective potentiality for their self-abolition, which is something that the simple commodity form of social relations does not show. This does not mean that commodity fetishism cannot be abolished. It only signals the need to move forward in the dialectical investigation of the more concrete social determinations of its revolutionary abolition.

Perhaps a good way to clarify this argument is by examining a methodological external remark that Marx introduces when discussing the function of money as means of payment in the 1859 *Contribution to the Critique of Political Economy*. It is worth quoting that profoundly rich text at length:

> But the metamorphosis of commodities, in the course of which the various distinct forms of money are evolved, transforms the commodity-owners as well, and alters the social role they play in relation to one another. In the course of the metamorphosis of commodities the keeper of commodities changes his skin as often as the commodity undergoes a change or as money appears in a new form. Commodity-owners thus faced each other originally simply as commodity-owners; then one of them became a seller, the other a buyer; then each became alternately buyer and seller; then they became hoarders and finally rich men. Com-

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[77] Iñigo Carrera 2007, p. 204.

[78] Cf. Holloway 2010.

[79] Iñigo Carrera 2007, p. 204.

> modity-owners emerging from the process of circulation are accordingly different from those entering the process. The different forms which money assumes in the process of circulation are in fact only crystallisations of the transformation of commodities, a transformation which is in its turn only the objective expression of the changing social relations in which commodity-owners conduct their exchange. New relations of intercourse arise in the process of circulation, and commodity-owners, who represent these changed relations, acquire new economic characteristics.[80]

This passage could be read as a kind of *dynamic* development of the alienated determination of human productive individuality, whose simplest expression Marx presented through the discussion of the fetishism of commodities. As we have seen, in the latter text Marx unfolds the way in which the productive consciousness of the private individual unconsciously posits its own immanent determinations in the external form of the value-objectivity. Subsequently, he shows how the very subjectivity of the commodity producer becomes determined as the personification of those objectified forms of social mediation it had unconsciously engendered. What we have here is a statement of the transformative dynamics structuring the constitution of novel forms of subjectivity as an expression of the further concretisation of the 'law of value' beyond its simplest form. It is, as it were, the 'law of private subjectivity' that regulates the development of further concrete forms in which human beings act as 'personifications of economic categories'.

Certainly, those more complex forms in which the movement of value attains unity remain 'only the objective expression of the changing social relations in which commodity owners conduct their exchange', i.e. their *simplest* (social) content remains the general productive relation between human beings. However, the real inversion of those social relations as attributes of things means that human beings cannot consciously control the self-transformation of their subjectivity (at least not with the determinations unfolded so far). This transformation thereby occurs 'behind their back' as a result of the self-transformation of the alienated forms of objectivity through which their social metabolic process takes place. As those objectified forms self-develop and change, commodity owners 'who represent these changed relations, acquire new economic characteristics', i.e. they progressively emerge from the circulation process wearing different 'character masks' from those with which they entered.

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[80] Marx 1987a, p. 371.

In the passage above, Marx specifies the forms of subjectivity that have emerged up to that particular stage of his presentation. More concretely, he mentions the figure of simple commodity owner, buyer and seller, hoarder and rich man. However, the implication of this discussion is that commodity owners shall undergo further 'changes of skin'. Thus, a few pages later he develops the figure of debtor and creditor,[81] noting also how the corresponding general ideological forms change as well. From religion as the ideological form corresponding to the hoarder, we now move to jurisprudence as the one corresponding to the subjective form of creditor.[82] Furthermore, 'as money develops into world money, so the commodity owner becomes a cosmopolitan', the general ideological form of which is that of 'cosmopolitanism, a cult of practical reason, in opposition to traditional religious, national and other prejudices which impede the metabolic process of mankind'.[83]

The fundamental point of this discussion is that those passages from the 1859 *Contribution* bring out very nicely a claim that I had made earlier about the object of Marx's 'systematic dialectic': it includes both the forms of *objectivity and subjectivity* of capitalist society. But additionally, they implicitly contain important methodological insights into the way in which the genesis of different forms of subjectivity should be materialistically investigated, namely, as necessary mediations of the autonomised self-movement of forms of objectivity. This, I think, is the only method which allows us *immanently* to ground forms of consciousness and will *within* the movement of present-day social relations. Crucially, my central claim is that if we want to stay true to this materialistic approach, this method should not only 'apply' to 'value-reproducing' forms of subjectivity and action, *but must also include revolutionary subjectivity as well.* In other words, the form of 'revolutionary political subject' (more specifically, of our own subjectivity as an individual organ of such a collective class subject) must be immanently unfolded as a much more developed mode of existence taken by the original commodity owner with which the dialectical exposition started.[84]

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[81] Marx 1987a, p. 373.

[82] Ibid.

[83] Marx 1987a, p. 384.

[84] As we shall see in the following chapters, those transformations of commodity owners do not simply derive from the 'new economic characteristics' with which they 'emerge from the process of circulation' as it develops novel determinations. Instead, they derive from the changes they experience as they enter into, and emerge from, a capitalistic *process of production* that will develop revolutionary transformations as well.

To put it in more general terms, the immanent ground of revolutionary subjectivity is not simple and unmediated. Instead, it is a 'unity of many determinations', which therefore means that its scientific comprehension can only be the result of a complex dialectical investigation involving *both* the analytic movement from the concrete to the abstract, and the synthetic, mediated return to the concrete starting point, i.e. revolutionary transformative action. Dialectical research must therefore analytically apprehend all relevant social forms and synthetically reproduce the 'inner connections' leading to the constitution of the political action of wage labourers as the form taken by the revolutionary transformation of the historical mode of existence of the human life process.

Now, if the reproduction of the concrete in thought shows that the determinations immanent in the commodity form do not carry, in their simplicity, the necessity of transcending value-production, the search for the latter must move forward unfolding the subsequent concrete forms in which the former develop. Our process of cognition still needs to go through more mediations in order to become fully aware of the necessity of our action in the totality of its determinations, i.e. beyond any appearance presented by it. In order to develop the plenitude of its potentiality, this conscious development must reach a concrete form of our alienated social being which embodies a determinate potentiality whose realisation: (a) entails the abolition of alienated labour itself; and (b) has our transformative action as its necessary concrete form. In sum, revolutionary action must personify a concrete determination of value-producing human practice; a determination, however, whose realisation precisely consists in the abolition of value production itself.

Thus, the ideal reproduction of the commodity form is thereby but the *first step* in the broader process of dialectical cognition through which the subject of revolutionary transformation discovers the alienated character of her/his social being and, consequently, of her/his consciousness and will (including its transformative will). However, we shall see that when developed in its totality, this process also produces the awareness of the historical powers developed in this alienated form and, consequently, of the revolutionary action that, as personification of 'economic categories', the emancipatory subject needs to undertake.[85] This is not the awareness of the *external circumstances* or *objective conditions* of a self-determining action.[86] It is the awareness of the *inner determ-*

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[85] Iñigo Carrera 2008.

[86] Note that Marx himself occasionally relapsed into this representational language of external relations and spoke of conditions and circumstances for human action. An example

inations of our alienated transformative action. Thus, dialectical social science does not look outside our action in order to comprehend the 'objective' circumstances that 'constrain' its affirmation, but rather, in penetrating its immediate appearances, goes right 'inside' it. In this way, the field of human practice is never abandoned. Only by virtue of its dialectical form does the critique of political economy become determined as the fully conscious organisation of human practice in the capitalist mode of production and, hence, as the revolutionary science of the working class.[87]

Thus far, however, this critical reading of Marx's *Capital* has shown no sign of providing us with the consciousness of the concrete determinations of our radical transformative action. In fact, all references to the working class as the revolutionary subject were, strictly speaking, completely extrinsic to the determinations we had before us. Therefore, in the next chapter, I jump ahead in Marx's dialectical presentation right into the heart of the determinations of social existence taking the form of the class struggle, in order to see the extent to which they shed light on the necessity of revolutionary action.

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of this is the oft-quoted opening lines from *The Eighteenth Brumaire of Louis Bonaparte*: 'Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past' (Marx 1979, p. 103). Contrary to most Marxists who tend to celebrate this passage, I think that it is actually quite unfortunate.

[87] Iñigo Carrera 2007.

CHAPTER 7

Capital Accumulation and Class Struggle: On the Content and Form of Social Reproduction in Its Alienated Form

Introduction

In the previous chapters, I have critically reconstructed Marx's presentation of the determinations of the commodity form and shown the fundamental importance of his dialectical method for a proper understanding of those first steps in the critique of political economy. I have also discussed the implications of such an understanding for the translation of those initial insights into the conscious organisation of the practical abolition of the alienation inherent in the commodity form of social relations. Thus, I concluded that although those first steps already revealed to us the alienated nature of our social existence (hence of our consciousness), they provided no answer to the question about all the social determinations behind our radical transformative action, i.e. about revolutionary subjectivity. The very idea of a revolutionary subject, or even of social life taking the form of a political action, was completely extrinsic to the determinations we had before us. The reproduction of the concrete by means of thought thereby still needs to advance towards more concrete determinations of the real in order to account for the necessity of the practical abolition of alienated social life.

The main aim of this chapter is, therefore, to move forward in the critical reconstruction of Marx's critique of political economy up to the point at which, for the first time in his presentation, he shows capitalist social existence as taking concrete form in an antagonistic political relation between classes. In other words, we shall discuss Marx's presentation of the specifically capitalist determinations of the class struggle. Again, the discussion will be carried out in a methodologically minded fashion, so as to highlight the intrinsic connection between the specific form of Marx's scientific argument and its revolutionary content as practical criticism. I argue that, for Marx, the class struggle is a necessary concrete form in which the accumulation of capital realises its determinations. More concretely, the class struggle is the most general *direct* social relation between *collective personifications of commodities* through which the *indirect* relations of capitalist production assert themselves.[1] This

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[1] Iñigo Carrera 2008, p. 15.

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real relation is not grounded in the abstract general principles of structuralist methodology.[2] Rather, it is the necessary expression of the development of the historically specific alienation inherent in the commodity form into its more concrete social form of capital. In other words, that real relation expresses the fact that, as an expression of an alienated social existence, *the total social capital becomes determined as the concrete subject of the movement of modern society*.[3] This, I think, is the fundamental discovery of Marx's critique of political economy, which, in turn, allowed him to find the determinations of revolutionary class struggle as *immanent* in the historical movement of alienation itself. Moreover, we shall see that only on the basis of the unfolding of that determination is it possible to understand the limited transformative powers of the class struggle as a form of the reproduction of capital, its specific revolutionary powers behind its determination as the form of the latter's abolition and, finally, the mediation between the two.

In order fully to understand these determinations of the class struggle in capitalist society, it is evidently necessary to unfold the more abstract social forms which the latter presupposes. The following section, then, briefly reconstructs Marx's dialectical presentation of the determinations of capitalist social relations whose realisation leads to the constitution of the class struggle as a social form.[4]

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[2] This oversweeping accusation of 'structuralism' hurled at anyone making the *critical* (as opposed to apologetic) point about the real constitution of capital as *alienated* subject has been a recurrent feature of the Open Marxist and other 'workerist' approaches. See, for instance, Bonefeld 1995, 2004 and 2014. In a recent article, Stoetzler makes a sharp response to that line of reasoning: 'When some humanist and workerist Marxists, in terms of a defence of subjectivity and agency, slander as "structuralists" those who emphasize the deplorable fact that we humans are ruled and overpowered by a structure, a form of our self-incurred immaturity or tutelage, they grant structuralism too much. The tradition that, following on from Marx, discovered and critiqued dichotomies in various aspects of the *capitalist* reality of human subjectivity – explicitly *not* of trans-historical human subjectivity – merely needed to spell out what was implied in Marx's suggestion that more and more aspects of human and societal reality are "really subsumed" to capital and its nuclear structure, the commodity form. The discovery that humans have, over the last two centuries, formed a dangerous and increasingly dominating social structure (totality) that urgently needs to be destroyed has nothing to do with structuralism. It was Marx who referred to value as an "automatic subject" (in the fourth chapter of *Capital* vol. 1; Marx, 1990: 255) that turns those to whose activity it owes itself into its "carriers", character masks, object-automatons; the point is that such a thing as an automatic subject, like the totality that forms it, should not exist. Emancipation means the de-automatization of subjectivity, a shared concern of the Enlightenment and all its inheritors' (Stoetzler 2012, p. 200).

[3] Iñigo Carrera 2012, p. 59.

Capital: The Materialised Social Relation That Takes Possession of the Species-Powers of Humanity

Capital as the Subject of the Circulation Process

The point of departure of Marx's analysis of the capital form is the result of the circulation of commodities, namely, money. As already mentioned, the circulation of commodities and its development engenders money in its functional determinations. The question arises, then, as to why it is necessary to start the exposition of capital with the money form. The reason can be found in the fact that Marx, as in the analysis of the commodity, starts the analysis of capital with an immediate observation, i.e. with capital 'as it appears at first sight'.[5] On a formal level, this point of departure reflects Marx's structuring principle of the different chapters around presentational nodes, with the capital form constituting a new stage in an exposition which, again, takes the immediate appearance of the social form under consideration as its starting point. And in its simplest manifestation capital presents itself as money. What needs to be investigated is, therefore, the specific nature of money as capital in contradistinction to money simply as such. Through this investigation, Marx presents the *analytic* moment of the exposition.

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[4] Compared to the detailed discussion of Chapter 1 of *Capital* offered in the previous chapters of this book, and the one on Chapter 10 that makes up the focus of this chapter, my commentary on Chapters 4 to 9 will be admittedly sketchier. Thus, I will mostly limit myself to the summary of Marx's argument on its own terms, without critically bringing out many methodological or substantive issues underpinning his dialectical presentation. Similarly, I will not examine as many controversies among Marxists to which these chapters have given rise.

[5] Campbell (2013, pp. 154–5) also notes the isomorphism in the structure of exposition between Chapters 1 and 4 of *Capital*. Additionally, she rightly points out that this structure of the exposition generates the *appearance* of a lack of immanent unity (hence of a 'dialectical transition') between the commodity and money forms, on the one hand, and the capital form, on the other. As she also notes, this unity is given by the progressive 'autonomisation' of value in the course of the unfolding of the different functions of money (Campbell 2013, pp. 152–3; and 2005). Uncritically falling prey to the aforementioned appearance, some authors thus make a case for a *rupture* between the 'market form' and the 'capital form' (Bidet 2005, pp. 140–2; and 2007, p. 163; see also Saad-Filho 2002, p. 13). Reichelt (1995) somehow represents an intermediate perspective. Like Campbell, Reichelt agrees on the existence of an immanent unity between money and capital premised on the increasing independence of value. However, he considers that Marx argued along those lines in the *Grundrisse*, but not in *Capital*.

All that our immediate observation can tell us about this specificity is that it resides in the *form of its circulation*. Whereas the circulation of money as means of circulation can be represented with the form 'C–M–C, the transformation of commodities into money and the re-conversion of money into commodities: selling in order to buy', money that is transformed into capital circulates in the form of 'M–C–M, the transformation of money into commodities, and the re-conversion of commodities into money: buying in order to sell'.[6] However, behind these two distinct *forms* of circulation a difference of *content* lies hidden.[7] In the case of the simple circulation of money within the framework of the circulation of commodities, the content of the process is given by satisfaction of needs, that is, by individual consumption. In other words, the use value of the commodity is what constitutes the immediate object of the circuit.[8] In this sense, the aim of the cycle is external to the process itself. In the other case, on the contrary, the circuit 'proceeds from the extreme of money and finally returns to the same extreme. Its driving and motivating force, its determining purpose, is therefore exchange-value'.[9] This has a twofold consequence. In the first place, insofar as both extremes of the cycle M–C–M are identical, this process as such simply appears meaningless. Consequently, the extremes must be distinguished from each other in order for the circuit to acquire a purpose. Inasmuch as they are *qualitatively identical*, the only possible difference (and hence that which must become the aim of the process) is the *quantitative increase*. Thus, the adequate form of this process of circulation must necessarily be M–C–M′ where the initial sum of money (value in its concrete form of appearance) produces through its movement a larger amount of value, that is, a *surplus value*.[10] Money which circulates according to this form becomes determined as *capital*.[11] Secondly, and in contradistinction to what happens in the circuit C–M–C, the aim of the process is not external to it. The motive force – i.e. the valorisation of value – is internal to the process; it derives from the movement of circulation itself. Once the circulation of money as capital is complete, we return to the same point of departure: a quantitatively limited sum of money. And if the latter is to act as capital it must be thrown back into circulation. This means that the process of valorisation of value carries within itself the necessity of its own renewal, giving the process the character of being *formally* boundless.[12]

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[6] Marx 1976g, pp. 247–8.

[7] Marx 1976g, p. 248.

[8] Marx 1976g, p. 250.

[9] Ibid.

[10] Marx 1976g, p. 251.

[11] Marx 1976g, p. 252.

The exposition started with the circulation of capital as it appears in its immediacy and found the production of surplus value to be its content. The following point that needs to be accounted for is the source of the necessity of that movement. In other words, the phase of analysis still needs to go on in order to discover what sets into motion this process of multiplication of value. As with the analysis of the commodity, Marx presents his argument by first looking at apparent paths that the dialectical analysis could follow. Thus, it might seem that this process originates in the abstractly free activity of the possessor of money. However, as already shown by the analysis of commodity fetishism, through their free conscious and voluntary action the owners of commodities cannot but act as the personification of the social powers inherent in their commodities. Inasmuch as she/he is an alienated human being, the capitalist only realises through her/his apparently free action the immediate necessity of her/his capital.[13] The movement of value, although mediated by the subjectivity of the capitalist, is not grounded in her/his consciousness and will. Thus, Marx discovers that *the necessity of the process of circulation of money as capital comes from the automatic movement of value itself*.[14] In becoming capital, value – the materialised social relation of the private and independent individuals – turns into the concrete *subject* of the process of circulation of social wealth.[15] In turn, the commodity and money, the particular and the general mode of existence of mercantile wealth, become determined as transitory forms which value takes in its process of self-expansion. As Marx states,

> [V]alue is here the subject of a process in which, while constantly assuming the form in turn of money and commodities, it changes its own magnitude, throws off surplus-value from itself considered as original value, and thus valorises itself independently. For the movement in the course of which it adds surplus-value is its own movement, its valorisation is therefore self-valorisation [*Selbstverwertung*].[16]

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[12] Marx 1976g, p. 253.

[13] Marx 1976g, p. 254.

[14] Marx 1976g, p. 255.

[15] Robles Báez (1992) provides a useful discussion of the mediations involved in the constitution of capital as subject.

[16] Marx 1976g, p. 255.

The alienation of the human individual thus reaches a new stage. It is not only about a process of social production mediated by the value form of the product. Not even about one that simply has value as the direct object of the process of exchange. The objectified abstract labour represented as the exchangeability of commodities has taken possession of the potencies of the process of circulation of social wealth itself. This moment of the human life process is turned into an attribute of the life cycle of capital, which has the production of more of itself, i.e. its quantitative increase, as its only general qualitative determination.[17] This is where the formal specificity of capital as an *indirect*, hence *materialised*, social relation resides. Thus, the production of human life has ceased to be the content of the movement of social reproduction and has become the unconscious outcome of the production of surplus value, that is, of the *only* (alienated) content presiding over the movement of modern society.[18]

In my view, this is probably the most important *critical* insight of the fully developed Marxian critique of political economy and also the link with the so-called 'early writings': the discovery of the social constitution of capital as an autonomous and self-moving subject amounts the concretisation of the young Marx's account of alienated labour. Thus, unlike its first manifestation at the level of the commodity form, the activation of the autonomised regulation of social life no longer has the private individuals' apparently free decision to engage in the organisation of their production as its premise. Furthermore, it is not extinguished upon the completion of its mediating role in the cycle of metabolic exchange – that is, once the commodity leaves circulation and enters the sphere of personal consumption. Upon reaching the capital form, the automatism of the general social relation between private and independent individuals becomes the constantly renewed *premise and result* of the social metabolic process itself. The social relation between humans, existing in the form of the attribute of a thing, becomes *self-activating* and sets the 'human exchange of matter' into motion by itself, with the only aim of boundlessly expanding its magnitude.

Now, as Marx puts it in the *Grundrisse*, this 'twisting and inversion [*Verdrehumng und Verkehrung*]' of the general objectified form of social mediation into the self-moving subject of the process of human metabolism is 'not merely a *supposed one* existing merely in the imagination of the workers and the capitalists'.[19] On the contrary, it is a '*real phenomenon*',[20] unconsciously or spontaneously posited as 'socially-valid objectivity' by the human brain itself, when the general social character of labour is established behind the back of the privately undertaken activity of individuals. At least two important questions follow from this.

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[17] Iñigo Carrera 2008, p. 12.

[18] The emphasis on 'only' will become clear in the discussion below.

[19] Marx 1993, p. 831, original emphasis.

[20] Ibid.

In the first place, insofar as from Marx's materialist perspective this social production process is not simply 'the reproduction of the physical existence of the individuals', but a 'definite form of expressing their life, a definite *mode of life* on their part',[21] there can be absolutely no aspect of human existence that does not become determined as an instance of this metabolic interaction inverted as an attribute of capital. However inverted in its form, this *is* the mode in which the materiality of human life exists. As a consequence, there can be no exteriority to its movement. The upshot of the constitution of capital as alienated subject is that *all* the determinations of the human life process will *really* prove to be material bearers of the former's self-expansion. From this point onwards, the exposition will show that individuals, *precisely* for being the *material* subjects of this process (rather than 'in spite of'), shall become fully *form-determined* as personifications of different determinations emerging out of the movement of value's self-valorisation.

In the second place, this means that capital, as self-valorising value, is not simply an 'abstract social structure of impersonal *domination*' over human beings.[22] It certainly is such a form of objective or impersonal subjection, but only as the concrete form taken by its essential character as a mode of 'articulation' of the social division of labour, i.e. a specific form in which society resolves the establishment of the material unity between social production and consumption. That the form of capital taken by this process entails its inversion into a *means* for an *alien purpose* does not change the matter. At stake here is first and foremost the material reproduction of human society and not a system of 'power or domination'.[23]

Yet, although at this stage of Marx's argument there are already elements which allow the reader to *infer* that capital turns into the alienated subject of human life *in its totality*, this unity is still to be concretely *posited* by the dialectical exposition. Certainly, the unfolding of the commodity and money forms reached a point in which, in the form of the movement of simple circulation as a whole, a first expression of such social unity became manifest. But that unity was only abstractly posited. As Marx states in those pages, that 'the scattered elements' comprising 'society's productive organism' attained 'qualitative and quantitative articulation' into 'the system of the division of labour' appeared as entirely haphazard.[24] On the other hand, as the exposition moved on to the inversion of simple circulation of commodities into the circulation of capital, that abstractly posited unity fell apart. In effect, Marx immanently discovers the general determination of capital as self-valorising value by reproducing in thought an *individual* cycle of money-as-capital. Both the fact that capital subsumes the content of social (re)production in its unity and the concrete form in which that unity is formally and materially established as its own alienated attribute, has not been systematically posited by the dialectical presentation. As a matter of fact, the gradual unfolding of this progressive subsumption of the materiality of the human life process under the movement of capital is what the rest of the three volumes of *Capital* are all about. At that stage, however, Marx only encountered the most abstract appearance of this total social process, which is the constitution of individual capitals as the subjects of their apparently autonomous respective cycles of valorisation in the sphere of circulation. Let us resume Marx's exposition from that point.

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[21] Marx and Engels 1976a, p. 31, original emphasis.

[22] Cf. Postone 1996, p. 30.

[23] Cf. Holloway 2002b and 2010.

Having discovered the generic essential determination of capital as self-valorising value, Marx's exposition turns to follow the concrete form in which this content, i.e. the production of surplus value, is realised. The analytic phase of the exposition thereby gives way to the synthetic stage, which consists in positively unfolding by means of thought the previously discovered self-movement of capital as the alienated subject of that process.

> As the dominant subject [*übergreifendes Subjekt*] of this process, in which it alternately assumes and loses the form of money and the form of commodities, but preserves and expands itself through all these changes, value requires above all an independent form by means of which its identity with itself may be asserted … Value therefore now becomes value in process, money in process, and, as such, capital. It comes out of circulation, enters into it again, preserves and multiplies itself within circulation, emerges from it with an increased size, and starts the cycle again and again.[25]

At this point, the exposition seems to face an impasse: the determinations developed thus far are revealed to be impotent to account by themselves for this process of multiplication of value. The law that governs the movement of the sphere of circulation – that is, the exchange of equivalents – is incapable of explaining the generation of a surplus value.[26] As Clarke succinctly puts it, this process

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[24] Marx 1976g, p. 203.

[25] Marx 1976g, pp. 255–6.

> cannot take place within exchange, at least as so far developed, because exchange does not *create* value, it merely changes its form. It is certainly the case that unequal exchanges could take place, but such exchanges could not yield a *surplus* value, they can only redistribute a portion of an existing sum of value as gains and losses balanced out.[27]

Although having circulation as its point of departure and hence with this sphere as one of its moments, the process of value's self-expansion pushes beyond circulation itself. The movement of capital shows the necessity to find within the circulation of commodities a commodity whose use value for capital is to produce more value than it costs. The existence of the doubly free worker provides capital with this requirement.[28] As an independent human being, this worker can freely dispose of her/his individual productive powers.[29] However, insofar as she/he is deprived of the objective conditions in which to externalise her/his free subjectivity, she/he must give her/his labour power the form of a commodity to be sold on the market to the immediate personification of capital.[30]

What are the determinations of the commodity in its concrete form of the labour power of the doubly free worker? As any other commodity, labour power is a unity of value and use value. The former is thus determined by the socially necessary labour time required for the production of this commodity which, in this particular case, resolves itself into the production of the means of subsistence necessary to reproduce the physical and mental powers of the labourer.[31] The latter is nothing other than the actualisation of the productive capacities of the worker, i.e. labour.[32] As stated above, it is through the appropriation of the use value of this peculiar commodity that capital is able to valorise itself. The exposition must therefore develop the determinations of the process of consumption of labour power, which takes place 'outside the market'.[33] In this way, we will see in the next section how capital not only becomes the subject of the process of circulation of social wealth, but also turns into the subject of the immediate process of production.

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[26] Marx 1976g, Chapter 5.

[27] Clarke 1991a, p. 114.

[28] Marx 1976g, p. 270.

[29] Marx 1976g, p. 271.

[30] Marx 1976g, p. 272.

[31] Marx 1976g, pp. 274–6. Marx's account of the determination of the value of labour power has generated some controversies among his followers, which I discuss in an appendix at the end of this chapter.

[32] Marx 1976g, pp. 270, 274–5.

Capital as the Subject of the Immediate Process of Production

In order to valorise itself, then, capital has to take possession of the potencies of the human labour process. Through the movement of material production that at the same time produces the reified general social relation – value – capital is able to carry out its real valorisation, which, before this point, was only potential. At this stage of the presentation, in which capital takes the materiality of the labour process as a given presupposition (the *formal subsumption* of labour in capital), the only possibility to actualise capital's valorisation is to expand the amount of labour power productively consumed by extending the working day of the labourer beyond the hours of labour socially necessary to reproduce the value of labour power (which therefore becomes determined as necessary labour).[34] Thus, the secret of the immediate source of surplus value is revealed: its origin lies in the surplus labour that the labourers perform under the control of the capitalist to whom they freely sold their labour power at its value. Consequently, this surplus value becomes materialised in the product of labour which takes the form of the rightful private property of the capitalist.[35] In other words, the valorisation of capital takes concrete form through the exploitation of the productive powers of living labour. In this way, it determines the production of use values in the commodity form as a concrete form of the production of surplus value. From now on, the labour process becomes determined as the material bearer of the process of value's self-valorisation. In this unity, the immediate process of production becomes a process of production of capital.[36]

Although capital is essentially determined to be indifferent to any qualitative distinction other than the production of its quantitative increase, its material embodiment in the labour process produces its qualitative differentiation. It is clear that the production of use values, through which the production of surplus value takes place, necessarily involves the organic unity of labour power and means of production in order to put the labour process into motion.[37] However, the only portion of capital able to change its magnitude is the one that is materialised in labour power, which thus becomes determined as *variable capital*.[38] The portion materialised in the form of means of production lacks this capacity and hence negates the essential determination of capital of being an inherently variable magnitude. The value of the means of production is transferred by living labour to the product and just reappears in the same magnitude.[39] Capital is thus negated simply as such to affirm itself as *constant capital* which, however, constitutes a necessary condition for the affirmation of its power of self-valorisation.[40] In short, the valorisation of capital can only take concrete form through its qualitative differentiation between variable and constant capital.

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[33] Marx 1976g, p. 279.

[34] Marx 1976g, pp. 301–2.

[35] Marx 1976g, p. 292.

[36] Marx 1976g, p. 304.

Valorisation of Capital and Class Struggle

The differentiation of the total capital advanced into constant and variable capital reveals to us that, on condition that a part of capital does take the concrete shape of means of production in the right proportion, the actual change of magnitude in which the valorisation process consists immediately springs from the part of capital materialised in the form of labour power.[41] The inner measure of the degree in which capital self-valorises thus becomes determined by the ratio of the surplus value produced to the variable capital.[42] This is what Marx terms the rate of surplus value. From the perspective of its material content, the rate of surplus value expresses, in a specifically capitalist form, the relation between surplus labour and necessary labour.[43] The latter is the part of the working day necessary to produce the means of consumption which allow the reproduction of the labour power of the workers. The former is constituted by the labour expended during the part of the working day which goes beyond the labour time necessary for the reproduction of labour power.

With the determinations unfolded thus far, the value of labour power – hence the magnitude of variable capital – is a given quantity for capital's process of valorisation.[44] In effect, with the productive subjectivity of the wage labourer and the material forms of the objective conditions of the process of production as an external presupposition, the means of subsistence which enter into the consumption bundle of the labourer and the productivity of labour constitute a given condition for capital's production of surplus value. Thus, if we look at the circuit of capital's valorisation in its purity – i.e. assuming that the law of equivalence regulates exchange – the value of labour power appears to constitute an external limit to the realisation of capital's essential determination as self-expanding value. Under these circumstances, the degree of capital's valorisation depends on the length of the working day, which, unlike the value of labour power, appears in its immediacy to be a variable quantity with no inherent limit to its extension apart from the absolute one constituted by the 24 hours of the day.[45] However, this appearance vanishes as soon as we consider the materiality of the process of consumption of labour power; the physical determinations of the expenditure of labour power already pose a limit to the prolongation of the working day. In addition, the very reproduction of labour power in the conditions determined by what Marx calls 'the general level of civilisation' – and which, again, are external to capital at this stage of the presentation – requires that a part of the day is spent on the satisfaction of the 'intellectual and social requirements' of the labourer.[46]

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[37] Marx 1976g, pp. 283–90.

[38] Marx 1976g, p. 317.

[39] Marx 1976g, pp. 314–16.

[40] Marx 1976g, p. 317.

[41] Marx 1976g, p. 323.

[42] Marx 1976g, p. 324.

[43] Marx 1976g, p. 325.

It is only at this juncture that Marx, for the first time in the dialectical exposition of the critique of political economy, shows the necessity of the class struggle as a capitalist social form. In Marx's exposition, the class struggle is presented only as the necessary concrete form in which the physical and social limits to the extension of the working day are set. However, a closer scrutiny of Chapter 10 of *Capital* makes clear that its essential *simplest* determination is actually more general: *the historically specific determination of the class struggle in the capitalist mode of production consists in being the necessary concrete form of the buying/selling of the commodity labour power at its value.*

In order to appreciate this, it is fundamental to highlight an aspect of Marx's presentation which could otherwise appear as capricious and extrinsic to the concrete determinations we had before us, namely, the calculation of the *daily* value of labour power, which is the one that ensures the reproduction of labour power throughout the whole of a worker's working life.[47] What Marx intends to show by means of that calculation is that the excessive prolongation of the working day actually involves the payment of labour power below its value. Hence, the resistance to that extension in the productive consumption of labour power beyond a socially determined 'normality' is only a concrete manifestation of the broader question about the realisation of the full value of labour power.[48] This is illustrated by Marx through the words of that fictional average wage worker who, in giving the reasons for his refusal to let the capitalist impose her/his will on the determination of the length of the working day, claims: 'I demand a normal working day because, like every other seller, I demand the value of my commodity'.[49]

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[44] Marx 1976g, p. 340.

[45] Marx 1976g, p. 341.

[46] Ibid.

[47] Marx 1976g, p. 343.

The above quote has crucial implications. It shows without ambiguity that, in opposition to the claims of many contemporary Marxists, for Marx the *simplest* social determination of the class struggle is not to be the antagonism between two different and irreconcilable principles of organisation of social life: the valorisation of capital and the production for human needs, or the 'logic of abstract labour' and the 'logic of concrete labour'. In this sense, the resistance of workers to the extraction of surplus value does not immediately express (however 'contradictorily') the absolute opposite of the general social relation through which they reproduce their lives, namely, the valorisation of capital.[50] On the contrary, I think that Marx's discussion of the length of the working day in Chapter 10 of *Capital* implies exactly the opposite: it presents the struggle of workers as a concrete form of the movement of alienated social life as any other form of their life activity. In other words, though clearly an 'endemic' reality of the capitalist mode of production, the class struggle is not *ontologically* but *socially* constitutive of capitalism, since capitalist and worker, *as owners of commodities* (not as embodiments of ontologically different principles of social reproduction), personify social determinations of the process of valorisation of capital whose realisation is antagonistic.[51] Let us return to Marx's text in order to substantiate this point.

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[48] See the appendix for a discussion of the meaning and determination of the 'normality' involved in the purchase of labour power at its value.

[49] Marx 1976g, p. 343.

[50] For instance, the 'recalcitrance of use value' (Arthur 2001b) to the pure dialectic of the value form, 'a world of pure form empty of content' (Arthur 2001a, p. 33). One could argue that the essentials of this train of thought can be found, in different guises, in various traditions of unorthodox Marxism. See, among others, Cleaver 1979 and 1992; Albritton 2003; Radical Chains Collective 1993; Kay and Mott 1982; Dunayevskaya 1988; Dinerstein 2002. The difference between these alternative versions resides in the specific determination in which they locate this radical 'otherness' to capital which sets into motion its abolition. They all seem to have in common the view that the revolutionary negation of capital is not an alienated necessity of the accumulation of capital itself, engendered by the latter's own historical movement, instead of being its abstract negation. And notice that I mean this in the profoundest 'dialectical' sense of 'intrinsic connection'. That is, not just in the banal sense that the revolutionary action is 'produced' by capital because the proletariat 'reacts' to the miserable or inhuman conditions to which capital condemns it. Thus posed, the relation is completely external. The question is: which concrete historical potentiality of the valorisation of capital – the *only* present-day *general* social relation – carries within itself, as its only form of realisation, the necessity of its own annihilation through the revolutionary action of the working class? At the other extreme of those 'ontologisations' of the class struggle lies its 'biologisation' by Kautsky, for whom the class struggle was simply a human instance of the natural struggle for survival characterising the relation among species. See Kautsky 1978, p. 201.

Marx's starting point in his presentation of the determinations of the class struggle over the length of the working day is the individual direct relationship between capitalist and worker, whose antagonistic character, far from constituting the abstract negation of the indirect social relations regulating the circulation of commodities, springs from the realisation of those laws themselves. The capitalist, acting as the personification of the necessity of her/his capital, wants to extend the length of the working day as much as possible. As a rightful buyer of commodities, she/he wants daily to extract as much use value as possible from the commodities she/he buys;[52] among them, the labour power of the wage labourer. Actually she/he is forced to do so by the competition from other individual capitals that mediates her/his determination as personification of the most immediate necessity of capital: the production of surplus value.[53] The worker wants to limit that daily extraction. Actually she/he is compelled to do so if she/he wants to preserve her/his productive attributes in the conditions needed to be able to sell her/his labour power in the future. In other words, if she/he wants to get paid the full value of the latter throughout the course of her/his productive lifetime. As we have seen, the struggle of the worker over the length of the working day is actually a concrete manifestation of the struggle over the realisation in full of the value of labour power.[54]

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[51] It could be argued, following Shortall (1994, Chapter 5) – building on insights originally developed by Negri in *Marx Beyond Marx* (1991) – and Lebowitz (2003), that my reading of Marx's presentation of the class struggle in *Capital* is perfectly accurate but only because Marx's account itself is one-sided and/or incomplete, leaving the struggles of wage labourers which go beyond their determination as 'variable capital' out of the picture. Although these authors also give the class struggle an ontological foundation, they differ from those referred to above, insofar as they recognise that was not Marx's formulation, although it should have been.

[52] Marx 1976g, p. 342.

[53] Marx 1976g, p. 381.

[54] Hence, we can see now that every circumstance affecting the reproduction of labour

Thus, Marx concludes, the very operation of the *indirect* laws of commodity exchange leads to equally rightful but antagonistic stands on the length of the working day. The resolution of this antinomy makes the valorisation of capital take the concrete form of a *direct* social relation of *force*:

> There is here therefore an antinomy, of right against right, both equally bearing the seal of the law of exchange. Between equal rights, force decides. Hence, in the history of capitalist production, the establishment of a norm for the working day presents itself as a struggle over the limits of that day, a struggle between collective capital, i.e. the class of capitalists, and collective labour, i.e. the working class.[55]

The point to note here is that although Marx claims that that direct social relation is actually a class relation, the determinations unfolded thus far do not show any necessity for such transition from the individual antagonism between capitalist and worker to its constitution as *class* struggle. In reality, that observation is at this stage of an external character, an anticipation of the actual presentation of the determinations of the valorisation process that make it take the form of an antagonism between social classes. Marx unfolds this presentation of the essential determinations of the class struggle through a very long 'historical sketch' of the particular forms through which the former acquired concrete existence. Here, I shall concentrate on the general aspects of the determinations at stake, that is, I shall attempt to capture from Marx's account the contradictory tendencies of capital's valorisation process as such without reference to the concrete forms taken in the history of England as described by him.[56]

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power – such as the intensity of labour, the wage, health and safety of working conditions, and so on – is a concrete expression of the question of the buying/selling of labour power at its full value.

[55] Marx 1976g, p. 344.

[56] On the dialectical-methodological significance of the notion 'historical sketch', see the seminal contribution by Müller and Neusüss to the so-called 'German State Derivation Debate' (Müller and Neusüss 1975). In that text, these authors highlight very well the need for concrete empirical study to see how the general determinations of capital accumulation unfold in the course of history in order to avoid the twin shortcomings of both an unmediated 'application' of the latter which would lead to a 'dogmatic history', and the abstract empiricism of sociology and political science. More generally, Müller and Neusüss's reconstruction of Marx's argument in the chapter on the working day is still one of the best accounts to date. Marx himself concisely presents the general determination

Marx organises his exposition by sketching out the way in which opposing tendencies regarding the length of the working day asserted themselves in the course of the movement of the history of the capitalist mode of production. Initially, he shows that a tendency to the brutal extension of the working day, which overstepped all traditional limits inherited from pre-capitalist social forms, made its way through history. In its general determination, this roughly corresponds to unchecked imposition of the will of the immediate personifications of capital in their voracious search for the utmost valorisation of their individual capitals, before 'the working class, stunned at first by the noise and turmoil of the new system of production, had recovered its senses to some extent' and 'began to offer resistance'.[57] In other words, the realisation of that tendency in its purity manifests the determinations of the valorisation process as they take shape without the constitution of the sellers of labour power as a class, i.e. through the individual antagonistic relationship they establish with the buyers of the only commodity they own, as discussed above. Under these circumstances, the respective power of buyer and seller of labour power is systematically biased towards the capitalist. Thus, if between equal rights, force decides, there will be a systematic tendency for the immediate personifications of capital to impose their will regarding the duration of the working day. Which means, as we have seen, the strife for 'the full 24 hours, with the deduction of the few hours of rest without which labour-power is absolutely incapable of renewing its services'.[58] Whilst the capitalist could survive without buying the labour power of any particular labourer, the latter faces the sale of her/his labour power, which is her/his only general social relation, as an immediate necessity. Thus, in the desperate attempt to establish her/his general social relation, the worker faces the competition of other individuals who can only personify the commodity form of their labour power. Although at this stage it cannot but be an external reflection, Marx points out that even immediate observation suffices to see how the very movement of the alienated regulation

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at stake 'in its purity' – i.e. without its particular realisation in the course of the history of capital accumulation in England – in the preparatory *Manuscripts of 1861–3* (Marx 1988, pp. 180–5). As a matter of fact, the addition of a historical narrative to illustrate the systematic exposition of the general determination already developed by 1861–3 was not part of Marx's original plan. Thus, in a letter to Engels from 10 February 1866, he reports that he decided to elaborate 'the section on the "Working Day" from the historical point of view, which was not part of my original plan' because his poor health conditions prevented him from making progress 'with the really theoretical part' (Marx 1987b, p. 224).

[57] Marx 1976g, p. 390.

[58] Marx 1976g, p. 375.

of social life engenders the existence of a surplus population relative to the needs of capital's valorisation process, thus making evident that not all workers will be able to sell their labour power and thereby placing them in a relation of exacerbated competition. Hence the capitalist knows that she/he will always find a worker willing to sell her/his labour power, however long the working day might be:

> What experience generally shows to the capitalist is a constant excess of population, i.e., an excess to capital's need for valorization at a given moment, although this throng of people is made up of generations of stunned, short-lived, and rapidly replaced human beings, plucked, so to speak, before they were ripe.[59]

Marx then goes on to show the consequences of the pure operation of this tendency for the lengthening of the working day when the fixation of its limits is left to the unilateral action of the immediate personifications of capital, namely, the impossibility of workers to reproduce their labour power in the very conditions that the valorisation of capital demands from them, which means, sooner or later, the impossibility of reproducing labour power as such.

> By extending the working day, therefore, capitalist production, which is essentially the production of surplus-value, the absorption of surplus labour, not only produces a deterioration of human labour-power by robbing it of its normal moral and physical conditions of development and activity, but also produces the premature exhaustion and death of this labour-power itself.[60]

More generally, this implies that when considered at the level of the individual antagonistic relationship between capitalist and worker, the valorisation of capital inevitably leads to a tendency for labour power to be sold *systematically below* its value. However appealing this might be to the voracious appetite for an extra surplus value of the individual capital, this *immediate* necessity goes against the *mediated* necessity of the reproduction of the valorisation of capital as such to prevent the productive attributes of labour power, the one and only *direct* source of surplus value and hence of self-expansion, from exhaustion. Marx points this out by looking at this same phenomenon from another angle, i.e. by commenting on what would happen if labour power was consumed during an unnaturally prolonged working day:

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[59] Marx 1976g, p. 380.

[60] Marx 1976g, p. 376.

> If then the unnatural extension of the working day … shortens the life of the individual worker, and therefore the duration of his labour-power, the forces used up have to be replaced more rapidly, and it will be more expensive to reproduce labour-power … It would seem, therefore, that the interest of capital itself points in the direction of a normal working day.[61]

It is this other necessity of the valorisation of capital that takes shape through the antagonistic will of the worker, who tries to limit her/his conscious and voluntary subjection to the will of the capitalist in the immediate production process. And this is what gives rise to the opposite tendency of the valorisation of capital regarding the length of the working day, whose concrete realisation takes the form of the struggle of workers as a class. Marx illustrates this by showing how only the long and protracted resistance of workers eventually led to the intervention of the capitalist state, which, in the alienated form of a law, imposed the direct general regulation of the extensive quantitative limit to the productive consumption of labour power by individual capitals. Seen from the perspective of the worker, this appears as the only way of securing her/his material and social reproduction in its capitalist form, that is, of getting paid the full value of labour power. And she/he can only succeed at this – on average, through the cyclical oscillation of the wage around the value of labour power – by establishing a relation of conscious co-operation with the rest of the workers in order to sell their labour power as a directly collective force. The general relation of competition among sellers of labour power is thus realised in the form of its self-negation, i.e. by taking the form of a relation of solidarity.[62] Hence the social constitution of antagonistic *class* wills or the necessary concrete form of *class struggle* taken by the reproduction of the alienated existence of social life.

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[61] Marx 1976g, p. 377.

[62] Here we have the same point that the young Marx made against Proudhon that I commented upon in the first part of the book, namely, that co-operation or solidarity is not the abstract opposite of competition, but rather its necessary concrete form when labour power becomes a commodity. However, in *Capital* the same conclusion is reached by Marx after unfolding all the determinations presupposed by it, thus eliminating the traces of externality in the relation between those two social forms contained in his presentation in *The Poverty of Philosophy*.

> For 'protection' against the serpent of their agonies, the workers have to put their heads together and, as a class, compel the passing of a law, an all powerful social barrier by which they can be prevented from selling themselves and their families into slavery and death by voluntary contract with capital.[63]

Thus far I have developed the textual reconstruction of the simplest determinations of the class struggle in the capitalist mode of production, as they derive from their systematic place in Marx's dialectical presentation of the critique of political economy. As the above quote from *Capital* makes clear, in its simplest and most general form, the class struggle carries no content other than the establishment of the conditions for the preservation and reproduction of the productive attributes of workers as wage labourers. That is, it is the necessary form of the buying/selling of the commodity labour power at its full value. More generally, this implies that the determinations implicated in the mere existence of labour power as commodity (or the merely *formal subsumption* of labour to capital) do not give the class struggle the transformative potentiality to go beyond the capitalist mode of production.[64] In this simple determination, the political action of the working class is merely determined as a concrete form of the *reproduction* of capitalist social relations.[65] Although for the first time in this reconstruction of Marx's reproduction of the concrete by means of thought, we faced the necessity of capitalist social life to take the form of a political action of the working class, nothing in this journey put us before the necessity of the abolition of capital or, *a fortiori*, of the political action of the working class as its concrete form.[66] The search for the determinations of revolutionary subjectivity must therefore proceed into even more concrete determinations.

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[63] Marx 1976g, p. 416.

[64] In an earlier presentation of the argument which eventually appeared in *Time, Labor and Social Domination*, Postone made a similar point from his own idiosyncratic perspective. See Postone 1978, pp. 781–3, where he refers to this determination as involving 'class-constituting consciousness', as opposed to properly revolutionary consciousness, which he terms 'class-transcending consciousness'.

[65] In contrast to my reading, Psychopedis (2005, pp. 80–1) sees in the implementation of legal norms to regulate the working day an immediate expression of the 'logic of revolution' already at work. Writing from a broadly understood 'Open Marxist' perspective, Psychopedis grounds revolutionary subjectivity in the affirmation of a generic human materiality that exists in the mode of being denied, i.e. in an alienated social form. On this score, his argument does not substantially differ from that of Bonefeld discussed in the previous chapter. However, Psychopedis gives the overall argument an idiosyncratic twist. In his own words, 'the dialectical presentation is not simply a matter of contrasting the "bad form" with the "good contents"' (Psychopedis 2005, p. 80). Instead, it is a matter of 'the demonstration that in capitalism the social forces of production become forces of destruction', so that 'this form poses a real threat to the continued existence of this materiality' (Ibid). The ground of the revolution is thereby seen as residing 'in the attempt of preserving the conditions of life' in the face of capitalism's destructive tendencies and the ultimately *unstable* character of the capitalist state's direct regulation of the material

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conditions of social reproduction, insofar as 'in the long run capital cannot tolerate regulations that reduce the profit margin' (Psychopedis 2005, p. 81). As compared to Bonefeld's approach, this train of thought has the merit of acknowledging that the foundation of revolution is not contained in the *simplest* contradiction between human content and reified form, but in a *more concrete determinate expression* of that contradiction. The further dialectical exposition of form determinations beyond commodity fetishism thus becomes more meaningful for the discovery of the social foundation of the emergence of the revolutionary subject. Nevertheless, Psychopedis still relapses into grounding revolutionary subjectivity in an element which is external to the contradictory self-movement of the capital form: revolution is seen as the affirmation of an abstractly self-determining struggle for society's survival in response to capital's destructive barbarism. Thus, the necessity of revolution is not *immanently* carried by the capital form; instead it is carried by the reproductive conditions of an abstractly conceived 'society' lacking in form determinations, whose existence is 'thwarted' by its subsumption under the capital form. In the end, Psychopedis's account comes down to a more sophisticated version of Luxemburg's 'socialism or barbarism', i.e. of the classical Marxist view of socialism as the 'only salvation for humanity' in the face of 'war, famine and disease' (Luxemburg 1971, p. 367).

[66] In order to avoid misunderstandings, let me note that I do not restrict the determination of the class struggle as a *political* action to the conquest of state power or to an action involving demands directed at the state. The political determination of the class struggle springs from the *objectively general* scope of the antagonistic direct social relation between capitalists and wage workers (Iñigo Carrera 2008, pp. 267–8). As Marx puts it in a letter to Bolte, 'a *political* movement' is 'a movement of the *class*, with the object of enforcing its interests in a general form, in a form possessing general, socially coercive force' (Marx 1965). Whether that general determination is manifested in the form of fragmented 'economic movements' or an immediately general 'political movement' is something which cannot be addressed at this level of abstraction. What should be clear is that the determination of the class struggle as the form of the sale of labour power at its value does not simply involve the 'trade union' form of the class struggle. Concomitantly, neither does that simplest determination of the class struggle mean that it will always be realised through the development of mere 'trade union consciousness'. In other words, that determination may well manifest itself in *apparently* extremely radical or militant forms of the class struggle. In brief, what is at stake in this discussion is the simplest *content* of the class struggle regardless of its *concrete forms*. The confusion between content and concrete form of the class struggle is precisely what lies at the basis of the orthodox rigid separation between economistic and political consciousness of the working class.

This will be the subject of the next chapter. For the moment, I would first like to further explore the implications of this determination of the class struggle as a concrete form of the valorisation of capital.

Class Struggle and the Concrete Subject of the Movement of Capitalist Society

The form of class struggle taken by the movement of capitalist society evidently implies the obstruction of the ceaseless movement of valorisation that constitutes the most general determination of capital as the alienated subject of that process. This could raise the question as to whether this determination entails the absolute negation of capital as the subject of the valorisation process, thus reducing the latter to a concrete form of the class struggle.[67] Or, as commented above, it could lead to the conclusion that since workers' struggles press in the opposite direction to the immediate necessity of capital personified by the capitalists, they must be expressing a different principle of social reproduction from the valorisation of capital. Thus, although it might be true that capital is the subject of the valorisation process, this does not exhaust the 'logic of capitalism as a whole', which is said to comprise the antagonistic unity between the political economy of capital and the political economy of wage labour.[68] Each pole of that unity in opposition is seen as the concrete subject of its own production process and the realisation of their respective goals is seen as repelling the other – hence their antagonism. However, each side needs the mediation of the other for its own reproduction – hence their unity.[69]

There is no doubt that the interruption of the valorisation process constitutes the immediate negation of the most general necessity of capital as subject. However, as my reconstruction of Marx's argument has shown, the form of class struggle taken by the movement of society is actually a determination of the *affirmation* of capital as subject, albeit through *its own negation*. In other words, my point is that the social form of class struggle does not abstractly negate capital's condition of alienated subject, but only expresses the necessarily *contradictory* character of its own movement as one of *affirmation through self-negation*. What the class struggle does negate is the condition of subject of the process of valorisation to what up to that point *appeared* to be the bearer of that social determination, namely, the *individual* capital. The fact that the actions of individual capitals undermine the reproduction of the very direct source of their self-expansion thus makes clear that the production of surplus value is an attribute that exceeds the former's potentiality as particular private fragments of social labour. However, this does not reveal the class struggle as the self-determining force behind the movement of capitalist production, nor does it unveil the emergence an antagonistic principle of organisation of social life other than the valorisation of capital, which would be, in turn, incarnated in the working class.[70] Rather, it only shows that the production of surplus value is a potentiality of the alienated existence of social labour *in its unity*. In other words, Marx's exposition of the social form of class struggle evidences, for the first time in the pages of *Capital*, that the concrete subject of the process of valorisation – and hence of the movement of alienated social production – is the *total social capital*.[71]

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[67] Cf. Bonefeld 1995.

[68] Lebowitz 2003, Chapters 4 and 5.

[69] Lebowitz 2003, pp. 75–6.

The class struggle, then, is the concrete form of development of the antithetical social necessities generated by this alienated total social subject in its process of valorisation. The fact that the most *immediate* necessity of capital is the *formally boundless* quantitative expansion of the surplus value produced does not imply that the limitation to that expansion is not a necessity of its own reproduction. However, we have seen that the latter is a *mediated* necessity, this being the reason why it cannot be realised through the actions of capital's *immediate or positive* personifications – i.e. the capitalists – and why it can only be *negatively or mediatedly* personified by the working class in its struggle against the bourgeoisie. Hence, when the workers struggle, they do not cease to be subsumed to the movement of reproduction of alienated social life. On the one hand, their subjectivity does not act according to an abstractly different 'logic' from that of capitalist commodity production. As we have seen, the relation of conscious solidarity established by workers in their opposition to the positive personifications of capital is in complete accordance with the specific form of their social being, that is, with their determination as private and independent individuals and, more precisely, as commodity sellers.[72] Their conscious co-operation in the form of a political action is not the unmediated expression of a relation of solidarity between *human beings as such*. Rather, it is such a solidaristic relation mediated by the workers' condition as alienated human beings, that is, as *personifications*. In acting in this way without being aware of their determination as attributes of the total social capital – i.e. *in seeing themselves as naturally free* but under an external compulsion which thwarts the affirmation of that personal freedom – they unconsciously personify a necessity of the *reproduction* of their alienated general social relation, albeit one which is evidently antagonistic to that personified by the capitalist.[73]

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[70] De Angelis 1995 and 1996.

[71] From a textual point of view, Marx does not *name* the total social capital at this stage. Instead he refers to an abstract 'society', acting through the state as the representative of its general interests (standing as an external force over the particular interests of social classes), as the subject that compels capital to take 'account of the health and life of the worker' (Marx 1976g, p. 381). However, as Caligaris remarks (2012, p. 80), for Marx 'society' in the abstract is a meaningless entity. For him, society always exists in a specific historical form. On the other hand, in its general determination, society is not an abstraction existing over and against human beings, but is the general social relation through which the immanent social unity of their individual actions is posited. But insofar as this unity in capitalism operates behind the backs of individuals (hence of social classes), it appears as an external power vis-à-vis human beings. In the chapter on the Working Day, this alienated social unity is posited in its directly political form as the *state*. But its economic content (material reproduction in its value form) is not yet fully posited. A first instance of this positing eventually occurs in the chapter on simple reproduction. In my view, this is why Marx decides at that particular stage explicitly to name the total social capital as the concrete alienated subject of material reproduction in its unity. Retrospectively, it then becomes clear that the 'society' of Chapter 10 was actually the total social capital, and the state was the latter's general political representative (Caligaris 2012; Iñigo Carrera 2012).

Once Again, the Question of the Dialectical Method

At this juncture we can now appreciate the methodological significance of this discussion. For the aforementioned notion that the political action of the working class ultimately expresses social necessities radically opposed to those of the accumulation of social capital rests on what we have seen in the first part of the book as the *logical representation* of the specific movement of affirmation through self-negation constituting the determination of social forms, in the form of a unity of two immediate affirmations. Thus, when the mediated necessities of the total social capital are only grasped in their immediate concrete form of existence as simple and abstract 'human' needs of the working class, the development of the latter appears as a social process regulated by different 'laws' from those of the reproduction of the valorisation of the total social capital itself. This is a process that furthermore appears to stand in external opposition to the needs of the total social capital, one-sidedly reduced to those immediate ones that are personified by the capitalist class. Moreover, this appearance is reinforced by the form taken by the circuit of reproduction of labour power, which has the satisfaction of needs – hence the production of the worker – as its immediate result ($\text{LP–M–C} \ldots \text{P}_{\text{LP}} \ldots \text{LP}^{*}$; C–M–C^{*} in its most general form).[74] From this, the conclusion is drawn that this circuit expresses a different existential logic or social ontology from that of capital's valorisation process (M–C ... P ... C′–M′) and, according to some authors, that it thereby provides the social basis for the revolutionary subjectivity of the proletariat.

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[72] Cf. Postone 1996, pp. 314–23.

[73] It follows from this that the distinction between capital-reproducing and capital-transcending consciousness does not revolve around that between 'trade-union' or 'economic' consciousness, and 'political' or 'socialist' consciousness. It is a matter of whether wage workers are conscious of their own alienation in the totality of its determinations, or whether they fall prey to the appearance of natural human freedom taken by their subordination to the total social capital.

In a nutshell, the general question at stake concerns the social determinations of both the needs of workers and the social form of their satisfaction. Thus, it may seem that, at least outside the process of production, i.e. in the sphere of individual consumption, the freedom of the wage labourer ceases to be a concrete form of her/his alienation. There is no doubt that outside the immediate process of production, and in the process of individual consumption through which labour power is reproduced, wage labourers freely pursue their own goals. Unlike the subordination to the capitalist's despotic will reigning in the immediate process of production, in the process of reproduction of labour power the wage worker appears to be freely acting as a 'being-for-self' and not 'for another', as 'one who approaches capital as a *means*, a means whose end is the worker for self'.[75] And yet, since the selling of labour power as a commodity is the general social relation regulating the reproduction of the worker's life, she/he must apply that free consciousness and will materially to produce her/his productive subjectivity in the conditions determined by the autonomised movement of social life as an attribute of the product of social labour – i.e. by the production of surplus value. The second sense of her/his freedom (the divorce of the labourer from the means of production) means that she/he can reproduce her/his natural life only by producing her/his attributes as a human individual in the material and moral conditions in which *the total social capital* needs her/him in order to produce surplus value; that is, by producing herself/himself as an adequate personification of the only commodity she/he owns. Certainly, in this process of self-production, the wage labourer is not subsumed to the cycle of valorisation of the *individual* capital and, therefore, she/he does not act for this or that particular 'other'. However, the whole gist of Marx's arguments aims at showing that precisely through this free individual consumption (which certainly can only be secured by the class struggle), the worker reproduces her/his subsumption to the total social capital, which thereby affirms itself as the concrete subject not only of the processes of production and circulation of social wealth, but also of the process of individual consumption.

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[74] Where LP is the abbreviation of labour power and P_{LP} corresponds to the process of reproduction of labour power through individual consumption.

[75] Lebowitz 2003, pp. 71–2.

> The individual consumption of the worker, whether it occurs inside or outside the workshop, inside or outside the labour process, remains an aspect of the production and reproduction of capital … The fact that the worker performs acts of individual consumption in his own interest, and not to please the capitalist, is something entirely irrelevant to the matter … The maintenance and reproduction of the working class remains a necessary condition for the reproduction of capital. But the capitalist may safely leave this to the worker's drive for self-preservation and propagation.[76]

In short, the individual consumption of the labourer is neither for the benefit of individual capital nor for herself/himself, but for the total social capital. The cycle $\text{LP}–\text{M}–\text{C} \ldots \text{P}_{\text{LP}} \ldots \text{LP}^{*}$ is a moment of the accumulation of capital – and hence of capital's 'goal' of self-valorisation – as any other aspect of alienated social reproduction.[77]

As we can see, there is no exteriority to the alienated social relations of capital. Therefore, any revolutionary will and actual *material powers* the workers might have to go beyond these alienated social relations can only derive from this complete subsumption of humanity to capital's 'principle' of valorisation. With the determinations unfolded thus far, the class struggle embodies no transformative potentiality other than being the form in which labour power is sold at its value and, therefore, a form of the reproduction of the alienation of human productive powers in the form of capital. And yet, even in this simple form, the class struggle puts us before a determination which, although unable to account for the *content* of the necessity for the abolition of the capitalist mode of production, already sheds light on the reason why the latter can only have a political action of the working class as its *form*. I am referring to the fact that the class struggle is the most general form taken by the organisation of social labour through a conscious and voluntary *collective* action in capitalist society.[78] This is because determining the value of labour power entails the determination of the way in which the total labour power of society is allocated into its different useful forms; in this case, the general division between necessary labour and surplus labour. And we have seen how this is resolved in the capitalist mode of production through the establishment of a direct relation of solidarity among workers in order to develop a consciously organised collective action. On the other hand, the annihilation of capital through the creation of the society of the consciously – hence concretely free – associated producers precisely consists of a social action of such a nature. Evidently, the latter is a social action which no longer expresses the total social capital's need for labour power being sold at its value. Rather, it expresses the historically determined necessity to move forward in the development of human productive subjectivity in a form which negates capital's existence as the general social relation reproducing human life, namely, by giving the materiality of social life the form of its conscious general organisation as an attribute borne by each of the associated individuals. But the point is that the *material content* of this transformation is achieved in the *form* of the political action of the (self-abolishing) proletariat, only because the latter already contains, within its simplest form, the potentiality of being the necessary concrete form taken by the general conscious organisation of social labour as a moment of the reproduction of the total social capital.[79]

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[76] Marx 1976g, p. 718.

[77] As a matter of fact, we shall see in the next chapter, when discussing large-scale industry, that concerning the productive attributes of workers (hence the satisfaction of their needs), the interests of individual capitals might clash with the needs of the reproduction of the total social capital, which is why the latter must be personified by the struggle of wage workers as a class. *Pace* Arthur, the essential implication of this is that labour power is *not* 'an external condition of capitalist production'. See Arthur 2006, p. 92.

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[78] Iñigo Carrera 2008, p. 15. By virtue of this character as a conscious collective action, the class struggle becomes determined as a *political form* of social relations, which mediates the general *indirect* relation through the value form (determined as the *economic form* of social relations). The emergence of the class struggle and the distinction between individual capitals and the total social capital are therefore at the basis of the historically specific differentiation of the capitalist social relations into economic and political forms. This is the rational kernel of the best contributions to the so-called 'German State Derivation Debate' (Müller and Neusüss 1975; Alvater 1973), and to its reception within the Conference of Socialist Economists in the UK (Clarke 1988 and 1991b). My own views on the nature of the state are more directly informed by Iñigo Carrera (2012), insofar as he grounds the differentiation of economic and political forms of the capital relation in a manner which is consistent with the determination of the total social capital as alienated subject. Thus, although the antagonistic character of the class relation is a necessary form taken by the reproduction of the total social capital, it disrupts the fluidity of the former's valorisation. The establishment of the general unity of social labour must therefore take shape through a further objectified form of social mediation, the state, which confronts commodity owners (the personifications of money-as-capital and of the commodity labour power) as an apparently external power with the authority and capacity to establish the overall direct regulation of their antagonistic social relations. The state thus develops as the most concrete political form that embodies the direct organisation of the unity of the conditions of social reproduction in its alienated capital form. That is, it is a concrete form of the essentially indirect social relations through the valorisation of capital. By virtue of this content, the state becomes the *general political representative of the total social capital.* Far from enjoying 'autonomy' (relative or otherwise), state actions are a necessary mode of realisation of the contradictory content of the economic mode of existence of capitalist social relations. In other words, class struggle and state policies are not to be conceived of as independent, self-subsisting factors that externally modify or influence the workings of the 'law of value'. Instead, they need to be grasped as necessary modes of motion through which the law of value further unfolds beyond the strictly economic forms immediately springing from the indirect nature of the social relations of capitalist production.

Appendix: Some Marxist Controversies over the Determination of the Value of Labour Power[80]

As we have seen, Marx argues that the value of labour power is *determined* by the socially necessary labour time required to produce this particular commodity, which in this case comes down to the socially necessary labour time required for the production of the use values which must be consumed in order to (re)produce the physical and intellectual productive powers of the wage worker in 'normal' conditions. On the other hand, my close reading of Marx's presentation of the establishment of a normal working day has shown that the *realisation* of the full value of labour power must necessarily be *mediated* by (i.e. *takes concrete form* in and through) the class struggle. Yet, these two aspects of Marx's account of the determination of the value of labour power have not remained without controversy among his followers. Thus, some Marxist scholars have either challenged their validity or offered an alternative reading which in my view parts company with Marx's actual argument in *Capital*. More specifically, some authors have objected to the commodity nature of labour power (hence to the very idea of there being a 'value' of labour power).[81]

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[79] It is this determination that generates the appearance that the class struggle as such embodies the potentiality to transcend the capitalist mode of production.

[80] For a fuller discussion of the issues treated in this Appendix, see Caligaris and Starosta 2015; Fitzsimons and Starosta 2015.

[81] The rejection of the commodity nature of labour power, and *a fortiori* of Marx's account of the determination of its value, has come from rather disparate traditions, namely, the

In the second place, and more intimately connected with the theme of this chapter, many (if not most) Marxists tend to claim that the value of labour power is (at least partially) *determined* by the class struggle. In light of the centrality of this latter issue for the content of this book, it is worth giving it closer scrutiny.

Class Struggle and the Determination of the Value of Labour Power: The 'Received Wisdom' and Its Limits

As mentioned above, most if not all Marxists tend to take for granted that the class struggle determines, at least in part, the 'standard of necessity' or 'customary living standard' implied in the reproduction of the class of wage workers. There are, however, variations within this theme.

At one end of the spectrum, there are those scholars who conceive of the class struggle as the fundamental (if not the only) *determinant* of the value of labour power. For instance, this is the case of authors belonging to the so-called 'New Solution' perspective.[82] As Mavroudeas perceptively notes,[83] the implication of the 'New Solution' approach is that the value of labour power must be considered, in a rather Smithian fashion, as the quantity of 'labour commanded' by the money wage, which in turn is solely determined by the class struggle in the sphere of *distribution* (or maybe mediated through specific 'institutional arrangements'). The 'Autonomist' theory of the *political* determination of the wage can also be seen as sharing in this broad perspective, albeit with a more 'orthodox' focus on the class struggle in *production* (thus preserving the link between socially necessary labour time actually expended in the production of 'wage goods' and the value of labour power, which is lost in the 'New Solution' approach).[84] Despite their differences, however, for both perspectives the determination of the value of labour power ultimately comes down to a simple expression of *power relations* between social classes. There are two problems with this. Firstly, the objective social basis of the respective power of each social class is left without explanation. More importantly, since thus conceived the value of labour power bears no relation to the conditions

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systematic dialectics strand of value form theory (Arthur 2006, pp. 90–3; Reuten 1988, p. 56; Reuten and Williams 1989, pp. 68–9) and the so-called New Solution to the 'transformation problem' (Lipietz 1985, p. 154; Mohun 1994b, pp. 397–8, 400–1; Foley 1982, pp. 42–3). For a critique of the New Solution's departure from Marx's argument about the commodity nature of labour power, see Mavroudeas 2001.

[82] For references, see previous footnote.

[83] Mavroudeas 2001, p. 55.

[84] Negri 1991, pp. 132–3; Cleaver 1979, pp. 80–5.

in which labour power is expended in the direct process of production, all connection is lost between the reproduction of the capital relation and the *materiality* of the human metabolic process in its unity (i.e. the nexus between social production and consumption).

However, the majority of Marxist scholars tend to support a rather different approach to the determination of the value of labour power. This widespread view hinges on the distinction made by Marx in Chapter 6 of *Capital* between the 'physical' element of the value of labour power ('natural needs, such as food, clothing, fuel and housing') and the 'historical and moral' component ('which depend therefore to a great extent on the level of civilisation attained by a country' and 'on the conditions in which, and consequently on the habits and expectations with which, the class of free workers has been formed').[85] Insofar as the former element is usually seen as directly linked to the recovery from the prior expenditure of labour power in the direct production process, the materiality of the reproduction of the wage labourer is taken into consideration by this approach. However, these authors add to what they consider to be the strictly material element of the value of labour power a historical and social element constituted by the 'customary standard of living', which in turn is seen as determined by the class struggle.[86] It is this latter component which, allegedly, sets Marx's approach apart from Ricardo's 'beast of burden' view of the determination of the 'value of labour'. Whilst this perspective on the value of labour power is more rigorous and consistent with the Marxian critique of political economy, it is not itself exempt from shortcomings.

The first thing to note in this regard is that despite its widespread acceptance among Marxists, the idea of the *determination* of the value of labour power by the class struggle has no supporting textual evidence from Marx's writings. There is no single passage in *Capital* (or in other works for that matter) in which he states that the 'average' amount and qualitative nature of means of subsistence results from the balance of class forces. More specifically, at no point does Marx state that, in contrast to the physical element of the value of labour power, the historical and moral element is constituted by the class struggle. What he does say is that that the latter component expresses the specific conditions inherited from *pre-capitalist* social relations underlying the genesis of each national fragment of the global working class, i.e. the 'general level of civilisation' attained in a particular place at a particular time. In Marx's own words, 'the important part' in the determination of those social conditions is not played by the class struggle but, as he puts it in *Value, Price and Profit*, by 'historical tradition and social habitude'.[87]

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[85] Marx 1976g, p. 275. This, I think, is the general determination underlying E.P. Thompson's historical study of the 'moral economy'. See Thompson 1971.

[86] The references for this perspective are numerous since it constitutes the general consensus among Marxists. See Mavroudeas (2001, pp. 58–9), Lapides (1998, p. 177), and Lebowitz (2003, p. 74), for paradigmatic exponents who discuss the matter explicitly and at great length. Still, the same ideas are touched upon in passing by many other authors. See, for instance, Bellofiore (2009b, pp. 194–7) and Heinrich (2012, p. 94).

Incidentally, it is *Value, Price and Profit* from which some scholars draw the textual evidence for the idea of the class struggle as determining the value of labour power.[88] However, in those passages Marx only states that the fixation of the actual degree of *profit* among the immense scale of possible variations up to its maximum is settled by the continuous struggle between capital and labour.[89] This maximum corresponds to the 'physical minimum of wages and the physical maximum of the working day'. In other words, it corresponds only to the 'physical component' of the value of labour power. Thus, what Marx discusses in that text is the extent to which the class struggle manages to make the actual level of the *wage* approximate the full value of labour power, which includes the 'traditional standard of life' above the physical minimum.

As far as *Capital* is concerned, the situation of a price of labour power falling below the traditional standard of life to its 'minimum' is characterised by Marx as involving the purchase of labour power below its value.[90] But he does not state that the 'traditional standard of life' (and *a fortiori* the full value of labour power) itself varies according to the ebbs and flows of the class struggle.[91] Exegetical issues aside, we shall see in the next section that, even at a substantive level, matters are much more complex than they appear at first sight.

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[87] Marx 1985, p. 145.

[88] See, for example, Lapides 1998, p. 177.

[89] Marx 1985, p. 146.

[90] Marx 1976g, p. 277.

[91] In one of the few remarkable exceptions (if not the only one) to the 'received wisdom', David Harvey makes a similar point in *Limits to Capital* (2006, pp. 54–6). However, the question is one-sidedly reduced (in a rather 'Luxemburgist' or underconsumptionist fashion) to the essentially *quantitative* problem of the realisation of surplus value.

Rethinking Marx's Account of the Determinations of the Value of Labour Power

The main thrust of Marx's argument about the determination of the quantity and quality of the bundle of commodities that constitutes the value of labour power is that it is resolved into what is 'needed to maintain it, i.e. to maintain the worker's life as worker, so that having worked today he will be able to repeat the same process under the same conditions the next day'.[92] As Marx puts it in Chapter 6 of Volume I of *Capital*, 'the means of subsistence must therefore be sufficient to maintain him in his *normal state* as a *working individual*'.[93] Several key issues follow from this.

In the first place, this implies that it is the consumption of those means of subsistence that (re)produces 'the muscles, nerves, bones and brains of existing workers',[94] and whose materiality bears 'the aggregate of those mental and physical capabilities which he sets into motion whenever he produces a use-value of any kind'.[95] In other words, it is through the appropriation of those use values that the worker (re)produces the *materiality* of her/his *productive subjectivity* which, as argued at great length in the first part of the book, is nothing more (but also nothing less) than her/his human individuality or species-being. Consumptive activity therefore reproduces the materiality of the specifically human attributes of the individual: her/his productive consciousness and will, i.e. 'what distinguishes the worst architect from the best of bees'.[96] The other side of the same coin, however, is that the 'amount and quality of the means of subsistence, and therefore also the extent of needs'[97] that enter into the wage worker's consumption bundle, can have no material determination other than that which is necessary to reproduce whichever specific form the productive 'ability, aptitude and power enclosed in the living body of the worker' takes at a 'certain level of civilisation'.

Furthermore, this raises the question as to what exactly Marx means by the '*normal* state as a working individual'. A first self-evident but trivial answer is that the wage labourer must be able to act in the particular labour process in which she/he usually takes part. However, a passage quoted above from the *1861–3 Manuscripts* is a little more specific: she/he has to be able to repeat her/his participation in the labour process *in the same conditions* as the previous day. The question therefore turns to what is entailed by those conditions. In many passages Marx gives the impression that he has in mind only the *physical* reconstitution of the wage worker as implicated in the normal state of her/his labour power. Thus, in Chapter 6 of *Capital*, he explicitly refers to those same conditions in relation to health and strength.[98] At some point in the *1861–3 Manuscripts*, he adds 'vitality in general' to the list.[99] These formulations can lend themselves to the association of the normal state of labour power solely with the so-called 'physical' component of the value of labour power.[100] However, two arguments militate against this reading.

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[92] Marx 1988, p. 42.

[93] Marx 1976g, p. 275, my emphasis.

[94] Marx 1976g, p. 717.

[95] Marx 1976g, p. 270.

[96] Marx 1976g, p. 284.

[97] Marx 1988, p. 42.

Firstly, in those preparatory manuscripts, just a few lines below, Marx introduces a clarifying remark stating that 'it is hardly necessary to mention here that the head belongs to the body as well as the hand'.[101] I take it to mean that the normal state as a working individual involves not only fully functioning physical capabilities, but also the '*mental*' capabilities whose 'aggregate' constitute labour power in its unity, according to Marx's own definition. This is, to some extent, self-evident, insofar as the particular concrete labour performed by some wage workers might involve mainly intellectual activity (e.g. academic labour). Both Marx's stress on the physical 'wear and tear' of labour power, and his clarification that 'mental' capabilities must not be forgotten, might have to do with the fact that in his time the great majority of workers performed mainly 'manual' labour in the direct production process and intellectual wage labour was scarcely developed. However, I shall argue below that much more is involved in the normal reproduction of those 'mental capabilities' than what Marx insinuates. Secondly, I showed above that in *Capital* Marx is unambiguous that the reduction of the price of labour power to a magnitude which only covers the ultimate minimum given by the *physically* indispensable means of subsistence, involves its fall below its value. As I see it, the upshot of this is that for Marx it is the overall 'customary standard of life', which *includes* the 'historical and moral' component, that constitutes the wage labourer's 'normal state as a working individual'.

This latter point dovetails with another key issue worthy of discussion following from Marx's simplest definition of the value of labour power. It also relates to the aforementioned broader significance of the 'mental capabilities' that comprise labour power. For the productive attributes of workers (and so

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[98] Marx 1976g, p. 275.

[99] Marx 1988, p. 51.

[100] Cf. Lebowitz 2003, p. 103.

[101] Marx 1988, p. 51.

their productive subjectivity) do not just include those that are strictly necessary for the labour process in a restricted 'technical' sense (the specific knowledge required for the performance of the determinate productive tasks under their individual responsibility). Additionally, they comprise what, in keeping with Marx's terminology of the historical and moral component of the value of labour power, can be referred to as 'moral attributes' as well. By this I mean the 'aggregate' of determinate forms of consciousness, self-understanding, attitudes and dispositions that *also* need to be 'set into motion whenever the workers produce a use value of any kind'. These moral attributes are of course not natural but the product of history, and therefore vary with the 'level of civilisation' attained by society, i.e. with the historically specific technical configuration of the production process that constitutes the general material basis in each phase of capitalist development. Moreover, they differ for each partial organ of the collective labourer in accordance with the differences in the productive functions that each of them respectively undertakes under the command of capital. Crucially, primordial and generic among those 'moral' attributes (hence cutting across every segment of the working class) is what I have presented (in Chapter 6) as the most general form of subjectivity taken by the alienated consciousness of the private individual in the capitalist mode of production, namely, the personal freedom and independence of the commodity producer.[102] As we have seen, this freedom as a concrete form of the alienation in the commodity form is not simply an abstractly ideological, juridical or cultural form. It is first and foremost a *material* determination of the productive subjectivity of the human individual, a *productive power or attribute*.[103]

With all these elements in mind, I would like to suggest a possible interpretation (or resignification) of what Marx might have been getting at with the distinction between the 'physical' and the 'historical and moral' component of the value of labour power. Succinctly put, the former broadly corresponds to the (re)production of the strictly 'technical' dimension of labour power as defined above. Here I am quite simply sticking to the letter of Marx's text (with the proviso that, as he further clarifies, the costs of education and training deriving from the degree of complexity of labour power must be added to this 'technical' component). As a consequence, the point is rather uncontroversial and there are few disagreements among commentators. The key contentious issue hinges on the 'historical and moral' element which, as we have seen, without any solid textual evidence most Marxists take for granted as condensing the result of the class struggle. By contrast, my argument is that this other component of the standard of life of workers condenses the *materially determined* aggregate of use values which are qualitatively and quantitatively necessary to (re)produce her/his productive attributes as a personally free working subject who, through this freedom, affirms her/his objective subjection to the autonomised movement of the product of her/his social labour (capital). Thus, *both* the 'technical' attributes of labour power and the different dimensions of the general 'moral' attribute as a personally free subject are *productive requirements* for the reproduction of capital. In this sense, *both* are *fully determined* by the *material* conditions of the valorisation of capital in the production process.[104]

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[102] In reality, all those other dimensions of the 'moral' productive attributes of wage workers are diverse *specifications* of their free consciousness as the *generic* determination of their subjectivity of private working individuals. In *The Results of Immediate Process of Production*, Marx discusses in great depth the determination of 'the idea of self-determining freedom' as a productive attribute. See Marx 1976c, pp. 1026–34.

[103] This actually applies to all moral attributes described above. So-called 'cultural' forms, 'values' and 'identities' are not abstractly autonomous entities floating in mid-air, but concrete forms of existence of the production and reproduction of the materiality of human productive subjectivity.

At this juncture, a final question obviously arises. For in this account of the determinations of the value of labour power, and contrary to the 'received wisdom' of Marxists, the class struggle seems to play absolutely no part. It could seem that in order to access the means of subsistence that they need for the normal reproduction of their labour power, workers can safely leave the establishment of its value to the 'automatic' operation of the 'iron law of wages'. Unlike the establishment of a normal working day discussed above, here there would be no need to 'put their heads together as a class' in order to obtain in circulation the full value of their labour power. In the concluding section of this Appendix, I show why this is not the case.

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[104] Although not free from ambiguities, the conceptualisation of the nexus between working-class consumption and their reproduction as bearers of the capital-relation can be traced back to Aglietta's *A Theory of Capitalist Regulation* (2000). In that book, Aglietta explicitly states that the workers' consumption is a process that is subject to a 'general logic' of reconstitution of the forces expended in social practices and of preservation of capacities and attitudes entailed by the social relations of which individuals are carriers (2000, p. 156). What is more, among those 'capacities and attitudes' Aglietta includes those processes that maintain 'social relations of an ideological nature', making clear that those other relations 'posses just as "material" an existence as economic relations' (2000, p. 157). However, presumably under the influence of the then fashionable Althusserian structuralism, Aglietta further argues that those processes 'are not directly under the sway of the relations of production' (ibid.). In this way, he ends up losing sight of the inner material connection between the process of capitalist production and the 'norm of consumption' in its totality. As noted by Mavroudeas (2003), this severance of the link between capitalist production and working-class consumption is even more pronounced in Aglietta's concrete empirical analysis of the evolution of capital accumulation in the United States. Thus, the 'Fordist' norm of consumption is not seen as expressing the reproduction of wage-workers with novel productive attributes (both physical and moral), as demanded by the new material forms of the labour process. Instead, the change in the norm of consumption is, in underconsumptionist fashion, attributed to the need to resolve the disequilibrium between sector I (that produces means of production) and sector II (that produces means of subsistence), in the context of an 'intensive regime of accumulation'.

Content and Form of the Determination of the Value of Labour Power: On the Role of the Class Struggle

In contrast to the view outlined above, Marxists tend to conceive of the inner connection between the conditions of reproduction of labour power and the material forms of its consumption in the capitalist production process as solely pertaining to the 'physical/technical' component of the workers' consumption. Regarding this part of the workers' standard of necessity, they would not deny that it is *determined* by the material conditions of the direct production process of capital. However, all the means of subsistence which do not appear as immediately linked to the physical and technical reconstitution of labour power are seen as having no intrinsic connection whatsoever with the materiality of the capitalist labour process. The 'historical and moral' element is therefore rendered as *materially indeterminate* and subject to the *contingent* result of the struggle between capitalists and workers, who are therefore not seen as personifications of antagonistic necessities of the reproduction of their alienated social being in its unity (i.e. the total social capital), but as abstractly free political subjects pursuing the satisfaction of their class interests and needs.

The approach developed here leads to another view of the connection between the determination of the value of labour power and the class struggle. True to the methodological perspective informing this book, the key to this nexus hinges on the 'unity-in-difference' between the content and the form of the determination at stake; or, to put it differently, between the determination proper and its necessary mode of motion or realisation. Specifically, the material conditions of the reproduction process of capital (i.e. the unity between social production and consumption) constitute the *content* of the determination of the value of labour power. They do so by materially determining the differentiated forms of productive subjectivity that compose the collective labourer and, as a consequence, the quantity and kind of means of subsistence that workers need to consume to produce and reproduce those diverse qualitative attributes (both technical and moral) of labour power. In turn, the class struggle becomes the necessary *form* that *mediates* the establishment of the material unity between the productive and consumptive requirements of the reproduction of the total social capital. Note, however, that the necessary mediating role of the class struggle in concretely *fixing* (as opposed to *determining*) the customary living standard of workers does not only apply to the historical and moral component; it also pertains to the workers' consumption bundle *as a whole*, i.e. including the physical or technical element. In other words, there is not a single use value entering the determination of the value of labour power, whose consumption is not *secured through* the struggle of wage workers as a class. Conversely, the other side of the same coin is that there is not a single use value consumed by wage workers which is not *determined by* the material requirements of the valorisation process of the total social capital (which, it goes without saying, might clash with the immediate interest of individual capitals).

From a textual point of view, this perspective is consistent with the only evidence on this issue that Marx left us in his works. On the one hand, I have briefly mentioned above his comments from *Value, Price and Profit*, the only text in which he *explicitly* discusses the connection between the class struggle and the quantitative and qualitative determination of the 'norm of consumption' of the working class. On the other hand, the close textual reconstruction of Chapter 10 of *Capital* on the 'Working Day' offered earlier in this chapter tends to support and confirm this reading. According to Marx's account in those pages, class antagonism is not the self-determining process that contingently establishes the duration of the working day. By contrast, it is the *mediating social form* that forces the capitalist state to set legal limits to its extension beyond its *normal* length. However, the *content* of this normality is not undetermined, although it *appears* as such at first sight at the beginning of the presentation in the respective chapter. But as the exposition unfolds, it emerges that the normal duration of the working day is *materially determined by* the conditions in which labour power is consumed by capital in the process of production.[105] A normal working day is therefore that which does not lead to the premature exhaustion of labour power. The class struggle over the length of the working day thus gives shape to the payment of labour power at its full value. It is the same with the amount and quality of means of consumption that enter into the reproduction of working class.

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[105] Since at the systematic expositional stage of Chapter 10, the material forms of the labour process are an external presupposition vis-à-vis the self-movement of capital, Marx does not need to say much about the specific determinations that generate the necessity for the shortening of the working day beyond a general reference to overwork and premature exhaustion of labour power caused by capital's 'voracious appetite for surplus labour'. However, as the systematic exposition progresses to the real subsumption of labour to capital, the material foundation of that alienated social necessity is brought to light: the shortening of the working day is the necessary concrete form taken by the increase of the *intensity* of labour that large-scale industry brings about. See Marx 1976g, p. 536.

Substantively, all this is a necessary corollary of the constitution of the total social capital as the alienated subject of the human reproduction process in its unity. As much as the determinations of the direct production process, the process of individual consumption becomes inverted into an attribute of capital. The development of human labour power is not the end of capitalist production, but simply a means for the only finality presiding over its movement: the production of surplus value. To claim that the material content of social consumption does not (fully) derive from the requirements of the reproduction of capital renders that moment of the human metabolic process as external to the alienated social forms in which the latter exists. In other words, it involves an unmediated grounding of workers' needs in an anthropological determination of the human species. *A fortiori*, working class struggles over the conditions of their material reproduction become represented as a political assertion 'of the needs of workers as *human beings* in opposition to the rights of capital as property'.[106] We have seen, however, that when workers struggle as a class, they do not unmediatedly act in their abstract determination as persons (i.e. as human beings), but as *personifications* of the only commodity they own and, in that condition, as executors of the establishment of the material unity of the total social capital. Through their apparently free struggle for their personal needs, they therefore satisfy an alienated 'need' of the total social capital. The theoretico-political challenge for the critique of political economy is to discover the form determination that *immanently* carries the objective potentiality for their conscious self-abolition as such personifications. The determination of the value of labour power is no such form.

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[106] Lebowitz 2003, p. 99. Indeed, for Lebowitz, the ground of the tendency to drive beyond wage labour is the abstract humanity of the worker: 'Ultimately, then, both for the Young Marx and the mature Marx (the "scientist"), it is because workers are not *merely* wage-labourers but are human beings that there is a tendency to drive beyond wage-labour. Underlying the struggle against capital is that the worker "strives not to remain something he has become, but is in the absolute movement of his becoming" (Marx, 1973: 488). *In the end, we understand the contradiction of capital and wage-labour as that of wage-labour and the human being'* (Lebowitz 2003, p. 207).

CHAPTER 8

Real Subsumption and the Genesis of the Revolutionary Subject

Introduction

Thus far, my critical reconstruction of Marx's argument in *Capital* has focused on determinations which belong to what Marx termed the *formal* subsumption of labour to capital, i.e. to the concrete form of production of surplus value in which the materiality of the production process remains a given presupposition of the valorisation process. As we have seen, nothing in those determinations places us before the central question I have been trying to answer through this reading of Marx's texts, namely, the necessity of revolutionary subjectivity. From a merely textual point of view and, as it were, 'by default', this already offers a clue as to the alternative place in which to search for those social determinations: the *real* subsumption of labour to capital. In effect, I shall argue in this chapter that it is precisely in the development of the ever-changing concrete forms of the real subsumption that the answer to the question about revolutionary subjectivity is to be found.[1]

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[1] A methodological question that immediately arises concerns the role of the different concrete forms of the real subsumption in Marx's 'systematic-dialectical' exposition in *Capital*. On the one hand, Tony Smith argues that simple co-operation – which, incidentally, he incorrectly sees as expressing the formal subsumption of labour to capital – 'does not characterize a specific stage in the reconstruction in thought of the value-form' (1990a, p. 126). On the other hand, he does admit that capital's necessity to transform the materiality of the production process of human life must have a place in the 'systematic ordering of the categories'. But this transformative dynamic, captured by the category 'capital as principle of transformation', must remain at that level of generality, the specific concrete forms of the production of relative surplus value having no necessity other than being arbitrary 'historical examples' among 'a myriad of combined and uneven forms that could have been selected' (Smith 1990a, p. 127). Murray, for his part, correctly points out against Sayer (1987) and Balibar (1968) that all three material forms of the labour process belong to the real subsumption of labour to capital. However, he considers that only the general concept of co-operation belongs to the systematic dialectical argument, the three concrete forms of co-operation belonging to a separable historical dialectics (Murray 2004, pp. 251, 258). Finally, Reuten and Williams (1989) simply exclude the concrete forms of production of relative surplus value from their systematic presentation of the determinations of the 'bourgeois epoch'. In my view, a rigorous

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The proposition that the real subsumption constitutes the ground of revolutionary subjectivity should come as no surprise. In reality, this is no more than the concretisation of that insight about the most general determination of the process of 'natural history' constituting the development of humanity that Marx expounded in the *Paris Manuscripts* in 1844. According to that early text, the content of the history of the human species consists in the development of the specific material powers of the human being as a working subject, that is, of *human productive subjectivity*. It is in the historical transformation of its material and social forms, Marx concluded, that the key to the abolition of capital – hence, to revolutionary subjectivity – should reside. However, I have argued in the first part of this book that this early attempt at the critique of political economy could not offer a rigorous scientific comprehension of the social determinations underlying the revolutionary transformation of society.

It was fundamentally in *Capital* (but, crucially, also in the *Grundrisse*), mainly through the exposition of the determinations of the different forms of production of relative surplus value (hence of the real subsumption of labour to capital), where Marx managed to concretise the systematic dialectic of alienated human labour which he had grasped only abstractly in his early writings. He did this by showing precisely what the capital form does to the materiality of human productive subjectivity as it takes possession of, and transforms, the labour process. Seen externally, the implicit concrete question under investigation was the following: does capital transform human productive subjectivity in a way that eventually equips the latter with the material powers to transcend its

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treatment of the qualitatively different concrete forms of the real subsumption must be an essential moment of the systematic-dialectical presentation of the determinations of capital. The chapters of Marx's *Capital* dealing with the forms of production of relative surplus value are not there simply for the sake of an arbitrary historical illustration. Rather, as I demonstrate below, they are part and parcel of the dialectical unfolding of the immanent dynamic of self-valorising value, and the transition between them expresses the necessary forms of development of human productive subjectivity as an alienated attribute of capital. Their exclusion from the presentation can only result in a formalistic comprehension of the nature of capital, which posits as contingent the relation between the latter and historical transformations of the materiality of the production process of human life. On the other hand, it should be noted that neither the distinction between formal and real subsumption, nor the one among the different forms of the latter, express pure historical phases of capitalist development on the basis of which to construct a formalistic periodisation. The historical material in those chapters should be read in exactly the same way as that of the chapter on the working day, that is, as a 'historical sketch' which, in its 'empirical' existence, expresses the realisation of the more abstract determination.

alienated social form of development? From this materialist standpoint, only if this were the case would it make sense to pose the question of conscious revolutionary action as a concrete objective potentiality immanent in capitalist society. As Marx puts it in an oft-quoted passage from the *Grundrisse*,

> On the other hand, if we did not find concealed in society as it is the material conditions of production and the corresponding relations of exchange prerequisite for a classless society, then all attempts to explode it would be quixotic.[2]

In other words, Marx's point was the need to discover the material determinations of communist society in their present mode of existence as an *alienated potentiality* engendered by the autonomised movement of the capital form to be realised – that is, turned into *actuality* – precisely and necessarily through the conscious revolutionary action of the self-abolishing proletariat.[3]

Those determinations appear scattered and are just mentioned in passing in several of Marx's texts. They all characterise the simplest defining character of communism as the fully self-conscious organisation of social labour as a collective potency by the thereby freely associated producers. It is in the *Grundrisse*, in the context of the critique of Adam Smith's conception of labour as sacrifice, that Marx offers the clearest and most concise characterisation of the general attributes of what he calls 'really free working'.

> The work of material production can achieve this character [i.e. as 'really free working'] only (1) when its social character is posited, (2) when it is of a scientific and at the same time general character, not merely human exertion as a specifically harnessed natural force, but exertion as subject, which appears in the production process not in a merely natural, spontaneous form, but as an activity regulating all the forces of nature.[4]

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[2] Marx 1993, p. 159.

[3] Note that as a consistent materialist, Marx tended vigorously to reject the formulation of 'recipes (Comtist ones?) for the cook-shops of the future' (Marx 1976g, p. 99). In other words, he refused time and again to elaborate on the *actual concrete forms* that social life would take under the free association of individuals or communism. However, this did not prevent him from grasping the *most general or simplest* determinations of the social form that constitutes the determinate negation of the capitalist mode of production in the only way available to an individual living before the emergence of the material conditions for the abolition of capital, i.e. as an objective potentiality.

[4] Marx 1993, pp. 611–12. This crucial passage has not generally caught the attention of Marxists.

The interesting and 'intriguing' aspect of this passage is that Marx claims not only that in order to be really free labour must become a consciously organised, directly social activity, but also that the consciousness regulating that emancipated productive activity must be of a *general* and *scientific* kind.[5] As we shall see later, this latter attribute, scarcely mentioned by Marx on other occasions,[6] will prove to be of paramount importance for the comprehension of the concrete determinations of revolutionary subjectivity; a task that Marx himself achieved, although not without tensions and ambiguities. At this stage, I would just like to reformulate the question of the relation between capital and productive subjectivity posed above in light of that passage from the *Grundrisse*. Does the development of capital transform human productive subjectivity in such a way as to engender the necessity of producing the latter with the two general attributes mentioned by Marx? Furthermore, is the working class the material subject bearing them?

I think that the answer to these questions lies at the basis of any attempt to develop a materialist account of the determinations of revolutionary subjectivity. It is a question not just of the mere will to radically 'change the world', but of the concrete *material powers* to do so. In this final chapter, then, I discuss the way in which Marx, through the dialectical exposition of the contradictory movement of the real subsumption, actually presented the genesis of the revolutionary subject, thereby determining the critique of political economy as the proletariat's self-consciousness of the *alienated* social necessity of its political action.

An exception can be found in Schmidt (1971, pp. 143–4), who offers an interesting discussion of the determinations of emancipated labour.

[5] The Nicolaus translation of that passage of *Grundrisse* is not uncontroversial. The 'general' character of labour that is really free is Nicolaus's English choice of word for 'allgemeine Arbeit'. However, a passage of Volume III of *Capital* in which Marx also refers to scientific labour as 'allgemeine Arbeit' (Marx 1991, p. 199) is translated by Fernbach as 'universal labour'. This latter translation seems preferable in light of the argument developed in this chapter. Besides, it is to be noted that 'das Allgemeine' is the term that Hegel uses in his *Logic* to refer to 'the universal'. See Inwood 1992, pp. 302–3.

[6] See, however, Marx's remarks in the *Paris Manuscripts* on the need for the constitution of 'natural science of man' or 'human natural science' as the basis for emancipated human practice (Marx 1992, p. 355).

The Production of Relative Surplus Value: General Determinations

With the determinations unfolded so far in this reconstruction of *Capital*, i.e. with the material conditions of production and the value of labour power taken as a given presupposition, the valorisation of capital can only expand through the increase in the amount of labour that it sets into motion. This, in turn, can only be achieved by the lengthening of the working day and/or by the increment of the number of workers exploited. I have already mentioned how the physical and social limits to the duration of the working day are asserted in the concrete form of the class struggle.[7] The extension of number of wage workers option has its 'mathematical limits' determined by the growth of the working population.[8] These barriers to the production of surplus value are transcended by capital by giving its valorisation the concrete form of the production of relative surplus value.

The revolution in the material conditions of the social process of production, and the consequent *real subsumption* of labour under the rule of capital, constitutes the general determination of the production of relative surplus value. In its different forms, the production of relative surplus value consists in the transformation of the materiality of the labour process (and, crucially for my argument, *in the subjectivity of the wage labourers*) in order to raise the productivity of labour and, therefore, reduce the value of labour power and increase the rate of surplus value. In this way, capital internalises the determination of that which, up to this stage, existed as an external condition for its power of self-valorisation, namely, the magnitude of variable capital. Notice that I am not referring here just to an abstract increase in the productivity of social labour unilaterally taken in its quantitative determination, i.e. as the development of the capacity to produce more use values with the same amount of labour. As we shall immediately see, the key to this development lies in its specific *qualitative* aspect (which obviously entails a quantitative determination as well), consisting in the advance of the productive co-operation of the labourers through simple co-operation, the division of labour of manufacture and the automatic system of machinery of large-scale industry.

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[7] Besides, the extension of the working day would reach its absolute limit at the point of determining the whole 24 hours of the day as a means of producing surplus value. See Marx 1976g, p. 419.

[8] Marx 1976g, p. 442.

Co-operation and Capital's *raison d'être* in the Historical Process

In simple co-operation, the free wage labourer must apply her/his consciousness and will to the realisation of her/his individual productive activity which, as with the independent artisan, still involves the production of the commodity in its entirety. However, insofar as she/he is *doubly* free, she/he must do so in the conditions imposed by the direct relation established with the capitalist (to whom she/he freely sold her/his labour power) within the immediate process of production. On the other hand, the capitalist is able to transform her/his money into capital because she/he employs not just one wage labourer, but a relatively large number of them. Thus, the possession by the capitalist of a certain magnitude of capital becomes a material condition for the realisation of this social production process.[9]

The labour of these numerous workers working 'together side by side in accordance with a plan, whether in the same process, or in different but connected processes' takes the form of *co-operation*.[10] *Simple* co-operation, the mere agglomeration of the individual wage labourers under the same roof, produces a first transformation in their labour process by determining them as members of a collective productive organism, a collective labourer.[11] The initial *formal* expression of this is the objective constitution of the expenditure of the labour power of the co-operating labourers as *average social labour*.[12] However, beyond this formal aspect and the aforementioned constitution of a collective labourer, the materiality of the individual human productive subjectivity of the workers qualitatively remains the same as in pre-capitalist forms of handicraft labour. As Marx puts it, these developments in the process of production of human life derived from simple co-operation do not entail any major 'alteration in the method of work' itself.[13]

And yet, a *material* revolution in the conditions of the labour process does take place: simple co-operation gives the free wage labourers' labour process a *directly social character*. In the first instance, Marx notes, this mainly affects the objective conditions of the production process, which start to be consumed in common, thereby resulting in the economy in the use of means of production.[14]

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[9] Marx 1976g, p. 448.

[10] Marx 1976g, p. 443.

[11] As Marx points out, co-operation is the 'fundamental form of the capitalist mode of production', whereas simple co-operation is its most abstract form (Marx 1976g, p. 454).

[12] Marx 1976g, pp. 440–1.

[13] Marx 1976g, pp. 441.

[14] Marx 1976g, pp. 441–2.

But, in addition, the directly social character of the labour process reacts on the subjective factor as well. Although the productive subjectivity of each worker remains unaltered, the productive powers of human labour do suffer a development. First, the human individual being a social animal, through this co-operation the productive powers of social labour are enhanced so that the worker 'strips off the fetters of his individuality, and develops the capabilities of his species'.[15] Secondly, not only do the workers develop their individual productive powers, but also a directly social potency is created, 'a new productive power, which is intrinsically a collective one'.[16]

The significance of all this cannot be overestimated. For even these simplest determinations of the real subsumption suffice to put us, for the first time in this reconstruction of Marx's dialectical exposition, before an all-important aspect of the critique of political economy. I am referring to the discovery of the *material specificity* of capital. In effect, one of the central questions addressed by Marx's presentation in Chapter 13 of *Capital* is to show that, as a social form, capital not only entails a formal specificity – the inversion of human powers as powers of the product of labour – but also a material one. Or rather, it involves a specific material determination that can only develop through a specific social form. More concretely, *capital is the social form that transforms the productive powers of free but isolated individual labour into powers of directly and consciously organised social labour*.[17]

As Marx points out, co-operation in the production process can be found in earlier social forms of the reproduction of human life. However, those forms presuppose a very weak development of the individuality of the human producer, either because they are based on the common ownership of the conditions of production and on an individual who 'has as little torn himself free from the umbilical cord of his tribe or community as a bee has from his hive', or, alternatively, because they 'rest on direct relations of domination and servitude, in most cases on slavery'.[18] Capitalist co-operation, on the contrary, presupposes a degree of development of the productive individuality of the labourer historically 'attaining classical form' in the form of the *freedom and independence* of the *isolated* individual labour of the peasant and the artisan, i.e. on the basis of the *dissolution* of all relations of personal dependence.[19] As Marx puts it when summarising at the end of Volume I the essence of the historical tendency of capital accumulation,

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[15] Marx 1976g, p. 447.

[16] Marx 1976g, p. 443.

[17] Strictly speaking, Marx's exposition encounters a first manifestation of this immanent self-negation of the productive powers of private labour when discovering the doubling of the commodity producer into capitalist and wage labourer. As we have seen, already in Chapter 7 Marx shows how the capitalist acts as the productive consciousness of the unity of the worker's activity in the direct process of production. In other words, already at that stage the dialectical presentation reveals that private labour as the general social relation actually involves a situation in which a personally free individual directly organises the labour of another personally free human being within each private fragment of social labour.

> [t]he private property of the labourer in his means of production is the foundation of petty industry, whether agricultural, manufacturing, or both; petty industry, again, is an essential condition for the development of social production and of the free individuality of the labourer himself …[20]

At this juncture it is necessary to emphasise that the mode of existence of social labour as private labour is not simply a juridical form referring to the fragmentation of the property of means of production (though that is certainly its *simplest* juridical expression).[21] But neither should it be understood as an abstract atomisation of social production unilaterally seen from an exclusively formal point of view, i.e. as just another social form of the production process of humanity that constitutes the present-day objective conditions in which human individuals exercise their naturally free productive consciousness. As a social form, the private character of labour must be understood in its essential determination as a mode of development of the material productive forces of society borne by individual labour, i.e. of human productive subjectivity. Hence the simplest form determination of private and independent labours discussed in Chapter 5: the absolute *material* capacity consciously to rule the individual character of labour, with no control of its general social character. In other words, private labour as a social form must be comprehended in relation to the *individually borne material powers of human beings* consciously to organise their socially determined transformative action upon the natural environment, i.e. the productive consciousness of human beings as working subjects.

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[18] Marx 1976g, p. 452.

[19] Marx 1993, p. 156. That is why Marx centres the great bulk of his exposition of primitive accumulation and of the historical tendency of capitalist accumulation in the (violent) expropriation of the independent agricultural producer, which 'forms the basis of the whole process' (Marx 1976g, p. 876), instead of elaborating on the 'direct transformation of slaves and serfs into wage-labourers', which is a 'mere change of form' in the exploitation of the direct producers (Marx 1976g, p. 927). It is the former transition that condenses the essential material content of the social transformation at stake, i.e. the specific historical powers of the capital form in the development of human productive subjectivity. This point is completely overlooked by those formalistic approaches that reduce the capital form to a relation of power and struggle. Thus, to Holloway, the essence of the genesis of the capitalist mode of production is best captured as the process of conversion of the serf into a wage labourer (Holloway 2002b, pp. 180–3), i.e. as the 'mere change of form' of exploitation of the direct producers. The *raison d'être* of capital in the materiality of human (pre)history is simply left out of the picture.

[20] Marx 1976g, p. 927.

[21] As Chattopadhyay (1996) notes, in the classic works of Soviet Marxism (including Lenin, Trotsky, Bukharin and Preobrazhensky) there was a noticeable tendency to conceive of the social relations of production as primarily *juridical*. The 'juridicist' ideological representation can also be found in Kautsky (1978).

It follows from this that if human beings invert their social powers as the value form of the product of labour, it is because they have developed the individual character of their productive powers to a degree that cannot be further expanded under relations of personal dependence. However, the other side of this coin is that they have not yet created the universality of the material powers needed to regulate their social reproduction in a fully conscious form either. This is why the product of their social labour still confronts them as an alien power in the form of capital and the material development of their productive subjectivity takes the form of the production of relative surplus value.

> But it is an insipid notion to conceive of this merely *objective bond* as a spontaneous, natural attribute inherent in individuals and inseparable from their nature (in antithesis to their conscious knowing and willing). This bond is their product. It is a historic product. It belongs to a specific phase of their development. The alien and independent character in which it presently exists *vis-à-vis* individuals proves only that the latter are still engaged in the creation of the conditions of their social life, and that they have not yet begun, on the basis of these conditions, to live it.[22]

It is the socialisation of that historical form of free labour – necessarily realised through the alienated value form of the product of labour and through the relative mutilation of that individuality imposed by the second sense of the freedom of the wage labourer – that constitutes the *raison d'être* of capital in the history of the development of the powers of the human species. Although capital is the historical producer of the powers of directly social labour, it achieves this by subordinating direct productive co-operation to the autonomised movement of social life alienated as an attribute of the material product of labour. In other words, those powers are developed by determining directly social labour as a concrete form of development of the powers of private labour, i.e. as a mode of existence of capital's self-valorisation through the production of relative surplus value.[23] The movement of self-valorisation constitutes capital's *formal specificity*, the necessary social form in which the aforementioned *material* transformation of the production process of human life is historically achieved.[24]

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[22] Marx 1993, p. 162.

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[23] In other words, those productive powers are developed by determining personally free subjectivity as a concrete form of its alienated determination. Or, to grasp it from a different angle, by determining the organisation of social labour in the form of direct (i.e. conscious) social relations in the immediate process of production as a concrete form of the essentially *indirect general organisation* of social labour through the valorisation of capital.

[24] The material specificity of the concrete forms of production of relative surplus value has been generally ignored by orthodox Marxism, which tended to reduce the problem to a question of who manages those very forms of the labour process. A classic example of this is Lenin's (1971) claim, after the Russian Revolution, that Taylorism could provide in its immediacy the material forms of the labour process for a socialist society (for a brief account of the evolution of Lenin's changing views of Taylorism throughout his writings, see Scoville 2001). However, it is not just a question of simply noting the specifically capitalist character of the labour process and concluding that they cannot immediately provide the basis for a communist society, as many Marxists have done in opposition to the orthodox uncritical silence on this issue (just to name a few classic works from very different heterodox traditions, see Braverman 1998; Dunayevskaya 1988; Panzieri 1980). The crux of the matter resides in grasping the *relative historical necessity* of those material forms, which certainly express the alienated domination of capital over labour, as a *vanishing* moment in the process of development of human productive subjectivity and, hence, in the production of the necessity of their own supersession. See Marx 1993, pp. 831–2. This, on the other hand, cannot but be overlooked if the critique of capital-determined technology is reduced to the representation of this technological form as a simple weapon in the class struggle, i.e. as an attempt by capitalists to re-impose discipline on the labour process when faced with the insubordination of workers, with capitalist control in turn achieved through the arbitrary imposition of divisions and hierarchies (Cleaver 1979, pp. 109–14, and 1982; Holloway 1991). Seen in this light, the capitalist form of the production process of human life is represented as having no necessity other than an abstract power relation between capitalist and worker in the immediate process of production. Eventually, the logic of such an approach must lead to the very abandonment of the specific notion of the capitalist process of production as the unity of the labour process and the valorisation process, and to its replacement with the abstract unity of the 'technique of production' and

> Just as the social productive power of labour that is developed by co-operation appears to be the productive power of capital, so co-operation itself, contrasted with the process of production carried on by isolated independent producers, or even by small masters, appears to be a specific form of the capitalist process of production. It is the first change experienced by the actual labour process when subjected to capital … This starting point coincides with the birth of capital itself. If then, on the one hand, the capitalist mode of production is a historically necessary condition for the transformation of the labour process into a social process, so, on the other hand, this social form of the labour process is a method employed by capital for the more profitable exploitation of labour, by increasing its productive power.[25]

The significance of this *twofold* character of capital's historical specificity (*social and material*) cannot be overestimated. In effect, overlooking this material determination can only result in depriving the working class of the historical specificity of its revolutionary powers, thus making it impossible to distinguish

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'technique of dominating those who are producing' (Gorz 1976, p. viii). See also Marglin (1974) and Brighton Labour Process Group (1977) for other examples of extrinsic juxtaposition of power relations and technical forms. For a critique of this kind of approach, see Reinfelder (1980). This perspective actually renders inexplicable the historical specificity of the material forms of the production of relative surplus value. To begin with, it cannot account for the fact that 'co-operation remains the fundamental form of the capitalist mode of production' (Marx 1976g, p. 454). And secondly, as we shall see below, it cannot account for the universal productive subjectivity that such co-operation eventually entails when taking the form of large-scale industry. If the inner motive of capital were to 'dominate workers', it would quite simply refrain from introducing technical changes that under certain circumstances might actually enhance workers' solidarity and that, eventually, lead to its own supersession. But as self-valorising value, capital has no other purpose than producing surplus value, the most potent form of which is the increase in the productivity of labour. In reality, those approaches actually conflate two distinct determinations, both mentioned by Marx in the same section of *Capital*, pertaining, as it were, to different levels of abstraction, namely, the determination of the materiality of the production process as a concrete mode of existence of capital's production of relative surplus value (Marx 1976g, pp. 553–62) – the content – and the deliberate use of machinery by the capitalist as a weapon in the class struggle over the value of labour power (Marx 1976g, pp. 562–3) – the mediating concrete form. The necessity of those material forms is grounded in capital's immanent drive to produce relative surplus value. The class struggle is certainly a necessary mediation in such an alienated development of the productive powers of humanity, but it does not determine it.

[25] Marx 1976g, p. 453.

the proletarian revolution, i.e. the political form taken by the fully conscious organisation of the social production process of human life, from the revolt of slaves against the personal domination of their owner.[26]

In a nutshell, Marx's uncovering of this twofold determination of capital constitutes the first step – but *only* the first step – in the reproduction in thought of the material genesis of the revolutionary subject. On the one hand, we can appreciate now that the conscious organisation of the immediate production process of human life is not, as it appeared when we were before the most abstract determinations of social life synthesised in the commodity form, the abstract negation of our present-day general social relation. However, the determinations unfolded so far also carry a *limit* to the expansion of directly social labour, thereby still determining it as a concrete form of the historical development of the powers of its opposite: private labour.

In effect, although the constitution of simple co-operation represents a step forward in the organisation of human life as a directly collective potency, this social power is not yet the self-conscious product of the direct association of the producers. Instead, it is set into motion with the previous mediation of the sale of their labour power as independent and isolated individuals to the capitalist. Therefore, since 'their co-operation only begins with the labour process, but by then they have ceased to belong to themselves',[27] and their labour now belongs to capital, all the productive powers of labour that spring from the social combination of the workers are transformed into attributes of capital. In their very corporeality as working subjects, i.e. in the materiality of their productive subjectivity, the labourers 'merely form a particular mode of existence of capital' in its movement of valorisation.[28] What is more, not only are those directly social productive powers of co-operation inverted as an attribute of the wage workers' materialised social relation, but its conscious organisation is not even exercised by them but by the immediate personification of self-valorising value, namely, the capitalist. Inasmuch as it is through her/his consciousness and will that the now collective conditions required for the wage labourers' individual labours to take place are posited, the capitalist becomes the conscious incarnation of the direct organisation of the social character of the labour of the group of workers under her/his command. For the workers, this social character thus appears in the ideal form of a 'plan drawn up by the capitalist, and, in practice, as his authority, as the powerful will of a being outside them, who subjects their activity to his purpose'.[29] On the other hand, inasmuch as it is not only oriented to the production of a use value but to the valorisation of capital through the production of surplus value – i.e. through the exploitation of labour – the direction of this process by the capitalist takes a despotic form.[30]

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[26] See De Angelis (1995) and Holloway (2002b) for examples of such a formalistic understanding of capital. In a way, one could argue that these approaches ultimately remain refined versions of what Loren Goldner in the early 1980s insightfully noted concerning not just twentieth-century 'official Marxism' (broadly conceived to include authors as diverse as Lenin, Bukharin, Baran, Sweezy, Bettelheim), but also 'Western Marxist' currents such as the Frankfurt School, namely, the comprehension of 'capitalism … not [as] a system of valorization, but [as] a system of power', according to which 'capital ceased to be a dynamic and was transformed into a "hierarchy"' (Goldner 1981). The consequence of this is, as Goldner comments concerning 'Monopoly Capital' theory, the production of a theory which ceases to be 'about forces and relations of production', and becomes 'a *sociological* theory of hierarchy and oppression, the balance of forces between the classes in question being a question of struggle and will' (Goldner 1981). Whilst the approaches that constitute the explicit target of Goldner's critique tended directly to ignore the general determination of capital as value-in-process, the interesting thing about works such as those of De Angelis and Holloway referred to above is how they relapse into the same reduction of the critique of political economy to a sociological theory of oppression, *while* at the same time paying lip-service to the categories of Marx's *Capital*. See Goldner (2001, pp. 2–3) for suggestive reflections on the historical conjuncture underpinning this cultural mood of 'middle-class radicalism', which, unlike the Marxian notion of freedom as the fully conscious transformation of necessity, 'conceives of freedom as "transgression", as the breaking of laws, the "refusal of all constraints"'.

The determinations of simple co-operation thereby seem to intensify the power of the capitalist over the worker in the antagonistic direct relationship that they establish in the immediate process of production. This power is not simply the formal result of the separation of the labourer from the objective conditions of labour. Inasmuch as the capitalist concentrates the 'work of directing, superintending and adjusting the co-operative labour of wage-workers',[31] her/his command becomes a *material* prerequisite of the labour process itself. As Marx puts it, 'that a capitalist should command in the field of production is now as indispensable as that a general should command on the field of the battle'.[32] The dependence of the wage labourers upon capital now starts to be expressed even in relation to the materiality of the production process. Far from moving in the direction of the determination of the working class as a revolutionary subject, these developments seem to deepen the latter's subjection to the alienated movement of capital's valorisation.

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[27] Marx 1976g, p. 451.

[28] Ibid.

[29] Marx 1976g, p. 450.

[30] Ibid.

[31] Marx 1976g, p. 449.

[32] Marx 1976g, p. 448.

And yet, the very same alienated form of their co-operation that, furthermore, strengthens the power of the capitalist, engenders a countertendency which presses in the opposite direction to the unchecked imposition of capitalist discipline. In effect, by putting the workers together under the same roof, capital facilitates the establishment of the relations of solidarity through which, as we have seen in the previous chapter, the workers attempt to restrict the consumption of their labour power by the capitalist.[33] However, Marx immediately adds, this intensified resistance does not yet express an absolute limit to the development of the alienation inherent in the capital form. It only increases 'the pressure put on by capital to overcome this resistance'[34] through the development of the despotism of capitalist command in the forms that are peculiar to it.[35] Eventually, capital attempts to break this barrier to its valorisation by revealing 'in practice' that simple co-operation is just one particular figure of the production of relative surplus value 'alongside the more developed ones'.[36]

Capitalist Manufacture and the Material Basis of the Class Struggle over the Full Value of Labour Power

Whatever the historical origins of the production process of capitalist manufacture – i.e. whether it arises from a combination of formerly independent crafts into one collective labour process of a single commodity, or whether its genesis is found in the analytical decomposition of an existing activity into its component parts – the essence of this concrete form of production of relative surplus value consists in the division of the total labour necessary for the production of a determinate use value into particular detail operations. The labour process of an entire commodity now involves the articulation of those differentiated productive functions into a co-ordinated whole. As the resulting different manual tasks involved are assigned to what now become specialised workers, their labour becomes more productive.[37] With this increased productivity of labour, capital's production of relative surplus value is consequently achieved. This increased surplus value is not just the result of the enhanced productivity.

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[33] Marx 1976g, p. 449.

[34] Ibid.

[35] Marx 1976g, p. 450.

[36] Marx 1976g, p. 454.

[37] Marx 1976g, p. 458.

Since the latter is the result of the simplification of the required necessary skills, the 'expenses of apprenticeship' are reduced (or almost disappear in the case of the unskilled type of labourer also produced by the development of manufacture). This has the additional result of *decreasing the value of labour power*.[38] Moreover, the fixation of the worker in a single form of activity eliminates the time necessary to change from one sort of activity to the other, permitting capital to *increase the intensity of labour*.[39]

These transformations of the productive subjectivity of the individual labourers have their counterpart in the way in which they are articulated organically as part of a single labour process. In other words, those mutations result in the transformation of the determinations of the collective labourer, which actually becomes 'the item of machinery specifically characteristic of the manufacturing period'.[40] The latter no longer consists in the mere agglomeration of individual productive processes under the same roof. It now becomes a complex, directly social body differentiated into qualitatively distinct partial organs. In turn, these transformations not only make the qualitative articulation of the different individual labours a more complex process. They also determine, as a material necessity of the labour process, the establishment of a quantitative proportionality between the qualitatively different partial organs of the collective labourer. The individual labour of the workers in itself ceases to be productive of commodities. This attribute now belongs to the integration of those particular and partial labours, i.e. to the collective labourer as such.[41] The immediately social character of the production process within the workshop is thus no longer limited to the positing of its objective conditions, but reaches the labouring activity itself, a point that Marx brings out by comparing the determinations of the organisation of the fragment of social labour under the command of an individual capitalist with the general organisation of social labour through the commodity form across society.[42] Furthermore, since the renewal of the production of relative surplus value involves the further development of the division of labour within the workshop, it becomes a law of the valorisation of capital that the number of partial organs comprising the collective labourer – and hence the conscious organisation of social labour – must keep extending.[43]

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[38] Marx 1976g, p. 470.

[39] Marx 1976g, p. 460.

[40] Marx 1976g, p. 468.

[41] Marx 1976g, pp. 469, 475.

[42] Marx 1976g, pp. 475–7.

[43] Marx 1976g, p. 480.

In this way, capital makes another step forward in the realisation of its civilising mission. However, it still does so by determining directly social labour as a concrete form of development of the powers of private – hence alienated – labour, so that 'anarchy in the social division of labour and despotism in the manufacturing of labour mutually condition each other'.[44] As happened with simple co-operation, all the emerging powers of social labour deriving from this more developed form of human productive co-operation are turned into attributes of capital in its process of self-expansion through the production of relative surplus value.[45] But the subsumption of the powers of living labour under the rule of capital is now not only expressed in that formal inversion between subject and object of social production. With the manufacturing division of labour, the alienated development of the powers of social labour is achieved through the deepening of the material mutilation or degradation of the individual productive subjectivity of wage labourers. As a consequence, this process gives the conscious organisation of social labour within the workshop a *specifically capitalist character*, not only because of its determination as the material bearer of the valorisation of capital and, hence, as an attribute despotically exercised by the capitalist, but by virtue of the materiality of the production process itself. In effect, the specialisation of the worker in a single operation means that a one-sided aspect of human personality is developed, undermining all the potential universality of human productive capacities. The wage labourer thus becomes a fragmented individual. If with simple co-operation the productive subjectivity (hence activity) of the worker formally became a *mode of existence* of capital, now her/his *corporeality as a working subject*, in its very materiality, becomes a *result* of the production of relative surplus value.

> While simple cooperation leaves the mode of the individual's labour for the most part unchanged, manufacture thoroughly revolutionizes it, and seizes labour-power by its roots. It converts the worker into a crippled monstrosity by furthering his particular skill as in a forcing-house, through the suppression of the whole world of productive drives and inclinations, just as in the states of La Plata they butcher a whole

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[44] Marx 1976g, p. 477. This point about the 'inner connection' between the general unconscious regulation of social life through the valorisation of capital and the despotic nature of the conscious plan inside the workshop (later on, the factory) has been correctly emphasised by Dunayevskaya and her followers against the uncritical celebration of the latter by orthodox Marxists (Dunayevskaya 1988; Hudis 1998, p. 103).

[45] Marx 1976g, p. 486.

> beast for the sake of his hide or his tallow. Not only is the specialized work distributed among the different individuals, but the individual himself is divided up, and transformed into the automatic motor of a detail operation, thus realizing the absurd fable of Menenius Agrippa, which presents man as a mere fragment of his own body.[46]

The directly social powers of the collective labourer are thus developed *at the expense* of the productive attributes of the individual worker.[47] This specifically capitalist concrete form of human labour power means that the direct producer actually further *loses* the productive consciousness of the unity of the labour process of the entire commodity – now immediately social within the workshop – which the simple commodity producer still preserved. The productive consciousness of the unity of the collective labourer becomes an attribute personified by the capitalist, the workers only keeping conscious control of the ever more partial individual activity under their responsibility, now only a fragment of the total labour process of the determinate use value at stake.

> The knowledge, the judgement, and the will, which, even though to a small extent, are exercised by the independent peasant or handicraftsman, in the same way as the savage makes the whole art of war consist in the exercise of his personal cunning, are faculties now required only for the workshop as a whole. The possibility of an intelligent direction in production expands in one direction, because it vanishes in many others. What is lost by the specialized workers, is concentrated in the capital that confronts them. It is a result of the division of labour in manufacture that the worker is brought face to face with the intellectual potentialities [*geistige Potenzen*] of the material process of production as the property of another and as a power that rules over him. This process of separation starts in simple co-operation, where the capitalist represents to individual workers the unity and the will of the whole body of social labour. It is developed in manufacture, which mutilates the worker, turning him into a fragment of himself. It is completed in large-scale industry, which makes science a potentiality for production which is distinct from labour and presses it into the service of capital.[48]

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[46] Marx 1976g, pp. 481–2.

[47] Marx 1976g, p. 483.

[48] Marx 1976g, p. 482.

In this process, the alienation of the human powers of the labourer as attributes of capital reaches a further stage. What the workers lose with their subjection to the manufacturing division of labour is that specific human attribute that, as Marx discusses in Chapter 7 of *Capital* but had claimed as early as in the 1844 *Manuscripts*, distinguishes the human form of the appropriation of the forces of nature from its animal form, namely, the 'spiritual powers' of the production process or the conscious capacity to organise its rationality and purpose. Concerning the total labour process in which the workers take part, that which 'distinguishes the worst architect from the best of bees'[49] is stripped of their productive subjectivity. In this specifically material sense, capital is thus an *inhuman* social form of development of human productive powers.[50]

The subordination of workers to the rule of capital and the dependence of the production process on the direction of the capitalist that already started to appear with simple co-operation is thereby intensified in the division of labour of manufacture. The conversion of the worker into 'the automatic motor of a detail operation' means that the wage labourer not only has to sell her/his labour power for not possessing the objective means necessary for exercising her/his subjective productive capacities. The crippling of her/his productive abilities means that 'now his own individual labour power withholds its services unless it has been sold to capital'.[51] The worker whose labour power is now the product of the production of relative surplus value does not even know how to produce an entire commodity by herself/himself. She/he becomes increasingly forced to sell her/his labour power to capital as the only means to reproduce her/his life.

And yet, these very same determinations, which appear to weaken the workers' resistance to capital's restless striving for relative surplus value, engender a barrier to this affirmation of the materialised social relation as the concrete subject of the process of production of human life. The key to the comprehension of this contradiction immanent in capital's valorisation process lies in the very essence defining the division of labour of manufacture:

> Whether complex or simple, each operation has to be done by hand, retains the character of a handicraft, and is therefore dependent on the

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[49] Marx 1976g, p. 284.

[50] This inhumanity reaches its extreme with capital's production of a relative surplus population, comprising the workers who are literally prevented from the exercise of their own species being.

[51] Marx 1976g, p. 482.

> strength, skill, quickness and sureness with which the individual worker manipulates his tools.[52]

In other words, the production process of manufacture still depends on the crucial intervention of the handicraft expertise of the labourer. The structure of co-operation is purely subjective, gaining articulation only through the bodily motion of the individual workers as the fundamental material subjects of that collective labour process. The fluidity of the labour process (hence, of the valorisation process which it sustains) depends on the willingness of individual workers to act as partial organs of the collective labourer. Hence, this lack of 'an objective framework independent of the workers themselves'[53] as the foundation of manufacture provides a *material basis* for an empowered resistance of workers in the antagonistic relation they establish with capital.[54] This material basis, however, does not yet provide the class struggle with a different *qualitative* determination other than being the concrete form which secures the realisation of the full value of labour power (whether being the form of the expropriation of the bourgeoisie, or being the form of the abolition of capital). It only increases the *magnitude* of the force borne by the working class in its political action.[55] Thus, the insubordination of the workers constitutes an obstacle to the valorisation of capital which does not yet express the need for the development of the productive powers of social labour to transcend its alienated form as production of relative surplus value. As Marx makes clear, it only forces the latter to develop into a concrete form which undermines that material basis underlying the said obstacles to the domination of capital, namely, the system of machinery.

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[52] Marx 1976g, p. 458.

[53] Marx 1976g, p. 489.

[54] Marx 1976g, p. 490. Note, however, that this material basis also engenders a countertendency to that increased political force through the fragmentation of workers caused by their insertion into a wage hierarchy revolving around skills.

[55] The relevance of this determination is not confined to the historical comprehension of the now very distant past used by Marx as illustration in *Capital*. It is crucial, for instance, to understand the peculiar political power of the workers during the so-called Fordist cycle of accumulation (Iñigo Carrera 2008, pp. 63–4). In effect, especially concerning the production of machinery itself, and however degraded the productive subjectivity of workers, Fordist methods still involved the subordination of the adjustment and calibration of machines and even the assembling process itself to the manual skills of labourers.

> One of its [manufacture's] most finished products was the workshop for the production of the instruments of labour themselves, and particularly the complicated pieces of mechanical apparatus already being employed … This workshop, the product of the division of labour in manufacture, produced in its turn – machines. It is machines that abolish the role of the handicraftsman as the regulating principle of social production. Thus, on the one hand, the technical reason for the lifelong attachment of the worker to a partial function is swept away. On the other hand, the barriers placed in the way of the domination of capital by this same regulating principle now also fall.[56]

As we can see, the form of manufacture taken by the immediate production process further develops the contradictions and tendencies immanent in the movement of capital as alienated subject which were insinuated by the determinations of simple co-operation. In the first place, both capital's world-historical role in the development of the species powers of humanity and its contradictory march forward in the historical process of its realisation acquire a clearer expression. Thus, in giving an immediately social character not only to the 'objective factor' of the labour process but also to the 'subjective factor', capital shows its historical tendency to produce at least the first of the two general attributes of productive subjectivity which, as mentioned in the introduction, are crucial for the constitution of 'really free working' (and hence for the abolition of capital itself). However, the division of labour of manufacture also reveals the contradictory form in which that process unfolds. In the first place, the socialisation of labour is still achieved by formally determining immediately social labour as a concrete form of the self-movement of valorisation of capital. But additionally, this contradiction acquires a further *material* expression in the mutilation of the individual character of the productive subjectivity of wage labourers, which is revealed as a historical mediation in the production of direct producers with the material powers consciously to organise their social life process as a fully self-conscious collective labour power.

In the second place, we can now appreciate more clearly that the determinations of the class struggle over the value of labour power are not exhausted in the *formal* subsumption of labour to capital. If one stops short at that level of abstraction as developed in Chapter 10 of *Capital*, the appearance arises that the balance of class forces – and so, for instance, the duration of the working day – is purely contingent. However, Marx's discussion of simple co-operation and, even more so, of the division of labour of manufacture, makes evident that there is a *material basis* for the respective political power of each class in struggle.[57] Thus, the further unfolding of the determinations of the valorisation of capital reveals that the materiality of the forms of the *real* subsumption of labour to capital *mediate* not only the transformative power of the workers' political action determined as the form of *capital's transcendence* (a point I have been anticipating but still need to prove), but also that of its role as moment of *capital's reproduction*.[58]

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[56] Marx 1976g, p. 491.

I have followed the transformations of the collective labourer brought about by capital through the first two forms of existence of the production of relative surplus value, namely, simple co-operation and the division of labour of manufacture. From the perspective of the development of the revolutionary subjectivity of the working class, these changes in the materiality of social life still do not equip the workers with the material powers to abolish capital synthesised in the two general productive attributes necessary for 'really free working' mentioned in the introduction. Although their individual labours increasingly become directly social, their work of material production is evidently *not* of a 'scientific and general character'. First, the very 'technically narrow basis' of manufacture – i.e. handicraft – 'excludes a really scientific division of the production process into its component parts'.[59] Secondly, far from developing workers with *general* productive attributes, we have seen that manufacture involves an individual labour of a *particularistic* kind.[60] The search for the determinations of revolutionary subjectivity must therefore carry on. Let us then turn to Marx's discussion of large-scale industry and see if those determinations are contained there.

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[57] In those two chapters, Marx refers to the resistance of workers in general. Specifically concerning the length of the working day, the plenitude of this determination becomes manifest in the chapter on machinery and large-scale industry. As I have mentioned in the previous chapter, in the chapter on large-scale industry Marx shows without ambiguity that the *material* determination behind the normal duration of the working day lies in the inverse relation between its length and the intensity of labour. Grossmann, in the final considerations to *The Law of Accumulation and Breakdown of the Capitalist System* (unpublished in the abridged English translation), correctly highlights the direct relation between the intensification of labour and the increase in the value of labour power, thus showing (in opposition to Kautsky, Luxemburg and Bukharin) the existence of a material determination underlying the success of working class struggles over real wages (Grossmann 1979, pp. 374–84).

[58] More generally, this also can serve to illustrate once again the importance of the dialectical method as the 'reproduction of the concrete by means of thought'. Here we can appreciate very clearly why we can see through all appearances presented by a determinate social form (in this case, the class struggle) only by grasping it in the *totality* of its determinations, i.e. by making the full, laborious journey from the abstract to the concrete. Laziness and/or hastiness of thought thereby translates into impotence to fully comprehend and hence transform the concrete; which, as Marx reminds us in the *Grundrisse*, is such precisely for being 'the concentration of many determinations, hence the unity of the diverse' (Marx 1993, p. 101).

Large-Scale Industry and Workers' Productive Subjectivity in *Capital*

As I have been arguing, the guiding thread running through Marx's exposition of the concrete forms of production of relative surplus value resides in the revolutions to which capital subjects the productive subjectivity of the doubly free labourer as the means for the multiplication of its power of self-valorisation. However, it is not there that Marx's presentation of the determinations of large-scale industry begins. The reason for this derives from the very starting point of the production of relative surplus value through the system of machinery characterising large-scale industry. As Marx points out, if in manufacture the point of departure of the transformation of the material conditions of social labour was productive subjectivity as such (with the transformation of the instrument of labour, in the form of a specialisation, determined as a result of the former), in large-scale industry the transformation of the instrument of labour constitutes the starting point, the transformation of the wage labourer being its result.[61]

Marx presents the essence of this transformation of the human labour process by developing the specific materiality of machinery, in particular vis-à-vis the labour process in manufacture. In reality, the simplest determination of that difference was already anticipated by Marx in the transition contained in the previous chapter of *Capital*, where the necessity of the development of machinery was laid bare. I am referring to capital's need to do away with the subjective basis of manufacture through the development of an 'objective framework' for material production, independent of the manual expertise and immediate practical knowledge of workers. In brief, it is about giving an objective form to the powers of social labour springing from direct productive cooperation.[62]

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[59] Marx 1976g, p. 458.

[60] The constitution of a section of unskilled labourers in manufacture, that is, of workers whose speciality is the lack of all specialisation (Marx 1976g, p. 470), does constitute a first insinuation of the emergence of labourers with universal productive attributes. However, this universality is not the expression of an expanded productive subjectivity of wage labourers, but of an absolute degradation. Moreover, the number of unskilled universal workers required by manufacture remains relatively small, the essence of the latter being expressed mainly in workers with particularistic development of their productive attributes. Universal workers, on the contrary, are the most genuine product of the system of machinery.

[61] Marx 1976g, p. 492.

The twofold material specificity of the machine thereby springs from the objectification of both the – however restricted – knowledge and manual skills and strength of the manufacturing labourer. On the one hand, capital strives to substitute the movement of the forces of nature for that of the human hand as the immediate agent in the transformation of the object of labour into a new use value. On the other hand, it attempts to displace the immediate subjective experience of the worker as the basis for the conscious regulation of the labour process, i.e. as the basis for knowledge of the determinations of the latter. This implies, in the first place, the need to turn the production of that knowledge into an activity which, whilst clearly remaining an inner moment of the organisation of social labour, nonetheless acquires a differentiated existence from the immediacy of the direct production process. Coupled with the need to objectify it as a productive power directly borne by the 'dead labour' represented in the machine, that knowledge must necessarily take the general form of *science*. As Marx summarises,

> As machinery, the instrument of labour assumes a material mode of existence which necessitates the replacement of human force by natural forces, and the replacement of the rule of thumb by the conscious application of natural science.[63]

We can now start to appreciate how capital advances, for the first time in human (pre)history, in the generalisation of the application of science as an immediate potency of the direct process of production.[64]

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[62] Marx 1976g, pp. 490–1.

[63] Marx 1976g, p. 508.

[64] I say 'generalisation' because capital did not invent natural science. However, by converting science into the general principle of material production, the production of relative surplus value enormously fostered its development and continuous progress. And yet, it can only develop scientific thought within the limits springing from its determination as an alienated social form. I shall come back to this crucial issue below.

> The employment of the natural agents – their incorporation so to speak into capital – coincides with the development of *scientific knowledge* as an independent factor in the production process. In the same way as the production process becomes an *application of scientific knowledge, so*, conversely, does science become a factor, a function so to speak, of the production process. Every invention becomes the basis of new inventions or new, improved methods of production. It is the capitalist mode of production which first puts the natural sciences to the service of the direct production process, while, conversely, the development of production provides the means for the theoretical subjugation of nature.[65]

Through this concrete form of production of relative surplus value, capital starts to move in the direction of the social constitution of the second general attribute of productive subjectivity which the coming into existence of 'really free working' presupposes, namely, the determination of productive consciousness as scientific, thereby objective, in character. Note, however, that at this stage of the exposition, scientific knowledge does not appear directly as productive activity, but only as already objectified in the form of the machine, that is, simply as a presupposition for the latter's existence.

Large-scale industry does not only move forward in the constitution of the scientific character of production. It also fosters the deepening of the other material determination of 'really free working', that of labour becoming directly social. In effect, with the system of machinery the co-operative character of labour comes to be a presupposition of the actual exercise of productive activity, whose necessity springs from the materiality of the instrument of labour itself. What is more, it is possible to see now that those two general attributes are not extrinsically related, but each one presupposes the other.

> Large-industry … possesses in the machine system an entirely objective organization of production, which confronts the worker as a pre-existing material condition of production … Machinery, with the few exceptions to be mentioned later, operates only by means of associated labour, or labour in common. Hence the co-operative character of the labour process is in this case a technical necessity dictated by the very nature of the instrument of labour.[66]

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[65] Marx 1994, p. 32.

[66] Marx 1976g, p. 508.

Thus far, then, these are the fundamental aspects of Marx's exposition of the *material* specificity of the production process of capital based on the system of machinery, i.e. the transformations it suffers in its aspect as a process of production of use values. But the process of production of capital is such for being the unity of the labour process and the valorisation process. Hence, Marx's presentation goes on to develop the specific impact of the system of machinery on the latter, which can be summarised in the following points:

> *As happened with all the productive powers deriving from the exercise of human productive co-operation in an immediately social form (whether in its simple form or through the manufacturing division of labour), the use of scientific discoveries costs capital nothing. They are natural forces of social labour that capital appropriates for free for the purpose of its valorisation.[67]
>
> *However, the productive consumption of the results of science involves the utilisation of ever more complex and costly means of production in an ever increasing scale. The capitalist appropriation of science thus entails an expanding magnitude of the average capital disbursement necessary to set the production of relative surplus value, springing in this case from the growth of constant capital.[68]
>
> *This increment in the magnitude of constant capital is evidently reflected in the value of the product. However, the twofold nature of the capitalist production process as the unity of the labour process and the valorisation process means that this reflection is not simple or immediate. Machines do not create value, but living labour transfers their value to the product; and it does so only in proportion to 'its average daily wear and tear'.[69] On the other hand, they enter as a whole in their determination as a material factor of the labour process. This 'difference between the mere utilisation of the instrument and its depreciation',[70] and expression of the powers of the objectification of past labour, is also appropriated gratuitously by capital.

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[67] Ibid.

[68] Marx 1976g, p. 509.

[69] Marx 1976g, p. 510.

[70] Marx 1976g, pp. 509–10.

> *However attractive these gratuitous services to capital's valorisation brought about by the introduction of machinery might be, the latter faces a specific limit *stricter* than the generically mercantile one given by the difference between the labour the machine costs and the labour it saves.[71] The reason for this is founded in capital's valorisation taking concrete form through the appropriation of *unpaid* surplus labour. Thus, for the capitalist, the limit to the use of the machine 'is therefore fixed by the difference between the value of the machine and the value of *labour-power* replaced by it'.[72]

With this, Marx's presentation exhausts the novel determinations brought about by the system of machinery to the production process as they pertain to its 'objective factor'. What necessarily follows, then, is the investigation of the impact of these transformations on the 'subjective factor' of the labour process, that is, on the worker.

In the third section of the chapter on large-scale industry, Marx initially presents what he refers to as only 'some general effects' of the system of machinery on the worker, that is, those changes that can be discussed without developing the specific form in which the 'human material is incorporated with this objective organism'.[73] In other words, these are the effects whose development does not involve any new *qualitative* determination in the productive subjectivity of workers. Rather, they refer to the *quantitative* changes that machinery brings about in capital's valorisation process as a process of exploitation of living labour. These include: the quantitative extension of the mass of exploitable labour power through the incorporation of female and child labour; the tendency to prolong the working day; and the tendency to increase the intensive magnitude of the exploitation of human labour.

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[71] Marx 1976g, p. 515.

[72] Marx 1976g, p. 515, my emphasis. This specifically capitalist limit to the introduction of machinery thus not only evidences the *restricted* character of this alienated social form of development of the material productive forces of society vis-à-vis a classless, communist society (Marx 1976g, p. 515, n. 16) – incidentally, a determination completely overlooked by bourgeois economists who, like Schumpeter and his contemporary disciples (Schumpeter 1934 and 1947; Dosi et al. 1988), make a great fuss about the technological dynamism of the capitalist mode of production. See Smith (2004) for a Marxist critique of Neo-Schumpeterian economics, and Bellofiore (1985) for a comparison between Marx and Schumpeter. In addition, this also sheds light on the contradictory forms in which capital unfolds its nonetheless undeniable dynamism in the development of the productive powers of social labour. As Marx points out, the development of the system of machinery in some branches of industry may create such a surplus labour force in others that capitalists could force down wages below the value of labour power as a source of extra profit, thereby *hindering* the development of the productive forces in those sectors of production (Marx 1976g, p. 516). Finally, this also gives the 'exact demonstration' of the progressive character of the class struggle over the value of labour power as an active force in the development of the productive powers of society and, therefore, in the production of the material conditions for its more concrete determination as the form of the abolition of capital.

[73] Marx 1976g, p. 517.

It is in section 4, through the presentation of the functioning of 'the factory as a whole', that Marx starts to unfold the specific *qualitative* determinations of the productive subjectivity of large-scale industry. The discussion of a passage from Ure serves Marx succinctly to identify the most general determination of the factory as the sphere of capitalist society where the conscious regulation of an immediately social production process takes place. A conscious regulation, however, that is determined as a concrete form of the *inverted general social regulation* as an attribute of the materialised social relation in its process of self-expansion. In the factory – and this is the issue that Ure's definition overlooks – this inverted social existence reaches a further stage in its development by acquiring a 'technical and palpable reality'.[74]

Thus, the scientific conscious regulation of social labour characterising large-scale industry is not an attribute borne by those workers performing direct labour in the immediate production process. For them, those powers exist already objectified in the system of machinery, to whose automatic movement they have to subordinate the exercise of their productive consciousness and will, to the point of becoming 'its living appendages'.[75] Large-scale industry consequently entails an enormous scientific development of the 'intellectual faculties of the production process' only by exacerbating their separation from direct labourers. In its mode of existence as a system of machinery, the product of labour comes to dominate the worker in the direct process of production not only formally but even materially as well. Capital thus appears to those workers as the *concrete material subject* of the production process itself.

As the personification of the system of machinery acting as a material mode of existence of capital, the capitalist represents before the direct labourers the consciousness of the unity of their productive co-operation. The conscious articulation of their directly social labour therefore appears as the product of the capitalist's autocratic will which, given the increasing complexity and scale of the co-operative production process under her/his command, acquires an objective form in the factory code and its 'barrack-like discipline'.[76]

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[74] Marx 1976g, p. 548.

[75] Ibid.

With all these elements, we can now turn to summarise the specific determination of the productive subjectivity of the worker of large-scale industry. In (*tendentially*) doing away with the need for all specialised skill and knowledge of workers, the production of relative surplus value through the system of machinery gives the development of their productive subjectivity the concrete form of an *absolute degradation*. In this brutal way, and in opposition to the *particularism* of the subjectivity of the wage labourer of manufacture, large-scale industry begets, as its most genuine product, a *universal worker*, that is, a productive subject capable of taking part in any form of the human labour process. In the words of Marx,

> Hence, in place of the hierarchy of specialised workers that characterizes manufacture, there appears, in the automatic factory, a *tendency* to equalize and reduce to an identical level every kind of work that has to be done by the minders of the machines; in place of the artificially produced distinctions between the specialized workers, it is natural differences of age and sex that predominate.[77]

With this tendency to the production of workers who are capable of working with any machine, the simple material or technical necessity for the lifelong attachment of individuals to a single productive function disappears.[78] However, insofar as machines become specialised into certain particular productive functions, the persistence of the division of labour in the factory is still technically *possible*. Indeed, Marx argues, the exploitative relation between capitalists and workers that mediates the development of the material productive forces of social labour as an alienated attribute of its product, leads to the reproduction of the 'old division of labour' in an even more hideous fashion.[79] Large-scale industry's tendency to produce an increasingly universal worker is thereby realised in the concrete form of its negation, that is, by multiplying the spaces for the exploitation of living labour on the basis of an exacerbation of 'ossified particularities'. Thus, the individual capitalist could not care less about the disappearance of the technical necessity for a particularistic development of the worker's productive subjectivity. Under the pressure of competition, his/her only individual motive is the production of an extra surplus value. If he/she can obtain it by attaching the worker to 'the lifelong speciality of serving the same machine',[80] so she/he will. In effect, the reproduction of the division of labour under the new technical conditions implies that a lower value of labour power can be paid – since 'the expenses necessary for his [the workers'] reproduction' are 'considerably lessened'. In addition, it implies that a greater docility on the part of the exploitable human material is induced – since 'his helpless dependence upon the factory as a whole, and therefore upon the capitalist, is rendered complete'.[81]

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[76] Marx 1976g, p. 549.

[77] Marx 1976g, p. 545.

[78] Marx 1976g, p. 546.

[79] Marx 1976g, p. 547.

It is crucial at this juncture to be clear about this contradictory movement between universality and particularity of the determinations of the productive subjectivity of large-scale industry. Paraphrasing Marx, here, as everywhere else, we must distinguish between the general tendency of capital accumulation and the concrete forms in which the essence of the historical movement is realised. *Thus, the essential determination which, as we shall see, expresses the reason to be of the capitalist mode of production, lies in the tendency to universalise the productive attributes of wage labourers*. This is the general movement of the production of relative surplus value through the system of machinery which underlies – hence, gives unity to – the variegated forms that the labour process presents in the course of capitalist development.[82] In order to substantiate this, let us now move ahead in this reading of Marx's investigation of large-scale industry to the point in *Capital* where he further unfolds the movement of the identified contradiction, i.e. to the subsequent discussion of factory legislation in section 9 of this same chapter.[83]

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[80] Ibid.

[81] Ibid.

[82] Again, this point can help us highlight the fundamental importance of the twofold movement of the dialectical method (analytic and synthetic) underlying its power both to penetrate the surface appearances of reality in order to discover the essence of social forms, and to unfold the necessity of the concrete forms in which that essential moment is realised. Regarding the capitalist labour process, the dialectical method can avoid the twin shortcomings present in the Marxist literature of both a one-sided empiricist focus on its more concrete forms – which substitutes a radical industrial sociology for a proper dialectical investigation (Burawoy 1979 and 1985; Edwards 1979) – and the speculative, unmediated imposition of the general determination on concrete forms which still involve its negation – as happens, for instance, with the 'immaterial labour' thesis popularised by Negri and Hardt's *Empire* (2000, pp. 28–30), and originally coming from their and their colleagues' work around the journals *Futur Antérieur* and *Multitudes* (Lazzarato 1996; Lazzarato and Negri 1991). An empirical study informed by such an approach can be found in Corzani, Lazzarato et al. (1996).

Marx's exposition starts by reminding the reader of the most general determination of factory legislation as the mode of existence of the *general* conscious regulation of social labour as an alienated power of the accumulation of capital, i.e. not simply *within* each private fragment of the total social capital but to the establishment of the general conditions which must be presupposed by all of them. This further illustrates the point I made earlier in the discussion of the legal regulation of the duration of the working day by the capitalist state: the automatism of the movement of the indirect organisation of social labour through the valorisation of capital engenders the general direct regulation (i.e. its negation) as its necessary product.

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[83] In my view, Marx's presentation is not fully clear and consistent in distinguishing between essential determination (and therefore general tendency) and concrete from in which it is realised. This lack of clarity probably stems from the uneasy coexistence of systematic and historical moments in the exposition. Thus, he firstly presents the general determination of the productive subjectivity of large-scale industry (namely, its universality) 'in its purity', without necessarily implying that it has been fully realised in its historical concrete forms. However, in his subsequent empirical illustrations he seems to treat the general determination as an immediate actuality. He therefore posits the persistence of the particularistic development of productive subjectivity as '*artificially*' reproduced by superimposing the division of labour where its technical necessity has actually disappeared. See Marx 1976g, pp. 546–7, where he remarks that the insignificance of 'on-the-job' skills required for machine work has done away with the need to bring up a special kind of worker and that the attachment of the worker to a single specialised machine represents a 'misuse' of the latter. While this might have been more or less the case in the particular industries that he discusses, this was by no means the general situation of large-scale industry in his time. The general tendency for a universal productive subjectivity is realised only *gradually* in the historical course of capital development. In this sense, the technical necessity for particularistic attributes of labour power is not done away with overnight. Without a doubt, the historical development of large-scale industry registers a tendency for the degradation of experienced-based ('tacit') knowledge of the determinations of the labour process. However, the progress of capitalist automation has so far involved the recreation of the technical necessity for certain (albeit increasingly more limited) particularistic development of productive subjectivity. Thus, even during the so-called 'Fordist' cycle of accumulation, the full mastery of machines required a relatively lengthy learning process achieved by shadowing a skilled operator. Only with the more recent wave of computer-based automation have particularistic or experienced-based skills significantly lost their former centrality (without, however, fully disappearing). On these recent transformations of the labour process, see Balconi 2002.

> Factory legislation, that first conscious and methodical reaction of society against the spontaneously developed form of its production process, is, as we have seen, just as much the necessary product of large-scale industry as cotton yarn, self-actors and the electric telegraph.[84]

But if in its *material content* this determination of the production of relative surplus value shows its progressive character as a form of development of the productive powers of social labour, its concrete realisation as state regulation – in turn, only imposed upon the immediate personifications of capital with the mediation of the class struggle – reveals the limits springing from its *alienated form*. Hence, as Marx points out, the fact that factory acts cannot go beyond only meagre provisions 'strikingly demonstrates that the capitalist mode of production, by its very nature, excludes all rational improvement beyond a certain point'.[85]

The crucial point for my argument is that section 9 completes (as far as *Capital* is concerned) the development of the specific determinations of the productive subjectivity of large-scale industry. In effect, Marx's exposition in section 4 had left the dialectical presentation with an unresolved contradiction between large-scale industry's general tendency for universality and the exacerbation of the particularism of the division of labour that, left to the unrestrained will of individual capitalists, it allowed. In addition, we shall see how this discussion leads Marx, for the first time in his dialectical exposition, to uncover the revolutionary historical potentialities carried by this specifically capitalist form of human labour power.

The movement of 'the contradiction between the division of labour under manufacture and the essential character of large-scale industry'[86] acquires a first expression in the establishment of compulsory elementary education for working children. As Marx points out, the unchecked exploitation of child labour by individual capitals led not only to the 'physical deterioration of children and young persons',[87] but also to an artificially produced intellectual degeneration, which transformed 'immature human beings into mere machines for the production of relative surplus-value'.[88] Since 'there is a very clear distinction between this and the state of natural ignorance in which the mind lies fallow without losing its capacity for development, its natural fertility',[89] these excesses of the capitalist exploitation of child labour power eventually reacted back on the very capacity of valorisation of total social capital by jeopardising the existence of the future generation of adult workers in the 'material and moral conditions' needed by capital accumulation itself. This is illustrated by Marx through a discussion of the case of the English letter-press printing trade, which, before the introduction of the printing machine, was organised around a system of apprenticeship in which workers 'went through a course of teaching till they were finished printers' and according to which 'to be able to read and write was for every one of them a requirement of their trade'.[90] With the introduction of printing machines, however, capitalists were allowed to hire children from 11 to 17 years of age, who 'in a great proportion cannot read' and 'are, as a rule, utter savages and very extraordinary creatures'.[91] These young workers were day after day attached to the simplest of tasks for very long hours until being 'discharged from the printing establishments' for having become 'too old for such children's work'.[92] Those then 17-year-old workers were left in such intellectual and physical degradation that they were unfit to provide capital, *even in the same factory*, with the miserably restricted productive attributes that it required from its immediate source of surplus value, namely, human labour power.

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[84] Marx 1976g, p. 610.

[85] Marx 1976g, p. 612. The uncritical glorification of the advance in the state regulation of social production by 'state socialists' (whether in its reformist or 'revolutionary' guise) grasps the content of this process without being aware of its alienated form. The abstract critique of 'libertarian' communist currents grasps the oppressive nature of the form but ignores that, in this way, a progressive content realises itself.

[86] Marx 1976g, p. 615.

[87] Marx 1976g, p. 520.

The education clauses of the factory legislation allow Marx not only to dispel any doubt about capital's 'universal vocation' in its transformation of human productive subjectivity. They also serve to highlight, for the first time in his whole dialectical exposition, that it is *only* the development of *that* specific form of human productive subjectivity that expresses capital's historic movement in the production of the material powers for its own supersession as the general social relation regulating human life.

> As Robert Owen has shown us in detail, the germ of the education of the future is present in the factory system; this education will, in the case of every child over a given age, combine productive labour with

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[88] Marx 1976g, p. 523.

[89] Ibid.

[90] Marx 1976g, p. 615.

[91] Marx 1976g, p. 615.

[92] Marx 1976g, p. 615.

> instruction and gymnastics, not only as one of the methods of adding to the efficiency of production, but as the only method of producing fully developed human beings.[93]

Notice, however, that Marx makes clear that the education clauses represent the *germ* – and just that – of the 'education of the future'. To put it differently, Marx's discussion aims at showing *both* that the social forms of the future are effectively carried as a potentiality by the productive subjectivity of large-scale industry under consideration *and* that, with the determinations unfolded so far, that potentiality is not yet immediate. On the contrary, in their 'paltriness', the education clauses reveal that these determinations are far from being a 'method of producing fully developed human beings'. Rather, they are forms of positing individuals whose productive subjectivity is still trapped within the miserable forms imposed by the reproduction of the conditions for capital's valorisation. Other material transformations are still needed to mediate the development of those germinal elements into their plenitude.

The total social capital's necessity to produce universal workers is not exhausted by the obstacles to its valorisation posed by the division of labour within the workshop. As Marx remarks, 'what is true of the division of labour within the workshop under the system of manufacture is also true of the division of labour within society'.[94] In effect, inasmuch as the technical basis of large-scale industry is essentially revolutionary, it entails the permanent transformation of the material conditions of social labour and, therefore, of the forms of exertion of the productive subjectivity of individual workers and of their articulation as a directly collective productive body.[95] This continuous technical change thereby requires individuals who can work in the ever-renewed material forms of the production of relative surplus value. 'Thus', Marx concludes, 'large-scale industry, by its very nature, necessitates variation of labour, fluidity of functions, and mobility of the worker in all directions'.[96] However, he also points out again how the general organisation of social production through the valorisation of independent fragments of social capital negates the immediate realisation of this tendency for an all-sided development of individuals.[97] The private fragmentation of social labour, and its reified social mediation through the capital form, permits the reproduction of 'the old division of labour with its ossified particularities'.[98] Thus, it gives the imposition of variation of labour the form of 'an overpowering natural law, and with the blindly destructive action of a natural law that meets with obstacles everywhere'.[99] In this contradictory form, the realisation of large-scale industry's tendency to produce universal workers nonetheless marches forward, also revealing that it is in the full development of this determination that this alienated social form finds its own *absolute limit*.[100] In other words, that it is in the fully expanded universal character of human productive subjectivity that the *material basis* for the new society rests.

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[93] Marx 1976g, p. 614.

[94] Marx 1976g, p. 615.

[95] Marx 1976g, p. 617.

[96] Marx 1976g, p. 617.

[97] Bellofiore (1998) provides suggestive reflections on this question.

> This possibility of varying labour must become a general law of social production, and the existing relations must be adapted to permit its realization in practice … the partially developed individual, who is merely the bearer of one specialized social function, must be replaced by the totally developed individual, for whom the different social functions are different modes of activity he takes up in turn.[101]

With this discussion Marx unfolds the way in which the general necessities of the reproduction of the total social capital – in this case, workers bearing a universal productive subjectivity – clash with its concrete realisation through the private actions of individual capitals (which strive for the perpetuation and exacerbation of the particularistic development of productive subjectivity). Moreover, we see how this contradiction moves by determining the working class as the personification of the mediated necessities of the valorisation of capital, the latter providing the material and social foundation for proletarian political power.

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[98] Marx 1976g, p. 617.

[99] Marx 1976g, p. 618.

[100] Marx 1976a, p. 617.

[101] Marx 1976g, p. 618. For postmodern social thought, any claim that there is something progressive in capital's tendency to produce universal subjectivities can only represent a totalitarian attack by Western metaphysics of the subject aimed at suppressing the ontologically irreducible difference on which human subjectivity is predicated. In the same vein as Adam Smith could not distinguish labour from alienated labour and therefore saw productive activity as intrinsically a sacrifice, postmodern social thought cannot distinguish the progressive nature of the development of the universality of human subjectivity as such from the alienated capitalist form in which the conditions for its realisation are historically achieved, i.e. from the alienated universality of the determination of human beings as *personifications*. See Goldner 2001, pp. 91–7, for interesting reflections on this issue.

In effect, the development of large-scale industry makes the possession of a universal subjectivity a matter of survival for the members of the working class since, as evidenced by the aforementioned case of the printing trade workers, only in that way can they be in a position to sell their labour power to capital (thereby turning the alienated necessities of social capital into an immediate need for their social and material reproduction). Thus, workers have to 'put their heads together' again and, through their struggle as a class, force the capitalist state to 'proclaim that elementary education is a compulsory precondition for the employment of children'.[102] But what is elementary education if not a – certainly very basic – step in the formation of future *universal workers*? That is, in the development of productive attributes that equips the labourer to work not in this or that particular aspect of the immediately social labour process of the collective labourer of large-scale industry, but in whatever task that capital requires from her/him?[103]

The total social capital's need for universal workers thereby provides another material basis for the political power of the working class in its confrontation with the capitalist class over the conditions of its social reproduction. In this first expression of that relation between large-scale industry and workers' power represented by the Factory Acts, the class struggle does not appear to transcend its most general determination as the form of the buying/selling of the commodity labour power at its value, which Marx unfolds in Chapter 10 on 'The Working Day'. Yet Marx advances the proposition that, when concretely developed, that tendency towards universal productive subjectivity will eventually provide the class struggle with expanded transformative powers, namely, those necessary for the establishment of the workers' 'political supremacy' as a class.

> Though the Factory Act, that first and meagre concession wrung from capital, is limited to combining elementary education with work in the factory, there can be no doubt that, with the inevitable conquest of polit-

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[102] Marx 1976g, p. 613.

[103] Recent historical developments of machine-based production have confirmed the general tendency identified by Marx: degradation of particularistic productive attributes developed on the job, coupled with expansion of the requirements of formal education to produce its more *universal* dimensions. The latter is the necessary prerequisite for the constitution of the more general and abstract knowledge that the contemporary operator of computer-based technologies sets into motion vis-à-vis the 'Fordist' machinist ('controlling' that a task is automatically done correctly rather than actually 'doing' it). See Balconi 2002.

> ical power by the working class, technological education, both theoretical and practical, will take its proper place in the schools of the workers.[104]

Now, the question immediately arises as to what are the more concrete determinations behind this inevitability of the proletarian conquest of political power? Unfortunately, Marx provides no answer in these pages. In fact, one could argue that no answer could have been provided at all. The unfolding of the necessity of 'proletarian dictatorship' as a concrete social form involves still more mediations and, therefore, the former is not carried by the social form we are facing at this point of the exposition in the form of an *immediate potentiality* to be realised through the political action of the workers as a class.[105] Thus, at this stage of the dialectical presentation, both this latter remark and the one discussed above regarding the totally developed individual as the basis for the abolition of capital cannot but be unmediated observations, external to the concrete determinations of the productive subjectivity of large-scale industry that we have before us. On the other hand, inasmuch as the latter *does* involve *a certain degree* of universality, a limited, albeit real, expression of the underlying tendency for the production of its fully developed shape, Marx's reflections, although external, are undoubtedly pertinent. From a methodological point of view, he could therefore legitimately introduce those remarks in order to anticipate the direction that the further unfolding of this historically specific contradiction of the capitalist mode of production – 'the only historical way in which it can be dissolved and then reconstructed on a new basis' –[106] should take. But as a proper, complete dialectical account of the determinations underlying the proletarian conquest of political power or, above all, of the revolutionary production of the free association of individuals, the presentation as so far developed definitely falls short.[107]

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[104] Marx 1976g, p. 619.

[105] This would need the exposition of the tendency for the concentration and centralisation of capital as the alienated expressions of the socialisation of labour in the capitalist mode of production and whose absolute limit is reached when the total capital of society immediately exists as a single capital (Marx 1976g, p. 779).

[106] Marx 1976g, p. 619.

[107] In the same vein, Marx's comments on capital's *raison d'être* in the chapter on simple co-operation also bear this twofold mark of externality and pertinence. The former because, unlike the condensed recapitulation of the general movement in the chapter on the 'Historical Tendency of Capitalist Accumulation', the totality of the determinations behind the realisation of that world-historical role is not yet there. The latter because, as I have pointed out earlier in my argument, that certainly *is* the first time in the presentation that

This, in itself, should not be problematic. From the perspective of the dialectical investigation as such, this juncture of this critical reading of Marx's search for the determinations of revolutionary subjectivity is not a dead-end at all. It only means that the journey from the abstract to the concrete needs to proceed forward as our end-point – namely, revolutionary subjectivity – still lies ahead. In this sense, no anomaly lies before us. However, the question is very different when approached from the standpoint of the elements for such an investigation we can find already objectified in Marx's *Capital*. In that respect, the problem that the contemporary reader of *Capital* attempting to discover those determinations faces is, to put it briefly, that *they are not there*. Let us expand on this point.

We have seen how Marx, when faced with the tendential universality of the worker of large-scale industry and the growing conscious regulation of social labour it entails, *extrinsically* reflects upon the specific material form of productive subjectivity necessary to 'build society anew' on a really free basis. On the other hand, we have highlighted the methodological pertinence of such a reflection given that – as the passage on 'really free working' from the *Grundrisse* quoted above stated – the latter itself has as one of its determinations that of being a bearer of universal productive attributes, that is, capable of 'material production of a general character'. So far so good. But, as the reader will remember, the attribute of universality did not exhaust the determinations of the form of *productive* subjectivity with the immediate potentiality for 'really free working' (which, as I argued, should provide the material foundation of revolutionary *political* subjectivity). In the first place, the latter also entailed a process of material production whose general social character was immediately posited. This condition is present – at least tendentially – in the productive subjectivity of large-scale industry as developed in *Capital* too.[108] But, in addition, note that Marx's passage from the *Grundrisse* mentions that the uni-

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one can grasp an initial manifestation of the historical powers of private labour to take concrete form in their opposite: consciously organised, directly collective labour.

[108] In the chapter on 'Machinery and Large-Scale Industry', the tendency to expand the scope of the conscious regulation of the social character of labour coexists with an opposite tendency to multiply the number of privately mediated branches of the social division of labour, which is also the product of the movement of this form of production of relative surplus value (Marx 1976g, p. 572). But no reason is given for one or the other tendency to prevail. This occurs later in Marx's presentation, when he unfolds the determinations of the 'General Law of Capitalist Accumulation'. There, the tendencies to the concentration and centralisation of capital show how the first tendency eventually imposes itself over the second.

versality of 'revolutionary' productive subjectivity must be the expression of a *scientific* consciousness, capable of organising work as 'an activity regulating all the forces of nature'. And herein lies the crux of the matter.

Although the productive subjectivity of the worker of large-scale industry as presented in *Capital* tends to become universal, this universality is the product not of the *scientific expansion* of her/his capacity consciously to regulate the production process, but of the increasing (eventually absolute) *deprivation* of all knowledge of the social and material determinations of the labour process of which she/he is part. As we have seen above, for the workers engaged in the direct process of production, the separation of intellectual and manual labour reaches its plenitude. This kind of labourer can certainly work in any automated labour process which capital puts before her/him, but not as the 'dominant subject' with 'the mechanical automaton as the object'. Rather, for those workers 'the automaton itself is the subject, and the workers are merely conscious organs, co-ordinated with the unconscious organs of the automaton, and together with the latter, subordinated to the central moving force'.[109] The scientific productive powers needed to regulate the forces of nature, and which are presupposed to their objectified existence in a system of machinery, are not an attribute that capital puts into the hands (or, rather, in the heads) of direct labourers. In brief, in the figure of this wage labourer bearing what, following Iñigo Carrera,[110] I term an absolutely *degraded productive subjectivity*, scientific consciousness and universality do not go together, but are in opposition to one another. In other words, it is not this degraded productive subjectivity that, simply as such, carries in its immediacy the historical revolutionary powers that Marx himself considered necessary to make capital 'blow sky high'. Moreover, neither has Marx's exposition demonstrated that the very movement of the present-day alienated general social relation – capital accumulation – leads to the social necessity to transform, in the political form of a revolution, the productive subjectivity of those labourers in the direction of their reappropriation of the powers of scientific knowledge developed in this alienated form.

Yet, despite this insufficiency as an account of the material genesis of the revolutionary subject, it is here that Marx's exposition in *Capital* about the determinations of human productive subjectivity as an alienated attribute of the product of labour comes to a halt.[111] In the rest of Volume I (and the two remaining volumes), Marx no longer advances, in any systematic manner, in the unfolding of the material and social determinations of the revolutionary subject. From the point of the presentation reached, and after moving to the exteriority of the inner determinations of the production of surplus value and to its reproduction, accumulation and the general law that presides over its movement, he just makes a gigantic leap into the conclusion contained in the chapter on the 'Historical Tendency of Capitalist Accumulation', where Marx offers the following well-known account of the determinations leading to the abolition of the capitalist mode of production.

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[109] Marx 1976g, pp. 544–5.

[110] Iñigo Carrera 2008.

[111] This statement needs qualification insofar as the creation of a surplus population relative to the needs of the accumulation process also constitutes a transformation of productive

> Along with the constant decrease in the number of capitalist magnates, who usurp and monopolize all the advantages of this process of transformation, the mass of misery, oppression, slavery, degradation and exploitation grows; but with this there also grows the revolt of the working class, a class constantly increasing in numbers, and trained, united and organized by the very mechanism of the capitalist process of production. The monopoly of capital becomes a fetter upon the mode of production which has flourished alongside and under it. The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. The integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

If we leave aside the question of the misleading conflation between two *qualitatively different* (and, therefore, *analytically separable*) 'moments' of the revolutionary action of the working class contained in this passage – namely, the expropriation of the bourgeoisie and the abolition of capital[112] – the question remains as to whether the determinations developed by Marx in the previous chapters suffice to justify the transition to this excessively simplistic and all too general account of the way 'the capitalist integument is burst asunder'.[113] Certainly, the tendency to the centralisation of capital discussed in the chapter on the 'General Law of Capital Accumulation' does provide an exposition of the necessity behind the progressive socialisation of labour as an attribute of the capitalist form of private labour. But such an account stops short at the exter-

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subjectivity produced by the development of large-scale industry. More concretely, it represents the most extreme case of material mutilation of the productive attributes of the working class, that is, not simply their degradation but their outright non-reproduction.

[112] I return to this fundamental point in the concluding remarks developed after the present chapter.

[113] Marx 1976g, p. 929.

iority of the *quantitative determination* of the scope of consciously organised social labour without saying anything about the *qualitative transformations* of the productive subjectivity of the collective labourer that such an extension of the scale of the former presupposes. Seen from that perspective, I think that the transition to revolutionary subjectivity contained in the passage is definitely unmediated.[114] How are those workers whose productive subjectivity has been emptied of almost all content to organise the allocation of the total labour power of society in the form of a *self-conscious* collective potency (the latter being what the abolition of capital is all about)? The growing 'misery, degradation, oppression and so on' certainly confront those labourers with particularly extreme *immediate* manifestations of the alienated mode of existence of their social being. Therefore, they could lead them to reinforce their collective resistance to capitalist exploitation by strengthening their relations of solidarity in the struggle over the value of labour power. In themselves, however, those expressions of capitalist alienation have no way of transforming the class struggle from a form of the reproduction of that alienation into the form of its fully self-conscious transcendence. From a materialist perspective, the question does not boil down to the will to radically transform the world, but to the objective existence of the material powers to do so. As Marx puts it in *The Holy Family*, it is about an 'absolutely imperative *need*' determined as 'the practical expression of *necessity*'.[115] The emergence of the social necessity underlying the historical constitution of those revolutionary transformative powers involves the mediation of more revolutions in the materiality of the productive subjectivity of workers.[116]

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[114] This weakness in Marx's argument in *Capital* has been perceptively noted by Wendling 2009, p. 168.

[115] Marx and Engels 1975, p. 37.

[116] The above-cited passage from Chapter 32 of Volume I of *Capital*, if arbitrarily taken out of its systematic methodological context, can certainly lead to the most mechanistic of accounts of revolutionary subjectivity, very easy to codify into a dogma. See, for instance, Kautsky 1936. The point is that the whole content of the chapter on the 'Historical Tendency of Capital Accumulation' merely *summarises* the general movement that Marx has been systematically unfolding *throughout the whole of Volume I and, in particular, in the chapters on relative surplus value and the general law of capitalist accumulation*. When seen in this light, it is obvious that the development of the determinations of revolutionary subjectivity is a very complex (i.e. mediated) one indeed. The mechanistic misreading of that chapter is not restricted to traditional orthodox perspectives. It can also be found in critical interpretations of Marx's *Capital*, albeit in order to take issue with its content. Thus, in his *Introduction to the Three Volumes of Capital*, Heinrich maintains that in that passage: 'Marx drew conclusions amounting to a sort of historical determinism that *are not*

In this sense, I concur in general with those who claim that Marx's *Capital* is *incomplete*. However, not in the sense that the dialectic of capital needs to be complemented with that of class struggle,[117] or with the political economy of wage labour,[118] as if those latter aspects were not an inner moment of the former itself. Rather, I think that it is the very 'dialectic of capital', and, more concretely, the contradictory movement of the production of relative surplus value through the system of machinery, that is in need of completion. Without this further exploration into the development of human productive subjectivity as an alienated attribute of social capital, a gap is bound to remain between the 'dialectic of human labour' unfolded in the relevant chapters of *Capital* and the revolutionary conclusions at the end of Volume I.

In the following section, I shall examine Marx's presentation of the determinations of the system of machinery in the *Grundrisse*. Although the complete *systematic* unfolding of the missing determinations is not there either, the main *elements* for such a further investigation of revolutionary subjectivity can be extracted from that text.

The *Grundrisse* and the System of Machinery: In Search of the Missing Link in the Determinations of Revolutionary Subjectivity

As an entry point to Marx's account of the system of machinery in the *Grundrisse*, let us return for a moment to the examination of the determinations of large-scale industry as presented in *Capital*. More concretely, let us go back to the relation between science and the production process. Although this form of production of relative surplus value entailed the general application of science as a productive force, the latter was not an attribute materially borne by those

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justified by his categorical depiction. To that extent, the passage is more an expression of hope than analysis; revolutionary enthusiasm triumphed over the cool scholar' (Heinrich 2012, p. 198, my emphasis). By contrast, my claim is that Marx's conclusions are not simply *without justification* in his systematic development. The problem is that their ground is not *fully* unfolded. It is, however, possible (and indeed necessary) to complete the systematic development which those revolutionary conclusions presuppose. But this is not what Heinrich has in mind. For him, revolutionary subjectivity has no immanent determinations or necessity that need to be reproduced by means of dialectical thought. It therefore falls outside the systematic 'depiction of the capitalist mode of production', which 'itself is not dependent upon these questionable conclusions' (Heinrich 2012, p. 198).

[117] Shortall 1994.

[118] Lebowitz 2003.

labourers engaged in direct labour in the immediate process of production. For them, that scientific knowledge took the form of an alien power already objectified in the machine. Marx notes this in the *Grundrisse* as well.

> The worker's activity, reduced to a mere abstraction of activity, is determined and regulated on all sides by the movement of the machinery, and not the opposite. The science which compels the inanimate limbs of the machinery, by their construction, to act purposefully, as an automaton, does not exist in the worker's consciousness, but rather acts upon him through the machine as an alien power, as the power of the machine itself.[119]

Yet, as Marx puts it in the *Results of the Immediate Production Process*, those scientific powers ultimately are themselves the products of labour.[120] Thus, although the *formal* subject of those powers – as happens with all the powers springing from the direct organisation of human co-operation – remains capital, the question immediately arises as to who is the *material* subject whose (alienated) *intellectual* labour develops the scientific capacities of the human species and organises their practical application in the immediate process of production. Having discarded manual labourers as such a productive subject, it would seem that the only alternative must be to turn our attention to the remaining character present in the direct production process, namely, the capitalist. Is it she/he who personifies, through the development of her/his productive consciousness and will, capital's need for the powers to scientifically control the movement of natural forces? The answer is given by Marx in a footnote to the chapter on 'Machinery and Large-Scale Industry' in *Capital*:

> Science, generally speaking, costs the capitalist nothing, a fact that by no means prevents him from exploiting it. 'Alien' science is incorporated by capital just as 'alien' labour is. But 'capitalist' appropriation and 'personal' appropriation, whether of science or of material wealth, are totally different things. Dr. Ure himself deplores the gross ignorance of mechanical science which exists among his beloved machinery-exploiting manufacturers, and Liebig can tell us about the astounding ignorance of chemistry displayed by English chemical manufacturers.[121]

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[119] Marx 1993, p. 693.

[120] Marx 1976c, p. 1055.

[121] Marx 1976g, p. 508.

Thus, it is not the capitalist who embodies the intellectual powers to develop the scientific knowledge presupposed by its objectified existence in a system of machinery. The science incorporated in the immediate production process is the result of the appropriation of the product of the intellectual labour of an 'other'. This 'other', whose productive activity the direct production process of large-scale industry carries as a necessary mediation, is not explicitly present in Marx's exposition in *Capital*. There might be two reasons for this exclusion. First, in Marx's time such a social subject was only beginning to develop. Secondly, and following from the previous point, Marx's presentation in *Capital* is restricted to the transformations suffered by the productive subjectivity of those workers remaining in the direct production process. However, what his whole discussion implicitly suggests is that among the transformations that large-scale industry brings about is the extension of material unity comprising its total labour process outside the boundaries of the 'factory walls'.[122] Hence, the direct process of production becomes just an aspect of a broader labour process which now entails two additional moments: the development of the power consciously to regulate in an objective and universal fashion the movement of natural forces – namely, science – and the application of that capacity in the practical organisation of the automatic system of machinery and whatever remains of direct labour – the technological application of science, including the consciousness of the unity of productive co-operation. Certainly, these other moments are also present in *Capital*.[123] However, Marx's presentation there seems to revolve around the emphasis on their separated mode of existence vis-à-vis the subjectivity of direct labourers and which is presupposed by their activity. By contrast, in the *Grundrisse* he oscillates between such an angle on the question,[124] and one which puts at the forefront the underlying material unity of the total activity of living labour, where the development of science and its technological applications act as essential constitutive moments.[125] With the system of machinery,

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[122] In this examination of the further determinations of the production process of large-scale industry, I draw on Iñigo Carrera (2008, pp. 17–23).

[123] Marx 1976g, p. 549.

[124] Marx 1993, pp. 693–4.

[125] Dunayevskaya (1989, pp. 80–6) correctly notes the difference in presentation between the account of the system of machinery in the *Grundrisse* – where the emancipatory potentialities of the system of machinery are considered – and the one in *Capital* – where its determination as a materialised expression of the domination of dead over living labour is emphasised. However, she wrongly attributes that to a change in Marx's view on the subject, instead of as an account of *qualitatively different* potentialities engendered by the

> the entire production process appears as not subsumed under the direct skillfulness of the worker, but rather as the technological application of science. [It is,] hence, the tendency of capital to give production a scientific character; direct labour [is] reduced to a mere moment of this process.[126]

The determinations presupposed by the production of relative surplus value involve the specification of commodity owners into capitalist and wage labourer. Having discarded the former as the material subject of scientific labour, it is self-evident that only those determined as doubly free individuals can personify the development of this moment of the production process of large-scale industry. Thus, although not explicitly addressed by Marx, the benefit of historical hindsight makes it very easy for us to recognise how the total social capital deals with its constant need for the development of the productive powers of science, namely, by engendering a special partial organ of the collective labourer whose function is to advance in the conscious control of the movement of natural forces and its objectification in the form of ever more complex automatic systems of machinery. Whilst the system of machinery entails the progressive deskilling of those workers performing what remains of direct labour – to the point of emptying their labour of any content other than the mechanistic repetition of extremely simple tasks – it also entails the tendential *expansion* of the productive subjectivity of the members of the intellectual organ of the collective labourer. Capital requires from these workers ever more *complex* forms of labour.[127] As much as those discussed in *Capital*, these are also 'immediate effects of machine production on the worker'. Needless to say, inasmuch as this expanded productive subjectivity is nothing more

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very same development of the system of machinery and personified by the different partial organs of the collective labourer.

[126] Marx 1993, p. 699.

[127] Braverman's (1998) so-called 'deskilling' thesis is obviously a one-sided reduction of this *twofold* movement of degradation/expansion of the productive subjectivity of the collective labourer required by the system of machinery to one of its moments (Iñigo Carrera 2008, p. 44). One of the immediate reasons behind such a unilateral account lies, as Tony Smith points out, in its very restricted definition of 'skill', very much referring to *manufacturing* skills (Smith 2000, p. 39). An early in-depth critical examination of Braverman's thesis can be found in Elger (1979). In fact, one could argue that both 'Fordist' and 'Post-Fordist' methods involve both deskilling and the enhancement of workers' 'skills' (Tomaney 1994). On Fordism, see Clarke 1992. Clarke (1990) also demolishes the fantasies of most of the literature on 'Post-Fordism', laying bare its purely ideological character. On 'lean production' in particular, see the work of Tony Smith just referred to above.

than a concrete form of the production of relative surplus value, the exercise of the newly developed intellectual productive powers is inverted into a mode of existence of capital in its movement of self-valorisation as well.[128]

In this alienated form, capital thereby produces a material transformation whose fundamental significance exceeds the production of wage labourers simply bearing different productive attributes. At stake here, first and foremost, is a radical substantial transformation of the very nature of human labour.[129] The latter progressively ceases to consist in the direct application of labour power onto the object of labour with the purpose of changing its form. It now increasingly becomes an activity aimed at the conscious control of the movement of natural forces in order to make *them* automatically act upon the object of labour and, in this way, effect its change of form. According to Marx's exposition of the system of machinery in the *Grundrisse*, *it is in the contradictory historical unfolding of this specific material transformation of human productive subjectivity that the key to the absolute limit to capital resides*.

> To the degree that labour time – the mere quantity of labour – is posited by capital as the sole determinant element, to that degree does direct labour and its quantity disappear as the determinant principle of production – of the creation of use values – and is reduced both quantitatively, to a smaller proportion, and qualitatively, as an, of course, indispensable but subordinate moment, compared to general scientific labour, technological application of natural sciences, on one side, and to the general productive force arising from social combination [*Gliederung*] in total production on the other side – a combination which appears as a natural fruit of social labour (although it is a historic product). *Capital thus works towards its own dissolution as the form dominating production*.[130]

To put it briefly, the issue here is the old question of the relation between intellectual and manual labour.[131] More concretely, the fundamental point to grasp is the specifically capitalist form in which the antithetical movement of those two moments of living labour asserts itself with the development of the system of machinery. The revolutionary aspect of this historically specific transformation of living labour in capitalist society is that both the scale and complexity of the production process and, in particular, the increasingly scientific character of its organisation, make the subjectivity of the capitalist (the non-labourer) incapable of personifying the now directly social labour under the rule of her/his capital. This means, in other words, that the development of the powers of intellectual labour and their exercise becomes an attribute of the 'labouring classes'. As Marx states in the *Theories of Surplus-Value*:

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[128] That is, the productive powers of science take an alienated form not just vis-à-vis manual labourers, who face them already objectified in the system of machinery. Intellectual labourers also confront the development of science, which they themselves personify, as an alien power borne by the product of their social labour. Moreover, the alienated nature of this development of intellectual labour is even expressed in its general scientific form, that is, in its method. I return to this question in the concluding remarks below.

[129] Iñigo Carrera 2008, p. 20.

[130] Marx 1993, p. 700, my emphasis.

[131] Sohn-Rethel's *Intellectual and Manual Labour* (1978) has become a *locus classicus* on this

> *Concentration of capital* … It is in this extreme form of the contradiction and conflict that production – even though in alienated form – is transformed into social production … As *functionaries* of the process which at the same time accelerates this *social* production and thereby also the development of the productive forces, the capitalists become superfluous in the measure that they, on behalf of society, enjoy the usufruct and that they become overbearing as *owners* of this social wealth and *commanders* of social labour. Their position is similar to that of the feudal lords whose exactions in the measure that their *services* became superfluous with the

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question. It certainly provides a good starting point, especially concerning the historicity of the forms of scientific thought. However, his idiosyncratic approach is not exempt from shortcomings. For a critical assessment of Sohn-Rethel's work, see Kapferer 1980; Bahr 1980; Reinfelder and Slater 1978. The main shortcoming of Sohn-Rethel's book, correctly highlighted by these critical appraisals, is its ambiguity on the question of the capital-determined nature of the very materiality of technological forms and the forms of science presupposed by them. In effect, despite all his emphasis on the historicity of what I have termed 'representational scientific thought', Sohn-Rethel actually attributes the latter full objective validity, albeit with 'false consciousness', meaning a lack of awareness of its own social existence and historical genesis (Kapferer 1980, p. 81). The transcendence of the capitalist mode of production therefore does not actually involve the transformation of the very forms of scientific knowledge and technology; only liberation from their blindness to their own social determinations as an inner moment of human labour. This is the result of the reunification of intellectual and manual labour. But if Sohn-Rethel ultimately failed to grasp the inherently capitalist nature of the very structure of modern science and technology, the critics referred to above fail to see the necessity of the transcendence of those forms of scientific thought as an immanent potentiality engendered by the historical movement of the capital form itself, albeit one which expresses the necessity of its own annihilation.

> rise of bourgeois society, became mere outdated and inappropriate privileges and who therefore rushed headlong to destruction.[132]

The scientifically expanded productive subjectivity of intellectual labour is, by its own nature, increasingly general or universal. The exertion of this form of human labour power aims at the expansion of the conscious control over the *totality* of the forces of nature. Moreover, this subordination of the latter to the powers of living labour involves the comprehension of their *general* determination in order thereby to develop their *particular* technological applications in ever-evolving systems of machinery. Thus, as Marx puts it in Volume III of *Capital* in order to highlight its specificity vis-à-vis co-operative labour, scientific labour is, by definition, universal labour.[133]

With the constitution and permanent revolutionising of this organ of the collective labourer, capital thereby engenders *another* tendency for the production of workers bearing a universal productive subjectivity.[134] However, this universality is no longer the *empty* universality deriving from the absolute *lack* of individual productive capacities to which direct labourers are condemned. When developed into its plenitude, it becomes the rich, concrete universality of organs of a collective subject who become increasingly able to consciously rule their life process by virtue of their capacity scientifically to organise the production process of any automatic system of machinery and, therefore, any form of social co-operation on the basis of large-scale industry. As the productive subjectivity of workers expands, it progressively ceases to be the case that the worker's individuality vanishes 'as an infinitesimal quantity in the face of the science, the gigantic natural forces, and the mass of social labour embodied in the system of machinery'.[135] For the latter *are* the direct products of the objectification of their productive subjectivity.

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[132] Marx 1989b, p. 449.

[133] Marx 1991, p. 199.

[134] A remarkable weakness of Postone's (1996) otherwise interesting discussion of real subsumption lies in his implicit reduction of the working class of large-scale industry to direct manual labourers. Clearly, the *formal subject* of the development of science and technology is capital, as happens with all the productive powers of social labour springing from the direct co-operation of workers. However, the development of those productive powers has no *material subject* in Postone's account. That is one of the reasons why he cannot see that the potentiality for the abolition of capital is actually borne by the proletariat.

[135] Marx 1976g, p. 549.

> Nature builds no machines, no locomotives, railways, electric telegraphs, self-acting mules etc. These are products of human industry; natural material transformed into organs of the human will over nature, or of human participation in nature. They are *organs of the human brain, created by the human hand*; the power of knowledge, objectified. The development of fixed capital indicates to what degree general social knowledge has become a *direct force of production*, and to what degree, hence, the conditions of the process of social life itself have come under the control of the general intellect and been transformed in accordance with it. To what degree the powers of social production have been produced, not only in the form of knowledge, but also as immediate organs of social practice, of the real life process.[136]

We saw how in *Capital* Marx focused on the 'negative side' of the effects of production of relative surplus value through the system of machinery upon the material forms of the productive subjectivity of the working class. The historical emergence of the social necessity for the constitution of a 'fully-developed social individual' thus appeared as an abstract possibility, whose connection to capital's development of machine-based production seemed to be completely external. Conversely, we can appreciate now how in the *Grundrisse* Marx posits capital's relentless tendency to 'call to life all the powers of science and of nature, as of social combination and of social intercourse'[137] as necessarily engendering the historical becoming of that concrete universal subjectivity itself.

> No longer does the worker insert a modified natural thing [*Naturgegenstand*] as middle link between the object [*Objekt*] and himself; rather, he inserts the process of nature, transformed into an industrial process, as a means between himself and inorganic nature, mastering it. He steps to the side of the production process instead of being its chief actor. In this transformation, it is neither the direct human labour he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body – it is, in a word, the development of the social individual which appears as the great foundation-stone of production and of wealth.[138]

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[136] Marx 1993, p. 706.

[137] Ibid.

[138] Marx 1993, p. 705.

Moreover, and here in accordance with *Capital*, he presents the latter as the one whose further expansion eventually clashes with its alienated capitalist social form and, therefore, as the material form of productive subjectivity that carries as an immediate potentiality the necessity for the 'creation of the new society'. Hence, Marx continues,

> The *theft of alien labour time, on which the present wealth is based*, appears a miserable foundation in face of this new one, created by large-scale industry itself … The *surplus labour of the mass* has ceased to be the condition for the development of general wealth, just as the *non-labour of the few*, for the development of the general powers of the human head. With that, production based on exchange value breaks down, and the direct, material production process is stripped of the form of penury and antithesis.[139]

It might seem that Marx is here substituting the intellectual labourer for the manual labourer as the revolutionary subject. However, the point is that the key consists not in abstractly opposing intellectual and direct manual labour in order to privilege one over the other, but rather in grasping the contradictory forms in which capital historically develops these two necessary moments of the labour process. Since Marx's exposition in the *Grundrisse* is only concerned with the *general* tendency and, more specifically, its historical result – that is, with the movement of 'bourgeois society in the long view and as a whole'[140] – he does not pay much attention to the contradictory forms in which the latter asserts itself. However, it is clear that in the historical unfolding of the tendency for the progressive objectification of all direct application of human labour power onto the object of labour as an attribute of the machine, capital actually *reproduces and exacerbates* the separation between intellectual and manual labour.[141]

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[139] Marx 1993, pp. 705–6.

[140] Marx 1993, p. 712.

[141] One of the central weaknesses of recent theories of 'immaterial labour' or 'cognitive capitalism', which heavily rely on the 'Fragment on Machines', is their 'stagist' reading of that text. See, for example, Virno 2007; Lazzarato 1996; Vercellone 2007. In other words, those authors use those passages from the *Grundrisse* for a formalistic specification of a qualitatively different stage of capitalist development that is said to supersede not only large-scale industry, but also real subsumption: the epoch of the 'general intellect'. Worse still, those theories unmediatedly – hence speculatively – apply the essential tendency and finished form described in the *Grundrisse* onto contemporary concrete

In effect, inasmuch as capital's conversion of the subjective expertise of the direct labourer (both intellectual and manual) into an objective power of the machine is not an instantaneous event, but rather is done by degrees, every leap forward in the abolition of manual labour brought about by the revolution in the material forms of the process of production is realised by actually multiplying the spaces for the exploitation of manual living labour. In fact, the new technological forms themselves might generate as their own condition of existence the proliferation of a multitude of production processes still subject to the manual intervention of the labourer, whether as an appendage of the machine, as a partial organ in a manufacturing division of labour or even in the form of 'domestic industry'. Thus, until the conditions for the (nearly) total elimination of manual labour are produced, direct labour as an appendage of the machine and/or the division of labour of manufacture tend to be reproduced under the new conditions and with even more degraded forms of productive subjectivity and harsher conditions of capitalist exploitation.[142]

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forms of realisation that still represent its negation (Starosta 2012). The result is that they overlook or downplay the contradictory movement of expansion/degradation and universalisation/particularisation entailed by current material forms of real subsumption. As we have seen, what the 'Fragment on Machines' unfolds is not the abstract opposite of the determinations of the productive subjectivity of large-scale industry, but rather their more concrete development. The significance of that undoubtedly essential text is therefore *systematic*. And, incidentally, so is that of the distinction between the three different forms of real subsumption presented in *Capital* and that between formal and real subsumption. For a forceful case against the 'stagist' reading of those chapters of *Capital*, see Tomba 2007 and 2013.

[142] This is illustrated by Marx in section 8 of the chapter on 'Machinery and Large-scale Industry' in *Capital*. See Marx 1976g, pp. 588–610. There he shows how the production of relative surplus value through the system of machinery reproduces modern manufacture, handicrafts and domestic industry. In this way, capital revolutionises the determinations of the social existence of not only those workers incorporated into large-scale industry, but also those of the sections of the working class still working under the division of labour in manufacture or domestic industry. The latter forms of the social production process persist in their survival only through the imposition of the most brutal forms of the exploitation of the workers. However, Marx makes clear that the subsistence of manufacture and domestic industry is always provisional, even if it appears to hang on for long periods of time. The general tendency of capital is for the total development of large-scale industry. Moreover, Marx's discussion makes clear that the working class does not have to 'sit and wait' until the limit for the subsistence of manufacture is reached – a limit given by the extent to which the overexploitation of labour power compensates for its relative lower productivity of labour vis-à-vis large-scale industry. Inasmuch as the struggle for the shortening of the working day succeeds in forcing its implementation in

Yet it is certainly the case that this internal differentiation of the collective labourer on the basis of the respective forms of productive subjectivity is the self-negating form in which the *abolition* of that separation is realised in the historical process. Thus, through the very exacerbation of their separation, capital tendentially abolishes the qualitative and quantitative weight of manual labour in the process of reproduction of social life, thereby converting the essential moment of living labour into an intellectual process. In this way, capital's transformation of the labour process eventually reaches a point at which the separation between intellectual labour and what is now a quantitatively and qualitatively insignificant amount of manual labour cannot materially obtain as a form of organising the life process of humanity. The development of the material productive forces of society can only assert itself through the embodiment of the intellectual powers of social production in the individual subjectivity of every partial organ of the now directly social productive body. Moreover, this incorporation of the powers of the 'general intellect' into every individual worker must now have the form of objective social knowledge – namely, science – rather than being the product of the immediate subjective productive experience of the labourer (as was the case of independent handicraft production). As we shall see below, it is the consciously organised political action of the *whole* working class – whatever its productive subjectivity – that is the necessary form in which this latter material transformation is realised.[143]

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the branches of production where manufacture persists, it accelerates the development of large-scale industry by not allowing the selling of labour power below its value and, therefore, by reducing the capitalist limit to the introduction of machinery. Here we have a clear instance of the way in which progressive politics mediates revolutionary politics, the former being the concrete form of the development of the material determinations for the emergence of the latter.

[143] Besides, it goes without saying that although the workers bearing an expanded productive subjectivity express the *movement towards* the development of an all-sided universal individuality, they do so within the limits of capital as an alienated social form. In other words, it is not the *immediacy* of the material forms of their productive subjectivity that constitutes the kind of 'rich and all-sided individuality' discussed by Marx (1993, p. 325). As much as workers with a degraded productive subjectivity, they have to not only change 'society', but also undergo a process of self-change in the course of the revolutionary process. Hence, *both* organs of the collective labourer have to 'get rid of the muck of ages' imposed by the determination of human subjectivity as a concrete form of the production of relative surplus value. More concretely, this entails the *transformation* of intellectual labour (i.e. in the mode of scientific cognition or the kind of scientific method) and its *generalisation* to all members of the collective productive body.

In its formally boundless movement of self-valorisation, capital therefore cannot stop in the historical production of universal productive subjects. At the same time, this constant revolution in the material forms of human productive subjectivity can only take place through the progressive socialisation of private labour, thereby positing the extension of the scope of the conscious regulation of directly social labour as an immediate necessity for capital's production of relative surplus value. Thus, through the development of large-scale industry, capital works towards the historical emergence of the other precondition for 'really free working' as well.

> In the production process of large-scale industry … just as the conquest of the forces of nature by the social intellect is the precondition of the productive power of the means of labour as developed into the automatic process, on one side, so, on the other, is the labour of the individual in its direct presence posited as suspended individual, i.e. as social, labour. Thus the other basis of this *mode of production falls away*.[144]

On the twofold basis of the expansion of the scientific productive powers of the 'general intellect' and of the determination of human labour as directly social, capital moves tendentially towards reaching its absolute historical limit as a social form. This limit is not reached when capital accumulation *ceases* to develop the material productive forces of society as, following Trotsky,[145] orthodox Marxists would have it. On the contrary, capital clashes with its limit when the very same alienated socialisation and scientific universalisation of the powers of human labour through the production of relative surplus value begets, *as its own immanent necessity*, the development of the productive forces of society in a particular material form, namely, the fully conscious organisation of social labour as the *general* social relation regulating the reproduction of human life and, therefore, as an attribute borne by every singular productive subjectivity comprising the collective labourer. Under those circumstances, the further leap forward in the material productive forces of society – dictated by the most immediate necessity of capital itself, that is, the production of relative surplus value – comes into conflict with capitalist relations of production. Translated into our mode of expression, this classical Marxian insight can only mean the following: the *alienated* social necessity arises for the human being to be produced as a productive subject that is fully and objectively conscious of the social determinations of her/his individual powers and activity. Thus, she/he no longer sees society as an alien and hostile power that dominates her/him. Instead, he/she consciously experiences the materiality of social life (that is, productive co-operation) as the necessary condition for the development of the plenitude of his/her individuality, and therefore consciously recognises the social necessity of the expenditure of her/his labour power in organic association with the other producers. However, this form of human subjectivity necessarily collides with a social form (capital) that produces human beings as *private and independent individuals* who consequently see their general social interdependence and its historical development as an alien and hostile power borne by the product of social labour. The determination of the material forms of the labour process as bearers of objectified social relations can no longer mediate the reproduction of human life. *Capital accumulation must therefore come to an end and give way to the free association of individuals*.

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[144] Marx 1993, p. 709.

[145] Trotsky 1938, pp. 1–2.

> But with the suspension of the *immediate* character of living labour, as merely *individual*, or as general merely internally or merely externally, with the positing of the activity of individuals as immediately general or *social* activity, the objective moments of production are stripped of this form of alienation; they are thereby posited as property, as the organic social body within which the individuals reproduce themselves as individuals, but as social individuals. The conditions which allow them to exist in this way in the reproduction of their life, in their productive life's process, have been posited only by the historic economic process itself; both the objective and the subjective conditions, which are only the two distinct forms of the same conditions.[146]

In brief, capital exhausts its *raison d'être* in the historical process, thereby producing the social necessity for its abolition and, at the same time, revealing the material content pushing forward in that alienated form: *the self-production of the human individual as a working subject or the historical development of human productive subjectivity*.

> As the system of bourgeois economy has developed for us only by degrees, so too its negation, which is its ultimate result. We are still concerned now with the direct production process. When we consider bourgeois society in the long view and as a whole, then the final result of the process

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[146] Marx 1993, p. 832.

> of social production always appears as the society itself, i.e. the human being itself in its social relations. Everything that has a fixed form, such as the product etc., appears as merely a moment, a vanishing moment, in this movement. The direct production process itself here appears only as a moment. The conditions and objectifications of the process are themselves equally moments of it, and its only subjects are the individuals, but individuals in mutual relationships, which they equally reproduce and produce anew. The constant process of their own movement, in which they renew themselves even as they renew the world of wealth they create.[147]

It is possible to appreciate now the significance of the 'Fragment on Machines' from the *Grundrisse* for the completion of the dialectical exposition of the productive subjectivity of large-scale industry. Although clearly in an unsystematic fashion (after all, they are only research manuscripts), that earlier version of the critique of political economy contains the elements for the systematic unfolding of the plenitude of the determinations that constitute the immanent potentiality of capital-transcending transformative practice that *Capital* only partially achieves. These further mediations are crucial for the concretisation of that which in *Capital* appeared as an abstract possibility: the emergence of the historical and social necessity underlying the abolition of capital.

Yet the exposition in the *Grundrisse* itself seems to be incomplete too, although for exactly the opposite reasons behind the incompleteness of Marx's discussion in *Capital*. Whereas in the latter text it is the unfolding of the material determinations of the *productive* subjectivity of large-scale industry which is in need of completion, in the *1857–8 Manuscripts* it is the part played by the *political* subjectivity of wage workers in the abolition of capital that is in need of clarification. If anything, the political action of the proletariat is noticeable for its *absence* in Marx's account of the dissolution of the capitalist mode of production in the *Grundrisse*. As Rovatti points out, the 'Fragment on Machines' is perfectly compatible with a fatalist, objectivist or mechanical conception of the abolition of capital, which posits its necessity in an external relation with the revolutionary intervention of the proletariat.[148] Indeed, this is the reading that results when the account of the development of large-scale industry is grasped as the positing of abstractly objective conditions for revolutionary action, which would need to be complemented by equally abstract subjective ones (generally seen as grounded in the mere existence of labour power as a commodity, i.e. in the formal subsumption of labour to capital). However, I think that this is not a properly dialectical way of grasping what Marx is getting at in those passages of the *Grundrisse*.

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[147] Marx 1993, p. 712.

[148] Rovatti 1973. Rovatti, however, can escape the objectivist reading only by falling into its abstract opposite, namely, subjectivism. The objectivist reading results when the contradiction immanent in the system of machinery is grasped in purely quantitative terms,

As I argued in Chapter 6, from the methodological perspective of science as practical criticism, the question is not one of investigating the objective circumstances constraining the affirmation of our freely self-determining action. Rather, it is a matter of apprehending in thought the *inner* material and social determinations of our radical transformation of the world. In other words, the question under investigation does not revolve around the discovery of the 'objective and subjective conditions' for the revolutionary transcendence of capital, but rather that of its *content and form*. Seen in this light, we can easily see what Marx's exposition in the 'Fragment on Machines' in the *Grundrisse* is all about: it unfolds the *content* of the social necessity for the abolition of the capitalist mode of production *without* specifying its *form*. By contrast, in *Capital*, Marx does establish, albeit by means of an insufficiently grounded exposition, the character of that necessary form, namely, the revolutionary political action of the whole working class. In their unity, the *Grundrisse* and *Capital* therefore provide the elements for the scientific exposition of the determinations of capital leading to the social constitution of the revolutionary proletariat.[149] What remains to be done is to flesh out more explicitly that immanent

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rather than in terms of the qualitative determinations of productive subjectivity. That is, when focusing on how capital's reduction of necessary labour to a minimum leads to the impossibility of converting disposable time into surplus labour. Concomitantly, communism becomes reduced to a problem of overcoming scarcity or of the generalisation of abundance. Piccone (1975, p. 245), even if trying to go beyond the 'orthodox' reading of the *Grundrisse* offered by Nicolaus in the Foreword, shares that quantitative reading of the section on machines. Other objectivist readings focus on the alleged contradiction between the tendential disappearance of immediate labour in machine-based production and the determination of value as based on 'labour-time'. See Heinrich (2013) for a critique of this latter interpretation of the 'Fragment on Machines', which he nonetheless sees as correct as a *reading* of Marx's *Grundrisse*. His critical point is that Marx himself was wrong (or unclear) in that early version of the critique of political economy.

[149] Caffentzis's recent assessment of the 'Fragment on Machines' from *Grundrisse* vis-à-vis Marx's views in *Capital* precisely fails to uncover this necessary connection between content and form of the abolition of capital respectively contained in each of the two texts. For him, the *Grundrisse* and *Capital* contain 'two images of revolution', the earlier

connection between the content and form of the abolition of capital. In the following chapter, and by way of a conclusion, I offer some final reflections in order to establish that link. Additionally, bringing together the major insights found in the work of Iñigo Carrera, which has informed my reading of Marx, I develop some further considerations about determinations of revolutionary subjectivity which, I think, are also needed to complete the picture found in both *Capital* and the *Grundrisse*.

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manuscript based on 'the external workings of the system driven by the introduction of science and technology', and the later version based on 'a working class that was inside the system, threatening to burst out of capital's desiccated skin' (Caffentzis 2013, p. 281).

CHAPTER 9

By Way of a Conclusion: Further Explorations into the Determinations of Revolutionary Subjectivity

Revolutionary Subjectivity as Alienated Subjectivity

In order to make explicit the *necessary* mediation between the content and form of the revolutionary abolition of capital, which is absent from the *Grundrisse*, we must bring back Marx's discussion of the role of the class struggle as presented in *Capital*. As we have seen, both through the discussion of the establishment of a legal working day and the Factory Acts, Marx unfolds the determination of the political action of the working class as the necessary mediation, in the form of a consciously organised collective action, for the imposition of the *general* conscious regulation of social labour in the capitalist mode of production, that is, as a concrete form of the essentially *unconscious* – hence inverted – organisation of social life through the capital form. Furthermore, we saw above that the struggle of wage labourers as a class was also the necessary form in which the total social capital's need for workers with an increasingly universal productive subjectivity, resulting from the movement of the *real* subsumption in the form of large-scale industry, asserted itself. True, in Marx's exposition in Chapter 15 of *Capital*, the class struggle does not transcend its determination as a mediating moment of the total social capital's reproduction. This is because he does not unfold its immanent material content – the socialisation and universal development of human productive subjectivity – up to its absolute limit. But this is precisely what the *Grundrisse* do; they do not unfold a *different* content, but rather develop a more complex shape of that content itself. *A fortiori*, its concrete mode of realisation remains the same: the struggle of wage labourers as a class. A struggle, however, that is no longer determined as form of capital's *reproduction*. As an expression of the plenitude of its content, the political action of wage labourers now becomes determined as the mode of existence of capital-*transcending* human practice.

In effect, I have shown that the material content of the communist transformation of social life precisely consists in the realisation of the plenitude of the two determinations underlying capital's historic mission, namely, the production of a fully developed universal productive subjectivity, which is in turn the necessary form of human *individuality* presupposed by the fully conscious organisation of *social* life as a directly collective process. Thus, as the material

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subject whose productive subjectivity this historic process transforms 'behind its back' in the direction of a fully developed and socialised universality, the working class thereby becomes determined to personify, through its revolutionary political action, the *alienated* necessity of capital to be superseded in the free association of individuals or communism. Fundamental implications follow from this.

When discussing commodity fetishism, I mentioned that behind the traditional Marxist view rests the idea of revolutionary consciousness as the absolute opposite of alienated consciousness. In other words, revolutionary political action is seen as grounded in an abstractly free human subjectivity of the proletariat, which in that capital-transcending practice gets rid of objectified forms of social mediation that constrain the affirmation of their natural freedom. By contrast, what follows from the approach developed here is that revolutionary consciousness can only be a concrete form of the alienated consciousness itself. Let me elaborate on this.

In the first place, this means that the necessity for revolutionary transformation springs from the movement of self-valorising value itself. More concretely, it is a concrete determination of capital's incessant drive to produce relative surplus value. The crux of the matter is that it is a necessity of relative surplus value production, which can only take concrete shape through the abolition of the capital form (hence of surplus value production) itself. To put it differently, that particular cycle of material reproduction of society is *autonomously* set into motion by the valorisation of capital as its immanent purpose. However, the determinate form of the *material* transformation of the labour process – dictated by the most immediate necessity of capital to expand its magnitude – becomes the fully conscious organisation of human productive co-operation. Which, in turn, means that the *social* form of the life process of humanity must be revolutionised as well: it is a change of the materiality of the production process which, albeit required by the valorisation of capital, can no longer proceed on the basis of that alienated general social form.

Perhaps I can flesh out this point more clearly by discussing the following oft-quoted passage from *The Holy Family* in light of Marx's mature critique of political economy:

> Indeed private property drives itself in its economic movement towards its own dissolution, but only through a development which does not depend on it, which is unconscious and which takes place against the will of private property by the very nature of things, only inasmuch as it produces the proletariat as proletariat, poverty which is conscious of its spiritual and physical poverty, dehumanization which is conscious of its

> dehumanization, and therefore self-abolishing … Not in vain does it [the proletariat] go through the stern but steeling school of *labour*. It is not a question of what this or that proletarian, or even the whole proletariat, at the moment *regards* as its aim. It is a question of *what the proletariat is*, and what, in accordance with this *being*, it will historically be compelled to do.[1]

In this passage, Marx still seems to be within the boundaries of the kind of argument developed in the *Paris Manuscripts*, where revolutionary subjectivity seems to be grounded in a generic dialectic of the negation of the negation. Thus, in the proletariat all the inhumanity of private property is concentrated. Therefore, as that human incarnation of the complete negation of humanity, they are bound to revolt against those inhuman conditions. In turn, this revolt against inhuman conditions of life cannot but represent its negation and, therefore, the affirmation of humanity. It is this aspect which is generally emphasised within Marxism. Yet as my discussion of the limitations of that approach should make evident, one must focus elsewhere. The key points are as follows.

First, it is crucial to note how Marx uses the term 'compelled' to refer to the relation of the workers to their own revolutionary activity. I think this shows that for Marx the alienated subject of that historical movement culminating in (hence including) the revolution is capital itself (what he refers to as 'private property'). In this sense, the revolutionary powers are not 'self-developed' by the workers, but are an alienated attribute that capital puts into their own hands through the transformations of their productive subjectivity produced by the alienated socialisation of private labour. This is the reason why *revolutionary consciousness is itself a concrete form of the alienation of human powers as capital's powers*. The abolition of capital is not an abstractly free, self-determining political action, but one that the workers are *compelled* to undertake as *personifications* of the alienated laws of movement of capital itself. In this sense, when the workers consciously organise the revolutionary abolition of the capitalist mode of production, they do so not as the incarnation of the powers of an abstract human practice deprived of social determinations, but as 'character masks' or 'representatives' of the inverted existence of the powers of their social labour, i.e. capital. The point is that it is an alienated action that *in the course of its own development* liberates itself from all trace of its alienated existence. Paraphrasing that passage from the *1859 Contribution*, which I quoted toward the end of Chapter 6, individuals 'emerging from the reproduction process are accordingly different from those entering it'. They enter it as wage workers personifying capital's need to produce relative surplus value. Yet, in the course of the revolutionary action they undertake as such personifications, they 'change skin' and emerge as consciously (thus freely) associated fully developed social individuals.

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[1] Marx and Engels 1975, pp. 36–7.

Secondly, this leads to the question of the specific *qualitative content* of revolutionary consciousness. This consciousness is not simply an extension of partial struggles based on the very same 'class identity' constituted around the affirmation of an abstract human freedom against the (apparently) external coercion imposed by the capital-determined modes of social objectivity. Revolutionary political action is such because of the *qualitative* potentiality it embodies, which resides in its being the form in which the fully conscious organisation of social life is historically produced. In this specific determination, *it has to be a fully conscious action itself*. Thus, it is a question not just of struggling against capitalist society as a 'totality', but also of the determinate form in which wage workers *consciously grasp*, as the way of organising that political action, their alienated general social relation. However general in its scope and fierce in its intensity, the political action of workers cannot be determined as revolutionary except when ideally reproducing capital in the totality of its social determinations. In other words, this essentially means that workers must comprehend the determinations of their own social being in their unity beyond any appearance presented by it. This does not only involve seeing through the transposed concrete forms of *objectivity* presented by the alienated consciousness in the capitalist mode of production, i.e. the value form and its concrete development into capital. In addition, it also entails discovering the content behind the most general concrete form of subjectivity assumed by the alienated consciousness of the modern individual, namely, the apparently natural self-determining freedom of the commodity owner. Thus, revolutionary workers must grasp the immanently alienated nature of their own subjectivity or their existence as attributes of the total social capital, which has become the concrete subject of modern society. But this also entails the discovery of the material productive powers that, as capital's mode of existence, they have developed in that inverted form. In this way, workers shall recognise the social necessity of the historical task that, as fully conscious yet *alienated* individuals, they have to personify through their self-abolishing political action, namely, the revolutionary supersession of capital through the production of the communist organisation of social life.

Revolutionary Subjectivity as Productive Subjectivity

In the traditional Marxist account of the revolutionary abolition of capital, the latter presupposes the development of two sets of clearly distinct necessary conditions: the 'objective' ones (generally associated with one aspect of the 'economic' laws of motion of capital such as its crisis-ridden character, the mechanical impossibility of economic reproduction, the tendency for the concentration and centralisation of capital, generalised barbaric conditions of human civilisation), and the 'subjective' ones (class consciousness and organisation). The whole history of Marxism could be reconstructed on the basis of the ways in which the different currents emphasised one or the other factor, or, alternatively, tried to combine the objective and subjective factors. But what unites most approaches, and, I think, what dooms their attempts at discovering the concrete determinations of revolutionary action to failure, is the complete independence they posit between the *political* consciousness of the working class and the development of the materiality of the production process of human life. Because even when the need for material conditions *is* emphasised, the problem is that the particular condition or set of conditions generally posited as *objectively* grounding the necessity for the abolition of capital (be it a fatal economic crisis or the monopolisation of the property of capital simply as such) has no connection whatsoever with the political subjectivity of the working class. The latter is seen as developing according to its own different 'logic', generally deriving from the determinations of the *formal* subsumption of labour to capital and therefore irrespective of the material transformations of human life. To put it differently, those approaches do not actually pose an inner *material determination* or necessity for the development of the revolutionary *political consciousness* of the working class. As pointed out before, they just provide an objective *context*, which is seen as spurring, accelerating or facilitating the *self-determining* movement of the subjective factor which 'reacts' to those external circumstances. But there is no real mediation between the materiality of social life and the political consciousness of workers. It is this mediation that the approach developed in this book attempts to provide.

As we have seen above, it is the historical necessity for the all-sided development of the universality of productive attributes of the workers beyond its capitalist 'integument' – generated by the alienated movement of capital itself – that is realised in the concrete form of the communist revolution. In this sense, the material determinations for the abolition of capital are not *external* to the concrete individuality of workers. Rather, they essentially pertain to their *subjectivity* as working individuals, that is, to their subjective powers to consciously organise the transformation of the environment into a means for the reproduction of human life. It is only when those material determinations of the development of human productive subjectivity emerge in the course of history that the proletariat acquires the social powers necessary to abolish their alienated general social relation. Hence, what this line of thought suggests is that *the revolutionary political consciousness of the working class can only be a concrete mode of existence of their productive consciousness*.

This has important broader ramifications for the nature of the revolutionary movement itself. Because overlooking that material determination of the political consciousness of the working class necessarily leads to conceiving of the revolutionary process in purely formal terms, that is, as a *mere* transformation of social forms. But what this approach suggests is that what the revolutionary movement realises (its content) is, fundamentally, the transformation of the materiality of the productive forces of the human individual and, *therefore*, of their social forms of organisation and development. In other words, it is about a *material* mutation of the production process of human life, which takes concrete shape through a *social* transformation, which, in turn, expresses itself through a *political* action.

This means, in the first place, that the revolution does not consist in the simple appropriation of the objectified form of the productive forces engendered by capital, although subjecting them to another form of social organisation. This is, broadly speaking, the standard classical Marxist understanding of the nature of the communist revolution (starting with Lenin's socialist use of so-called 'Taylorism', but also including the Council Communist reduction of the communist programme to the demand to 'get rid of the bosses', i.e. self-management of existing material forms of the production process).[2] Moreover, this also means going beyond the well-known 'Western Marxist' correction that consists of adding that the transformation of the social forms of human activity needs to be complemented by the development of an alternative 'socialist technology', which would replace existing forms of the material conditions of social labour that have been 'moulded' by the needs of capital.[3] In this alternative version, the external relation between material forms of the life process and social relations still persists. On the one hand, we have social relations. On the other, we have the materiality of the productive forces of the human individual. Since capitalist social relations have 'moulded' technology, the construction of a socialist society requires that both are transformed, as if it were possible to do one thing without doing the other. So conceived, the transformation of the material forms of the production process is once again reduced to an external objective condition, instead of being grasped as the immanent content of the communist revolution itself.[4]

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[2] The formalism entailed by the Council Communist ideology of self-management has been insightfully highlighted many years ago by some currents of the so-called 'Neo-Bordigist Ultra-Left' in France (Négation 1973; Barrot and Martin 1974).

[3] See, for instance, Murray 2004; Arthur 2003c. See also Dyer-Witheford 2000, Chapter 3, for a review of Marxist approaches to 'technology-as-domination'.

In a nutshell, revolutionary practice is not about an external leap from capitalism to communism involving, on the one hand, the abolition of capital and, on the other, the construction of a communist society, as if they were different things. Hence, it is not that the historical powers of the capital form to develop the forces of production are exhausted and come to a halt, and then comes a social revolution which changes the social forms of the life process of humanity, in order to then set into motion the productive forces again, but now on a new basis. Rather, as a political action, working class revolution *is* the conscious organisation of that material transformation of the productive forces of the human individual through the change in the social forms of their organisation. This is why it makes no sense to consider that the 'objective or material conditions' for the revolution are ripe, but the 'subjective factor' is not. For those material *determinations* can have no concrete mode of existence and movement other than the consciously organised political action of the whole working class. To say that those material determinations can exist by themselves without the emergence of the fully conscious revolutionary subjectivity of the proletariat is as meaningless as the claim that value can unmediatedly exist in quantities of its substance and not in the form of money prices.[5]

Only because of all this does the revolutionary process transform both 'circumstances and human activity', i.e. involves 'self-change', as the third Thesis on Feuerbach claims.[6] This, I think, is also the underlying meaning of Marx and Engels's well-known passage from the *The German Ideology*:

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[4] In other approaches, it is conceived of as an ethical question, part of a 'moral theory of human perfectibility' (Murray 2003). See also Gould (1978), who finds in Marx's *Grundrisse* a critique of the injustices of capitalism and sees the development of the fully developed social individual, hence the historical emergence of human freedom, as the realisation of justice.

[5] More generally, the question at stake in this discussion about the connection between productive forces and revolutionary consciousness is the difference between *immanent determination* of a form by its content (ideally reproduced through dialectics), and the exteriority of a lifeless mechanical relation between two self-subsistent entities (when grasped through logical representation).

> Both for the production on a mass scale of this communist consciousness, and for the success of the cause itself, the alteration of men on a mass scale is necessary, an alteration which can only take place in a practical movement, a *revolution*; the revolution is necessary, therefore, not only because the *ruling* class cannot be overthrown in any other way, but also because the class *overthrowing* it can only in a revolution succeed in ridding itself of all the muck of ages and become fitted to found society anew.[7]

Hence the general determination of the communist revolution: to be the political form of the riddance of the 'muck of ages' engendered by the production of relative surplus value, that is, the form taken by the historical production of the subjectivity of the 'rich individuality which is as all-sided in its production as in its consumption, and whose labour also therefore appears no longer as labour, but as the full development of activity itself'.[8]

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[6] Marx 1976d, p. 4. The determination of revolutionary practice as a process involving self-transformation has been emphasised by various authors (Geras 1989; Barker 1995; Smith n.d.), who thereby provide a necessary warning against the uncritical glorification of existing forms of working class subjectivity as immediately 'fit to found society anew'. However, I think that, in most cases, this process of 'getting rid of the muck of ages' through 'self-transforming' political practice is seen in terms of the constitution of an abstract 'socialist culture of solidarity', with no reference to the materiality of the production process of human life. In other words, the question is idealistically seen as 'ethical' or 'cultural', but not fundamentally in terms of *productive subjectivity*. Lebowitz (2003) does grasp the need to focus on the latter. However, he sees the question as a matter of two different, externally related grounds for the development of the workers' revolutionary consciousness: on the one hand, the transformation of the materiality of the production process of human life and, on the other, the class struggle. By contrast, I am arguing that it is a question of the development of the materiality of human productive subjectivity taking concrete form through the revolutionary political action of workers. Mészáros provides perhaps one of the most suggestive approaches in this respect, explicitly addressing the need for determinate *material mediations* as the ground for the development of 'communist consciousness on a mass scale' and seeing the revolutionary process as the political *form* in which that material *content* is realised (1995, pp. 917–36). However, unilaterally sticking to the immediate concrete form of fragmentation and division through which capital's tendency for the production of universal productive subjects is realised, he cannot see the social necessity for the material transformation at stake as the *immanent* product of the alienated movement of the production of relative surplus value itself. The necessity of revolutionary subjectivity ultimately remains external to the general social relation presiding over the movement of modern society and is represented as consisting in the completion of a historic task that capital leaves unfinished. Again, revolution is seen as an external leap.

[7] Marx and Engels 1976a, pp. 52–3.

Revolutionary Subjectivity as Scientific Subjectivity

If the simplest *content* of revolutionary consciousness entails the self-awareness about the workers' alienated subjectivity, the question immediately arises as to what is the specific *form* of consciousness capable of discovering the former. The answer to this question is self-evident in the very intellectual process I have been unfolding in this book. In effect, inasmuch as the *critique of political economy* entails the reproduction in thought of the concrete unity of all the determinations of social existence implied in the necessity for the abolition of capital, it becomes determined as *the self-consciousness of the working class of the social determinations of its revolutionary action as an alienated subject* – an alienated subject, however, that has developed the material powers and historic task to put its own alienation (and hence its existence as working class) to an end. On the other hand, drawing on the methodological insights found in the work of Iñigo Carrera,[9] I have attempted to demonstrate throughout this book that the critique of political economy embodies such a transformative power only by virtue of its specific, *dialectical form*. In the first part of the book, this was just stated although not fully demonstrated. If successful, my methodologically minded reading of Marx's 'mature' dialectical critique of political economy, understood as the unfolding of the determinations of capital leading to the social constitution of the revolutionary working class, should have substantiated that point.

But there was another fundamental claim, only tangentially touched upon in the book, whose justification remained incomplete. I am referring to the historical determinations behind the distinction I made between representational scientific thought (or logical representation) and dialectical knowledge. As argued before, whilst the former is the mode of scientific knowledge determined as a form of capital's reproduction, the latter is the mode of scientific knowledge determined as the conscious organisation of the practical critique of the capitalist mode of production. However, a proper grounding of this distinction was not possible at that stage of the book. It is only now that I have discussed the determinations of the production of relative surplus value through the system of machinery that I can properly address that question.

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[8] Marx 1993, p. 325.

[9] Iñigo Carrera 1992 and 2008.

In effect, we have seen that it is that particular material form taken by capital's valorisation that calls into life the powers derived from the scientific regulation of natural and social processes. In this way, capital increasingly determines scientific knowledge as the general form of productive consciousness organising the life process of society. Furthermore, we have seen that this also means that the productive consciousness regulating the labour process ceases to be subordinated to the immediate subjective experience of the wage labourer. In other words, it becomes an objective consciousness. However, this is an objective consciousness which is not the expression of the 'development of human powers as an end in itself'.[10] It is determined as a concrete form of the expanded reproduction of capital through the production of relative surplus value. In other words, it is an objective consciousness bound to reproduce its essential determination as an alienated consciousness. As I have already shown, firstly in my discussion of commodity fetishism and later when dealing with the relationship between class struggle and the valorisation of capital, it is by falling prey to the inverted appearance as free consciousness taken by alienated consciousness that human beings reproduce their own alienation. In this sense, the objective character of scientific knowledge confronts a limit which it cannot trespass without ceasing to be a concrete form of capital's perpetuation: it must be strictly developed in such a form that it does not discover its own immanent determination as an alienated consciousness. Thus, whilst needing to be scientific – hence objective – in order to produce relative surplus value, productive consciousness as an attribute of capital must remain incapable of fully seeing through the appearances presented by the real movement of social life and, therefore, cannot become *fully* objective. It has to remain *ideological*. How are these two requirements of the reproduction of capital reconciled?

I think that the discussion of the difference between dialectical cognition and logical representation in the first part of the book provides the key to answer this question. For the very *form* of representational science (i.e. its *method*) condemns it to grasp the relations between real forms in their apparent externality, and, therefore, to stick to some inverted appearance presented by them. Moreover, in being incapable of reproducing the contradictory movement of the real by means of thought, this form of scientific knowledge leads to uncertainty about its own objectivity. It therefore has to seek the foundation for its own objectivity outside of itself, in the alleged general rules of correct thinking – logic – guiding the thinking activity of an abstract subject of knowledge. In other words, it is an objective knowledge ultimately resting on *subjective* foundations and which is therefore unable ideally to reproduce the immanent self-movement of social and natural forms. Thus, we can now see the way in which the contradictory development of scientific knowledge within the boundaries of the reproduction of capital 'finds room to move', namely, by taking the form of *representational science*. As Iñigo Carrera emphatically argues, the historically specific determination of social existence (and hence of social consciousness) becomes therefore expressed in the very *form* of the process of scientific cognition of reality, i.e. in its *method*.[11] Since the mode of scientific cognition is a social form, as any other it must have a historical determination as well. Armed with that scientific consciousness, the political action of the working class becomes condemned to personify the need of capital to reproduce itself, instead of personifying the necessity to supersede itself into the free association of individuals.

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[10] Marx 1991, p. 959.

Exactly the opposite line of reasoning applies to the form of consciousness that organises the action which, whilst alienated, in the course of its development transcends that very alienation. I am referring to the 'communist consciousness', the 'consciousness of the necessity of a fundamental revolution',[12] whose content, as we have seen, is the development of the 'control and conscious mastery of these powers' springing from 'the world-historical co-operation of individuals'.[13] This fully conscious organisation of the development of the social powers of the human being – 'the reality which communism creates'[14] – presupposes that the latter ceases to see the determinations of her/his social existence as an external force existing independently of the individuality of her/his conscious practical activity upon nature. And this can only be the product of a form of consciousness that is fully *objective* in character and that can therefore recognise and organise the immanent social determinations of human individuality beyond any appearance. This is recognised by Marx in the *Grundrisse*:

> The great historic quality of capital is to create this *surplus labour*, superfluous labour from the standpoint of mere use value, mere subsistence; and its historic destiny [*Bestimmung*] is fulfilled as soon as, on one side,

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[11] Iñigo Carrera 2008, pp. 252–3.

[12] Marx and Engels 1976a, p. 52.

[13] Marx and Engels 1976a, p. 51.

[14] Marx and Engels 1976a, p. 81.

> there has been such a development of needs that surplus labour above and beyond necessity has itself become a general need arising out of individual needs themselves – and, on the other side, when the severe discipline of capital, acting on succeeding generations [*Geschlechter*], has developed general industriousness as the general property of the new species [*Geschlecht*] – and, finally, when the development of the productive powers of labour, which capital incessantly whips onward with its unlimited mania for wealth, and of the sole conditions in which this mania can be realized, have flourished to the stage where the possession and preservation of general wealth require a lesser labour time of society as a whole, and where *the labouring society relates scientifically to the process of its progressive reproduction*, its reproduction in a constantly greater abundance; hence where labour in which a human being does what a thing could do has ceased.[15]

Thus, in the communist association, not only will human activity take a mediated form, but as the social form of organisation of the universal development of 'human powers as an end in itself' through conscious co-operation, it will also elevate the social mediation of individual activity to new levels and forms. That is, the human process of metabolism will not return to the simplicity of pre-capitalist forms of social production, but, quite to the contrary, it will achieve even more complex forms than the ones produced under the alienated rule of capital. For the fully developed social individual, the problem at stake will be the integration of her/his individual productive action into the activity of a collective body composed out of the universal and all-round co-operation of human beings. And thought being the way in which the social forms of the life process express themselves in the human head, how can the regulation by means of thought of such a complex process of reproduction take the form of a consciousness not involving mediation? Certainly, then, social relations will become 'transparent' under the free association of producers. However, this will be the result not of an *immediate* insight,[16] but of a scientific consciousness that passes through all the mediations involved in the fully conscious organisation of what will be a highly complex form of human activity. The necessity for a scientific comprehension of the social determinations of human life will not disappear under communism, but will become the general form in which individuals organise their life activities. Paraphrasing Marx, there is no royal road to the self-conscious organisation of directly social human practice! As he put it already as early as the *Paris Manuscripts*,

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[15] Marx 1993, p. 325, my emphasis. It is remarkable that in this passage Marx states that human beings only do that which is specifically human and cannot be done by 'things'. Although he does not say it explicitly, it seems obvious to me that much if not all of what is now done manually is among those tasks that can be done by 'things'. In other words, manual direct labour is one of those things that should be consigned to the dustbin of history by the communist revolution. 'Really free working' will fundamentally (if not exclusively) involve *intellectual* labour. This should come as no surprise, since it is the regulation of the life process by means of *thought* that, according to Marx, from the *Paris Manuscripts* right up to *Capital*, constitutes the specifically human form of the material life process.

> My *universal* consciousness is the *theoretical* form of that whose *living* form is the *real* community, society, whereas at present *universal* consciousness is an abstraction from real life and as such in hostile opposition to it. Hence the *activity* of my universal consciousness – as activity – is my *theoretical* existence as a social being.[17]

Yet social being takes in the capitalist mode of production an alienated form. Thus, in its first historical manifestation, this 'universal consciousness' emerges as an alienated attribute of capital, albeit of its immanent necessity to transform the materiality of the human reproduction process beyond the capital form. Whilst *necessarily scientific*, 'communist consciousness' must therefore acquire a form that allows it to penetrate all inverted appearances presented by social being in order to discover its own alienated nature. At this stage of my argument, it is self-evident what this form is: dialectical knowledge. Only this form of knowledge, as 'the reproduction of the concrete by means of thought', ideally expresses the material power to organise the communist abolition of capital. *Hence, whilst logical representation is the scientific method determined as a form of capital's reproduction, dialectical knowledge is the mode of scientific cognition determined as the form of capital's transcendence and, a fortiori, of the free association of individuals* (*'the reality that communism creates'*). In brief, it is a question not just of abolishing the separation between intellectual and manual labour through the reduction of the latter to 'quantitative and qualitative insignificance', but, fundamentally, of the revolution in the very general form of scientific intellectual labour itself.[18]

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[16] Cf. Cohen 1972.

[17] Marx 1992b, p. 350.

[18] Inasmuch as it is determined to emerge for the first time in the course of history in the alienated form of the conscious organisation of the abolition of capital, dialectical knowledge initially takes the concrete form of *critique of political economy*. Once liberated from

Revolutionary Subjectivity as Consciously Self-Organised Subjectivity

The rejection of the need for (dialectical) scientific knowledge to organise the transformation of the capitalist mode of production into the free association of individuals has generally come from the abstract critique of Leninist 'vanguardism and substitutionism' by so-called libertarian currents of Marxism.[19] Holloway's recent work is a case in point. For him, the postulation of the need for a scientific organisation of communist revolutionary activity can only lead to the separation between the 'intellectual elite' and the masses. In turn, this would mean that the revolution ceases to be the self-emancipation of the working class and becomes the changing of society by the self-proclaimed vanguard on behalf of the working class.[20]

Clearly, Holloway is not arguing for a complete refusal of the need for critical theory. He explicitly acknowledges that 'intellectual work is part of that struggle'.[21] However, afraid that this claim could lead him to intellectual elitism, he then hastens to add that although it is another expression of the class struggle, revolutionary thought does not enjoy any 'privileged role' in the practical critique of capital. The fully developed consciousness of the social determinations of alienated human activity is just another form of the critique of alienated labour, coexisting alongside social struggles based on more or less immediate consciousness. Or, in Holloway's own words, theory is simply 'a peculiar way of articulating our [the theorists'] participation in the conflict in which all participate'.[22] The real, material unity of theory and practice to be achieved by the critical-revolutionary activity of the proletariat thus dissolves into the purely formal unity consisting in the coexistence of 'critique in theory' and 'critique in practice'.

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its existence as an alienated attribute of capital existing in the heads of the self-abolishing proletarians, dialectical science does not wither away, but must acquire a new concrete form: *human* natural science or the *natural science of humanity* (Marx 1992b, p. 356).

[19] This rejection is a particular expression of a more generalised 'cultural mood' in the present times of general political retreat of the working class. In the realm of theory, this mood is expressed in the emergence of postmodernism as the dominant ideological form taken by social theory. In the realm of practical politics, this acquires expression in the anti-intellectualism characterising the current 'anti-globalisation' movement. For concise suggestive reflections on this, see Aufheben 1992, pp. 1–2.

[20] Holloway 2002a, p. 30.

[21] Holloway 2002a, p. 63.

[22] Holloway 2002a, p. 30.

By contrast, I think that when its concrete determinations are properly grasped, far from leading to a Leninist separation between 'party direction/intellectuals' and 'masses', the scientific organisation of political action actually constitutes its only genuine practical critique. In effect, the general material content of the conscious revolutionary action of the proletariat suffices to understand why it can definitely *not* take the form of the institutionalisation of the separation of the conscious organisation of that action from its execution proper. And this is not just a matter of an abstract moral superiority of radically democratic forms of social organisation over hierarchical ones. Rather, it is but a consequence of the materiality of the social transformation at stake, namely, the production of the consciousness about the social character of human transformative action as the general social relation reproducing human life. In other words, this is the consequence of the necessary *conscious* nature of such a collective process of social transformation, which can only be such precisely for being the organic unity of the conscious transformative practice of each individual. Only in this way can such action be fully conscious and thereby acquire the plenitude of its transformative powers.[23]

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[23] The reduction of the communist transformation to a question of radical democracy has been a longstanding characteristic of the anti-Stalinist left and has gained new life in recent times within the so-called anti-globalisation movement. This 'obsession' with democracy is an evidently understandable but *abstract* reaction of the revolutionary left to the bureaucratic experience of the Soviet Union (and also of Social Democracy in Western Europe). The critique of this 'formalist consciousness' with its 'fetishism of organisational forms' has also been one of the themes insightfully discussed by the 'Neo-Bordigist' ultra-left in France (Barrot and Martin 1974). As Goldner notes, the critique of capital from the perspective of radical democracy basically follows from the representation of capital as essentially a *hierarchical relation of power* (Goldner 1981). But as value-in-process, capital is a materialised form of social mediation that becomes the self-moving subject of human life, a determination that derives from the essentially unconscious form of social reproduction through the commodity form. Hence, the content of the communist transformation is not the democratisation of society, but the abolition of the determination of the human life process as the material bearer of the self-expansion of capital through the conscious association of fully developed social individuals. Inasmuch as its production involves the conscious organisation of collective human practice as an attribute borne by each human individual, one could anachronistically call that 'democratic'. But without a critique of the commodity form, money form, capital form and the abstractly free subjectivity of the private individual, the call for radical democracy mystifies rather than throws light on the communist revolution.

Thus, the monopoly over the conscious organisation of the general social character of human action by some individuals (let us say, the 'intelligentsia') can signal just one thing, namely, that the rest of the members of society are acting *un*consciously, uncritically accepting the appearance that the would-be leaders really are acting consciously, no matter how democratic the mediations between those two poles, or how much the leaders are predisposed to 'learn' from the spontaneous movement of the masses.[24] When Marx spoke of communism as the conscious association of individuals, he really meant it. And this is not just a matter of 'feeling like' associating with others, or of instinctively doing it under the pressure of external circumstances (even less a question of ethical duty), but more so of being fully and objectively aware of the social necessity of this association in the totality of its determinations.[25] On the other hand, this is why the reproduction in thought of the social determinations of the political action that accomplishes said transformation of the whole process of human metabolism (dialectics), must be, by its very essence, a collective class product, whose production involves *all* individuals concerned. The development of science as the practical critique of capital thereby involves not only the *transformation* of the mode of scientific cognition, but also its *generalisation*. To put it simply, dialectical knowledge (hence, 'communist consciousness') must become an attribute borne by each member of the self-abolishing proletariat as a whole, regardless of the particular form of productive subjectivity inherited from the different role played as partial organs of the production and circulation of capital with which they enter the revolutionary process. Only in this way can the 'genuine bond of consciousness and action' (Lukács) be established in the course of human history, thereby making the immediate *material* unity of theory and practice become the general social relation reproducing human life.

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[24] See Shandro 1995 for an interesting but futile attempt to save Lenin's theory of the party.

[25] Thus it is in the very essence of dialectical knowledge to require the reproduction in thought of the social determinations of human purposeful activity in the singularity of each individual action. This is why, by its very form, dialectical cognition is inherently self-critical: on each occasion it is set into motion, it subjects its existing forms to criticism (Iñigo Carrera 1992). I shall return to this below.

Revolutionary Subjectivity 'Proper' and the Revolutionary Conquest of the Political Power of the State

We have seen in the previous chapter that Marx's dialectical exposition in *Capital* culminates with the 'expropriation of a few usurpers by the mass of the people',[26] a process which he identifies as immediately coinciding with the 'point at which they [the centralisation of the means of production and the socialisation of labour] become incompatible with the capitalist integument', which therefore 'is burst asunder'.[27] I have already mentioned that this concise statement about the revolutionary transcendence of capital is rather problematic. The reason for this is that it conflates two qualitatively different determinations of the 'Historical Tendency of Capitalist Accumulation': the expropriation (hence abolition) of the bourgeoisie or capitalist class and the abolition of capital itself as a materialised social relation.

Yet this conflation between those two distinct (yet related) social processes lies at the basis of the traditional or orthodox Marxist conception of revolutionary subjectivity and the abolition of the capitalist mode of production. This conception actually follows from the ideological representation of the social relations of production as juridical property relations. In effect, socialism was seen as complete state ownership of the means of production by a workers' state. The proletarian conquest of state power alongside the expropriation of the bourgeoisie was accordingly represented as synonymous with the transcendence of the capitalist mode of production.[28] As should be evident from my critical reading of *Capital* and the *Grundrisse*, this conception of the overcoming of capitalism substantially differs from Marx's views.

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[26] Marx 1976g, p. 930.

[27] Marx 1976g, p. 929.

[28] See Chattopadhyay 1992, 1996 and 2010, for textual evidence of this conception of socialism in Soviet Marxism. In other words, socialism was seen as a *transitional society* between capitalism and communism. This distinction was usually legitimised with reference to Marx's discussion of a lower and higher phase of the society that supersedes the capitalist mode of production in the *Critique of the Gotha Programme* (Marx 1989a). However, as Chattopadhyay demonstrates in the works just cited, the orthodox Marxist differentiation between a socialist and communist society represents a misreading of Marx's argument in the *Critique of the Gotha Programme*, which referred to two phases *within* the communist association of individuals, interchangeably referred to as Communism and Socialism. Incidentally, this misreading is not exclusively a Soviet or orthodox Marxist feature. For instance, despite Camatte's otherwise radically unorthodox reading of Marx, in *Capital and Community*, he mistakenly posits the dictatorship of the proletariat as one of the *three* successive *post-capitalist* phases (the other two being 'lower socialism' and 'communism', as in the Leninist reading of Marx's discussion in the *Critique of the Gotha Programme*). See Camatte 1988, pp. 121–3, 139.

Thus, whatever the ambiguities of Marx's formulation in the passage from the chapter on the 'Historical Tendency of Capital Accumulation' referred to above, a cursory reading of his so-called 'political writings' makes evident that he was very clear about the '*unity-in-difference*' between the expropriation of the bourgeoisie and the abolition of capital. To begin with, this is condensed in the political programme of the working class to be implemented through the revolutionary 'conquest of political supremacy' contained in the *Communist Manifesto*, whose *immediate* economic content unequivocally comes down to the absolute centralisation of capital in the form of state-property – hence the abolition of the bourgeoisie – and does not involve the abolition of the capitalist mode of production.[29] As Chattopadhyay competently shows,[30] for Marx the revolutionary conquest of political power together with the expropriation of the bourgeoisie were the *necessary forms* in which to *start* the process of transformation of the capitalist mode of production into the free association of individuals. But unlike the conception found in Lenin and orthodox Marxism in general, Marx was very clear that the political rule of the working class 'does not by itself signify the collective *appropriation by society*, and does not indicate the end of *capital*'.[31] The 'dictatorship of the proletariat' was, for Marx, a *period within the capitalist mode of production* – hence, not a non-capitalist transitional *society* – in which the latter was to be entirely revolutionised in every nook and cranny up to the point of fully preparing wage workers for their self-emancipation – hence for their self-abolition as working class.[32] This has several implications beyond those discussed in Chattopadhyay's rigorous but mainly exegetical commentary.

First, during that period, workers continue to be wage labourers. The sale of labour power as a commodity to a single state-owned capital for a wage continues to be the general *indirect* social relation regulating the establishment of the unity between production and individual consumption (and hence mediating the reproduction of the worker's life). In this sense, material reproduction as a whole is not *fully* socialised under those circumstances. Although the allocation of the total labour power of society in its different concrete forms is no longer privately organised in formally independent direct production processes, the part of the total product of social labour that corresponds to the reproduction of labour power still takes the commodity/value form.[33] Consequently, the process of metabolism does not attain social unity in a completely direct form and the social character of labour therefore continues to take the form of capital, i.e. of an objectified social power that dominates the direct producers. In effect, as with simple co-operation, the constitution of an immediately collective productive body is not yet the direct product of the fully self-conscious association of the producers, but is set into motion with the previous mediation of the sale of their labour power as private and independent individuals to the single state-owned capital. Therefore, whilst this figure of the collective worker now personifies the direct organisation of all the functions of the immediate production process in its totality, 'their co-operation only begins with the labour process, but by then they have ceased to belong to themselves'.[34] Their labour belongs to the total social capital, which now immediately exists as a singular capital that subsumes the co-operation of the collective labourer as a whole. In other words, in the reified form of money-as-capital, the materialised general social relation of workers still *pre-exists* and *autonomously sets into motion* their productive co-operation with the only alienated purpose of expanding its own magnitude, i.e. of producing surplus value.

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[29] Marx and Engels 1976b, pp. 504–5. Strictly speaking, Marx and Engels's programme is even more timid. They suggest the *gradual* expropriation of the bourgeoisie, which would eventually lead to the absolute centralisation of capital as state property.

[30] Chattopadhyay 1992, pp. 92–3.

[31] Chattopadhyay 1992, p. 93.

[32] Ibid.

In the second place, no matter how radically democratic is the self-government of the direct producers during the dictatorship of the proletariat (and Marx thought it would be),[35] they still confront the social determinations of their individual life activity as an alienated power.[36] Similarly to workers' co-operatives within an individual private fragment of social labour, general political self-government by wage labourers is tantamount to the self-management 'of the use of the means of production to *valorize their own labour*'[37] for the total social capital. That wage workers have dispensed with the mediation of the direct relation established with a capitalist or a state bureaucrat in the labour process does not change the fact that they are self-organising the *alienated objectification of their productive activity*. Certainly, they no longer submit their productive subjectivity to the consciousness and will of another person (or rather, personification). But they still have to submit their conscious action to the unity of society existing in the form of a self-activating objective process that they do not control in a fully conscious manner. The despotism and coercion of the production process of human life determined as material bearer of capital's valorisation process does not disappear. It only takes the concrete form of a democratically self-imposed compulsion – yet one that is objectively determined behind their backs – to expand the materialised social relation.[38] In other words, even if, for the sake of argument, we assume with Marx that the *Commune* was 'the political form at last discovered under which to work out the economical emancipation of Labour',[39] this communal *political* organisation still represents, *pace* Lebowitz,[40] a form of existence of the *capitalist state* and not a 'workers' state'.[41] The form determination of the state is to be the political mode of existence of the movement of the total social capital, i.e. the objectified embodiment of the direct organisation of the unity of the conditions of social reproduction in its alienated capital form. Neither the fact that this general political representation comes to be personified by the rule of wage workers as a class, nor the radically democratic character of its institutional or organisational structure transform this content of the state, the basis of which lies in the economic mediation of the unity of social labour through the commodity, money and capital forms. Yet I shall argue below that *precisely by virtue of this content of the state* the working class can achieve its self-abolition (and hence the abolition of both capital and the state) only through the 'conquest of political supremacy'.

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[33] Iñigo Carrera 2008, p. 38.

[34] Marx 1976g, p. 451.

[35] See Draper 1974, for a textual analysis of this point.

[36] Iñigo Carrera 2008, p. 26.

[37] Marx 1991, p. 571, my emphasis.

Thirdly, this means that, although taking place in the form of a revolution, the political action of the working class that conquers state power and expropriates the bourgeoisie cannot be the product of a fully self-conscious subjectivity. Otherwise it would not continue to see the social determinations of human individuality as external to the latter and hence as objectively borne by the product of labour. It is not only an alienated action, but also one that is still unaware of its own alienated nature as the personification of the movement of the total social capital. In other words, the immanent content, which determines this action, still operates behind the backs of workers, who still see their political activity as an affirmation of their abstractly free subjectivity. By 'getting rid of the bosses', they now attain full *personal* 'self-determination' *as collective commodity producers and owners*, overcoming both the relative mutilation that their personally free productive consciousness experienced by virtue of the mediation of the figure of the capitalist in the direct process of production (and, one could add at this stage, in circulation); and, again assuming with Marx the 'Commune form' taken by the dictatorship of the proletariat, also that of 'state parasites, richly paid sycophants and sinecurists' in the general political representation of the unity of the total social capital. Nevertheless, the content and result of this political action is not the self-abolition of the working class, but rather its reproduction, hence that of the valorisation of capital.[42] The dictatorship of the proletariat represents the plenitude of the affirmation of the specific productive powers of the doubly free worker and, for this reason, it also constitutes the plenitude of her/his alienation: under these circumstances, the separation and alienation of the labourer from the means of production does not even need the mediation of the private property of the non-labourer.[43]

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[38] To make the point as clear as possible, it might be the coercion emanating from a democratically reached consensus in a universal assembly which, as long as its individual members continue to see themselves as private and independent, will still confront their species-powers as an external force, a 'general will' to which she/he must submit her/his activity. Thus, she/he will experience the mandates generated in the assembly (including attendance to the assembly itself) as an obligation, moral or legally sanctioned (even if she/he participated in the 'decision making' process). Only when the human being *objectively and fully consciously* recognises the social determinations of her/his individuality, in communism, will the unity of society cease to appear as an alien force that dominates the individual.

[39] Marx 1986, p. 334.

[40] Lebowitz 2003, pp. 189–96; 2009, Chapter 18.

[41] I say 'for the sake of argument' because, in my view, in those sorts of grandiose statements Marx 'the militant' got carried away and came dangerously close to offering 'recipes for the cook-shops of the future'. A similar point could be made about many of Marx's arguments in the *Critique of the Gotha Programme*.

In this sense, the form of political subjectivity that undertakes the revolutionary expropriation of the bourgeoisie by conquering state power is *not* the one that expresses the historical necessity for the self-conscious transcendence of capitalist production and whose determinations have been the main focal points of this book's investigation. In other words, it is not *revolutionary subjectivity 'proper'*. It is only the expression of the clash of the production of relative surplus value with the mediation of private property, i.e. of the need for capital, as a moment of its own expanded reproduction, to take the form of a directly collective property, the immediate 'form of social capital (capital of directly associated individuals) in contrast to private capital'.[44] Even more so than the joint-stock companies mentioned by Marx in Volume III of *Capital*,

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[42] Iñigo Carrera 2008, p. 37.

[43] Ibid.

[44] Marx 1991, p. 567.

'this is the abolition of capital as private property within the confines of the capitalist mode of production itself'.[45]

In the first place, this politically enforced unification of the 'entire social capital as one single capitalist company' under state ownership is the necessary form in which the production of relative surplus value drives the alienated socialisation of personally free labour to its limits *within the capitalist mode of production*, i.e. it is the necessary mode of motion of the *absolute centralisation of capital*. But secondly, it is the form in which the total social capital gets rid of the figure of the capitalist when the very material conditions of production (and circulation) make her/him superfluous for the valorisation process. In effect, the complexity and scale of the co-operation of the collective worker of large-scale industry render the subjective powers of the capitalist incapable of personifying in the name of her/his capital even the unproductive labour of superintendence of the productive organs of the former.[46] Thus, as the separation of active function in the reproduction process from capital ownership reaches completion, its existence becomes a barrier to the accumulation of capital itself. The parasitic nature of the capitalist, though not yet of capital, thereby becomes materially concrete.[47] And note that this expresses an alienated necessity of the accumulation of the total social capital: the consumption of the capitalist represents a deduction of the potential surplus value that could be devoted to its self-expansion.

Yet given that the centralisation of capital is the most potent form for the production of relative surplus value and, *a fortiori*, for the alienated historical movement toward the constitution of directly socialised universal productive subjects, the conquest of political supremacy and the expropriation of the bourgeoisie become 'a necessary point of transition towards the transformation of capital back into the property of the producers' and 'towards the transformation of all functions formerly bound up with capital ownership in the reproduction process into simple functions of the associated producers, into social functions'.[48] In this sense, the 'ultra-leftist' political programme for 'immediate communisation' is, broadly speaking, right *as far as the content of the political action of the fully developed, self-conscious revolutionary subject is concerned*.[49] It is wrong to think that such a form of subjectivity can emerge in the course of history without passing 'through long struggles, through a series of historic processes transforming circumstances and men',[50] and which can only come about as the result of the 'conquest of political supremacy' that undertakes the absolute centralisation of capital.[51]

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[45] Ibid.

[46] As Marx himself notes (1976g, p. 549; 1991, pp. 510–11), with large-scale industry all the functions of supervision, coercion and management come to be personified by a partial organ of the collective labourer.

[47] Incidentally, the confusion over the parasitic nature of the capitalist and that of the capital form as such underlies Negri's views of the present, 'Postfordist' forms of human co-operation as carrying in their immediacy – that is, without the mediation of additional material transformations – the potentiality to explode the capital relation. See Negri 1992, pp. 65–8; Negri and Guattari 1999, pp. 156–60.

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[48] Marx 1991, p. 568.

[49] See Théorie Communiste 2003; Aufheben 2003 and 2004; Endnotes 2008b and 2008a. A useful critical assessment and discussion of this political milieu can be found in the recent collection of essays edited by Noys (2011).

[50] Marx 1986, p. 335.

[51] The problem with the traditional view on the historical production of communism is not, as the aforementioned ultra-leftist milieu would have it, that it postulated the need for the mediation of the dictatorship of the proletariat (cf. Endnotes 2008b, p. 13). As argued above, the problem is that it conceived of the dictatorship of the proletariat as a *post-capitalist transitional society*, whereas my claim is that it is a necessary form taken by the development of the capitalist mode of production, and which is presupposed by the constitution of revolutionary subjectivity 'proper'. At least formally, one could argue that *Théorie Communiste*'s version of the 'communisation' thesis does acknowledge the need for historical mediations in the becoming of revolutionary subjectivity. Thus, they attribute a historical role to what they call the 'programmatism' of the 'old workers' movement' in the development of the capital relation up to the point at which it can be immediately abolished (Théorie Communiste 2008, pp. 155–66). Unlike the views of those associated with the *Troploin* journal (Dauvé 2008; Dauvé and Nesic 2008), they consider that the determination of the supersession of capital as the immediate content of the proletarian struggle is a *result* of the historical development of the capitalist class relation and not its 'invariant' character (a 'produced overcoming'; see Endnotes 2008a, pp. 215–16). However, in their idiosyncratic account of the history of the capital relation, so-called 'programmatism' is said to have exhausted its historical *raison d'être* in the development of the revolutionary working class *without* having actualised its full potentiality through the absolute centralisation of the total social capital on a world scale. From the perspective adopted in this book, such a situation is quite simply an oxymoron; the kind of subjectivity that immediately personifies the fully self-conscious abolition of the capital form through the revolutionary production of the communist association of individuals (i.e. revolutionary subjectivity 'proper') cannot skip over the necessary mediation of the *actual historical realisation* of the absolute centralisation of capital in the political form of the global dictatorship of the proletariat. At bottom, the more general underlying weakness of the approach of collectives such as *Théorie Communiste* and *Endnotes* (of which their unconvincing historical narrative is a concrete expression) is that despite their own claims to the contrary (Endnotes 2008a, p. 215), they fail to supersede the dualism between

This need to 'take power' is not simply grounded in strategic considerations, insofar as historical experience shows that refusal to take state power has only resulted in those aiming at revolutionary change being eventually thrashed by it.[52] Nor is it the way in which the workers can freely 'realize their own need for self-development'[53] by gradually depriving capital 'of its greatest weapon – the dependence of wage-labourers upon it for employment and for the ability to satisfy their requirements'.[54] Instead, it is grounded in the alienated nature of the workers' subjectivity and, therefore, in the alienated forms necessarily taken by its development and transformation.

As I argued in Chapter 6, the inverted character of capital-determined social existence implies that the subjectivity of commodity owners 'changes skin' only as the necessary mediation of the autonomised self-movement of forms of objectivity. Thus, workers cannot freely self-transform their form of subjectivity in order to develop a revolutionary political consciousness. Insofar as the latter is but an expression of the workers' *productive* subjectivity, the only way of unfolding the necessary underlying transformation of the production process is to 'force capital' to develop that specific revolution in the material conditions of social labour through the production of relative surplus value. As we have seen, workers can obviously not do this by turning their back on their objectified general social relation and its economic and political forms (i.e. capital and the state).[55] There is no exteriority to their

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objectivism and subjectivism. Thus, revolutionary action is not seen as an alienated action that personifies a necessity of the accumulation of the total social capital. Instead, it is ultimately conceived of as abstractly self-moving, yet 'conditioned' or 'shaped' by the historically changing objective configuration of the subsumption of labour to capital. In turn, the latter is idiosyncratically characterised in terms of 'the degree of integration of the circuits of reproduction of capital and labour-power' (Endnotes 2008a, p. 212) and not on the basis of the qualitative determinations of the productive subjectivity of the collective labourer.

[52] Bensaïd 2005, p. 179.

[53] Lebowitz 2003, p. 190.

[54] Lebowitz 2003, p. 192.

[55] See Holloway 2002b. Holloway's argument for the refusal to take political power is that the state is a form of existence of capital and that 'its own continued existence is tied to the reproduction of capitalist social relations as a whole'. This might be the case, but so is the very subjectivity of wage labourers. Would that mean that workers should refrain from acting politically in any form because they are a mode of existence of capital? Clearly, this is not Holloway's conclusion. The 'trick', as I have already argued, is that Holloway eventually glorifies a residual or pristine element of the worker's subjectivity, which remains external to capital.

determination as 'executors' of the alienated movement of their social being (the accumulation of the total social capital). On the contrary, they have to act upon it in order to make it reach its absolute limit as an alienated mode of development of productive subjectivity. And this can only come about through the absolute centralisation of the entire social capital as the property of a world state.[56] Only in this way can workers impel capital to unleash 'the historic processes transforming circumstances and men'[57] in the forms needed by their constitution as alienated yet fully conscious revolutionary subjects. As such bearers of revolutionary subjectivity 'proper', workers shall eventually become aware of their world-historic, truly emancipatory task: consigning capital-determined alienation to the dustbin of (pre)history through the production of the conscious association of the fully developed social individuals.[58]

Final Words: Whose Revolutionary Action is It Anyway?

The reader might be tempted to grasp what I have been doing in this book as an exercise in 'Marxology', yet another *interpretation* of the works of Karl Marx. However, the very form of the dialectical method as discussed in this work already provides us with a first reason as to why it should not be seen as an 'interpretation of texts'.[59] As argued above, the point of departure of any materialist dialectical investigation must be the conscious organisation of the form to be given to *our* transformative action in order to realise with the latter the potentialities existing in our reality (the here and now) to 'change the world'. That is why I have been referring to this book as a *critical reading* of Marx's work, a necessary moment of the broader question of the positive development of the critique of political economy, which in turn is but the conscious organisation of the practical abolition of capital.

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[56] Iñigo Carrera 2008, pp. 37, 124.

[57] Marx 1986, p. 335.

[58] Note that the distinction between the absolute centralisation of capital through the conquest of political supremacy and the revolutionary abolition of the capital form is essentially analytic. It refers to two necessary *qualitative* 'moments' of the transcendence of the capitalist mode of production into the free association of individuals or communism. Whether they will crystallise as two neatly defined historical periods, or as phases of a single historical process, is something that cannot be said today without, again, relapsing into providing 'recipes for the cook-shops of the future'.

[59] Iñigo Carrera 2008, p. 317.

In this sense, what should interest the contemporary reader of Marx's works is not 'what he really said', but rather the development of the objective knowledge of the social determinations of *contemporary* social forms of existence of capital and, fundamentally, of *our* political action among its concrete forms. As argued earlier, this process cannot be spared from the development of the laborious analytical journey from the concrete to the abstract, and the subsequent synthetic return from the abstract to the concrete. In this endeavour, the reading of Marx's works, i.e. of socially pre-existing objectifications of dialectical knowledge, can only serve to *enhance* the potency of our process of cognition. In effect, inasmuch as it is an original development from the *individual* point of view but a process of *re*-cognition as far as its *social* character is concerned, we can engage in the inquiry with the advantage of being able to individually appropriate already existing social powers of the 'general intellect', thereby giving our own process of self-knowledge increased agility and efficiency ('real economy of time', as Marx puts it in the *Grundrisse*).[60]

On the other hand, this necessity to *re-cognise* all the mediations involved in the forms of present-day social being is what gives the very form of dialectical cognition an intrinsically *self-critical* quality. Thus, in my presentation of the different forms of capital as the alienated subject of modern social life through the reconstruction of Marx's texts, I was both following the immanent necessity of those forms *and*, in the very same movement, providing a critique of Marx's own discoveries. As we have seen, one of the critical results of this investigation has been the awareness of the incompleteness of the unfolding of the determinations of revolutionary subjectivity in *Capital*. A huge gap exists between Marx's exposition of the transformations of the *materiality* of the productive subjectivity of the collective labourer and the *politically* revolutionary subjectivity outlined in the end of Volume I of that work. Although I argued that the core elements for such a systematic dialectical presentation of the social necessity of revolutionary subjectivity could be found in the *Grundrisse*, it was necessary to put together those pieces – scattered in an unpublished manuscript – and integrate them as necessary mediations into the reproduction in thought of the qualitative determinations of the real subsumption of labour to capital.

Furthermore, in this concluding chapter I tried to go beyond Marx in the specification of the determinations of the revolutionary subject. I essentially did this by explicitly addressing aspects of revolutionary subjectivity that, I think, are only implicit in Marx's work (although they certainly *are* there):

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[60] Iñigo Carrera 2008, pp. 317–18.

namely, its alienated nature; its being a concrete expression of the historical transformations of productive subjectivity; the specific form of its essentially scientific character (hence the historicity of scientific method); and finally, the *materiality* of its organisational form (the overcoming of the separation between 'conception' and 'execution' in the political action of the working class).

And yet, even if including more concrete mediations than Marx, this book evidently still remained at a considerably high level of abstraction. As much as Marx himself, I also considered 'bourgeois society in the long view and as a whole'.[61] That is, with the exception of some digressions in passing, I only addressed the *essential determination* and *general tendency* behind revolutionary subjectivity, with no attention to the concrete forms in which the latter unfolds in the course of the history of capitalist development and, more importantly, in the *contemporary* forms of the essentially global accumulation of capital. On the other hand, I believe that the approach presented here does provide us with the key to such an investigation, namely, the movement of the twofold contradiction between universality and particularity, and between the expansion and degradation of the productive subjectivity of the different organs of the collective labourer, as it springs from the production of relative surplus value.[62]

As a necessary moment of the class struggle, a most urgent task arises for that partial organ of the collective labourer that is nowadays responsible for the production of the critical scientific knowledge of capitalist social forms (i.e. communist intellectual labourers). What is required is dialectical research on contemporary concrete forms in which the alienated development of the productive subjectivity of the workers towards its fully developed universality realises itself through its own negation, that is, by fragmenting the different partial organs of the collective labourer and by keeping the productive attributes of the labourers (even when they are expanded as in the case of intellectual labourers) miserably bound to being those required by the material forms of the production of relative surplus value.

Needless to say, and at this stage of our investigation this might sound redundant, this does not entail an abstractly theoretical interest, but is the necessary method for discovering the form of political action that could mediate the immediate needs of workers with the ‘historical interests of the proletariat as a whole’, i.e. the development of the productive subjectivity of the global collective worker beyond its alienated capitalist form.

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[61] Marx 1993, p. 712.

[62] See Iñigo Carrera 2008, Chapter 2; Grinberg and Starosta 2009 and 2014; Starosta 2010, for more concrete discussions of the contemporary configuration of the global economy based on the approach that informs this book. Charnock, Purcell and Ribera-Fumaz (2014) also draw some of the implications of this perspective for the investigation of crisis-ridden dynamics of capital accumulation in Spain.

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7

Labour

Guido Starosta

INTRODUCTION

The centrality of the notion of 'labour' in Marx's critical social theory and in particular its determining character as the key to his materialist perspective on human society and its historical development, seem to be beyond dispute.[1] It is also quite uncontroversial, at least on the basis of textual evidence, that Marx presented the simplest or most general determination of labour as consisting in the conscious and voluntary transformation of external nature by human beings in order to appropriate its potentialities for the satisfaction of human needs. Controversies arise, however, when it comes to establishing if Marx was right, whether in his views on the essential determinations of labour or concerning its defining role in the constitution and development of the forms of existence of human subjectivity.

Against the backdrop of these debates, this chapter will provide a comprehensive discussion of the notion of labour in Marxian social theory, with the aim of providing a systematic reconstruction of the 'unity of its many determinations', which appear scattered in Marx's own writings. In order to do so, it will address the multiple dimensions and aspects associated with this essential concept, both as they were originally formulated by Marx and in some of the main subsequent debates outside and within Marxism to which the former gave rise. Taking as the point of departure the simplest determination of human labour as conscious life-activity, this chapter will probe further into the different, more concrete determinations which comprise the material character of production and its changing historical modes of existence. Through this close scrutiny of the concept of labour, the chapter will make two fundamental points. In the first, and substantively, it will bring out the centrality of the material determinations of human productive subjectivity for the comprehension of the content and historical trajectory of society. Second, and formally, it will show that it is possible to find an underlying 'systematic' unity which articulates those different determinations of the Marxian concept of labour into a 'concrete whole'.

MARX'S DISCOVERY OF LABOUR, OR CONSCIOUS LIFE-ACTIVITY, AS HUMANITY'S 'SPECIES-BEING'

Marx's discovery of the centrality of labour to social life can be traced back to the *Paris Manuscripts* of 1844 (Marx, 1992a [1844]) and was a direct result of Marx's first attempt at the critical investigation of the specific nature of modern society through the critique of Hegel's *Philosophy of Right* (1991 [1821]), i.e. through an analysis of bourgeois political forms. As Marx himself tells us in the short intellectual 'autobiography' found in the *Preface to the Contribution to the Critique of Political Economy* (1992b [1859], the main conclusion he reached was that the key to the comprehension of the specific nature of capitalist society was not to be found in the critique of the doctrine of the state. Instead, the critique of modern society had to start with the critique of political economy in order to, then, continue into a critique of the state (1992b [1859]: 425–6). The former was the science that was able to penetrate the 'internal physiology' of the modern world to be found in 'civil society' and, more precisely, in 'private property'.

In light of this conclusion, in the *1844 Manuscripts* (1992a [1844]) Marx turns his attention to the material reproduction of human life as the key to the understanding of society and its historical development. As Arthur points out, in that early text Marx 'for the first time … attributes fundamental ontological significance to *productive activity*. Through material production humanity comes to be what it is … material production is the "*mediation*" in which the unity of man with nature is established' (1986: 5). In other words, Marx identifies labour or productive activity as the specific form in which humanity reproduces its existence as part of nature.

This means that although the human life-process undoubtedly possesses its qualitatively differentiated 'species-character', constituted by 'the nature of its life activity' (Marx, 1992a [1844]: 328), it nonetheless remains a concrete form of the natural *life-process in general*. In this sense, labour realizes in its own peculiar fashion the determinations entailed by *any* form of life-activity, namely: being a natural process of *self-reproduction* through the material interchange with 'inorganic nature', which is 'life-producing-life' (Marx, 1992a [1844]: 328).[2]

Consequently, in order fully to account for the specificity of labour, Marx also needed to further uncover its *immanent* more abstract determination as a mode of existence of 'life activity in general', of 'species-life' as such.

Marx's clearest rendition of this immanent natural content in the determination of human productive activity can be found in a passage from the third of the *Paris Manuscripts*, in the context of his critique of both idealism (Hegel) and (abstract) materialism (Feuerbach) from the viewpoint of what he calls at this stage 'consistent naturalism or humanism', which is the 'only [perspective] capable of comprehending the process of world history' (1992a [1844]: 389):

> Man is directly a natural being. As a natural being and as a living natural being he is on the one hand equipped with natural powers, with vital powers, he is an active natural being; these powers exist in him as dispositions and capacities, as drives. On the other hand, as a natural, corporeal, sensuous, objective being he is a suffering, conditioned and limited being, like animals and plants. That is to say, the objects of his drives exist outside him as objects independent of him; but these objects are objects of his need, essential objects, indispensable to the exercise and confirmation of his essential powers. (Marx, 1992a [1844]: 389–90)

As with any living natural being, the relation of the human being to nature consists of a process whereby the individual actualizes its own bodily 'vital' powers (i.e. what a few years later Marx and Engels in the *German Ideology* (1976 [1845]) would term its 'corporeal organization'), with the purpose of appropriating the objective potentialities immanent in their natural environment. This is the material process that, later in his life, Marx would refer to as the 'metabolism between man and nature' (Marx, 1976a [1867]: 133). Moreover, as with every animal life-form, this involves the material expenditure of the living individual's corporeality in order to act upon external nature in a particular fashion corresponding to its species-determination, whose end result is the appropriation and consumption of the 'essential objects' that satisfy its needs, thereby reconstituting and transforming the materiality of its bodily existence.

Thus, the defining qualitative attribute of the living individual lies in the material potential to self-reproduce; that is, to posit through their own activity the renewal of the conditions for their continued existence as an 'objective natural being'. This material potential for self-reproduction is expressed in their *cognitive capacity*, which is constituted by their vital, living power to recognize the mutual 'affinity' between their own material potentialities and those of their objective environment (Iñigo Carrera, 2007: 43–4). Through the exercise of their cognizing activity, the living individual has therefore the power to satisfy their own needs by organizing and regulating the actual unfolding of their bodily action upon external nature. On the basis of all these determinations, the living individual is determined as *subject*, they are endowed with *subjectivity* (as opposed to the sheer objectivity of non-living forms of nature).

According to Marx's discussion in the *Paris Manuscripts*, in its simplest expression the distinctiveness of the human species-being (hence of *human* subjectivity proper) appears at first sight to involve a merely *quantitative* difference from animal life-forms, one *of degree of universality* in the *scope* of its appropriation of inorganic nature (Marx, 1992a [1844]: 329). However, Marx stresses that underlying this quantitative difference there is a *qualitative* specificity in human subjectivity, which he finds in the fact that the human being has *conscious life-activity* (1992a [1844]: 328). Hence, Marx saw the specifically *human form* of the natural life-process in the fact that human beings regulate the appropriation of the objective powers of the natural environment through the organization of the externalization of their own vital powers by means of *thought*, *conscious cognition* or *knowledge*, that is, by *ideally* appropriating nature's potentialities as the necessary first step before its real appropriation through the effective unfolding of action. In other words, human beings are not simply bearers of subjectivity, but also *know or recognize themselves as subjects* in the process of affirming their species-powers, thereby 'making life activity itself an object of [their] will and consciousness' (1992a [1844]: 328).

Now, as Marx and Engels clarified some years later in *The German Ideology* against the backdrop of the Young Hegelians' 'empty phrases about consciousness devoid of any material premises' (1976 [1845]: 37), this conscious subjectivity is but the expression of the fact that human beings 'can be distinguished from animals by consciousness, by religion or anything else you like', but 'they themselves distinguish themselves from animals as soon as they begin to *produce* their means of subsistence' (1976 [1845]: 31). In other words, in this text Marx and Engels want to throw into relief the *immanent material connection* between the determination of consciousness as a distinctively human attribute and the fundamentally *mediated* character of the human being's life-process. Their emphasis on the production of means of subsistence is therefore meant to stress the distinctively *transformative* mode of the process of metabolic exchange with nature as the *simplest content* of the human species-being which takes on a more developed mode of existence in the *form* of their conscious and voluntary being.

As Sayers (2007: 434) aptly emphasizes, the primordial and most general determination of human labour, which qualitatively distinguishes it from the broadly *unmediated* character of the life-process of non-human animals, is to be 'form-giving' life-activity.[3] Thus, in *The German Ideology* Marx and Engels stress that the conscious and voluntary form taken by the human life-process is not a dogmatic 'philosophical postulate' but a determinate, 'empirically verifiable', objective natural expression of the 'corporeal (or bodily) organization' of 'living human individuals and their consequent relation to the rest of nature' (Marx and Engels, 1976 [1845]: 31). Although in the latter text Marx and Engels do not 'go into the actual corporeal nature of man' (1976 [1845]: 31), it is clear, as Fracchia (2005) remarks, that this 'corporeal organization' entails, in the first place, the evolutionary emergence of the human brain as the bodily instrument whose functioning is expressed in the form of consciousness. But, in the second place, Fracchia rightly adds that it is also evident that the development of the specific configuration of the human brain has been in turn the outcome of prior evolutionary changes in the corporeal organization of hominids eventually leading to the *Homo Sapiens*, all of which made possible the transformative or productive character of its mode of life based on labour: opposable thumbs, bipedalism, binocular vision, etc. (Fracchia, 2008: 39). This emphasis on the 'corporeal roots' of human beings and their subjectivity might seem at first sight a self-evident triviality, yet it is not if, as Fracchia (2017) notes, familiarity ends up breeding neglect, as is arguably the case in much contemporary social theory. Thus, the relevance of this reminder about the natural and evolutionary dimensions of human subjectivity can be said to transcend the historical context of Marx and Engels's polemic against the Young Hegelians and has become very contemporaneous.[4]

In this sense, consciousness is the most potent evolutionary development that eventually emerged to regulate the greater cognitive complexity entailed by the growing instrumental, spatial, temporal and personal separation between the initial action that sets into motion the process of human metabolism with nature and its end result, which is achieved with the material reproduction of the corporeality of an individual human being through the consumption of the product of labour (Iñigo Carrera, 2007: 45). In other words, as available paleoanthropological scientific evidence confirms, consciousness evolved as a result of the *increasingly mediated character* assumed by the forms of practical transformative activity of our *hominid* predecessors, and which eventually led to the emergence of strictly human (in the sense of the modern *Homo Sapiens*) modes of life.[5]

In light of the determinations of human labour unfolded so far, we can now proceed to further specify the way human beings distinguish themselves from animals and why they do so. As we have seen, according to Marx the simplest difference consists in the capacity to produce its means of subsistence. This is the specific determination of the human life-process seen, as it were, from a synchronic point of view. However, that simple specificity manifests itself also in a further determination when grasped from a *developmental* perspective. That is, when seen from the perspective of the way in which human beings *expand* the potentialities of their process of metabolism in contradistinction to other animal life-forms (Iñigo Carrera, 2007: 44). Due to their more limited ability to modify external nature to make it apt to satisfy their needs, non-human animals can only develop their capacity to appropriate natural forms by means of a genetically induced mutation of their own corporeality, which allows them to *adapt* to what they confront as *given* conditions of existence, i.e. by *evolving* into another species (Fracchia, 2017). Conversely, in having developed the capacity to alter their life conditions through conscious productive practice, human beings have also *qualitatively* 'sublated' the way in which, as living subjects, they expand the powers of their metabolic process with nature. The key to those developmental dynamics of the natural life-process no longer only resides in further biological speciation through the modification of bodily organs. Instead, humans can 'change their own nature' (Marx, 1976a [1867]: 283) through the development of the transformative powers of their life-process, i.e. *of the productive powers of their own labour*. The development of the 'material forces of production', Marx thus concluded, becomes determined as the most general *qualitative content* that gives underlying unity to the 'history of humanity' (Marx and Engels, 1976 [1845]: 43).

As a result of these specific developmental dynamics, human beings can not only universally expand the areas of nature which become determined as concrete forms of their activity, but they can also complexify the mediations involved before the final appropriation of natural objects as use-values that are immediately apt for the satisfaction of human needs, thereby consuming properly 'human objects'. In other words, they can extend and deepen the 'humanization of nature' (Marx, 1992a [1844]: 329, 352–4; Marx and Engels, 1976 [1845]: 39).

Furthermore, this applies to all kinds of human need, whether they spring from the 'stomach or the imagination' (Marx, 1976a [1867]: 125). Thus, the materiality of the satisfaction of human needs involved in the 'metabolic exchange with external nature' by means of labour does not only refer to 'those of the individual … reduced to a natural subject' (Marx, 1993 [1857–8]: 528), but also to 'historic needs … created by production itself, social needs' (Marx, 1993 [1857–8]: 527). Moreover, they are not just of a 'physical' nature (Marx, 1976a [1867]: 275, 341) but also include 'intellectual and social requirements' whose extent and number 'is conditioned by the general level of civilization' (Marx, 1976a [1867]: 341). In a similar vein, the product of labour to be consumed comprises not only 'goods' but also so-called 'services', whose result may not be a 'useful object' but still involves a *material* 'useful effect' which also changes the form of external nature (Marx, 1978 [1885]: 135). As Sayers (2007: 444–8) perceptively notes, the same could be said about the 'symbolic' and 'affective' content of use-values that is so central to contemporary theories of 'immaterial labour' (Hardt and Negri, 2005). In *all* cases, the satisfaction of those needs is the necessary material form for the reproduction and/or expansion of the productive powers of individuals (Marx, 1993 [1857–8]: 717fn), that is, of the 'aggregate of those mental and physical capabilities existing in the physical form, the living personality, of a human being, capabilities which he sets into motion whenever he produces a use-value *of any kind*' (Marx, 1976a [1867]: 270, *emphasis added*; see also 717). In other words, there is no satisfaction of 'physical' and intellectual needs through the consumption of use-values which is not determined as an inner moment of the development of the specific attributes or powers of the human being as an essentially *labouring* or *productive* subject, i.e. of the development of the 'human mastery over the forces of nature, those of so-called nature as well as of humanity's own nature' (Marx, 1993 [1857–8]: 488).

By virtue of these determinations in their synchronic and diachronic unity, Marx argued in an obvious 'activist' twist to Feuerbach's (2008 [1841]) 'contemplative' argument in the first chapter of his *The Essence of Christianity*, the human being does not simply *have* a determinate species-character but actually *is a species-being*, 'a being which treats the species as its own essential being or itself as a species-being' (Marx, 1992a [1844]: 329).[6]

At this juncture, it might be worth remarking that this early discovery of the specific determination of the human being as a *productive* subject, or of human individuality as an expression and mode of development of her/his *labouring activity*, would remain unaltered throughout the rest of Marx's works. The exposition by the 'mature Marx' of the general determinations of the labour process in chapter 7 of *Capital*, Volume I, does not involve any substantive change in comparison with the discussion of the human species-being by the 'young Marx' of the *Paris Manuscripts* (1992a [1844]) or by Marx and Engels in *The German Ideology* (1976 [1845]). Labour is thus defined as follows:

> A process between man and nature by which man, through his own actions, mediates, regulates and controls the metabolism between himself and nature. He confronts the materials of nature as a force of nature. He sets into motion the natural forces which belong to his own body, his arms, legs, head and hands, in order to appropriate the materials of nature in a form adapted to his own needs. (Marx, 1976a [1867]: 283)

Additionally, what gives labour 'a form in which it is an exclusively human characteristic', transcending those 'instinctive forms … which remain at the animal level', is the fact that 'at the end of every labour process a result emerges which had already been conceived by the worker at the beginning, hence already existed ideally' (Marx, 1976a [1867]: 283–4). This result, Marx continues, emphasizing the form-giving character of the human metabolic process, 'is a use-value, a piece of natural material adapted to human needs by means of a change in form' (1976a [1867]: 287), whose transformation is furthermore effected *via* 'the use and construction of instruments of labour', which, 'although present in germ among certain species of animals, is characteristic of the specifically human labour process' (1976a [1867]: 286). In sum, all the determinations of human labour as conscious, transformative life-activity are maintained by Marx in the most developed version of the critique of political economy unfolded in *Capital*.[7]

THE IMMANENT SOCIAL CHARACTER OF LABOUR AND HUMAN PRODUCTIVE SUBJECTIVITY: 'SOCIAL BEING' AND CONSCIOUSNESS

The '*fashioning* of inorganic nature' (Marx, 1992a [1844]: 328–9) in a form 'adapted to human needs' does not exhaust the intrinsically mediated character of human life-activity underpinning the necessity of its conscious form. A further mediation that adds to the complexity of the human process of metabolism lies in the necessary *social* character of productive activity (Marx, 1993 [1857–8]: 83–4). For, although human productive powers are borne by each particular individual, the development and actualization of these potentialities characterizing the species – i.e. the realization of the transformative powers of the human being – can only affirm themselves through the organic unity of individual lives, through social life. In effect, as Iñigo Carrera points out (2007: 47–8), individually borne human productive powers can only be constituted socially, that is, they can only develop as a result of the productive action of other individuals (who, for instance, have participated in the production of the use-values whose consumption resulted in the productive attributes borne by the former individual's labour-power). Moreover, the individual labourer produces use-values not solely for her/his own consumption, but for others, that is, *social* use-values. As Marx puts it in the *Paris Manuscripts*:

> We have seen how … man produces man, himself and other men; how the object, which is the direct activity of his individuality, is at the same time his existence for other men, their existence and their existence for him … Activity and consumption … in their content are social activity and social consumption. (1992a [1844]: 349)

Note, however, that this does not simply mean that human productive activity always presupposes a 'social context' within which it takes place (e.g. sociologically conceived social 'institutions' that 'structure', 'condition' or 'constrain' human 'agency'). Thus posed, the relation between the social and individual character of human productive activity is rendered completely external. This is why a few lines later, through the example of the *seemingly* isolated activity 'in the field of science', Marx throws into relief the *immanent* social character of labour as an individual action, i.e. its determination as a material expenditure of *individually borne* yet *socially constituted* corporeal powers to transform external nature, consciously, into a means for human life:

> It is above all necessary to avoid once more establishing 'society' as an abstraction over against the individual. The individual *is* the *social being*. His vital expression – even when it does not appear in the direct form of a communal expression, conceived in association with other men – is therefore an expression and confirmation of *social life*. Man's individual and species-life are not two *distinct things*. (1992a [1844]: 350)

Thus, the organization and regulation of the individual process of human metabolism with external nature acquires an additional qualitative and quantitative cognitive complexity. It needs to affirm itself as an organic 'element of the total labour of society' (Marx, 1976a [1867]: 165), i.e. to posit its underlying *general social unity* through its material articulation with the life-processes of other human individuals. To put it differently, the production of life through the expenditure and development of the *productive powers or forces* of the human individual, i.e. a material or natural relation, takes on necessary concrete shape (and is thereby necessarily mediated) in and through *social relations*, which are therefore determined as social relations of *production*:[8]

> The production of life, both of one's own in labour and of fresh life in procreation, now appears as a twofold relation: on the one hand as a natural, on the other as a social relation – social in the sense that it denotes the co-operation of several individuals, no matter under what conditions, in what manner and to what end. (Marx and Engels, 1976 [1845]: 43)

The essential *most general* determination at stake in all social forms of the human life-process is therefore the organization of the unity of the social character of individual labours, that is, the social regulation of the allocation of the total labour of society in its different individual concrete forms in order to reproduce and expand the materiality of the productive powers of human beings. The *historically changing character* of the social relations of production is given by the specific form in which each society mediates 'the participation of the individual in general production' or the positing of 'the labour of the individual … as social labour' (Marx, 1993 [1857–8]: 171–2).[9]

On the other hand, this means that in its material condition as the specifically human capacity to organize the life-process, consciousness always entails a twofold determination as much as the labouring activity that it organizes and regulates (Iñigo Carrera, 2007: 43–9). Consciousness thereby does not simply undertake the regulation of the individual appropriation of the potentialities of external nature in order to transform it, but must also mediate the establishment of individual labour's immanent unity with the socially general metabolic process of which it is an organic element. In other words, consciousness needs to articulate the determination of individual productive activity as part of the general social division of labour. As an attribute borne by the individuality and corporeality of each human being, consciousness is thus the personal power or capacity to partake in the establishment of the unity of social labour through individual productive action, i.e. to regulate the social character of individual labour.

In this sense, consciousness, and along with it language (hence, *human subjectivity* proper), are also 'evolutionary' products of the development of the *social* character of labour:

> Language is as old as consciousness, language is practical, real consciousness that exists for other men as well, and only therefore does it also exist for me; *language, like consciousness, only arises from the need, the necessity, of intercourse with other men*. Where there exists a relationship, it exists for me: the animal does not '*relate*' itself to anything, it does not '*relate*' itself at all. For the animal, its relation to others does not exist as a relation. Consciousness is, therefore, from the very beginning a social product, and remains so as long as men exist at all. (Marx and Engels, 1976 [1845]: 44, *emphasis added*)[10]

The determination of consciousness by the social character of labour not only pertains to its natural genesis. It also underpins its subsequent modes of existence and development, so that, as Marx and Engels stress in their well-known aphoristic statement, 'consciousness [*das Bewusstsein*] can never be anything else than conscious being [*das bewusste Sein*], and the being of men is their actual life-process' (1976 [1845]: 36). Moreover, insofar as this actual life-process is *form-determined* in *historically changing* social modes of existence, so will be the concrete forms of human subjectivity that, in turn, mediate the establishment of the unity of the social relations of production through the conscious and voluntary action of individuals. In other words, all concrete social forms assumed by human conscious and voluntary subjectivity are the way in which individuals see both themselves and the historically determined modes of existence of their social relations, which are two sides of the same coin once the apparent exteriority between society and individual is overcome. Through the different forms of subjectivity, human beings therefore organize the unfolding of their individual actions as organic moments of the material reproduction of the *socially mediated* unity of their metabolic process with nature, i.e. their consciousness is always determined as 'consciousness of existing practice' (Marx and Engels, 1976 [1845]: 45).

It follows that the point of Marx's materialism is not to conceive of social being as a self-subsistent existence that externally 'causes', 'conditions' or 'functionally moulds', from such exteriority, an equally self-subsisting consciousness. Such severance and consequent external relation of social being and consciousness, with the latter floating in mid-air in an ontologically conceived 'superstructure' of society, would certainly be idealist. Analogously to the relationship between productive forces and social relations discussed earlier, the key to overcoming such dualistic representations is to grasp social being or social relations of production as the inner material and social *content*, which is necessarily realized, and therefore exists, in the *form* of the determinations of the consciousness of the human individual.[11] As Marx bluntly and succinctly puts it in the *1861–63 Manuscripts*, 'social relations only exist between human beings to the extent that they think' (1988 [1861–3]: 232). In other words, there are no social relations of production or forms of human productive practice (and, *a fortiori*, no material productive forces of labour) whose determinations could be conceived of in abstraction from (i.e. not *immanently* mediated by) consciousness. Productive powers of social labour, social relations of production and forms of consciousness constitute the indissoluble unity between the content and form of the determinations of human productive subjectivity and practice in the process of 'natural history', that is, of human labour and its historical development.

CONTROVERSIES OVER MARX'S PERSPECTIVE ON HUMAN LABOUR

A first strand of critiques of Marx's notion of labour emerged outside Marxism in the second half of the twentieth century and are of sociological or philosophical origin. Thus, Habermas (1971 [1968], 1987 [1985]) argues that Marx's conception of labour one-sidedly conceives of human practice as 'monological' or merely instrumental activity, and fails to throw into relief the constitutive 'interactional' or 'communicative' dimensions of human action. In other words, Marx is read as unable to grasp the difference between 'labour' and 'interaction' or, in Habermas' later formulation, that between 'instrumental' and 'communicative' action, which allegedly lies at the basis of the social life-process. For her part, and in a similar vein, Arendt (1998 [1958]) considers that Marx confuses or conflates the threefold distinction that constitutes the human being's *vita activa*, that is, 'labour' (as animal-like, merely biological metabolic activity with nature), 'work' (as purposeful activity that humanizes nature in a lasting, non-ephemeral way), and even more starkly, 'action' (as radically self-initiating, necessarily collective and 'public', end in itself). In light of the earlier discussion, one could argue that these critiques are predicated on a misreading of Marx's perspective on the determinations of labour (particularly serious in the case of Arendt) (Holman, 2011), insofar as they overlook the irreducible *immanent social character of productive activity*. Thus, it is these authors who actually, and wrongly, reduce labour to an asocial, purely individual material interchange with nature. As a consequence, they then need to come up with other dimensions of human action, which are therefore rendered 'autonomous' from the material reproduction process, in order for social life to attain unity. In other words, in Habermas' and Arendt's respective approaches, the intrinsic unity between the different determinations of human labour become 'fossilized' into extrinsically related 'dimensions' of human action or, worse still, into plainly distinct forms of human action.[12]

In the second place, some Marxists themselves have raised certain objections that partly take issue with (the early) Marx's own treatment of labour, insofar as it involves an 'affirmative' view of labour as the 'transhistorical' essence of human life which would be emancipated with the overcoming of capital. Instead, they put forward a negative critique of the historically specific self-mediating or ontological role of labour in capitalism, which must actually be abolished under communism. Paradigmatically, this is the case of Postone's (1996) more broadly discussed work and of the lesser-known but similar approach by Kurz and the German *Wertkritik* (Jappe, 2014; Larsen et al., 2014). More concretely in the case of Postone, he argues that whereas in non-capitalist societies 'the social distribution of labour and its products is effected by … manifest social relations', in 'commodity-determined society' (i.e. capitalism) '*labour itself constitutes a social mediation in lieu of overt social relations*' (Postone, 1996: 149–50). According to Postone (1996: 148), this socially self-mediating role of labour in capitalism in turn derives from the dual character that it acquires, by virtue of which it not only produces use-values for others as intentional activity that transforms nature in a determinate fashion (what Marx terms *concrete labour*) but also acts as a means of acquisition of the products of others. And since 'there is no intrinsic relation between the specific nature of the labour expended and the specific nature of the product acquired by means of that labour', that *historically determinate function* of labour as 'means of acquisition' must be done by abstracting 'from the specificity of … its own concrete form' and on the basis of its character as labour in general (i.e. as abstract labour) (Postone, 1996: 151–2). Social interdependence in capitalism, Postone concludes, is not achieved by means of overt social relations but specifically by (abstract) labour itself (1996: 151–2). As a further corollary, Postone (1996: 58–68) states that the 'traditional Marxist' notion of labour that sees its socially constitutive role as a generic or transhistorical determination leads of necessity to the naturalization of the capitalist form of labour and, *a fortiori*, of the alienated or objectified forms of social mediation (and concomitant impersonal forms of domination) to which the former gives rise.

Now, there are several and wide-ranging problematic and controversial issues in Postone's undeniably thought-provoking contribution; here I can only mention two which are of immediate relevance to this chapter. In the first place, and at a formal argumentative level, one could say that Postone's rejection of the generic determination of labour as the specific form of action that is socially constitutive of human subjectivity is based on a combination of terminological conflation (between 'labour' and 'abstract labour') and *non-sequitur* reasoning.[13] Leaving aside other shortcomings in his discussion of the socially mediating function of labour in capitalism,[14] all that he manages to demonstrate is that in this society the social positing of labour is uniquely established on the basis of its abstract or general character. But this does not necessarily mean that labour as such, broadly understood as human transformative activity upon nature, does not play this social function in non-capitalist societies. It might as well mean, as Marx himself argues in *Capital*, that in those other societies the intrinsic social character of individual labour is established on the basis of its particular, concrete character (Marx, 1976a [1867]: 170–1), which still is an immanent determination of the organization of social *labour*, and not of other, undetermined forms of social relations lacking in material, productive content, whatever those might be.

This leads us to a second, substantive weakness of Postone's approach. Postone (1996: 56) does not seem to disagree with Marx's view that 'the entire productive activity of man, through which his metabolic interchange with nature is mediated' (1991 [1894]: 954) 'is a condition of human existence which is independent of all forms of society' (Marx, 1976a [1867]: 133). Moreover, he concedes that 'labour, of course, has a social character in all social formations' (Postone, 1996: 150). However, on closer inspection it transpires that for Postone this *social character* is not *immanent* in the very materiality of labour. Instead, Postone submits that 'in noncapitalist societies, laboring activities are social by virtue of the matrix of overt social relations in which they are embedded', the latter being 'the constituting principle of such societies', so that the 'various labors are imbued with meaning by the social relations that are their context' (Postone, 1996: 150). The very choice of terms in Postone's formulations ('embeddedness', 'social context') betrays the irreducible externality in the relation that he posits between 'labouring activities', which are represented as a sheer material process lacking in immanent social content and, on the other side, 'manifest social relations', whose inner purpose and general unity (i.e. their *raison d'être*) is never *positively* spelt out by Postone (they are only *negatively* defined as not grounded in labour), but which are nonetheless said to impose, from such exteriority, their (self-grounded?) meaning and significance to labour and its products (Postone, 1996: 171–3).

Lastly, the other significant controversy among Marxists which I shall mention in this section concerns the essential developmental dynamic which, according to Marx, underlies and gives unity to the historically evolving modes of existence of human subjectivity, namely the development of the material productive forces of labour. In the view of certain critical commentators, this perspective can only lead to a 'technologically determinist' materialist philosophy of history, in which, the 'exogenous' development of productive forces (understood as instruments of production or as a particular 'combination' of means of production and labour-power required by a certain technique of production, i.e. in both cases as 'things') acts as the motor that mechanically engenders a linear succession of 'corresponding modes of production' in a rigid evolutionary chronological sequence. As a result, these critics conclude, the Marxian 'materialist conception' implies an 'objectivistic' view which downplays or simply ignores the role of human subjectivity and action in the development of history (Gunn, 1992). As Clarke (1980: 21–2) points out, however, a first problem with this line of thought is that such a crude 'technological determinism' is completely alien to Marx's ideas and is more a reflection of its codification into a dogmatic philosophy of history by the orthodox Marxist tradition, in particular that which was consolidated as the state ideology of the former Soviet Union.[15] More specifically, Clarke forcefully shows in his pioneering critique of structuralist Marxism, a crucial shortcoming of the orthodox reading of Marx's thought lies in the very notion of production, which the Marxist orthodoxy represented as an abstractly 'technical' process, with social relations brought down to relations of *distribution* constituted by ownership of means of production, and *extrinsically* superimposed onto the direct labour process (Clarke, 1980: 21–2).[16]

In contradistinction to this orthodox reading, we have seen that Marx's account of the determinations of the labour process involves the indissoluble and contradictory *intrinsic* unity between the material relation between human beings and nature and its socially mediated character (hence between productive forces, social relations of production and their actualization in and through the conscious practice of individuals). We have also seen that 'productive forces' do not simply belong in a world of objects or 'things' (i.e. the instruments of production), abstractly external to human subjectivity, with their mutual relation represented as mechanistic causality or functional/structural correspondence. Or rather, they do comprise the world of things but to the extent that the latter are grasped as 'products of human industry; natural material transformed into organs of the human will over nature, or of human participation in nature. They are *organs of the human brain, created by the human hand*; the power of knowledge, objectified' (Marx, 1993 [1857–8]: 706). Moreover, we have argued earlier that there is no conceivable shape of the productive forces which does not exist in and through the form-determinations of consciousness. The former's historical development is, of necessity, that of the *consciousness of human beings*, albeit materialistically grasped as essentially productive subjects. In sum, the development of the forces of production is tantamount to the development of the materiality of *human productive subjectivity*. In this sense, 'productive forces' belong in the innermost realm of human individuality and, more precisely, of the specifically human capacities or powers for conscious transformative action. So this view can hardly lead, as implied by the critical commentators referred to earlier, to an 'objectivistic' denial of subjectivity and action in the unfolding of history. What it does deny, however, is the rendition of human consciousness and will (hence of human subjectivity and action) as idealistic constructs, which can only thereby be grounded on an abstract natural freedom of the individual, and therefore deprives the very specificity of the conscious human subject that it purports to extol of any material foundation in the movement of its life-activity as a 'sensuous objective being'. By contrast, Marx's view that the development of the productive forces of labour constitutes the essential content of history uncovers the immanent (as opposed to mechanistic) material determination of human subjectivity and its conscious and voluntary activity in the social life-process.[17]

Notes

1 In this chapter, and following Marx's usage in his later writings, I will use the term 'labour' (*Arbeit*) as denoting human *productive activity* in general, that is, as broadly as possible as 'formative activity' upon nature (Sayers, 2007). The terminology was different in the early writings such as the *1844 Paris Manuscripts* or the *German Ideology* (Arthur, 1986: 12–19). In these latter texts, the term 'labour' was sometimes equated with *alienated* productive activity under the rule of capital, whereas 'self-activity' or 'practical human activity' tended to denote the conscious transformation of nature by human beings. This is the reason why it is possible to find various passages in the early writings in which Marx states that human emancipation and the supersession of alienation entail the 'abolition of labour' (e.g. Marx and Engels, 1976 [1845]: 87).

2 On the Hegelian lineage of this perspective on the determinations of the natural life-process, as well as on the 'organic/inorganic nature' distinction, see Foster and Burkett (2000).

3 As Sayers (2007) also notes, this broad view of labour as form-giving activity upon nature can be traced back to Hegel (cf. 1977 [1807]: 118; 1991 [1821]: 56, 196–7). This is not to deny that other species are capable of 'objectification' (albeit mostly instinctually rather than intentionally), in the sense of 'transforming what is naturally given into worlds made in the image of their own needs and capacities' (Fracchia, 2005: 44); a phenomenon of which Marx was perfectly aware (Marx, 1976a [1867]: 283, 1992a [1844]: 329). However, not only is the transformative power of non-human animals very limited and one-sided (Fracchia, 2017), but its human forms entail not just a quantitative difference (i.e. one of degree) but a qualitative self-differentiation of the natural life-process beyond its *merely* 'animalistic' modes of existence (and this includes whatever incipient 'mental' powers for 'reasoning' could be found among non-human animals).

4 In effect, as McNally suggests (2001: 79), with the advent of post-modernism as the dominant form of self-proclaimed radical social thought, any reference to natural determinations in human life is usually seen as an old-fashioned 'modernist prejudice'. On the other hand, the question gets even more compounded by the ideological use of evolutionary theory made by 'sociobiology', which naturalizes existing forms of domination by locating their source in our genes (McNally, 2001: 79). However, the post-modern reaction that stresses the 'cultural production of the body' could be said to be its mirror image, substituting a 'sociological/cultural' reductionism for a biological one. In other words, the mere reversal of the terms of the relationship between nature and society does not do away with the inevitable externality of their connection thus conceived. Instead, the challenge for a critical materialist standpoint is to overcome the *dualism* in the relationship between nature and society, which means recognizing their 'unity-in-difference'.

5 See on this McNally´s stylized but well-informed account of the evolution of human thought and language, which shows that crucial in this process has been the 'use of intermediary objects (such as tools) to affect the environment to determined ends' (2001: 93).

6 An insightful and pioneering discussion of this point can be found in Colletti's *Marxism and Hegel* (1973 [1969]), who also traces the intellectual lineage of Marx's discussion of the human being as a species-being further back than Feuerbach's (2008 [1841]) *The Essence of Christianity* (Colletti, 1973 [1969]: 234–43). Of particular significance is Colletti's discussion of the qualitative specificity of human beings as natural living subjects vis-à-vis other natural life-forms, which gives them the character of a *genus*, vis-à-vis the rest of the animal *species* (Colletti, 1973 [1969]: 244–6). For this reason, as the translator of *Marxism and Hegel* rightly notes, 'generic-being' is actually a more adequate English rendition of the German *Gattungswesen* (Colletti, 1973 [1969]: 233, fn. 76).

7 For a contrary reading, see Wendling (2009: 62–6, 83–8, 96–7), who submits that Marx changed his views (albeit with ambiguity), from an initial 'vitalist' perspective in which labour was seen as the self-actualization and form-giving objectification of human subjectivity in the natural world, to an 'energeticist paradigm' adopted from the thermodynamic science of the scientific materialists.

8 Thus, social relations of production are not for Marx simply 'economic' but encompass the unity of the human life-process in all of its moments (Marx, 1977 [1847]: 212).

9 That is the gist of Marx´s oft-quoted letter to Kugelmann (Marx, 2010 [1868]: 68).

10 Again, as McNally (2001: 100–3) reports, contemporary scientific evidence from evolutionary theory validates Marx and Engels' insights on the qualitative specificity of the social character of tool-making (or 'co-operative heterotechnic toolmaking' as this author puts it) as a distinctively human phenomenon, on the one hand, and on its intrinsic material connection with the emergence of consciousness and language, on the other.

11 In this sense, Marx's whole discussion of the fetish-like character of the commodity could be seen as the *simplest* expression of the historically specific mode of existence of the immanent unity between productive forces of human labour, social being and forms of consciousness in the capitalist mode of production (Starosta, 2017). That is why Marx can claim *both* that value is the thing-like form of existence of social relations between people (Marx, 1976a [1867]: 166) *and* that the reduction of the 'material thing to the abstraction, *value* … is a primordial and hence unconsciously instinctive operation of their brain' (Marx, 1976b [1867]: 36).

12 For an early Marxist reply to Arendt, see Suchting (1962). A more recent methodologically minded Marxist assessment of the weaknesses of Arendt's threefold distinction can be found in Holman (2011). For a Marxist critique of Habermas along the lines suggested above, see Reichelt (2000), Elbe (2017) and Sayers (2007: 446). Postone (1996: 231) also develops an insightful Marxist critique of Habermas, albeit based on his idiosyncratic rejection of the generic constitutive role of labour in the development of human subjectivity.

13 This terminological conflation between 'labour' and 'abstract labour' is also key to the German *Wertkritik*'s 'Manifesto against Labour' (Krisis Group, 1999).

14 For instance, he ambiguously and interchangeably posits *labour* or the *product of labour* as performing the function of social mediation (Postone, 1996: 150).

15 The standard source for this codification is Stalin's *Dialectical and Historical Materialism* (2013 [1938]). However, a more recent and methodologically more sophisticated and cogent statement of the orthodox 'traditional historical materialism' can be found in Cohen (2001 [1978]).

16 As Clarke notes, this notion of production is characteristic of Althusser's early work as well.

17 For a substantiation of this general methodological argument through a detailed exposition of the developmental dynamics of the historically specific contradictory unity between materiality and social form of capitalist production (i.e. *the real subsumption of labour to capital*), which also underlies the immanent ground of modern forms of subjectivity (both capital-reproducing and capital-transcending), see Starosta (2016).

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'If "Marxists" would only read Marx': The significance of Simon Clarke's Marxism

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Abstract
Simon Clarke was an original and consistent Marxist thinker. From an early stage in his career, he independently developed a cogent, non-dogmatic reading of Marx's work that ran against the grain of the dominant variants of Marx of his day. In this piece, we delineate the main features of Clarke's Marxism through a reading of an early essay, first drafted in 1970. We highlight his critique of ideology, his focus on the forms through which the social relations of production appear and his insistence on the unity of theory and history – the conviction that the class struggle is expressed in the concrete movement of history. These features would form the bedrock of his truly significant contribution over five decades.

Keywords
class struggle, critique of Althusserian structuralism, ideology, Marxism, production

In 1970, aged just 24 years, Simon Clarke penned a scathing critique of the structuralist Marxist philosophy of Louis Althusser. Althusser was at that time a towering presence among Western European Left intellectuals. Over the next decade, and to an extent

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Clarke later admitted he was naïve to not have foreseen,[1] Althusser's project to expunge Marx's work of its 'humanist' content would go on to exercise even greater intellectual and political influence, including among various forerunners of what would become post-structuralism. Yet in that essay, which bristles with antipathy towards Althusserianism and its acolytes from the get-go, Clarke appealed to readers to resist the pull of the prevailing current of Marxist thought. Read Marx for yourself and with an open mind, he implored. This had been Clarke's own instinct. His attentiveness to 'what Marx says, *and what Marx says he is saying*' (Clarke 1980: 27) shines through the pages of that early essay. And it had paid off. Even at that relatively young age, his grasp of Marx's method and of the critique of political economy was impressively accomplished and full. The result was a veritable tour de force, a devastating indictment of the theoretical inconsistencies of Althusserian structuralism, its dogmatic inability to break with Stalinism and its affinities with bourgeois sociology.

We begin our tribute to Clarke with reference to this early essay in order to illustrate some of his most indelible and impressive personal traits: his humanity, his intelligence, his scholarly tenacity, his fierce independence of mind and his commitment to the intellectual and political project Marx bequeathed to us.[2] But we also want to acknowledge the originality and potency of Simon's contribution back then, and in recognition of how his reading of Marx *for and by himself* would form the solid and consistent basis of the even more impressive contribution he would make in the decades that followed. Given the historical distance of our present moment from that of the early 1970s, but also the degree to which the reading of Marx Clarke laid out in that essay is today the accepted vernacular among very many proponents of (what we might variously term) Marxist critical theory, open Marxism, form-analytical Marxism, or even the 'CSE tradition', it is perhaps easy to underestimate the originality and significance of Clarke's Marxism. In what follows, we point to just a few fundamental and consistent features of his approach, which he outlined himself in a few pages of that early essay – features to which he would adhere in subsequent decades, influencing myriad others, and cementing his own legacy in the process.

First, Clarke rejected as ideology *any* approach to understanding capitalist production as a mere technical question of the 'economic' production of use-values onto which juridical relations and questions of distribution and ownership are superimposed. In Clarke's (1980) reading, Marx had precisely revealed any such approaches to be forms of bourgeois ideology in that they eternise the capitalist mode of production by making the '"factors of production" . . . appear as relations already inscribed in the technical structure of the material production process' (p. x). For Clarke, on the other hand, relations *of* production do not come down to relations *in* production. This is a crucial, substantive point: for Marx, and therefore for Clarke (1980), '*the primacy of production in the historical development of a differentiated totality*' (p. 52) is fundamental. Both recognised that the production of life through the expenditure and development of the productive powers or forces of the human individual (i.e. a material or natural relation) takes on necessary concrete shape (and is thereby necessarily mediated) in and through social relations, which are therefore determined as social relations of production. So:

> Production is . . . as a process which is indissolubly social and material, *production both of material products and of social relations*. Moreover, this unity is not a harmonious unity, at least in a class society, but is a *contradictory unity*: the *contradictory unity of the forces and relations of production.* In a capitalist society this contradictory unity exists in the specific historical form of the contradiction between production as *the production of value and as the production of use-values*. (Clarke 1980: 18)

It was precisely this insight, Clarke argued, that Althusserianism and its assault on humanism and the alleged Hegelianism of the so-called early Marx sought to quash (see Pascual and Ghiotto in this forum). By developing a structural 'science' of capitalism's economic laws (related only relatively-autonomously to the 'political' sphere), Althusserianism reaffirmed its own status as ideology, as Clarke's critique laid bare. And it was this insight that also informed Clarke's repudiation of any moral critique of the 'unfair' distribution of assets, revenues or power among classes or 'factions', even as advanced by so-called neo-Marxists.

This first feature alone shows just how pioneering Clarke's reading of *Capital* was, and it is worth throwing into relief the more specific intellectual context of his intervention at that time. On the one hand, the efforts of most Marxist economists were geared towards the mathematical reduction of prices to quantities of labour (the 'transformation problem') in an attempt to 'logically prove' the fact of exploitation in capitalism. On the other hand, precisely inspired by Althusserianism, the attention of the great majority of Marxist sociologists was mainly focused on a one-sided and narrowly conceived concern with direct exploitation and domination through 'the interpersonal relation' between 'labourer and owner of means of production' (Clarke 1980: 61). By contrast, although this aspect would become more prominent and central in his later books from the 1980s like *Marx, Marginalism and Modern Sociology* or *Keynesianism, Monetarism and the Crisis of the State* (see Burnham, Bonefeld and Fairbrother in this forum) already in this early article it is possible to discern that, for Clarke, what set the Marxian *critique of political economy* apart from bourgeois social science was its discovery of the fetishistic constitution of value, money and capital as historically specific, alienated, objectified forms of social mediation in the capitalist mode of production.

Second, then, Clarke's own Marxism was attentive to how the general determination of the contradictory development of the productive powers of the human individual is expressed in the concrete, historically changing character of the social relations of production: a 'specific and determinate historical process by which social relations are subsumed under the dominant relation of production and so are determined as developed forms of that relation' (1980, p. 19). In other words, Clarke's Marxism homed in on *social form*, and his contribution to what might now be termed 'form-analytical Marxism' is significant indeed. The insight that 'social relations are not technical relations but are the social basis of *both* the "economic community" and "its specific political form"' (Clarke 1980, p. 72) formed the bedrock for his highly influential form-critique of the state (see Pascual and Ghiotto in this forum) and of money, as well as of forms of ideology in institutional academia (of sociology and economics) and of paradigms of macro-economic policymaking (Keynesianism and monetarism). Clarke (1980), like Marx, understood that

> the social relations of production appear in specific economic, political, and ideological forms, and their determination as moments of the 'relations of production in their totality' can only be through their historical subsumption under the dominant relation of production in the development of the contradiction on which that relation is based. (p. 20)

The task of Marxism, therefore, is to engage in concrete analysis of 'the *forms of domination* of social relations by the capital relation and the *specific limits* of that domination' (Clarke 1980: 20). This is the red thread that runs throughout his subsequent work on the state, money, crisis, economic policymaking and industrial relations.[3]

Third, and consequently, Clarke was disinterested in the elaboration of abstract concepts or 'laws' – whether 'interpreted in the Hegelian sense of the dialectical development of the Idea or in the positivist sense of the deductive elucidation of the fundamental postulates of the theory' (Clarke 1980: 20). Rather, his analytical gaze was fixed, laser-like, upon 'real human history' (Clarke 1980: 20), which necessarily develops through the socially constituted and situated (antagonistic) subjectivity and action of concrete individuals – in other words, upon the concrete unfolding history of experience of the working class and its struggle against capital. This insight meant that Clarke never lost sight of the need to maintain the integrity of the dialectic of theory and history, of 'thought and reality' (pp. 45–46), always resisting any epistemological temptation to formulate and promulgate so-called laws of historical development in abstraction or in separation from what is going on in the real world and with the class struggle specifically. Accordingly, Clarke (1980) was unwavering in his view that 'the fundamental class relation of capitalist society' is a 'total social relation' which is expressed in the differentiated forms which comprise the unity of the circuit of capital as a whole (p. 62). Moreover, 'this relation cannot be reduced to the economic forms in which it appears' (Clarke 1980: 62) but is also expressed in differentiated political and ideological forms. And so, therefore, the class struggle through which the relations of production necessarily develop is expressed in the concrete movement of history:

> In a class society [the relations of production] are differentiated class relations, and their development, under the impact of changes in economic conditions, and subject to the constraint of those conditions, is the development of a multi-faceted class struggle. This struggle is not, however, something divorced from production, located in some relatively autonomous political instance, taking the whole social formation as its object. *The class struggle is the form of development of the developed forms of the relation of production, an omnipresent economic, political, and ideological struggle*. (Clarke 1980: 72–73)

It follows, then, that for Clarke the organised working class – rather than new social movements, 'humanity' or the 'multitude' – is indeed the revolutionary subject (though he arrived at this conclusion via a non-orthodox route and in such a way that he never saw fit to endorse any official Party of/for the working class).

These are the enduring features of Clarke's Marxism that were already integral to his critique of Althusserianism in the early 1970s. That early essay showcased Clarke's own distinctive potency as a (then young) Marxist: confidently, authoritatively and independently expounding a non-dogmatic version of Marx that still impresses. Today, we remember Clarke for the clarity, originality and consistency of his work that would follow over subsequent decades; as a source of education and inspiration; and as a lodestar for very many other contributors to *Capital & Class* these last 50 years. Thank you, Simon.

Notes

1. Hence, he opted not to publish his essay until a decade later (Clarke 1980). The main title of our tribute is taken from the latter (Clarke 1980: 27).
2. Those of us who were fortunate to know him personally can also attest to his generosity as an academic mentor and colleague, and his warmth as a human being.
3. It should also be acknowledged that Clarke saw the ultimate limit of these forms of domination as obtaining at the scale of the world market, making him an advocate of the view that the capitalist mode of production is global in content and national only in form – another distinguishing feature relative to most of his peers.

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CHAPTER 4

The Commodity Form and the Dialectical Method

Introduction

In the Preface to the First Edition of *Capital*, Marx makes evident that he was fully aware of the complexity entailed by the first steps in the critique of political economy. Thus he states:

> Beginnings are always difficult in all science. The understanding of the first chapter, especially the section that contains the analysis of commodities, will therefore present the greatest difficulty.[1]

The endless debates over the real meaning and implications of Marx's discussion of the commodity form seem to suggest that, if anything, Marx's warning actually fell short of the real difficulties at stake. And whether it is explicitly acknowledged or not, it is clear that the diverse readings of Marx's critique of political economy entail different political implications.[2] In fact, it could be argued – and, hopefully, this chapter and the ones that follow will substantiate this claim – that those 'minutiae', which the discussion of the determinations of the commodity form 'appear to turn upon',[3] are of paramount importance for the conscious organisation of the revolutionary action of the proletariat. This is shown not only in Marx's insistence on the impossibility of correctly grasping the determinations of those more abstract social forms from the bourgeois standpoint of political economy,[4] but also in the central role they played in his critique of the ideological representations of them coming from the working class movement itself, e.g. Proudhonian socialism.[5]

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[1] Marx 1976g, p. 89.

[2] Dimoulis and Milios 2004.

[3] Marx 1976g, p. 90.

[4] Marx 1976g, p. 174.

[5] See Clarke (1994) and Shortall (1994) for good reconstructions of Marx's critique of Proudhonian socialism based on the latter's misunderstanding of the nature of the commodity and money forms. Thus, the gist of Marx's critique of Gray's proposal to preserve private commodity production while replacing the money form with labour time certificates issued by a national bank, comes down to the latter's inability to comprehend the immanent necessity of the value of commodities to take on the independent form of money (see Elson 1979b, pp. 135–6). Similarly, in the *Grundrisse*, Marx ridicules Darimon's proposal of abolishing the privilege of money (that of being directly exchangeable for all commodities) by making 'by decree'

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It is my view that this diversity in the ways in which Marx's followers have read the ideal reproduction of the determinations of the commodity form contained in *Capital* is closely connected to the varied methodological perspectives from which those authors have attempted to grasp the former. In other words, those different interpretations of the actual *content* of the first section of *Capital* express different understandings of the very *form* of scientific knowledge unfolded in that book. Seen the other way round, and this is the fundamental issue to be discussed in this chapter and the next, I would argue that only on the basis of a sound comprehension of the dialectical method can the implications of Marx's investigation of the commodity form be uncovered in all their plenitude.

The need to reconsider Marx's presentation of the commodity form in Chapter 1 of *Capital* through a reassessment of his dialectical method (in particular, its connection to Hegel's *Science of Logic*) has been widely recognised by a growing number of scholars. In effect, the last twenty to twenty-five years have witnessed a renewed interest in Marx's dialectical method and its implications for value theory.[6] However, despite all the light that these works have cast on the form of Marx's argument, they have been mainly focused on the *synthetic* aspects of Marx's dialectical presentation (i.e. on the exposition of the dialectical movement from the 'abstract to the concrete'). In this sense, it could be argued that this literature has glossed over two further fundamental aspects of Marx's dialectical method, which I have discussed in the previous chapter. First, those works have not sufficiently thematised the peculiar role of the *phase of analysis* in Marx's dialectical investigation generally and in his presentation in *Capital* in particular. Second, they have not paid sufficient attention to the *specific form of the analytical process within dialectical thought*.[7] My aim here, therefore, is to fill these gaps in the literature.[8]

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all commodities directly exchangeable (Marx 1993, p. 126). In all these cases, the common thread of the Marxian critique lies in the incapacity of those authors to grasp the necessary inner connection between the commodity and money forms.

[6] See, among others, Murray 1988; Smith 1990a; Moseley 1993; Moseley and Campbell 1997; Arthur 2002b; Albritton and Simoulidis 2003.

[7] The distinction between analysis (in the sense of dissection of the 'whole' into 'parts' or 'identification of differences') and synthesis (in the sense of reconstitution of the 'unity' of the whole) is not peculiar to dialectics. As I argue below, what sets the latter apart from formal-logical methodologies is the specific *form* taken both by the analytical and synthetic processes in dialectical thought. Zelený provides a concise discussion of the different meanings of analysis and synthesis in science and philosophy, which also traces back their intellectual lineage (see Zelený 1980, Chapter 10).

[8] These other aspects have not been entirely absent in the literature. However, they came up in

The main purpose of this chapter is to provide a methodologically minded critical reading of Marx's argument about the determinations of the value form of the product of labour in the first chapter of *Capital*. Through this reading, I shall substantiate the claim made in the first part of the book that *Capital* crystallises the positive deployment of the methodological insights gained by the 'young Marx' through his critique of Hegel, the Young Hegelians and Proudhon. In other words, I shall show that *Capital* contains Marx's dialectical method, as discussed in the first part, concretely set into motion for the intellectual reproduction of capitalist social forms. While this latter statement is true of the book as a whole (or, at least, to its first volume, the only one that Marx prepared for publication), the detailed examination of the structure of the first three sections of Chapter 1 is of particular significance. In effect, the exposition of the determinations of the commodity form contained there is, arguably, the most paradigmatic place where he presented the concrete workings of his dialectical method of research in the indissoluble unity of its analytic and synthetic stages.[9] On these grounds, additionally, I will try to show that many of the confusions and misunderstandings among both followers and critics of Marx spring from an inadequate grasp of the dialectical structure of Marx's exposition.

Finally, this close examination of the expositional structure of the first three sections will set the stage for the discussion in the following chapter of this book, in which I discuss Marx's presentation of the fetish character of the commodity. As will became evident later on, only by properly grasping the precise content and formal structure of the first three sections of Chapter 1 of *Capital* can the specific object of exposition and systematic significance of the section on 'commodity fetishism' be fully appreciated.

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the debate among 'new dialecticians' relatively late (Murray 2002; Reuten 2000) and have not been pursued any further until recently (see Reuten 2014, who does address in great detail the connection between analysis and synthesis, and that between inquiry and presentation, in systematic dialectics). See also Brown et al. (2002) for a discussion of some of these issues through a comparison between critical realism and systematic dialectics. Be that as it may, it is my view that compared to the light thrown on the synthetic aspects of Marx's method of presentation, the nature of the relation between analysis and synthesis in the presentation, and the way in which this relates to the formal determinations of the dialectical inquiry, have not been explored with the same degree of clarity.

[9] Iñigo Carrera 2013.

Inquiry and Presentation, Analysis and Synthesis: On Some Controversies over the Initial Passages of Marx's Argument in *Capital*

In *Capital*, Marx puts into motion the discoveries which allowed him to overcome the limitations of his early account of alienated labour and its supersession. In contradistinction to the *Paris Manuscripts*, and as he clearly states in the *Marginal Notes on Adolf Wagner*, he takes as a point of departure neither the concepts of political economy nor any concept whatsoever,[10] in order thereby to discover alienated labour as their presupposition. As the title of his most important work denotes, the subject whose determinations the dialectical investigation proceeds to discover and present is *capital*, which, as the alienated subject of social life becomes 'the all-dominating economic power of bourgeois society' and must therefore 'form the starting point as well as the finishing point' of the ideal reproduction of the concrete.[11] In this sense, Marx's exposition in *Capital* does not advance towards the discovery of alienation, but instead starts from what the dialectical inquiry revealed as its most abstract and general form.[12] He starts with the immediate observation of the simplest *concretum* in which the alienation of labour is expressed in order to develop the real determinations specific to this social form.[13] As has now been widely acknowledged, this starting point is not an ideal-typical – or worse, historically existent – simple commodity-producing society, as in the orthodoxy derived from Engels and popularised by authors such as Sweezy and Meek.[14] In Marx's own words, he starts with the commodity as the 'economic cell form of bourgeois society'.[15]

> We begin with the commodity, with this specific social form of the product – for it is the foundation and premise of capitalist production. We take the individual product in our hand and analyse the formal determinants that it contains as a commodity and which stamp it as a commodity.[16]

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[10] Marx 1975b, p. 198.

[11] Marx 1993, p. 107.

[12] Iñigo Carrera 2008, p. 323; Meikle 1985, pp. 71–2; Schmidt 1983, pp. 48–9.

[13] Marx 1975b, p. 198.

[14] Engels 1980; Sweezy 1968; Meek 1973. For a critique of the Engelsian orthodoxy on this question, see Arthur 1996, 1997 and 1998b; Backhaus 1980; Robles Báez 2000; Reichelt 1995; Weeks 1981.

[15] Marx 1976g, p. 90.

[16] Marx 1976c, p. 1059.

However, Marx's presentation does not directly start with the essential determinations of the commodity form, but rather starts from the immediate observation of an individual commodity in its outward appearance.[17] In a presentation which will prove full of 'metaphysical subtleties and theological niceties',[18] Marx shows that what determines the commodity as a form of social wealth is not only that, as any product of labour, it possesses a use value, but that the latter acts as the material bearer of a second attribute, namely, exchange value. The further analysis of the commodity reveals that exchange value is actually the form of expression of a content distinguishable from it – the value form, or the attribute of general exchangeability of the commodity – the substance of which resides in the abstract labour congealed in it, and whose magnitude is consequently determined by the socially necessary abstract labour time required for its production.

The above line of reasoning has been the subject of all kinds of objections put forward by different interpreters of Marx. As I argue below, those reservations about Marx's argument have their source in an inadequate comprehension of, or insufficient attention to, the nature of the crucial distinction between two different moments involved in Marx's dialectical inquiry and presentation, namely, the stage of analysis and that of synthesis. In particular, I think that it is confusion over these questions that lies at the basis of widespread critiques of Marx's line of argument about the determinations of the commodity form;

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[17] Properly speaking, there is a previous step in Marx's presentation. He first starts with the form in which social wealth appears in capitalist society, namely, an 'immense collection of commodities' (Marx 1976g, p. 125), the individual commodity being its elementary form. The unfolding of the determinations behind this appearance is not completed until Volume II, where the unity of the movement of the total social capital itself, in the form of the circuit of commodity capital, is revealed as positing social wealth in the form of an immense collection of commodities (Marx 1978, pp. 174–7). The secondary literature on Volume II is remarkably limited compared to what has been written on Volumes I and III. Certainly, there has been a lot of discussion of the final part on the schemes of reproduction, misguidedly revolving around the notion of a mechanical impossibility of capitalist reproduction as constituting the limit to capital (see Rosdolsky 1986, for a survey of the early classical debates on that question). But the first part of Volume II has been generally neglected. Some of the few works available that deal in some detail with aspects of the former include: Fine 1975; Shortall 1994; Fine and Saad-Filho 2003; Arthur and Reuten 1998. On the circuit of capital, see especially the contribution by Arthur (1998a) in the latter book. More recently, David Harvey has contributed to redress the situation in the second volume to his *Companion to Marx's Capital* (Harvey 2013).

[18] Marx 1976g, p. 163.

not only by well known critics such as Böhm-Bawerk,[19] but also among some of Marx's disciples.[20] In brief, the general thrust of those objections is as follows: in *Capital*, Marx did not provide an adequate 'logical proof' that commodities have a 'something' in common and that that 'something' is congealed abstract labour.[21]

The first point at stake in this objection has already been forcefully made by other scholars, so I will refer to it only briefly. In a nutshell, the question comes down to the radical methodological difference which, as Meikle insightfully notes, separates Marx's dialectical approach to science from the formalism and atomism of bourgeois conceptions.[22] Clearly based on the latter, Böhm-Bawerk's objections came from someone who could only see science as a purely

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[19] Böhm-Bawerk 1975.

[20] Thus both Reuten (1993, p. 107) and Arthur (1993, p. 76) agree that Böhm-Bawerk's objections to Marx's line of reasoning about abstract labour as the substance of value are justified; not because Marx is wrong in seeing abstract labour as the substance of value, but because his grounding of that point is defective from a 'systematic dialectical' perspective. This objection can actually be traced back to Hans-Georg Backhaus's groundbreaking essay of 1969, 'On the Dialectics of the Value-Form' (Backhaus 1980, pp. 99–100). A non-Ricardian, value-form critique of Backhaus (and defence of Marx's argument) can be found in Murray (2013).

[21] A good and concise account of the essence of this critique can be found in Kay (1979, pp. 48–58). See also Park 2003. Specifically, Böhm-Bawerk objected that Marx did not take into consideration common properties other than being products of labour – e.g. utility, scarcity, and so on – as possible determinants of exchange value (Böhm-Bawerk 1975, pp. 74–5). In this sense, it is worth noting that in the process of *inquiry* Marx did consider – but discarded and, hence, excluded from the *presentation* – 'utility in general' as the substance of value. This is evidenced by the following remarks from the preparatory *Manuscripts of 1861–63*: 'We have seen that the basis of value is the fact that human beings relate to each other's labor as equal, and general, and in this form social, labor. This is an abstraction, like all human thought, and social relations only exist among human beings to the extent that they think, and possess this power of abstraction from sensuous individuality and contingency. The kind of political economist who attacks the determination of value by labor time on the ground that the work performed by 2 individuals during the same time is not absolutely equal (although in the same trade), doesn't yet even know what distinguishes human social relations from relations between animals. He is a beast. As beasts, the same fellows then also have no difficulty in overlooking the fact that no 2 use values are absolutely identical (no 2 leaves, Leibniz) and even less difficulty in judging use-values, which have no common measure whatever, as exchange values according to their degree of utility' (Marx 1988, p. 232).

[22] Meikle 1985, Chapter 3.

'logical construct' and not the reproduction in thought of 'how things essentially are'.[23] Thus, with 'the characteristic empiricist gap between "truths" and the entities they are supposed to be true of',[24] he could only read Marx's initial pages as an abstract, formal process of 'logical proof'.[25] The possibility that those pages unfold the real nature and specific self-movement of a determinate content (the commodity form of the product of labour) and do not contain a formal deduction was beyond Böhm-Bawerk's formalistic field of vision.[26]

Secondly, and more important for the purpose of this chapter, at stake here is another aspect of Marx's argument in the first pages of *Capital* that has not been sufficiently or satisfactorily explored by most scholars: the specific nature and significance of the difference between the phase of analysis and that of synthesis within a dialectical exposition. This double movement in the dialectical *presentation* is not an arbitrary stylistic or rhetorical strategy introduced by Marx, but, as discussed in the first part of this book, reflects a real difference characterising the specificity of dialectical *inquiry*. The latter must involve *both* identification of the different forms taken by the subject whose determinations the dialectical investigation attempts to reproduce in thought (i.e. the analytical separation between social forms according to their relative degree of concreteness) *and* the 'tracking down of their inner connection' (i.e. the *synthetic* discovery of the immanent real necessity linking those different forms).[27] A fundamental implication follows from this: the exposition of the

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[23] Meikle 1985, p. 80.

[24] Meikle 1985, p. 79.

[25] As Sayer (1979, pp. 94–5) notes, Althusser and Balibar (1968) and his British followers (Hindess and Hirst 1975 and 1977) fell prey to this appearance.

[26] Kay 1979, pp. 51–2. Besides, it is to be noted that Böhm-Bawerk completely missed the actual object of Marx's presentation in Chapter 1 of *Capital*, which is the commodity and not the causal determination of exchange ratios (Kliman 2000, p. 104).

[27] Marx 1976g, p. 102. Here my approach differs from that of both Murray and Reuten. The former seems simply to identify analysis with inquiry (what he calls 'phenomenology'), and synthesis with presentation (Murray 2000, pp. 36–8). Reuten does allow for synthetic moments in the process of inquiry, but only as 'provisional outlines of inseparability of phenomena' (Reuten 2000, p. 143). Moreover, although he is right to see the need for the dialectical presentation to be fundamentally synthetic, he does not fully explore the possibility that the dialectical researcher presenting the results of the inquiry may include 'stylised' moments of analysis in order to highlight the unity of the dialectical process of cognition. He only mentions this possibility in passing when discussing Banaji's argument about the twofold starting point of Chapter 1 of *Capital* (Banaji 1979, pp. 36–40; Reuten 2000, p. 158). But as I argue below, this presentational strategy plays a central role at least in

explanation proper of the necessity underlying the relations between different social forms – what would amount to a 'logical proof' in the language of formalistic methodological approaches – is not to be found in the dialectical *analysis*, but in the *synthetic* movement of the exposition. Now, since it is in the latter only that the unfolding of the real movement of determination – hence the explanation – actually takes place, the presentation of the findings of the dialectical inquiry could take, in principle, a fully synthetic form.[28] However, this is not the way Marx structured his dialectical exposition in Volume I of *Capital* (the only one he edited for publication himself); this exposition tends to include, in a 'stylised' form, brief presentations of the analytic process.[29] Since this peculiar structure of Marx's presentation of the determinations of the commodity form actually recurs throughout most of Volume I, and given that its misunderstanding has caused so many controversies among critics and followers alike, it might be worth providing further elaboration on this last point.

In a nutshell, this structure of Marx's dialectical presentation starts by taking the immediate concrete appearance of the determinate social form at stake. Through a brief analytic movement, it subsequently uncovers its inner essential determination.[30] The exposition then proceeds by synthetically unfolding the realisation of that (more abstract) determination. This stage goes on until the specific potentiality defining the essential determination of the social form

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the whole of Volume I. Fineschi (2009) offers an interesting overview of German debates in the 1970s dealing with the connection between Marx's method of inquiry and his method of presentation.

[28] Iñigo Carrera 2008, p. 317.

[29] On the role and the pros and cons of this analytic moment in the peculiar structure of the dialectical exposition in *Capital*, Volume I, organised around presentational 'nodes', see Iñigo Carrera 2008, p. 323.

[30] Marx sometimes includes *apparent* (hence flawed) analytical paths in his exposition that are revealed to be such through a movement that leads the reader back to the unmediated starting point, that is, without making any progress towards the discovery of the underlying specific determination defining the object under scrutiny (Iñigo Carrera 2008, p. 320). The presentational role of the inclusion of these flawed analytical movements is mainly pedagogical; they serve to place more emphasis on the correct analytical path. Marx's consideration of the possibility that the particular material properties of the commodity under investigation constitute the more abstract form behind the attribute of general exchangeability is an example of this (Marx 1976g, pp. 127–8). Incidentally, it is to be noted that this is the real meaning of what Böhm-Bawerk mistakenly saw as Marx's 'method of exclusion', through which he allegedly provided a 'purely negative proof' of abstract labour as the substance of value (see Böhm-Bawerk 1975, pp. 68–9).

under scrutiny, and whose realisation the exposition is ideally reproducing, negates itself as immediately carried by that abstract social form to become affirmed as immediately pertaining to the more concrete form into which it has metamorphosed. This signals that the first presentational node has been exhausted. A new one thereby begins, but now with the more concrete form whose genesis has been traced in the former as the subject of the movement to be ideally reproduced. However, the new node does not directly start with the inner determinations of this more concrete social form but, again, with its immediate manifestation. An analytic movement therefore precedes the former.[31]

Returning to my main argument about the general aspects of this formal structure of Marx's presentation: as mentioned above, it is the exposition of the *dialectical synthesis* that reveals the 'why' of real relations. The analytic stage only separates a social form from a more abstract one, whose realised potentiality it carries within itself in the form of its own immanent potentiality. In this sense, the analytic stage is about not the *why*, but the *what*. Evidently, since the separation of social forms according to their relative degree of abstractness/concreteness ideally expresses the objective necessity (the real relations) residing in the object, and is not the product of the subjective caprice or imagination of the scientist, the mere reference to the 'what' carries implicitly some hint of the 'why'. Thus, if the dialectical analysis reveals that the value form is the concrete form in which the objectification of the abstract character of private and independent labour affirms itself as an abstract form, the separation between the two already says something about the real relation involved. But this something is no more than, as it were, a 'pointing out', an observation. The actual ideal reproduction of that inner connection – the explanation – takes place in the synthetic movement.[32]

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[31] At this juncture, it is important to point out that, in the dialectical *inquiry*, analysis and synthesis overlap in the concrete intellectual labour of the scientist. Thus the actual activity of inquiry of the dialectical researcher involves a constant passage from phases of analysis to phases of synthesis, and therefore they do not immediately appear as distinct aspects of the process of cognition. However, they do constitute two real determinations of the dialectical method and therefore it is crucial to bear their difference in mind. And it is this real difference which appears 'in its purity' in the dialectical exposition, when the author decides to reproduce the analytical stage (whether in whole or in part) in the presentation.

[32] In his *Science of Logic*, Hegel refers to this distinction between the role of analysis and synthesis as the difference between the *apprehension* of what is and its *comprehension* (Hegel 1999, pp. 793–4). However, Hegel develops this distinction as pertaining to the 'under-

With this in mind, it is easy to understand the main reason why the criticisms levelled at Marx over his inadequate explanation of abstract labour as the substance of value in the first pages of *Capital* are not simply based on a misunderstanding about the particularities of his argument, but are completely off the mark. To put it simply, those critiques search for an explanation in the wrong place, that is, in the pages where Marx is just presenting the analytic separation of real forms, which comprise the first two sections of Chapter 1. Marx's alleged explanation of why abstract labour is the substance of value in those pages sounds unconvincing simply because it is not there. As we will see, the unfolding of this particular 'why' only occurs in section three, which discusses exchange value as the form of manifestation of value. Before engaging in that aspect of Marx's presentation of the determinations of the commodity form, let us first probe deeper into the *specifically dialectical* form of the analytical moment that precedes it.[33]

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standing', that is, an underdeveloped form of thought. Dialectical cognition, 'speculative science' in Hegel's parlance, is for him essentially synthetic (see Caligaris and Starosta 2014).

[33] Regarding Chapter 1 in particular, this structure has been recognised by Banaji (1979) and Elson (1979a). However, they both seem to reduce the content of the synthetic stage of the presentation simply to the question of revealing exchange value as the necessary mode of expression of value, i.e. to the formal necessity of the money form. But as I argue below, the latter is precisely the moment when Marx is synthetically unfolding the necessity of privately performed abstract labour as the substance of value. Neither Elson nor Banaji explicitly address the question of where exactly the 'why' of abstract labour as the substance of value can be found. Elson in particular seems to concur with Rubin (see below) that it is actually in section 4. Murray (1988, pp. 148–9) rightly sees the structure of Chapter 1 as comprising a 'double movement' of form to content and then from content to form. However, presumably reducing the dialectical movement to the synthetic stage, he sees nothing particularly dialectical in the first movement; hence his analogy with Descartes's analytical reduction of the bit of wax to primary quality matter, i.e. a search for a 'third party' or common element. In reality, the general point about the twofold movement of analysis and synthesis in Marx's exposition had already been made by Rubin in his seminal work on the theory of value (Rubin 1972, p. 113). However, as I shall discuss below, his understanding of the way they structure the exposition is, I think, incorrect. Furthermore, although Rubin does distinguish between the analytic and the synthetic (genetic, as he calls it) stages of the presentation, he seems to restrict the dialectical method to the latter (Rubin 1978, p. 110). In this way, the specific form of the dialectical analysis vis-à-vis the analysis of representational scientific thought is overlooked.

The Phase of Analysis

In contrast to the claims of those critics referred to above, I think that in the opening pages of Chapter 1, Marx is not searching for a common property in commodities. Rather, he is searching for (i.e. not yet unfolding) the specific determination defining the potentiality of the commodity as a historical form of social wealth.[34] This potentiality Marx initially 'discovers' by looking at the use value of the individual commodity, which in capitalist societies acts as bearer of a second, *historically specific* attribute of the products of labour, namely, *exchange value*. Two things follow from this. First, inasmuch as it is materially borne by the use value of the commodity, this attribute is *intrinsic* to the commodity itself. Second, as argued above, Marx is not *trying to prove logically the existence of a common property*, but *the commodity itself*, in its immediacy, shows that it *has* that 'common property' immanent in it.

Here a problem might arise, because Marx does not explicitly say in what that second attribute of the commodity consists. He just names it (exchange value) and then directly proceeds to its analysis. I think that the reason for this is that the meaning of that attribute was self-evident in the name itself in light of its everyday usage at that time. The fact that commodities have 'exchange value' simply means that they have the *power of exchangeability*, that is, *the 'fantastic' aptitude to be transformed into a different use value without the mediation of any material transformation in its bodily existence*.[35] What immediately follows in Marx's exposition is, then, the *dialectical analysis* of this social power of exchangeability of commodities. That is, Marx proceeds to answer what is the source of this specific potentiality intrinsic to the commodity, i.e. what is the abstract form appearing in the concrete form of the power of exchangeability.

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[34] The difference between these two forms of grasping Marx's argument in the first pages of *Capital* expresses the difference between the dialectical form of the analysis and that of representational thinking. Many authors have highlighted the distinction between the abstractions of dialectics and those of representational thought as one between 'real abstractions vs. mental generalisation' (Saad-Filho 2002) or 'empiricist abstractions vs. determinate abstractions' (Gunn 1992). 'Empiricist abstractions' have also been called 'formal abstractions' (Clarke 1991a) or 'general abstractions' (Murray 1988). However, as Iñigo Carrera (2008, p. 282) points out, what most authors have overlooked is that the difference in the respective kinds of abstraction emerges as a result of the very *form* of the process of cognition on the basis of which those abstractions are identified. My argument is that this difference in form not only applies to the synthetic or genetic phase – as is usually assumed – but *crucially pertains to the process of analysis as well*.

[35] Iñigo Carrera 2007, p. 216.

As happens with every real form, the first thing he encounters when facing the exchangeability of the commodity is its *immediate manifestation* – the quantitative relation 'in which use-values of one kind exchange for use-values of another'.[36] Thus, the first step in the analysis of exchangeability is the separation of the *content and form* of that specific attribute of the commodity, this being the only way in which one can penetrate through the concrete form in which an abstract form presents itself. Again, this is the immediate object of Marx's exposition in the passages that follow, and not the search for a 'common something' or 'third thing', the existence of which the distinction between form and content presupposes.[37] This separation between form and content reveals that the different *particular* exchange relations that a commodity establishes with other commodities are actually expressions of something else that inheres in commodities and which gives them the identical *qualitative* potentiality of *general exchangeability* in a certain *magnitude*. Once form and content of the attribute of general exchangeability are distinguished, Marx continues with the analysis of the latter, which consists in separating that form of general exchangeability from the abstract form whose necessity it carries within itself as its 'other'. The particular form that this analysis takes is, again, not the search for a common element, but the search for the determinate action which posits that specific attribute existing in commodities.[38] That action, Marx states, is a human action in one of its facets, namely, productive labour in its general character or abstract labour. Commodities have this attribute of general exchangeability as products of the abstract character of the labour objectified in them.[39]

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[36] Marx 1976g, p. 126.

[37] In order to avoid confusions, I am not implying that the existence of a common property and exchange equivalence are not important elements of Marx's arguments. My point is that Marx is not *logically proving* the existence of a common property or that the only possible substance of that common property is abstract labour. He '*finds*' that common property immanent in the commodity (actually, its immediate manifestation), and then proceeds to its *dialectical* analysis (i.e. separation of form and content). See Kicillof and Starosta 2007a and Iñigo Carrera 2007, for a fuller discussion of why being the products of the abstract character of labour is the only reasonable determination behind the value of commodities.

[38] Iñigo Carrera 2007, p. 218.

[39] Admittedly, Marx's transition to abstract labour might seem abrupt and too unproblematic. But here it is important to bear in mind that insofar as it presents results laboriously obtained through previous research, the dialectical exposition has a fluidity which does not reflect the complexity of the real activity of analysis in the process of inquiry, in which the researcher might have mistakenly taken other analytical steps. In principle, the latter

And here there is a tricky aspect in Marx's presentation, which might have contributed to much of the confusion. Because, although at that stage of the argument he has already shown that the common 'something' is the form of general exchangeability, he does not actually *name* it until separating, in turn, that form from its content or substance.

> All these things now tell us is that human labour power has been expended to produce them, human labour is accumulated in them. As crystals of this social substance, which is common to them all, they are values – commodity values [*Warenwerte*].
>
> We have seen that when commodities are exchanged, their exchange value manifests itself as something totally independent of their use value. But if we abstract from their use value, there remains their value, as it has just been defined. The common factor in the exchange relation, or in the exchange value of the commodity, is therefore its value.[40]

Marx names that intrinsic attribute of general exchangeability which is manifested in exchange value, and which is posited by the abstract character of labour, *value*.[41] Now, in opposition to the claims of a great deal of contempor-

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do not need to be included in the dialectical presentation, although the researcher might decide to present them in order to stress the correct analytical path that leads to the discovery of the determinate content behind a specific social form (see footnote 30 above). Hence, when considering the action that posits the form of general exchangeability of commodities, the only actions other than labour that Marx contemplates (and obviously discards) are purely natural actions. In other words, he does not consider other kinds of human action, such as exchange or subjective 'valuation' of the utility of the commodity. However, as Iñigo Carrera (2007, p. 24) points out, neither of those other human actions can explain the *two* features that, at that stage of argument, Marx has already discovered as constituting the commodity. First, the fact that the attribute of general exchangeability is specific to capitalist society (subjective valuation of utility is a human action which occurs in non-capitalist modes of production as well, and yet it does not objectify in the value form of the product). Second, the value form is materially carried by the use value of the commodity as its bearer, which means that the action that posits those two attributes must be the same (in this sense, exchange is an action which *presupposes* rather than posits the existence of the use value of the commodity).

[40] Marx 1976g, p. 128.

[41] This postponement of the naming of value is one of the changes that Marx made to the First Edition of *Capital*. In the latter, the naming of 'value' occurs *before* discovering its content as 'congealed abstract labour' (see Marx 1976e, p. 9). As Fitzsimons (2012, p. 25) notes, the introduction of specific terms *after* the content of their respective determina-

ary literature on Marx's theory of the value form, I think that the (analytic) search for the specific determinations of the commodity – Marx's stated aim in Chapter 1, according to the quote above – is evidently not achieved with the discovery of abstract labour as the substance of value.[42] Quite to the contrary, that very specificity seemed to have slipped through Marx's fingers. In effect, although he found the specific attribute of the commodity in its value, when he moved to account for its substance he ended up with something which bears

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tions has been unfolded is an aspect of Marx's exposition that recurs throughout *Capital*. This presentational strategy is underpinned by a substantive methodological issue that sets apart dialectics from representational thought. Whereas the latter starts out from 'concepts' or 'categories' (i.e. purely ideal or mental abstractions) and their definitions, in dialectical science definitions do not *determine* in advance the content of a term and therefore cannot be the point of departure of the exposition. Instead, they only encapsulate determinations that have already been laboriously *developed*. In other words, definitions are arrived at rather than departed from.

[42] As a reaction to the ahistorical, Ricardian reading of Marx's account of the value form, the 'new consensus' tends to see abstract labour as a purely historical, specific social form. See, among others, De Angelis 1995; Postone 1996; Reuten 1993; Arthur 2001b; Bellofiore and Finelli 1998; Kay 1999; Saad-Filho 1997; Mohun and Himmelweit 1978; de Vroey 1982; Eldred and Haldon 1981; Bellofiore 2009a; Heinrich 2009; Mavroudeas 2004; McGlone and Kliman 2004; Roberts 2004. I have developed a more extended critique of this new consensus in Kicillof and Starosta (2007a and 2007b). Here I can only offer some brief remarks on this issue. As I argue below, abstract labour is a generic material form, a 'productive expenditure of human brains, muscles, nerves, hands etc.' (Marx 1976g, p. 134). What is specific to capitalist society is the role it plays by being determined as the substance of the most abstract form of objectified social mediation, namely, value. Murray (2000) comes very close to recognising this through the distinction between 'physiological' abstract labour and 'practically abstract' labour. A proper discussion of Murray's own solution to what he terms 'Rubin's dilemma' exceeds the scope of this chapter. Here I would only like to note that Murray's merit is to grasp the importance of highlighting the *materiality* of abstract labour while making clear that this does not necessarily lead to an asocial perspective on the value form. In this way, his recent contribution to the debate provides a necessary correction to what I see as a formalist overreaction of much recent theorising on the value form. See also Reuten's reply to Murray (Reuten 2000) and the latter's rejoinder (Murray 2002). Whilst still seeing abstract labour as capital-specific, Robles Báez (2004) offers probably one of most interesting treatments of the *movement of the contradiction* between the generic, physiological materiality of abstract labour and its historically specific *social* determination as the substance of value deriving from the private character of labour in capitalism. See also Carchedi (2009 and 2011a, pp. 60–74) for a similar argument. The debate on the nature of abstract labour has not been settled and has continued in more recent times. See Bonefeld 2010b and 2011a; Carchedi 2011b; Kicillof and Starosta 2011.

no specifically capitalist character: 'merely congealed quantities of homogeneous human labour, i.e. of human labour power expended without regard to the form of its expenditure'.[43] But it is evident that in any form of society, human beings objectified their subjective labour power and that that process of objectification entailed both a concrete or particular character and an abstract or general one. Thus far, then, this stage of the analytic process does *not* show *why* this generic materiality takes the objectified social form of value. It does not even tell us *what* is the historical form of social labour which is determined as value-producing. It *only* tells us *what* is the *material* determination of that which in capitalist society is *socially* represented in the form of value. This is the reason why Marx still carries on with the analytic search for the '*formal determinants* that it contains as a commodity and which stamp it as a commodity'.[44] This leads Marx's dialectical analysis to give closer scrutiny to the labour that produces commodities. As any attentive reader could tell, the analytic process continues and only in the section on the dual character of labour does Marx finally find the historically specific form of social labour that produces commodities and, hence, value.

In effect, Marx observes that the individual commodity he is analysing is only one among many within a totality of different commodities. But the same follows for the particular labours that underlie the varied use values taking the commodity form. In other words, Marx points out that generalised commodity production presupposes the existence of an extended social division of labour and that the latter, as the 'totality of varying deployments of useful labour', is an 'eternal necessity of nature for the sake of mediating the material interchange between man and nature (i.e. human life)'.[45] On the other hand, this analysis also makes clear that the reverse relationship does not hold, that is, the division of labour must not necessarily take the social form of the production of commodities. The formal determination of the commodity must therefore spring from the specific social form taken by the organisation of the division of labour in our present-day society. The commodity, Marx eventually concludes, is the objectification 'of mutually independent acts of labour, performed in isolation'.[46] In other words, it is the 'labour of private individuals who work independently of each other',[47] or *private and independent labour*, which constitutes the specifically capitalist form of labour or productive activity. In this social form of the human life process, the producer has the full conscious productive capacity to control the individual character of her/his labour, but cannot recognise and organise (i.e. she/he is unconscious about) the social determinations of human individuality. Hence the inversion of those social powers into an attribute of the product of labour, namely, the value form. The analytic process completes the search for the specific determinations of the value form by revealing that the attribute of general exchangeability of the commodity springs from the abstract or general character of socially necessary *privately performed* labour materialised in it. The value form, then, becomes known in its essential determination as the *objectified or reified expression of the social character of the individual labour of private and independent producers*. Its objectivity is thus revealed to be wholly social, without an atom of 'matter' entering into it.[48]

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[43] Marx 1976g, p. 128.

[44] Note that had abstract labour as such constituted the specificity of value-positing human action, Marx's analytical search would have come to an end.

[45] Marx 1976e, p. 12.

[46] Marx 1976g, p. 131.

[47] Marx 1976g, p. 165.

The Synthetic Phase of Reproduction Proper

It is only now that the synthetic stage of the presentation begins. This consists in ideally following the realisation of the discovered potentiality immanent in the commodity. From then on, the commodity ceases to be grasped in its exteriority as an 'inert' social form – as a sheer external object – and the exposition starts to follow its self-movement as the subject of the development of those determinations – previously discovered through analysis – into its more concrete forms.[49] This is subtly indicated by Marx at the end of his discussion of the qualitative determinations of the relative form of value.

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[48] Marx 1976g, p. 138.

[49] Iñigo Carrera 2008, p. 321. In a recent article, Arthur (2004a, pp. 41–2) also acknowledges this important aspect of Marx's presentation. However, he still maintains that Marx failed to provide in Chapter 1 an adequate explanation for the determination of abstract labour as the substance of value and should have postponed the introduction of abstract labour until the level of abstraction of the capital form. See also Arthur 2005, p. 119. The shortcoming of this view – also shared by Lapavitsas (2005) and Campbell (2013), the latter following Reichelt (2007) – is that it leads to a formalistic understanding of the value form, which obscures the very question that the latter, in its own reified way, is meant to solve: the establishment of the material unity of social labour when it takes the form of private labour (Brown 2008). This idiosyncratic separation of the form of value from its substance at the level of the commodity form had already been advanced by Itoh (1988). See Clarke (1989), for a critique of Itoh's radical separation of the theory of the form of value and the theory of the substance of value.

> We see, then, that everything our analysis of the value of commodities previously told us is repeated by the linen itself, as soon as it enters into association with another commodity, the coat. Only it reveals its thoughts in a language with which it alone is familiar, the language of commodities. In order to tell us that labour creates its own value in its abstract quality of being human labour, it says that the coat, in so far as it counts as its equal, i.e. is value, consists of the same labour as it does itself. In order to inform us that its sublime objectivity as value differs from its stiff and starchy existence as a body, it says that value has the appearance of a coat, and consequently that in so far as the linen itself is an object of value [*Wertding*], it and the coat are as like as two peas.[50]

The unfolding of this movement spoken 'in the language of commodities' is precisely what the subsequent synthetic stage of the presentation consists of. Being a *purely social* power of the commodity, value cannot be immediately expressed in its sensuous corporeal materiality. As the capacity of the commodity to be exchanged for other different commodities, value can only be manifested in the social relation between commodities. Therefore, the value of a commodity necessarily expresses itself only in the use value of the commodity that is exchanged for the commodity in question as its equivalent. In this way, value takes the concrete shape of exchange value as its necessary form of appearance. In its most developed form, value acquires independent existence as money and the expression of value in the particular commodity acting as money becomes determined as price. The opposition inherent in the commodity is thus externalised through the doubling of the commodity form into ordinary commodities and money. The power of direct exchangeability of commodities negates itself as such to become affirmed as a social power monopolised by the money form.

It is in the course of the synthetic movement of this development, when seen from the point of view of its *qualitative content*, that the answer to the 'why' questions which the analytic stage was unable to provide is given. In other words, it is the development of the expression of value that unfolds the explanation as to why the objectification of the abstract character of privately performed labour takes the social form of value or, to put it differently, why private labour is value-producing.

In a nutshell, the issue comes down to the fact that it is only the expression of value that progressively reveals to us the problem that the commodity form of the product of labour is meant to solve. I am referring to the mediation in the establishment of the unity of social labour when performed in a private and independent manner. And since this unity becomes condensed in the money form, it is the unfolding of its determinations, synthesised in the peculiarities of the equivalent form and derived from its general determination as the form of immediate exchangeability, that provides the answer to the question as to why private labour must produce value.[51]

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[50] Marx 1976g, pp. 143–4.

As the other side of its two-step analytic discovery, the synthetic ideal reproduction of the determinations of the value form comprises two aspects, each one corresponding, respectively, to the second and third peculiarities of the equivalent form. The first one – whereby the concrete labour that produces the particular commodity acting as general equivalent becomes the form of manifestation of the general character of human labour – shows, precisely, why that material expenditure of labour power has to act as the social form of labour, i.e. why it is that *abstract* labour is the substance of value. The second one – whereby the private labour that produces the equivalent commodity becomes the immediate incarnation of directly social labour – in turn makes it evident why private labour must produce value at all.

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[51] In the Second Edition of *Capital* and the 'Value form' appendix to the First Edition, Marx develops all the peculiarities of the equivalent form as part of his discussion of the *simple* form of value. By contrast, in the First Edition, the second and third peculiarities are developed in the context of the 'reversed' form of the expanded form of value, an intermediate step which Marx did not include in the Second Edition, where he directly jumped from the expanded form of value to the general form. I think that, for my purpose here, the presentation of the First Edition is clearer. In effect, as Marx himself notes (Marx 1976e, p. 26), the solution to the problem at stake (the establishment of the unity of social labour) is revealed only when the expression of value acquires its plenitude as the form of general exchangeability by relating through the value form the universe of all existing commodities. This only occurs with the general form of value (although a defective – because it is not unified – manifestation, is already found in the expanded form). That is why I shall follow the presentation of the First Edition. On the other hand, there might be a strong reason why Marx decided to move the peculiarities of the equivalent form to the simple expression of value. In a nutshell, the point is that for the presentation of the unfolding of the specific content of the *qualitative* determination involved in the expression of value, its simple form suffices. That is why Marx states that 'the whole mystery of the form of value lies hidden in this simple form' (Marx 1976g, p. 139). The *further* formal unfolding of the more developed expressions of value only entails *quantitative* differences within that very same *qualitative determination* (Iñigo Carrera 2013). Certainly, that purely *formal* construction *helps* the comprehension of the qualitative determination entailed in the form of value by making explicit aspects of the former which are not *immediately visible* in the simple form. But no novel *quality* is unfolded. In this sense, and contrary to the claims of some scholars (Robles Báez 1997), the expansion and inversion of the simple form of value does not entail, properly speaking, any 'dialectical' or immanent self-movement. It is only a wholly formal (hence extrinsic) *representation*, which involves a *quantitative generalisation* of the qualitative determination already *fully realised* in the simple form. Incidentally, this illustrates what is the role of *formal logic* within dialectical knowledge, namely, the *representation* of the (necessarily external) determinations of quantity, that is, of 'difference determined as indifference' (Iñigo Carrera 2008, pp. 269–70). In the words of Hegel, 'a being that is indifferent with regard to determinacy' (Hegel 1991, p. 157).

In effect, through the general expression of value, all commodities relate to each other as possessing an identical social essence as exchangeable things in the same magnitude. In other words, albeit in a mediated form that reflects their social form of value as the immediate attribute of the general equivalent, their social relation of general exchangeability achieves its unity. But since they are only values as expressions of the same common social substance, i.e. abstract labour, the unity of the expression of value puts us before the unity of *undifferentiated* human labour. In determining the concrete labour that produced the equivalent as the immediate mode of appearance of abstract human labour, now the social relation between commodities itself makes plain that the different concrete labours that produced them are but different ways in which the total labour power of society has been expended. Those varied useful labours now show themselves to be what they actually are: differentiations of the expenditure of human labour power or determinate modes in which the human body has been productively exerted. In this 'roundabout way', as Marx puts it, the development of exchange value confronts us with the generic problem that any society must confront, namely, *the social regulation of the differentiation of human labour*, which 'is capable of receiving each and every determination … but is undetermined just in and for itself',[52] and which is necessary for the reproduction of human life. The exposition of the dialectical analysis of the commodity had already discovered that a commodity-producing society presupposed an extended division of labour. Now we can see that the materialised social relation itself – the value form – *affirms itself as the mediator* in the articulation of that division of labour, i.e. in establishing the relation between different labours as organic specifications of human labour in general.

> As *values* the commodities *are* expressions of the *same unity*, of abstract human labour. In the form of *exchange value* they *appear* to one another

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[52] Marx 1976e, p. 20.

> *as values and relate* themselves to one another *as values*. They thereby relate themselves at the same time to abstract labour as their *common social substance*. Their *social relationship* consists exclusively in counting with respect to one another as expressions of this social substance of theirs which differs only quantitatively, but which is qualitatively equal and hence replaceable and interchangeable with one another … It is only the kind of thing that can turn mere objects of use into *commodities* and hence into a *social* rapport. But this is just what *value* is. The *form* in which the commodities *count* to one another as values – as coagulations of human labour – is consequently their *social form*.[53]

The necessity of abstract labour as the substance of value thus becomes finally unfolded. Abstract labour is the substance of value not because a logical argument says that it is the common property of commodities we were searching for in the name of sound principles of logic. Abstract labour becomes determined as the substance of value because *in reality* the latter is the objectified social form that mediates the organisation of that purely material expenditure of the human body into its different concrete forms across society. Given that the latter is what the value form mediates, what else could be represented in that objectified form? On the other hand, it is self-evident that abstract labour does not cease to be a generic material form because of this determination as the substance of value. Hence, as stated above, the determination of labour as abstract labour is not the reason behind its existence as value-producing labour. What is specific to capitalist society is that this purely material form negates itself as simply such so as to become affirmed as the producer of the (objectified) general social relation.[54] Once objectified, the generic *materiality* of the abstract character of labour plays a particular social role in the process of social metabolism by being represented as the *social objectivity of value*.

> The commodities' social form is their relationship to one another as *equal labour*; hence – since the equality of *toto coelo* [utterly] different labours can only consist in an *abstraction from their inequality* – their relationship to one another as *human labour* in general: expenditures of human labour power, which is what all human labours – whatever their content or mode of operation – actually *are*. In each social form of labour, the labours of

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[53] Marx 1976e, pp. 28–9.

[54] Kicillof and Starosta 2007a, 2007b and 2011; Iñigo Carrera 2008, pp. 340–1.

> different individuals are related to one another as human labours too, but in this case this *relating itself* counts as the *specifically social form* of the labours.[55]

To recapitulate, thus far I have discussed how the formal development of exchange value, and in particular the unfolding of the determinations of the second peculiarity of the equivalent-form, contains the account of the reason why *abstract labour* is the substance of value. What still remains to be answered is why this general material character of the expenditure of human labour power becomes *substance of value*. In other words, we have to see why human productive activity becomes determined in capitalist society as value-producing, the second step in the synthetic movement referred to above.

The answer to this question follows from the third peculiarity of the equivalent form. In effect, as the social incarnation of human labour in general, the concrete labour that produces the equivalent acquires in its immediacy the form of equality with respect to the other concrete useful labours. In this form of immediate identity with every other concrete labour, the labour that materialises in the general equivalent is *immediately social*, whilst the useful labours producing the rest of commodities remain *not-immediately social*. Thus the development of the expression of value in the form of exchange value puts us before the reason why the organisation of the division of labour must necessarily be mediated in this reified form or, what is the same, why commodity-producing labour is essentially value-producing. Although materially dependent upon one another as part of the 'primordial system of the division of labour', this irreducibly social character of *private labours* is not immediately manifested when they are actually objectified in the direct process of production. Hence, this necessary social articulation of private labours is realised through the mediation of the exchange of the products of private labour as commodities. Only at that moment is the question of whether the expenditure of the portion of social labour which each producer personifies is socially useful able to be answered. This is the reason why the social character of the privately performed individual productive activities is specifically represented as a determinate objective attribute of the products of labour: the form of their general exchangeability or their value form. The basis of this reified social mediation thus resides in the fact that the unity of social labour is manifested, as Marx puts it in the *Grundrisse*, only *post festum*, through the exchange of the products of labour.[56] Furthermore, the unity of social labour thus becomes socially represented in the form of the particular private product that the rest of commodities separate as their general equivalent and which eventually ossifies in the money form. In tracing the genesis of the latter through the ideal reproduction of the expression of value, the synthetic stage of the dialectical exposition thereby positively unfolds the determinations of that which the analytic process could only *point out*. Namely, that the value form of the product of labour is the materialised general social relation of human beings in the capitalist mode of production and, therefore, the *social subject* of the *form* taken by the social process of production of human life in this historical stage of its development.[57]

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[55] Marx 1976e, p. 32.

Only at this juncture does Marx introduce the fundamental discussion of the fetish character of commodities. The question that immediately arises, and which is hardly addressed in the literature, is why only and precisely then? I think that the answer to this question is inseparable from the issue about the determinate content of the section on commodity fetishism and its place in the overall structure of Marx's exposition in *Capital*. The aim of the next chapter, then, is to proceed to deal with these questions. Again, I will show that only through a proper grasp of the dialectical method can the full implications and significance of Marx's account of commodity fetishism be uncovered.

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[56] Marx 1993, p. 172.

[57] We shall see that in becoming capital, the materialised social relation of private and independent individuals is constituted as the social subject of the form *and content* of the process of production of human life.

Which 'Rational Kernel'? Which 'Mystical Shell'? A Contribution to the Debate on the Connection between Hegel's *Logic* and Marx's *Capital*

Gastón Caligaris and Guido Starosta

1 The Issue at Stake

The question about Hegel's legacy in the Marxian critique of political economy has been one of the most widely debated issues within the history of Marxist thought. In recent decades, a new strand of scholarly work has emerged which has radically challenged the 'received wisdom' about the 'Hegel–Marx connection'.[1] Usually grouped under the 'systematic dialectic' label, this novel assessment of the intellectual relationship between the two German thinkers has decisively broken with the orthodox views of Diamat as epitomised in Stalin[2] and official Soviet manuals, which in turn drew direct inspiration from the classical works of Engels,[3] Plekhanov[4] and Lenin.[5] On the other hand, this new critique has also provided an alternative to the views associated with the so-called 'Western Marxist' tradition, whose interest in the recovery of the Hegelian lineage in Marx's thought fundamentally centred on reinstating the rôle of subjectivity against the crude objectivism and economism of Diamat.

This more recent strand of research has focused on the *methodological* relevance of Hegel's thought for the development of the Marxian critique of political economy. More specifically, whereas in earlier studies the emphasis was mainly on the relationship between Hegel's *Phenomenology of Spirit* and the 'young Marx', this more recent literature has focused on the links between *Capital* and Hegel's *Science of Logic*. Although there are various particular controversies over the precise nature of this connection, most contributions agree that the structure of the argument in *Capital* is organised in a dialectical form which, at the very least, can be said to draw formal inspiration from the general form of movement of categories that Hegel deploys in his *Logic*. Thus Marx's presentation is seen as involving a (synthetic) movement from the more abstract or simple form-determinations of the subject-matter (namely, capital) to the increasingly more concrete or complex forms in which it moves and eventually manifests in 'empirical' reality, thereby culminating in the intellectual reproduction of capital as the unity of those many determinations. Inasmuch as the transition from one economic form to the next is seen as being driven by the development of the contradictions immanent in each of them, their relationship is generally deemed as internal and grounded in dialectical necessity, in contrast with the externality that inevitably results from the use of formal logic.

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[1] See, for instance, Murray 1988, Reuten and Williams 1989, Smith 1990, Moseley 1993b, Moseley and Campbell 1997, and Arthur 2002.

[2] Stalin 1947 [1938].

[3] Engels 1987a [1877], 1987b [1872–82] and 1991 [1886].

[4] Plekhanov 1965 [1891], and 1976 [1895].

[5] Lenin 1977 [1908], and 1976 [1895–1916].

Now, beyond this general consensus within the 'systematic dialectic' literature, two broadly defined approaches can be identified.[6] Firstly, there is the group of authors who examine the Hegel–Marx connection through the so-called 'homology-thesis'. Perhaps the most emblematic contribution from this perspective can be found in the work of Chris Arthur,[7] who argues for the existence of a very close '*homology* between the structure of Hegel's *Logic* and Marx's *Capital*'.[8] According to this approach, a strict mapping of most categories of the *Science of Logic* onto the systematic presentation in *Capital* is possible (and actually illuminating), 'because capital is a very peculiar object, grounded in a process of real abstraction in exchange in much the same way as Hegel's dissolution and reconstruction of reality is predicated on the abstractive power of thought'.[9]

The second strand within the 'systematic dialectic' literature consists in a materialist reading of Hegel's work in general and the *Logic* in particular. Tony Smith's work is perhaps the most representative of this perspective.[10] The essential point made by Smith is that Hegel's dialectical method *fully* coincides with Marx's, notwithstanding the latter's repeated remarks to the contrary throughout his lifetime. The *Logic* is thus read as a systematic-dialectical exposition of the fundamental ontological structures of real material being, that is, as a 'materialist ontology'.[11] The relevance of the *Logic* thus derives from providing the basic categories that are needed to capture the 'intelligibility' of the material world.[12]

In sum, whereas for Arthur's approach the content of the *Logic* is *purely and absolutely idealist*, according to Smith's interpretation it is *sheer materialism*.

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[6] See Riccardo Bellofiore in this volume, pp. 167–72.

[7] Arthur 2002.

[8] Arthur 2002, p. 7.

[9] Arthur 2002, p. 8.

[10] Smith 1990.

[11] Smith 1990, p. 8.

[12] Smith 1990, p. 5.

Whereas for Arthur's homology-thesis the *Logic* can shed light on capitalist social forms only, for Smith's Hegel-as-materialist reading its field of 'applicability' or relevance is broader and could in principle include non-capitalist social forms and natural forms as well. Finally, whereas according to Arthur the Marxian critique of political economy can benefit from the discovery of homologous logical forms implicit in the inner connection between the different form-determinations of capital, for Smith the question is rather that of becoming aware of the general ontological structures that organise the systematic ordering of economic categories.

Now, this debate about the significance of the *Logic* for the critique of political economy can be reframed in terms of Marx's well-known explicit statement about the relationship between his dialectical method and Hegel's: the key issue at stake seems to be the establishment of the precise nature of the rational kernel within the (allegedly) mystical shell.[13] This chapter attempts to contribute to the debate by providing an alternative perspective on the connection between Hegel's *Logic* and Marx's *Capital* to the two just sketched out above. Drawing on Juan Iñigo Carrera's work on the relationship between the dialectical method and the critique of political economy,[14] we shall argue that the methodological and scientific significance of the *Logic* – the 'rational kernel' – does not come down to offering the purely logical form of capital's peculiar inverted ontology. Here we tend broadly to concur with Smith's critique of the homology-thesis. However, *contra* Smith, we shall also show that the content of the *Logic* cannot be simply taken over for a Marxian 'systematic dialectic'. As we shall see, the 'mystical shell' affects the very structure of Hegel's book.

2 Marxists on *Science of Logic*'s Rational Kernel and Mystical Shell

In the founding works of Diamat, the *Logic* is usually taken as containing 'the fundamental laws of dialectics', which are then to be applied to more concrete objects such as history, capitalism, and so on. It is thus argued that Hegel would have discovered those laws but 'in his idealist fashion as mere laws of thought'.[15] In so far as those texts do not offer any substantive critique of the specific content developed in the *Logic* (which in many cases they simply reproduce almost word by word), it must be assumed that for this reading the rational kernel consists in the dialectical unfolding of the logical categories just as is presented by Hegel. For its part, the mystical shell is seen in Hegel's claim that the subject of those different logical forms is not the real human being 'reflecting' in his brain the structure and movement of matter or nature, but the 'Absolute Idea'. This position is nicely expressed by Lenin's famous aphorism: the question is how to 'read Hegel materialistically ... that is to say ... cast aside for the most part God, the Absolute, the Pure Idea, etc.'[16] It would seem, then, that the matter comes down to the substitution of a materialist terminology for Hegel's idealist one, that is, replacing the term 'Idea' with the word 'matter'.

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[13] Marx 1983a, p. 248, and Marx 1976c [1867], p. 103.

[14] Iñigo Carrera 1992, 2007, 2013, and in this volume.

[15] Engels 1987b [1872–82], p. 356.

This orthodox interpretation has been challenged from two opposing perspectives. The first one submits that uncritically appropriating the systematic-dialectical method unfolded in the *Logic* necessarily involves accepting Hegel's absolute idealism. In this sense, there simply is no rational kernel to discover. At the other end, some authors argue that the *Logic* does not deal with any metaphysical super-subject, but only unfolds systematically all the necessary categories for making intelligible the more abstract ontological structures of the material world. As a consequence, this reading tends to conclude that there actually is no mystical shell. Hegel's *Logic* is therefore seen as all rational kernel from beginning to end.

Lucio Colletti's influential *Marxism and Hegel* is a good illustration of the first perspective.[17] According to this author's provocative thesis, the main achievement of Hegel's *Logic* is to offer, for the first time in the history of philosophy, a solid exposition and justification of 'idealism in a logically coherent fashion'.[18] And it does this precisely by resorting to the dialectical method. Colletti makes his case by critically examining the dialectic of the finite and the infinite that Hegel develops in the 'Logic of Being'. In this reading, the demonstration of the contradictory character of the finite contained in those pages constitutes a key moment in Hegel's speculative philosophy, since 'finitude is the most stubborn category of the understanding'.[19] The reason for this speculative significance is that in the finite the understanding grasps 'the negation as *fixed in itself*, and it therefore stands in abrupt contrast to its affirmative',[20] that is, the infinite. In sticking to the fixity of finite being, that is, in denying the dissolution of the finite or the 'ceasing to be of the ceasing-to-be',[21] the understanding can only grasp it 'as irreconcilable with the infinite'[22] and, hence, condemns the mediation between them to failure. On the contrary, with the awareness of the contradictory character of the finite and its resulting 'ontological instability', Hegel is able to reveal how the finite, through its own immanent dialectic, passes over into the infinite. In this way, he overcomes the radical opposition between them, a task which the understanding is unable to achieve. However, Colletti's argument goes on, Hegel can only succeed at this by condemning the finite to unreality or ideality. In other words, Hegel can provide a rationally coherent speculative mediation of the finite and the infinite by reducing the former to a vanishing moment of the latter's process, which alone possesses 'true' reality. On the other hand, Colletti points out that for Hegel only thought has universality and infinity. The dialectic of the finite is thus equated by Hegel to the 'annihilation of matter'. Thus Colletti concludes that this demonstration of the dialectical or self-contradictory character of finite being must of necessity entail absolute idealism, since the sensuous material world (the finite) is conceived as a mode of existence of thought (the infinite). The dialectical method, that is, the conception according to which 'everything finite is alterable and perishable' and 'being implicitly the other of itself, is driven beyond what it immediately is and overturns into its opposite',[23] is for Colletti inherently idealistic.[24]

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[16] Lenin 1976 [1895–1916], p. 104.

[17] Colletti 1973 [1969].

[18] Colletti 1973 [1969], p. 8.

[19] Hegel 1999 [1812–16], p. 129.

[20] Hegel 1999 [1812–16], p. 130.

[21] Hegel 1999 [1812–16], pp. 130–1.

Now, if we examine more closely the dialectic of the finite in *Science of Logic*, it becomes clear that, *pace* Colletti, those pages do not develop a demonstration of the ideal character of the sensuous material world and therefore do not provide the key argument for the idealist nature of Hegel's system.[25] The only thing that Hegel is proving there is the fact that things are 'finite' means that they carry within themselves the necessity of their own negation. Consequently, they cannot be properly grasped if represented as self-subsistent entities or immediate (or unmediated) affirmations. Instead, things or objects need to be grasped as *self-moving*, that is, as *subjects* of their own qualitative transformation into another 'finite' form. An object thus realises its own qualitative determination by becoming another, that is, through *self-mediation*. This is, in our view, all that Hegel is trying to expound in those pages: real forms of 'being' affirm through self-negation. It is in that specific sense that according to him reality is the *movement of contradiction*. To put it differently, Hegel's point in those pages is just to say that the true infinite is nothing but the immanent *self*-movement of the finite, which it affirms through self-negation. Colletti's reading of those texts, which conflates Hegel's *systematic exposition* and his indisputably idealist remarks in the *addendum*, leads him to throw the baby out with the bath-water.

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[22] Hegel 1999 [1812–16], p. 130.

[23] Hegel 1991 [1817], p. 130.

[24] Colletti 1973 [1969], pp. 14–15.

[25] See Houlgate 2005, p. 429.

Thus, Hegel's insight into the self-moving nature of real forms, which constitutes his great scientific discovery and thus the rational kernel to be found in the *Logic*, is not inherently tied to his absolute idealism. In fact, following Iñigo Carrera,[26] one could argue that the opposite is the case. In other words, it is the rejection of that Hegelian discovery that inevitably leads to an idealist representation of reality. In effect, when real forms are represented as devoid of any immanent necessity driving them to self-movement, forms of 'being' are reduced to lifeless abstractions which can only be put into *external* relation with each other by means of subjective reflection. An unbridgeable gap between knowledge and reality is bound to emerge. As a consequence, the relations between objects that are then established through the act of cognition (that is, the theoretical construct) must inevitably remain alien to the immanent nature of things themselves. In this way, although ideas are not believed to 'produce' reality by this train of thought, it follows that they do bestow movement upon real forms (thereby determining the nature of their mutual relations). Conversely, only when things are grasped as bearers of an intrinsic objective potentiality for self-movement does it make sense to raise the question of the ideal reproduction of the 'immanent life' of the subject-matter.

This last point can perhaps serve us to bring out more clearly the difference between Colletti's ultimately Kantian perspective and Marx's materialist-dialectical method. Colletti, in a truly Kantian fashion, saw more abstract determinations of objects as merely subjective ideas that help organise a given, immediately-perceived content, of which alone he is ready to predicate materiality and sensuousness.[27] By contrast, Marx considered the non-immediately perceptible, more abstract determinations of real forms as *objective*, even if cognised only by means of thought. On this particular point, Marx was fundamentally in agreement with Hegel although, as we shall see in the next section, he did consider that such rational insight was presented in the *Logic* within a mystical shell.

Let us now turn to the other position on the rational kernel and mystical shell in Hegel's *Logic*, which can be found in the aforementioned work of Tony Smith. According to the argument put forward in his book *The Logic of Marx's*

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[26] Iñigo Carrera 2013.

[27] Strictly speaking, Colletti does recognise the objectivity of abstract forms, but only for capitalism, whose 'social ontology' gives rise to a suprasensible 'world of abstractions' (Colletti 1973 [1969], p. 227ff). Here he anticipates some of Arthur's ideas.

'Capital', Hegel's *Logic* deals with the fundamental categories of thought that are necessary to grasp the inner intelligibility of reality. In this treatment of logical categories, Smith argues, Hegel 'derive[s] three general types of categorial structures', one of 'simple unity', another of 'difference' and, finally, another of 'unity in difference'.[28] Moreover, in so far as those categorial structures are immanently and contradictorily connected, it is possible to 'construct a systematic theory of categories by employing the dialectical method'.[29]

In this reading, the *Logic* turns out to be entirely 'compatible with Marx's materialist ontology',[30] so that there is no reason to reject it for its idealism. Moreover, the alleged ground of Hegel's idealism cannot even be found where Marx himself thought it could be located, that is, towards the end of the categorial construction, at the point where Hegel unfolds the transition to the realm of nature and of human spirit as the self-negating action of the Absolute Idea. According to Smith, in those passages Hegel 'is indulging in picture-thinking, in imaginative representations that on his own terms belong on a pre-philosophical level',[31] a form of expression that he was compelled to resort to in order to make his philosophy appealing to a mainly Christian readership.

Now, if we set aside the thorny question of textual support for this reading, Smith's interpretation would indeed be plausible and, if correct, would certainly free Hegel's philosophy from charges of absolute idealism. However, this would not automatically turn Hegel into a materialist in Marx's specific sense. In order to prove this, a different kind of argument would be needed. Above all, proof should be provided that the structure of real material being actually coincides with the structure of pure thought-forms presented in the *Logic*. Smith's further claim that the categories presented in that work 'are initially won in confrontation with the empirically given'[32] will not do either, since that is far from guaranteeing that the *systematic ordering* of those categories ideally reproduces the 'immanent life' of real material being. To put it differently, the question about the alleged materialist character of the *Logic* cannot be settled with evidence of Hegel's recognition of an objective reality existing outside thought. Instead, we think that the crux of the matter is whether the Hegelian systematic dialectic of logical forms correctly reproduces the more abstract determinations of material reality 'by means of thought'.

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[28] Smith 1990, pp. 5–6.

[29] Smith 1990, pp. 6, 13.

[30] Smith 1990, p. 36.

[31] Smith 1990, p. 11.

[32] Smith 1990, p. 4.

As we intend to show in the next section, Hegel's systematic development in the *Logic* is inherently flawed as an ideal reproduction of the inner connection between the more abstract forms of material reality. In a nutshell, we argue that in so far as his systematic dialectic begins with the simplest *thought-form* (*that is, with a purely ideal or formal abstraction*), his subsequent derivation of categories is bound to follow the immanent necessity of 'pure thought' as such, which, we shall further submit, does not express the inner movement of the simpler determinations of 'real material being'. In this sense, we do think that the peculiar form given by Hegel to his systematic dialectic is immanently bound to an idealist standpoint, although for very different reasons from those put forward by Colletti. This does not mean that there is nothing to recover from Hegel's immanent development of thought-forms. It only means that those rational elements need to be carefully discovered within a presentation which is, by virtue of its idealist nature, structured in such a form and ridden with categories that would have no place in a materialist systematic dialectic. Seen in this light, the main problem with Smith's perspective is not that his materialist reading of Hegel is not convincing. Rather, the key issue is that he takes over from Hegel a systematic dialectic which is quite simply flawed. As a consequence, alongside the 'rational kernel', he cannot but carry over the 'mystical shell'.

3 The Rational Kernel and Mystical Shell in Hegel's *Logic*

Abstraction versus Analysis

The starting point of the *Logic* is 'pure being' as thoroughly 'empty thinking'.[33] In other words, the book begins with being as a *thought-form* or the *thought of being*. The profound meaning and broader significance of this peculiar point of departure in Hegel's philosophy has been the subject of numerous controversies among commentators, particularly with regard to the connection between this category of thought and 'real being'. However, few scholars have actually taken Hegel to task for beginning his systematic dialectic with a thought-form. We shall consider below the implications that this point of departure has for the main theme of this chapter, namely, the rational kernel and mystical shell to be found in the *Logic*. For the moment, let us first critically examine the methodological procedure that is presupposed by Hegel's discovery of 'pure being' as the simplest category that sets into motion the subsequent dialectical unfolding of logical forms.

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[33] Hegel 1999 [1812–16], p. 82.

Hegel's choice of categorial starting point and the procedure by which he arrives at it follows from his idea that true speculative philosophy must involve *presuppositionless thinking*.[34] The 'beginning', he states, 'must be an *absolute*, or what is synonymous here, an *abstract* beginning; and so it *may not presuppose anything*'.[35] 'Strictly speaking', he further argues in the *Encyclopaedia*, 'this requirement is fulfilled by the freedom that abstracts from everything, and grasps its pure abstraction, the simplicity of thinking'.[36] More concretely, the procedure through which one can arrive at this pure abstraction consists in casting aside any thought that entails a certain complexity or concreteness, that is, any thought whose content presupposes the existence of any other thought. At this juncture, one could of course object that such an elementary abstraction would not have been reached on properly scientific grounds, that is, that it would be the result of a purely formal procedure that does not guarantee that we have actually reflected the immanent life of the subject-matter under consideration. In other words, this category would be a purely *formal abstraction* resulting from an act of subjective reflection that remains external to the object of cognition. Indeed, Hegel's retrospective discussion of the beginning of science in the section on the Absolute Idea speaks to this issue: the simplest category constituting the point of departure of his *Logic* is depicted as an 'abstract universal', which is said to be arrived at by *abstracting from* all determinacy.[37] In other words, pure being, as the category that sets into motion the (synthetic) movement of the *Logic*, is a category akin to those of the 'understanding' or 'representational thought', that is, one which only grasps objects one-sidedly in terms of their abstract self-identity.[38] In fact, as Carlson suggests, it could be said that it is actually the understanding that undertakes the act of abstraction and not speculative thought as such.[39] In this sense, Hegel saw the specificity of his 'absolute method' as essentially residing in the synthetic moment, that is, in the reconstitution of the unity of the different moments of the totality through a movement from its most abstract thought-form (pure Being) to its most concrete (the Absolute Idea).[40] Thus, he did not seem to recognise anything specifically speculative in the procedure through which the simplest category is arrived at, that is, in the reverse movement from the concrete to the abstract which the synthetic phase of systematic science presupposes.

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[34] Houlgate 2005, p. 29ff.

[35] Hegel 1999 [1812–16], p. 70.

[36] Hegel 1991 [1817], p. 124.

[37] Hegel 1999 [1812–16], pp. 69–72, 827–9.

[38] Hegel 1999 [1812–16], pp. 795ff, 828.

[39] Carlson 2007, pp. 27–8.

[40] Hegel 1999 [1812–16], pp. 830–1, 838.

Still, for Hegel such a discussion of the nature of the act of abstracting is immaterial at the initial stage of the investigation, since, strictly speaking, science proper has not actually begun. As he puts it some pages later in the *Logic*, '[w]hen being is taken in this simplicity and immediacy, the recollection that it is the result of complete abstraction ... is left behind, outside the science'.[41] As a contemporary Hegel scholar nicely puts it, in order to remain firmly on the path to a science without presuppositions, 'we must even abstract from and set aside – indeed deliberately forget – the very fact that pure being is the product of abstraction'.[42] Indeed, *once the standpoint of 'absolute knowing' is adopted*, and therefore *thought* as such is taken to be the legitimate immediate object of the investigation, the scientifically poor nature of the procedure through which its simplest category has been grasped (that is, the relative poverty of formal abstraction) does not compromise the validity of the subsequent dialectical unfolding that 'pure Being' sets into motion. Thus, regardless of the procedure used, the essential point is that in this process the speculative thinker has never abandoned his/her 'object-realm', namely, pure thought. In this sense, as long as (some version of) the identity of thought and being reached in the *Phenomenology of Spirit* is taken on board, Hegel's argument is perfectly coherent on this score, although, as we argue below, it is still inherently tied to his idealism.

However, matters are very different from a materialist standpoint. From this perspective, the method of formal abstraction as the prelude to synthetic development is rather problematic. In effect, when the immediate object of the act of cognition is not thought of as an existing form of 'material being', the formal abstraction resulting from arbitrarily casting aside all specific determinations inevitably takes us rather far from, and actually outside, the very 'object-realm' that we originally set about to cognise, namely, material reality. Following Marx's example in *The Poverty of Philosophy*,[43] if we abstract from the materials which make up a house, the result will be a purely ideal representation of a house with no materials, something which has no real referent, since there is no such thing in material reality. Hence, in abstracting from particular features of a concrete material object (a procedure that can be repeated as many times as the thinker wishes in order to find an ever simpler or more universal determination), we will no longer be dealing with really existing objects but with purely ideal or mental abstractions, that is, with 'pure thoughts'. On this basis, the subsequent reconstitution of the unity of the object cannot but result in a purely ideal construct, which will remain external to the object of cognition that constituted the starting point, and which only by chance will reproduce in thought 'the immanent life of the subject matter'. It follows from this that for a materialist, the consequence of using the method of formal abstraction is, if he/she does not wish to become a Hegelian idealist, the relapse into Kantian dualism, where the theoretical construct, no matter how internally consistent or coherent, will inevitably be radically separated from the real object of cognition.

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[41] Hegel 1999 [1812–16], p. 99.

[42] Houlgate 2005, p. 87; Hegel 1999 [1812–16], p. 99.

[43] Marx 1976b [1847], p. 163.

This is why we think that a materialist engagement with Hegel's *Logic* cannot avoid the critique of the initial formal abstraction that sets into motion the whole systematic development. This is precisely the cornerstone of Feuerbach's foundational critique of Hegel, as the following passage from *Principles of the Philosophy of the Future* eloquently puts it. Hegelian philosophy, Feuerbach states:

> presupposes nothing; this is nothing more than to say that it abstracts from all objects given immediately . . . In short, it abstracts from everything from which it is possible to abstract without stopping to think [*sic*], and makes this act of abstraction from all objectivity the beginning of itself.[44]

A few years later, Marx would develop in *The Poverty of Philosophy* a critique of Hegel's idealist abstraction along clearly Feuerbachian lines.

> Is it surprising that everything, in the final abstraction – for we have here an abstraction, and not an analysis – presents itself as a logical category? . . . If we abstract thus from every subject all the alleged accidents, animate or inanimate, men or things, we are right in saying that in the final abstraction, the only substance left is the logical category. Thus the metaphysicians who, in making these abstractions, think they are making analyses . . . are right in saying that things here below are embroideries of which the logical categories constitute the canvas.[45]

The significance of the latter passage for the purpose of our argument is that it brings to light Marx's alternative to Hegel's procedure of formal abstraction, namely *analysis*. Unfortunately, despite the stark contrast between abstraction and analysis made in the text above, and the many occasions on which Marx highlights the important rôle of analysis as a necessary moment of his scientific method,[46] there is no place in his works where he fleshes out in any detail the specific form of the analytical process within his materialist 'systematic-dialectical' approach. Moreover, despite all the light that the recent works on Marx's method have cast on the form of his systematic argument, they have been mainly focused on the *synthetic* aspects of Marx's dialectical presentation (that is, on the exposition of the dialectical movement 'from the abstract to the concrete'), at the expense of an insufficient thematisation of the peculiar rôle of the phase of analysis in his dialectical investigation generally, and in his presentation in *Capital* in particular.[47] And yet, we would like to argue that it is of utmost importance to grasp the difference between materialist analysis and Hegel's idealist abstraction. True, many authors have highlighted the distinction between the abstractions of Marx's critique of political economy and those of conventional social science.[48] However, not so many have critically engaged with Hegel's abstracting procedure. More importantly, as Iñigo Carrera points out, most authors have overlooked that the difference in the respective kinds of abstraction emerges as a result of the very *form* of the process of cognition on the basis of which those abstractions are identified.[49] This difference in form not only applies to the synthetic or genetic phase as is usually assumed, but crucially pertains to the process of analysis as well.

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[44] Feuerbach 1986 [1843], p. 19.

[45] Marx 1976b [1847], p. 163.

Although Marx did not leave us any written formalisation of the specificity of materialist analysis, it is possible to grasp its concrete workings from the 'analysis of the commodity' contained in the opening pages of *Capital*.[50] As he explicitly states in the 'Marginal Notes on Adolph Wagner's *Lehrbuch der politischer Oekonomie*', this analysis takes as a point of departure neither the concepts of political economy nor any concept whatsoever.[51] Instead, he starts with the immediate observation of 'the simplest social form in which the labour-product is presented in contemporary society':[52] the *commodity in the form in which it appears*. From this starting point, Marx proceeds by taking the individual commodity 'in his own hand' and analysing 'the formal determinants that it contains as a commodity and which stamp it as a commodity'.[53]

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[46] Marx 1973 [1857–8], p. 100, and 1989, p. 500.

[47] An outstanding exception can be found in the work of Iñigo Carrera (1992, 2007, 2013, and in this volume), on whose contribution we fundamentally draw.

[48] See Gunn 1992, p. 17, Clarke 1991, p. 81ff, and Murray 1988, p. 121ff.

[49] Iñigo Carrera 2013, p. 50ff.

[50] Since it is in the synthetic phase only that the unfolding of the real movement or life of the subject-matter and hence the explanation actually takes place, the presentation of the findings of the dialectical inquiry could take, in principle, a fully synthetic form (Iñigo Carrera 1992, p. 41). However, this is not the way Marx structured his dialectical exposition in Volume I of *Capital* in general and in Chapter I in particular; this exposition tends to include, in a 'stylised' form, brief presentations of the analytic process (Iñigo Carrera 1992, p. 46). In a context where Marx was presenting his materialist-dialectical method for the first time, his decision to include the analytical phase in the exposition might have played the rôle of bringing out its specificity *vis-à-vis* Hegel's idealist procedure.

These 'formal determinants' Marx initially discovers by looking at the use-value of the individual commodity, which in capitalist societies acts as bearer of a second, *historically specific* attribute of the products of labour. As happens with every real form, the first thing he encounters when facing the exchangeability of the commodity is its *immediate manifestation* – the quantitative relation 'in which use-values of one kind exchange for use-values of another'.[54] The next step in the analysis of exchangeability is the uncovering of the *more abstract form* (hence the *content*) behind that specific formal attribute of the commodity, this being the only way in which we can penetrate through the concrete form in which an immanent determination presents itself. Thus, the further analysis of the commodity reveals that exchange-value is actually the 'mode of expression' or 'form of manifestation' of a content distinguishable from it – value – the substance of which resides in the abstract labour congealed or materialised in it.

As is now widely acknowledged in the literature, the sequence at that particular stage of Marx's argument consists in going from *form* to *content*. However, the crux of the matter does not simply reside in realising this (which, at any rate, is explicitly announced by Marx himself in those pages), but in grasping the precise way in which properly dialectical analysis discovers the content behind the form and, therefore, their inner connection.

As Iñigo Carrera points out, conventional scientific method analyses a concrete form by separating what repeats itself from what does not in order to arrive at a certain characteristic. In turn, this common attribute makes possible the mental construction of a definition of that concrete form as that which has this or that attribute.[55] On his part, Hegel's pure abstraction in the *Logic* proceeds by casting aside all particular features of objects (that is, all determinacy) in order to find through that one step the 'abstract universal' that constitutes its simplest element. Regardless of their differences, these two procedures have in common that they result in strictly mental abstractions or categories which, by their own nature as 'pure thoughts', cannot but remain external and alien to the forms of material reality. Conversely, dialectical thought analyses a concrete form by, first of all, facing it as embodying a qualitative potentiality for transformation, and second, by grasping that qualitative potentiality as the concrete form in which a more abstract form realises its own qualitative potentiality, that is, its real necessity. Thus the dialectical ideal appropriation of the universe of different real forms does not proceed through an identification of the distinctiveness of forms on the basis of the degree of repetition of certain attributes. But neither does it operate by *abstracting from* every particular determination. Rather, it analytically separates the different forms by discovering as *immanent* in a particular concrete form the realised potentiality of another real form, which is abstract with respect to the first one, but concrete with respect to another form of which it is the realised potentiality.

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[51] Marx 2002 [1879/1881], p. 241.

[52] Ibid.

[53] Marx 1976c [1867], p. 1059.

[54] Marx 1976c [1867], p. 126.

[55] Iñigo Carrera 2013, pp. 50–1.

While conventional scientific method grasps the general determination of real forms as immediate affirmations and hence self-subsistent entities, the distinctive mark of the process of analysis in dialectical research is to grasp, *in the same analytic movement*, both the concrete form under scrutiny and the more abstract one of which the former is the developed mode of existence. In other words, dialectical thought grasps each form as the affirmation through self-negation of another, more abstract one (hence, as subjects of their own movement). Moreover, in contradistinction to Hegelian abstraction or conventional scientific analysis, Marx's dialectical analysis at no point leaves the terrain of the real. Both the immediate concrete form that he encounters and the relatively more abstract one discovered through analysis (the content) are wholly objective and real determinations of the object under scrutiny. This analytical procedure must be then renewed for those other more abstract forms, but now treated as the real concrete whose inner content the research is trying to uncover. Only once all those inner form-determinations have been discovered through analysis should the investigation undertake the 'return-journey' through which those abstract determinations, now in their self-movement, lead to 'the reproduction of the concrete by means of thought'.[56]

Ideal Reproduction of the Ideal versus Ideal Reproduction of the Concrete

Let us now return to the *thought of being* with which the *Logic* begins. As we have seen, this pure being is the product of total abstraction and, from a materialist standpoint, cannot be a real being; it can only exist as a *thought-form*. However, it could still be argued, as Smith does, that such thought of being is

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[56] Marx 1973 [1857–8], p. 100.

'isomorphic' with (hence reflects) real material being, so that there would be nothing problematic in unfolding the immanent life of the former as a substitute for the latter. If we took on board Hegel's characterisation of pure being as being that simply is, one could argue that the least that can be thought about any real object is that it is. Thus, according to this view the structure of ideal being would fully coincide with that of real being on this point.[57] However, nothing guarantees that the simplest (or rather poorest or emptiest) statement that we could utter 'to make an object intelligible' actually coincides with the simplest form in which a real concrete exists. In fact, as we suggest later on, the simplest form of existence of 'real material being' is not 'pure being'. In light of the previous section, we would be entitled to claim that the former and the latter coincide only *after* submitting an existing object to materialist analysis in the sense discussed above. In other words, only if after uncovering the respective content of each form-determination that we find *within* the real concrete under scrutiny, we encountered pure being as the simplest of them all, would it be scientifically correct to undertake the synthetic phase of reproduction with that 'category' as starting point. However, we have shown that this is not what Hegel actually did. And neither is it what those materialist readings of Hegel do.[58]

Still, if we further insisted on the isomorphic structure between the respective simplest forms of ideal and material being, the divergence between Hegel's idealist construction and material reality would re-emerge in the second step of the systematic unfolding of categories, namely, the passing over of pure being into pure nothing. If in the case of pure being there is at least the formal possibility that it ideally reflects the simplest determination of material being, in the case of pure nothing even that formal possibility should be ruled out from the outset. Indeed, from a materialist standpoint, the reality of pure nothing is simply meaningless. Thus, as Feuerbach's early critique sharply puts it, 'the opposition itself between being and nothingness exists only in the imagination, for being, of course, exists in reality – or rather it is the real itself – but nothingness, not-being, exists only in imagination and reflection'.[59]

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[57] Houlgate 2005, pp. 140–2.

[58] Smith's interpretation is a case in point. Despite correctly distinguishing between formal and real abstractions (Smith 1990, p. 60), he approvingly presents Hegel's 'analysis' as involving the 'appropriation of the results of empirical studies' undertaken by 'empirical sciences' (Smith 1990, p. 4); which is certainly different from the ideal appropriation of the real abstract forms of a given concrete object. As a matter of fact, those abstractions borrowed from empirical sciences have been constructed on the basis of the conventional scientific method. As argued above, they cannot but be purely formal or ideal.

[59] Feuerbach 1983 [1839], p. 126.

Having ruled out the material existence of pure being and nothing, one could still search for the alleged correspondence between Hegel's *Logic* and material reality in the third moment of their dialectic, that is, in 'becoming'.[60] Thus considered, being and nothing could be said to be just analytical moments which are necessary to grasp the truly simplest logical category – becoming – which would at last reflect the simplest form of real material objects, being a subject that posits its own movement. If this were the case, one could conclude that, despite conceiving it as a movement of pure thought, Hegel would have managed to grasp the simplest content of real being. However, 'becoming' is for Hegel a category that is still quite far from fully expressing the constitutive contradiction of a self-determining or self-moving subject. In so far as Hegel's *Logic* unfolds the immanent necessity of thought as such, starting from its simplest (or rather emptiest) form, his categorial development needs to go through a long series of still more complex thought-forms before being able to express fully the said movement of contradiction that constitutes the simplest determination of real materiality.

In fact, the actual point at which Hegel's exposition eventually reaches a category that fully expresses the simple movement of a self-determining subject, comes quite a few pages and categories later. Specifically, this point is only reached with the category of 'being-for-self', where Hegel finally states that 'qualitative being finds its consummation' so that, therefore, we have at last arrived at 'absolutely determined being'.[61] However, from a materialist standpoint, this begs the question as to why cognition of the real concrete needs to go over those other imperfect forms of ideally expressing the simplest movement of material qualitative determination, which only grasp the latter in its outward or external manifestations: whether as an immediate affirmation (being) or as the extrinsic unity of two opposed immediate affirmations (determinate being). Indeed, one would be led to conclude that the unfolding of those categories is quite simply superfluous. In effect, from this perspective, the imperfect forms of ideally expressing the 'affirming through self-negation' are not *materially constitutive* of what this movement actually is.

Still, a final argument for a materialist reading of the categories preceding 'being-for-self' could state that their exposition corresponds to the *analytical process* of discovery of the category that is able fully to express the real movement of affirmation through self-negation. The problem with this line of reasoning is that according to Hegel's perspective, those poorer ways of conceiving qualitative being have the same status of objectivity as its fully-developed shape. In this sense, the movement from these poorer forms of expressing qualitative being to its consummation in being-for-self is not seen by Hegel as essentially analytic but *synthetic*. In so far as the *Logic* unfolds the immanent necessity of 'pure thought' as such, the imperfect forms of thinking about this peculiar 'being' are as constitutive of this 'object-realm' as their perfectly developed modes of existence. Thus, it is entirely coherent for Hegel to include those categories in his systematic dialectic of thought-forms. However, the consequence of this is that any attempt to take over Hegel's *Logic* as a whole will take the mystical shell (that is, the whole series of superfluous imperfect categories that pure thought needs to posit before reaching the plenitude of its content) alongside the rational kernel (the category that eventually expresses the determination at stake in an adequate form).

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[60] Hegel 1999 [1812–16], p. 82.

[61] Hegel 1999 [1812–16], p. 156.

It follows from this that a reading of the *Logic* from a materialist perspective cannot consist in just 'casting aside God, the Absolute, the Pure Idea, etc.' or in uncovering the logical structure articulating the systematic ordering of categories. For both the categories and the form of their unfolding are, from the very beginning, of an inherently idealist character. Instead, a materialist reading must consist in carefully recognising which real determinations could be reflected by Hegel at certain stages of his idealist systematic dialectic. Evidently, the recognition of those determinations can only take place *vis-à-vis* the actual knowledge of those simpler forms of material reality. Thus, strictly speaking, the issue at stake is not simply to read the *Logic* from a materialist perspective. The question is rather to appropriate its 'use-value' to *rewrite it materialistically*, that is, to unfold the simpler determinations of material reality in their inner connection. Needless to say, this obviously exceeds the scope of this chapter. Here we just offered a discussion of the point of departure of such a materialist appropriation of the rational kernel of Hegel's *Logic*, which we have identified with his category of 'being-for-self'.[62] Our aim in this section was thus much more modest; the point was simply to show the intrinsically idealist nature of Hegel's systematic development in order to shed light on its difference from Marx's materialist approach. Let us therefore elaborate further on this point, through an examination of the general form taken by Hegel's systematic unfolding of categories.

Towards the end of the *Logic* Hegel discusses this question explicitly. 'What is to be considered here as method', he states, 'is only the movement of the

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[62] On this we simply drew on the work of Iñigo Carrera, who fleshes out the discovery of the said point of departure – that is, affirming through self-negation of real material being – as strictly emerging as a result of materialist analysis in the sense discussed above (Iñigo Carrera 1992, pp. 3–5).

Notion itself … the *universal absolute activity*.'[63] However, this movement is not presented by Hegel as simply taking the generic form of affirmation through self-negation through which a self-determining subject realises its own immanent necessity. Instead, in so far as he conceives of it as a pure movement of thought striving for a fully developed mode of expressing its truth-content, he presents it as the unity of the *three moments* through which thought needs to pass in order to self-posit in such an adequate shape. Thus, he concludes, 'the whole form of the method is a triplicity'.[64] The movement of affirmation through self-negation, which as the simplest content of the 'immanent life' of any material object, constitutes the generic form taken by a materialist-dialectical unfolding, is represented by Hegel as the abstract sequence of an affirmation, a negation and, lastly, the negation of the negation. In other words, Hegel does not directly present the third moment, which is the only one that constitutes the effective material reality of the object. Instead, he firstly needs to posit the prior two 'imperfect' moments, which are just formal stages through which thought needs to go to grasp the 'truth' of the object, as if they were constitutive of the effective objective reality of the object itself. This 'triadic structure' of the absolute method, which derives from the idealist character of the Hegelian dialectic, is also eloquently criticised by Marx in *The Poverty of Philosophy*:

> So what is this absolute method? The abstraction of movement. What is the abstraction of movement? Movement in abstract condition. What is movement in abstract condition? The purely logical formula of movement or the movement of pure reason. Wherein does the movement of pure reason consist? In posing itself, opposing itself, composing itself; in formulating itself as thesis, antithesis, synthesis; or, yet, in affirming itself, negating itself, and negating its negation.[65]

In brief, what is rational in Hegel's dialectic, that is, its method of immanent development of the life of the subject-matter, appears inverted under the mystical form of the three moments of self-developing pure thought. Again, this mystical shell directly stems from the fact that Hegel's systematic dialectic does not ideally follow the immanent life of a concrete material object but an ideal one, namely pure thought. Hegel's 'mysticism' in the *Logic* therefore derives from being the *ideal reproduction of the ideal*. By contrast, in making analysis instead of abstraction, Marx's scientific method at no point leaves the concrete material object of investigation behind. No matter how abstract and far from its immediate sensuous existence the analytical process eventually takes him, *he remains firmly within the materiality of the object.* As a consequence, the moment of systematic synthetic unfolding cannot but be the ‘reproduction of the concrete by means of thought’.

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[63] Hegel 1999 [1812–16], p. 826.

[64] Hegel 1999 [1812–16], p. 836.

[65] Marx 1976b [1847], p. 164.

Among all the places where Marx expounds this kind of materialist ideal reproduction, it is also probably in the first chapter of *Capital* where it can be found with utmost clarity and in a more ‘stylised’ form. Specifically, this reproduction only starts in section III of Chapter I, entitled ‘The value-form, or exchange-value’.[66] As argued elsewhere, strictly speaking the first two sections of that chapter are not part of the *synthetic* movement of the dialectical exposition but constitute its *analytical* prelude.[67] As we have seen, the analytic stage only separates a concrete form from a more abstract one, whose realised potentiality it carries within itself in the form of its own immanent potentiality. In this sense, the analytic stage does not ideally reflect the immanent self-movement of the object under consideration. It is therefore not about the *why* but about the *what.* Evidently, since the apprehension of real forms according to their relative degree of abstractness or concreteness ideally expresses the objective necessity (the real relations) residing in the object and are not the product of the subjective caprice or imagination of the scientist, the mere reference to the ‘what’ carries implicitly some hint of the ‘why’. Thus, if the dialectical analysis reveals that the value-form is the concrete form in which the objectification of the abstract character of private and independent labour affirms itself as an abstract form, the separation between the two already says something about the real relation involved. But this something is no more than, as it were, a ‘pointing out’, an external observation. The actual exposition of that inner connection between content and form – hence its explanation – takes place in the *synthetic* phase of *reproduction*, which faces the challenge of precisely showing that movement which the analysis was incapable of unfolding. This consists in ideally following the realisation of the discovered potentiality immanent in the commodity, namely value. From then on, the commodity ceases to be grasped in its exteriority as an ‘inert’ external object and the exposition starts to follow its self-movement as the subject of the development of those determinations previously discovered through analysis into ever more concrete forms.[68]

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[66] Marx 1976c [1867], p. 138.

[67] See Starosta 2008 for a close examination of the structure of Marx's exposition in Chapter I of *Capital*. For a more detailed discussion of the methodological implications of Marx's ideal reproduction in general, see Iñigo Carrera 2007, 2013, and in this volume.

The unfolding of this movement spoken in 'the language of commodities'[69] is precisely what the ideal reproduction consists of. Value being the purely social power of the commodity, it cannot be immediately expressed in its sensuous corporeal materiality. As the capacity of the commodity to be exchanged for other different commodities, value can only be manifested in the social relation of exchange between commodities. Therefore, the value of a commodity necessarily expresses itself only in the use-value of the commodity that is exchanged for the commodity in question as its equivalent. In this way, value takes the concrete shape of exchange-value as its necessary form of manifestation. In its most developed form, value acquires independent existence as money and the expression of value in the particular commodity acting as money becomes determined as price. The opposition inherent in the commodity is thus externalised through the doubling of the commodity-form into ordinary commodities and money. The power of direct exchangeability of commodities negates itself as such to become affirmed as a social power monopolised by the money-form.

It is in the course of the movement of this reproduction, when seen from the point of view of its *qualitative content*, that the answer to the questions which the analytic stage was impotent fully to provide is given. In other words, it is the development of the expression of value that unfolds the explanation as to why the objectification of the abstract character of privately performed labour takes the social form of value or, to put it differently, why private labour is value-producing. In a nutshell, the issue comes down to the fact that it is only the expression of value that progressively reveals to us the problem that the commodity-form of the product of labour is meant to solve. We are referring to the mediation in the establishment of the unity of social labour when performed in a private and independent manner. And since this unity becomes condensed in the money-form, it is the unfolding of its determinations, synthesised in the peculiarities of the equivalent-form and derived from its general determination as the form of immediate exchangeability, that provides the answer to the question as to why privately performed socially necessary labour must produce value.

Note, however, that the properly *dialectical* unfolding of the movement of this qualitative determination is, in essence, already achieved with the simple form of value. The subsequent passage to the other, more developed forms of value is simply a formal movement that merely generalises and makes explicit the qualitative content already expressed in the simple form (namely, the immanent necessity for value to acquire an outward, differentiated mode of existence). In other, more polemic terms, the sequence of the more developed forms of value as such is not structured according to an immanent necessity of those forms. As Iñigo Carrera puts it, the sequence of forms of value 'does not imply a simpler form [of the exchange-relation] engendering a more concrete one. Instead, the unfolding of the former's necessity evidences the necessity of the existence of the latter.'[70] This is, we think, the actual meaning behind Marx's remark that 'the whole mystery of the form of value lies hidden in this simple form'.[71]

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[68] Iñigo Carrera, in this volume, p. 74ff.

[69] Marx 1976c [1867], p. 143.

In light of this, we can now bring out a crucial difference between Marx's and Hegel's respective ideal reproductions. Specifically, Marx's ideal reproduction of the commodity-form simply follows the realisation of its immanent necessity to 'affirm' by developing a more concrete mode of existence as money (that is, through self-negation). However, unlike Hegel's idealist method of reproduction in the *Logic*, in order to do this Marx does not need to mediate this exposition with a prior positing of the inadequate forms in which *thought conceives of* those immanent determinations of the commodity which drive them to self-movement. For Marx, those inadequate conceptualisations of the inner determinations of the commodity are not *constitutive* of the objective reality of the commodity itself, and have therefore no place in the *systematic unfolding of its immanent life*. Instead, they are seen by Marx as (*fetishised*) *appearances* through which non-dialectical thought grasps those determinations in their sheer exteriority. In any case, those apparent relationships between real forms should have been already examined and *ruled out* by the investigation in the previous methodological phase of *analysis*. In Marx's presentation, when discussions of those essentially *ideological* scientific representations of real relations do occur, they tend to have status of an *external remark*, and are deliberately located *after* the immanent determination has been unfolded.

4 Conclusion

This chapter offered a contribution to the debate on the methodological connection between Hegel's *Logic* and Marx's *Capital* through a discussion of the rational kernel and mystical shell found in the former. Very briefly put, our argument was that in that work Hegel managed to discover the simplest form of the real, namely, the movement of self-determination of the subject. As a consequence, he correctly presents the method of science as the systematic unfolding of the immanent life of the subject-matter. Against Colletti, we have argued that this is the rational kernel to be found in his work and it is not inherently tied to absolute idealism. However, instead of taking the simplest form of real material being as point of departure, his exposition begins with the simplest thought-form ('pure being'). The systematic dialectic that follows therefore inevitably unfolds a whole series of redundant categories which, from a materialist standpoint, correspond to the immanent necessity of pure thought only. In other words, they do not express any objective determination of real material being. This is the *Logic's* mystical shell.

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[70] Iñigo Carrera, 2013, pp. 58–9.

[71] Marx 1976c [1867], p. 139.

We have also argued that an immediate reason behind that spurious starting point resides in his methodological procedure of 'extreme' formal abstraction, which arbitrarily casts aside all particular determination until reaching a wholly empty universal, namely, the *thought* of being. By contrast we have seen that Marx finds a materialist alternative to formal abstraction in dialectical *analysis*. Instead of the sheer abstraction from apparently contingent features of objects, Marx's analysis moves by searching for the real more abstract or simple content of the concrete form he is immediately facing. The procedure is then repeated by further analysing each of the relatively more abstract determinations discovered, until reaching the simplest immanent content of the initial concrete. Materialist analysis therefore remains firmly within the real object through and through.

Three main conclusions can be drawn from this with regard to the current debate on Marx's dialectical method in *Capital*. Firstly, in so far as the ideal reproduction of the concrete by means of thought needs to reflect ideally the *specific* immanent determinations of the subject-matter, this method does not proceed, as Diamat would have it, by *applying* the 'general laws of dialectics' or 'abstract logical structures' onto more concrete domains of knowledge. In this sense, the movement of affirmation through self-negation must not be turned into an absolute *general principle* that needs to be *applied* to *economic categories*. As the form of movement, the 'inner life', of the concrete object that we want to appropriate by means of thought, it has to be followed in its specific modes of existence and development. This is why, for instance, Marx's *Capital*, as a critique of political economy, is not (*pace* Engels) an application of dialectical logic to political economy, but the ideal reproduction of the real determinations of capital as the alienated social subject of bourgeois society, starting with its simplest mode of existence, namely, the commodity.

Secondly, the problem with Hegel's unfolding of categories in the *Logic* does not simply reside in his absolute idealism, but fundamentally in the methodological procedure by which he arrives at its point of departure and the form taken by the subsequent synthetic reconstitution of the unity of the immanent determinations of his object. In other words, even if we took on board Smith's point that Hegel considered the independent existence of an objective reality outside thought, his systematic dialectic would be still defective from a materialist standpoint. As a consequence, it should not be simply taken over but first needs to be thoroughly 'rewritten' materialistically.

Finally, although not explicitly addressed in this chapter, it does follow from our discussion that the structures of the *Logic* and *Capital* cannot be treated as homologous as in Arthur's view. As the previous section has shown, the general form of motion of the synthetic stage of reproduction differs between the two works, with Hegel's idealist dialectic ridden with superfluous formal steps in the argument which have no place in Marx's materialist approach.

In sum, a materialist appropriation of the methodological insights found in the *Logic* for the critique of political economy must carefully cast aside its mystical shell.

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The Role and Place of 'Commodity Fetishism' in Marx's Systematic-dialectical Exposition in *Capital*

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Abstract

This article aims to contribute to the literature on Marx's systematic-dialectical method through a critical reading and discussion of the significance and presentational 'architecture' of the section on commodity fetishism in the dialectical sequence of form-determinations in *Capital*. In order to undertake this task, the paper firstly explores the content and expositional structure of the first three sections of Chapter 1 of *Capital*. This sets the stage for a methodologically-minded close examination of Marx's presentation of the fetish character of the commodity, which shows that there is a precise systematic sequence which gives unity to the flow of his argument within the section on 'The Fetishism of the Commodity and its Secret'. The conclusion is that only through a proper grasp of the dialectical method can the full systematic significance and implications of Marx's account of commodity fetishism be uncovered.

Keywords

commodity fetishism – systematic-dialectical method – subjectivity – value-form

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Introduction[1]

Ever since the publication of works such as Rubin's *Essays on Marx's Theory of Value*[2] or Lukács's *History and Class Consciousness*,[3] the emphasis on Marx's analysis of commodity fetishism has been a hallmark of critical traditions of Marxism. In effect, according to those traditions, commodity fetishism is the cornerstone upon which the understanding of Marx's mature works as a *critique* of political economy (as opposed to political economy or economics) depends.[4] While there is no doubt that the fetishism of commodities plays a fundamental part in Marx's critique of political economy, the question is, once we accept this premise, what are the precise meanings and implications of such a notion for the scientific comprehension of capitalist society as a whole, and, more concretely, for the proletarian political action through which the movement of capital realises its own annihilation? Here, the mere reference to the centrality of the historicity of bourgeois social forms and their fetishistic character does not suffice to grasp the critical and revolutionary nature of the critique of political economy.

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[1] In keeping with the Fowkes translation utilised for the preparation of this article and with its widespread use in the literature, I will use the terms 'commodity fetishism' and 'fetish-like character of the commodity' interchangeably, in both cases to refer to the essential substantive meaning of the said phenomenon, namely, the real inverted existence of the social determinations of privately-undertaken human labour as an objective 'supersensible' power of its product (i.e. value). This primordial determination and its social constitution should be distinguished from a more concrete aspect of this very same inverted consciousness of the commodity producer, which I also discuss below: when she faces this process of inversion in an already constituted form or as a *fait accompli*, it takes the *purely social* power of exchangeability of the commodity as if it were a *natural property* of the product of labour. In other words, it is also an apparent, mystified or illusory consciousness. In this sense, some recent commentators (Bellofiore 2014; Ehrbar 2010; Schulz 2012) have perceptively pointed out that the standard English translation is rather problematic. In effect, it overlooks that Marx systematically assigned the term 'fetish-like character' (*Fetischcharakter*) to the essential determination consisting in the real inversion of human social powers as attributes of things, while he reserved the term 'fetishism' (*Fetischismus*) for the illusory consciousness that naturalises this social power of the commodity. Now, although I do not dispute the pertinence of these exegetical observations, they are in the end of a *terminological* nature. In my view, as long as the content and meaning of each aspect of the phenomenon under consideration are clearly established and defined (as I believe this paper does), and given its usual adoption in contemporary Marxist debates to refer to its essential substantive determination, the continued usage of the admittedly-problematic term 'commodity fetishism' is harmless.

[2] Rubin 1972.

[3] Lukács 1971.

[4] Clarke 1991; Holloway 1992; Postone 1996; Backhaus 2005; Reichelt 2005.

A first issue that arises therefore concerns the varied substantive understandings of commodity fetishism in the history of Marxism. In a recent doctoral dissertation, O'Kane offers a concise and useful typology of the different meanings attached to the term 'fetishism' in the diverse readings and traditions of Marxian theory.[5] Firstly, there is the interpretation of 'fetishism as false consciousness', which can be traced back to the 'orthodox' or 'traditional' Marxist reading by Kautsky,[6] but which can be also found in more recent times among so-called 'analytical Marxists'.[7] Secondly, there is the Althusserian conception, which, in its earliest version, quite simply rejected Marx's discussion of commodity fetishism (insofar as it was seen as a residue of the Hegelian influence on the young Marx).[8] Later, Althusser qualified his early assessment and came to accept the notion of fetishism as a false conception that 'veils' the system of capitalist social relations with a relation between things.[9] Thirdly, this typology identifies the notion of 'fetishism as reification', which can be traced back to the main exponents of the so-called Western Marxist tradition (in particular, Lukács in *History and Class Consciousness* and Weberian readings of the Frankfurt School).[10] Fourthly, there is the interpretation of 'fetishism as alienation', which characterises the classic Marxist Humanist conception that emerged after the publication of the *1844 Paris Manuscripts* and which stressed, against Althusser's 'epistemological break', the continuity between the 'Hegelian young Marx' and the 'mature' Marx of *Capital* (for instance, the work of Marcuse, Lefebvre and Fromm). Finally, O'Kane identifies a fifth strand that he labels 'fetishism as value', and which broadly corresponds to the tradition of value-form theory or 'form-analysis'. In this approach, commodity-fetishism is understood as the historically-specific inverted social constitution of thing-like forms of social mediation that configure an impersonal 'system of objective compulsion', and which reduces the existence of human beings to its personifications.

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[5] O'Kane 2013, pp. 16–23. Dimoulis and Milios 2004 provide an alternative typology based on a critical but sympathetic rethinking of the Althusserian reading.

[6] Kautsky 1903.

[7] Elster 1985.

[8] Althusser 2001.

[9] Althusser and Balibar 1970.

[10] For a critique of these Weberian understandings of commodity fetishism, see the seminal work by Clarke 1991.

This article offers a detailed critical reconstruction of Marx's account of commodity fetishism which, broadly speaking, can be substantively located within this latter tradition that reads section 4 of Chapter 1 of *Capital* as a critical investigation of the social constitution of value-objectivity out of the social form of capitalist social relations of production. Although I believe that the paper does also provide a novel and original reading in this respect (specifically, concerning the connection between value and consciousness), it is not in the substantive issues surrounding commodity fetishism that the main contribution of the paper lies. Rather, my aim is fundamentally at the level of *method*. More concretely, the paper discusses the precise role and place of commodity fetishism in light of Marx's *systematic-dialectical* exposition in *Capital* and argues that the specific form of the dialectical method is fundamental in this respect. Yet both aspects are immanently related: a proper grasp of the substantive *content* of commodity fetishism can only result from a correct understanding of the very *form* of Marx's process of cognition.

The need to reconsider Marx's presentation of the commodity-form in Chapter 1 of *Capital* through a reassessment of his dialectical method (in particular, its connection to Hegel's *Science of Logic*) has been widely recognised by a growing number of scholars, especially within the ranks of the so-called 'New Dialectics' or 'systematic-dialectical' approach. In effect, the last 20 or 25 years have witnessed a renewed interest in Marx's dialectical method and its implications for value theory.[11] Although there are various particular controversies over the precise nature of this connection, most contributions agree that the structure of the argument in *Capital* is organised in a dialectical form which, at the very least, can be said to draw formal inspiration from the general form of movement of categories that Hegel deploys in his *Logic*. Thus Marx's presentation is seen as involving a (synthetic) movement from the more abstract or simple form-determinations of the subject-matter (namely, capital) to the increasingly more concrete or complex forms in which it moves and eventually manifests in 'empirical' reality, thereby culminating in the intellectual reproduction of capital as the unity of those many determinations. Inasmuch as the transition from one economic form to the next is seen as being driven by the development of the contradictions immanent in each of them, their relationship is generally deemed as internal and grounded in dialectical necessity, in contrast to the externality and unmotivated shifts that inevitably result from the use of formal logic.

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[11] See, among others, Murray 1988; Reuten and Williams 1989; Smith 1990; Moseley (ed.) 1993; Moseley and Campbell (eds.) 1997; Arthur 2002; Albritton and Simoulidis (eds.) 2003; Moseley and Smith (eds.) 2014.

Now, despite all the light that these works have cast on the form of Marx's argument, I think that two important gaps can be found in this literature. In the first place, they have been mainly focused on the *synthetic* aspects of Marx's dialectical presentation (i.e. on the exposition of the dialectical movement from the 'abstract to the concrete'). In this sense, it could be argued that this literature has glossed over the peculiar role of the *phase of analysis* in Marx's dialectical investigation generally and in his presentation in *Capital* in particular.[12] Furthermore, these scholars have not paid sufficient attention to the *specific form of the analytical process within dialectical thought*.[13] In the second place, as far as I am aware, works coming from the 'New Dialectics' approach, which are those that emphasise the dialectical structure of Marx's argument (and hence the necessity of the sequence of form-determinations), tend not to discuss the precise *systematic* role and place of commodity fetishism in the exposition in *Capital*. In other words, although these works obviously do highlight its centrality for the critique of political economy, they do not thematise the question of the systematic necessity for the dialectical presentation in *Capital* to address, at the specific point of section 4 of Chapter 1, the fetish-like character of the commodity. Moreover, and in stark contrast with the attention given to the order of Marx's dialectical exposition in the first three sections of Chapter 1, most works seldom inquire into the existence of a systematic sequence which would give unity to the flow of his argument *within* the section on 'The Fetishism of the Commodity and its Secret'.[14]

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[12] The distinction between analysis (in the sense of dissection of the 'whole' into 'parts' or 'identification of differences') and synthesis (in the sense of reconstitution of the 'unity' of the whole) is not peculiar to dialectics. As I argue below, what sets the latter apart from formal-logical methodologies is the specific *form* taken both by the analytical and synthetic processes in dialectical thought. Zelený 1980, Chapter 10, provides a concise discussion of the different meanings of analysis and synthesis in science and philosophy, which also traces back their intellectual lineage.

[13] Starosta 2008. These other aspects have not been entirely absent in the literature (see, for instance, Murray 1988, pp. 148–50). However, they came up in the debate among 'new dialecticians' relatively late (Murray 2002; Reuten 2000) and have not been pursued any further until recently (see Reuten 2014, who does address in great detail the connection between analysis and synthesis, and that between inquiry and presentation, in systematic dialectics). In this sense, Ollman's criticism of the systematic-dialectics literature, that these authors tend to focus one-sidedly on Marx's method of *exposition* at the expense of his method of *inquiry*, is, to some extent, pertinent (Ollman 2003, pp. 177–80). However, it seems to me that Ollman is somewhat unfair in his claim that the systematic-dialectics approach *restricts* Marx's method to a strategy of presentation and simply neglects it as a mode of inquiry. Be that as it may, it is my view that compared to the light thrown on the synthetic aspects of Marx's method of presentation, the nature of the relation between analysis and synthesis in the presentation and the way in which this relates to the formal determinations of the dialectical inquiry, have not been explored with the same depth and clarity.

My aim in this article is therefore to contribute to filling these gaps in the literature through a critical reading and discussion of the significance and presentational 'architecture' of the section on commodity fetishism in the dialectical sequence of form-determinations in *Capital*. In order to undertake this task, the paper firstly explores the content and expositional structure of the first three sections of Chapter 1 of *Capital*. This will set the stage for the discussion in the other sections of this article, in which I offer a methodologically-minded close examination of Marx's presentation of the fetish character of the commodity. As the discussion will hopefully make evident, only through a proper grasp of the dialectical method can the full systematic significance and implications of Marx's account of commodity fetishism be uncovered.[15]

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[14] Heinrich 2012, in his introduction to the three volumes of *Capital*, is a partial exception. Thus, he offers a very detailed and rigorous commentary on each paragraph of the section on commodity fetishism which, at least implicitly, implies the acknowledgement that there is a systematic guiding thread structuring the flow of Marx's argument. However, he does not connect the latter with the form of motion of the dialectical presentation. Furthermore and oddly enough, without offering any explicit reason he introduces the commentary on the section on commodity fetishism after his discussion of Chapter 3 on the functions of money. This undermines his otherwise insightful attempt at showing the systematic connection between the first two chapters of Volume I. As argued below in this article, the section on commodity fetishism is a necessary mediating link between the commodity and the action of commodity-owners in the process of exchange. Still, the rigour of Heinrich's commentary markedly sets it apart from David Harvey's popularising reading in his recent *Companion to Marx's Capital* (see Harvey 2010). In this recent book, Harvey characterises the writing style of the section on commodity fetishism as 'literary … evocative and metaphoric, imaginative, playful and emotive, full of allusions and references to magic, mysteries and necromancies', which he contrasts with the 'dull accountancy style of the previous sections' (Harvey 2010, p. 38). Although probably a humorous remark in a book based on lectures to postgraduate students, this characterisation of the passage from the 'language of commodities' to the 'language of human beings' has the unintended consequence of trivialising (and thus obscuring) the systematic necessity of such a transition and, as a consequence, the significance of commodity fetishism in the dialectical development of form-determinations.

[15] These claims are more fully elaborated in Starosta 2016.

Outline of the Structure of Marx's Presentation in the First Three Sections of Chapter 1 of *Capital*[16]

The Phase of Analysis in Sections 1 and 2 of Chapter 1 of Capital

In the *Marginal Notes on Adolf Wagner* Marx states unambiguously that he starts the exposition in *Capital* with the immediate observation of the commodity as simplest *concretum* in which capital-determined social labour is expressed in order to develop the real determinations specific to this social form.[17] In Marx's own words, he begins with the immediate observation of 'the simplest social form in which the labour-product is presented in contemporary society'.[18] From this starting point, Marx proceeds by taking the individual commodity 'in his own hand' and analysing 'the form determinations that it contains as a commodity and which stamp it as a commodity'.[19] These form-determinations Marx initially discovers by looking at the use-value of the individual commodity, which in capitalist societies acts as bearer of a second, *historically specific* attribute of the products of labour, namely, *exchange-value*. Marx's exposition thereby initially revolves around the (dialectical) *analysis* of that historically specific power of the commodity.

As happens with every real form, the first thing he encounters when facing the exchangeability of the commodity is its *immediate manifestation* – the quantitative relation 'in which use-values of one kind exchange for use-values of another'.[20] The next step in the analysis of exchangeability is the uncovering of the *more abstract form* (hence the *content*) behind that specific formal attribute of the commodity, this being the only way in which we can penetrate through the concrete form in which an immanent determination presents itself. Thus, the further analysis of the commodity reveals that exchange-value is actually the 'mode of expression' or 'form of manifestation' of a content distinguishable from it – value – the substance of which resides in the abstract labour congealed or materialised in the commodity.

Having discovered the materiality of the qualitative content of the 'ghostly objectivity' of value, Marx briefly discusses its quantitative determination: the *magnitude* of value is determined by the *socially-necessary* labour time required for the production of commodities. This means that the objectification of the abstract character of labour is socially represented in the form of value only inasmuch as it satisfies two conditions: first, that it corresponds to the technologically normal conditions of production prevailing in society,[21] and, second, that it can satisfy a social need,[22] regardless of whether these needs arise from 'the stomach or the imagination'.[23]

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[16] This section summarises arguments elaborated more fully in Starosta 2008.

[17] Marx 1975, p. 198.

[18] Ibid.

[19] Marx 1976a, p. 1059 (translation amended).

[20] Marx 1976c, p. 126.

As argued elsewhere, in opposition to the claims of a great deal of contemporary literature on Marx's theory of the value-form, I think that the (analytic) search for the specific determinations of the commodity is evidently not achieved with the discovery of abstract labour as the substance of value.[24] Quite to the contrary, that very specificity seemed to have slipped through Marx's fingers. In effect, although he found the specific attribute of the commodity in its value, when he moved to account for its substance he ended up with something which bears no specifically-capitalist character: 'merely congealed quantities of homogeneous human labour, i.e. of human labour power expended without regard to the form of its expenditure'.[25] This is the reason why Marx still carries on with the analytic search for the '*form determinations* that it contains as a commodity and which stamp it as a commodity'.[26]

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[21] Marx 1976c, p. 129.

[22] Marx 1976c, p. 131.

[23] Marx 1976c, p. 125. For a more extended discussion of the meaning of 'socially necessary labour', see Kicillof and Starosta 2007a.

[24] As a reaction to the ahistorical, Ricardian reading of Marx's account of the value-form, the 'new consensus' tends to see abstract labour as a purely historical, specific social form. See, among others, De Angelis 1995; Postone 1996; Reuten 1993; Arthur 2001; Bellofiore and Finelli 1998; Kay 1999; Saad-Filho 1997; Mohun and Himmelweit 1978; de Vroey 1982; Eldred and Haldon 1981; Bellofiore 2009; Heinrich 2009; Mavroudeas 2004; McGlone and Kliman 2004; Roberts 2004. I have developed a more extended critique of this new consensus in Kicillof and Starosta 2007a and 2007b. Here I can only offer some very brief remarks on this issue. Abstract labour is a generic material form, a 'productive expenditure of human brains, muscles, nerves, hands etc.' (Marx 1976c, p. 134). What is specific to capitalist society is the role it plays by being determined as the substance of the most abstract form of objectified social mediation, namely: value. In other words, at stake here is the *movement of the contradiction* between the generic, physiological materiality of abstract labour and its historically-specific *social* determination as the substance of value deriving from the *private* character of labour in capitalism. See also Carchedi 2009, Carchedi 2011a, pp. 60–74, and Robles Báez 2004, for a similar argument. Murray 2000 comes very close to recognising this through the distinction between 'physiological' abstract labour and 'practically abstract' labour, thus shifting his thinking from the earlier perspective adopted in Murray 1988. The debate on the nature of abstract labour has not been settled and has continued in more recent times. See Bonefeld 2010 and 2011; Carchedi 2011b; Kicillof and Starosta 2011.

[25] Marx 1976c, p. 128.

This leads Marx's dialectical analysis to give closer scrutiny to the *labour that produces commodities* in the following section of Chapter 1. As any attentive reader could tell, the analytic process continues and it is only in *section 2 on the dual character of labour* that Marx finally finds the historically-specific form of social labour that produces commodities and, hence, value. The commodity, Marx eventually concludes, is the objectification 'of mutually independent acts of labour, performed in isolation'.[27] In other words, it is the 'labour of private individuals who work independently of each other',[28] or *private and independent labour*, which constitutes the specifically-capitalist form of labour or productive activity. The analytic process completes the search for the specific determinations of the value-form by revealing that the attribute of general exchangeability of the commodity springs from the abstract or general character of socially-necessary *privately performed* labour materialised in it. The value-form, then, becomes known in its essential determination as the *objectified or reified expression of the social character of the individual labour of private and independent producers*. Its objectivity is thus revealed to be wholly social, without an atom of 'matter' entering into it,[29] i.e. it is the purely social representation of the 'physiological' materiality of objectified, privately-undertaken socially-necessary abstract human labour that constitutes its substance.

Now, as is widely acknowledged in the literature, the sequence at that initial stage of Marx's argument (i.e. in the course of the transition from section 1 to section 2 of the first chapter) consists in going from *form* to *content*. However, the crux of the matter does not simply reside in realising this (which, at any rate, is explicitly announced by Marx himself in the first pages of Chapter 1), but in grasping the precise way in which properly dialectical analysis discovers the content behind the form and, therefore, their inner connection.[30]

In contrast to the conventional scientific method, dialectical thought analyses a concrete form by, first of all, facing it as embodying a qualitative potentiality for transformation, and second, by grasping that qualitative potentiality as the concrete form in which a more abstract form realises its own qualitative potentiality, that is, its real necessity. Thus the dialectical ideal appropriation of the universe of different real forms does not proceed through an identification of the distinctiveness of forms on the basis of the degree of repetition of certain attributes. Rather, it analytically separates the different forms by discovering as *immanent* in a particular concrete form the realised potentiality of another real form, which is abstract with respect to the first one, but concrete with respect to another form of which it is the realised potentiality. For instance, value, as the specific immanent qualitative potentiality of the commodity as a generally-exchangeable 'social thing', is discovered as the common attribute that is immanent in the *singular* quantitative exchange relation between two different use-values that constitutes the immediate appearance of exchange-value. The latter is thereby revealed as the necessary concrete form in which value is immanently realised. In turn, value is uncovered as the concrete form in which the potentiality of privately-performed socially-necessary abstract labour as a productive action (i.e. as an individual expenditure of labour-power immanently determined as an organ of the social metabolic process) is realised in its result or product.

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[26] Note that had abstract labour as such constituted the specificity of value-positing human action, Marx's analytical search would have come to an end.

[27] Marx 1976c, p. 132.

[28] Marx 1976c, p. 165.

[29] Marx 1976c, p. 138.

[30] Iñigo Carrera 2012.

Thus, while conventional scientific method grasps the general determination of real forms as immediate affirmations and hence self-subsistent entities, the distinctive mark of the process of analysis in dialectical research is to grasp, *in the same analytic movement*, both the concrete form under scrutiny and the more abstract one of which the former is the developed mode of existence. In other words, dialectical thought grasps each form as the affirmation through self-negation of another, more abstract one (hence, as subjects of their own movement). This analytical procedure must be then renewed for those other more-abstract forms, but now treated as the real concrete form whose inner content the research is trying to uncover. Only once all those inner form-determinations have been uncovered through analysis should the investigation undertake the 'return journey' through which those abstract determinations, now in their self-movement, lead to 'the reproduction of the concrete by means of thought'.[31]

The Synthetic Phase of Ideal Reproduction Proper

In a nutshell, the discussion above showed that, strictly speaking, the first two sections of Chapter 1 of *Capital* are not part of the *synthetic* movement of the dialectical exposition but constitute its *analytic* prelude. As we have seen, the analytic stage only separates a concrete form from a more abstract one, whose realised potentiality it carries within itself in the form of its own immanent potentiality. In this sense, the analytic stage does not ideally reflect the immanent self-movement of the object under consideration. It is therefore not about the *why* but only about the *what*. Evidently, since the apprehension of real forms according to their relative degree of abstractness or concreteness ideally expresses the objective necessity (the real relations) residing in the object and is not the product of the subjective caprice or imagination of the scientist, the mere reference to the 'what' carries implicitly some hint of the 'why'. But this something is no more than, as it were, a 'pointing out', an external observation. The actual exposition of the unity between content and form – hence its explanation – takes place in the *synthetic* phase of *reproduction*, which faces the challenge of precisely showing that movement which the analysis was incapable of unfolding: the necessity of the realisation of that (more abstract) determination in its more concrete forms of existence.

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[31] Marx 1993, p. 100. Note that this specific form of motion of analysis and synthesis in dialectical thought applies not only to the moment of exposition or presentation but, primordially, to the moment of inquiry as well. See Iñigo Carrera 2013.

In the specific context of the structure of Chapter 1 of *Capital*, this synthetic movement consists in ideally following the realisation or actualisation of the attribute of exchangeability (i.e. value), which is the potentiality that was analytically uncovered as immanent in the commodity. From then on, the commodity ceases to be grasped in its exteriority as an 'inert' external object and the exposition starts to follow its self-movement as the subject of the development of those determinations previously discovered through analysis into ever more concrete forms.[32] Specifically, this reproduction only starts in section 3 of Chapter I, entitled 'The value-form, or exchange-value' and consists of the unfolding of the content of this movement albeit as spoken in 'the language of commodities'.[33]

In effect, insofar as value is the purely social power of the commodity, it cannot be immediately expressed in its sensuous corporeal materiality. As the capacity of the commodity to be exchanged for other different commodities, value can only be manifested in the social relation of exchange between commodities. Therefore, the value of a commodity necessarily expresses itself only in the use-value of the commodity that is exchanged for the commodity in question as its equivalent. In this way, value takes the concrete shape of exchange-value as its necessary form of manifestation. In its most developed form, value acquires independent existence as money, and the expression of value in the particular commodity acting as money becomes determined as price. The opposition inherent in the commodity is thus externalised through the doubling of the commodity-form into ordinary commodities and money. The power of direct exchangeability of commodities negates itself as such to become affirmed as a social power monopolised by the money-form.

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[32] Iñigo Carrera 2014.

[33] Marx 1976c, p. 143.

It is in the course of the movement of this ideal reproduction, when seen from the point of view of its *qualitative content*, that the answer to the questions which the analytic stage was impotent fully to provide is given. In other words, it is the development of the expression of value that unfolds the explanation as to *why* the objectification of the abstract character of privately performed labour takes the social form of value or, to put it differently, why private labour is value-producing. In a nutshell, the issue comes down to the fact that it is only the expression of value which progressively reveals the problem that the commodity-form of the product of labour is meant to solve. I am referring to the mediation in the establishment of the unity of social labour when performed in a private and independent manner. And since this unity becomes condensed in the money-form, it is the unfolding of its determinations, synthesised in the peculiarities of the equivalent form and derived from its general determination as the form of immediate exchangeability, that provides the answer to the question as to why privately performed socially-necessary abstract labour must produce value.

In sum, in capitalist society the unity of social labour thus becomes socially represented in the form of the particular private product that the rest of commodities separate as their general equivalent and which eventually ossifies in the money-form. In tracing the genesis of the latter through the ideal reproduction of the expression of value, the synthetic stage of the dialectical exposition thereby positively unfolds the determinations of that which the analytic process could only *point out*. Namely, that the value-form of the product of labour is the materialised general social relation of human beings in the capitalist mode of production and, therefore, the reified *social subject* of the *form* in which the social process of production of human life attains unity in this historical stage of its development.

It is only at this juncture that Marx introduces the fundamental discussion of the fetish character of commodities. The question that immediately arises, and which is hardly addressed in the literature, is *why only and precisely then?* I think that the answer to this question is inseparable from the issue about the determinate content of the section on commodity fetishism and its place in the overall structure of Marx's exposition in *Capital*. The object of the next section, then, is to proceed to deal with these questions.

The Immediate Object of Exposition of the Section on Commodity Fetishism and its Systematic Place and Significance

In order to clarify the issue, let me get straight to the point and pose the fundamental question which underlies the proper comprehension of the systematic place and significance of the section on commodity fetishism in the structure of Marx’s presentation, namely, from the point of view of the dialectical method, what is the immediate object of the exposition in that section? As Iñigo Carrera points out,[34] those pages fundamentally develop the determinations of the alienated consciousness of the commodity producer. Or, better stated, they unfold the determinations of the alienated consciousness as such which, therefore, becomes *explicitly expounded* as an alienated consciousness. This is because, in reality, the whole of Chapter 1 (and, actually, the whole of *Capital*) has as its object the alienated consciousness of the commodity producer in the different, ever-more-concrete modes of existence (both the forms of *objectivity* and *subjectivity*).[35] However, the text starts out not with the alienated consciousness in and for itself, but with its most general *objectified* form of existence, namely, the commodity. Although the commodity *will prove to be* the alienated consciousness of the commodity producer, it is not yet known to be such at the beginning of the dialectical presentation. The commodity, not its producer, is thus the immediate subject of the determinations unfolded in the first three sections of Chapter 1.

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[34] Iñigo Carrera 2007, pp. 260–1.

[35] See Starosta 2016, Chapter 6, for an in-depth elaboration on this admittedly polemical claim. For the sake of brief further clarification, however, a few additional words are in order. If the value-objectivity is, as argued below, the fetishised form in which the private producer unconsciously posits her own immanent social determinations as apparently autonomous powers of the product of labour, it follows that the further concrete forms assumed by the value-form, which is what the rest of *Capital* unfolds, must also be further developments of this initial simplest determination. Now, insofar as with ‘the metamorphosis of commodities’ the latter develop and acquire new determinations, this process ‘transforms the commodity-owners as well, and alters the social role they play in relation to one another’ (Marx 1987, p. 371). Thus, as this simplest objectified form of social mediation (the commodity/value) self-develops and changes, commodity owners ‘who represent these changed relations, acquire new economic characteristics’, i.e. they ‘change skin’ and emerge from the circulation process wearing different ‘character masks’ from those with which they entered. More specifically, as the systematic-dialectical presentation progresses, it reveals that the commodity with which it started actually proves to be the most abstract form of capital as self-valorising value. Its personification, the ‘commodity producer’, is concomitantly transformed. In the circulation process, commodity-owners become differentiated into owners of money-as-capital (capitalists) and owners of the commodity labour-power (wage-labourers). Upon the purchase of the labour-power of the doubly-free labourer, these two personifications establish an antagonistic direct social relation in the immediate process of production throughout the duration of the working day, in which the worker renders surplus-labour and valorises capital under the command of the capitalist. In other words, the capitalist personifies

Conversely, in the section on commodity fetishism, Marx turns his attention to the reasons why the products of private labour appear, to the producers themselves, as bearers of those reified powers whose autonomised self-movement he ideally reproduced through the expression of value contained in the exchange-relation. Having discovered behind the power of exchangeability of commodities the historically specific form in which capitalist society resolves the social organisation of the organic unity of human life, the exposition needs to explain why the producers, the actual subjects whose material reproduction is at stake, must represent that process in their consciousness in such a mystical and fetishistic form. The transition is, then, from the *formal* subject of the value-determinations, i.e. the commodity, to the *material* subject, i.e. the human individual.

In this respect, it could be said that the section on commodity fetishism opens a kind of new presentational (sub)node, which, in turn, will prove to be a necessary mediation for the determinations to be unfolded in Chapter 2 on the process of exchange. This is the case insofar as the section on commodity fetishism focuses on the determinations of the consciousness of the commodity producer analytically separated from the human action it regulates in the process of exchange. In other words, it expounds the determinations of consciousness mainly with regard to its *form*. Once Marx has established the historical formal determinations of human consciousness, in Chapter 2 he can then follow the mode in which the latter moves in the realisation of the general social relation, i.e. in its unity with action as conscious practice in the sphere

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the privately-undertaken conscious organisation and direct control of the labour process performed by the wage-worker, whilst the latter personifies its execution proper. Thus, the simplest *systematic* (i.e. not historical) figure of the commodity producer with which the presentation started, which concentrated the personification of the unity of the conscious organisation and execution of privately-undertaken social labour, 'doubles' into capitalist and wage-worker, with those two roles in the direct production process now 'polarised' between these two different 'character masks'. The simplest determinations of value-positing are thereby not abstractly negated at the level of abstraction of the capital-form but 'sublated' (i.e. preserved through their self-negation). In sum, and in response to one of the referees' comments, what is said of the 'commodity producer' applies to all participants in a commodity-producing society.

of circulation (which is the phase of material reproduction in which human individuals *directly* confront, albeit as 'representatives of commodities', the manifestation of the general unity of social labour *indirectly* established behind their backs).[36]

As corresponds to the nodal structure of Marx's exposition, he starts the section on commodity fetishism with an immediate observation: 'A commodity appears at first sight an extremely obvious, trivial thing'.[37] However, very quickly he develops the analytic movement which brings us to the inner determinations of the commodity discovered in the previous section. In effect, Marx points out that although it immediately appears as a trivial thing, the commodity is in reality an entity full of metaphysical subtleties, a sensible/suprasensible being with the fantastic power of being transformed into another use-value without even touching its materiality.[38] On the other hand, at this stage of the process of cognition, we already know where to find the source of such mysticism; it must derive from the commodity-form itself, i.e. from its character as the reified mediator in the establishment of the unity of the social character of private labour. In the commodity, all the qualitative and quantitative determinations of social labour appear to the material subject of this activity as objective attributes of its product.

> Whence, then, arises the enigmatic character of the product of labour, as soon as it assumes the form of a commodity? Clearly, it arises from this form itself. The equality of the kinds of human labour takes on a physical form in the equal objectivity of the products of labour as values; the measure of the expenditure of human labour-power by its duration takes on the form of the magnitude of the value of the products of labour; and

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[36] And even at that level, the alienated action that personifies the realisation of the necessity of the commodity to establish an exchange-relation is still abstract and is part of what Marx calls, in the *Contribution to the Critique of Political Economy*, the 'theoretical phase of circulation' of commodities, 'preparatory to real circulation' (Marx 1987, p. 303), which can only take place once, 'as a result of establishing prices, commodities have acquired the form in which they are able to enter circulation' (Marx 1987, p. 323). By this Marx means the ideal reproduction of the determinations of the circulation of commodities which constitute the premises of its actual movement. This 'theoretical circulation' comprises Chapters 1 and 2, and the first section of 3 (the functions of measure of value and standard of prices). Only then is the actual circulation of commodities reproduced in thought, revealing the subsequent functions of money not as its preconditions, but as its concrete forms.

[37] Marx 1976c, p. 163.

[38] Ibid.

> finally the relationships between the producers, within which the social characteristics of their labours are manifested, take on the form of a social relation between the products of labour.[39]

In the passage above, Marx is simply bringing together the results reached by the ideal reproduction of the form-determinations of the commodity in the previous three sections of Chapter 1. However, the dialectical exposition has so far uncovered this essential content of the commodity-form purely in terms of the search for the latter's immanent social determination as an exchangeable entity. As I shall argue in more detail below, the form-determinations of the commodity must now be revisited from the perspective of the human being, which in section 3 has been implicitly discovered as the actual material subject of those determinations formally carried by the product of labour. In doing so, the dialectical presentation will shed new light on that very content itself. By way of a momentary analytic 'detour' from the synthetic movement of the presentation, which penetrates further into the inner determinations of the fetishistic appearance of the commodity as an autonomous subject with the social power to establish the exchange-relation, the value-form is revealed as the inverted representation, in the consciousness of the human being, of the social character of her own activity. In other words, the commodity proves to be the alienated mode of existence of the private producer's consciousness of the immanent unity of social labour of which her own activity is but an organic moment. It is the transposed form in which the producers consciously experience the indirect nature of their general social relation in this mode of production, projecting it as a social power external to their own individuality.

> The mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men's own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things. Hence it also reflects the social relation of the producers to the sum total of labour as a social relation between objects, a relation which exists apart from and outside the producers. Through this substitution, the products of labour become commodities, sensuous things which are at the same time suprasensible or social … [The value-relation] is nothing but the definite social relation between men themselves which assumes here, for them, the fantastic form of a relation between things.[40]

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[39] Marx 1976c, p. 164.

[40] Marx 1976c, pp. 164–5.

Now, before proceeding with this reconstruction of Marx's further unfolding of the determinations of the alienated consciousness of the commodity producer, it is worth probing deeper into some methodological aspects of the way in which his exposition approaches the determinations discussed just above. As we will see, the peculiar structure that he gives to the presentation disrupts the fluidity of the pure synthetic ideal reproduction of the commodity-form. This has several consequences that could result in a misunderstanding of the systematic sequence of form-determinations by inattentive (or rather, uncritical) readers. On the one hand, and more generally, it could give the impression that the section on commodity fetishism actually has no determinate *systematic* place and significance whatsoever, simply being a 'sociological' analysis which constitutes the basis of Marx's 'theoretical political economy',[41] or a 'philosophical' excursus which strays away from the exposition of the unfolding of the 'economic' determinations of the value-form.[42] On the other hand, we will see that this presentation inevitably leads to repetitions of points already made earlier on in Chapter 1, which can generate the appearance of an inverted order of presentation of certain determinations. Thus, Marx interjects as part of the development of the alienated consciousness as such *repetitions* of arguments he had already developed when he was effectively presenting the determinations of the commodity as the general social relation (the objectified social being, so to speak). That many of those passages just reinstate points already made earlier is evidenced by the way in which Marx introduces them:

> *As the foregoing analysis has already demonstrated*, this fetishism of the world of commodities arises from the peculiar social character of the labour which produces them.[43]

A further point to note in this regard is that one of the particular features of Marx's presentation in the section on commodity fetishism is that, unlike the analytic passage from the form of value to its substance between sections 1 and 2,[44] or the synthetic return to the unity of that substance with its form of existence in section 3,[45] he does not *explicitly inform* the reader about the content of the presentational movement that he is undertaking (e.g. the passage from value and its monetary mode of existence to the consciousness of the commodity producer), or about the formal necessity of that step in the dialectical sequence of form-determinations. However, this does not mean that there is no immanent necessity structuring the flow of the argument, as implied by Reichelt's claim that Marx tended to 'conceal' the dialectical method in the published versions of the critique of political economy (and especially in the second edition of *Capital*) in order to popularise the exposition.[46] As Iñigo Carrera points out,[47] what Marx removed from the exposition, in contrast to that of earlier manuscripts like the *Grundrisse*, are the explicit reflections on the direction that his ideal reproduction of the immanent unity of content and form of a determination should take. In fact, Iñigo Carrera continues,[48] those remarks are, strictly speaking, external to the ideal reproduction of the inner determinations of the object of cognition, which is what the dialectical method is all about. In this sense, the exposition in the published versions of the critique of political economy could be said to be actually *improved* from the point of view of the dialectical method, since it focuses more 'purely' on the 'immanent life of the subject matter' without any alien additions. It is down to the critical reader to recognise and make explicit those formal-methodological aspects which are only implicit in Marx's presentation. By contrast, this could, of course, lead other 'inattentive' readers to think that the section on commodity fetishism has no systematic place in the dialectical presentation, however fundamental it may be in other respects.

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[41] Rubin 1972.

[42] Balibar 2007.

[43] Marx 1976c, p. 165; my emphasis. Heinrich also notes that with that introductory line Marx refers to the content of the previous sections (Heinrich 2011, p. 176).

[44] Marx 1976c, p. 128.

[45] Marx 1976c, p. 139.

Another related issue concerns the point made above about the 'disruption' of the fluidity of the systematic ordering of form-determinations, partly entailed by Marx's idiosyncratic exposition in the first chapter of *Capital*, but partly a reflection of the nature of the subject matter under consideration itself. In effect, one of the peculiar features of Marx's exposition of the determinations of the commodity-form in sections 1 to 3 is that when analytically moving to the more detailed discussion of 'labour' as the human action that posits the value-form (more specifically in section 2), he treats it, as it were, in a purely 'objective' fashion, simply as the source or substance of value, i.e. as the content of the attribute of general exchangeability of commodities. The consequence of this is that nothing is said at that stage about what labour generically is, namely, the specifically human form of the life process and, in that determination, the *conscious* action of the working subject. In Marx's exposition, the explicit positing of this generic determination of labour as conscious metabolic interaction with 'external' nature occurs only in Chapter 7 on 'The Labour Process and the Valorisation Process'.[49] However, even there he develops the generic determination of consciousness as the form of organisation of human productive action rather one-sidedly, that is, only in relation to an abstractly-presented individual character of labour without regard to its immanent social determinations.[50]

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[46] Reichelt 1995, 2005 and 2007.

[47] Iñigo Carrera 2013, p. 65.

[48] Iñigo Carrera 2013, pp. 65–6.

Be that as it may, the important point for the purpose of my argument here is that in the first three sections of Chapter 1, labour as subjective activity (hence consciousness) is entirely omitted from Marx's presentation. Although no more than an 'informed guess', a plausible explanation for this is that Marx wanted to stress the *real automatism* characterising commodity production as the general social relation. For this reason, he structured his exposition purely around the movement of the commodity, that is, around the simplest form of the labour *product* and the explanation of its power of exchangeability as its historically-specific objective attribute (the value-form). Thus, instead of directly starting with 'individuals producing in society' as he had earlier announced in the Introduction to the *Grundrisse*,[51] in *Capital* Marx took as his point of departure the *thing* that appears as the immediate carrier of that power to establish the unity of the general social relation when the human individual does not consciously organise the latter as her personal attribute.[52] What follows from that starting point is the ideal reproduction of the autonomised self-movement of those form-determinations, and only as a *result* of this exposition, culminating with the money-form as the thing-like immediate mode of existence of the social character of labour in capitalism, does Marx make clear that at stake here is the form in which 'individuals produce in society'. But *in the course* of the dialectical unfolding of the commodity, its producer (and hence her consciousness) is virtually absent. The consequence of this is that when Marx does eventually address the consciousness of the commodity producer as the immediate object of his exposition in section 4, the transition might appear as an abrupt (if not extrinsic) leap. However, my claim is that it immanently follows from the determinations discovered in section 3.[53]

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[49] Here I would like to argue that there is an element of flexibility in the dialectical presentation. Although overall form-determinations tend to follow a 'strict' systematic sequence, there are certain aspects of the object of cognition which, in principle, could be addressed at different points of the presentation. In those cases, it is down to the researcher to judge where a particular determination fits better. An example of this is Marx's postponement of the treatment of the transfer of the value of the means of production until Chapter 8. Although there is no strict systematic necessity not to address the different roles of past and new labour in the process of value-formation at the level of the commodity-form (since all the determinations presupposed by that qualitative difference have been unfolded at that stage), there are formal reasons that make it more sensible to leave it until later on in the dialectical presentation. Arguably, the distinction acquires full significance in relation to the determination of the diverse elements of the labour process as modes of existence of the production of *surplus value*. Dead labour now becomes a necessary form that capital must assume in order to absorb the only direct source of its valorisation (living labour), but in which its generic determination as a self-expanding magnitude is immediately negated. It becomes posited as *constant* capital in opposition to the only part that does attain self-valorisation, i.e. *variable* capital. From the perspective of the simple production of commodities, the explicit differentiation between the modalities in which the diverse functional elements of the labour process enter into the formation of value of the final product is less relevant. What fundamentally matters for the simple commodity producer is that her commodity's value is realised in full in order to be able to buy all the other use-values she needs for the production of her life. The division of the total socially-necessary labour into past and fresh new living labour expended is not of the essence.

[50] Fitzsimons 2012, pp. 43–4.

Now, regardless of Marx's 'extreme' presentational strategy of obliteration of all reference to human subjectivity in the first three sections of Chapter 1, the very 'inner life' of the subject matter precludes an earlier introduction of a fuller discussion of the form-determinations of the consciousness of the commodity producer as immediate object of exposition.[54] In effect, insofar as the commodity *really is* the form taken by the general social relation in capitalist society, its content in the general social character of labour could hardly be posited until presenting its 'roundabout' manifestation through the expression of value in section 3, that is, in indissoluble unity with its necessary reified mode of social mediation. Seen from a different angle, when Marx's exposition eventually addresses (commodity-producing) labour as such in section 2, it is quite simply impossible to immanently discover the unity of the general social relation since, precisely by virtue of the private character of productive activity in this society, that general social character of production is not directly manifest as an attribute of labour in action. *A fortiori*, it is not possible at that stage to expound in and of itself the form in which commodity producers carry that social character of their individual productive activity as a form-determination of their consciousness. Although the ‘socially necessary’ aspect of value-producing labour discovered through *analysis* already makes evident that the product must be useful for an individual other than its producer (it must be a ‘social use-value’), this social character is still not posited (and hence fully discovered) as entailing the *general unity* of the process of human metabolism as a whole. True, Marx does discover in section 2 that the existence of the commodity he is analysing presupposes a *generalised* social division of labour (yet the latter is not the ‘consequence of propensity to truck, barter and exchange’, as Adam Smith argued in Chapter 2 of *The Wealth of Nations*). However, this analytical discovery is reached by *representational* means when facing the concrete character of labour;[55] more concretely, by the external observation that

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[51] Marx 1993, p. 83.

[52] Iñigo Carrera 2013, p. 68.

[53] It is interesting that in the appendix to the first edition of *Capital* Marx introduced the discussion of commodity fetishism as the fourth peculiarity of the equivalent form (Marx 1976b, p. 59). The point about the place of commodity fetishism in the appendix to the first edition has also been noted in passing by Chris Arthur (Arthur 2004).

[54] This is valid, of course, if one wants firmly and strictly to remain true to the ideal reproduction of the object. However, the dialectical researcher could decide, for didactic and pedagogic reasons, to introduce remarks which are external to the real movement at stake, but which might help readers who will most likely be used to representational thought but unfamiliar with the form of motion of the dialectical method. In other words, there is a trade-off between rigour and 'reader friendliness' in a context where dialectical cognition is not yet the general form of scientific thought.

> the totality of heterogeneous use-values or physical commodities reflects a totality of similarly heterogeneous forms of useful labour, which differ in order; genus, species and variety: in short, a social division of labour.[56]

In other words, Marx simply points to the seemingly unconnected collection of different concrete labours which comprise social production. In turn, the specificity of the contemporary form of social mediation of the division of labour is discovered by an equally extrinsic comparison of commodity-producing society with pre-capitalist forms of social life, showing that the division of labour is ‘common’ to both and hence a generic determination that does not explain the historicity of value-production. At most, then, the initial analytical encounter with ‘labour’, resulting from the search for the substance of value, could present the determination of consciousness as the human form of organising the one-sidedly individual character of productive activity. This would then reveal that, in the organisation of her privately undertaken process of production, the consciousness and will of the commodity producer is not directly subordinated to any other consciousness and will that could tell her how to allocate her labour-power in a determinate concrete form. In other words, the productive consciousness of the commodity producer would be grasped as being in full control over the *individual* character of labour. However, nothing could be said at that stage of the presentation about the way in which that productive consciousness mediates the organisation of the insertion of that singular productive action into the system of the social division of labour, i.e. about the social character of individual labour.[57]

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[55] Iñigo Carrera 2007, p. 229.

[56] Marx 1976c, p. 132.

In sum, an exposition that rigorously sticks to the ideal reproduction of the object can address the form-determinations of the consciousness of the commodity producer only after facing the unity of the general social relation. The latter can be firstly discovered only as 'spoken in the language of commodities' (i.e. through the expression of the value-content in the form of exchange-value) and not directly as a personal determination of the human individual. However, once that point in the dialectical exposition of the commodity has been reached (now *known*, in its money-form, as the immediate carrier of the unity of the general social relation of production), its own immanent development demands that the presentation veers toward the explicit scrutiny of the consciousness of the producer as its immediate subject matter.

Now, in this passage, the exposition will inevitably have to retrace some of its steps and reconsider 'commodity-producing labour'. However, in this new take on its determinations, labour can be immediately grasped in the unity of its individual and general social character *and* 'spoken in the language of human beings', that is, as their *conscious* socially-determined individual life activity. It is this reconsideration of labour as human action which, as anticipated above, allows the exposition to throw new light on the *content* of the value-form. For, as we have seen, the latter is thus revealed not simply as the thing-like representation of the social character of privately undertaken labour. Additionally, it can now be recognised as a form of objectivity which is unconsciously projected by human consciousness itself when regulating such a privately-performed productive action.

> *The private producer's brain reflects this twofold social character of his labour only in the forms which appear in practical intercourse, in the*

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[57] An earlier introduction of the subjectivity of the commodity producer along the lines suggested above can be found in Iñigo Carrera's alternative exposition of the commodity. See Iñigo Carrera 2007, pp. 33–4. The advantage of this presentational strategy is that it allows a smoother transition between the form of value and commodity fetishism, since by the beginning of section 4 consciousness is already there confronting its own social determinations in the autonomous shapes of the commodity and money-forms. The downside is that it 'spoils' the strategy of making the presentation reflect more starkly the objective automatism of the organisation of the process of social metabolism through the commodity-form.

> *exchange of products.* Hence the socially useful character of his private labour is reflected in the form that the product of labour has to be useful to others, and the social character of the equality of the various kinds of labour is reflected in the form of the common character, as values, possessed by these materially different things, the products of labour.[58]

This determination of the objectivity of value as an alienated external form posited by the productive consciousness of the private individual is explicitly and unequivocally presented by Marx in a passage from the first edition of *Capital.*

> So just *what* a value is does not stand written on its forehead. In order to relate their products to one another as commodities, men are compelled to equate their various labours to abstract human labour. They do not know it, but they *do* it, by reducing the material thing to the abstraction, *value*. This is a primordial and hence unconsciously instinctive operation of their brain, which necessarily grows out of the particular manner of their material production and the relationships into which this production sets them.[59]

In a nutshell, value becomes known as the mode of existence of the alienated consciousness of the private producer, a 'socially valid', therefore objective, form of thought.[60]

Note, however, that from the point of view of the formal structure of presentation, this reconsideration of the content of value, even if necessary, entails an instance of diversion from the synthetic progress of dialectical development. It is the 'analytic detour' in Marx's presentation to which I referred above, and that takes the reader from value/money back to privately-organised social labour (now explicitly posited as mediated by consciousness). Once this analytic deepening of the content of value is exhausted, the dialectical presentation must obviously resume the synthetic movement of reproduction from the prior point at which the analysis culminated, namely, the discovery of value as the alienated form in which the consciousness of the private producer organises her individual participation in the process of social metabolism in its unity.

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[58] Marx 1976c, p. 166; emphasis added.

[59] Marx 1976b, p. 36.

[60] Marx 1976c, p. 169. On the connection between commodity-form and consciousness, see the detailed discussion in Fitzsimons 2012. Reichelt 2007 also provides insightful reflections on value objectivity as 'unconsciously posited by an act of consciousness'.

But this obviously implies an unavoidable element of repetition of the passage over the synthetic sequence from 'private labour' to 'value'. It is precisely those passages from Marx's discussion of commodity fetishism which could lead to the (misguided) reading that the essential content of the section revolves around the explanation of why private labour must take the value-form of its product.[61] In order to clarify this point, let us return to the more detailed reconstruction of Marx's systematic argument in the fourth section of Chapter 1.

The Determinations of the Alienated Form Taken by the Productive Consciousness of the Private Individual

My methodologically-minded reading of the section on commodity fetishism has so far reached the point at which Marx's exposition analytically discovers the alienated consciousness of the (private) producer behind the commodity-form of the product of labour. The limits of this analytic discovery of the alienated consciousness for the further progress of the dialectical investigation are formally analogous to those experienced by the search for the content of the exchangeability of the commodity in sections 1 and 2 of Chapter 1 of *Capital*. As a reflection of the general role of the phase of analysis in the dialectical method discussed in the previous section, it can only account for the 'what' of the phenomenon under scrutiny, but is incapable of offering an explanation of its determinate ‘why’. Specifically, the analysis of the commodity-form from the perspective of the human being as the material subject of social labour can shed light on what the fetish-like character of the product is: the inverted representation of the social determinations of individual labour in the form of value. But this leaves the question as to why the consciousness of the human being must experience her own immanent determinations in such an alienated form. As follows from Marx's materialist standpoint, this fetishised form of consciousness can have no other basis than the historical form taken by social being in capitalism, that is, the ‘specific social character of the labour which produces’ commodities, namely, private labour: ‘Objects of utility become commodities only because they are the products of the labour of private individuals who work independently of each other’.[62]

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[61] An emblematic *locus classicus* of this misreading can be found in the influential work of Rubin, for whom the account of commodity fetishism constitutes the 'propaedeutic' to, and basis of, the determinations of the value-form (Rubin 1972, pp. 6, 61). In effect, Rubin considers that section 3 of the first chapter contains a *purely formal* development that simply illustrates the different forms of exchange-value as modes of expression of value, and further submits that 'Marx does not remain on the explanation of the form of value, and quickly passes to its various modifications, to the individual "forms of value": accidental, expanded, general and monetary' (Rubin 1972, p. 114). Thus, the precise place where Marx unfolds in great detail the explanation of the reason to be of value is taken by Rubin as containing no more than merely 'incidental' brief passages on value as social form (ibid.). And where exactly does Rubin find a 'detailed elaboration' of the value form? For instance, in a footnote, specifically number 34 in the Penguin edition of *Capital* (Marx 1976c, p. 169). Now, by definition, a footnote can hardly contain the elaboration of the essential content of a form-determination. Furthermore, in that particular footnote, Marx is unambiguously commenting on the ideological and apologetic character of the science of political economy (for falling prey to the fetish-like character of the commodity), and is not, by any stretch of the imagination, 'elaborating in greater detail' on the determinations of the value-form.

The explanation of the necessity of the alienated consciousness of the commodity producer must therefore lie in the ideal reproduction of the form in which the social character of private labour asserts itself through the exchange of commodities. Having reached that point, Marx's exposition thus resumes, in the rest of the sixth paragraph of section 4, the synthetic unfolding of the movement of the unity of the general social relation mediated by the commodity-form. However, unlike the earlier account in section 3 on the ‘value-form, or exchange-value’, the dialectical development can now explicitly posit the indirect form in which social labour attains unity from the perspective of the conscious practical activity of private individuals.

> The sum total of the labour of these private individuals forms the aggregate labour of society. Since the producers do not come into social contact until they exchange the products of their labour, the specific social characteristics of their private labours appear only within this exchange. In other words, the labour of the private individual manifests itself as an element of the total labour of society only through the relations which the act of exchange establishes between the products, and, through their mediation, between the producers. To the producers, therefore, the social relations between their private labours appear as what they are, i.e. they do not appear as direct social relations between persons in their work, but rather as material [*dinglich*] relations between persons and social relations between things.[63]

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[62] Marx 1976c, p. 165.

[63] Marx 1976c, pp. 165–6.

Marx's presentation thus finally unfolds the necessity of the alienated consciousness of the commodity producer. As a private and independent human being, the producer is incapable of recognising that her productive action possesses social determinations that transcend the immediacy of its singularity. Consequently, when organising the expenditure of the labour-power that she embodies, the consciousness of the human individual must project or transpose – hence confront – those individually-borne social powers as external to her individuality and existing as the objective attribute of the product, which allows it to enter the exchange-relation and manifest indirectly the human subject's immanent determination as an individual organ of social labour: the form of exchangeability or the value-form. In sum, the latter is the fetishised form in which the consciousness of the private producer resolves the organisation of her participation in the general process of social metabolism.

With this Marx expounds the determination of consciousness with regards to its most general form in capitalism. From this simplest determination of the consciousness of the commodity producer, he then proceeds to unfold its more concrete form of realisation in its generic condition as the human form of organising transformative action upon nature. In the first place, through the productive action that it privately regulates in the direct process of production. Thus, the producer not only faces her own social powers as external to her subjectivity and as carried by the product of her labour in the process of exchange through which social labour attains unity. As exchange extends its role in social reproduction, the plenitude of which is reached in capitalist society where it becomes the general social relation, this inverted consciousness starts to regulate the direct production-process itself. Under those circumstances, already at that moment must the commodity producer put her consciousness at the service of social powers which she sees as alien to her subjectivity, that is, as belonging to the commodity.[64] When resolving the concrete form in which she will privately expend the aliquot part of the total labour-power of society that she embodies, the social character of her labour already appears to the consciousness of the producer as an attribute of the product in a twofold sense.[65] Firstly, she must produce a use-value which must satisfy the needs of other individuals with whom she does not have any immediate or direct social nexus. Secondly, that socially useful character of the product must be formally mediated by its determination as the bearer of the property to be transformed into any other use-value, that is, the attribute of general exchangeability or the value-form. Thus, at the very moment in which she actually exerts her productive subjectivity in the direct process of production, and in order to organise her affirmation as an individual organ of the social division of labour, the private individual must produce not only socially useful things, but also exchangeable products; she must posit value. In brief, the private individual must already alienate her productive consciousness in the commodity when acting in the immediate production process.[66]

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[64] Iñigo Carrera 2007, pp. 58–9.

[65] Marx 1976c, p. 166.

At this juncture, after having uncovered value as the reified mode of existence of the determinations of consciousness, Marx hastens to clarify that this by no means implies that the human individual is actually aware of this fact. Thus, he argues, it is not the case that commodity producers consciously recognise the determination of their private labours as individual fragments of human social labour and thereby exchange their products as equivalent materialisations of abstract labour, i.e. give them the form of value. It is the other way around. They *unconsciously* give the products of labour the form of value and, through this reified social mediation, they equalise behind their own backs their private labours as individual organs of the total labour of society on the basis of their material identity as pure expenditures of human labour-power.[67] The constitution of the social objectivity of the value-form, whilst being the spontaneous product of their own brain (hence of their consciousness), appears to the commodity producers as a *fait accompli* springing by nature from the materiality of the product of labour. In sum, the consciousness of the commodity producer, in its most general and simple form, is not only an inverted consciousness, but also an apparent one. As the bearer of that form of consciousness, the human individual is unable to recognise the necessity – i.e. the determinations – of her conscious action beyond the appearance of being an abstractly independent action. As the necessary 'spontaneous and natural' form in which the producer privately organises the insertion of her practical action into the social metabolic process as a whole, this immediate practical consciousness persists even after political economy scientifically discovers the labour content of the value-form.[68]

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[66] In this sense, value-positing is for Marx an immanent result of the direct production process and not, as Rubin and contemporary 'circulationist' value-form theorists argue, a determination of the sphere of circulation which 'leaves its imprint' on a labour process that posits value only 'mentally' or 'latently' (Rubin 1972; Reuten and Williams 1989; Heinrich 2011 and 2012). For a more detailed critique of Rubin's circulationist value-form theory and its political implications, see Kicillof and Starosta 2007a. Bonefeld 2010, drawing on Bellofiore 2009 and Arthur 2001, attempts to avoid the pitfalls of Rubin's circulationist views by giving an objective character (as opposed to merely mental or ideal) to the projection of the ghost-like objectivity of value back into production from its original constitution in exchange. For a critique of Bonefeld's position, see Kicillof and Starosta 2011.

[67] Marx 1976c, pp. 166–7.

In this sense, the corollary of Marx's discussion of commodity fetishism is that consciousness is actually torn asunder when social being takes the form of private labour. It simultaneously exists both as a form of the subject of social labour and as an objective form of its product.[69] Before continuing with the textual commentary on commodity fetishism, let us probe deeper into this fundamental point.

In its generic condition as the specifically human capacity to organise the life-process, consciousness always entails a twofold determination as much as the labouring activity that it regulates.[70] On the one hand, it is the form in which the human being rules the immediacy of the individual productive expenditure of her corporeal powers in order to appropriate and transform external nature into a means for human life. In this determination, consciousness is the human capacity to organise the unfolding of the individual character of labour. On the other hand, those individually-borne productive powers can only be constituted socially, that is, they can only develop as a result of the productive action of other individuals (who, for instance, have participated in the production of the use-values whose consumption resulted in the productive attributes borne by the former individual's labour-power). Moreover, the individual labourer produces use-values not solely for her own consumption, but for others, that is, *social* use-values. Although an individual human action, labour therefore always has an intrinsically social character as well. This twofold character is borne by consciousness as its necessary form of organisation. Consciousness thereby does not simply undertake the regulation of the individual appropriation of the potentialities of external nature in order to transform it, but must also mediate the establishment of individual labour's immanent unity with the socially-general metabolic process of which it is an organic part. As an attribute borne by the individuality of each human being, consciousness is thus the capacity to establish the unity of social labour through the individual productive action of each of its subjects, i.e. to regulate the social character of individual labour.

It is this twofold immanent potentiality of consciousness which is torn apart in commodity-producing society. Insofar as the private form of labour negates the capacity of human subjectivity to recognise and control the social character of its activity, that material potentiality of consciousness becomes formally alienated in the commodity. In this social determination, consciousness thereby exists in the mode of the objectivity of value. But the other side of this inversion is that, as subjective capacity, the consciousness of the commodity producer becomes determined as an abstractly-individual human attribute. Only in this one-sided form does consciousness immediately exist *as consciousness*.[71]

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[68] Marx 1976c, p. 167.

[69] Fitzsimons 2012, p. 37.

[70] Fitzsimons 2012, pp. 44–6, Iñigo Carrera 2007, pp. 43–9.

Based on these premises, let us now return to Marx's argument in the section on commodity fetishism. After having established the *genesis* or *social constitution* of the doubling of the consciousness of the commodity producer, Marx systematically proceeds to unfold the concrete form in which this abstractly-individual practical subjectivity apprehends the alienated mode of existence of its social determinations as an *already-constituted objective form*. More specifically, the immediate practical consciousness of the commodity producer ideally represents the movement of her alienated social being in the form of an estimate of the proportions in which her commodities will exchange for the other commodities she needs. Thus, Marx comments:

> What initially concerns producers in practice when they make an exchange is how much of some other product they get for their own; in what proportions can the products be exchanged?[72]

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[71] Now, lest my argument be misread as 'idealist', it goes without saying that I am not referring to an abstractly autonomous consciousness floating in mid-air but to the conscious social being of the human individual as a productive subject, i.e. to its determination as an organ of the materiality of the social metabolic process of humanity. More specifically, I am referring to the way in which the private form taken by the organisation of social labour is necessarily mediated by – or exists in and through – the conscious productive practice of human beings. In other words, there are no social relations of production or social practice whose inner determinations could exist abstractly separated from (i.e. not *immanently* mediated by) consciousness. Social practice is always *conscious* practical activity. The point of Marx's 'materialism' is not to conceive of social being as a self-subsistent existence that externally 'causes' or 'conditions' from such exteriority an equally self-subsisting consciousness. Such severance and consequent external relation of social being and consciousness would certainly be idealist. As follows from Marx's materialist dialectical method, social relations of production are the immanent material *content* which is necessarily realised in the *form* of the determinations of the consciousness of the human individual. As Marx eloquently puts it in the *1861–63 Manuscripts*, 'social relations only exist between human beings to the extent that they think' (Marx 1988, p. 232).

[72] Marx 1976c, p. 167.

Now, insofar as consciousness is but the organisation of human action, the next systematic step after presenting the *form* in which the private producer represents 'in her head' the value-determinations in a constituted form, must consist in expounding the way in which this practical subjectivity productively *acts* on this basis in order to take part in the system of all-round material interdependence characterising generalised commodity production. When faced with the movement of the unity of their social life-process in a form that escapes their own individual potentialities, human beings are condemned to act, in Reichelt's eloquent formulation, as

> executors of constraints generated and reproduced by themselves, which are implemented in and through their conscious actions without, however, being consciously accessible to them.[73]

At stake here, then, is the *autonomisation* of the general social relation from the conscious control of individuals and the consequent all-too-real appearance or 'objective illusion' of *automatism* characterising capitalistic production.

As Marx argues, this determination of the practical action of private individuals becomes firmly established only when the movement of the quantitative articulation of the social division of labour becomes regulated by the magnitude of value.[74] This is because the degree in which the products of labour are exchangeable starts to vary independently of the producer's individual consciousness and will. Hence, in order to satisfy her qualitatively and quantitatively determined needs – thereby reproducing her natural life – the producer cannot but determine her consciousness and will as the servants of the capricious changes of the magnitude of value of the commodity she produces, which varies 'continually, independently of the will, foreknowledge and actions of the exchangers'.[75] In other words, she not only faces her own social determinations as alien powers borne by the product of labour, but the latter comes to control the producer herself. As Iñigo Carrera succinctly puts it,[76] the commodity producer can reproduce herself as a *person* only by acting as the most abject *personification* of the commodity.[77]

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[73] Reichelt 2007, p. 5.

[74] Marx 1976c, p. 167.

[75] Ibid.

[76] Iñigo Carrera 2008, pp. 11–12.

[77] The rest of the section in Chapter 1 of *Capital* deals with the *ideological* scientific form of the alienated consciousness of the modern individual (political economy) and with general comments on other social forms and their respective forms of social consciousness.

With this characterisation of the practical subjectivity of human beings as personifications of the movement of the value-form, Marx’s exposition completes the ideal reproduction of the simplest social determinations of the alienated consciousness of the private individual and its concrete forms in the sphere of production. From the point of view of the formal structure of the dialectical presentation, the important point to bring out is the precise sequence of form-determinations that guides the flow of Marx’s argument, which I will now formally sketch out.

As I have shown in the previous section, Marx’s exposition firstly moves analytically in order to discover the alienated consciousness of the commodity producer behind the value-form and private labour as the foundation of the former. From that point onwards, he undertakes again the synthetic return journey from private labour to value, albeit now as mediated by consciousness, thereby accounting for the ‘why’ of the latter’s alienated mode of existence in the commodity. In this phase of his argument, the unfolding of novel form-determinations concerning the inner connection between consciousness and value inevitably overlaps with repetitions of points made earlier about the inner connection between private labour and value. After moving from human subjectivity to its transposed form of existence in the objectivity of value, Marx turns his attention back to the material subject of social labour in order to uncover the form of this consciousness which, in its immediacy, appears as abstracted from its social determinations. It is here that, strictly speaking, the presentation of entirely new content actually starts to unfold. The exposition thus reveals the sundering of the immanent twofold determination of human productive consciousness (individual and social) into an abstractly individual attribute of the material subject of social labour and the objectified mode of existence of its social determinations in the commodity, the latter being posited by the spontaneous or unconscious act of consciousness itself. What follows is the development of the concrete form in which the private producers ideally reflect on those social determinations, grasping them in their immediacy as already-existing forms of human life. On the basis of these immediate appearances, they organise their alienated practical action in order to reproduce the materiality of their lives, thereby becoming determined as personifications of the autonomised self-movement of those objectified forms of social mediation. Note in this regard that this means that the relation between consciousness and value suffers, as it were, a reversal. If at the beginning value

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The latter are external observations in the dialectical presentation which evidently play a didactic or pedagogical role by helping to emphasise the specificity of capitalist social forms.

appeared as the self-negating mode of existence of consciousness, the exposition later reveals that human subjectivity and its conscious practical action actually develop into a concrete form of the self-movement of the value-form. One could argue that in this way Marx eventually justifies his presentational strategy of total obliteration of subjectivity when structuring the argument in the first three sections of Chapter 1 in apparently 'objectivistic' terms around the explanation of the exchangeability of the commodity as such: the establishment of the unity of capitalist social production proves to be predicated on a real automatism and not on the conscious knowing and willing of the material subject of social labour.

With all this in mind, we can now take stock of the precise systematic place and significance of the section on commodity fetishism in Marx's order of presentation. Inasmuch as it has the consciousness of the commodity producer as its immediate object of exposition, it can only appear *after* the analytic and synthetic development of the determinations of the value-form. The reason for this is that the determinations unfolded in the former are nothing more than the forms in which the latter concretely develop. To put it plainly, *the individual consciousness of the commodity producer is a concrete form in which the commodity, as the formal subject of the process of human metabolism, realises its own determinations*.

The full significance of this order of determination can be better appreciated in Chapter 2, in which, as anticipated above, Marx presents that alienated consciousness in motion, effectively acting as personification of her commodity in the sphere of exchange, that is, in the phase of the social reproduction process in which the unity of the social character of labour becomes manifest through a direct relation between human beings (i.e. the voluntary contract). In other words, when he presents the process of exchange as the concrete realisation of the social relation materialised in the commodity. After analytically penetrating the immediate appearance that it is the human individual who consciously and voluntarily controls the product of labour, Marx sets out to unfold the realisation of the essential determination with which the previous section finished, namely: in capitalist society,

> the characters who appear on the economic stage are merely personifications of economic relations: it is as the bearers of these economic relations that they come into contact with each other.[78]

What follows, then, is the alienated action of individuals determined as personifications who, through their unconsciously-organised social action, cannot help manifesting by way of their 'natural instinct' the 'natural laws of the commodity' discovered in Chapter 1.[79] In effect, out of the development of the exchange-process necessarily crystallises the money-form of the commodity. The value-form of the product of labour affirms itself as an abstract form through its self-negation, that is, by realising its own necessity in the form of the atomistic action of commodity owners, which act as vehicles for the realisation of the 'will' of their commodities.[80] Hence the importance of grasping not only the unity between the section on commodity fetishism and the rest of Chapter 1, but also of accounting for the crucial presentational unity between the latter as a whole and Chapter 2.

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[78] Marx 1976c, p. 179.

As the ideal reproduction of these real relations among forms of different levels of abstraction, the dialectical presentation cannot posit the fetishism of commodities – i.e. the inverted self-consciousness of the commodity producer and its determination as personification of the value-form – prior to the unfolding of the social relations whose unity is ideally mediated in that historical form of consciousness. If it did so, it would, like it or not, fall prey to the idealist inversion of positing consciousness as taking concrete form in social being. And, since the times of *The German Ideology*, Marx and Engels had made it clear that such a way of conceiving the relation between social being and forms of consciousness entailed turning the real relations upside down. Maybe aware of the risk that his own exposition might be read in that inverted fashion, Marx in the first edition of *Capital* explicitly stated the order of the relation.

> First their relationship exists in a practical mode. Second, however, their relationship exists as relationship for them. The way in which it exists for them or is reflected in their brain arises from the very nature of the relationship.[81]

Conclusion

By way of brief concluding remarks, let us point to some implications of overlooking the precise systematic meaning and place of commodity fetishism in Marx's dialectical exposition in *Capital* as reconstructed above. In a nutshell,

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[79] Marx 1976c, p. 180.

[80] Arthur 2004, pp. 37–8, correctly points this out. Heinrich also brings out this issue in distinguishing between Marx's exposition of the 'economic determinate form' and the 'activity of commodity owners'. See Heinrich 2012, pp. 72–9.

[81] Marx 1976b, p. 36.

I think that it leads to a conception of Marx's critique of political economy, and in particular of the section on commodity fetishism, one-sidedly determined as an exposition of the social constitution of the forms of objectivity of capitalist society. The transposed relation between human practical activity and its objectified forms of social mediation becomes thus exhausted in the constitution of those forms of objectivity as a hostile alienated social power standing above and constraining the affirmation of an abstractly-free human individuality. But this inversion is not followed through to its necessary unfolding in the determination of the latter as the pure personification of the value-form. This has the consequence of rendering the most general determination of human individuality in capitalism undertheorised, thus opening up the possibility of postulating an instance of exteriority between human consciousness and will (i.e. subjectivity) and the value-form; the former is thereby seen as not fully determined as a mode of existence of the latter. As I have argued at great length elsewhere,[82] this exteriority eventually hinders the full comprehension of what a consequent dialectical development of these abstract determinations necessarily leads to, namely: the discovery of the determination of (social) capital as the concrete alienated subject of the historical movement of present-day society. To put it differently, this reading fails to follow the transition from the fetishism of commodities to the fetishism of capital, that is, from its abstract determination as a formal inversion between subject and product of social labour up to its full transformation into a complete real inversion, i.e. to the constitution of the total social capital as the alienated subject of the movement of modern society, with social classes as its antagonistic collective personifications. It goes without saying that this does not entail an abstractly theoretical interest. Quite to the contrary, it can be shown that it is a necessary step to discovering the determinations of the revolutionary subjectivity of the working class as *immanent* in the very unfolding of the reified forms of social mediation of capitalist society. In other words, a proper grasp of the systematic content and significance of commodity fetishism is a condition for the development of dialectical science into the conscious practical critique of the capital-form.

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[82] Starosta 2016. See, in particular, Chapters 6 and 9.

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Fetishism and Revolution in the Critique of Political Economy: Critical Reflections on some Contemporary Readings of Marx's *Capital*

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Abstract

The aim of this article is to examine a series of recent contributions to the reading of Marx's *Capital* that stress its specific determination as a dialectical investigation of objectified or fetishised forms of social mediation in capitalist society: on the one hand, the so-called *Neue Marx-Lektüre* originated in Germany towards the end of the 1960s and, on the other, the more widely circulated work of authors associated with so-called *Open Marxism*. The interesting aspect of these works is that they draw the implications of Marx's critique of political economy not only for the comprehension of the fetishised forms of social *objectivity* in capitalism, but also for the comprehension of the forms of *subjectivity* of the modern individual. More specifically, all these contributions broadly share the insightful view that the content of the simplest determination of human individuality in the capitalist mode of production is its alienated existence as 'personification of economic categories'. However, this article argues that the limits of these perspectives become apparent when it comes to uncovering the grounds of the revolutionary form of subjectivity which carries the potentiality to transcend capitalist alienation. For these perspectives fail to ground the revolutionary form of subjectivity in the immanent unfolding of capitalist forms of social mediation. In the case of the *Neue Marx-Lektüre*, it quite simply leaves the *problematique* of the revolutionary subject outside the scope of the critique of political economy. In the case of *Open Marxism*, despite-valiant attempts at overcoming all exteriority in their conceptualisation of the relationship between human subjectivity and capital, they end up grounding the revolutionary transformative powers of the working class outside the latter's alienated existence as personification of economic categories; more specifically, in an abstract humanity lacking in social determinations. In contrast to these perspectives, this paper develops an alternative approach to the Marxian critique of political economy which provides an account of the revolutionary potentialities of the working class as immanent in its full determination as an attribute of the alienated or fetishised movement of the capital-form.

Key Words: **_Capital_, Fetishism, Revolution, Dialectics; _Neue Marx-Lektüre_, Open _Marxism_**

Introduction

The aim of this article is to examine a series of recent contributions to the reading of Marx's *Capital* that stress its specific determination as a dialectical investigation of objectified or fetishised forms of social mediation in capitalist society. In the first place, I critically engage with the contribution by authors associated with the so-called *Neue Marx-Lektüre* originated in Germany towards the end of the 1960s (Backhaus 1980, 1992, 2005; Reichelt 1982, 1995, 2005, 2007; Heinrich 2009; Fineschi 2009). Secondly, I also scrutinize the more widely circulated work of authors associated with so-called *Open Marxism* (Bonefeld y Holloway 1991; Bonefeld, Gunn y Psychopedis 1992a, 1992b; Bonefeld, Holloway y Psychopedis 1995; Bonefeld y Psychopedis 2005). In this latter case, I shall particularly focus on Werner Bonefeld's contribution (1992, 1993, 1995, 2014), who explicitly draws intellectual inspiration from Backhaus's and Reichelt's ideas (Bonefeld 1998, 2001, 2014), albeit within a framework which is more overtly *political*.[1] Furthermore, I shall discuss Richard Gunn's more 'philosophically-minded' take on *Open Marxist* themes, which probably constitutes the more sophisticated and rigorous contribution to the methodological dimension of this approach (Gunn 1987, 1989, 1992).

In my view, perhaps the most interesting aspect of all these works is that they draw the implications of Marx's critique of political economy not only for the comprehension of the fetishised forms of social *objectivity* in capitalism, but also for the comprehension of the forms of *subjectivity* of the modern individual. In effect, all these contributions broadly share the view, correct as I see it, that the content of the simplest determination of human individuality in the capitalist mode of production is its alienated existence as personification of 'economic categories'. However, I shall show below that the limits of these perspectives become apparent when it comes to uncovering the grounds of the form of subjectivity which carries the immanent potentiality to transcend capitalist alienation, that is, when it comes to bring to light the determinations of the revolutionary subject.

In order to substantiate this argument, this article starts out by offering an in depth and detailed critical discussion of the *Neue Marx-Lektüre* and the *Open Marxist* approach, arguing that these authors fail to ground the emergence of revolutionary subjectivity in the immanent unfolding of capitalist forms of social mediation. In the former case, quite simply by leaving the *problematique* of the revolutionary subject outside the scope of the critique of political economy. In the case of *Open Marxism*, despite its valiant attempts at overcoming all exteriority in their conceptualisation of the relationship between human subjectivity and capital, they end up grounding the revolutionary transformative powers of the working class outside the latter's alienated existence as 'personification of economic categories'; more specifically, they end up grounding it in an abstract humanity lacking in social determinations.

Furthermore, the article develops this critical discussion along *methodological* lines demonstrating that the substantive weaknesses of both the *Neue Marx-Lektüre* and *Open Marxism* go hand in hand with an inadequate conception of the scientific-critical method needed immanently to discover the determinations of revolutionary subjectivity. More concretely, for these authors the Marxian scientific-critical method underlying the discovery of revolutionary praxis simply boils down to the analytic movement entailed by the '*reductio ad hominem*', through which the dialectical investigation traces the human origin of economic categories. The 'genetic' or 'synthetic' aspect of dialectics is thus relegated to the role of explaining the social constitution of the forms of objectivity of capitalist society and, at most, of the forms of subjectivity that bear their *reproduction*. However, according to this conception, this second moment of the dialectical investigation has no role to play with regards to the comprehension of the foundations of revolutionary subjectivity.

In contrast to these perspectives, I develop an alternative approach inspired by the contribution to the critique of political economy of the Argentine scholar Juan Iñigo Carrera (1992, 2007, 2013) which, insofar as it attempts to provide an account of the revolutionary potentialities of the working class as immanent in its full determination as 'personification' of the movement of capital, differs from the two readings just outlined on the following two key methodological dimensions. In the first place, it is argued that insofar as revolutionary subjectivity is a 'unity of many determinations', its ground cannot be found at the 'level of abstraction' of commodity fetishism, as implicitly follows from the *Neue Marx-Lektüre* and the *Open Marxist* approach. In the second place, and as a consequence, it is shown that the critical moment of the Marxian dialectical method does not simply consist of the *reductio ad hominem*. The latter undoubtedly is the essentially analytic and Feuerbach-inspired approach deployed by Marx in early texts such as the *1844 Paris Manuscripts*. However, I maintain that Marx overcame the limits of the latter methodological perspective in the 'mature' versions of his critique of political economy (the *Grundrisse*, the *1859 Contribution* and, especially, *Capital*). In effect, in these latter works the discovery of revolutionary subjectivity immanently emerges out of the *synthetic unfolding* of the *totality* of form determinations of capital as the alienated concrete subject of the movement of modern society, with the commodity form as its necessary yet only *simplest* expression (and hence as the point of departure of the dialectical presentation which *culminates* with revolutionary subjectivity).

Method and practical critique from the *Neue Marx-Lektüre* to *Open Marxism*

Backhaus's and Reichelt's Neue Marx-Lektüre

We pointed out above that both the *Neue Marx-Lektüre* and its more politicised reception by *Open Marxism* in the Anglophone world share a particular conception of the method and significance of the Marxian critique of the fetishised forms of capitalist social mediation. In effect, in their reducing the critical moment of the investigation of commodity fetishism to the mere discovery of the human content behind the alienated objectivity of economic categories, it can be argued that these authors develop what I have elsewhere termed a 'Feuerbachian' reading of this aspect of Marx's method in his 'mature' works (Starosta 2015). In other words, what eventuates is a variation of what Avineri referred to in his classic book as the method of *transformative criticism* that the young Marx had taken over from the author of *The Essence of Christianity* (Avineri 1993). In this sense, it would seem that there would be no essential methodological difference between the critical method of *Capital* and that which structures Marx's first attempt at the critique of political economy in the *1844 Paris Manuscripts*. The only difference would be that in Marx's later texts, he not only reduces alienated social forms to its human content but also answers (or does so more fully) the question as to why that content takes on such a fetishised form.

But 'if the point is to change the world', then the subsequent problem is how to turn the insight in the human basis of the alienated objectivity of economic categories into *practical critique*, that is, how to convert it into emancipating conscious practice. And it is here where, eventually, the recourse to a moment of exteriority to capitalist social relations tends to creep in as the source of the transformative powers of revolutionary action. Broadly put, for such Marxists the transformative powers of our action are located not in commodity-determined practice itself, but in the essential character of an abstract material content deprived of social determinations which is deemed 'logically' prior to its perverted social form as value-producing, albeit only appearing and existing immanently in and through it. For those readings, this mere discovery of the human content of 'economic categories' exhausts the thinking needed consciously to organise the practical critique of capitalism. Let us examine this matter more closely through a discussion of some of these contributions.

Perhaps a good place to start is the work of Hans-Georg Backhaus, who explicitly traces the Feuerbachian lineage of Marx's method of critique. According to Backhaus, from an initial application 'in his critique of the metaphysical theory of the state', Marx expanded the scope of this method to economic objects as material forms of self-estrangement, commensurable to its metaphysical and theological forms (Backhaus 2005, pp. 18–19). This 'critical genetic method' is said to have two main aspects – the critical and the anthropological. The former does not simply consist in describing and denouncing the existing contradictions between dogmas and institutions, but centrally aims at explicating the inner genesis or necessity of those contradictions (Backhaus 2005, p. 19). In turn, the anthropological aspect of the method involves an *ad hominem* reduction, the demonstration of the human basis of the economic object as a material form of self-estrangement, which is thus rendered in its totality as an object of critique (ibid.). The critique of economic categories thus entails the transcendence of the economic standpoint (Backhaus 2005, p. 23).

In Backhaus's reading, this 'application' of the 'critical genetic method' to the discipline of economics is employed by Marx not only in his early writings (an indisputable fact as I see it), but also in his mature critique of political economy (Backhaus 2005, pp. 21ss). The main thrust of the critique remains the same: whilst economics:

> accept[s] economic forms and categories without thought, that is in an unreflective manner … Marx, in contrast, seeks to 'derive' these forms and categories as inverted forms of social relations (Backhaus 2005, p. 21).

The 'dialectical method of exposition' is thus essentially seen as the genetic development of those alienated forms of *objectivity* out of human sensuous practice. (Backhaus 2005, p. 22). The general method of critique does not change in this reading, only its terminology (Backhaus 2005, p. 25). In the words of Backhaus himself:

> In variation of this thought process, Marx argues in the mature *Critique* of 1859 that what the economists 'have just ponderously described as a thing reappears as a social relation and, a moment later, having been defined as a social relation, teases them once more as a thing' (Marx 1971, p. 35). If one replaces 'social relation' by 'appearance of humanness' and thing qua 'value thing' by the thing in 'difference from humanness' that, as a transcendental thing, is transposed in a sphere 'outside of Man', then the continuity of the fundamental character of Marx's critique of economics from the early writing to *Capital* becomes sufficiently clear (Backhaus 2005, p. 25).

Now, lest my argument be misread, my claim is not that these contributions from the *Neue Lektüre* see no methodological change whatsoever between Marx's early critique of economics and his mature version. My point is that they do not posit any change insofar as the nature of *critique* is concerned: the *reductio ad hominem* is considered to be the continuing ground for revolutionary praxis (Reichelt 2005, p. 38). Yet, this novel reading does develop two additional methodological elements which are relevant for the purpose of the present discussion.

In the first place, these authors argue that in Marx's mature critique, the genetic aspect of his method is not simply predicated on Feuerbach. Insofar as the 'inverted world of capital' (as self-valorising value) resembles Hegel's second supersensible world, 'which in its reality … contains within itself … both the sensuous and the first supersensible world', (Reichelt 2005, p. 32), Marx's mature critique also drew on Hegel's logic for the 'dialectical development of categories' (Reichelt 2005, p. 43). In other words, Hegel's dialectical method provided Marx with the general form of motion of *synthetic* exposition of the necessary sequence of form-determinations understood as 'objective forms of thought' (Reichelt 2005, p. 57).

Secondly, taking cue from Adorno's concept of society as the 'unity of subject and object', (Backhaus 1992, p. 56), which involves 'an ongoing process of inversion of subjectivity and objectivity, and vice versa', (Backhaus 1992, p. 60), both Backhaus and Reichelt posit the alienated determination of human beings as 'personifications of economic categories' or 'character masks', as a central element of Marx's dialectical method in *Capital* (Backhaus 1992, p. 60; Reichelt 1982, p. 168). While this insight could be a promising programmatic starting point for an attempt at a critical investigation of the determinations of revolutionary subjectivity, this is not a path that these German scholars follow. Their discussion unfortunately tends to remain at a very high level of abstraction, dealing with the simpler form determinations of capital. As *Endnotes* 2 write, 'class plays little role in the writings of Backhaus and Reichelt and they treat the question of revolution as outside their field of academic expertise' (Endnotes 2010, p. 99).[2] Nonetheless, it is possible to examine the practical implications of this approach by turning to the work of Werner Bonefeld who, as stated above, has not only introduced it into Anglophone Marxism, but also developed it further along resolutely political lines, i.e. by putting the revolutionary class struggle at the centre of his investigation (Endnotes 2010, p. 98).[3]

Bringing Politics into the Neue Marx-Lektüre: Bonefeld and Open Marxism

A recent article by Bonefeld on Adorno and social praxis is a fertile ground to discuss this issue. The starting point of Bonefeld's discussion is the recognition that in capitalism the 'subject's objectification exists in an inverted form, in which the thing subjectifies itself in the person, and the person objectifies him- or herself in the thing' (Bonefeld 2012, p. 125). In other words, Bonefeld takes up the Adornian insight, which originally triggered the *Neue Marx-Lektüre* (Reichelt 1982), that in this society individuals become determined as 'character masks' or 'agents of value': their social activity becomes the activity of 'personifications of economic categories' (Bonefeld 2012, p. 124). In more overtly Adornian terms, Bonefeld speaks of this phenomenon as involving a specific 'objective conceptuality', which 'holds sway in reality (*Sache*) itself' (Bonefeld 2012, pp. 125–6). However, unlike Backhaus and Reichelt, Bonefeld explicitly poses the question of the implication of this form-determination of human individuality for emancipatory praxis, i.e. for revolutionary class struggle:

> The critique of political economy is not satisfied with perpetuating the labourer. Its reasoning is subversive of all relations of human indignity. Subversion is not the business of alternative elites that seek revolution as mere conformist rebellion – a revolution for the perpetuation of wage slavery. Their business is to lead labour, not its self-emancipation. Subversion aims at general human emancipation (Bonefeld 2010a, pp. 62–3).

The interesting thing about Bonefeld's answer to this question is that, at least in principle, he explicitly rejects those attempts at grounding 'resistance' against reification in an 'asserted subject conceived in contradistinction to society', and whose transhistorical basis would be the worker's 'humanity and soul' (Lukács), 'the inner transcendence of matter' (Bloch), a 'materialist instinct' (Negt and Kluge), or biopower (Hardt and Negri) (Bonefeld 2012, p. 131). In other words, Bonefeld is at pains not to relapse into any exteriority to the perverted forms of existence of the social individual as the ground for the revolutionary subject:

> And Adorno? He would have none of this. The idea that there is a world out there that has not yet been colonized by the logic of things is nonsensical. Instead of a concept of society, these differentiations of society into system and soul/transcendent matter/materialist instinct/bio-power separate what belongs together (Bonefeld 2012, p. 131).

Bonefeld elaborates further on this through a 'philosophical' discussion of Hegel's conception of the relation between essence and appearance (Bonefeld 2012, pp. 127–8). Essence, he argues following Hegel, has to appear (it cannot choose not to do so). Moreover, this appearance is its (only) mode of existence. This means that there is no exteriority to essence's actual manifestation, however perverted the latter might be: 'its appearance is thus at the same time its disappearance' (Bonefeld 2012, p. 128). Translated into social theory, this philosophical argument means that human sensuous practice (essence) does exist as personification of economic categories (appearance), and that this inversion is no mere subjective illusion, but is all too real. Now, whilst this certainly allows Bonefeld to formally avoid relapsing into an externality between human subject and society, it begs the question as to how to avoid the political dead-end to which Adorno pessimistically succumbed? In other words, the question arises as to how to avoid the conclusion that 'there could be no such thing as emancipatory praxis because the reified world of bourgeois society would only allow reified activity' (Bonefeld 2012, p. 124)?

Here lies the crux of the matter, because, in my view, Bonefeld can remain true to the project of emancipatory praxis only by backtracking on his declamation to reject any exteriority between 'essence' and 'appearance'. Thus, right after claiming that the former vanishes in the latter, he endorses Adorno's claim in *Negative Dialectics* that 'objects do not go into their concepts without leaving a remainder' since 'the concept does not exhaust the thing conceived' (Adorno 1992, p. 13). According to Bonefeld, the critical move consists in 'opening the non-conceptual within the concept' (Bonefeld 2012, p. 130). This non-conceptual content, Bonefeld further argues, 'subsists within its concept but *cannot be reduced to it*' (Bonefeld 2012, p. 130, my emphasis). Crucially, *it is this moment of irreducibility of the content which, in its simplicity and unmediatedness, constitutes the ground of revolutionary subjectivity*. In other words, the latter is seen by Bonefeld as the expression of the direct affirmation of the ('non-conceptual') content. The fact that he does not see this affirmation as a pure positivity but only as negation of 'the negative human condition' (Bonefeld 2012, p. 130) makes no difference. The point is that the immediate 'source' of that negativity is located in the (formless) content itself: 'Subversion is able to negate the established order because it is "man" made' (Bonefeld 2010, p. 66). The postulate of immanence between content and form ultimately thereby remains just a formal declaration which is belied as the argument unfolds. In the end, an element of exteriority to alienated social practice creeps back in as the residual 'substance' of revolutionary subjectivity.[4]

We shall return below to the substantive shortcomings of this kind of approach. Here the important point to address is the implication of this conception of revolutionary subjectivity for the *meaning of science as critique*. Briefly put, for Bonefeld, dialectical critique comes down to the demystification of 'economic categories' by revealing their social constitution as perverted modes of existence of human activity, that is, by discovering sensuous practice as the negated content behind those reified forms of social mediation (Bonefeld 2001, pp. 56–9; and 2012, p.

127). What follows from this is that, for Bonefeld, the 'subversive' moment of Marx's methodological programme is essentially *analytic*: it consists in the discovery of the content of a determinate form. Drawing on the work of Backhaus commented on above (Bonefeld 1998), it is through *reductio ad hominem* that science as critique provides enlightenment on revolutionary practice.

The problem with this approach is, as argued elsewhere (Starosta 2008; Caligaris and Starosta 2014), that dialectical analysis is actually incapable of offering an *explanation* (hence comprehension) of the *raison d'être* of determinate concrete forms of reality. In moving 'backwards' from concrete form to content, dialectical analysis can at most reveal *what* are the more abstract determinations whose realisation is presupposed and carried by the immediate concrete form under scrutiny. But it cannot account for its 'why' (i.e. its fully unfolded immanent necessity). In this sense, although it does comprise a necessary methodological stage of dialectical research, the analytical discovery of the human content of fetishised relations between things can shed little light on the comprehension of revolutionary subjectivity. In fact, that was the scientific achievement of the Marxian critique of political economy as early as in the *1844 Paris Manuscripts*, which allowed him to grasp the *simplest* (human) determination behind the content and form of the abolition of the fetishism of capitalist social relations (Starosta 2015, Chapter 1). But the whole point of Marx's subsequent scientific endeavour was precisely to advance in the comprehension of the *further mediations* entailed by the material and social constitution of the revolutionary subject, which could only be the result of their *synthetic* ideal reproduction.

Evidently, this presupposes that one considers that there actually *are* further mediations that need to be unfolded synthetically in order fully to comprehend revolutionary practice. But this is what Bonefeld's approach denies. As I have argued, despite his critique of other perspectives that resort to the immediacy of 'an asserted subject externally counterposed to society', his own endeavour ultimately finds the immanent ground of revolutionary subjectivity in something simple and unmediated, i.e. the abstract materiality of 'sensuous human practice' which 'lives within and through relations between things'. Bonefeld's restriction of the subversive moment of dialectical critique to analysis is therefore perfectly coherent on this score. In his view, when it comes to revolutionary subjectivity, there are actually no *determinations* at stake, there is nothing to be explained. In other words, the revolutionary abolition of capital has no material, social or historical *immanent necessity* Bonefeld (2010, p. 64).[5] Its only 'necessity' is moral, the practical realisation of the 'communist categorical imperative of human emancipation' (Bonefeld 2010, pp. 66, 77). In brief, the revolutionary abolition of capital is the result of an abstractly free and socially autonomous political action, represented as the absolute opposite of the alienated automatism of the capital form (albeit one that can only exist as 'negativity', i.e. in the struggles 'in and against' capitalist oppression):

> The existence of the labourer as an economic category does therefore not entail reduction of consciousness to economic consciousness. It entails the concept of economy as an experienced concept, and economic consciousness as an experienced consciousness. At the very least, economic consciousness is an unhappy consciousness. It is this consciousness that demands reconciliation: freedom turns concrete in the changing forms of repression as resistance to repression (Bonefeld 2010, p. 71).

It follows that the only thing that actually requires explanation is the social constitution of the fetishised forms of objectivity in which human practice exists in capitalism. In this sense, Bonefeld acknowledges that the critical power of the dialectical method involves not only analysis, but also, fundamentally, synthetic or 'genetic' reproduction. Thus, in an article on the meaning of critique, he approvingly quotes Marx's methodological remark that

> It is, in reality, much easier to discover by analysis the earthly kernel of the misty creations of religion than to do the opposite, i.e. to develop from the actual, given relations of life the forms in which these have been apotheosized (Marx 1976, p. 494).

However, this synthetic reproduction is recognised by Bonefeld as the only materialist and scientific method for the genetic development of perverted social forms, i.e. for the social constitution of fetishised *forms of objectivity* out of human relations. As far as forms of *subjectivity* are concerned, they might at most be considered part of the genetic development of forms only insofar as individuals 'act rationally as executors of economic laws over which they have no control' (Bonefeld 2012, p. 128), which for this approach is the only aspect under which human beings act as personifications of economic categories. But as for *antagonistic* forms of subjectivity and action, they seem to fall outside the scope of the systematic unfolding of 'economic categories' (except, of course, as instances of negation of the latter's self-movement, i.e. as struggles *against* it). Thus, Bonefeld states: 'Does it really make sense to say that workers personify variable capital? Variable capital does not go on strike. Workers do' (Bonefeld 2010, p. 68). And they do so not as owners of labour power trying to secure the reproduction of their commodity. More importantly, the workers struggle daily against 'the capitalist reduction of human purposes to cash and product' (Bonefeld 2010, p. 72).[6]

In sum, for this kind of approach the synthetic movement of the dialectical exposition concerns the social constitution of 'economic categories' and the continuous process of reproduction of the constitutive premise of their existence at every turn of the conceptual development. Bonefeld locates this premise in the 'logic of separation' of labour from its conditions (Bonefeld 2011, p. 395), i.e. in the *formal subsumption of labour to capital*. But the systematic sequence does not entail any progress in the knowledge of the immanent determinations of revolutionary subjectivity. The significance that Bonefeld attaches to the culminating point of Marx's systematic exposition in Volume I of *Capital*, which for him should be better confined to the concept of *primitive accumulation*, is symptomatic in this regard.[7] The chapter on the 'historical tendency of capitalist accumulation' only matters insofar as 'it also continues the process of expropriation in its own terms, as capital centralization' (Bonefeld 2011, p. 394). As for the revolutionary expropriation of the expropriators and the bursting asunder of the capitalist integument that Marx posits as the necessary outcome of the alienated socialisation of private labour, Bonefeld considers that they should be left aside as 'desperately triumphal remarks' (Bonefeld 2011, p. 395). This should come as no surprise. As I have shown, according to his approach, revolutionary subjectivity is quite simply self-grounded in an abstract inner negativity, which is expressed, however 'contradictorily', in every manifestation of resistance to oppression.

At first sight, and in contradistinction to the 'fatalism' and 'quietism' entailed by orthodox perspectives that posit the supersession of capital in terms of the 'mechanic' impossibility of its expanded reproduction (i.e. the different versions of theories of capitalist breakdown), *Open Marxism* seems to extoll and 'empower' the political action of the working class. At the same time, this conception appears to avoid the lapse into the naïve immediatism and subjectivism characteristic of, for instance, so-called '*Autonomist Marxism*'.[8] However, I shall show in the next section that the *Open Marxist* perspective is also deeply problematic.

The limits of *Open Marxism*

The first fundamental substantive critical remark that can be made about the *Open Marxist* approach is that despite its valuable attempt to undertake an uncompromising and radical criticism of capitalist social relations in their totality, it ends up *naturalising* the *historically-specific social form of personal freedom* characterising the private and independent individual, i.e. the subjectivity of the commodity producer. As a consequence, this perspective cannot but lead to the practical impotence to abolish the fetishism of the commodity- and capital-forms of social relations. In order to substantiate this point, let us examine the matter more closely.

In effect, as Iñigo Carrera (2007, Chapter 3) forcefully argues in what I think is one of his most important contributions to the contemporary reconstruction of the Marxian critique of political economy, in capitalism free consciousness is neither the abstract opposite to nor the content of alienated consciousness. Instead, the consciousness that is free from all relations of personal subjection is but the mode in which the alienated consciousness of the commodity producer affirms through its own negation. In other words, the other side of the coin by which the human individual sees her/his social powers as the objective attribute of the product of social labour (i.e. value) is her/his self-conception as the bearer of an abstractly free, 'self-determining' subjectivity. Thus, it is by seeing herself/himself – and therefore practically acting – as abstractly free that the individual affirms and reproduces her/his alienated productive practice, that is, her/his social determination as personification of the objectified forms of the general social relation of production (the commodity, money, capital and so on).[9]

As Marx himself points out in the *Grundrisse*, the subjective form of personal freedom is but an expression of the fact 'that the individual has an existence only as a producer of exchange value' (Marx 1976, pp. 717–19):

> Therefore, when the economic form, exchange, posits the all-sided equality of its subjects, then the content, the individual as well as the objective material which drives towards the exchange, is *freedom*. Equality and freedom are thus not only respected in exchange based on exchange values but, also, the exchange of exchange values is the productive, real basis of all *equality* and *freedom.* As pure ideas they are merely the idealized expressions of this

> basis; as developed in juridical, political, social relations, they are merely this basis to a higher power. And so it has been in history. Equality and freedom as developed to this extent are exactly the opposite of the freedom and equality in the world of antiquity, where developed exchange value was not their basis, but where, rather, the development of that basis destroyed them. Equality and freedom presuppose relations of production as yet unrealized in the ancient world and in the Middle Ages. Direct forced labour is the foundation of the ancient world; the community rests on this as its foundation; labour itself as a 'privilege', as still particularized, not yet generally producing exchange values, is the basis of the world of the Middle Ages. Labour is neither forced labour; nor, as in the second case, does it take place with respect to a common, higher unit (the guild) (Marx 1993, p. 245).

Now, we have seen that despite *Open Marxism*'s valiant efforts to eliminate all exteriority between human productive practice and its alienated social forms of existence, when it comes to grounding the radical transformative powers of the working class, these authors end up reintroducing through the back door a 'moment' of subjectivity which is set into motion as an unmediated expression of the generic 'constitutive power' of human labour. Revolutionary action is thus not seen as undertaken by wage-workers in their alienated determination as *personifications* of their reified social being (i.e. capital). Instead, Revolutionary action becomes represented as *abstractly free* and the content of that freedom as working class *self-determination*. In other words, the source of the potentiality to achieve the revolutionary abolition of capital is seen as having no material and social determination other than the will of wage-workers who, through their irreducible refusal to subordinate their 'human dignity' to the 'cash nexus', unleash, albeit always in a 'contradictory' fashion (on which more below), the radical transformation of materiality of the social life-process.

This is openly manifest already in Bonefeld's early work (Bonefeld 1993, pp. 26-8), precisely in the way he appears to be at pains to overcome the externality between labour and capital extolled by 'Autonomist Marxists', without relapsing into a structural functionalism (e.g. Jessop 1991) that reduces class struggle to a form of the reproduction of capital and denies its capital-transcending potentialities (Bonefeld 1993, pp. 26–8). Bonefeld attempts to navigate through this antinomy by emphatically stressing the 'internal or dialectical relation' between labour and capital as one between material content ('the constitutive power of human practice') and its alienated mode of existence ('social reproduction as domination'). Thus, it follows from this (allegedly) immanent nexus between content and form that alienation permeates all capitalist social existence, so that the two poles cut across every manifestation of class struggle (indeed, the singularity of each human subject): there being no privileged form of action which can be said to express the affirmation of a pure non-alienated subjectivity. 'Reform' ('labour as a moment of social reproduction in the form of capital') and 'Revolution' are therefore seen as constituting 'extreme poles of a dialectical continuum that social practice represents' (Bonefeld 1992, p. 102). However, in what I think is key to the argument of this paper, Bonefeld explicitly characterises the revolutionary moment of 'transcendence' as a 'process in and against capital *in terms of working class self-determination*', so that the resolution of the 'dialectical continuum' between 'Reform' and 'Revolution' is not determined but is 'open to the process of struggle itself' (ibid., *my emphasis*). In other words, this discussion makes evident that *Open Marxist*s consider that the moment of 'transcendence' (i.e. revolutionary subjectivity), even if always intertwined with 'integration' (the determination of the wage worker's alienated subjectivity as personification of the reproduction of capital), ultimately is the expression of working-class self-determination, that is, as an element of subjectivity that is not a mode of existence of (hence determined by) the capital form. The specifically revolutionary resolution of the class struggle is thereby seen as an *unmediated* assertion of this undetermined, residual and pristine human content lurking behind the fetishised social forms of capitalist society.

This leads us to a further weakness of the *Open Marxist* approach, which is of a more methodological dimension. Specifically, I think that despite the recurring insistence on 'internal or dialectical' relations, this perspective actually entails an external representation of the immanent nexus between the content and concrete form of revolutionary subjectivity in terms of a 'pseudo-dialectic' consisting in the 'unity of opposites'. This becomes apparent in its treatment of the notion of contradiction, which is usually initially postulated correctly (at least formally) as the self-negating form of existence of a determinate content (hence as the *self-movement of affirmation through negation*), but which then surreptitiously turns, in the very course of the same argument, in the 'intertwining' of two different *immediate affirmations*, extrinsically united in a process of 'struggle between antagonistic opposites' (Iñigo Carrera 2013, Chapter 1; Starosta 2015, Chapter 3). Although this should be already clear from Bonefeld's passages discussed above, it is thrown into even sharper relief in the work of Richard Gunn, who offers the most rigorous and in-depth methodological discussion within the *Open Marxist* tradition. Interestingly and relevantly for the theme of this section, in what is a foundational article from this perspective, Gunn poses the question in terms of the contradictory relationship between freedom and alienation in capitalist society.

Gunn's point of departure is in itself already problematic, insofar as he overtly postulates 'freedom *qua* self-determination' as a general, hence transhistorical, feature of the human species being, this being what distinguishes the latter from other natural forms of the material world (Gunn 1992, p. 28). But what is actually of interest here is the way in which he confronts the question of alienation in capitalism and its revolutionary overcoming, which is posed by Gunn as involving the following paradox:

> If we move *freely* then we were not unfree to begin with, but if we move unfreely then freedom (at any rate in the sense of self-determination) can never be the result (ibid., p. 29).

The 'trick', Gunn continues, 'has to be to see unfreedom as a mode of existence of freedom' (ibid.). In this sense, he concludes that in reality there is no such thing as *un*freedom, but 'unfree freedom, freedom subsisting alienatedly, i.e. in the mode of being denied' (ibid.). In brief, and leaving aside for the moment the inverted form in which he represents the nexus between 'freedom *qua* self-determination' and alienation in capitalism, it is clear that so far his argument revolves around the self-negating affirmation of a determinate content in its concrete form of realisation, that is, the movement of contradiction.

How, according to Gunn, does this contradiction between the essential content of freedom of human subjectivity and its alienated mode of existence develop into the form of a revolutionary action that puts alienation to an end? In order to examine this question, let us now turn our attention to a more recent article (co-authored with Adrian Wilding) in which, in the context of a sympathetic critical assessment of John Hollow's book *Crack Capitalism* (Holloway 2010), the two authors revisit and elaborate further this question (Gunn and Wilding 2012; see also Gunn and Wilding 2014). The terms of the problem remain the same, albeit now approached from a slightly different angle: the apparent antinomy that they track down in Holloway's book between what they call the 'attractive' view of revolution, according to which freedom already exists in a pristine and undistorted form in a pre-revolutionary situation (thus making the revolutionary task clearly possible but all too simple and voluntarist), and the 'unattractive' view, which assumes that freedom is literally absent in a pre-revolutionary situation (which sounds more 'realistic' but, according to these authors, makes it impossible for freedom to be the result of revolution) (Gunn and Wilding, pp. 178-80). The solution to this antinomy is, in line with Gunn's argument reviewed above, to acknowledge *both* that revolution effectively is an act which ends voluntary servitude and therefore 'is an expression and articulation of already-free action' (Gunn y Wilding 2012, p. 178) *and* that in a pre-revolutionary social world, such freedom exists but in a 'distorted' or 'self-contradictory and alienated' form (Gunn y Wilding 2012, pp. 181–2). Thus, the question is seen as involving a transition from a situation in which freedom already obtains but in an alienated form (pre-revolutionary situation), to a situation in which freedom exists in an uncontradicted and non-alienated from (revolution) (Gunn y Wilding 2012, p. 182). In other words, for Gunn and Wilding, mediation only pertains to capital-reproducing 'moments' of subjectivity, but not to the revolutionary 'pole of the continuum', which is seen as an affirmation of the human being's innately free self-determining subjectivity that 'breaks through' its alienated 'integument'.

This shows very clearly in the way they conceptualise 'uncontradicted self-determination', in a twofold sense. In the first place, when they claim that in a generally non-revolutionary situation, such an uncontradicted self-determination already makes its appearance within an alienated society, albeit in a 'proleptic or prefigurative' fashion, in and through 'islands of mutual recognition' in the 'cracks and fissures' of a contradictory social world (Gunn and Wilding 2014). Out of the blue, human life is now turned into the *unity of two intertwining opposites*: an alienated pole for the greater part of social existence and a free one in those 'islands of mutual recognition'. In the second place, it is noteworthy how they construct their concept of freedom on the basis of Hegel's concept of recognition as played out in the Master-Slave dialectic from Chapter IV of his *Phenomenology of Spirit* and further developed historically in Chapter VI, which culminates with the discussion of patterns of recognition in the French Revolution. In other words, they construct the ground of the communist revolution based on a conceptual framework whose actual content is but the emergence and concrete development of the modern, capitalistic 'self-determining' freedom of the commodity owner out of relations of personal dependence, which is ideologically presented by Hegel in an inverted fashion as the movement of an abstract individual self-consciousness deprived of social determinations.[10] As a consequence of all this, their critique of Holloway's occasional appeal to a 'pristine' or 'undistorted' freedom is thus limited to noting that 'such an immediacy that lies outside alienation's realm' cannot be taken 'as starting point' for the search for the genesis of revolutionary subjectivity within a non-revolutionary situation (Gunn and Wilding 2012, p. 184), yet it does constitute the 'key' to (i.e. the content of) its interstitial emergence and eventual proliferation. Hence, despite their best efforts, *Open Marxist*s end up sneaking an abstractly free subjectivity through the backdoor as the ground for the revolutionary transformation of society. In the end, the difference from the Autonomists comes down to a more sober and cautious *subjective attitude* when assessing 'really-existing' working-class struggles. Against the 'euphoric and triumphalist poetry that prevails in various *Autonomia*-influenced accounts', Gunn and Wilding's *Open Marxist* perspective 'allows for respect for a reality principle (in Freud's sense)' (2012, p. 182), a 'word of warning' about the 'difficulties' and 'complexities' involved in revolution. But the ground of revolutionary subjectivity in an abstractly free and self-determined subject remains the same.

Now, from where does this notion of free (*qua* self-determining) subjectivity by nature, which constitutes for these Marxist authors the content of revolutionary action, arise? Certainly not from the imagination of the theorist. When looked at more closely, we can realise that it is in fact the concrete form of the alienated consciousness abstracted from its content and transformed into its 'logical' opposite. It is from that apparent exteriority that free subjectivity is posited as the source of the revolutionary negation of alienated subjectivity. Emancipation is positioned as the removal of the inevitable external coercion imposed by social objectivity upon the natural self-determination of apparently free consciousness. In other words, that reading aspires to get rid of the commodity, money, capital and the state *precisely on the basis* of the immediate affirmation of the concrete form of the most general subjective form of existence of alienated human practice which is the necessary complement of those forms of objectivity, namely: the personal freedom of personifications of commodities.[11] Which is, quite simply, an oxymoron. In sum, the connection between science as critique and the abolition of the fetishism of capitalist social relations needs to be approached differently. In the next section, we propose and develop such an alternative perspective.

Commodity fetishism and science as practical critique

As anticipated in the introduction, I think that a fruitful alternative perspective can be found in the substantive and methodological contributions of Iñigo Carrera to the critique of political economy. According to this reading, the question of science as critique must be approached in a radically different manner. More concretely, it is about a development of the dialectical method which, insofar as it recognises knowledge's own immanent material determination as the organisational 'moment' of human action, gives science the specific form of *practical critique*. In this sense, the proper starting point and immediate object of the dialectical critique of political economy is the question about the conscious organisation of the radical transformative action which aims at revolutionising the forms of social life. This means that it is not just a question of the centrality of class struggle as the fundamental 'substantive abstraction' that constitutes the *object* of an abstractly theoretical process of cognition, which therefore renders it inevitably external to practice, despite rhetorical claims to the contrary in the name of the 'immanence of theory within its object' (Gunn 1992; Bonefeld 1992, 1995). Instead, it is a matter of the scientific inquiry into the conscious self-organisation of one's own transformative action in its singularity, albeit acknowledged as an individual organic moment of such radical collective action. To put it differently, at stake in radically critical scientific cognition is the objective knowledge of the social determinations, the immanent necessity, of our own individual action beyond any appearance (Iñigo Carrera 1992, p.1). Only on this basis is it possible to attain the voluntary revolutionary transformation of the social world.

From the standpoint of the scientific-critical method which is necessary for the immanent discovery of revolutionary subjectivity, both the *Neue Marx-Lektüre* and the *Open Marxist* approach conceive of the 'defetishising' moment of the critique of political economy as limited to the analytical movement of '*reductio ad hominem*' by which cognition traces the human origins of objectified forms of capitalist social mediation. However, at least with regards to knowledge of the grounds of revolutionary subjectivity, the properly *critical* moment of dialectical research is exhausted in the exposition of the most simple and general expression of capitalist alienation, that is, in the 'fetishism of commodities'. By contrast, my own alternative perspective on Marx's dialectical investigation of the determinations of the commodity form (commodity fetishism included) leads to a different conclusion regarding the connection between revolutionary praxis and these simpler fetishised forms of the general social relation of production which mediate the unity of social life.

True enough, in this process of cognition we become aware of the human content of the objective social powers borne by the commodity. However, what follows from this insight is not that we therefore immediately carry the power to negate the commodity form of our general social relation. Rather, it follows that whatever power we might have to radically transform the world must be a concrete form of the commodity itself. Yet, far from revealing the existence of that transformative power, the abstract determinations of social existence contained in the commodity form show no potentiality other than the reproduction of that alienated social form. So much so that the free association of individuals (the *determinate* negation of capitalism) appears in Chapter 1 (incidentally, precisely in the section on fetishism) as the *abstract* opposite of value-producing labour and hence, as the *extrinsic* product of the *imagination* of the subject engaged in that process of cognition. Thus, Marx starts that passage referring to communism by saying 'let us finally *imagine* …' (Marx 1976, p. 171, *my emphasis*).

Thus, the defetishising critique of revolutionary science does not simply consist in discovering the constituting power of a generic human practice as the negated content of capitalist alienated forms, which would constitute the ground for our revolutionary transformation of the world. Rather, it involves the production of the self-awareness that the reproduction of human life in all of its moments, *including our transformative action*, takes an alienated form in capitalism. The immediate result of the demystifying critique of the fetishism of commodities is to become conscious of our own alienated existence, i.e. of our determination as personifications or 'character masks'. This *is* our general social being and there is no exteriority to it. Fetishism is total which, in turn, means the social powers of our transformative action are effectively borne by the product of labour and we cannot but personify them.

This obviously bears on the question discussed earlier on the relationship between alienation and freedom. Specifically, this means that upon consciously discovering the social basis of the value form, we do not cease to be determined as its personifications and become able to affirm an abstractly free self-determining action. What this discovery changes is, as Iñigo Carrea puts it, that our social determination as personification of the commodity no longer operates behind our backs (Iñigo Carrera 2007, p. 204). In this way, we do affirm our freedom. However, we do so not because we realise that 'in reality' we are free beings by nature and could thereby 'choose' to 'stop making capitalism' if we tried hard enough, i.e. if we *turned our backs* on our social being (Cf. Holloway 2010). Instead, through the critical investigation of the value form we affirm our freedom because we come *consciously to cognise* our own determination as alienated social subjects (Iñigo Carrera 2007, p. 204). Armed with that objective knowledge of the alienated nature of our subjectivity, we could *consciously act upon* those alienated determinations in order to transform them in the direction of their revolutionary transcendence. Still, this would only be possible if those determinations actually carried the objective potentiality for their self-abolition, which is something that the simple commodity form of social relations does not show. This does not mean that commodity fetishism cannot be abolished. It only signals the need to move forward in the dialectical investigation of the more concrete social determinations of its revolutionary abolition.

Perhaps a good way to clarify this argument is by examining a methodological external remark that Marx introduces when discussing the function of money as means of payment in the 1859 *Contribution to the Critique of Political Economy*. It is worth quoting that profoundly rich text at length:

> But the metamorphosis of commodities, in the course of which the various distinct forms of money are evolved, transforms the commodity-owners as well, and alters the social role they play in relation to one another. In the course of the metamorphosis of commodities the keeper of commodities changes his skin as often as the commodity undergoes a change or as money appears in a new form. Commodity-owners thus faced each other originally simply as commodity-owners; then one of them became a seller, the other a buyer; then each became alternately buyer and seller; then they became hoarders and finally rich men. Commodity-owners emerging from the process of circulation are accordingly different from those entering the process. The different forms which money assumes in the process of circulation are in fact only crystallisations of the transformation of commodities, a transformation which is in its turn only the objective expression of the changing social relations in which commodity-owners conduct their exchange. New relations of intercourse arise in the process of circulation, and commodity-owners, who represent these changed relations, acquire new economic characteristics (Marx 1987, p. 371).

This passage could be read as a kind of *dynamic* development of the alienated determination of human productive individuality, whose simplest expression Marx presented through the discussion of the fetishism of commodities. As I have argued elsewhere (Starosta 2015, Chapter 5), in the latter text Marx unfolds the way in which the productive consciousness of the private individual unconsciously posits its own immanent determinations in the external form of the value-objectivity. Subsequently, he shows how the very subjectivity of the commodity producer becomes determined as the personification of those objectified forms of social mediation it had unconsciously engendered. What we have here is a statement of the transformative dynamics structuring the constitution of novel forms of subjectivity as an expression of the further concretisation of the 'law of value' beyond its simplest form. It is, as it were, the 'law of private subjectivity' that regulates the development of further concrete forms in which human beings act as 'personifications of economic categories'.

Certainly, those more complex forms in which the movement of value attains unity remain 'only the objective expression of the changing social relations in which commodity owners conduct their exchange', i.e. their simplest (social) content remains the general productive relation between human beings. However, the real inversion of those social relations as attributes of things means that human beings cannot consciously control the self-transformation of their subjectivity (at least not with the determinations unfolded up to that point). This transformation thereby occurs 'behind their back' as a result of the self-movement of the alienated forms of objectivity through which their social metabolic process takes place. As those objectified forms self-develop and change, commodity owners 'who represent these changed relations, acquire new economic characteristics', i.e. they progressively emerge from the circulation process wearing different 'character masks' from those with which they entered.

In the passage above, Marx specifies the forms of subjectivity that have emerged up to that particular stage of his presentation. More concretely, he mentions the figure of simple commodity owner, buyer and seller, hoarder and rich man. However, the implication of this discussion is that commodity owners shall undergo further 'changes of skin'. Thus, a few pages later he develops the figure of debtor and creditor (Marx 1987, p. 373), noting also how the corresponding general ideological forms change as well. From religion as the ideological form corresponding to the hoarder, we now move to jurisprudence as the one corresponding to the subjective form of creditor (ibid.). Furthermore, 'as money develops into world money, so the commodity owner becomes a cosmopolitan', the general ideological form of which is that of 'cosmopolitanism, a cult of practical reason, in opposition to traditional religious, national and other prejudices which impede the metabolic process of mankind' (Marx 1987, p. 384).

The fundamental point of this discussion is that those passages from the 1859 *Contribution* bring out very nicely a fundamental aspect of Marx's 'systematic dialectic': it includes both the forms of *objectivity and subjectivity* of capitalist society. But additionally, they implicitly contain important methodological insights into the way in which the genesis of different forms of subjectivity should be materialistically investigated, namely, as necessary mediations of the autonomised self-movement of forms of objectivity. This, I think, is the only method which allows us *immanently* to ground forms of consciousness and will (i.e. subjectivity) *within* the movement of present-day social relations. Crucially, my central claim is that if we want to stay true to this materialistic approach, this method should not only 'apply' to 'value-reproducing' forms of subjectivity and action, *but must also include revolutionary subjectivity as well*. In other words, the form of 'revolutionary political subject' (more specifically, of our own subjectivity as an individual organ of such a collective class subject) must be immanently unfolded as a much more developed mode of existence taken by the original commodity owner with which the dialectical exposition started.

To put it in more general terms, *the immanent ground of revolutionary subjectivity is not simple and unmediated*. Instead, it is a 'unity of many determinations', which therefore means that its scientific comprehension can only be the result of a complex dialectical investigation involving both the analytic movement from the concrete to the abstract, and the synthetic, mediated return to the concrete starting point, i.e. revolutionary transformative action. Dialectical research must therefore analytically apprehend all relevant social forms and synthetically reproduce the 'inner connections' leading to the constitution of the political action of wage labourers as the form taken by the revolutionary transformation of the historical mode of existence of the human life process.

Now, if the 'reproduction of the concrete in thought' shows that the determinations immanent in the commodity form do not carry, in their simplicity, the necessity of transcending value-production, the search for the latter must move forward unfolding the subsequent concrete forms in which the former develop. Our process of cognition still needs to go through more mediations in order to become fully aware of the necessity of our action in the totality of its determinations, i.e. beyond any appearance presented by it. In order to develop the plenitude of its potentiality, this conscious development must reach a concrete form of our alienated social being which embodies a determinate potentiality whose realisation: (a) entails the abolition of alienated labour itself; and (b) has our transformative action as its necessary concrete form. In sum, revolutionary action must personify a concrete determination of value-producing human practice; a determination, however, whose realisation precisely consists in the abolition of value production itself.

In this sense, far from exhausting science's 'critical-practical moment', the ideal reproduction of the commodity form and its fetish-character (in the unity of its analytic and synthetic phases) is thereby but the *first step* in the broader process of dialectical cognition through which the subject of revolutionary transformation discovers the alienated character of her/his social being and, consequently, of her/his consciousness and will (including her/his transformative will). However, this process also produces the awareness of the historical powers developed in this alienated form and, consequently, of the revolutionary action that, as sheer personification of 'economic categories', the emancipatory subject needs to undertake (Iñigo Carrera 2013). Such development of those subsequent determinations whose unity underlies the constitution of the working class as revolutionary subject obviously exceeds the scope of this paper. However, by way of conclusion, in the final section I sketch out the essential moments of the systematic-dialectical unfolding of the movement of the capital form whose historical tendency leads to the necessity of its self-abolition in the concrete form of the radical transformative action of the proletariat.[12]

Concluding remarks: from the commodity to the revolutionary subject

I pointed out earlier that, from a materialist perspective, the necessity underlying the social constitution of the revolutionary subject should immanently derive from the unfolding of the potentialities of the commodity producer from which the dialectical exposition started, which make the latter undergo a 'change of skin'. However, the transformations at stake are not exhausted with those commodity producers's experience as a result of the subsequent determinations of the general circulation of commodities as such. In fact, the very development of the full potentialities of the general commodity circulation process shows that their realisation involves their self-transcendence into an internal moment of the circulation of capital (Marx 1976, pp. 247–50). In becoming capital, value – the materialised social relation of the private and independent individuals – turns into the concrete *subject* of the process of circulation of social wealth. In turn, the commodity and money, the particular and the general mode of existence of mercantile wealth, become determined as transitory forms which value-as-capital takes in its process of self-expansion (Marx 1976, p. 255). The alienation of the human individual thus reaches a new stage. It is not only about a process of social production mediated by the value form of the product. Nor is it even about one that simply has value as the direct *object* of the exchange process. The objectified abstract labour represented as the exchangeability of commodities has taken possession of the potencies of the process of circulation of social wealth itself. This moment of the human life process is turned into an attribute of the life cycle of capital, which has the production of more of itself, i.e. its *quantitative* increase or the production of *surplus value*, as its only general *qualitative* determination.

Now, although having circulation as its point of departure and hence with this sphere as one of its moments, the process of value's self-expansion pushes beyond circulation itself. The movement of capital shows the necessity to find within the circulation of commodities a commodity whose use value for capital is to produce more value than it costs. The existence of the doubly free worker provides capital with this requirement (Marx 1976, p. 270). As an independent human being, this worker can freely dispose of her/his individual productive powers (Marx 1976, p. 271). However, insofar as she/he is deprived of the objective conditions in which to externalise her/his personally-free subjectivity, she/he must give her/his labour power the form of a commodity to be sold on the market to the immediate personification of capital (Marx 1976, p. 272). As stated above, it is through the appropriation of the use value of this peculiar commodity that capital is able to valorise itself. The exposition must therefore develop the determinations of the process of consumption of labour power, which takes place 'outside the market' (Marx 1976, p. 279). In this way, Marx's presentation demonstrates how capital not only becomes the subject of the process of circulation of social wealth, but also turns into the formal subject of the labour process, which it subsumes as the material bearer of its self-valorisation. And this means that the production of use values, *hence of human life*, has ceased to be the immediate content of the movement of social reproduction and has become the unconscious or 'blind' outcome of the production of surplus value, that is, of the *alienated content* presiding over the movement of modern society. This is where the formal specificity of capital as an *indirect*, hence *fetishised*, general social relation resides. From this point onwards, the dialectical exposition will show that individuals, *precisely* for being the *material* subjects of this process (rather than 'in spite of'), shall become fully *form-determined* as personifications of different determinations emerging out of the movement of value's self-valorisation.

Thus, with the development of the content of the general social relation into the process of capital's self-valorisation, commodity owners who 'who represent these changed relations, acquire new economic characteristics'. In the first place, they become differentiated, respectively, into personifications of money-as-capital (the capitalist) and the commodity labour power (the wage-worker). Secondly, given the peculiarity of this latter commodity, the antagonism immanent in the purchase of labour power transcends the circulation process and carries over into the conditions of appropriation of its use value in the direct process of production, i.e. into the determination of the *normal* duration of the working day (Marx, 1976, pp. 342-3). Furthermore, this analysis shows that the realisation of the *full value* of labour-power, and therefore its long-term reproduction in the very conditions that capital in general (as opposed to the individual capital) demands from the wage worker as the only source of surplus value, is not independent from the determination of the *extensive* magnitude of its productive consumption (Marx 1976, p. 343). The purchase of the commodity labour power can thereby only be resolved by making the antagonistic relationship between its buyer and seller transcend its merely individual character in order to take the concrete form of *class struggle* (Marx 1976, pp. 344ff). The latter thus becomes determined as the most general *direct* social relation between *collective personifications of commodities* which mediates the establishment of the unity of the essentially *indirect* relations of capitalist production ruled by the valorisation of capital. In other words, though clearly an 'endemic' reality of the capitalist mode of production, the class struggle is not '*ontologically*' but *socially* constitutive of capitalism, since capitalists and wage-workers, *as owners of commodities* (not as embodiments of ontologically different principles of social reproduction), personify social determinations of the process of valorisation of capital whose realisation is antagonistic. More generally, this implies that the determinations implicated in the mere existence of labour power as commodity, or the merely *formal subsumption* of labour to capital, do not give the class struggle the transformative potentiality to go beyond the capitalist mode of production. In this simple determination, the political action of the working class only exists as a necessary concrete form of the *reproduction* of capitalist social relations and not of its revolutionary overcoming.[13]

As a matter of fact, the unfolding of the sequence of form determinations shows that the socio-historical genesis of the emancipatory subject can actually be found in the transformations in the *materiality* of social life brought about by the *real subsumption* of humanity to capital; more specifically, in the concrete form of *large-*

scale industry which constitutes capital's most developed method of production of relative surplus value. In effect, as Marx shows in *Capital* and the *Grundrisse*, through the constant revolution in the material conditions of social labour, capital transforms, contradictorily but progressively, the productive subjectivity of wage workers according to a determinate tendency: they eventually become *universal labourers*, that is, organs of a directly collective productive body capable of self-consciously ruling their individual participation in the social metabolic process by virtue of their power scientifically to organise the production process of any system of machinery and, therefore, any form of social co-operation.[14] In other words, the *alienated* social necessity arises for each individual member of the collective labourer to be produced as a subject that is fully and objectively aware of the social determinations of her/his individual powers and activity and who therefore consciously recognises the social necessity of the expenditure of her/his labour power in organic association with the other producers. However, this form of productive subjectivity necessarily collides with a social form (capital) that produces human beings as *private and independent individuals* who consequently see their general social interdependence and its historical development as an alien and hostile power borne by the product of social labour. The determination of the material forms of the labour process as bearers of objectified social relations can no longer mediate the reproduction of human life. *Capital accumulation must therefore come to an end and give way to the free association of individuals*. This is the inner material *content* of social life which is expressed in the *form* of the political revolutionary subjectivity of workers.

In sum, it is the historically-determined necessity for the all-sided and directly social development of the universality of productive attributes of workers beyond its capitalist 'integument' – though generated by the alienated movement of capital itself – that is realised in the concrete form of the communist revolution. And this means that *the revolutionary political consciousness of the working class can only be a concrete mode of existence of their productive consciousness*. In other words, what the revolutionary movement realises (its content) is, fundamentally, the transformation of the materiality of the productive forces of the human individual and, *therefore*, of their social forms of organisation and development. It is about a *material* mutation of the production process of human life, which takes concrete shape through a *social* transformation, which, in turn, expresses itself through a *political* action.

On the other hand, this also means that revolutionary powers are not 'self-developed' by the workers, but are an alienated attribute that capital puts into their own hands through the transformations of their productive subjectivity produced by the alienated socialisation and universalisation of labour through which the production of relative surplus value takes place. This is the reason why *revolutionary consciousness is itself a concrete form of the alienation of human powers as capital's powers*. The abolition of capital is not an abstractly free, self-determining political action, but one that the workers are *compelled* to undertake as *personifications* of the alienated laws of movement of capital itself. When the workers consciously organise the revolutionary abolition of the capitalist mode of production, they do so not as the incarnation of the powers of an abstract human practice deprived of social determinations, but as 'character masks' or 'representatives' of the inverted existence of the powers of their social labour, i.e. capital. The point is that it is an alienated action that *in the course of its own development* liberates itself from all trace of its alienated existence. Paraphrasing the above-quoted passage from the *1859 Contribution,* individuals 'emerging from the reproduction process are accordingly different from those entering it'. They enter it as wage workers personifying capital's need to produce relative surplus value. Yet, in the course of the revolutionary action they undertake as such personifications, they 'change skin' and emerge as consciously (thus freely) associated fully developed social individuals. In this sense, what sets capital-transcending political action apart from capital-reproducing forms of the class-struggle is its specific determination as a political action that is fully conscious of its own alienated nature, i.e. of personifying a necessity of capital. However, by becoming conscious of their determination as a mode of existence of capital, revolutionary workers also discover the historic task that as fully conscious yet alienated individuals they have to undertake: the supersession of capital through the production of the communist organisation of social life.

Finally, let us briefly draw the main implications of all this for one of the central methodological issues on which this paper has focused, namely, the determination of *science as critique*. In a nutshell, this discussion suggests that the content and product of the process of cognition entailed by the critique of political economy is therefore not the awareness of the *external circumstances* of a self-determining action. Instead, it is the self-awareness of the *inner material and social determinations* of our own alienated transformative action. Thus, dialectical social science does not look outside our action in order to comprehend the 'objective conditions' that 'constrain' its abstractly free affirmation, but rather, in penetrating its immediate appearances (including that of being abstractly free), goes right 'inside' it.

In this way, the field of human practice is never abandoned. Moreover, only by virtue of its *dialectical form*, involving both its analytic and synthetic moments, does the critique of political economy become determined as the fully conscious organisation of human practice in the capitalist mode of production and, hence, as the revolutionary science of the working class (Iñigo Carrera 2007, pp. 7-8).

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[1] For a concise historical and intellectual contextualisation of the *Neue Marx-Lektüre* in English, see Endnotes 2010 and Bellofiore and Riva 2015.

[2] It goes without saying that the treatment of the question of revolution as 'outside their field of expertise' by scholars whose research programme revolves around the Marxian notion of *critique* seems quite odd, to say the least. The real reason seems to reside at a deeper level and is actually political. As *Endnotes 2* further remark: 'Most accounts of the *Neue Marx-Lektüre* understand as one of its main characteristics to be a rejection of Marx's attribution of an historical mission to the proletariat and a sensibility of scepticism towards the class struggle has been prevalent on the German Left' (2010, p. 98). Moreover, although seldom discussed explicitly by these scholars, there are certain passages in their work which give the impression that they would tend to locate the source of revolutionary subjectivity in a moment of human individuality which transcends its alienated existence as 'character mask': 'Marx presents the humans themselves only insofar as they have intercourse with one another as character masks. Insofar as they come into relation with one another as individuals, they are not the object of the theory. Insofar as they act as individuals, they withdraw from the building of theory in this specific sense; there they anticipate something which still has to be constructed' (Reichelt 1982, p. 168). If my reading is correct, rather than simply residing 'outside their field of expertise', for these scholars revolutionary subjectivity would lie outside the scope of the dialectical presentation of 'economic categories'.

[3] For an earlier assessment of the relation between value-form theory, systematic dialectics and revolutionary politics, see also the discussion provided by Eldred 1981.

[4] In more concrete terms, Bonefeld puts it as follows: 'For example, the conceptuality of the wage-labourer as a personification of variable capital entails what it denies. It denies sensuous practice, and this practice is immanent in the concept wage-labour. Sensuous practice exists within the concept of variable capital in the mode of being denied – sensuous practice cannot be reduced to the concept of variable capital – it subsists within its concept but cannot be reduced to it. Further, for variable capital to function, it requires the ingenuity and spontaneity of human purposeful practice. Yet, this too is denied in its concept' (2012, p. 130). The revolutionary class struggle is seen by Bonefeld as an expression of that sensuous human practice that 'variable capital' denies. In actual fact, his point seems to be that all struggles by workers express something more than their social determination as personifications of 'variable capital', namely, their 'human social autonomy' and 'freedom'. That is why they can always potentially develop, in and of themselves (i.e. not as expressions of any concrete social determination), into communist struggles. See: Bonefeld 2010a, pp. 68–72.

[5] Taking at face value the orthodox Marxist *mechanistic* (hence extrinsic) notion of determination of subjectivity for the only available one, Bonefeld can only see in the idea of historical necessity an accommodating and passive attitude towards the alienated laws of motion of capital. It can never be

the point of departure for the conscious organisation of its practical abolition: 'The future that will come will not result from some objective laws of historical development but will result from the struggles of today. The orthodox argument about the objective laws of historical development does not reveal abstract historical laws. It reveals accommodation to "objective conditions", and derives socialism from capitalism, not as an alternative but as its supposedly more effective competitor. There is no universal historical law that leads humankind from some imagined historical beginning via capitalism to socialism. Neither is history on the side of the working class. History takes no sides: it can as easily be the history of barbarism as of socialism' (Bonefeld 2010a, pp. 63–4).

[6] Strictly speaking, workers do not go on strike as 'variable capital', but as owners of the commodity labour power. Be that as it may, the point is that they do it in full accordance with their alienated social being as 'executors of economic laws that they cannot control' and not in 'defiance' of them.

[7] It is also symptomatic that in his otherwise rigorous, stylised reconstruction of the systematic sequence of Marx's exposition in *Capital,* Volume I, the concrete forms of production of relative surplus value are absent (Bonefeld 2011b, pp. 392–5). As we shall see later on, it is precisely in those chapters on the *real subsumption of labour to capital* that Marx unfolds (albeit incompletely) the determinations of revolutionary subjectivity.

[8] Perhaps the most paradigmatic expression of the grounding of revolutionary action in a pure 'autonomous creativity' of the subject within Marxism can be found in the Autonomist's 'inversion of class perspective' centred on the concept of working-class 'self-valorisation', which designates the self-determined positive power to constitute new practices outside capitalist social forms (Cleaver 1992, pp. 128ff; De Angelis 2007, pp. 225ff). Furthermore, this pure affirmation of the working class as autonomous subject is considered as (onto)logically prior to its 'co-option' or 'repression' by capital, deliberately represented, in line with post-structuralist thinking, as an external and self-constituting 'disciplinary' power (Hardt 1993). Thus, according to De Angelis, the theoretical starting point for the understanding of revolutionary subjectivity must be the self-sustaining *affirmation* of the multiplicity of needs, aspirations, affects and relations of human subjects (De Angelis 2005).

[9] Note in this regard that from a materialist standpoint the meaning, content and scope of freedom can only derive from its role in the organisation and development of human *productive* subjectivity. It follows that complete freedom does not consist in the absence of all social determination (hence *necessity*) in the affirmation of human individuality (with alienation thereby conceived of as the external imposition of social relations of objective compulsion that would 'constrain' an otherwise naturally and absolutely self-determining subjectivity). Instead, fully-developed freedom consists in the self-conscious control by each human being over the *twofold immanent* character (individual and social) of her/his productive action, that is, over her/his *individual* participation in the *inherently social* process of human metabolism. Thus considered, the simplest *material* determination of the personal freedom of the private and independent producer consists in the full conscious control of the individual character of human productive action at the expense of all conscious control over its immanent general social character (Iñigo Carrera 2007, pp. 51ff.). In this sense, the overcoming of the fetishism of capitalist social relations entails the progressive *transformation of the very historical and social form of human freedom*, whose *material content or substance* thereby involves the '*aufheben*' of the personal freedom of the private and independent producer. In other words, while *preserving* the full conscious control over the individual determinations of human labour, *each working subject* must *also* be *materially-equipped* with the *full conscious knowledge* of the social determinations of her/his individual labour. Only under these circumstances, 'expending their many different forms of labour-

power in full self-awareness as one single social labour force', and hence *rationally recognising the necessity* to affirm their own subjectivity as individual organs of a directly collective productive body, can the human life process eventually take the historical form of an 'association of free men [*Mensch*]', which consequently overcomes the fetish-character of the commodity as the general objectified form of social mediation (Marx 1976, p. 171).

[10] In this context, it comes as no surprise that Gunn and Wilding also draw inspiration from La Boétie's *Discourse on Voluntary Servitude*, an author from the mid-sixteenth century who is evidently confronting the question of the dissolution of *direct* relations of authority and subjection between human beings in the face of the expansion (probably unstoppable by that stage) of the commodity as the *general indirect* form of social mediation. Indeed, the voluntary servitude which the *Discourse* discusses and aspires to put an end to is that which is subject to the *personal* power of the 'tyrant'. In other words, the *Discourse* is but a very early ideological expression of the historical emergence of the personal freedom of the personifications of commodities (whereas Hegel's *Phenomenology* is a later expression of its consolidation and generalisation).

[11] Some authors do develop and subject to criticism the notion of bourgeois individuality. But the latter is reduced to *individualism*, that is, to the *atomistic* affirmation of that abstractly free subjectivity. Hence, the collective, solidaristic affirmation of that very same subjectivity in the form of class struggle is seen as the absolute opposite of alienated subjectivity (or, at least, as embodying the immediate potentiality to 'self-develop' into such an absolute negation of bourgeois individuality). See, for instance, Shortall's derivation of a 'counter-dialectic of class struggle' – i.e. 'the potential class subjectivity of the working class' – that 'comes to delimit the functioning of the dialectic of capital', and whose foundation resides in the presupposition of the worker 'as both a free subject and as *non-capital*' (Shortall 1994, pp. 128–9, original emphasis). By contrast, as I have shown elsewhere, the solidaristic collective affirmation of that abstractly free subjectivity is but a more concrete realisation of the very same alienated content, hence, of the reproduction of capital (Starosta 2015, Chapter 7).

[12] For a more in-depth and extensive examination of these issues, see Starosta 2015.

[13] In contrast to my reading, Psychopedis (2005, pp. 80–1) sees in the implementation of legal norms to regulate the working day an immediate expression of the 'logic of revolution' already at work. Writing from a broadly understood '*Open Marxist*' perspective, Psychopedis grounds revolutionary subjectivity in the affirmation of a generic human materiality that exists in the mode of being denied, i.e. in an alienated social form. On this score, his argument does not substantially differ from that of Bonefeld discussed earlier in this article. However, Psychopedis gives the overall argument an idiosyncratic twist. In his own words, 'the dialectical presentation is not simply a matter of contrasting the "bad form" with the "good contents"' (Psychopedis 2005, p. 80). Instead, it is a matter of 'the demonstration that in capitalism the social forces of production become forces of destruction', so that 'this form poses a real threat to the continued existence of this materiality' (Ibid). The ground of the revolution is thereby seen as residing 'in the attempt of preserving the conditions of life' in the face of capitalism's destructive tendencies and the ultimately *unstable* character of the capitalist state's direct regulation of the material conditions of social reproduction, insofar as 'in the long run capital cannot tolerate regulations that reduce the profit margin' (Psychopedis 2005, p. 81). As compared to Bonefeld's approach, this train of thought has the merit of acknowledging that the foundation of revolution is not contained in the *simplest* contradiction between human content and reified form, but in a *more concrete determinate expression* of that contradiction. The further dialectical exposition of form-determinations beyond commodity fetishism thus becomes more meaningful for the discovery of the

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social foundation of the emergence of the revolutionary subject. Nevertheless, Psychopedis still relapses into grounding revolutionary subjectivity in an element which is external to the contradictory self-movement of the capital form: revolution is seen as the affirmation of an abstractly self-determining struggle for society's survival in response to capital's destructive barbarism. Thus, the necessity of revolution is not *immanently* carried by the capital form; instead it is carried by the reproductive conditions of an abstractly conceived 'society' lacking in form-determinations, whose existence is 'thwarted' by its subsumption under the capital form. In the end, Psychopedis's account comes down to a more sophisticated version of Luxemburg's 'socialism or barbarism', i.e. of the classical Marxist view of socialism as the 'only salvation for humanity' in the face of 'war, famine and disease' (Luxemburg 1971, p. 367).

[14] Note, however, that Marx's respective presentations of this question in *Capital* and the *Grundrisse* differ in focus. While in the former text he rather one-sidedly unfolds this tendency for the production of universal productive subjects as it results from the increasing degradation of the wage-workers' particularistic dimension of their productive subjectivity, albeit meagerly offset by the compulsory elementary education clauses contained in the Factory Legislation (Marx 1976, pp. 545, 614-18), in the 1857-8 manuscript he offers a fuller picture of these determinations by also bringing to light the opposite movement of universalistic *scientific expansion* of human productive subjectivity which is entailed by the system of machinery (Marx 1993, pp. 699-700, 705-6, 709). In this sense, a systematic development of the grounds of revolutionary subjectivity in the real subsumption requires that both text be read together. For a more detailed treatment of this point, see Starosta (2015, Chapters 8 and 9).

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On value and abstract labour: A reply to Werner Bonefeld

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Abstract

This article offers a reply to Werner Bonefeld's recent contribution to the debate on value and abstract labour, in which he critically engages with our previous articles dealing with these questions. We argue that Bonefeld's criticisms are not simply based on disagreements over these controversial issues, but also on a misunderstanding of our stance on abstract labour and value. In addition to clarifying our position, the article provides some brief critical remarks on Bonefeld's own intervention in the debate and shows that his contribution fails to offer a solid analysis of the fundamental categories of the critique of political economy.

Keywords

value, abstract labour, materiality, social form

Werner Bonefeld has recently published an article in this journal (Bonefeld, 2010), in which he critically examines our contribution to the Marxian debates on the nature of abstract labour and value (Kicillof and Starosta, 2007a; Kicillof and Starosta, 2007b; Starosta, 2008). While we welcome the critical reactions that our articles have stimulated, we feel that Bonefeld's criticisms are not simply based on disagreements over these controversial issues, but also on a misunderstanding of our position on those more

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abstract determinations of the capitalist mode of production. Since we believe that this misunderstanding has led Bonefeld to fail to reconstruct our argument accurately, we would like to use this short note to clarify our stance on abstract labour and value. Also, we shall offer some brief critical remarks on Bonefeld's own intervention in the debate. In this way, we shall argue that despite his claim to make explicit what is already implicit in Marx's treatment of abstract labour and value in *Capital* (Bonefeld, 2010: 261), he actually departs from the latter considerably. More importantly and regardless of 'what Marx really said', we show that Bonefeld's contribution fails to offer a solid analysis of the fundamental categories of the critique of political economy.

At the broadest possible level, Bonefeld rightly captures the essence of our argument: namely, we claim that while value is the simplest economic form specific to the capitalist mode of production, abstract labour (i.e. the former's social substance) is a material expenditure of human corporeality that bears no historical specificity (Bonefeld, 2010: 259, 270). However, beyond this very general point, which Bonefeld finds 'intriguing' (Bonefeld, 2010: 259), he misunderstands and/or misreads our position on several scores. Here, we shall mention only a few of them.

In the first place, he states that we 'see abstract labour as a transhistorical category that in capitalism is "represented" by the value-form' (Bonefeld, 2010: 259), when we state very clearly that it is *materialised* or *objectified* abstract labour that is socially represented in the form of value (or 'coagulates', in Marx's parlance. See Marx, 1976a: 142). This might seem an all-too-subtle difference, and therefore a minor issue. But this is precisely one of the central points on which, among other things, our critique of the circulationist view of labour as becoming abstract through the exchange of commodities against money rests (Kicillof and Starosta, 2007a: 20; Marx, 1976a: 152-3).

Second, Bonefeld misrepresents our careful textual reconstruction of Marx's dialectical presentation in the opening chapter of *Capital*. Where we state that Marx's initial discovery of abstract labour in the first few pages of Chapter 1 only brings out the physiological materiality of abstract labour without actually explaining why this productive expenditure of human corporeality in general objectifies in the historically-specific form of value (Starosta, 2008: 308), Bonefeld reads exactly the opposite: that 'the analytical reduction of value to its substance reveals only the capitalist representation of abstract labour – it does not tell us anything about its generic materiality' (Bonefeld, 2010: 260).[1] In addition, we explicitly argue that Marx's starting point is the commodity as the most abstract form of capital (thus a social form specific to the capitalist mode of production) (Kicillof and Starosta, 2007b: 16, Kicillof and Starosta, 2007a: 28) and that, as a consequence, his dialectical presentation consists in the 'ideal reproduction' of the 'immanent determinations' characterising this historical form of social wealth (Kicillof and Starosta, 2007a: 35; Starosta, 2008: 298). This should be done by taking 'the individual product in our hand and [analysing] the formal determinants that it contains as a commodity and which stamp it as a commodity' (Marx, 1976b: 1059). And yet, according to Bonefeld, we state that 'before developing the capitalist categories, Marx first sought to "discover" their generic material presupposition' (Bonefeld, 2010: 260).[2]

Third, we are said to postulate that 'class struggle rests on and develops the fundamental contradiction between transhistorically conceived materiality and social form' (Bonefeld, 2010: 261). Bonefeld seems to have in mind here the contradictory existence of abstract labour as a generic material determination which in capitalism acquires a historically-specific social determination as substance of the most general social relation, namely, value (Bonefeld, 2010: 258). In other words, he appears to be suggesting that we consider the class struggle as the unmediated expression of this latter contradiction of the capitalist mode of production (Bonefeld, 2010: 269). But, on the one hand, we argue that the essential immanent contradiction of capitalism is between its *historically specific materiality* and its social form. This is why we highlight capital's inner *tendency* for the development of the *universality* of productive subjectivity, which only this mode of production brings about, and only on the basis of previously achieved historical presuppositions (Kicillof and Starosta, 2007a: 39; Kicillof and Starosta, 2007b: 30; Starosta, 2011; Marx, 1993: 162). This entails a historically specific socialisation and universalisation of the *concrete character of labour*. In this strict sense, the materiality of abstract labour is of no immediate relevance to our argument. And far from endorsing positivist notions of progress (Bonefeld, 2010: 272), we explicitly note the alienated character of this historical process and the material mutilation of their productive subjectivity that workers suffer due to the inverted existence of their social being as an attribute of dead labour (Kicillof and Starosta, 2007a: 37). On the other hand, the whole gist of our critique of De Angelis revolves around the historicity of class struggle as a specifically capitalist social form. More precisely, against its widespread 'ontologisation' in many Marxist currents, we see the class struggle as the most general collective *direct* social relation through which the *indirect* unity of social labour through the commodity form asserts itself (Kicillof and Starosta, 2007b: 28). In other words, in our approach the foundation of the class struggle is socially mediated through and through, and has nothing to do with an abstract, unmediated contradiction between transhistorical materiality and social form, as Bonefeld believes.

Finally and more importantly, Bonefeld further claims that we consider that 'the transhistorical materiality of abstract labour obtains through specific historical forms' (Bonefeld, 2010: 272: 259), presumably because, in his (mis)reading, we allegedly argue that 'abstract labour is the material foundation of the human metabolism with nature' (Bonefeld, 2010: 259). Against this, we actually state that it is labour in its material unity as conscious productive activity (which always has a two-fold material character, abstract and concrete), that constitutes the specifically human form of the life process, i.e. the human species-being (Kicillof and Starosta, 2007a: 19-20). As for abstract labour and its 'historically changing social forms', we are absolutely emphatic and unequivocal that, despite its character as a generic material determination of labour, its role as mediator in the establishment of the unity of the social character of productive activity is uniquely capitalist (Kicillof and Starosta, 2007b: 16). Since this is probably the main source of Bonefeld's confusion over our position, we shall say a few more words on this crucial point.

Perhaps the single most important point that we tried to make in our articles in this regard is that the contemporary view of abstract labour as the specifically capitalist form of labour, downplays, or simply obliterates, the actual historical character of value-producing labour. This historical specificity, we argued, lies in the *private and independent* form taken by social labour (or private labour for short). Our contributions therefore were not simply a case for the generic material nature of abstract labour but, more fundamentally, an attempt to restore the centrality of private labour in the debate over the determinations of the value-form.[3] In order to bring out this historical specificity and the determination of abstract labour in it more clearly, let us first examine the case of non-capitalist societies.

All those 'first social forms' that precede capitalism (whether patriarchal, ancient or feudal) were based on direct personal relations in production (Marx, 1993: 156), in which the process of social reproduction was established through the 'natural or political super- and subordination of individuals to one another' (Marx, 1993: 159). Although all individual labour also had a social character in those societies, the material unity of the process of human metabolism as a whole was consciously organised before production actually took place and, therefore, 'it was the distinct labour of the individual in its original form, the particular features of his labour and not its universal aspect that formed the social ties at that time' (Marx, 1987: 275). In other words, it was the *concrete* character of labour, its particularity, which directly or immediately realised the establishment of the material unity of the social division of labour (Marx, 1976a: 170). This does not mean that abstract labour, as the universal or general aspect of the materiality of the labour of the individual (i.e. the expenditure of brains, nerves, muscles, etc., regardless of its particular form), did not exist or had no reality. But it did not act as the social form of individual labour and, consequently, its materialisation in the product (its existence not as 'motion' but as 'rest' – see Marx, 1993: 143) did not have to be socially represented in the form of value or in any other social form whatsoever. When social labour is consciously organised through direct social relations, 'there is no need for labour and its products to assume a fantastic form different from their reality' (Marx, 1976a: 170). This is why Bonefeld cannot find any reference to other historical forms of social representation of abstract labour in our papers other than the capitalist form (Bonefeld, 2010: 259). To put it in plain English, it follows from our approach that there are no other historically specific social forms of representation of (congealed) abstract labour. And note that, in opposition to what Bonefeld believes we think, this applies to communist society as well. As the fully conscious organisation of the social life-process by the thereby free individuality of universally developed individuals (Marx, 1993: 158), communist society will not mediate the establishment of the unity of social labour on the basis of the abstract or general materiality of individual labour (i.e. of abstract labour). As much as the first social forms based on relations of personal dependence, the communist stage of development of the human species-being will establish the social character of labour on the basis of its concrete character. Communism consequently does not entail the affirmation of the abstract character of labour as social mediator beyond its capitalist integument. It involves the abolition both of value and of the alienated social determination of abstract labour as substance of that objectified form of social mediation. *Contra* Bonefeld, however, it does not and cannot conceivably entail the abolition of the abstract character of labour either, whose material determination as universal aspect underlying the varied useful kinds of labour remains a 'physiological fact' (Marx, 1976a: 165). The object of revolutionary action is not the overcoming of abstract labour but of private labour, through the conscious production of the direct association of the thereby truly free individuals.

Let us now return to the private character of labour that defines the historical specificity of the capitalist mode of existence of human productive activity. This mode of production 'presupposes the dissolution of all fixed personal (historic) relations of dependence in production, as well as the all-sided dependence of the producers on one another' (Marx, 1993: 156). This means that at the very moment when the human individual has to set into motion the expenditure of her productive subjectivity in a particular concrete form, the only remaining social nexus among the private producers is that each of them embodies an aliquot part of the total labour power of society (Iñigo Carrera, 2007: 51). As Marx puts it in the section on the fetishism of the commodity, 'from this moment on, the labour of the individual producer acquires a twofold social character' (Marx 1976a: 166).[4] As in any other mode of production, she has to expend her productive subjectivity in a socially useful form. However, she has no manifest direct social relations that could tell her how to articulate the exertion of the individual labour power that she embodies with the needs of the rest of society. The material unity of the social division of labour is thus manifested indirectly through the determination of the products of labour as generally exchangeable things, i.e. as bearers of value. But as we argued at length in our articles (Kicillof and Starosta, 2007a: 22), this *social* equivalence of different use-values as commodities can only be premised on the *material* identity of the varied useful labours as a physiological expenditure of human labour power in general, that is, 'as labour whose materiality as the expenditure of human labour power has not yet assumed a specific concrete form' (Iñigo Carrera, forthcoming). The private labour of the commodity producer thereby acquires a second, historically specific social character that must mediate the affirmation of the first sense of labour's sociality discussed above. Its material or physiological aspect as human labour in general (i.e. as abstract labour) has to socially relate the varied privately undertaken labours by 'congealing' in the form of the 'ghostly' objectivity of value (Marx, 1976a: 166). But in doing so, abstract labour does not abstractly negate its generic material nature; instead, it gives this materiality a unique social determination in the establishment of the unity of social labour. To put it differently, abstract labour as such cannot be simply identified with value-producing labour. The latter actually is *privately performed (socially necessary) abstract labour*. The following passage from Marx's section on the form of value (hardly a Ricardian one!), nicely and succinctly captures this twofold determination of abstract labour in capitalist society (material/generic and social/historically specific):

> The innumerable equations of which the general form of value is composed equate the labour realized in the linen with the labour contained in every other commodity in turn, and they thus convert weaving into the general form of appearance of undifferentiated human labour. In this manner the labour objectified in the values of commodities is not just presented negatively, as labour in which abstraction is made from all the concrete forms and useful properties of actual work. Its own positive nature is explicitly brought out, namely, the fact that it is the reduction of all kinds of actual labour to their common character of being human labour in general, of being the expenditure of human labour-power.
>
> The general value-form, in which all the products of labour are presented as mere congealed quantities of undifferentiated human labour, shows by its very structure that it is the social expression of the world of commodities. In this way it is made plain that within this world the general human character of labour forms its specific social character (Marx 1976a, 159-60).[5]

Bonefeld on value and abstract labour

Methodologically, Bonefeld's perspective on abstract labour can be inscribed within the broad tradition initiated by Rubin, which we have already extensively critiqued in an earlier article (Kicillof and Starosta, 2007a: 16 and ff.). Briefly put, through an axiomatic declaration of principles that stated that 'political economy does not analyse the material-technical aspect of the capitalist process of production, but its social form' (Rubin, 1973: 1-2), Rubin dogmatically ruled out from the outset all possible material character in the determination of abstract labour. As we have argued, the result was the formalist substitution of a 'sociological theory of abstract labour' for Marx's analysis of the commodity. Along the same lines, Bonefeld adopts an idiosyncratic 'social form-analytical' approach that, by definition, 'says that capitalist economic categories do not have a transhistorical validity' (Bonefeld, 2010: 263). And also like Rubin and in opposition to Marx, he 'applies' this approach to the 'concept' of abstract labour instead of starting out 'from the simplest social form in which the labour-product is presented in contemporary society' (Marx, 1975: 198) and seeing what the analysis of this 'concretum', the commodity, tells us about its own immanent determinations (including abstract labour among them). In this way, Bonefeld unsurprisingly concludes what he already knew from the beginning on the basis of his general methodological principles: namely, that 'abstract labour is a specific capitalist form of labour' and that to claim otherwise inevitably ends up naturalising capitalist economic categories (Bonefeld, 2010: 259). Again like Rubin, he assumes that in order to secure his conclusion he needs to deprive abstract labour of all generic materiality.[6]

Bonefeld, however, admits that our reading of *Capital* is on strong textual grounds, but seems to attribute this strength to an alleged ambiguity on Marx's part in the treatment of abstract labour. According to Bonefeld, 'he defines it in asocial physiological terms, and insists that it is a specifically capitalist form of labour' (Bonefeld, 2010: 258).[7] But rather than being ambiguous, the logic of his argument should lead him to claim that Marx's treatment of abstract labour is definitely and simply *wrong*. In effect, in the section on the twofold character of labour, Marx states that 'if we leave aside the determinate quality of productive activity, and therefore the useful character of the labour, what remains is its *quality* of being expenditure of human labour-power (…) a productive expenditure of human brains, muscles, nerves, hands, etc.' (Marx, 1976a: 134, emphasis added).[8] The originality of Bonefeld's contribution lies precisely in the rejection of the validity of this initial analytical move in which Marx discovers the abstract or universal aspect of the materiality of human labour by abstracting from its concrete particularity.[9] Whereas most Marx scholars who see abstract labour as historically specific would not deny this 'physiological fact', but would argue that this is not the correct 'concept' of abstract labour as substance of value (and some would also claim that Marx tended to confuse the two), *Bonefeld directly denies the reality of a material identity among the various kinds of useful concrete labours, irrespective of the problem of the connection between this 'physiological' abstract labour and value-production.*[10] For Bonefeld, 'in (material) reality' there is only concrete labour; the physiological identity between different useful labours has no materiality, hence no reality.

> The real existence of labour is always concrete. Every physiological expenditure of labour is expenditure of concrete labour. That is, physiological expenditure of labour entails a specific productive application, and is thus concrete. Muscles do not burn sugar in the abstract. *Labour is concrete labour, not labour in the abstract.* (Bonefeld, 2010: 266)[11]

This outright rejection of the reality of the physiological determination of abstract labour leads Bonefeld to challenge Marx's discovery of a material identity between the various kinds of useful labours as sheer expenditures of human labour power. Instead, he argues that 'if we abstract from the useful labour expended on a product, we do not discover the so-called "generic materiality" of abstract labour. What we find is matter, something for use, furnished by Nature' (Bonefeld, 2010: 264).[12] But if this is so, how is it possible for different commodities to establish an exchange relation given that, as Bonefeld rightly claims, 'exchange cannot take place without equality, and equality not without commensurability' (Bonefeld, 2010: 265)? Since in his view, this commensurability cannot be grounded on the universal material determination of all human labour, he must of necessity conclude that that this equality is 'socially imposed' on irreducibly diverse concrete labours. This social imposition, his argument goes, is actually the subsumption of the variety of human activities to 'abstract time' (Bonefeld, 2010: 262).

According to Bonefeld, the reality of abstract labour and its objectification is not the premise of the exchange of use values as commodities (i.e. as material bearers of value), but rather is in the first place 'forcibly brought about by exchange' (Bonefeld, 2010: 264). This abstraction then 'projects the ghost of value that achieves validity in the form of money, back into production (…) that sucks living labour dry, reducing it to a "time's carcass"' (Bonefeld, 2010: 266). In so far as products are exchanged, concrete labours come to be considered as labour in motion that is in turn measured by labour time, 'a time of abstract, constant, and equal time units, measured by clock time', an 'homogeneous and empty time' (Bonefeld, 2010: 268). In other words, the 'abstraction' that socially forces the equalisation of otherwise irreducibly unequal human labours is their subjection to the same economy of time, so that 'the expenditure of labour does not occur in its own good time. It occurs within time – a time made abstract, and imposing' (Bonefeld, 2010: 267). Thus, in this view the different private labours are not socially related as equal on the basis of their existing material equality as expenditures of human labour power regardless of its form. Rather, their equality is forcibly imposed upon their irreducible material heterogeneity through their social reduction to an embodiment of abstract time. Strictly speaking, then, it is not first and foremost labour that becomes abstract but, more fundamentally, the time that measures concrete labours (the abstraction of labour being derivative of this according to Bonefeld's train of thought).[13]

This theoretical construction definitely parts company with the analysis of the commodity made by Marx, who after discovering the abstract character of labour as the substance of value asks, 'How, then, is the magnitude of this value to be measured? By means of the quantity of the "value-forming substance", the labour, contained in the article. This quantity is measured by its duration, and the labour-time is itself measured on the particular scale of hours, days, etc.' (Marx, 1976a: 129). In other words, (socially necessary) labour-time determines the *magnitude* of value or constitutes value's *quantitative* determination. But the abstract character of (privately-undertaken) labour constitutes the substance of value and therefore constitutes its *qualitative* determination.

Moreover, as the quote from Chapter 1 reproduced in the previous section makes clear, abstract labour plays that part in the qualitative determinacy of value not simply as abstraction from concrete particularity, but in its 'positive nature' or *quality* as expenditure of labour power in general. In brief, whereas Marx in *Capital* clearly distinguishes between the qualitative and the quantitative determination of value, Bonefeld conflates them and actually converts the determinant of the magnitude of value into its qualitative content. Thus he approvingly quotes Bensaid's confused view that 'time appears simultaneously as measure of value and as its substance' (Bensaid 2002: 80, cited in Bonefeld, 2010: 267). Very much like Rubin's contribution, Bonefeld's approach suffers from a conceptual collapse or amalgamation of categories, not only value and abstract labour, but also their qualitative and quantitative determinacy.[14]

Still, Bonefeld's contribution cannot be simply read as a reinstatement of Rubin's position. In fact, he recognises limitations in Rubin's circulationist strand of thought (Bonfeld, 2010: 274). Thus, he tries to reconcile some of the insights found in the circulationist approach with a perspective that gives the sphere of production its due place in the determination of the value-form. He partly draws on the works of Chris Arthur and of Riccardo Bellofiore, but also takes insights from De Angelis's view of abstract labour as imposed work and therefore a concrete form of the class struggle (Bonefeld, 2010: 267). We have offered an in-depth critical assessment of the latter perspective in an earlier article in this journal, so we will not repeat our arguments here. Bonefeld, however, does not engage with our detailed critique of the idea of abstract labour as a mode of existence of the class struggle.

More importantly, Bonefeld's argument on abstract labour is either circular or incomplete. Thus, he grounds the abstract character of labour as activity in the projection of the ghost of value 'forcibly brought about by exchange' (i.e. the form of general exchangeability of commodities) back into production. But this begs the question of how different use-values can become formally identical, and thereby establish an exchange relation in the first place. Surely not on the basis of their identity as materialisations of abstract labour, since, according to Bonefeld, the latter is explained by the exchange relation itself. As we argued in our critique of Rubin and his contemporary 'circulationist' followers, to postulate that commodities are equal because they exchange and that they exchange because they are equal involves a logically fallacious reasoning. Alternatively, he would have to ground the abstract character of labour in a further social form taken by social labour, but this analytical step is missing from Bonefeld's account, thereby rendering his explanation incomplete.

Endnotes

1. On this specific point, Bonefeld completely glosses over the relevant methodological distinction between the analytic and synthetic phases of the dialectical exposition that is more fully developed in Starosta (2008).
2. This obviously does not preclude the possibility that the dialectical analysis of the commodity encounters more abstract determinations that pertain to the social production process in general, and are therefore not specific to capitalist society. However, two methodological points are in order. First, these more general determinations are not discovered as external presuppositions of the concrete social form under investigation, but as an aspect of its immanent content. This means that they are not discovered by finding the common elements

between capitalism and other modes of production (and here Marx's methodological remarks on 'production in general' in the 1857 Introduction are insufficiently dialectical, or at least not rigorous enough). Instead, they are discovered by searching 'within' the singularity of the individual commodity as the simplest economic 'concretum' of capitalist society (Marx, 1975: 199). Following from this, the judgement about the validity or relevance of these more abstract determinations should not be the result of the application of general methodological principles, whether 'historical materialist' or 'form-analytical'. Dialectical analysis must proceed by 'reflecting in ideas the life of the subject-matter' (Marx, 1976a: 102) without any methodological prejudice.

3. It also aimed at emphasising the materiality of private labour as a historic form of development of human productive subjectivity. Bonefeld overlooks these other, more important aspects of our intervention in the debate. In fact, the private character of labour is mentioned only once in Bonefeld's article and, furthermore, in a rather confused (if not incoherent) formulation: 'The peculiar social character of labour in capitalism comprises the existence of private labour as "directly social in its character"' (Bonefeld, 2010: 263). The essence of the private character of labour is precisely the indirect nature of its immanent social character!
4. This means that the negation of the individuality of the human subject implied in her reduction to mere bearer of an aliquot portion of the total social labour power emphasised by Bonefeld is a historically specific determination. However, it does not follow from this that it is not the individual material expenditure of human corporeality that produces value, as he further concludes. It only means that, from the perspective of value-production, the only exertion of individual labour power that matters is that which is socially necessary (Kicillof and Starosta, 2007a: 32; Marx, 1976a: 129; Marx 1986, 274).
5. As we shall see below, Bonefeld evidently reduces abstract labour to its 'negative' determination as 'abstraction from the concrete character of labour' and wholly misses its own 'positive' nature.
6. One possible source of Bonefeld's misunderstanding of our position is that he seems to be projecting his own formalistic method onto our substantive argument. Thus, he sees our approach as a mirror image of his own: all categories should be treated as a unity of an invariant generic material content and a historically specific social form. At this stage of our argument, it should be clear that nothing could be farther from our method.
7. Unfortunately, we are afraid that we cannot return Bonefeld's complimentary comment on the textual strength of our reading of Marx's *Capital*. The textual evidence supporting his claim that Marx insists that abstract labour is a specifically capitalist form of social labour is rather weak. In fact, like Rubin he tends to conflate value and abstract labour (simply assuming on the basis of general methodological principles that if value is specific so must be its substance, which is precisely what he should actually demonstrate). He then takes passages in which Marx is referring to value and 'applies' them to abstract labour. For instance:

   > 'Marx conceives of abstract labour as a "purely social reality" that can only appear in the social relations of "commodity to commodity" (Marx, 1983: 54)'. (Bonefeld, 2010: 259)

   The text that Bonefeld is paraphrasing is from the second paragraph of section three of Chapter 1, 'The form of value or exchange-value', but a cursory reading suffices to see that Marx is unequivocally referring to value as having a purely social reality and not to abstract labour.
8. The reason for the emphasis in 'quality' will become clear below.
9. The full grounding or actual explanation of this initial analytic discovery (the 'why' rather than the 'what') occurs only later in Marx's presentation, in the synthetic phase of the dialectical exposition in chapter one that starts in Section 3 'The form of value or exchange-value'. On this, see Starosta (2008).

10. Cf. Rubin and his tripartite division of the concept of labour into ‘physiological labour’, ‘socially-equalised labour’ and ‘abstract labour’. Similarly, Murray (2000) distinguishes between the general concept of abstract labour and the capital-specific ‘practically-abstract labour’. As we have argued in relation to Rubin, the introduction of additional categories obscures rather than sheds light on the inner connection between materiality and social determination of abstract labour in capitalism (Kicillof and Starosta, 2007a: 23). Be that as it may, note that even authors on whom Bonefeld relies heavily do not seem to deny the reality of the physiological determination of abstract labour. They just do not consider that that is the relevant concept as the substance of value. Thus, Heinrich dismisses the physiological definition because it is a ‘mental abstraction, in which at any rate any labour can be subsumed, irrespective of whether it is commodity-producing or not’ (Heinrich, 2008). However, he does not seem to question the reality of the physiological determination.
11. Bonefeld seems to be offering a peculiar reason for his rejection of the reality of a material identity between different kinds of labour (i.e. of ‘physiological’ abstract labour), namely: it cannot be apprehended through sensuous perception. ‘Abstract labour is not a substance that one can touch, see, smell or eat’ (Bonefeld, 2010: 266).

    Unless we are missing something, this statement relapses into the crudest kind of empiricism, which seems strange coming from someone who has made interesting and sophisticated methodological contributions to dialectical thought (see, for instance, Bonefeld, 1992). The fact that a certain determination is only accessible to us by means of thought or what Marx calls the ‘power of abstraction’ (i.e. by means of the specific attribute that sets our species-being apart from other life-forms) does not deny its materiality. No one can touch, see, smell or eat gravity. And yet it is obviously a real material determination of all bodies, as anyone jumping out of the window can tell.
12. We have to confess that we are simply perplexed by Bonefeld’s denial of the reality of the underlying universal material identity between different useful labours. For us, and Marx seemed to believed this as well, it is just a self-evident fact. We are afraid we cannot even find ways of engaging with that view.
13. In our view, there is nothing historically-specific about ‘abstract’ time per se. Time is a *quantitative* differentiation of nature in which therefore *quality* is sublated (see Hegel, 1999: 189, although as usual he inverts the real determination into a category of ‘pure thought’ which is then repeated in an external form in nature). In this sense, time is always ‘abstract’ if by this we mean indifference to quality. As Marx notes in the passage that Bonefeld quotes, this temporal dimension of nature exists in human activity as well: ‘Just as motion is measured by time, so is labour by *labour time*’, which is ‘the living quantitative aspect of labour as well as its inherent measure’ (Marx, 1986: 272). What Bonefeld describes as ‘abstract time’ is actually a concrete *expression* of the alienated relation of human beings to the materiality of their own life-activity entailed by value-production. And this obviously includes its temporality. But it is not the *ground* of the value-producing character of labour.
14. Before *Capital*, Marx himself had not fully established the ‘positive material nature’ of abstract labour as expenditure of labour power in general. That is why it is possible to find several occasions on which he uses formulations that conflate qualitative and quantitative determinacy of value and abstract labour, especially in the *Grundrisse* but even as late as the 1859 *Contribution*. On this, see Iñigo Carrera (forthcoming). Bonefeld himself acknowledges that there is a potential tension in the way he handles qualitative and quantitative moments of the determination of value, but does not see this as a problem since ‘there is no substance without measure’ (Bonefeld, 2010: 273 fn. 12). This is true enough, but that is precisely the reason why his sheer dissolution of qualitative determination into quantitative determination of value is problematic: he is postulating a ‘measure without a substance’, that is, without a quality whose magnitude is being measured.

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The Commodity Nature of Labor-Power

GUIDO STAROSTA and GASTÓN CALIGARIS

ABSTRACT: Some recent Marxist contributions, among them the so-called New Solution to the "transformation problem," call into question the idea of labor-power as a fully-fledged commodity. Yet, the rejection of the commodity nature of labor-power compromises Marx's whole explanation of the origin of surplus-value on the basis of the exchange of equivalents. It can be shown, however, that it is possible to offer a positive case for the commodity-nature of labor-power which is consistent with Marx's broader dialectical investigation of the determinations of the value-form. This requires building upon the arguments that Marx explicitly put forward in his economic works, but also going beyond them, albeit on the basis of those arguments themselves. Furthermore, this novel approach that treats the reproduction of labor-power as a commodity determined by the self-valorization of capital proves to be very valuable in shedding light on two classic Marxist controversies, namely: the debate on domestic labor and the one on skilled labor.

Introduction

IN A LETTER TO BECKER from April 17, 1867, Marx referred to *Capital* as "without question the most terrible MISSILE that has yet been hurled at the heads of the bourgeoisie (landowners included)" (Marx, 1987a, 358). Unfortunately, in the rest of that brief note Marx does not clarify the specific sense in which he considered his work to be such a "terrible missile" against the bourgeoisie. However, it seems quite safe to assume that his scientific explanation of the source of capitalist "profit" in the exploitation of wage-workers was among those fundamental aspects of the critique of political economy that he had in mind. As is widely known, the key to this explanation resides in the discovery of the existence of a commodity "whose use-value possesses the peculiar property of being a source of value" (Marx, 1976a, 270). This commodity is, of course, labor-power which, "like all other commodities . . . has a value" (Marx, 1976a, 274).

Now, in light of this centrality of the commodity nature of labor-power for Marx's critical investigation of the nature of the capital relation, its rejection can only amount to turning that "terrible missile" against Marx himself. In effect, once we reject the commodity nature of labor-power, then Marx's whole explanation of the origin of surplus-value on the basis of the exchange of equivalents falls down. As Krätke comments while revisiting the very early critiques of Marx's "unsolved puzzles" in the theory of wages, the "corollary" of such a rejection of the proposition that labor-power is a commodity and has a value "like all other commodities" is "clear and devastating" (Krätke, 2009, 166). Yet, this objection to the commodity nature of labor-power has resurfaced in the last couple of decades. Curiously enough, it has not been advanced by Marx's "detractors" but, as we discuss below, by some of his followers.

A first aim of this article is to critically engage with some of these recent Marxist contributions which, whether they see it as a rectification or ratification of Marx's argument in *Capital*, call into question the idea of labor-power as a fully-fledged commodity. This is done in the next section, where we review some of the main positions in this contemporary debate. In addition, we subsequently offer a positive case for the commodity-nature of labor-power that builds upon, but also goes beyond, the arguments that Marx explicitly put forward in his economic works. Finally, in order to illustrate the usefulness of this novel take on the determinations of the commodity labor-power, we revisit two classic Marxist controversies that are intimately connected with the central subject matter of this paper, namely: the debate on domestic labor and the one on skilled labor.

Marxist Controversies over Labor-Power as a Commodity

The objection to the commodity nature of labor-power and, *a fortiori*, to the determination of its value by the socially necessary labor-time required for its production, can be traced back to the whole series of critiques of Marx that emerged as soon as Volume III of *Capital* was published.[1]

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[1] As argued elsewhere (Kicillof and Starosta, 2007a), in its simplest determination *privately undertaken* labor is socially necessary (hence value-producing) if it satisfies two conditions: first, it corresponds to the technologically normal conditions of production prevailing in

Thus, already in 1907 Bortkiewicz argued that since there is no "competition between producers" of this commodity, wages cannot be subordinated to "the general law of value" and therefore its value cannot be determined in the same way as the value of other commodities (Bortkiewicz, 1952, 57). Strictly speaking, this first line of criticism mainly and explicitly revolved around the denial of the existence of an adjustment process of the price of labor-power to the average socially necessary labor-time for the production of this particular commodity. However, insofar as in Bortkiewicz's Ricardian approach there was no clear distinction between the price and the value of labor-power, the implausibility of such an adjustment mechanism implicitly called into question the very foundations of the value-content of labor-power. In fact, Bortkiewicz concluded that real wages had to be taken as fixed (Bortkiewicz, 1952, 57). According to Krätke, Tugan-Baranowsky went even further and argued that "labor power was not a commodity at all, wages could not be considered a 'value phenomenon' and Marx's theory of wages was outright wrong or just tautological" (Krätke, 2009, 169). Yet, as Krätke also reports, Marxists at that time did not respond to the challenge (Krätke, 2009, 166).

Although similar arguments emerged later in the 20th century, and on this occasion among scholars who were otherwise sympathetic to Marx's ideas (*e.g.*, Castoriadis, 1988; Bowles and Gintis, 1981), it has been in relatively recent times that the objection cropped up within the specialized Marxist literature. Moreover, in many cases the objection to the commodity nature of labor is not seen just as a correction to an allegedly inadequate treatment of the subject by Marx, but is even presented as a reflection of Marx's own views.

This rejection of the commodity nature of labor-power and, consequently, of Marx's account of the determination of its value, has come from rather disparate traditions. The so-called systematic dialectics strand of value-form theory is a case in point. Thus, Chris Arthur takes "distance from Marx's attempt to treat labor power as a produced commodity subject to the law of value" (Arthur, 2006, 90). More specifically, he states that "wage-labor should be treated in the same way as landed property, namely as a material presupposition of

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society (Marx, 1976a, 129), and, second, it can satisfy a *social* need (Marx, 1976a, 131), regardless of whether that need arises from "the stomach or the imagination" (Marx, 1976a, 125). In other words, only under those two circumstances is the objectification of the abstract character of private labor socially represented in the form of value.

capitalist production, which is rewarded with part of the value created in production, namely the wage" (Arthur, 2006, 90; see also Reuten and Williams, 1989, 68; and Roblez Baez, 2011, 26–27n).

Still, the most remarkable case is that of the so-called "New Solution" or "New Interpretation" to the "transformation problem" (Foley, 1982; Lipietz, 1982; Dumenil, 1983). In effect, unlike the rather incidental role played by the rejection of labor-power as a "genuine commodity" among "new dialecticians," for these other scholars it constitutes one of the pillars on which their whole theoretical construction is based. On the other hand, their arguments have already been critically examined quite sharply by other Marxist scholars (Mavroudeas, 2001; Fine *et al.*, 2002), which provides us with a firmer basis to develop our own arguments.

Perhaps the clearest formulation of the New Solution's corollary about the commodity nature of labor-power can be found in the work of Simon Mohun. According to this author, labor-power

> is not a produced commodity in the same sense [as other commodities]. It is a capacity or potentiality of people, and people are not (re)produced under capitalist relations of production. No capitalist production process is involved, no process of adding value to the means of production by living labor; neither do there exist different technologies of production in competition with one another which must be averaged to find a market value. (Mohun, 1994, 398.)

For this reason, Mohun continues, Marx's own definition of the value of labor-power is not given in terms of the labor-time required for its production but "in terms of the value of the commodities which the money-value of labor-power can purchase, or command" (Mohun, 1994, 398). It is this novel conception of the value of labor-power that provides one of the keys to this approach's specific solution to the "transformation problem." In effect, under this new definition, the value of labor-power is determined as the part of total value-added represented by the wage share. However, through an idiosyncratic formal procedure, they still conclude, in a roundabout way, that the money-wage represents a determinate quantity of socially necessary abstract labor.

The first step in the New Solution's construction is to posit an "immediate equality between the total price of the net product and the total living labor performed in each period" (Mavroudeas, 2001, 59). On this basis, these authors subsequently obtain the "monetary expression of labor" (MEL) as the ratio between the total price of the net product and the total hours worked. The MEL thereby allows them to transform money-prices into "labor-values." In the case of labor-power, its "value" expressed in "labor-time" is calculated by multiplying the rate of money-wages by the MEL. Through this peculiar procedure, these scholars consider that they avoid the problem of transforming variable capital and, as a consequence, that they offer a way to sidetrack the divergence between total profits and total surplus value. However, this "solution" to the "transformation problem" comes at the cost of parting company with Marx's own definition of the value of labor-power as determined by "a definite quantity of the average social labor objectified in it" (Marx, 1976a, 274). As Foley puts it in his seminal contribution to the New Solution, "the value of labor power, in this perspective, is the fraction of the total abstract social labor time claimed by workers in the form of the wage" (Foley, 1982, 42; see also Mohun, 1994, 403). Although not all supporters of the New Solution explicitly draw the conclusion that this entails the rejection of the commodity nature of labor-power, we will see below that this is the necessary implication of this approach.

As mentioned above, this conception of the value of labor-power has been strongly criticized by other Marxist scholars. In our view, Mavroudeas' (2001) critique stands out as probably the sharpest and most illuminating. According to this author, there are several shortcomings in the New Solution approach. In the first place, this approach violently abstracts from the intermediate steps that lead from socially necessary labor for the reproduction of workers to the value of labor-power. Specifically, it "discards the intermediation of a set of use-values (and their value) between necessary labor-time and money-wages and proceeds to link them directly" (Mavroudeas, 2001, 59). The upshot of this is that the "New Solution's conception of the value of labor-power ends up with a Smithian labor-commanded conception of value rather than one based on abstract labor" (Mavroudeas, 2001, 59). In turn, this has the consequence of grounding the quantitative determination of the value of labor-power in extra-economic factors which, "when this is supplemented with the rejection of the commodity-nature of labor-power, then it can easily lead to a prioritization of power relations independently and almost prior to socio-economic relations" (Mavroudeas, 2001, 55). In effect, regardless of the New Solution's claim that in their conception the value of labor-power still represents a share of the total abstract labor performed, it is self-evident that a "value" that is not the objectification of the social determinations of the material production process of the commodity that acts as its "bearer," can hardly be taken as synonymous with what Marx termed the "value of a commodity." Thus, the New Solution's eventual rejection of the commodity nature of labor-power is the other side of the same coin of their idiosyncratic conception of the determination of its value.

However, as Saad-Filho argues, despite the weaknesses of the New Solution, it is not easy to find a solid alternative within the Marxist literature (Saad-Filho, 2002, 48 ff). Most other contributions relapse into an equally problematic Ricardian or "labor-embodied" approach. At its most extreme, this perspective tends to assume an immediate identity between the value of labor-power and a "fixed" bundle of means of subsistence. But even in its more nuanced versions, this conception does not seem able to account for the determination of the composition of those "wage-goods," their historical changes or the wage differential among different segments of the working class (Fine, 1988, 180). Moreover, this Ricardian approach eventually ends up reifying workers, as if they were "slaves, beasts of burden [or] machines" (Saad-Filho, 2002, 48) and, as a consequence, renders arbitrary the very concept of "exploitation" (Fine *et al.*, 2002, 11).

In order to overcome the limitations of both the New Solution and neo-Ricardianism, Fine *et al.* come up with a third alternative whose main thrust is that "the value of labor power is neither a quantity of money nor goods but a quantity of value" which, in turn, is determined "at the aggregate level through the exchange between capital and labor as a whole (*i.e.*, as social classes), prior to the process of production" (2002, 12). Now, although it is correct that the value of labor-power is already determined prior to the process of production which follows the capitalist's purchase of that "peculiar commodity," this analysis does not take us very far from a mere repetition of what Marx explicitly wrote in *Capital*. In other words, this position amounts to just *asserting* the connection between the value of labor-power and the value of means of subsistence without *demonstrating* it. No actual explanation of that relationship is offered other than the invocation of Marx's texts. Maybe aware of this, these authors state that a proper full explanation of the value of labor-power needs to reconsider it at more complex levels of analysis. For instance, this requires the dynamic redefinition of the bundle of wage-goods resulting from the development of the productive powers of labor. Indeed, the accumulation of capital "tends both to redefine (lower) the value of labor power and (increase) the wage bundle" (Fine *et al.*, 2002, 12). Furthermore, "consumption norms" vary greatly across the different categories of workers, so that it makes no sense to posit an "average" consumption bundle which would determine the value of labor-power "in general" (Fine *et al.*, 2002, 12).

It seems to us that this alternative position does not succeed at fully overcoming the weaknesses of its opponents. First and foremost, these authors do not actually offer a clear and precise explanation of the determination of the value of labor-power "in general." Instead, they just sidetrack the problem by invoking the need to incorporate more complex phenomena. Furthermore, methodologically speaking, it is quite simply incorrect to argue for the impossibility to fully resolve the question of the value of labor-power "in general" given the complexity of its concrete forms of realization. It is not only possible but necessary to treat and settle the question at the level of the simpler or more abstract determinations of capital.[2] In fact, Marx himself made this methodological point in the *Economic Manuscripts of 1861–1863* when justifying the initial abstraction from the determinants of the value of labor-power attributable to its complexity, since

> important as the latter consideration becomes when it is a matter of analysing the differing values of individual branches of labour, here it is irrelevant, for we are only concerned with the general relationship between capital and labour, and therefore have in view ordinary, average labour, seeing all labour as only a multiple of this average labour, the training costs of which are infinitesimally small. (Marx, 1988, 43.)

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[2] In this sense, the issue under discussion in this paper pertains to the "level of abstraction" of Volume I (*i.e.*, to the social form of the process of production), and is analytically separable from the concrete forms assumed by the establishment of the unity of the movement of the total social capital in circulation (*i.e.*, the "level of abstraction" of Volume III, including the so-called "transformation problem"). In other words, this is a problem pertaining to value-*production* and not to its *distribution*. However, one implication of our argument is clear in this regard. If one concludes that labor-power is a fully-fledged commodity and has a value determined "like any other commodity," the value of variable capital does need to be transformed into the concrete form of price of production (a task which evidently exceeds the scope of this paper). As a consequence, we think that the alleged solution of the New Interpretation is no solution at all.

In this sense, although otherwise writing from a similar perspective to the one just sketched out, Mavroudeas' aforementioned contribution offers more elements both to explain the relationship between the value of means of subsistence and the value of labor-power, and to overcome the shortcomings of the New Solution approach. Regarding the latter, this author rightly claims that commodity values must be explained by their *content* (*i.e.*, by socially necessary labor-time required for their production) and not by their *form* (*i.e.*, by the ratio in which they exchange against money in circulation). And although he admits that labor-power is a "peculiar" commodity ("since it only exists as a capacity of the living individual . . . which is commodified in capitalism"), he argues that it does not follow from this that it is "a natural good that enters the market without any value, acquiring there a price" (Mavroudeas, 2001, 56). Mavroudeas thereby proceeds to analyze the production process of labor-power and makes two additional points. First, he agrees with New Solution scholars like Mohun that no new value is added in the "domestic" sphere of reproduction of labor-power on the very same grounds: the reproduction of labor-power entails "human effort but this is not expended through a capitalist production process," the upshot of which is that "there is no creation of new value or surplus-value and the sale of the commodity labor-power does not operate according to the rules of typical capitalist commodity exchange (obtaining an average rate of profit etc.)" (Mavroudeas, 2001, 56). Second, however, he also argues that the means of consumption required for the reproduction of labor-power are capitalistically produced by wage-labor and bought in the market, which means that they have a value determined by socially necessary labor-time. Crucially, and here Mavroudeas goes *beyond* what Marx *explicitly* states in *Capital*, he further submits that the value of the means of "subsistence" is *transferred* to labor-power through the workers' consumptive activity and therefore "this value has to be reflected in the price that is paid for buying labor-power (wage)" (Mavroudeas, 2001, 56).

There are three problems with this defense of Marx's argument on the value of labor-power. In the first place, it has no textual basis in Marx's exposition in *Capital*; not because he explicitly states otherwise, but because he does not discuss the question at all. Presumably, Marx took for granted that in light of the determinations already unfolded by chapter 6, it would be self-evident for readers why "human effort" expended in the domestic sphere could not be value-positing. As he unambiguously puts it in the section on commodity fetishism in chapter 1, "objects of utility become commodities only because they are products of the labor of private individuals who work independently of each other" (Marx, 1976a, 165). This leads us to the second problem.

For while Mavroudeas is right to point out that no new value is posited in the domestic sphere of individual or personal consumption, the grounds that he offers for that claim (which he shares with the New Solution) are essentially wrong. The expenditure of human labor-power within the domestic sphere does not create value not because it is not "expended through a capitalist production process with a view to obtaining the average rate of profit." The reason lies in the fact that the organization of the allocation of that portion of social labor in its particular concrete forms which takes place within the "household" is not mediated through *indirect* social relations between *private and independent* individuals (which, as argued elsewhere [Kicillof and Starosta, 2007a; 2007b; Starosta, 2016], is the ground of value-positing activity). The allocation of social labor within the domestic sphere is organized through *direct, personal relations* (the family). In other words, that portion of social labor does not possess "the peculiar social character of the labor which produces [commodities]" (Marx, 1976a, 165).[3]

Finally, although we shall see that Mavroudeas' point about the "transfer" of value from the means of consumption to the wage-worker's labor-power is broadly on the right track, he does not offer a convincing explanation of why and how this material and social process occurs.[4] Note, however, that neither does Marx's own presentation in Chapter 6 of *Capital* spell out, in any systematic fashion, the way in which the connection between the value of means of subsistence and the value of labor-power becomes concretely established over the course of the process of reproduction of the wage-worker. The link is just asserted. In order to make that connection explicit, we need to go beyond what Marx said on the question in *Capital*, albeit on the basis of determinations that are perfectly in line with his argument in the rest of the book.

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[3] Of course, all products of capital are commodities, and only in the capitalist mode of production social wealth universally takes on the commodity-form. Yet, it does not follow that the value-form of social wealth is grounded in the fact that it is immediately ruled with a view to valorizing an individual capital. The simplest determination of the value-form is given at the level of abstraction of the commodity as a *presupposition* of capital. This is what grounds the *content* of the value-determination. By contrast, commodity production under the command of an individual capital with a view to obtaining the average rate of profit (*i.e.*, the commodity not as a methodological–systematic *premise* but as *result* of the movement of capital) determines the *concrete form* in which value is realized (*i.e.*, the price of production). For a methodological discussion of the commodity as presupposition and result of capital, see Marx, 1976b, 953ff.

[4] The reason given by Mavroudeas is that "contrarily to consumption goods consumed by capitalists (luxuries), workers' consumption is a productive activity and they transfer their value to the commodified aspect of human reproduction (labor-power)" (Mavroudeas, 2001, 56). At least on the basis of this statement alone, it is not clear to us in what sense the workers' consumption is a *productive* activity.

The Value of Labor-Power

A first relevant element for this discussion can be found in the *Economic Manuscripts of 1861–1863*. In that text, in the context of a critique of Bailey's "silly" (*sic*) objection to Ricardo's determination of the "value of labor," Marx makes the point, not mentioned in *Capital*, that the determination of the value of labor-power by the value of the *means of subsistence* is not peculiar to that particular commodity but applies to all "organic" commodities; for instance, it applies to the value of animals as well (Marx, 1988, 48). Moreover, he makes clear that the way in which the means of subsistence enter in the "price of labor capacity" is through the "metabolic process," *i.e.*, through the "exchange of matter" involved in the process of individual consumption of those means of subsistence by the bearer of human labor-power.

> The price of CLOTH does indeed consist also of the price of the cotton yarn consumed in it, just as the price of labor capacity consists of the means of subsistence that enter into it through the metabolic process. Incidentally, the reproduction of living, organic things does not depend on the labor directly applied to them, the labor worked up in them, but on the means of subsistence they consume — and this is the way of reproducing them. Bailey could also have seen this in the determination of animals' value; even in the case of machines, in so far as coal, oil and other *matières instrumentales* consumed by them enter into their cost. . . . Otherwise Bailey's joke only has the upshot that the labor applied to the reproduction of the organic body is applied to its means of subsistence, not directly to the body itself, since the appropriation of these means of subsistence through consumption is not work but rather enjoyment. (Marx, 1988, 48.)

In other words, the "transfer" of the value of means of subsistence to the commodity labor-power takes place through the material change of form of those use-values into the bodily (physical and intellectual) productive attributes of the wage-worker. Similarly to the transfer of the value of means of production to the final product, one could say that the value of means of subsistence, as Marx puts it, "undergoes a metempsychosis" (Marx, 1976a, 314). Through this "transmigration," value "deserts the consumed body to occupy the newly created one" (Marx, 1976a, 314). The analogy, however, stops here.

For unlike means of production, labor-power is *not*, in and of itself, a use-value (Iñigo Carrera, 1995, 5).[5] In other words, it is not in itself a *means* for human life, "a thing that through its qualities satisfies human needs of whatever kind" (Marx, 1976a, 125), although its existence is clearly a condition for the specifically human process of material metabolism. However, although human labor-power is not a use-value by its own material nature, it *becomes form-determined as such when subsumed by capital as the active condition for its valorization.* In effect, given the private form taken by social production, labor-power embodies the capacity to produce value and, more specifically, more value than it costs. (Surplus)value-positing for capital becomes its *form-determined* use-value.[6] Thus, it is the constitution of the value-form into the alienated subject of social life that turns labor-power into a use-value, by determining the exercise of that human capacity as the immediate source of its self-expansion.

As Marx shows in Chapter 23 of Volume I on "Simple Reproduction," the constitution of the total social capital into the subject of the movement of society reaches its plenitude when subsuming material *reproduction* in its unity, *i.e.*, when it subordinates not only social production and circulation, but also the process of individual consumption (Marx, 1976a, 711ff). As a consequence, the unity of the human metabolic process becomes inverted into a moment of the reproduction of capital. The implication of this is that in capitalist society the process of individual consumption does not bring each cycle of the process of metabolism to a close. In other words, in the capitalist mode of production individual consumption in the domestic sphere is not synonymous with *final* consumption, as economics, both "classical" and "vulgar," would have it (Ricardo, 1821, 339; Jevons, 1871, 47; Keynes, 1936, 104). The latter moment is reached in the sphere where labor-power is consumed for the production of more value than its reproduction costs, *i.e.*, in the phase of *productive* consumption or the labor process. This is crucial for the link between the privately undertaken socially necessary abstract labor-time materialized in the means of subsistence and the value of labor-power. Let us examine the matter more closely.[7]

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[5] Note that transformation of the use-value of means of production into a new use-value is for Marx a necessary condition for the "transmigration" of their value to take place: "The reason why means of production do not lose their value at the same time as they lose their use-value is that they lose in the labor process the original form of their use-value only to assume in the product the form of a new use-value. But however important it may be to value to exist in, it is still a matter of complete indifference what particular object serves this purpose" (Marx, 1976a, 310).

[6] This, we take it, is the meaning of the following passage from the original text of *A Contribution to the Critique of Political Economy*: "For money as capital, labor capacity is the immediate use value for which it has to exchange itself. In the simple circulation, the content of the use value was indifferent, dropped out of the economic determination of form. Here it is its *essential economic moment.* For the exchange value is determined as firmly established in exchange above all because it is exchanged with *a use value confronting it in its own form determination*" (Marx, 1987b, 504).

The workers buy those means of consumption in order to reproduce their life as social subjects. In doing so, the value objectified in them is realized since the private labor that had been expended on them is confirmed as socially necessary. Those use-values are then taken to the domestic sphere of individual consumption, where they are either consumed straightaway if their materiality was immediately apt for the satisfaction of a human need, or subject to a further labor process. However, we have seen that in this latter case the objectification of social labor does not result in its representation in the social form of value.

Now, when those use-values are consumed, their materiality does not simply vanish but only changes form into reconstituted labor-power which, as argued above, is not in itself a use-value. Hence, if the immediate aim of the social reproduction process were the reproduction of human life (as would happen with a simple circulation of commodities), this transformation of the materiality of means of consumption into productive attributes of the human subject would bring this particular cycle of social reproduction to a close. Thus, even if those use-values had the commodity-form, their value would disappear definitively with that consumptive appropriation of their materiality.

However, we have further argued that from the point of view of the alienated organization of human life as an attribute of capital, that process does not close the cycle of social reproduction, but is only a passing moment in the process of value's self-valorization. Thus, the commodities consumed by the wage-worker must be turned into the production of his/her particular labor-power, that is, into the determinate productive attributes that the material conditions for the valorization of capital determine as a new use-value. Hence, from the general social point of view, the new form which those means of consumption acquire by being transformed in the renewed labor-power of the wage-worker still needs to prove socially necessary, which in this context does not mean that it is capable of satisfying a human want, but that it is able to valorize capital. In other words, the confirmation that the portion of social labor originally allocated privately in the particular concrete form of those means of consumption was socially useful entails a further mediation, namely: the success of the wage laborer at selling his/her labor-power as a commodity, *i.e.*, as a use-value that has been produced in a private and independent manner from the point of view of the form-determined *content* of the *unity* of the social metabolic process. *This is why the value borne by those means of subsistence does not disappear with their consumption in the household but reappears as the value of labor-power.* If the latter is effectively sold, then the social labor expended in the production of the means of consumption which the worker had consumed to reproduce labor-power is eventually confirmed as socially useful.

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[7] In what follows we draw on Iñigo Carrera, 1995, 6–7.

Still, this does not yet bring the cycle of that commodity to an end. The realization of its use-value is still pending, a process that can only occur through its consumption. Therefore, only when the latter is effectively consumed (*i.e.*, exploited) by capital in the immediate production process as a specific use-value which is capable of producing surplus-value, that particular cycle of social reproduction is brought to a close. It is only at that stage that the use-value of labor-power (and so the changed form of the original means of consumption) suffers final appropriation and, with that, its value is eventually extinguished. On the other hand, that very consumption of labor-power by capital privately produces new commodities and hence, new value and surplus-value.

In sum, this discussion shows that there *is* a necessary *material* link between socially necessary labor-time expended in the production of means of subsistence and the value of labor-power. Although the mediations that connect the value of means of subsistence with the value of labor-power are not fleshed out by Marx, it is possible to establish that nexus in a way which is absolutely consistent with the general determinations of the value-form that he did present in *Capital*. In effect, we have shown that, with the proviso about the form-determined nature of its use-value, all the determinations of the commodity-form are present in the production of labor-power. Paraphrasing Marx, a "definite quantity" of privately undertaken socially necessary abstract labor "is objectified in it." That objectification of labor-time must therefore take on the value-form in order to manifest its general social character. The objections of critics to the commodity-nature of labor-power are therefore unfounded.

In light of this conclusion, in the next couple of sections we turn to the discussion of two classic Marxist controversies that touched upon the production process of labor-power: the debates on "domestic labor" and on "skilled labor." As we shall see, our approach to the reproduction of labor-power as commodity determined by the self-valorization of capital will prove to be very valuable in shedding light on many of the contentious issues involved in those debates.

The Domestic Labor Debate

This debate was motivated by the perceived need to investigate more thoroughly the labor process performed within the wage-worker's household (Benston, 1969; Morton, 1971). In the view of most of the participants, this task had not been undertaken satisfactorily within Marxism (Vogel, 2000, 156). Following on from Dalla Costa and James' contribution (1972), the attention of many scholars subsequently turned to Marx's argument about the quantitative determination of the value of labor-power. More specifically, several works made a case for the reconsideration of domestic labor as value-producing. Two different but converging arguments were put forward. In the first place, some authors argued that domestic labor is part of socially necessary labor for the production of labor-power and must therefore enter into the quantitative determination of its value and be reflected in the wage (Secombe, 1974). A second approach postulated that domestic labor is not immediately represented as the value of labor power, but indirectly as capital's surplus value or profit. In its more sophisticated version, this perspective maintained that the surplus labor of the domestic worker is appropriated by capitalists through the exchange of labor-power against a wage that does not pay for all the labor-time "objectified" in it (Harrison, 1973; Gardiner, 1976).

Various objections were raised against this broad "heterodox" perspective, the main one being that domestic labor is not subordinated to the law of value insofar as it is neither performed under capitalist relations of production (Himmelweit and Mohun, 1977), nor organized with a view to exchange (Smith, 1978). Hence, these critiques went on, concrete labor performed in the household cannot be reduced to socially necessary labor and therefore cannot be value-producing. In sum, these critics rejected the validity of the social identification of domestic and wage labor, which is precisely what the original contributions had assumed. Now, although we concur with these critics that it is incorrect to consider domestic labor as (surplus)value-producing, those original contributions had nonetheless the merit of providing an in-depth and detailed examination of the processes involved in the (re)production of labor-power. In some cases, those contributions even hinted at the aforementioned problem of the "transference" of the value of means of subsistence into the commodity labor-power. As a matter of fact, the pioneering work by Inman from the 1940s had already submitted that "the value of the commodities consumed by the worker's family . . . reappear[s] again on the market, but in a new form, as the commodity labor-power" (Inman, 1942, 45, cited in Thomas, 1987, 331). As mentioned above, this insight is crucial for the determination of the value of labor-power by the socially necessary labor objectified in the means of subsistence and, *a fortiori*, for the commodity-nature of labor-power.

Be that as it may, the point is that as a result of this debate, many Marxist scholars were led to question Marx's overall argument regarding the determination of the value of labor-power. Thus, Philip Harvey (1983, 308–310) suggested that if the value of means of subsistence reappears in the value of labor-power, this necessarily means that the workers' individual consumption is in reality a labor process, which utilizes those means of subsistence as means of production of labor-power. But if this is the case, Harvey continues, this "labor of productive consumption" must be considered as socially necessary for the production of labor-power. And the same goes for domestic labor that further transforms means of subsistence originally purchased as commodities with the wage. On these grounds, and in the face of the fact that Marx did not include these expenditures of human bodily powers in the determination of the value of labor-power, Harvey concluded that Marx's approach does not actually constitute a "labor theory" of the value of labor-power but a "cost of production theory" (P. Harvey, 1983, 307, 312). In other words, the value of this "peculiar commodity" *is not, pace* Marx, determined "as in the case of every other commodity" by the "labor-time necessary for the production . . . of this specific article" (Marx, 1976a, 274).[8]

From our perspective, these analyses reach these problematic conclusions because they overlook the essential determination at stake in the transference of value between different use-values, namely: the need to re-validate the social character of privately performed labor. This is a process that is generally mediated by productive labor but that, in the context of the overall movement of reproduction of the total social capital, takes place as well through individual consumption. As argued at great length above, the abstract character of privately performed labor objectified as the value-form of means of subsistence does not attain definitive recognition as socially necessary at the moment of their purchase by the working class family. This only occurs when the capitalist buys their labor-power with the aim of valorizing his/her capital and subsequently consumes them productively in the direct production process. Only at that point is the formal use-value of labor-power finally extinguished and its value therefore disappears. Hence, the reappearance of the value of means of subsistence as the value of labor-power simply expresses the need to reassert, under the new guise assumed by those use-values, the social character of the privately performed labor originally objectified in them. In other words, this "transfer of value" is quite simply derived from the general determination underlying the value-form of the product of labor: it is the reified form through which the immanent social determinations of human productive activity are represented when they are indirectly organized through the general production and exchange of commodities.

Why, then, is the labor performed in-between the wage-worker's purchase of means of subsistence and the sale of labor-power *not* represented as its value? The answer to this question cannot just come down to saying, as in most critiques of the "heterodox" camp in the debate, that "domestic labor" is not subordinated to the "law of value." As a matter of fact, this is precisely what needs to be explained. Thus, the *reason* why this labor is not value-producing is that *it is not private labor vis-à-vis the immediate consumer of its product.* And note that this applies *both* to reproductive labor undertaken by the worker him/herself (which is not even *social* labor) and to work performed by other family members (which is social since it is done for another individual, *i.e.*, the wage-worker, but *directly* so, *i.e.*, its social character is organized through *personal social relations*). This point can be further clarified through a comparison with the domestic labor undertaken by a hired cleaner or cook. In the latter case, it does create value, since we do have an instance of privately performed social labor *vis-à-vis* the immediate consumer of its product, which thereby does take the commodity-form (as much as the labor that, for instance, produces the meals that the worker eats at a restaurant; the fact that the former occurs in the household is immaterial). As a consequence, the "domestic labor" performed by a hired cleaner or cook does enter into the determination of the value of labor-power.[9] Thus, the feminist *normative* claim that reproductive labor be considered as value-producing is revealed as underpinned by an essentially ahistorical or Ricardian conception of value, insofar as it considers that all productive expenditure of labor-power is value-producing regardless of its "peculiar social character" (Marx, 1976a, 165).

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[8] Some years later, Thomas (1987, 127) tried to avoid these conclusions by arguing that the only labor that transfers value is "commodity-producing, value-creating labor." Hence, Marx's argument needed to be amended in order to incorporate the fact that domestic labor produces value. In this way, she reinstated the feminist critique that considered Marx's approach as incomplete (if not directly flawed).

In sum, it is perfectly possible to explain the parts respectively played by the domestic productive and consumptive processes in the formation of the value of labor-power, on the basis of Marx's "value-form theory." All privately undertaken socially-necessary labor for the production of this "peculiar commodity" is represented as its value, while all directly social necessary labor is not. Therefore, the critique of Marx's analysis of the value of labor-power stemming from the "domestic labor debate" is ill-founded. The lack of conceptualization of this labor in the determination of value is not a "blind spot" of the Marxian critique of political economy (Werlhof, 1988). It is perfectly consistent with the "purely social objectivity" of the value-form that Marx discovered.

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[9] In this sense, it must be acknowledged that Marx's presentation in *Capital* is not entirely satisfactory in this regard. Thus, he claims that labor-power has value like all other commodities because "it represents no more than a definite quantity of the average social labor objectified in it" (Marx, 1976a, 274). For the sake of rigor and clarity, he should have actually referred to "privately undertaken average social labor objectified in it." In other words, only commodities (and not simply use-values) consumed by workers enter into the determination of the value of labor-power. In Marx's defense, it was probably a shorthand expression which, even if not entirely correct, was seen by him as harmless in light of the rigorous and lengthy exposition of the determinations of the commodity-form contained in the first section of *Capital* (cf. his remark on overlooking the difference between value and exchange-value for the sake of brevity once the dialectical exposition has established their "unity and difference"). Besides, in the *Economic Manuscripts of 1861–1863* he made the point explicitly: in its general determination, "the means of subsistence needed for the maintenance or reproduction of labor capacity can all be reduced to commodities" (Marx, 1988, 43).

The Skilled Labor Debate

The question about the kind of labor expended to produce labor-power and, more specifically, about its preservation or destruction in subsequent phases of capital's overall circulation process has been at the center of another important controversy within Marxism, namely: the skilled labor debate. In this section, we review the main positions in the debate and offer some reflections on the way in which our reconsideration of the determinations of the commodity-nature of labor-power can shed light on many of the apparent difficulties posed by the "multiplied" value-producing powers of skilled labor.

The debate on skilled labor was initiated by Böhm-Bawerk's well-known criticism of Marx's value-theory (Böhm-Bawerk, 1890; 1949). According to this author, the Marxian explanation of the equalization of qualitatively different labors fails because the argument unfolds "in a complete circle": it starts out in search for an explanation of the exchange relation but, insofar as it is argued that "the standard of reduction [of skilled to simple labor] is determined solely *by the actual exchange relations themselves*," it ends up accounting for the exchange relation on the basis of that very same exchange relation! (Böhm-Bawerk, 1949, 83). The first line of reply provided by Marxists was that the greater value of the product of skilled labor is not explained by the exchange relation, but by the greater value of more complex labor-power. According to this conception, the higher the value of labor-power, the greater will be the magnitude of value that results from its objectification (Bernstein, 1900).

However, other Marxists very soon took this explanation to task for relapsing into a theory of value founded on "costs of production."

As Hilferding noted, Bernstein's explanation wanted "to deduce the value of the product from the 'value of labor'" (Hilferding, 1949, 141). As an alternative, Hilferding and other authors proposed a procedure for the reduction of skilled to simple labor based on the addition of the quantities of simple labor that materialized in the production of skilled labor-power and which, indirectly, become "condensed" in the actual expenditure of the latter. More specifically, according to these authors these "formative labors" included both the work of the "technical educator" (Hilferding, 1949, 144) and that of the skilled laborer (in his/her capacity as student) (Bauer, 1906). Those past formative labors, Hilferding states, "are stored up in the person of the qualified laborer, and not until he begins to work are these formative labors made fluid on behalf of society" (Hilferding, 1949, 144).

Until the mid-1970s, the Hilferding–Bauer approach was widely accepted by Marxists as the definitive response to Böhm-Bawerk (*e.g.*, Sweezy, 1942; Meek, 1956; Rowthorn, 1974). However, soon after that some Marxists started to raise some reservations against the alleged solution to the "reduction problem." In the first place, it was argued that the Hilferding–Bauer reduction procedure implied different rates of surplus value for skilled and simple labor which, it was claimed, contradicted the Marxist theory of exploitation (Morishima, 1973). Second, other scholars argued that in conceiving of the worker's skills as the material condensation of past labor that would subsequently be represented in the higher value of the product, the productive attributes of workers were treated as constant capital (Tortajada, 1977). In relation to the first of these objections, let us note that the existence of different rates of surplus value leaves the general qualitative determination underlying the exploitation of wage-workers untouched. In effect, regardless of the relative complexity of his/her labor-power, each worker performs (on average) as much labor for capital as the normal long-term reproduction of his/her labor-power allows. And he/she receives in exchange an equivalent of the socially necessary labor time for the reproduction of those productive attributes that capital demands from him/her. The fact that this might result in different rates of surplus value for labor-powers of different qualifications only affects the degree in which capital will appropriate unpaid surplus labor. But it does not compromise the validity of Marx's explanation of the source of surplus value in the exploitation of the wage-worker. Furthermore, these varied rates of surplus value are immaterial for the individual capital, insofar as it could be argued that this is but another differential condition of valorization that becomes averaged out through the formation of the general rate of profit (similarly to differences in the organic composition or turnover rates).

By contrast, the second objection does pinpoint a real flaw in the traditional "reduction method," insofar as the latter involves a departure from the general determinations of value and surplus value. More specifically, it parts company with Marx's argument that it is only the expenditure of the living labor of the worker that posits new value in the product, while the value of constant capital (*i.e.*, "past labor") is only "transferred" in the same magnitude. In postulating that the value of the product of skilled labor includes the "past labor" materialized in the more skilled labor-power, the classic solution ends up effectively conflating constant and variable capital. On this score, we concur with those who rejected the Hilferding–Bauer train of thought.

In the face of these shortcomings of the traditional reduction procedure, new alternative solutions appeared that changed considerably the very terms of the problem without, however, achieving any consensus. Thus, some scholars proposed that the reduction of skilled to simple labor should be regarded as a real and observable process of de-skilling of labor-power resulting from capital's transformation of the labor process (D. Harvey, 1982; Itoh, 1987; Carchedi, 1991), while others opted for considering skilled labor quite simply as more productive (P. Harvey, 1985; Bidet, 2007; Saad-Filho, 2002). In our view, rather than solving the "skilled labor" reduction problem, these alternative just sidestep it. By contrast, we think that our approach to the determination of the value of labor-power sketched out above offers a valuable and novel way to critically examine the classic Hilferding–Bauer reduction procedure and to develop a more rigorous explanation of the "multiplied" value-creating powers of skilled labor.

In the first place, having demonstrated that labor-power is a fully-fledged commodity we know with certainty that its value is exclusively determined by the privately performed socially necessary abstract labor required for its production. Moreover, insofar as capital's productive consumption of labor-power closes the form-determined cycle of social reproduction, this value disappears through the expenditure of the worker's living labor in the direct production process.

Consequently, regardless of the degree of complexity embodied in the worker's labor-power, no single "atom" of its value can be preserved and transferred to the product of his/her labor. In this sense, the labor of the "technical educator" or the labor objectified in a textbook are hardly different from those labors objectified in the most prosaic of commodities that the worker consumes during his/her lunchtime. Assuming that they have the commodity-form, they are all part of the privately undertaken socially necessary labor required for the production of the commodity labor-power and, in that condition, they are absolutely independent of the labor that the worker will perform when setting his/her labor-power into motion in the capitalist labor process.

Now, Hilferding–Bauer and their followers obviously think that their reduction procedure avoids Bernstein's error of grounding the value of the product of skilled labor in the value of skilled labor-power. However, it seems to us that by including in the value of the product of skilled labor the socially necessary labors required for the production of skilled labor-power, they end up relapsing into a similar elementary mistake, namely: conflation of the *value* of labor-power (the "past labor" objectified in it) and its *use-value* (the value-positing capacity of living labor in action). As stated above, there can be no trace of the past labor required for the production of skilled labor-power in the "multiplied" value-positing powers of skilled *living* labor in action. The central question still stands unanswered: how is the higher value of the product of skilled labor explained?

Again, here we think that the answer must be: "as in the case of any other commodity," *i.e.*, by the privately performed socially necessary abstract labor required for its production. The key, of course, resides in being absolutely clear and precise about which private labors are socially necessary *just* for the production of the *product of skilled labor*. And these come down to the living labor of the skilled worker, the "dead" labor objectified in the means of production consumed by living labor in the capitalist production process and, crucially, the labor expended *by the skilled laborer himself/herself* (*i.e.*, not by the "technical educator") with a view to acquiring the skills that are *socially necessary for the production of the said commodity*. As we have seen, the latter is a kind of labor which, insofar as it is not private from the point of view of the production of (skilled) labor-power, does not enter into the determination of its value. However, it definitely is private and socially necessary from the perspective of the production of the use-value that the skilled laborer will produce under the command of the capitalist. For that reason, it enters into the value of the product of skilled labor.

Clearly, this admittedly succinct answer does not address all the complexities and subtleties involved in the debate over the reduction of skilled to simple labor, a task which exceeds the scope of this section.[10] However, this discussion should suffice to shed light on the gist of the solution to this long-standing difficulty in Marxist value theory: the rigorous identification of the opening and closing phases of each capital-determined cycle of social production and consumption and, as a consequence, of the exact amount of privately performed socially necessary abstract labor that is required for the production of each particular commodity.

Conclusion

This article has critically examined the rejection of the commodity-nature of labor-power based on the broad argument that it is not produced under the direct command of capital. Although its lineage can be traced back to the early 20th century, this long-standing argument gained new life recently in association with the so-called New Solution approach to the transformation problem. This perspective has encountered some valid critical reactions which, however, have not offered a solid and conclusive alternative. In light of this, we took up the challenge and attempted to develop an explanation of the fully-fledged commodity-character of labor-power on the basis of Marx's own analysis of the value-form but beyond what he explicitly stated in *Capital*.

In a nutshell, our contribution revolved around the clear identification and differentiation of the specific social character of all the labor involved in the production of labor-power, *from the point of view of the reproduction of the total social capital*. It is the latter which, as the general social relation presiding over the movement of present-day society, gives unity and content to the human life-process. The crucial upshot of this for the purpose of grasping the commodity-nature of labor-power was two-fold. First, only privately undertaken social labor can form the value of labor-power. Second, when subsumed under the overall movement of the total social capital's reproduction, the privately performed labor required for labor-power's production attains final validation of its social usefulness only when it is exploited by capital in the direct process of production. This was the key link to explain the reappearance of the value of means of subsistence as the value of labor-power. On these grounds, we were able to reach the same conclusion that Marx reaches in chapter 6 of Volume I of *Capital*, namely, that the value of labor-power is determined, just "as in the case of every other commodity," by the (privately performed) socially necessary labor for its production. However, unlike Marx's unmediated assertion, we unfolded all the mediations that are necessary to validate that claim.

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[10] One of the issues not addressed in this paper is the consistency of the different solutions with the scarce number of quotes by Marx that treat the subject of skilled labor. For instance, in one highly controversial passage Marx states that the respective rates of surplus value of skilled and simple labor are equal (Marx, 1981, 241). From our perspective, Marx was probably assuming that the use-values needed for the daily reproduction of each type of labor-power are identical, so that if the skilled laborer expends a working day at home to acquire the skills, the subsequent expenditure of skilled labor-power will objectify twice the amount of value. But since his/her labor-power will have cost twice, the rate of surplus value will remain the same.

As we have seen, this approach to the value of labor-power not only offers a way of grounding one of the fundamental categories of the critique of political economy. In addition, it provides useful tools to overcome the impasse reached within two classic Marxist controversies that have an intimate connection with the social processes underlying the production of labor-power and its form-determinations as a commodity, both as a *value* and as a *use-value*: the debate on domestic labor and the debate on skilled labor. Regarding the former, we have seen that our approach can shed light on the only reason why domestic labor is not value-producing. Briefly put, it is a part of social labor that is organized through direct personal relations, *i.e.*, that is not privately performed *vis-à-vis* the consumer of its product. As for skilled labor, we showed that the only way to be consistent with its definition while avoiding the confusion between the value and the use-value of skilled labor-power, is to grasp that only the "formative labor" undertaken by the wage-laborer himself/herself is private *vis-à-vis* the final consumer of the commodity that he/she will eventually produce under the command of capital. For this reason, only this privately performed socially necessary labor must be added to the productive living labor of the skilled worker in order to determine the value of its product. In sum, we have seen that in both the case of domestic labor and that of skilled labor, the key to resolving the issues that gave rise to the respective debates, consists in the clear understanding of the part that they play in the overall cycle of valorization of capital.

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CHAPTER 1

Introduction: The New International Division of Labour and the Critique of Political Economy Today

Greig Charnock and Guido Starosta

> Thus, from the bare enumeration of some of the more glaringly obvious features of the present-day world economy, it can be seen that the old or 'classical' international division of labour, by which the underdeveloped countries were on the whole incorporated into the capitalist world economy as mere raw materials suppliers, no longer exists. The underdeveloped countries are increasingly chosen as sites for manufacturing industries producing goods that are competitive in the world market.
>
> … This tendency will be designated the '*new international division of labor*' (to be considered as an on-going, not a completed, process) (Fröbel et al. 1978: 845, 849).

In a recent anthology of his essays on *Global Capitalism* (2015) Hugo Radice recounts how in the 1960s and early 1970s progressive, broadly Marxist, scholarship fell short of providing a satisfactory means of understanding what was by then a rapidly changing world. The debates

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back then, he summarises, ‘had little to say directly about the transformations of production and work within firms, or about the political relations between organised economic interests and the state, while international economic relations between states were understood firmly in nineteenth century terms of autonomous and mutually antagonistic powers, great or small’ (Radice 2015: 9). Yet profound and lightning-paced transformations in worldwide production and trade were indeed palpable to any observer back then, and by the mid-1970s Marxist scholars in the UK and beyond were beginning to engage in highly productive—and still influential—debates on the labour process, state theory, and alternative political strategies in the context of deep world recession and heightened social and political tensions across much of the West. Radice recalls, in particular, his participation in a 1974 workshop in Starnberg, Germany, ‘at which Otto Kreye and his colleagues presented the first results of their project on the new international division of labour’. This work, he confirms, was to become ‘very influential for progressive scholarship on global capitalism’ (Radice 2015: 9).

The new international division of labour (NIDL) thesis developed by Folker Fröbel, Jurgen Heinrichs, and Otto Kreye very much stands out as one of the most influential and widely debated contributions at the forefront of discussions on late-industrialisation and global production long into the 1980s and 1990s. Based on their empirical studies in the 1970s, Fröbel, Heinrichs, and Kreye’s work seemed to capture extremely well the transformations in the world market taking place by the beginning of that decade, and very rapidly caught the attention of most analysts of international political economy (IPE) and the changing geographies of global capitalism. Although the argument in their book *The New International Division of Labour* (published in English in 1980) rested on very distinctive theoretical foundations and arguments, reviewed below, the expression ‘new international division of labour’ was to somehow acquire a life of its own and soon became very much a part of the working vocabulary of most scholars empirically concerned with global processes of industrial restructuring—a kind of conceptual shorthand to encapsulate what were regarded as the main developments in the world economy at that time. The ‘NIDL’ thus became a catchphrase, widely accepted and loosely used (sometimes by default) to *describe* the novel configuration of the capitalist world market, but without always making a self-conscious effort to acknowledge or flesh out the particular conceptual approach being deployed to *explain* this empirical phenomenon and its subsequent developments.

In a nutshell, the popularised version of the NIDL thesis consisted of the following stylised account of the process of global restructuring. Faced with declining profitability in advanced capitalist countries (mainly due to rising wages), transnational corporations (TNCs) started to relocate labour-intensive manufacturing to the then, so-called, Third World, thus acting as a major factor in the industrial decline that seemed to prevail in the former countries in the late 1970s and early 1980s. 'Third World' countries, for their part, provided TNCs with a huge potential reserve of low-paid and disciplined workers. Combined with technological advances in the means of communication and transport, the increasing fragmentation of production processes and the consequent simplification of semi-skilled and unskilled tasks created a tendency for the establishment of export-oriented 'world market factories' in the 'Third World'. Accordingly, the story went on, the classical international division of labour (CIDL)—revolving around the polarisation of the world economy into an industrialised 'core' and a dependent 'periphery' confined to the role of supplier of raw materials and staple foods—had been superseded by the NIDL, with an industrialised but still dependent Third World, and a 'First World' oriented to a service-based economy, which could not absorb the resulting unemployed population.

The NIDL thesis remained highly influential into the 1990s but—if the scant number of studies published in the last decade dealing directly with the NIDL is any indication—the thesis has since become passé. Undoubtedly, this can be explained in part by changing fads and the development of new lines of inquiry and debate among academics. Yet it is also the case that some scholars had started to put forward strong reservations against the NIDL approach by the 1990s—prompted principally by some empirical developments which seemed to contradict the major claims of the NIDL thesis. The 'impressive' developmental record of the first generation of Asian Tigers (especially South Korea), in particular, seemed to undermine a theory that put export-oriented industrialisation based on extremely low wages in labour-intensive industries at the heart of its argument. More broadly, as many critics have rightly highlighted, the initial formulations of the NIDL thesis contained untenable sweeping generalisations, which could not account for national differences in the developmental path of many countries. The industrial upgrading of the first generation of Asian Tigers, for example, would eventually include relatively complex, capital-intensive sectors rather than simply unskilled-labour-intensive ones, as the stylised version of the NIDL that became common currency appeared to suggest.

While accepting the veracity of some of the criticisms levelled at the original NIDL thesis and the version of it that became common currency by the 1990s, we believe that it now deserves to be revisited. We propose that a *properly reconsidered and revised* NIDL thesis can still shed light on the specificities of capitalist development in various parts of the world today, as well as the nature of uneven development across the capitalist world market. Taken together, the contributions to this book represent the basis for such a reconsideration of the NIDL thesis which rests upon the Marxian distinction between the global economic *content* that *determines* the constitution and dynamics of the international division of labour, and the evolving national political *forms* that *mediate* its development. More specifically, the book argues that national developmental processes across the world have been but *an expression of the underlying essential unity of the production of relative surplus-value on a world scale.* The fact that the approach taken in this book is rooted in the critique of political economy originally developed by Karl Marx over 150 years ago does not detract from its contemporary significance. Moreover, a revised NIDL thesis as put forward in this volume represents an original contribution to key debates in international and critical political economy, insofar as, firstly, its theoretical foundations lie in research that moves to some extent beyond Marx; and, secondly, it departs in significant ways from not only Fröbel and his colleagues, but also a variety of contemporary approaches that seek to understand the nature of—and the relation between—global transformation and uneven development.

FROM THE CRITIQUE OF POLITICAL ECONOMY TO A *NEW* NEW INTERNATIONAL DIVISION OF LABOUR THESIS

The book draws its inspiration from innovative theoretical scholarship that has emerged under the auspices of the Centre for Research as Practical Criticism (CICP), based in Buenos Aires, Argentina, and especially the work of the independent scholar Juan Iñigo Carrera. This work, which is only just recently beginning to appear in Anglophone literature—in part, because it has been developed outside of formal academic structures and networks[1]—represents a thorough re-examination of Marx's critique of political economy and its dialectical-methodical foundations. While drawing upon Marx's fundamental insight into the determination of capital as the immediate subject of the organisation of the process of social life, it also moves some way beyond it so as to cast fresh light on global transformation and uneven development in recent decades, as well as to offer ground-breaking research on the emancipatory subjectivity of the working class (a theme we do not broach directly in this book but see, for example, Starosta 2016). The following section outlines the basic contours of the approach pioneered by Iñigo Carrera.

Capital, the System of Machinery and the International Fragmentation of the Productive Subjectivity of the Global Working Class

As Starosta explains in Chap. 4, one of the most potent scientific discoveries of Marx's critique of political economy was that capital is neither simply a thing (for example, the instruments of production), nor a productive unit or legal entity (such as a firm), nor a social grouping sharing common characteristics and interests (for instance, business or the bourgeoisie). In its general determination as self-valorising value, capital is actually a materialised social relation between commodity owners differentiated into social classes, which, in its fully developed form as the total social capital, becomes inverted into the (alienated) subject of the unity of the process of social reproduction and its expansion (Marx 1976: 763). Thus, *capital* is essentially the movement of the self-expansion of the objectified general social relation between private and independent human beings which, in its own process, produces and reproduces the latter as members of antagonistic social classes (Marx 1976: 723–4; Marx 1992: 185). All moments of the human life-process thus become inverted into material bearers of the life-cycle of capital, or they become forms assumed by the flow of value in its circulatory process. Subsumed under the capital-form, the alienated content of social life becomes the production of surplus-value or the formally boundless quantitative progression of the general reified form of social mediation (Marx 1976: 251–7).

Although this content governs the movement of capital as a whole or as an alienated collective power, the *total (global) social capital* is nonetheless the product of the private and independent form taken by social labour. The general unity of the movement of the total social capital cannot be established immediately. It is thereby indirectly established through the exchange of commodities resulting from the apparently autonomous actions of individual capitals in competition with each other, as each of them pursues the maximisation of its profitability through the expanded reproduction of their formally independent cycles of valorisation. In their simplest form, those cycles can be represented through the well-known general formula of capital:

$$M-C\begin{matrix}\mathrm{LP}\\ \\ \mathrm{MP}\end{matrix}\quad \ldots..P\ldots\ldots\ldots C-M+\Delta M$$

Where M = money capital, C = commodity capital, P = productive capital, LP = labour power, MP = means of production. More specifically, the concrete form in which individual capitals assert their class unity as 'aliquot parts' of the total social capital is the process of formation of the general rate of profit (Marx 1981: 298–300, 312). This is the inner or essential determination of the general social relation between capitalist firms (or individual capitals).

The territorial or spatial dimension of the accumulation process—and the changing forms of the worldwide division of labour—therefore cannot be seen as being *determined* by the conscious locational 'strategies' of TNCs faced with given qualitative national and regional differences, in turn seen as established by allegedly autonomous state policies. Instead, it needs to be grasped as an expression of the underlying formal and material unity of the essentially global contradictory dynamics of the accumulation of the total social capital through the production of relative surplus-value, which are *economically mediated* by relations of competition among individual capitals like TNCs (again, as opposed to *determined*), on the one hand, and *politically mediated* by the policies of the nation state on the other. These contradictory and crisis-ridden dynamics, which, in their most developed form as large-scale industry, fundamentally *entail the permanent revolution in the modes of exertion of the labour power of individual workers and of their articulation as a directly collective productive body or organism* (Marx 1976: 617), lie at the heart of the changing historical forms of the international division of labour.

The production of relative surplus-value in the form of large-scale industry entails four divergent tendencies in the development of the productive attributes of the global working class (Iñigo Carrera 2013: Chap. 2). First, it expands the productive subjectivity of the part of the collective labourer responsible for the advance in the conscious control of the movement of natural forces (that is, science) and its technological applications in the directly social organisation of the immediate production process.[2] Although not explicitly addressed by Marx in *Capital*, the benefit of historical hindsight makes it very easy for us to recognise how the total social capital deals with its constant need for the development of the productive powers of science and for the conscious organisation of the increasingly social labour process, namely, by engendering a special partial organ of the collective labourer (see Starosta 2016: Chap. 8). Capital requires from these workers ever more *complex* forms of labour. As much as those discussed in *Capital*, these are also 'immediate effects of machine production on the worker' (Marx 1976: 517). Needless to say, inasmuch as this expanded productive subjectivity is nothing more than a concrete form of the production of relative surplus-value, the exercise of newly developed intellectual productive powers is also inverted into a mode of existence of capital in its movement of self-valorisation. Moreover, sooner or later many of these intellectual dimensions of living labour will also experience automation (or knowledge codification) and therefore become relatively simplified. As we shall see later in this book, this latter aspect has been central to the more recent phases in the evolution of the NIDL (as shown in Chap. 6 through a discussion of the Irish software industry).

Second, it tends to degrade the subjectivity of those workers that acquire and exercise their increasingly simpler manual or experienced-based productive attributes in the direct process of production. Indeed, large-scale industry is based on the objectification of *tacit* knowledge, previously embodied in the manual industrial worker and largely acquired through lengthy on-the-job, learning-by-doing processes, as an attribute of the system of machinery (Huws 2006). In this sense, the impact of capitalist automation certainly tends to be one of 'deskilling' or degradation of direct production work through the objectification of formerly manual tasks as functions of machines. Yet the effect of increasing automation has not just been one of deskilling. It has been mixed, also entailing a certain creation of new skills required by capital even from direct production workers. The key point, however, is that these newer skills have been of a different *kind* from those that have been eroded. While the older skills tended to be based on the *particularistic* development of the productive subjectivity of wage-workers (both manual and intellectual) as a result of the practical experience of machining in the direct process of production, the newly created skills tend to revolve around the *universalistic* dimension of the productive quality of labour-power, whose development is achieved in the general process of education and socialisation that precedes its actual application in the production process. For instance, and crucially for the general argument developed in the book, the 'microelectronic revolution' that is at the basis of the NIDL has entailed not only the degradation of the particularistic dimension of direct production work but also the emergence and generalisation of, so-called, soft or generic skills (see Ramioul 2006), such as familiarity with computers and flexibility or individual initiative in problem-solving or decision-making (Balconi 2002).

In the third place, while the new technologies have not resulted in the total elimination of manual labour from automated processes of production (Alcorta 1999: 164), they have recreated the conditions for the extended reproduction of what Marx called the 'modern manufacturing division of labour', that is those non-mechanised tasks and labour processes acting as an 'external department' of large-scale industry proper as the dominant form (Marx 1976: 588ff). This tendency has been fundamental for initial stages of the NIDL, which are the ones that Fröbel and his colleagues accurately but one-sidedly captured in the 1970s.

Fourth and last, the production of relative surplus-value through the system of machinery leads to the multiplication of the surplus population relative to the needs of the accumulation process, which also constitutes a transformation of productive subjectivity produced by the automation of large-scale industry (see Marx 1976: 553–75). More specifically, this tendency represents the most extreme case of material mutilation of the productive attributes of the working class resulting from capital accumulation, that is, not simply their degradation but their outright non-reproduction. Yet, it is from this tendency that the global pool of cheap but disciplined labour power, which has been central for the original constitution and evolution of the NIDL, has eventually derived.

What all the contributions to this book share is a conviction that the foundation of the uneven spatial differentiation of global capitalism must be searched for in these changing forms of the exploitation of the global working class by the total social capital, through the transformation of the material forms of the capitalist production process. The latter is, in our view, the *general content* that is realised in the political form of state policies (domestic and foreign) and class conflict, albeit behind the backs of the antagonistic actions of the personifications involved (social classes and their diverse political organisations, capitalist firms, 'political elites' and/or 'state managers'). Taking their cue from Iñigo Carrera's original approach, all the authors in this book see the transformations associated with NIDL as being products of the total social capital's drive to enhance the production of relative surplus-value on a world scale through the development of labour productivity, which finds its most advanced expression in the mechanisation of large-scale industry. Succinctly put, Iñigo Carrera's fundamental argument is that the 'essential' general content that defines the NIDL, and which has been reproduced under its evolving historical configurations since the 1950s until the present time, consists in the *international fragmentation of the productive subjectivity of the working class* (Iñigo Carrera 2013). Thus, as a result of its own immanent tendencies, the simplest original form of the NIDL—which we think Fröbel and his colleagues were right to identify as signifying an on-going process—has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class (through their impact upon their general conditions of reproduction and condensed in the so-called 'historical component' of the value of labour-power). Each country therefore *tends* to concentrate a certain type of labour-power of distinctive 'material and moral' productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner (Grinberg 2011: 35–6). Production in specific industrial sectors has thereby expanded in some countries while contracting in others where new and more advanced sectors have developed, following a rhythm determined by the evolution of two main factors, that is, technological change and relative cost and productive attributes of national labour forces.

This different constellation *does not* involve the transcendence of the NIDL, as many of the critics of the original thesis have suggested (see Chap. 4), but instead represents a more complex form assumed by the same general content. This was the content that the original formulation of the NIDL thesis by Fröbel, Heinrichs, and Kreye failed to uncover, influenced as those authors were by dependency and world-systems theories, and the view that different countries and regions of the world achieve different levels of development on the structural basis of 'unequal exchange'. And it is this content that has generally eluded alternative international and critical political economy approaches that seek in their own way to explain the specificity of national development and the relations between distinct national 'capitalisms' under conditions of 'globalisation' or of 'combined and uneven development'.

The Significance of This Approach for a Distinctive Understanding of Global Transformation and Uneven Development

We think that, whatever its shortcomings, the early debate over the NIDL in the 1980s (in particular, the contribution by Fröbel, Heinrichs, and Kreye) was indeed on the right track as regards grasping the specific nature of the recent transformations of the process of capital accumulation on a world scale. Thus, it actually provides richer material and a more fruitful starting point for a critical investigation of the determinations underlying the, so-called, globalisation process than many other contemporary international and critical political economy analyses. In this sense, we feel that the question of the NIDL should be put back on the agenda for a robust theorisation of global transformation and uneven development. There is no doubt, as conceded above, that the original debates around the NIDL left many theoretical and empirical questions unresolved. In particular, no contribution managed properly to account for the process of national differentiation as an expression of the underlying essential unity of the accumulation of capital on a world scale. The debate, in short, never resolved the tension between national and global dimensions in the articulation of the international division of labour. The significance of this book, then, is that taken together the contributing authors provide a basis for an alternative critique and reformulation of the NIDL thesis that, first, recovers what constituted its main achievement and which has been forgotten by contemporary theorising; namely, the understanding of national differentiation as an expression of the essential unity of the capitalist world system. Second, and by drawing on a particular reading of the Marxian critique of political economy grounded in the work of Iñigo Carrera, we believe the book provides a more distinctive foundation for the conceptualisation of that unity than can be found in Fröbel et al.'s *marxisant* world-systems theory. Let us elaborate.

Drawing directly upon the work of 'monopoly capital', 'world-systems' and 'dependency' theorists, Fröbel and his colleagues conceptualised the 'unequal development' they believed to be central to world capitalism in descriptive terms of: 'The splitting up of the capitalist social formation into "centre" and "periphery", and also possibly "semi-periphery", both intra- and inter-nationally, that is, the development of an international division of labour with different forms of control over labour for different types of production in different regions of the capitalist world economy'

(Fröbel et al. 1980: 32). In our view, attempts by world-system theorists to explain unequal development proceeded from a problematic theoretical-conceptual distinction between core and periphery. They sought to derive underlying, structural relations between different countries and regions on the basis of empirical evidence which suggested that capital-intensive production was concentrated in the core, that labour-intensive production was concentrated in the periphery, and that the international exchange relations between the core and periphery ensure the continuous development of the former at the expense of the latter.[3] Alongside, or overlaying, these international economic relations, they posited unequal political relations between countries engaged in competitive measures to promote or protect their own industries to the detriment of other countries' industries. At the root of this dualistic conceptualisation of unequal economic and political international relations is an analytical distinction between economics and politics that Radice (2009: 36) rightly, in our view, problematises for its confinement of 'class struggle to the realm of "politics", not realising that the existence of a separate realm of politics is in itself a condition of existence of capitalism'. Furthermore, this conceptualisation assumes that the 'central structural feature of "the economy" is the division of labour *in society*'—whether in national or international form—'rather than in manufacture, to use Marx's careful distinction' (Radice 2009: 34). In other words, it is *capital*—understood as an essentially global process—and not the external and contingent political and exchange relations established between a multiplicity of national states themselves, that *determines* their development. And it is capital's thirst to enhance the production of relative surplus-value, on the basis of the development of large-scale manufacturing and the fragmentation of the international working class, which is at stake in the historical development of the international division of labour, not the reproduction of relations of unequal exchange between domestic and international classes that are somehow socially and politically constituted outside of the global process of accumulation (see Chap. 2).

In any case, the fate of the NIDL thesis was not decided by critical theoretical engagement over the dubious assumptions of world-systems and dependency theories. Indeed, the demise of the NIDL thesis during the 1990s went hand-in-hand with a discernible move away from the consideration of *any* question of the structural unity of the global accumulation of capital by IPE and cognate literatures, and instead turned towards a widespread focus on national state institutions as autonomous drivers of economic development. Not least under the influence of neo-classical economists (such as Krueger 1990; Ranis 1989; Stiglitz 1996; World Bank 1993) and statist international political economists (notably, Amsden 1989; Evans 1995; Rodrik 1994; Wade 1990; Weiss 1998) who dominated debates on the efficacy and resilience of market-led co-ordination versus *dirigiste*, or state-led, development in the context of 'economic globalisation' (see Grinberg 2013: 173–8). As this debate ran out of steam in the late 1990s, scholars working in development studies and economic geography then embarked upon richly detailed research into global commodity chains, as a means of examining the impact of globalisation upon industrialisation in the developing world. While the foundational texts in this new paradigm were actually intellectually rooted in the lineage of monopoly capital and world-systems theory, the bulk of the emergent literature then arguably became highly descriptive and/or tended to focus on conceptualising industrial or business organisation on a 'network' basis (that is, based on the pure contingency of immediate direct social relations) and to the complete eschewal of the question of the constitution of 'commodity chains' and, later, 'value chains' and the dynamics of the global system as a whole (Starosta 2010). Meanwhile, in the IPE literature of the 1990s the question of explaining capitalist diversity became dominated by 'new institutionalist' approaches—not least the 'varieties of capitalism' approach pioneered by Hall and Soskice (2001)—which further compounded the tendency to focus upon the apparently autonomous constitution of individual capitalist states' institutional forms, at the expense of the consideration of what makes them 'capitalist' in the first place and the 'constitutive elements they hold in common' (Coates 2014: 21).

To be fair, a new generation of critical IPE and international relations scholars in recent years has at least sought to rectify the lack of a substantive theorisation of global transformation and uneven development in dominant debates, couched in questions of 'capitalist diversity' (Bruff and Ebenau 2014) or of 'uneven and combined development' (see Allinson and Anievas 2009). For us, however, these contributions have yet to offer a convincing, substantive basis for a 'unified field theory' of uneven development and the ever-changing geographies of capitalism—a necessity famously identified by David Harvey (2005: 58–9; see also Rioux 2015: 508; Smith 1989). Insofar as they do represent a welcome return to older, sidelined debates and canonical Marxist and *marxisant* literature, and an even more welcome exposé of the ideological nature of mainstream approaches, these new contributions ultimately run the risk of reproducing in new guises the problems we argue were already inherent in the classic literature: principally, in terms of explaining the concrete forms of 'variegated national capitalisms' and uneven development through the strategic and conscious action of key agents and 'social forces' that are somehow constituted outside of the process of capital accumulation; or in terms of resorting to the theory of 'unequal exchange' to explain 'underdevelopment'; or in terms of failing to *explain* the social determination of 'uneven and combined development', other than by means of a prior reliance upon the primacy of this under-theorised, abstract and trans-historical category.[4]

We suggest that the approach taken in this book can indeed provide such a unified field theory. By deciphering the national forms taken by the general content of an historically specific mode of the reproduction of total (worldwide) society, on the basis of the fragmentation of the productive subjectivity of the international working class, and through the development of the automation of large-scale industry within the NIDL, this book advances a substantive explanation of the inner relation between global transformation and uneven development that may well provoke criticism and debate, but which at least does so on distinctive and hitherto largely unfamiliar grounds.

Outline of the Book

The argument in Part I of this book—containing chapters by Iñigo Carerra, Caligaris and Starosta—sustains that Fröbel, Heinrichs, and Kreye were right to proceed from a global perspective on capital accumulation, and also right in the centrality they attributed to the recent material transformations of the capitalist labour process as key to the explanation of the developmental potentialities of late-industrialisation. On the basis of this critical re-examination of the NIDL thesis, the book goes on to argue that a revised NIDL thesis can shed new light on the specificities of capital accumulation in various parts of the contemporary world. Two particularly significant general insights emerge from these early chapters. First, that both the classical and new international divisions of labour should be most fruitfully re-signified in terms of the role played by *ground-rent* in specific national spaces of accumulation (a category explained in Part I). And second, that there remain essential continuities inherent to the classical international division of labour which necessitate that the current constellation of the world economy be understood as being constituted by the co-existence of both old and new international divisions of labour.

Such insights carry with them important and hitherto unacknowledged implications for the study of international political economy, and conclusions that contrast sharply with dominant critical and orthodox theories of global capitalism and uneven development.

The remainder of the book incorporates case study material on four countries in Latin America, two European countries, and one Southeast Asian country. The choice of national case studies in Part II is by no means arbitrary.[5] Each of the countries the respective authors examine is, in their own way, paradigmatic and emblematic of the essential dynamics of the NIDL that we are seeking to draw out theoretically and concretely in this book. Argentina and Brazil, for example, are the most visible examples of countries in which the structural characteristics of the CIDL persist and complement those of the NIDL to this day (certainly since the recent commodity export boom, and the revival of import substitution industrialisation under the Kirchners in Argentina). Ecuador and Venezuela represent the starkest examples of what Thomas Purcell in his chapter terms 'landlord states' within the contemporary international division of labour. And, notwithstanding their 'advanced' country status, Ireland and Spain continue to occupy a position within the NIDL on the basis of the differentiated and relativised development of the productive subjectivity of their working class, and therefore allow us to cast fresh light on the dynamics of development, capital accumulation, and crisis outside of the 'late industrialising' states of Latin America and Southeast Asia. Finally, South Korea stands out as the country which, in the past, has been used to undermine the original NIDL thesis since its 'take-off' is often said to be the exception that disproves the rule of that thesis (as formulated by Fröbel, Heinrichs, and Kreye, of course).

The book begins with a chapter originally published in Spanish, which introduces Juan Iñigo Carrera's take on the NIDL. In it, Iñigo Carrera proceeds from a particular point of departure, that is, from the *global process* of accumulation in its organic unity, and within which distinct national processes of accumulation emerge as specific concrete forms of that same global process. He argues that there is an objective determination relating to the formation of a general rate of profit as the regulator of the unity of the process of capital accumulation, and which engenders a qualitative difference between those capitals that are able to contribute to that formation and those which cannot—resulting therefore in differentiated concrete rates of profit. The latter sections of the chapter integrate these two arguments so as to present an innovative, critical, methodological basis for the re-examination of the CIDL and NIDL—one that sharply contrasts with dominant interpretations.[6]

In Chap. 3, Gastón Caligaris provides fresh insight into the old, or classical, international division of labour and into the development of capitalism in resource-rich countries whose longstanding historical role in the world market has been to produce ground-rent-bearing commodities. The chapter builds, again, upon the notion of capital accumulation as being global in content and national in form. From this perspective Caligaris challenges a dominant perspective that explains the functioning of a national economy as the result of domestic politics, and another that explains it as a consequence of foreign influence and domination. He instead presents an original approach that explains the specific characteristics of the national process of accumulation in countries specialised in the production of ground-rent-bearing commodities, and in doing so substantiates the argument that ground-rent is essentially constituted by the surplus-value resulting from the valorisation of industrial capitals abroad and which flows into 'resource rich', raw materials-producing countries. The chapter therefore further advances the critique of those approaches that attempt to explain such characteristics through theories and analyses of unequal exchange with advanced capitalist countries. The latter sections of the chapter use empirical evidence from the example of capitalist development in Argentina during the twentieth century to illustrate the core argument.

In Chap. 4, Guido Starosta turns his attention to the task of the critical reconstruction of the NIDL thesis. While acknowledging the insights of the original thesis, Starosta argues that the foundation for the emergence of the NIDL does not reside in the intensification of the manufacturing division of labour, that is, in the deskilling resulting from the subdivision of the production process into elements. Instead, the NIDL developed as an expression of the impact that the progress of the automation of capitalist large-scale industry has had on the individual and collective productive subjectivity of the working class. More specifically, the constitution of the NIDL has been the result of the transformation of the modes of existence of the global collective labourer, brought about by the leap forward in the process of computerisation and robotisation of the production processes of large-scale industry, especially since the 'microelectronics revolution'. As a result of its own immanent tendencies, the simplest original form of the NIDL has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class. Each national sphere of accumulation therefore tends to concentrate a certain type of labour-power of distinctive material and moral productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner. Production in specific industrial sectors has thereby expanded in some countries, while contracting in others where new and more advanced sectors developed, following a rhythm determined by the evolution of those two main factors—i.e. technological change and the relative cost and productive attributes of national labour forces. An important claim made by this chapter, therefore, and which subsequently has relevance for Chaps. 5 and 9, concerns the degree to which structural characteristics of the CIDL and the NIDL today co-exist in national spaces of accumulation—particularly in Latin America. This, the chapter concludes, actually confirms the validity of a reworked NIDL thesis rather than its unequivocal refutation.

Part II turns to national case studies of capitalist development within the international division of labour. In Chap. 5, Thomas Purcell scrutinises the experiences of two countries whose national governments have been said to be representative of 'post-neoliberalism', Ecuador and Venezuela. Taking his cue from Part I, Purcell argues that the CIDL was never simply reducible to the polarisation of an industrialised core and a dependent periphery, with the latter restricted to the role of supplier of raw materials and staple foods. Rather, there was an important process of accumulation in the periphery, whereby national industrial capital was able to valorise through the appropriation of inflows of ground-rent; a process which today also points towards the continuation of elements of the classic within the new IDL. The global rise in primary commodity prices in recent years has put the question of the use of income from natural resources for developmental goals back on the political agenda across Latin America. Drawing upon Iñigo Carrera (2007), Purcell examines the distinction between agricultural and mining landownership in the context of global transformation associated with the international division of labour, so as to explain the developmental trajectories of Ecuador and Venezuela. He argues that dual landlordism in Ecuador—in the form of an agro-export elite and a state-controlled oil sector—contrasts with the singular dominance of the state-controlled oil sector in Venezuela, and this, for Purcell, explains the manner in which the two national forms of insertion into the international division of labour have determined different national variants of post-neoliberalism.

Chapter 6 examines Ireland's rapid structural economic transformation during the 1990s, and the debates that emerged about the potentialities and limits of this idiosyncratic 'developmental model', and its apparently successful integration into the global economy. Whilst neo-liberal economists have tended to explain the Irish experience of rapid growth in terms of the adoption of a liberalisation and export-led strategy that opened the economy to vast inflows of 'high-tech' FDI (foreign direct investment), critical commentators have argued that such an account ignores the active role actually played by the Irish state and related institutions and organisations in shaping the precise mode in which the 'local' economy integrated into 'globalised networks' of high-tech production and innovation. According to this alternative view, the Irish case is actually that of a Network Developmental State that manages the connection between the local and the global and, through its active involvement in industrial development, steers the national economy along a path of integration into the technologically most dynamic elements of the world economy. In contrast to the authoritarian state developmentalism of the East Asian Tigers, and their (initial) reliance on the 'super-exploitation' of cheap manual labour, the Celtic Tiger model would be predicated on democratic institutions and more qualified, higher-wage jobs in cutting-edge sectors of the economy. Tomás Friedenthal and Guido Starosta take issue with these apparently opposed explanations insofar as they both explain the trajectory of the Irish developmental process on the basis of the successful implementation of 'correct' nation-state policies (even if they disagree on the precise nature of those policies). By contrast, this chapter argues that the Irish experience is yet another concrete expression of the further development of the essentially *global* dynamics of the NIDL. More specifically, it argues that the continuous skill-replacing technical change characterising the production of relative surplus-value across the globe has allowed capital to integrate national working classes with more skilled, but still relatively cheaper, labour-power into the NIDL. The peculiar state policies and institutions prevailing in Ireland are therefore grounded in this specific form of integration into the NIDL.

In Chap. 7, Greig Charnock, Thomas Purcell, and Ramon Ribera-Fumaz focus on the case of Spain in support of Iñigo Carrera's argument that, as a result of the general crisis of overproduction, the marked differentiation in the conditions of reproduction and exploitation of the working class *within* national borders since the 1970s has unfolded through a form of differentiated integration in Europe. Charnock, Purcell, and Ribera-Fumaz argue that it is crucially important to understand the longer-term historical role played within the NIDL by relatively late-industrialising countries that are today bearing the brunt of crisis and internal devaluation in a 'unified' Europe. Focusing on Spain, they argue that it is precisely on the material basis of its full integration within the NIDL from the mid-1970s that the conditions of the reproduction of the working class were reshaped, and it is this historical component in the reproduction of the Spanish accumulation process that has prefigured the process of the differentiation of the conditions of the reproduction of the working class across *and* within its borders ever since.

In Part III, we turn to specific sectoral case studies within the NIDL. The choice of case studies is again not arbitrary, since the automotive and steel production sectors have been at the historical vanguard of the move towards the NIDL, and they have been industries in which the actual determinants of the NIDL, which the book seeks to identify, have been most visible. In Chap. 8, Alejandro Fitzsimons and Sebastián Guevara examine the historical development of the Argentine automotive industry from the mid-1950s to the present. They argue first that the peculiar characteristics of low scales of production, obsolete technology, and the resulting low global competitiveness of the local auto industry in its initial stages were determined by the specific form of capital accumulation prevailing in Argentina as a result of its participation in the CIDL. This specificity had at its core the process of appropriation by industrial capital of a portion of the relatively abundant ground-rent available in Argentina; in this case, by transnational automotive manufacturers. Challenging the dominant point of view that the development of the NIDL led to the qualitative restructuring of the Argentinean automotive industry, this chapter examines concrete changes within the labour process and forms of valorisation of capital in the industry. In so doing the chapter argues that, despite these changes, the automotive industry in fact continued its development on the same basis as before—i.e. the appropriation by TNCs of a portion of agrarian ground-rent. Fitzsimons and Guevara conclude, therefore, that the NIDL did not 'restructure' the Argentine automotive industry—as is commonly claimed.

In Chap. 9, Nicolas Grinberg offers an alternative account to the mainstream, institutionalist view on the state-led process of economic development in Brazil and South Korea. Focusing on the development of the Brazilian and Korean steel industries, Grinberg claims that the specific form of participation of each economy in the production of relative surplus-value on a global scale has determined both the pattern of industrialisation that followed, and the political processes through which it came about. In Brazil, industrial capital has accumulated through the state-mediated recovery of ground-rent, which has implied small-scale production for protected domestic markets. By contrast, in South Korea industrial capital has accumulated through the exploitation of a relatively cheap and disciplined workforce performing simplified activities for world market production in increasingly complex sectors. The significance of Grinberg's analysis for us is that, while South Korea's 'take-off' is often used to refute the original NIDL thesis, the Korean case actually vindicates the revised version of the NIDL thesis put forward by this book.

NOTES

1. See, for example, Iñigo Carrera (2006, 2013, 2014, 2015). Several of Iñigo Carrera's other working papers are available in English through the CICP web site: http://www.cicpint.org/CICP%20English/Principal.html.
2. The productive attributes of workers include the strictly material or technical dimension of labour-power required by the particularity and complexity of the productive functions to be performed, as well as its 'moral' attributes (that is, the general forms of consciousness and self-understandings that make those workers suitable for the specific forms of discipline that a certain organisation of the capitalist labour process entails). The term 'productive subjectivity' captures this twofold dimension of labour-power.
3. As Radice (2009: 29) summarises, 'the mechanism through which this unequal distribution of rewards is sustained is, in essence, that of market structure: businesses and zones engaging in core activities have market power based on superior technology, management and access to finance, while those engaging in peripheral activities have only generic resources of cheap land and unskilled labour, the markets for which are highly competitive.'
4. All three of these frameworks/concepts figure in the selection of articles edited by Bruff and Ebenau (2014). See Rioux (2015) for a critical discussion of Trotsky's notion of 'uneven and combined development', and for a thorough critique of the (failed) attempt to come up with 'a social theory of the international' in the work of Justin Rosenberg and others.
5. It ought to be self-evident from the foregoing outline of the approach taken in this book that a focus on country case studies does not imply a crude

methodological nationalism on our part. But to clarify, Part II focuses on countries for two reasons: first, because even if it is a mediating form and not a self-subsistent content, the national form is real and objective, and it is actually by exacerbating national differentiation that the global content of the NIDL unfolds; and it allows us to show that it is impossible to explain national dynamics as if they were autonomous from the global content of accumulation.

6. An appendix to Chap. 2, which we have been unable to reproduce in this book due to space constraints, is available at: https://www.academia.edu/24332230/End_Notes_to_The_general_rate_of_profit_and_its_realisation_in_the_differentiation_of_industrial_capitals_1?auto=download. In it, Iñigo Carrera confronts two crucial problems: first, the asymmetric relation between national economies of markedly distinct structures; and, second, the asymmetric relation between capitals of very distinct accumulation capacities within the same value chain. Until now, the first question has been approached by means of theories of development and underdevelopment, imperialism, unequal exchange, dependency, and so on. Iñigo Carrera asserts that these theories all conceive of national processes of accumulation as being essentially autonomous. The second question of the asymmetric relation within value chains has, until now, been explained by theories of imperfect competition and of monopoly capital. Both theories agree that such asymmetry results from the behaviour of key agents. Therefore both theories erroneously eschew the existence of objective determinations that regulate social production and consumption through the formation of a general rate of profit.

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The System of Machinery and Determinations of Revolutionary Subjectivity in the *Grundrisse* and *Capital*[1]

Guido Starosta

This chapter proposes a reading of Marx's exposition of the forms of the real subsumption of labour to capital – in particular, the system of machinery of large-scale industry – as constituting the dialectical presentation of the determinations of revolutionary subjectivity. The proposition that the real subsumption constitutes the ground of revolutionary subjectivity should come as no surprise. In reality, this is no more than the concretisation of that insight about the most general determination of the process of 'natural history' constituting the development of humanity that Marx expounded in the Paris manuscripts of 1844. According to that early text, the content of the history of the human species consists in the development of the specific material powers of the human being as a working subject, that is, of *human productive subjectivity*. It is in the historical transformation of its material and social forms, Marx concluded, that the key to the abolition of capital – hence, to revolutionary subjectivity – should reside. However, that early attempt at the critique of political economy could not offer a rigorous scientific comprehension of the social determinations underlying the revolutionary transformation of society. Armed with a Feuerbach-inspired method of transformative criticism, Marx managed *analytically* to uncover alienated labour as the hidden *social* foundation behind the reified objectivity of 'economic categories'. In turn, in those early writings he analytically discovered the specificity of the human species-being (i.e., human productive subjectivity) as the *material* content historically developing in that alienated form. However, although these discoveries allowed Marx to grasp the *simplest* (human) determination behind the content and form of the abolition of alienated labour, he arguably failed at *synthetically* unfolding the further mediations entailed by the social and material constitution of the revolutionary subject.[2]

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[1] A shorter version of this paper has appeared in *Science & Society* 75, 1, 2011.

The theoretico-practical need for the further dialectical development of the critique of political economy, which would eventually lead Marx to write *Capital*, expresses the following fact. The immanent ground of revolutionary subjectivity is not simple and unmediated; for instance, the sheer general materiality of human productive practice as the negated content behind the alienated objectivity of capitalist social forms.[3] Instead, it is a 'unity of many determinations', which therefore means that its scientific comprehension can only be the result of a complex dialectical investigation involving both the analytic movement from the concrete to the abstract and the synthetic, mediated return to the concrete starting point.[4] Dialectical research must therefore analytically apprehend all relevant social forms and synthetically reproduce the 'inner connections' leading to the constitution of the political action of wage-labourers as the form taken by the revolutionary transformation of the historical mode of existence of the human life-process.

Now, as the title of Marx's most important work denotes, the subject whose determinations the dialectical investigation proceeds to discover and present is *capital*, which, as the alienated subject of social life, becomes 'the all-dominating economic power of bourgeois society' and must therefore 'form the starting-point as well as the finishing-point' of the ideal reproduction of the concrete.[5] This does not leave revolutionary subjectivity outside the scope of the dialectical unfolding of capitalist social forms. Rather, it means that revolutionary subjectivity itself must be comprehended as the realisation of an immanent determination of capital as alienated subject.[6] Accordingly, its dialectical *presentation* must essentially consist in the *synthetic* unfolding of the contradictory movement between materiality and capital-form up to its absolute limit, revealing the proletariat's self-abolishing action as the necessary form in which the former content asserts itself.[7]

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[2] Starosta 2005.

[3] As argued by so-called 'Open Marxists'. See Bonefeld, Gunn and Psychopedis (eds.) 1992.

[4] Iñigo Carrera 2003.

[5] Marx 1993, p. 107.

[6] This point was insightfully hinted at in the 1970s by Giacomo Marramao in his critical appraisal of the polemic between the more subjectivist positions of Korsch and the Dutch Left Communists (Pannekoek, Gorter) and the objectivism of defenders of the theory of capitalist breakdown (Mattick, Grossmann). See Marramao 1975/6, pp. 152–5, and 1982, pp. 139–43. At least formally, Marramao correctly highlighted the necessity to ground the genesis of class-consciousness 'in terms of the process of production and

It was fundamentally in *Capital* (but, crucially, also in the *Grundrisse*), mainly through the exposition of the determinations of the different forms of production of relative surplus-value (hence of the real subsumption of labour to capital), where Marx managed to concretise the systematic dialectic of alienated human labour. He did this by showing precisely what the capital-form does to the materiality of human productive subjectivity as it takes possession of, and transforms, the labour-process. Seen externally, the implicit concrete question under investigation was the following: does capital transform human productive subjectivity in a way that eventually equips the latter with the material powers to transcend its alienated social form of development? From this materialist standpoint, only if this were the case would it make sense to pose the question of conscious revolutionary action as a concrete objective potentiality immanent in capitalist society.[8] In other words, Marx's point was the need to discover the material determinations of communist society in their present mode of existence as an *alienated potentiality* engendered by the autonomised movement of the capital-form to be realised – that is, turned into *actuality* – precisely and necessarily through the conscious revolutionary action of the self-abolishing proletariat.

Those determinations appear scattered and are just mentioned in passing in several of Marx's texts. They all characterise the simplest defining character of communism as the fully self-conscious organisation of social labour as a collective potency by the thereby freely associated producers. It is in the *Grundrisse*, in the context of the critique of Adam Smith's conception of labour as sacrifice, that Marx offers the clearest and most concise characterisation of the general attributes of what he calls 'really free working':

> The work of material production can achieve this character [as 'really free working', GS] only (1) when its social character is posited, (2) when it is of

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reproduction', that is, within the 'objectivity of social relations' and their (autonomised) self-movement. In other words, Marramao clearly saw the necessity to establish a firm connection between the critique of political economy and the 'theory of revolution'. More recently, the point about need to find the immanent ground of emancipatory subjectivity in the contradictory unfolding of the reified forms of social mediation of capitalist society has been forcefully made by Postone 1993, although his own attempt is not without weaknesses. See Starosta 2004.

7. For an elaboration of the methodological underpinnings of this point, see Iñigo Carrera's chapter in this book.

8. Marx 1993, p. 159.

> a scientific and at the same time general character, not merely human exertion as a specifically harnessed natural force, but exertion as subject, which appears in the production process not in a merely natural, spontaneous form, but as an activity regulating all the forces of nature.[9]

The interesting and 'intriguing' aspect of this passage is that Marx not only claims that in order to be really free, labour must become a consciously organised, directly social activity, but also that the consciousness regulating that emancipated productive activity must be of a *general* and *scientific* kind. As we shall see later, this latter attribute, scarcely mentioned by Marx on other occasions,[10] will prove of paramount importance for our comprehension of the concrete determinations of revolutionary subjectivity; a task that Marx himself achieved, although not without tensions and ambiguities. At this stage, I would just like to reformulate the question of the relation between capital and productive subjectivity posed above in the light of that passage from the *Grundrisse*. Does the development of capital transform human productive subjectivity in such a way as to engender the necessity of producing the latter with the two general attributes mentioned by Marx? Furthermore, is the working class the material subject bearing them?

In this paper, then, I discuss the way in which Marx, through the dialectical exposition of the contradictory movement of the real subsumption, actually presented the genesis of the revolutionary subject. The argument is firstly developed through a close reading of Marx's discussion of the determinations of large-scale industry in *Capital*, as the latter constitutes the most developed form of real subsumption. The essence of this capitalist transformation of the production-process of human life lies in the mutation of the productive attributes of the collective labourer according to a determinate tendency: the individual organs of the latter eventually become *universal productive subjects*. This is the inner *material* determination underlying the *political* revolutionary subjectivity of the proletariat. However, I argue that Marx's dialectical exposition of those transformations in *Capital* is in some respects truncated and does not unfold the plenitude of the material determinations underlying the revolutionary existence of the working class. The latter is presented as no more than an abstract possibility. A gap therefore remains between the 'dialectic of alienated human labour' unfolded in the chapters on relative surplus-value in *Capital*, and the revolutionary conclusions at the end of Volume I in the chapter on 'The Historical Tendency of Capital Accumulation'. The paper finally suggests that the so-called 'Fragment on machines' from the *Grundrisse* contains a different but complementary perspective on the productive subjectivity characteristic of large-scale industry. Through a careful reading of the relevant passages of that earlier version of the critique of political economy, it is possible to undertake the completion of the systematic unfolding of the social and material determinations of revolutionary subjectivity.

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[9] Marx 1993, pp. 611–12.

[10] See, however, Marx's remarks in the *Paris Manuscripts* on the need for the constitution of 'natural science of man' or 'human natural science' as the basis for emancipated human practice. Marx 1992b, p. 355.

Large-scale industry and workers' productive subjectivity in *Capital*

The guiding thread running through Marx's exposition of the concrete forms of the production of relative surplus-value resides in the revolutions to which capital subjects the productive subjectivity of the doubly free labourer as the means for the multiplication of its power of self-valorisation. However, it is not there that Marx's presentation of the determinations of large-scale industry begins. The reason for this derives from the very starting point of the production of relative surplus-value through the system of machinery that characterises large-scale industry. As Marx points out, if in manufacture the point of departure of the transformation of the material conditions of social labour was productive subjectivity as such (with the transformation of the instrument of labour, in the form of a specialisation, determined as a result of the former), in large-scale industry the transformation of the instrument of labour constitutes the starting point, the transformation of the wage-labourer being its result.[11]

Marx presents the essence of this transformation of the human labour-process by developing the specific materiality of machinery, in particular *vis-à-vis* the labour-process in manufacture. In reality, the simplest determination of that difference was already anticipated by Marx in the transition contained in the previous chapter of *Capital*, where the necessity of the development of machinery was laid bare. I am referring to capital's need to do away with the subjective basis of manufacture through the development of an 'objective framework' for material production, independent of the manual expertise and immediate practical knowledge of workers. In brief, it is about giving an objective form to the powers of social labour springing from direct productive co-operation.[12]

The two-fold material specificity of the machine thereby springs from the objectification of both the – however restricted – knowledge and manual skills and strength of the manufacturing labourer. On the one hand, capital strives to substitute the movement of the forces of nature for that of the human hand as the immediate agent in the transformation of the object of labour into a new use-value. On the other hand, it attempts to displace the immediate subjective experience of the worker as the basis for the conscious regulation of the labour-process, that is, as the basis for knowledge of the determinations of the latter. This implies, in the first place, the need to turn the production of that knowledge into an activity which, whilst clearly remaining an inner moment of the organisation of social labour, nonetheless acquires a differentiated existence from the immediacy of the direct production-process. Coupled with the need to objectify it as a productive power directly borne by the 'dead labour' represented in the machine, that knowledge must necessarily take the general form of *science*.[13] Capital thereby advances, for the first time in human (pre)history, in the generalisation of the application of science as an immediate potency of the direct production-process.[14] Note, however, that at this stage of the exposition scientific knowledge does not appear directly as productive activity but only as already objectified in the form of the machine, that is, simply as a presupposition for the latter's existence.

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[11] Marx 1976a, p. 492.

[12] Marx 1976a, pp. 490–1.

Thus far, these are the fundamental aspects of Marx's exposition of the *material* specificity of the production-process of capital based on the system of machinery, i.e., the transformations it suffers in its aspect as a process of production of use-values. However, the process of production of capital is such for being the unity of the labour-process and the valorisation-process. Hence, Marx's presentation goes on to develop the specific impact of the system of machinery on the conditions for value's self-expansion, on the *form-determinations* of the production-process of capital.[15] With this, Marx's presentation exhausts the novel determinations brought about by the system of machinery to the production-process as they pertain to its 'objective factor'. What necessarily follows, then, is the investigation of the impact of these transformations on the 'subjective factor' of the labour-process, that is, on the worker.

In the third section of the chapter on large-scale industry, Marx initially presents what he refers to as only 'some general effects' of the system of machinery on the worker, that is, those changes that can be discussed without developing the specific form in which the 'human material is incorporated with this objective organism'.[16] In other words, these are the effects whose development does not involve any new *qualitative* determination in the productive subjectivity of workers. Rather, they refer to the *quantitative* changes that machinery brings about in capital's valorisation-process as a process of exploitation of living labour. These include: the quantitative extension of the mass of exploitable labour-power through the incorporation of female and child-labour; the tendency to prolong the working day; and the tendency to increase the intensive magnitude of the exploitation of human labour.

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[13] Marx 1976a, p. 508.
[14] Marx 1994, p. 32.
[15] Marx 1976a, pp. 508–17.
[16] Marx 1976a, p. 517.

It is in section four, through the presentation of the functioning of 'the factory as a whole', that Marx starts to unfold the specific *qualitative* determinations of the productive subjectivity of large-scale industry. The discussion of a passage from Ure serves Marx succinctly to identify the most general determination of the factory as the sphere of capitalist society where the conscious regulation of an immediately social production-process takes place. A conscious regulation, however, that is determined as a concrete form of the *inverted general social regulation* as an attribute of the materialised social relation in its process of self-expansion. In the factory – and this is the issue that Ure's definition overlooks – this inverted social existence reaches a further stage in its development by acquiring a 'technical and palpable reality'.[17]

Thus, the scientific conscious regulation of social labour characterising large-scale industry is not an attribute borne by those workers performing direct labour in the immediate production-process. For them, those powers exist already objectified in the system of machinery, to whose automatic movement they have to subordinate the exercise of their productive consciousness and will, to the point of becoming 'its living appendages'.[18] Large-scale industry consequently entails an enormous scientific development of the 'intellectual faculties of the production process' only by exacerbating their separation from direct labourers. In its mode of existence as a system of machinery, the product of labour comes to dominate the worker in the direct process of production not only formally but even materially as well. Capital thus appears to those workers as the *concrete material subject* of the production-process itself.

With all these elements, we can now turn to summarise the specific determination of the productive subjectivity of the worker of large-scale industry. In (*tendentially*) doing away with the need for all specialised skill and knowledge of workers, the production of relative surplus-value through the system of machinery gives the development of their productive subjectivity the concrete form of an *absolute degradation*. In this brutal way, and in opposition to the *particularism* of the subjectivity of the wage-labourer of manufacture, large-scale industry begets, as its most genuine product, a *universal worker*, that is, a productive subject capable of taking part in any form of the human labour-process. In the words of Marx:

> Hence, in place of the hierarchy of specialised workers that characterizes manufacture, there appears, in the automatic factory, a *tendency* to equalize

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[17] Marx 1976a, p. 548.
[18] Ibid.

> and reduce to an identical level every kind of work that has to be done by the minders of the machines; in place of the artificially produced distinctions between the specialized workers, it is natural differences of age and sex that predominate.[19]

With this tendency to the production of workers who are capable of working with any machine, the simple material or technical necessity for the life-long attachment of individuals to a single productive function disappears.[20] However, insofar as machines become specialised into certain particular productive functions, the persistence of the division of labour in the factory is still technically *possible*. Indeed, Marx argues, the exploitative relation between capitalists and workers that mediates the development of the material productive forces of social labour as an alienated attribute of its product, leads to the reproduction of the 'old division of labour' in an even more hideous fashion.[21] Large-scale industry's tendency to produce an increasingly universal worker is thereby realised in the concrete form of its negation, that is, by multiplying the spaces for the exploitation of living labour on the basis of an exacerbation of 'ossified particularities'. Thus, the individual capitalist could not care less about the disappearance of the technical necessity for a particularistic development of the worker's productive subjectivity. Under the pressure of competition, his/her only individual motive is the production of an extra surplus-value. If he/she can obtain it by attaching the worker to 'the lifelong speciality of serving the same machine',[22] so he/she will. In effect, the reproduction of the division of labour under the new technical conditions implies that a lower value of labour-power can be paid – since 'the expenses necessary for his [the workers', GS] reproduction' are 'considerably lessened'. In addition, it implies that a greater docility on the part of the exploitable human material is induced – since 'his helpless dependence upon the factory as a whole, and therefore upon the capitalist, is rendered complete'.[23]

It is crucial, at this juncture, to be clear about this contradictory movement between universality and particularity of the determinations of the productive subjectivity of large-scale industry. Paraphrasing Marx, here, as everywhere else, we must distinguish between the general tendency of capital-accumulation and the concrete forms in which the essence of the historical movement is realised. *Thus, the essential determination which, as we shall see, expresses the reason to be of the capitalist mode of production, lies in the tendency to universalise the productive attributes of wage-labourers*. This is the general movement of the production of relative surplus-value through the system of machinery which underlies – hence, gives unity to – the variegated forms that the labour-process presents in the course of capitalist development. In order to substantiate this, let us now move ahead in our reading of Marx's investigation of large-scale industry to the point in *Capital* where he further unfolds the movement of the identified contradiction, that is, to the subsequent discussion of factory-legislation in section nine of this same chapter.[24]

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[19] Marx 1976a, p. 545, my emphasis.
[20] Marx 1976a, p. 546.
[21] Marx 1976a, p. 547.
[22] Ibid.
[23] Ibid.

The crucial point for our argument is that section nine completes (as far as *Capital* is concerned) the development of the specific determinations of the productive subjectivity of large-scale industry. In effect, Marx's exposition in section four had left the dialectical presentation with an unresolved contradiction between large-scale industry's general tendency for universality and the exacerbation of the particularism of the division of labour that, left to the unrestrained will of individual capitalists, it allowed. In addition, we shall see how this discussion leads Marx, for the first time in his dialectical exposition, to uncover the revolutionary historical potentialities carried by this specifically capitalist form of human labour-power.

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[24] In my view, Marx's presentation is not fully clear and consistent in distinguishing between essential determination (and therefore general tendency) and concrete form in which it is realised. This lack of clarity probably stems from the uneasy co-existence of systematic and historical moments in the exposition. Thus, he firstly presents the general determination of the productive subjectivity of large-scale industry (namely, its universality) 'in its purity', without necessarily implying that it has been fully realised in its historical concrete forms. However, in his subsequent empirical illustrations he seems to treat the general determination as an immediate actuality. He therefore posits the persistence of the particularistic development of productive subjectivity as '*artificially*' reproduced by superimposing the division of labour where its technical necessity has actually disappeared. See Marx 1976a, pp. 546–7, where he remarks that the insignificance of 'on-the-job' skills required for machine-work has done away with the need to bring up a special kind of worker and that the attachment of the worker to a single specialised machine represents a 'misuse' of the latter. While this might have been more or less the case in the particular industries that he discusses, this was by no means the general situation of large-scale industry in his time. The general tendency for a universal productive subjectivity is realised only *gradually* in the historical course of capital-development. In this sense, the technical necessity for particularistic attributes of labour-power is not done away with overnight. Without a doubt, the historical development of large-scale industry registers a tendency for the degradation of experienced-based ('tacit') knowledge of the determinations of the labour-process. However, the progress of capitalist automation has so far involved the recreation of the technical necessity for certain (albeit increasingly more limited) particularistic development of productive subjectivity. Thus, even during the so-called 'Fordist' cycle of accumulation, the full mastery of machines required a relatively lengthy learning process achieved by flanking a skilled operator. Only with the more recent wave of computer-based automation have particularistic or experienced-based skills significantly lost their former centrality (without, however, fully disappearing). On these recent transformations in the labour-process, see Balconi 2002.

The movement of 'the contradiction between the division of labour under manufacture and the essential character of large-scale industry'[25] acquires a first expression in the establishment of compulsory elementary education for working children. As Marx points out, the unchecked exploitation of child-labour by individual capitals led not only to the 'physical deterioration of children and young persons',[26] but also to an artificially-produced intellectual degeneration, which transformed 'immature human beings into mere machines for the production of relative surplus-value'.[27] Since 'there is a very clear distinction between this and the state of natural ignorance in which the mind lies fallow without loosing its capacity for development, its natural fertility',[28] these excesses of the capitalist exploitation of child labour-power eventually reacted back on the very capacity of valorisation of total social capital by jeopardising the existence of the future generation of adult-workers in the 'material and moral conditions' needed by capital-accumulation itself. This is illustrated by Marx through a discussion of the case of the English letter-press printing trade, which, before the introduction of the printing machine, was organised around a system of apprenticeship in which workers 'went through a course of teaching till they were finished printers' and according to which 'to be able to read and write was for every one of them a requirement of their trade'.[29] With the introduction of printing machines, however, capitalists were allowed to hire children from 11 to 17 years of age, who 'in a great proportion cannot read' and 'are, as a rule, utter savages and very extraordinary creatures'.[30] These young workers were day after day attached to the simplest of tasks for very long hours until being 'discharged from the printing establishments' for having become 'too old for such children's work'.[31] Those 17-year-old workers were left in such intellectual and physical degradation that they were unfit to provide capital, *even in the same factory*, with the miserably restricted productive attributes that it required from its immediate source of surplus-value, namely, human labour-power.

The education-clauses of the factory-legislation allow Marx not only to dispel any doubt about capital's 'universal vocation' in its transformation of human productive subjectivity. They also serve to highlight, for the first time in his whole dialectical exposition, that it is *only* the development of *that* specific form of human productive subjectivity that expresses capital's historic movement in the production of the material powers for its own supersession as the general social relation regulating human life:

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[25] Marx 1976a, p. 615.
[26] Marx 1976a, p. 520.
[27] Marx 1976a, p. 523.
[28] Ibid.
[29] Marx 1976a, p. 615.
[30] Ibid.
[31] Ibid.

> As Robert Owen has shown us in detail, the germ of the education of the future is present in the factory system; this education will, in the case of every child over a given age, combine productive labour with instruction and gymnastics, not only as one of the methods of adding to the efficiency of production, but as the only method of producing fully developed human beings.[32]

Notice, however, that Marx makes clear that the education-clauses represent the *germ* – and just that – of the 'education of the future'. To put it differently, Marx's discussion aims at showing *both* that the social forms of the future are effectively carried as a potentiality by the productive subjectivity of large-scale industry under consideration *and* that, with the determinations unfolded so far, this potentiality is not yet immediate. On the contrary, in their 'paltriness', the education-clauses reveal that these determinations are far from being a 'method of producing fully developed human beings'. Rather, they are forms of positing individuals whose productive subjectivity is still trapped within the miserable forms imposed by the reproduction of the conditions for capital's valorisation. Other material transformations are still needed to mediate the development of those germinal elements into their plenitude.

The total social capital's necessity to produce universal workers is not exhausted by the obstacles to its valorisation posed by the division of labour within the workshop. As Marx remarks, 'what is true of the division of labour within the workshop under the system of manufacture is also true of the division of labour within society'.[33] In effect, inasmuch as the technical basis of large-scale industry is essentially revolutionary, it entails the permanent transformation of the material conditions of social labour and, therefore, of the forms of exertion of the productive subjectivity of individual workers and of their articulation as a directly collective productive body.[34] This continuous technical change thereby requires individuals who can work in the ever-renewed material forms of the production of relative surplus-value. 'Thus', Marx concludes, 'large-scale industry, by its very nature, necessitates variation of labour, fluidity of functions, and mobility of the worker in all directions'.[35] However, he also points out again how the general organisation of social production through the valorisation of independent fragments of social capital negates the immediate realisation of this tendency for an all-sided development of individuals.[36] The private fragmentation of social labour, and its reified social mediation through the capital-form, permits the reproduction of 'the old division of labour with its ossified particularities'.[37] Thus it gives the imposition of variation of labour the form of 'an overpowering natural law, and with the blindly destructive action of a natural law that meets with obstacles everywhere'.[38] In this contradictory form, the realisation of large-scale industry's tendency to produce universal workers nonetheless marches forward, also revealing that it is in the full development of this determination that this alienated social form finds its own *absolute limit*.[39] In other words, that it is on the fully-expanded universal character of human productive subjectivity that the *material basis* for the new society rests.

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[32] Marx 1976a, p. 614.
[33] Marx 1976a, p. 615.
[34] Marx 1976a, p. 617.
[35] Ibid.
[36] See Bellofiore 1998a, for suggestive reflections on this question.

> This possibility of varying labour must become a general law of social production, and the existing relations must be adapted to permit its realization in practice ... the partially developed individual, who is merely the bearer of one specialised social function, must be replaced by the totally developed individual, for whom the different social functions are different modes of activity he takes up in turn.[40]

With this discussion Marx unfolds the way in which the general necessities of the reproduction of the total social capital – in this case, workers bearing a universal productive subjectivity – clashes with its concrete realisation through the private actions of individual capitals (which strive for the perpetuation and exacerbation of the particularistic development of productive subjectivity). Moreover, we see how this contradiction moves by determining the working class as the personification of the mediated necessities of the valorisation of capital, the latter providing the material and social foundation for proletarian political power.[41] In effect, the development of large-scale industry makes the possession of a universal subjectivity a matter of survival for the members of the working class since, as evidenced by the aforementioned case of the printing-trade workers, only in that way can they be in a position to sell their labour-power to capital (thereby turning the alienated necessities of social capital into an immediate need for their social and material reproduction). Thus, workers have to 'put their heads together' again and, through their struggle as a class, force the capitalist state to 'proclaim that elementary education is a compulsory pre-condition for the employment of children'.[42] But what is elementary education if not a – certainly very basic – step in the formation of future *universal workers*? That is, in the development of productive attributes that equips the labourer to work not in this or that particular aspect of the immediately social labour-process of the collective labourer of large-scale industry, but in whatever task that capital requires from him or her?[43]

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[37] Marx 1976a, p. 617.

[38] Marx 1976a, p. 618.

[39] Marx 1976a, p. 617.

[40] Marx 1976a, p. 618.

[41] By 'mediated necessities', I denote those that are a moment of the production of surplus-value, but that are antithetical to the simplest (hence immediate) necessity of self-valorising value to increase its magnitude by any means personified by individual capitals. Although a proper discussion of this essential point exceeds the scope of this chapter, I think that this discussion illustrates the way in which Marx sees the systematic connection between capital-accumulation and class-struggle. Specifically, Marx presents the class-struggle as the most general *direct* social relation through which the *indirect* relations of capitalist production assert themselves. On this point, see Iñigo Carrera 2003, pp. 5–6. Whilst this certainly means that class-antagonism is an endemic reality of capitalist production, it also means that it is not the self-moving content behind its development (as argued, for example, by Bonefeld 1995). Moreover, neither does its simple existence as such immediately express the emergence of an antagonistic principle of organisation of social life other than the valorisation of capital, which would be, in turn, incarnated in the working class (as in the so-called 'Autonomist Marxist' approach; see Cleaver 1992 and De Angelis 1995). Instead, the systematic place of the class-struggle as a social form shows that the production of surplus-value is a potentiality of

Social capital's need for universal workers thereby provides another material basis for the political power of the working class in its confrontation with the capitalist class over the conditions of its social reproduction. In this first expression of that relation between large-scale industry and workers' power represented by the Factory-Acts, the class-struggle does not appear to transcend its most general determination as the form of the buying/selling of the commodity labour-power at its value, which Marx unfolds in Chapter ten on 'The working day'.[44] Yet Marx advances the proposition that, when concretely developed, that tendency towards universal productive subjectivity will eventually provide the

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the alienated movement of social labour *in its unity*. In other words, Marx's exposition of the social form of class-struggle makes evident that the concrete subject of the process of valorisation – and hence of the movement of alienated social reproduction – is the *total social capital*. Compare Starosta 2005, Chapter Five. This does not imply the denial of the transformative powers of human practice personified by the workers. What this does imply is that whatever transformative powers the political action of workers might have – *both* capital-reproducing *and* capital-transcending political action – must be an immanent determination begotten by the alienated movement of capital as subject and not external to it.

[42] Marx 1976a, p. 613.

[43] Recent historical developments of machine-based production have confirmed the general tendency identified by Marx: degradation of particularistic productive attributes developed on the job, coupled with expansion of the requirements of formal education to produce its more *universal* dimensions. The latter is the necessary prerequisite for the constitution of the more general and abstract knowledge that the contemporary operator of computer-based technologies sets into motion vis-à-vis the 'Fordist' machinist ('controlling' the carrying out of a task rather than actually 'doing' it). See Balconi 2002.

[44] See Kicillof and Starosta 2007a and 2007b; Iñigo Carrera 2003, pp. 81–2, and Müller and Neusüss 1975.

class-struggle with expanded transformative powers, namely, those necessary for the establishment of the workers' 'political supremacy' as a class.[45]

Now, the question immediately arises as to what are the more concrete determinations behind this inevitability of the proletarian conquest of political power? Unfortunately, Marx provides no answer in these pages. In fact, one could argue that no answer could have been provided at all. The unfolding of the necessity of 'proletarian dictatorship' as a concrete social form involves still more mediations and, therefore, the former is not carried by the social form we are facing at this point of the exposition in the form of an *immediate potentiality* to be realised through the political action of the workers as a class.[46] Thus, at this stage of the dialectical presentation, both this latter remark and the one discussed above regarding the totally-developed individual as the basis for the abolition of capital, cannot be but unmediated observations, external to the concrete determinations of the productive subjectivity of large-scale industry that we have before us. On the other hand, inasmuch as the latter *does* involve *a certain degree* of universality, a limited, albeit real, expression of the underlying tendency for the production of its fully-developed shape, Marx's reflections, although external, are undoubtedly pertinent. From a methodological point of view, he could therefore legitimately introduce those remarks in order to anticipate the direction that the further unfolding of this historically-specific contradiction of the capitalist mode of production – 'the only historical way in which it can be dissolved and then reconstructed on a new basis' – should take.[47] But as a proper, complete dialectical account of the determinations underlying the proletarian conquest of political power or, above all, of the revolutionary production of the free association of individuals, the presentation as so far developed definitely falls short.

This, in itself, should not be problematic. From the perspective of the dialectical investigation as such, this juncture of our critical reading of Marx's search for the determinations of revolutionary subjectivity is not a dead-end at all. It only means that our journey from the abstract to the concrete needs to proceed forward as our end-point – namely, revolutionary subjectivity – still lies ahead. In this sense, no anomaly lies before us. However, the question is very different when approached from the standpoint of the elements for such an investigation we can find already objectified in Marx's *Capital*. In that respect, the problem that the contemporary reader of *Capital* attempting to discover those determinations faces is, to put it briefly, that *they are not there*. Let us expand on this point.

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[45] Marx 1976a, p. 619.

[46] This would need the exposition of the tendency for the concentration and centralisation of capital as the alienated expressions of the socialisation of labour in the capitalist mode of production and whose absolute limit is reached when the total capital of society immediately exists as a single capital. Compare Marx 1975, p. 780.

[47] Marx 1976a, p. 619.

We have seen how Marx, when faced with the tendential universality of the worker of large-scale industry and the growing conscious regulation of social labour it entails, *extrinsically* reflects upon the specific material form of productive subjectivity necessary to 'build society anew' on a really free basis. On the other hand, we have highlighted the methodological pertinence of such a reflection given that – as the passage on 'really free working' from the *Grundrisse* quoted above stated – the latter itself has as one of its determinations that of being a bearer of universal productive attributes, that is, capable of 'material production of a general character'. So far so good. But, as the reader will remember, the attribute of universality did not exhaust the determinations of the form of *productive* subjectivity with the immediate potentiality for 'really free working' (which, as I argued, should provide the material foundation of revolutionary *political* subjectivity). In the first place, the latter also entailed a process of material production whose general social character was immediately posited. This condition is present – at least tendentially – in the productive subjectivity of large-scale industry as developed in *Capital* too.[48] But, in addition, note that Marx's passage from the *Grundrisse* mentions that the universality of 'revolutionary' productive subjectivity must be the expression of a *scientific* consciousness, capable of organising work as 'an activity regulating all the forces of nature'. And here lies the crux of the matter.

Although the productive subjectivity of the worker of large-scale industry as presented in *Capital* tends to become universal, this universality is not the product of the *scientific expansion* of his or her capacity consciously to regulate the production-process, but of the increasing (eventually absolute) *deprivation* of all knowledge of the social and material determinations of the labour-process of which he or she is part. As we have seen above, for the workers engaged in the direct process of production, the separation of intellectual and manual labour reaches its plenitude. This kind of labourer can certainly work in any automated labour-process which capital puts before him or her, but not as the 'dominant subject' with 'the mechanical automaton as the object'. Rather, for those workers 'the automaton itself is the subject, and the workers are merely conscious organs, co-ordinated with the unconscious organs of the automaton, and together with the latter, subordinated to the central moving force'.[49] The scientific productive powers needed to regulate the forces of nature, and which are presupposed by their objectified existence in a system of machinery, are not an attribute that capital puts into the hands (or, rather, the heads) of direct labourers. In brief, in the figure of this wage-labourer bearing what, following Iñigo Carrera,[50] I term an absolutely *degraded productive subjectivity*, scientific consciousness and universality do not go together but are in opposition to one another. In other words, it is not this degraded productive subjectivity that, simply as such, carries in its immediacy the historical revolutionary powers that Marx himself considered necessary to make capital 'blow sky high'. Moreover, neither has Marx's exposition demonstrated that the very movement of the present-day alienated general social relation – capital-accumulation – leads to the social necessity to transform, in the political form of a revolution, the productive subjectivity of those labourers in the direction of their re-appropriation of the powers of scientific knowledge developed in this alienated form.

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[48] In the chapter on 'Machinery and large-scale industry', the tendency to expand the scope of the conscious regulation of the social character of labour co-exists with an opposite tendency to multiply the number of privately-mediated branches of the social division of labour, which is also the product of the movement of this form of production of relative surplus-value. See Marx 1976a, p. 572. But no reason is given for one or the other tendency to prevail. This occurs later in Marx's presentation, when he unfolds the determinations of the 'General law of capitalist accumulation'. There, the tendencies to the concentration and centralisation of capital show how the first tendency eventually imposes itself over the second.

Yet, despite this insufficiency as an account of the material genesis of the revolutionary subject, it is here that Marx's exposition in *Capital* of the determinations of human productive subjectivity as an alienated attribute of the product of labour comes to a halt.[51] In the rest of Volume I (and the two remaining volumes), Marx no longer advances, in any systematic manner, in the unfolding of the material and social determinations of the revolutionary subject. From the point of the presentation reached, and after moving to the exteriority of the inner determinations of the production of surplus-value and to its reproduction, accumulation and the general law that presides over its movement, he just makes a gigantic leap into the conclusion contained in the chapter on the 'Historical tendency of capitalist accumulation', offering the following well-known account of the determinations leading to the abolition of the capitalist mode of production:

> Along with the constant decrease in the number of capitalist magnates, who usurp and monopolize all the advantages of this process of transformation, the mass of misery, oppression, slavery, degradation and exploitation grows; but with this there also grows the revolt of the working class, a class constantly increasing in numbers, and trained, united and organized by the very

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[49] Marx 1976a, pp. 544–5.

[50] Iñigo Carrera 2003.

[51] This statement needs qualification insofar as the creation of a surplus population relative to the needs of the accumulation process also constitutes a transformation of productive subjectivity produced by the development of large-scale industry. More concretely, it represents the most extreme case of material mutilation of the productive attributes of the working class, that is, not simply their degradation but their outright non-reproduction.

> mechanism of the capitalist process of production. The monopoly of capital becomes a fetter upon the mode of production which has flourished alongside and under it. The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. The integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.[52]

If we leave aside the question of the misleading conflation between two *qualitatively different* (and, therefore, *analytically separable*) 'moments' of the revolutionary action of the working class contained in this passage – namely, the expropriation of the bourgeoisie and the abolition of capital – the question remains as to whether the determinations developed by Marx in the previous chapters suffice to justify the transition to this excessively simplistic and all too general account of the way 'the capitalist integument is burst asunder'.[53] Certainly, the tendency to the centralisation of capital discussed in the chapter on the 'General law of capital accumulation' does provide an exposition of the necessity behind the progressive socialisation of labour as an attribute of the capitalist form of private labour. But such an account stops short at the exteriority of the *quantitative determination* of the scope of consciously organised social labour without saying anything about the *qualitative transformations* of the productive subjectivity of the collective labourer that such an extension of the scale of the former presupposes. Seen from that perspective, I think that the transition to revolutionary subjectivity contained in the passage is definitely unmediated.

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[52] Marx 1976a, p. 929.

[53] Whatever the ambiguities of Marx's formulation in the passage from the chapter on the historical tendency of capital-accumulation cited above, a cursory reading of his so-called 'political writings' makes evident that he was very clear about the 'unity-in-difference' between the expropriation of the bourgeoisie and the abolition of capital. To begin with, this is synthesised in the political programme of the working class to be implemented through the revolutionary 'conquest of political supremacy' contained in the *Communist Manifesto*, whose *immediate* economic content unequivocally comes down to the absolute centralisation of capital in the form of state-property (hence the abolition of the bourgeoisie) and the universalisation of the conditions of reproduction of the working class, but does not involve the abolition of the capitalist mode of production. See Marx and Engels 1976, pp. 92–3. As Chattopadhyay 1992, pp. 92–3, competently shows, for Marx the revolutionary conquest of political power together with the expropriation of the bourgeoisie were the *necessary forms* in which to *start* the process of transformation of the capitalist mode of production into the free association of individuals. But, unlike the conception found in Lenin and orthodox Marxism generally, Marx was very clear that the political rule of the working class 'does not by itself signify the collective *appropriation by society*, and does not indicate the end of *capital*' (Marx 1992c, p. 93). The 'dictatorship of the proletariat' was for Marx a *period within the capitalist mode of production* – hence, not a *non-capitalist transitional society* – in which capital was to be entirely revolutionised in every nook and cranny up to the point of fully preparing wage-workers for their self-emancipation – hence for their self-abolition as working class (Ibid.).

How are those workers whose productive subjectivity has been emptied of almost all content to organise the allocation of the total labour-power of society in the form of a *self-conscious* collective potency (the latter being what the abolition of capital is all about)? The growing 'misery, degradation, oppression and so on' certainly confront those labourers with particularly extreme *immediate* manifestations of the alienated mode of existence of their social being. Therefore, they could lead them to reinforce their collective resistance to capitalist exploitation by strengthening their relations of solidarity in the struggle over the value of labour-power. In themselves, however, those expressions of capitalist alienation have no way of transforming the class-struggle from a form of the reproduction of that alienation into the form of its fully self-conscious transcendence. From a materialist perspective, the question does not boil down to the will radically to transform the world, but to the objective existence of the material powers to do so. As Marx puts it in the *Holy Family*, it is about an 'absolutely imperative *need*' determined as 'the practical expression of *necessity*'.[54] The emergence of the social necessity underlying the historical constitution of the latter still involves the mediation of more revolutions in the materiality of the productive subjectivity of workers.

In this sense, I concur in general with those who claim that Marx's *Capital* is *incomplete*. However, this is not in the sense that the dialectic of capital needs to be complemented with that of class-struggle,[55] or with the political economy of wage-labour,[56] as if those latter aspects were not an inner moment of the former itself. Rather, I think that it is the very 'dialectic of capital' and, more concretely, the contradictory movement of the production of relative surplus-value through the system of machinery, that is in need of completion. Without this further exploration into the development of human productive subjectivity as an alienated attribute of social capital, a gap is bound to remain between the 'dialectic of human labour' unfolded in the relevant chapters of *Capital* and the revolutionary conclusions at the end of Volume I.

In the following section, I shall examine Marx's presentation of the determinations of the system of machinery in the *Grundrisse*. Although the complete *systematic* unfolding of the missing determinations is not there either, the main *elements* for such a further investigation of revolutionary subjectivity can be extracted from that text.

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[54] Marx and Engels 1975a, p. 37.
[55] Shortall 1994.
[56] Lebowitz 2003.

The *Grundrisse* and the system of machinery: in search of the missing link in the determinations of revolutionary subjectivity

As an entry-point to Marx's account of the system of machinery in the *Grundrisse*, let us return for a moment to our examination of the determinations of large-scale industry as presented in *Capital*. More concretely, let us go back to the relation between science and the production-process. Although this form of production of relative surplus-value entailed the general application of science as a productive force, the latter was not an attribute materially borne by those labourers engaged in direct labour in the immediate process of production. For them, that scientific knowledge took the form of an alien power already objectified in the machine. Marx notes this in the *Grundrisse* as well.[57]

Yet, as Marx puts it in the 'Results of the immediate production process', those scientific powers ultimately are themselves the products of labour.[58] Thus, although the *formal* subject of those powers – as happens with all the powers springing from the direct organisation of human co-operation – remains capital, the question immediately arises as to who is the *material* subject whose (alienated) *intellectual* labour develops the scientific capacities of the human species and organises their practical application in the immediate process of production. Having discarded manual labourers as such a productive subject, it would seem that the only alternative must be to turn our attention to the only remaining character present in the direct production-process, namely, the capitalist. Is it he or she who personifies, through the development of his/her productive consciousness and will, capital's need for the powers scientifically to control the movement of natural forces? The answer is given by Marx in a footnote to the chapter on 'Machinery and Large-Scale Industry' in *Capital*:

> Science, generally speaking, costs the capitalist nothing, a fact that by no means prevents him from exploiting it. 'Alien' science is incorporated by capital just as 'alien' labour is. But 'capitalist' appropriation and 'personal' appropriation, whether of science or of material wealth, are totally different things. Dr. Ure himself deplores the gross ignorance of mechanical science which exists among his beloved machinery-exploiting manufacturers, and Liebig can tell us about the astounding ignorance of chemistry displayed by English chemical manufacturers.[59]

Thus, it is not the capitalist who embodies the intellectual powers to develop the scientific knowledge presupposed by its objectified existence in a system of machinery. The science incorporated in the immediate production-process is the result of the appropriation of the product of the intellectual labour of an 'other'. This 'other', whose productive activity the direct production-process of large-scale industry carries as a necessary mediation, is not explicitly present in Marx's exposition in *Capital*. There might be two reasons for this exclusion. First, because in Marx's time such a social subject was only beginning to develop. Second, and following from the previous point, because Marx's presentation in *Capital* is restricted to the transformations suffered by the productive subjectivity of those workers remaining in the direct production-process. However, what his whole discussion implicitly suggests is that among the transformations that large-scale industry brings about is the extension of material unity comprising its total labour-process outside the boundaries of the 'factory walls'.[60] Hence, the direct process of production becomes just an aspect of a broader labour-process which now entails two additional moments: the development of the power consciously to regulate in an objective and universal fashion the movement of natural forces – namely, science – and the application of that capacity in the practical organisation of the automatic system of machinery and whatever remains of direct labour – the technological application of science, including the consciousness of the unity of productive co-operation. Certainly, these other moments are also present in *Capital*.[61] However, Marx's presentation there seems to revolve around the emphasis on their separated mode of existence *vis-à-vis* the subjectivity of direct labourers and which is presupposed by their activity. By contrast, in the *Grundrisse* he oscillates between such an angle on the question[62] and one which puts at the forefront the underlying material unity of the total activity of living labour, where the development of science and its technological applications act as essential constitutive moments.[63] With the system of machinery:

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[57] Marx 1993, p. 693.
[58] Marx 1976b, p. 1055.
[59] Marx 1976a, p. 508.

> the entire production process appears as not subsumed under the direct skillfulness of the worker, but rather as the technological application of science. [It is,] hence, the tendency of capital to give production a scientific character; direct labour [is] reduced to a mere moment of this process.[64]

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[60] In this analysis of the further determinations of the production-process of large-scale industry, I follow the approach developed in Iñigo Carrera 2003, pp. 1–37.

[61] Marx 1976a, p. 549.

[62] Marx 1993, pp. 692–4.

[63] Dunayevskaya 1989, pp. 80–6, correctly notes the difference in presentation between the account of the system of machinery in the *Grundrisse* – where the emancipatory potentialities of the system of machinery are considered – and the one in *Capital* – where its determination as a materialised expression of the domination of dead over living labour is emphasised. However, she wrongly attributes that to a change in Marx's view on the subject instead of as an account of *qualitatively different* potentialities engendered by the very same development of the system of machinery and personified by the different partial organs of the collective labourer.

[64] Marx 1993, p. 699.

The determinations presupposed by the production of relative surplus-value involve the specification of commodity-owners into capitalist and wage-labourer. Having discarded the former as the material subject of scientific labour, it is self-evident that only those determined as doubly free individuals can personify the development of this moment of the production-process of large-scale industry. Thus, although not explicitly addressed by Marx, the benefit of historical hindsight makes it very easy for us to recognise how the total social capital deals with its constant need for the development of the productive powers of science, namely, by engendering a special partial organ of the collective labourer whose function is to advance in the conscious control of the movement of natural forces and its objectification in the form of ever more complex automatic systems of machinery. Whilst the system of machinery entails the progressive deskilling of those workers performing what remains of direct labour – to the point of emptying their labour of any content other than the mechanistic repetition of extremely simple tasks – it also entails the tendential *expansion* of the productive subjectivity of the members of the intellectual organ of the collective labourer. Capital requires from these workers ever more *complex* forms of labour.[65] As much as those discussed in *Capital*, these are also 'immediate effects of machine production on the worker'. Needless to say, inasmuch as this expanded productive subjectivity is nothing more than a concrete form of the production of relative surplus-value, the exercise of the newly developed intellectual productive powers is inverted into a mode of existence of capital in its movement of self-valorisation as well.[66]

In this alienated form, capital thereby produces a material transformation whose fundamental significance exceeds the production of wage-labourers simply bearing different productive attributes. What is at stake here is, first and foremost, a radical substantial transformation of the very nature of human labour.[67] The latter progressively ceases to consist in the direct application of labour-power onto the object of labour with the purpose of changing its form. It now increasingly becomes an activity aimed at the conscious control of the movement of natural forces in order to make *them* automatically act upon the object of labour and, in this way, to effect its change of form. According to Marx's exposition of the system of machinery in the *Grundrisse*, *it is in the contradictory historical unfolding of this specific material transformation of human productive subjectivity that the key to the absolute limit to capital resides*.

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[65] The so-called 'deskilling thesis', formulated in the seminal work by Braverman (Braverman 1998) is obviously a one-sided reduction of this *two-fold* movement of degradation/expansion of the productive subjectivity of the collective labourer required by the system of machinery to one of its moments. See Iñigo Carrera 2003, p. 32. One of the immediate reasons behind such a unilateral account lies, as Tony Smith points out, in its very restricted definition of 'skill', very much referring to *manufacturing* skills. See Smith 2000, p. 39.

[66] That is, the productive powers of science take an alienated form not just *vis-à-vis* manual labourers, who face them already objectified in the system of machinery. Intellectual labourers also confront the development of science they themselves personify as an alien power borne by the product of their social labour. Moreover, the alienated nature of this development of intellectual labour is even expressed in its general scientific form, that is, in its method. In its determination as a form of the reproduction of capital, scientific knowledge is bound to represent natural and social forms as self-subsistent entities or immediate affirmations, and their relations as inevitably external ones. For an elaboration of this point, see the chapter in this book by Iñigo Carrera. See also Iñigo Carrera 1992 and Starosta 2003.

> To the degree that labour-time – the mere quantity of labour – is posited by capital as the sole determinant element, to that degree does direct labour and its quantity disappear as the determinant principle of production – of the creation of use-values – and is reduced both quantitatively, to a smaller proportion, and qualitatively, as an, of course, indispensable but subordinate moment, compared to general scientific labour, technological application of natural sciences, on one side, and to the general productive force arising from social combination [*Gliederung*] in total production on the other side – a combination which appears as a natural fruit of social labour (although it is a historic product). *Capital thus works towards its own dissolution as the form dominating production.*[68]

To put it briefly, the issue here is the old question of the relation between intellectual and manual labour. More concretely, the fundamental point to grasp is the specifically capitalist form in which the antithetical movement of those two moments of living labour asserts itself with the development of the system of machinery. The revolutionary aspect of this historically-specific transformation of living labour in capitalist society is that both the scale and complexity of the production-process and, in particular, the increasingly scientific character of its organisation, make the subjectivity of the capitalist (the non-labourer) impotent to personify the now directly social labour under the rule of his or her capital. This means, in other words, that the development of the powers of intellectual labour and their exercise becomes an attribute of the 'labouring classes'.[69]

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[67] Iñigo Carrera 2003, p. 11.

[68] Marx 1993, p. 700, my emphasis.

[69] On the superfluity of the capitalist, see especially Marx's concise comments in *Theories of Surplus Value* (Marx 1989a, p. 499). The complexity and scale of the co-operation of the collective worker of large-scale industry render the subjective powers of the capitalist impotent to personify in the name of his or her capital even the unproductive labour of superintendence of the productive organs of the former. All the functions of supervision, coercion and management come to be personified by a partial organ of the collective labourer. See Marx 1976a, p. 549; and Marx 1991b, pp. 510–1. The parasitic nature of the capitalist, though not yet of capital, thereby becomes increasingly concrete. And note that this expresses an alienated necessity of the accumulation of social capital itself:

The scientifically-expanded productive subjectivity of intellectual labour is, by its own nature, increasingly general or universal. The exertion of this form of human labour-power aims at the expansion of the conscious control over the *totality* of the forces of nature. Moreover, this subordination of the latter to the powers of living labour involves the comprehension of their *general* determination in order thereby to develop their *particular* technological applications in ever-evolving systems of machinery. Thus, as Marx puts it in *Capital* Volume III of in order to highlight its specificity *vis-à-vis* co-operative labour, scientific labour is, by definition, universal labour.[70]

With the constitution and permanent revolutionising of this organ of the collective labourer, capital thereby engenders *another* tendency for the production of workers bearing a universal productive subjectivity. However, this universality is no longer the *empty* universality deriving from the absolute *lack* of individual productive capacities to which direct labourers are condemned. When developed into its plenitude, it becomes the rich, concrete universality of organs of a collective subject who become increasingly able consciously to rule their life-process by virtue of their capacity to scientifically organise the production-process of any automatic system of machinery and, therefore, any form of social co-operation on the basis of large-scale industry. As the productive subjectivity of workers expands, it progressively ceases to be the case that the worker's individuality vanishes 'as an infinitesimal quantity in the face of the science, the gigantic natural forces, and the mass of social labour embodied in the system of machinery'.[71] For the latter *are* the direct products of the objectification of their productive subjectivity:

> Nature builds no machines, no locomotives, railways, electric telegraphs, self-acting mules etc. These are products of human industry; natural material transformed into organs of the human will over nature, or of human participation in nature. They are *organs of the human brain, created by the human hand*; the power of knowledge, objectified. The development of fixed capital indicates to what degree general social knowledge has become a *direct force of production*, and to what degree, hence, the conditions of the process of social life itself have come under the control of the general intellect and been transformed in accordance with it. To what degree the powers of social production have been

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the consumption of the capitalist represents a deduction of the potential surplus-value that could be devoted to its self-expansion. Incidentally, the confusion over the parasitic nature of the capitalist and that of the capital-form as such underlies Negri's views of the present, 'Post-Fordist' forms of human co-operation as carrying in their immediacy – that is, without the mediation of more material transformations – the potentiality to explode the capital-relation. See Negri 1992, pp. 65–8, and Negri 1999, pp. 156–60.

[70] Marx 1991b, p. 199.

[71] Marx 1976a, p. 549.

> produced, not only in the form of knowledge, but also as immediate organs of social practice, of the real life process.[72]

We saw how in *Capital* Marx focused on the 'negative side' of the effects of production of relative surplus-value through the system of machinery upon the material forms of the productive subjectivity of the working class. The historical emergence of the social necessity for the constitution of a 'fully-developed social individual' thus appeared as an abstract possibility, whose connection to capital's development of machine-based production seemed to be completely external. Conversely, we can appreciate now how in the *Grundrisse* Marx posits capital's relentless tendency to 'call to life all the powers of science and of nature, as of social combination and of social intercourse'[73] as necessarily engendering the historical becoming of that concrete universal subjectivity itself.

> No longer does the worker insert a modified natural thing [*Naturgegenstand*] as a middle link between the object [*Objekt*] and himself; rather, he inserts the process of nature, transformed into an industrial process, as a means between himself and inorganic nature, mastering it. He steps to the side of the production-process instead of being its chief actor. In this transformation, it is neither the direct human labour he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body – it is, in a word, the development of the social individual which appears as the great foundation-stone of production and of wealth.[74]

Moreover, and here in accordance with *Capital*, he presents the latter as the one whose further expansion eventually clashes with its alienated capitalist social form and, therefore, as the material form of productive subjectivity that carries as an immediate potentiality the necessity for the 'creation of the new society'. Hence, Marx continues:

> The *surplus labour of the mass* has ceased to be the condition for the development of general wealth, just as the *non-labour of the few,* for the development of the general powers of the human head. With that, production based on exchange value breaks down, and the direct, material production process is stripped of the form of penury and antithesis.[75]

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[72] Marx 1993, p. 706.
[73] Marx 1993, p. 706.
[74] Marx 1993, p. 705.
[75] Marx 1993, pp. 705–6.

It might seem that Marx is here substituting the intellectual labourer for the manual labourer as the revolutionary subject. However, the point is that the key does not consist in abstractly opposing intellectual and direct manual labour in order to privilege one over the other, but in grasping the contradictory forms in which capital historically develops these two necessary moments of the labour-process. Since Marx's exposition in the *Grundrisse* is only concerned with the *general* tendency and, more specifically, its historical result – that is, with the movement of 'bourgeois society in the long view and as a whole'[76] – he does not pay much attention to the contradictory forms in which the latter asserts itself. However, it is clear that in the historical unfolding of the tendency for the progressive objectification of all direct application of human labour-power onto the object of labour as an attribute of the machine, capital actually *reproduces and exacerbates* the separation between intellectual and manual labour.[77]

In effect, inasmuch as capital's conversion of the subjective expertise of the direct labourer (both intellectual and manual) into an objective power of the machine is not an instantaneous event but only done by degrees, every leap forward in the abolition of manual labour brought about by the revolution in the material forms of the process of production is realised by actually multiplying the spaces for the exploitation of manual living labour. In fact, the new technological forms themselves might generate as their own condition of existence the proliferation of a multitude of production-processes still subject to the manual intervention of the labourer, whether as an appendage of the machine, as a partial organ in a manufacturing division of labour or even in the form of 'domestic industry'. Thus, until the conditions for the (nearly) total elimination of manual labour are produced, direct labour as an appendage of the machine and/or the division of labour of manufacture tend to be reproduced under the new conditions and with even more degraded forms of productive subjectivity and harsher conditions of capitalist exploitation.[78]

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[76] Marx 1993, p. 712.

[77] One of the central weaknesses of recent theories of 'immaterial labour' or 'cognitive capitalism', which heavily rely on the 'Fragment on machines', is their 'stageist' reading of that text. See, for example, Virno 2007; Lazzarato 1996; Vercellone 2007. In other words, those authors use those passages from the *Grundrisse* for a formalistic specification of a qualitatively different stage of capitalist development that is said to supersede not only large-scale industry but the real subsumption as well: the epoch of the 'general intellect'. Worse still, those theories unmediatedly – hence speculatively – apply the essential tendency and finished form described in the *Grundrisse* onto contemporary concrete forms of realisation that still represent its negation. The result is that they overlook or downplay the contradictory movement of expansion/degradation and universalisation/particularisation entailed by current material forms of the real subsumption. As we have seen, what the 'Fragment on machines' unfolds is not the abstract opposite of the determinations of the productive subjectivity of large-scale industry but their more concrete development. The significance of that undoubtedly essential text is therefore *systematic*. And, incidentally, so is that of the distinction between the three different forms of the real subsumption presented in *Capital* and that between formal and real subsumption. For a forceful case against the 'stageist' reading of those chapters of *Capital*, see Tomba 2007.

Yet, it is certainly the case that this internal differentiation of the collective labourer on the basis of the respective forms of productive subjectivity is the self-negating form in which the *abolition* of that separation is realised in the historical process. Thus, through the very exacerbation of their separation, capital tendentially abolishes the qualitative and quantitative weight of manual labour in the process of the reproduction of social life, thereby converting the essential moment of living labour into an intellectual process. In this way, capital's transformation of the labour-process eventually reaches a point in which the separation between intellectual labour and what is now a quantitatively and qualitatively insignificant amount of manual labour, cannot materially obtain as a form of organising the life-process of humanity. The development of the material productive forces of society can only assert itself through the embodiment of the intellectual powers of social production in the individual subjectivity of every partial organ of the now directly social productive body. Moreover, this incorporation of the powers of the 'general intellect' into every individual worker must now have the form of objective social knowledge – namely, science – instead of being the product of the immediate subjective productive experience of the labourer (as was the case of independent handicraft-production). As we shall see below, it is the consciously organised political action of the *whole* working class – whatever its productive subjectivity – that is the necessary form in which this latter material transformation is realised.[79]

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[78] This is illustrated by Marx in section eight of the chapter on 'Machinery and large-scale industry' in *Capital*. There he shows how the production of relative surplus-value through the system of machinery reproduces modern manufacture, handicrafts and domestic industry. In this way, capital not only revolutionises the determinations of the social existence of those workers incorporated into large-scale industry but also of those of the sections of the working class still working under the division of labour in manufacture or domestic industry. The latter forms of the social production-process persist in their survival only through the imposition of the most brutal forms of the exploitation of the workers. However, Marx makes clear that the subsistence of manufacture and domestic industry is always provisional, even if it appears to hang on for long periods of time. The general tendency of capital is for the total development of large-scale industry. Moreover, Marx's discussion makes clear that the working class does not have to 'sit and wait' until the limit for the subsistence of manufacture is reached – a limit given by the extent to which the over-exploitation of labour-power compensates for its relative lower productivity of labour *vis-à-vis* large-scale industry. Inasmuch as the struggle for the shortening of the working day succeeds in forcing its implementation in the branches of production where manufacture persists, it accelerates the development of large-scale industry by not allowing the selling of labour-power below its value and, therefore, by reducing the capitalist limit to the introduction of machinery. Here we have a clear instance of the way in which progressive politics mediates revolutionary politics, the former being the concrete form of the development of the material determinations for the emergence of the latter.

In its formally boundless movement of self-valorisation, capital therefore cannot stop in the historical production of universal productive subjects. At the same time, this constant revolution in the material forms of human productive subjectivity can only take place through the progressive socialisation of private labour, thereby positing the extension of the scope of the conscious regulation of directly social labour as an immediate necessity for capital's production of relative surplus-value. Thus, through the development of large-scale industry, capital works towards the historical emergence of the other precondition for 'really free working' as well:

> In the production process of large-scale industry … just as the conquest of the forces of nature by the social intellect is the precondition of the productive power of the means of labour as developed into the automatic process, on one side, so, on the other, is the labour of the individual in its direct presence posited as suspended individual, i.e., as social, labour. Thus the other basis of this *mode of production falls away*.[80]

On the two-fold basis of the expansion of the scientific productive powers of the 'social intellect' and of the determination of human labour as directly social, capital moves right towards reaching its absolute historical limit as a social form. This limit is not reached when capital-accumulation *ceases* to develop the material productive forces of society as, following Trotsky, orthodox Marxists would have it.[81] On the contrary, capital clashes with its limit when the very same alienated socialisation and scientific universalisation of the powers of human labour through the production of relative surplus-value begets, *as its own immanent necessity*, the development of the productive forces of society in a particular material form, namely: the fully conscious organisation of social labour as the *general* social relation regulating the reproduction of human life and, therefore, as an attribute borne by every singular productive subjectivity comprising the collective labourer. Under those circumstances, the further leap forward in the material productive forces of society – dictated by the most immediate necessity of capital itself, that is, the production of relative surplus-value – comes into conflict with capitalist relations of production. Translated into our mode of expression, this classical Marxian insight can only mean the following: the *alienated* social necessity arises for the human being to be produced as a productive subject that is fully and objectively conscious of the social determinations of his/her individual powers and activity. Thus, he or she no longer sees society as an alien and hostile potency that dominates him/her. Instead, he or she consciously experiences the materiality of social life (that is, productive co-operation) as the necessary condition for the development of the plenitude of his or her individuality, and therefore consciously recognises the social necessity of the expenditure of his or her labour-power in organic association with the other producers. However, this form of human subjectivity necessarily collides with a social form (capital) that produces human beings as *private and independent individuals* who consequently see their general social interdependence and its historical development as an alien and hostile power borne by the product of social labour. The determination of the material forms of the labour-process as bearers of objectified social relations can no longer mediate the reproduction of human life. *Capital-accumulation must therefore come to an end and give way to the free association of individuals*:

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[79] Besides, it goes without saying that, although the workers bearing an expanded productive subjectivity express the *movement towards* the development of a universal individuality, they do so within the limits of capital as an alienated social form. In other words, it is not the *immediate actuality* of the material forms of their productive subjectivity that constitutes the kind of 'rich and all-sided individuality' discussed by Marx (1993, p. 325), As much as they are workers with a degraded productive subjectivity, they not only have to change 'society' but also undergo a process of self-change in the course of the revolutionary process. Hence, *both* organs of the collective labourer have to 'get rid of the muck of ages' imposed by the determination of human subjectivity as a concrete form of the reproduction of relative surplus-value. More concretely, this entails the *transformation* of intellectual labour (that is, of the mode of scientific cognition or the kind of scientific method) and its *generalisation*. See note 66 above.

[80] Marx 1993, p. 709.

[81] Trotsky 2002, pp. 1–2.

> But with the suspension of the *immediate* character of living labour, as merely *individual*, or as general merely internally or merely externally, with the positing of the activity of individuals as immediately general or *social* activity, the objective moments of production are stripped of this form of alienation; they are thereby posited as property, as the organic social body within which the individuals reproduce themselves as individuals, but as social individuals. The conditions which allow them to exist in this way in the reproduction of their life, in their productive life's process, have been posited only by the historic economic process itself; both the objective and the subjective conditions, which are only the two distinct forms of the same conditions.[82]

Thus, it is the historically-determined necessity for the fully-developed and socialised universality of the productive subjectivity of the workers, beyond its capitalist 'integument' but *generated as an immanent determination of the alienated movement of capital itself*, that is realised in the concrete form of the communist revolution. This suggests that *the revolutionary political consciousness of the*

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[82] Marx 1993, p. 832.

working class can only be a concrete expression of their productive consciousness.[83] What the political action of the self-abolishing proletariat realises (its content) is, fundamentally, the transformation of the materiality of the productive forces of the human individual and, *therefore*, of their social forms of organisation and development. To put it differently, it is about a *material* mutation of the production-process of human life, which takes concrete shape through a transformation of its *social* forms which, in turn, expresses itself through a conscious *political* action, namely, a revolution. Thus, the issue here is not one of finding the external 'objective *conditions*' that trigger or facilitate the development of a self-determining political action, but of unfolding the inner or immanent material and social determinations of capital-transcending conscious practice. In other words, at stake here is the *content and form* of the necessity to abolish the capital-form.

To recapitulate, we can now appreciate the significance of the 'Fragment on machines' from the *Grundrisse*. Although clearly in an unsystematic fashion (after all, they are only research-manuscripts), that earlier version of the critique of political economy contains the elements for the systematic unfolding of the plenitude of the determinations that constitute the immanent *content* of capital-transcending transformative practice that *Capital* only partially achieves. However, it is actually the latter text that unfolds the necessity of its *form*, namely, the conscious political action of the whole working class. As we have seen, through the discussion of the factory-acts, Marx unfolds the determination of the political action of the working class as the necessary mediation, in the form of a consciously organised collective action, for the imposition of the *general* conscious regulation of social labour in the capitalist mode of production; that is, as a concrete form of the essentially *unconscious* – hence inverted – organisation of social life through the capital-form. But furthermore, we saw above that the struggle of wage-labourers as a class was also the necessary form in which social capital's need for workers with an increasingly universal productive subjectivity, resulting from the movement of the *real* subsumption in the form of large-scale industry, asserted itself. True, in Marx's exposition in Chapter fifteen of *Capital* the class-struggle does not transcend its determination as a mediating moment of social capital's reproduction. This is because he does not unfold its immanent material content – the socialisation and universal development of human productive subjectivity – up to its absolute limit. But this is precisely what the *Grundrisse* do; that is, they do not unfold a *different* content but develop a more complex shape of that content itself. *A fortiori*, its concrete mode of realisation remains the same: the struggle of wage-labourers as a class. A struggle, however, that is no longer determined as form of capital's reproduction. As an expression of the plenitude of its content, the political action of wage-labourers now becomes determined as the mode of existence of capital-transcending human practice. Hence the general determination of the communist revolution: to be the political form taken by the historical production of the subjectivity of the 'rich individuality which is as all-sided in its production as in its consumption, and whose labour also therefore appears no longer as labour, but as the full development of activity itself'.[84]

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[83] It also suggests that revolutionary action is an expression of an alienated subjectivity. In other words, the abolition of capital is not the product of an abstractly free, self-determining political action, but one that the workers are *compelled* to do as personifications of the alienated laws of movement of capital itself. See Iñigo Carrera 2003. What sets capital-transcending political action apart from capital-reproducing forms of the class-struggle is its specific determination as a collective action that is fully conscious of its own alienated nature, of personifying a necessity of social capital. However, by becoming conscious of their determination as a mode of existence of capital, revolutionary workers also discover the historic task that as fully conscious yet alienated individuals they have to undertake: the supersession of capital through the production of the communist organisation of social life. Revolutionary subjectivity therefore organises an alienated political action that in the course of its own development liberates itself from all trace of its alienated existence.

Conclusions

This chapter has argued that, in their unity, the *Grundrisse* and *Capital* provide the elements for the scientific exposition of the determinations of capital leading to the social constitution of the revolutionary working class. This exposition must actually comprise the reproduction in thought of the concrete unity of *all* the determinations of social existence implied in the necessity for the abolition of capital, starting with its simplest form, namely, the commodity. However, for obvious reasons of space, the discussion centred on the specific form of capital that carries the necessity of its own supersession as an immediate potentiality. That form, this paper has argued, lies in the fully developed shape taken by the real subsumption of labour to capital: the system of machinery.

As we have seen, Marx's treatment of large-scale industry in *Capital* differs from the exposition he had initially formulated in his research-manuscripts known as the *Grundrisse*. This has led many scholars to see the two perspectives as somehow incompatible, maybe even reflecting a change of mind on the part of Marx, from an early optimistic view of the emancipatory potentialities of the forms of the real subsumption to a more pessimistic view of the latter as yet another expression of the despotic rule of dead over living labour. This paper has offered a different reading of this aspect of Marx's intellectual development. Whilst it is certainly true that Marx's exposition changed from the *Grundrisse* to

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[84] Marx 1993, p. 325.

Capital, this difference does not express two inconsistent views of the determinations of the productive subjectivity of large-scale industry. Rather, each text actually centres the exposition on the development of *one* of the *two essential contradictions* that characterise the most complex form of the real subsumption and whose development constitutes the immanent ground of revolutionary subjectivity. In *Capital*, the exposition focuses on the 'absolute contradiction'[85] between *particularity and universality* of the development of productive subjectivity, leading Marx to emphasise the material *degradation* of individuality of the wage-labourer of large-scale industry. By contrast, in the *Grundrisse* Marx focuses his attention on the development of the contradiction between the *intellectual and the manual* moments of the production-process under the rule of capital, leading him to unfold the tendency for the scientific *expansion* of the subjectivity of the doubly free labourer. Both contradictions are, however, two sides of the same coin: the alienated form in which human beings produce the materiality of their species-being at a certain stage of development and on the basis of specific historical presuppositions.[86]

> But it is an insipid notion to conceive of this merely *objective bond* as a spontaneous, natural attribute inherent in individuals and inseparable from their nature (in antithesis to their conscious knowing and willing). This bond is their product. It is a historic product. It belongs to a specific phase of their development. The alien and independent character in which it presently exists *vis-à-vis* individuals proves only that the latter are still engaged in the creation of the conditions of their social life, and that they have not yet begun, on the basis of these conditions, to live it.[87]

As we have seen, this development does not only involve the *formal* inversion between subject and product of social labour but also the *material* mutilation of the productive individuality of wage-labourers. However, Marx was also clear about the *relative historical necessity* of those forms, if only as a *vanishing moment* in the world-historical process of development of the materiality of 'really free working' and, hence, in the production of the necessity of their own supersession.[88]

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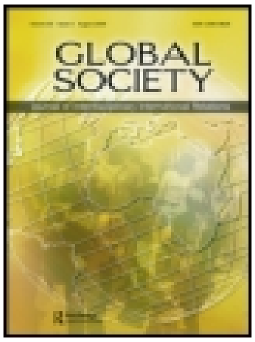
[85] Marx 1976a, p. 617.

[86] Those historic presuppositions entail a degree of development of the productive individuality of the human being historically attaining 'adequate classical form' in the form of the *freedom and independence* of the *isolated* individual labour of the peasant and the artisan, that is, on the basis of the *dissolution* of all relations of personal dependence. See Marx 1976a, p. 927, and Marx 1993, p. 156. The material specificity of capital, which it formally achieves in an alienated form, consists, precisely, in the socialisation of free but isolated labour. Marx 1976a, p. 927.

[87] Marx 1993, p. 162.

[88] Ibid.



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Towards a "Unified Field Theory" of Uneven Development: Human Productive Subjectivity, Capital and the International

GREIG CHARNOCK and GUIDO STAROSTA

This article puts labour, and its historically changing forms of existence, at the centre of the theorisation of uneven international development. It advocates a consciously dialectical approach that goes beyond significant limitations in historical-geographical materialism, and in the work of Neil Smith in particular. It argues, first, that geopolitical modes of explanation cannot be asserted on descriptive grounds, or in logical abstraction from the determinate content of social reproduction. It then argues that the critique of uneven development must focus on the material process Marx termed the "real subsumption of labour to capital" so as to analyse the transformation of the productive subjectivity of the international working class in contemporary capitalism. This transformation has today resulted in the contemporary form of a "new" international division of labour, the worldwide dynamics of which are mediated by a variety of specific national and regional forms of the capital accumulation process.

In *Global Society*, Vol. 29, No. 4, Sébastien Rioux mounts an incisive critique of international relations literatures that take Leon Trotsky's idea of "uneven and combined development" (U&CD) as the main conceptual prism through which to provide a critical, historical materialist explanation of "the international" and of worldwide socio-historical change.[1] Rioux's principal criticism is that U&CD theory takes for granted that which needs to be theorised, namely the question of "why and how capitalist development is uneven and combined"—a problem inherited from Trotsky himself who, as Rioux explains, only asserts the general law-like validity of U&CD on immediate, descriptive grounds. This, he argues, ultimately leaves us bereft of "the necessary theoretical development of categories and concepts that can account for the historically specific dynamics of social change by tracing back its logical connections to the *inner structural dynamics of development itself*".[2] In lacking such a substantive theorisation of uneven international

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[1] Sébastien Rioux, "Mind the (Theoretical) Gap: On the Poverty of International Relations Theorising of Uneven and Combined Development", *Global Society*, Vol. 28, No. 4 (2015), pp. 481–509. See also Sébastien Rioux, "The Collapse of 'the International Imagination': A Critique of the Transhistorical Approach to Uneven and Combined Development", *Research in Political Economy*, Vol. 30A (2015), pp. 85–112.

[2] Rioux, "Mind the (Theoretical) Gap", *op. cit.*, p. 490, emphasis added.

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development on the basis of these specific dynamics, Rioux's arraignment against the U&CD literature finds it culpable of conflating "the *fact* of U&CD as a *theory* of U&CD".[3]

Our aim in this article is not to intervene in any debate between Rioux and U&CD theorists. Rather, we seek to depart from Rioux's own, more reconstructive suggestion that the key to finding a "unified field theory" of uneven development might lie in a set of "historical-geographical materialist" literatures that are largely ignored in international relations scholarship.[4] We note that while making this suggestion Rioux is keen to transcend the antinomy, or dualism, between the Marxian analysis of the "organic tendencies" of capitalist development on the one hand, and a transhistorical conception of inter-societal interaction, on the other. In this article, we therefore outline our own proposal for the development of a theory of uneven international development that might transcend the dualism between these two sociological and inter-societal "logics". Indeed, what we propose is a theory that seeks to avoid any kind of dualism, exteriority or "gap" in the theorisation of uneven development—including any dualism between theory, on the one hand, and the historical development of concrete "empirical" forms, on the other.[5] In other words, we seek to vindicate a consciously *dialectical* approach to the question of uneven development and the international that reproduces neither the crude empiricism of approaches that depart from—but do not go beyond—the immediacy of concrete phenomena, nor the application of a speculatively arrived at "framework" of concepts and categories—or a "model"—upon concrete reality (giving rise to the violence of abstraction characteristic of structuralist Marxism, for example). Rather, our approach acknowledges the dialectical unity of the content and form of concrete social phenomena, and on the basis of the recognition of the general determination of the process of social reproduction specifically in, what Marx termed, "bourgeois society". Accordingly, we will argue, much as Rioux appears to suggest is already established by historical-geographical materialism—and in the work of the late Neil Smith, in particular—that the key to providing something like a "unified field theory" of uneven development is dialectically rooted in the intrinsic, material unity between human beings and nature, and the socially mediated character of that unity (hence between productive forces, social relations of production, and their actualisation in and through the conscious practice of individuals).[6] In other words, we want to put *labour*, and its historically changing forms of existence, at the centre of the theorisation and analysis of uneven international development.

We therefore begin by summarising what we think is the more productive contribution to the theorisation of uneven development to be found in Smith's pioneering work, namely his insistence that uneven development is a *determined* outcome of "the production of nature", i.e. of socio-ecological metabolism under specifically capitalistic social relations.[7] Yet our actual intent in this first section is to revisit this contribution in order to highlight what we think are deficiencies in historical-geographical materialism more generally, and which, ultimately, limit its ability to explain uneven development without also falling into a trap of relying on ungrounded, unexplained and indeterminate "laws" of capitalist development that derive from—and serve to reproduce—a dualism that is not so very different from that which Rioux seems to identify (in his own terms) as being so problematic in U&CD theory.

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[3] *Ibid.*, p. 508, emphasis added.

[4] See Scott Kirsch, "Historical-Geographical Materialism", in Rob Kitchin and Nigel Thrift (eds.), *International Encyclopedia of Human Geography,* Vol. 5 (Oxford: Elsevier, 2009), pp. 163–168.

[5] Guido Starosta and Gastón Caligaris, *Trabajo, valor y capital: de la critica marxiana de la economía política al capitalismo contemporáneo* (Bernal: Universidad Nacional de Quilmes, 2017), pp. 11–15.

[6] See Karl Marx and Frederick Engels, *The German Ideology* (New York: International Publishers, 1970), p. 58.

[7] We recognise that the term "determination", which we use throughout this article, will for some readers immediately smack of a vulgar economic functionalism in which a great many "superstructural" phenomena might be explained with recourse to a mechanistic, causal relation with the "economic

Our own contribution is therefore to build upon the "rational kernel" of Smith's production of nature thesis so as to advance a theory of world-historical social change and uneven development that is wholly grounded in the materiality of the "web of socio-ecological life", to borrow a term from Harvey,[8] but which can begin to explain contemporary dynamics of uneven development and inter- (and, indeed, intra-) societal relations without relying upon indeterminate, trans-historical "laws of unevenness". We argue in this first section that the key to arriving at a substantive, materialist theory of the international and of uneven development is to, first, recognise that one simply cannot assert the autonomy of "the political"—and therefore of geopolitical modes of explanation—on descriptive grounds or in "logical" abstraction from its determinate social content.[9] In short, we suggest, the international as composed of different national state forms is today part and parcel of capital's "second Nature", and therefore should be explained on the basis of its substantive content and what is really at stake in the general process and product of uneven international development (albeit in a highly mediated form), namely the transformation of human productive subjectivity (or, more simply, *labour*), and the changing forms of the global production of relative surplus-value as the historically specific, alienated form of that general process of transformation.[10]

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base". For us, however, the term is central to dialectical inquiry and the recognition that reality is contradictory, the movement of contradiction. "Contradiction" here means that every real form (whether "natural" or "social") realises its own qualitative determination by transforming itself into a more concrete form, that the process of determination is a process of becoming another, i.e. a movement of self-negation. This form of movement, or the "inner life", of the concrete object that we want to inquire after by means of thought, needs to be observed through its specific modes of existence and development. Marx's *Capital* does precisely this: it is the ideal reproduction of the real determinations of capital as the alienated social subject of bourgeois society, starting with its simplest mode of existence—i.e. the commodity. See Juan Iñigo Carrera, *Conocer el Capital hoy: Usar críticamente El Capital* (Buenos Aires: Imago Mundi, 2007).

[8] David Harvey, "Notes Towards a Theory of Uneven Geographical Development", in *Spaces of Neoliberalization: Towards a Theory of Uneven Geographical Development* (Stuttgart: Franz Steiner Verlag, 2005), pp. 55–92.

[9] Though not picked up on by Rioux in his critique of the U&CD literature, it is noteworthy that the latter pays scant attention to debates among historical materialist scholars from the 1970s and 1980s in which heavy criticism was heaped upon the notion of the (relative) autonomy of the political. In our view, Simon Clarke and others working in the "open Marxist tradition" succeeded in articulating the most cogent, non-dualistic theorisation of the determination of the national state form. See Simon Clarke (ed.), *The State Debate* (Basingstoke: Palgrave Macmillan, 1991); Werner Bonefeld, "Global Capital, National State, and the International", *Critique: Journal of Socialist Theory*, Vol. 36, No. 1 (2008), pp. 63–72.

[10] The term "human productive subjectivity" denotes the power and capacity of the human individual to partake in the social metabolic process, that is, the conscious control over the social character of her individual labour. See Karl Marx, "Economic and Philosophical Manuscripts", in *Early Writings* (Harmondsworth: Penguin, 1975), pp. 279–400. In the capitalist mode of production, the productive attributes of individual workers include the strictly material or technical dimension of labour-power required by

The next dimension of our argument, then, is that in order to explain uneven development, and the outwardly manifest diversity of national "capitalisms", we must focus on the material process Marx termed the "real subsumption of labour to capital" and the transformation of the productive subjectivity of the international working class in contemporary capitalism. As we explain in section two of this article, this entails the recognition that the process of the production of relative surplus-value on a world scale leads to historically changing constellations of the international division of labour—much as Marx insisted was already a real tendency of the bourgeois mode of production and the system of large-scale industry as early as the 1840s.[11] More concretely, and as a contemporaneous manifestation of this more general foundation of the international, we argue in section three of the article that the global transformation of socio-ecological metabolism on the basis of the fragmentation of the productive subjectivity of the international working class has in recent years resulted in the contemporary form of a "new" international division of labour (NIDL). The inner, worldwide dynamics of this NIDL are mediated by a variety of specific national and regional forms of the capital accumulation process, such that each particular concrete national space of capital accumulation and societal reproduction bears its own empirically distinctive attributes in terms of institutional forms, labour markets, distributions of income and wealth, and, of course, competing ideologies and political cleavages.

On "the Production of Space, Scale and Nature under Capitalism" and the Limits to Smith's Theory of Uneven Development

In this first section, we pick up from where Rioux signs off in his *Global Society* article, and offer some initial grounds for a revitalised, unified theory of the international that is precisely grounded in the recognition that the reproduction of human life necessarily entails a metabolic relation with nature. For Rioux, the failure on the part of IR theorists to engage with Smith, as well as his fellow historical-geographical materialist David Harvey, is significant because they have already identified the necessity for a "unified field theory" that might explain worldwide socio-historical change. Smith and Harvey have also already gone some way towards explaining the uneven (and combined) development of a multiplicity of social and geopolitical forms on the basis of a materialist conception of the inner dynamics of capitalist development in historical time and space. Taking Rioux's cue, then, let us examine Smith's project to provide "a thorough spatial reconstruction of the concepts and categories pertaining to the capitalist mode of production" so as to begin to explain the international as we encounter it as being necessary and immanent to the reproduction of capital as the most general form of social

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the particularity and complexity of the productive functions to be performed, as well as its "moral" attributes (that is, the general forms of consciousness and self-understandings that make those workers suitable for the specific forms of discipline that a certain organisation of the capitalist labour process entails). See Juan Iñigo Carrera, *El capital: razón histórica, sujeto revolucionario y conciencia* (Buenos Aires: Imago Mundi, 2013); and Guido Starosta, *Marx's* Capital*: Method and Revolutionary Subjectivity* (Leiden: Brill, 2016).

[11] Karl Marx, *Wage-Labour and Capital & Value, Price and Profit* (New York: International Publishers, 1976), pp. 43–48. See also Paul Cammack, "Capitalist Development in the Twenty-First Century: States and Global Competitiveness", in Toby Carroll and Darryl S.L. Jarvis (eds.), *Asia after the Developmental State: Disembedding Autonomy* (Cambridge: Cambridge University Press, 2017), pp. 125–129.

reproduction *today*.[12] As Rioux suggests, this necessitates a return to question of "the production of space, scale and Nature under capitalism".[13]

In our view, Smith's lasting contribution is to the theorisation of the dialectical unity of nature and society, and to how "the spatial scales of capitalism" are re-*produced*—with all of their geographical and geopolitical "unevenness"—as a "corollary" of the historically specific (i.e. capitalistic) form of mediated socio-ecological metabolism on a world scale.[14] This has significant ramifications for how we ought to resist any lapse into conceiving of certain spatial scales in immutable terms:

> the geographical scales of human activity are not neutral "givens", not fixed universals of social experience, nor are they an arbitrary methodological or conceptual choice … Rather, scale should be seen as materially real frames of social action. As such, geographical scales are historically mutable and are the products of social activity, broadly speaking.
>
> … At the very least, different kinds of society produce different kinds of geographical scale for containing and enabling particular forms of social interaction. The medieval city is the locus of feudal commerce and simultaneously a place to be defended from external military attack, while the modern metropolis is much more the expression of an expansive capitalism premised on large-scale production, widespread financial, service and communication networks, and mass consumption.[15]

This specificity, Smith argues, holds true as much for the production of the national state as for other spatial scales of social interaction:

> With the internationalisation of commercial capital in the seventeenth and eighteenth centuries, the question of coordinating competitive and cooperative relationships between capitals became increasingly vital. The nationalisation of capital, simultaneous with and as part of the internationalisation of capital, was the solution that emerged historically … National capitals and their attendant political frameworks in the nation-state emerged as a vital geographical means for coordinating and arbitrating economic competition between capitals at the global scale. National capitals are in effect different "laws of value" in a wider global market, and they remain coherent to the extent that the nation-states devised for the purpose succeed in protecting the gamut of social, economic and cultural conditions that sustain individual national capitals. That is, the functions of the state which were in

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[12] Rioux, "Mind the (Theoretical) Gap", *op. cit.*, p. 499.

[13] *Ibid.*, p. 498.

[14] In *Uneven Development*, Smith confines his discussion of the spatial scales of capitalism to the urban, global and nation-state, although in later years he also discussed the household and the body; see Neil Smith, *Uneven Development: Nature, Capital and the Production of Space* (Athens: University of Georgia Press, 2008); Neil Smith, "Contours of a Spatialized Politics: Homeless Vehicles and the Production of Space", *Social Text*, No. 33 (1992), pp. 54–81.

[15] Neil Smith, "Remaking Scale: Competition and Cooperation in Pre-National and Post-National Europe", in Neil Brenner, Bob Jessop, Martin Jones and Gordon McLeod (eds.), *State/Space: A Reader* (Oxford: Blackwell, 2003), p. 228.

> earlier times attached to lower spatial scales of territorial control—city states, duchies, kingdoms, etc—are, *with the advent of capitalism, reconstituted at the scale of the nation*.[16]

On what basis does Smith make these claims? His conception of what he very much saw as a dialectical, non-dualistic theory of the production of space and scale, in general, was first expounded in his now classic book *Uneven Development*, in which he challenged a basic notion of space inherent to traditional Western epistemologies and indeed common parlance—that of "space as field, as a container, or as simple emptiness".[17] Influenced by the French Marxist Henri Lefebvre, he argued that space is itself a social product, and, moreover, has become an active moment in the production and reproduction of a historically specific (i.e. capitalist) worldwide socio-ecological landscape: "By its actions", he insists, "this society no longer accepts space as a container, but produces it; we do not live, act and work 'in' space so much as by living, acting, and working we produce space".[18] As a corrective to traditional theory, then, Smith sought to advance a systematic, Marxian understanding of how capital produces and re-produces variegated socio-geographical space "in its own image"[19]—a result he termed "uneven development" or "uneven geographical development".[20]

For Smith, an essential preliminary step in the appreciation of how capital produces space at various inter-relational scales is to first examine the *production of nature* under capitalism. This, he underlines, is a reflexively critical endeavour since it must penetrate the "delusive appearance of things",[21] and must question a core tenet of traditional Western thought in which "nature is generally seen as precisely that which cannot be produced; it is the antithesis of human productive activity".[22] On the basis of a critical reading of the Frankfurt School theorist Alfred Schmidt, in particular, Smith emphasises the central importance of the concept of socio-ecological metabolism (*Stoffwechsel*) in Marx's own critique of political economy, the key materialist-dialectical point being that "the whole of nature is socially mediated and, inversely, society is mediated through nature as a component of the total reality".[23] Or, to put it simply, in the historically evolving process of the social-ecological metabolism upon which human reproduction is based, seemingly prior and external nature itself increasingly becomes a *product*.[24] Smith here picks up on Schmidt's heuristic and "useful distinction between 'first nature' and a 'second nature'", which he subsequently refashions in *Uneven Development* so as to claim that "we must now consider there to be a social priority of nature; nature is nothing but social", and that "instead of the domination of nature, therefore, we must consider the more complex process of the *production of nature*".[25] For Smith, the term "second nature" captures the result of the historical, worldwide generalisation of production for exchange characteristic of capitalism, and subsequently the result of the "real subsumption of nature to capital".[26] With the constitution of the capitalist world market, "nature is progressively produced from within and as part of the so-called second nature".[27] In search of profit, capital "attaches a price tag to everything it sees and from then on, it is this price tag which determines the fate of nature"; "no part of the earth's surface, the atmosphere, the oceans, the geological substratum, or the biological substratum are immune from transformation by capital".[28] Indeed, for Smith, such was the degree to which capital had subsumed nature in this manner that the distinction between first and second nature was, by the late twentieth century, practically obsolete.[29]

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[16] *Ibid.*, pp. 229–230, emphasis added.

[17] Smith, *Uneven Development*, p. 92.

[18] *Ibid.*, p. 116. See also Henri Lefebvre, *The Production of Space* (Oxford: Blackwell, 1991).

[19] As David Harvey puts it in "The Geopolitics of Capitalism", in Derek Gregory and John Urry (eds.), *Social Relations and Spatial Structures* (London: Macmillan, 1985), p. 150.

[20] To this end, Smith was ultimately dismissive of the theoretical utility of both Trotsky and Lefebvre: see Neil Smith, "The Geography of Uneven Development", in Bill Dunn and Hugo Radice (eds.), *100 Years of Permanent Revolution: Results and Prospects* (London: Pluto, 2006), pp. 182–183; Neil Smith, "Antinomies of Space and Nature in Henri Lefebvre's *The Production of Space*", in Andrew Light and Jonathan M. Smith (eds.), *Philosophy and Geography II: The Production of Public Space* (Oxford: Rowman & Littlefield, 1998), pp. 49–70.

[21] Smith, *Uneven Development*, *op. cit.*, p. 49, quoting Marx.

[22] *Ibid.*, p. 32.

[23] Alfred Schmidt, *The Concept of Nature in Marx* (London: NLB, 1971), p. 79.

[24] This argument would certainly seem to be consistent with Rioux's other work on corporeality, insofar as it critiques the commonplace, abstract category of "the natural body" and foregrounds, instead, the material processes of the social reproduction of real bodies under circumstances that are

Smith's next step in his line of argument is unequivocal: "Unless space is conceptualised as a quite separate reality from nature, the production of space is a logical corollary of the production of nature".[30] For Smith, the produced spaces and scales of capitalistic second nature emerge out of an incessant "dialectic of equalisation and differentiation" of the development of capital's productive forces. As capital extends its reach over the whole globe, the socio-ecological landscape is subsumed within a process that consists of capital's price tagging of everything. Yet this landscape comprises myriad particularised spaces/places—at a variety of spatial scales, including that of the national state. The *relative* past, present and future development of these spaces is conditioned by specific degrees of the concentration and centralisation of capital, the agglomeration and socialisation of labour-power, and differing degrees of resilience to the perpetual rhythms of accumulation and geographical "see-saws" in the location of investment that periodically threaten the devaluation of geographically concentrated fixed capital and of relatively immobile working classes bearing particular productive and cost attributes.[31] As Smith explains,

> the drive toward universality in capitalism brings only a limited equalisation of levels and conditions of development. Capital produces distinct spatial scales—absolute spaces—within which the drive towards

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historically specific to capitalism, and which therefore engender the particular attributes of the "*labouring* body". See Sébastien Rioux, "Embodied Contradictions: Capitalism, Social Reproduction and Body Formation", *Women's Studies International Forum*, Vol. 48 (January–February 2015), pp. 194–202.

[25] Smith, *Uneven Development*, *op. cit.*, p. 33, pp. 47–48. Here, Smith is criticising the notion of the social domination of nature in Frankfurt School Critical Theory.

[26] Neil Smith, "Nature as Accumulation Strategy", in Leo Panitch and Colin Leys (eds.), *Coming to Terms with Nature: Socialist Register, 2007* (London: Merlin Press, 2006), pp. 19–41.

[27] Smith, *Uneven Development*, *op. cit.*, p. 77.

[28] *Ibid.*, pp. 78–79.

[29] To the degree that David Harvey affirms: "It is in practice, hard to see where 'society' begins and 'nature' ends … [I]n a fundamental sense, there is in the final analysis nothing unnatural about New York City", in David Harvey, "The Nature of Environment: Dialectics of Social and Environmental Change", in Ralph Miliband and Leo Panitch (eds.), *Real Problems, False Solutions: Socialist Register, 1993* (London: Merlin Press, 1993), pp. 28, 31.

[30] Smith, *Uneven Development*, *op. cit.*, chapter 4, p. 92.

[31] See also David Harvey, *The Limits to Capital* (Oxford: Blackwell, 1982), chapter 12.

> equalisation is concentrated. But it can do this only by an acute differentiation and continued re-differentiation of relative space both within and between scales. The scales themselves are not fixed but develop (growing pangs and all) within the development of capitalism itself. They are not impervious; the urban and national scales are products of world capital and continue to be shaped by it. But the necessity of discrete scales and of their internal differentiation is fixed.[32]

"Uneven development", Smith concludes, "is the product and geographical premise of capitalist development".

This perceptive insight, we argue, ought to have significant methodological ramifications for the theorisation of the international, for if the appearance of "socio-political multiplicity" and of uneven international development as real spatial phenomena must be *explained* on the basis of their (re-)production as a moment of the real subsumption of nature to capital—that is, as *produced* spaces—then we ought to be prepared to accept the possibility that the international is less of an autonomous, autopoietic system than might be posited by means of some transhistorical logic or apprehended by an immediate empirical focus on geopolitical rivalry and cooperation. We should, in other words, be prepared to include "the international" among those other categories—ground-rent, landed property and agriculture—that Marx accepted as being central to any scientific analysis of pre-capitalist society and economy, but which become subsumed within the production of nature and space in specific, practical ways. In short, their categorial relation should be established on the basis of their determination and reproduction under capitalism *specifically* rather than on the basis of historical precedence. To paraphrase Marx, "Capital is the all-dominating economic power of bourgeois society. It must form the starting-point as well as the finishing-point, and must be dealt with before [the international]".[33]

The recognition that this insight today applies as much to the political categories of the national state and the international system as it does to economic categories is common among certain Marxist literatures—for instance, among "state derivation" theorists, and the various scholars associated with "open Marxism"—but is at odds with orthodox IR and traditional epistemologies of the international.[34] We should also already add at this point that it would appear to be inconsistent with Neil Smith's own take on the remaking of state-space in "post-national Europe", from which we quoted above, which also implicitly adheres to a methodologically nationalist epistemology and, in our view, fails to follow through the insight of his own production of space thesis into his conception of the contemporary national state form. Our contrasting methodological point here is made clear by Juan Iñigo Carrera, who explains how and why the world market historically results from the confluence of various national processes of capital accumulation, but, once this process is complete, the relationship becomes inverted and the world market becomes—both in a concrete and cognitive sense—"systematically prior" to its differentiation into national spheres in competition with one another which, through their antagonistic relationships as "hostile brothers",[35] *outwardly* mediate the unfolding of the essentially global *inner* determinations of the production of relative surplus-value on a planetary scale.[36] Whatever the "fact" of a multiplicity of national state spaces formally constituted under pre-capitalist or mercantilist phases of international economic integration, then, these spaces are *today* reproduced organically as both product and pre-condition of the essentially *global* accumulation of capital—that is, as "really subsumed" elements of capital's "second nature".[37]

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[32] *Ibid.*, p. 196.

[33] Karl Marx, *Grundrisse* (Harmondsworth: Penguin, 1973), p. 108. Marx goes on to say: " … It would therefore be unfeasible and wrong to let the economic categories follow one another in the same sequence as that in which they were historically decisive. Their sequence is determined, rather, by their relation to one another in modern bourgeois society, which is precisely the opposite of that which seems to be their natural order or which corresponds to historical development. The point is not the historical position of the economic relations in the succession of different forms of society … Rather, their order within modern bourgeois society".

[34] See, for example, Claudia von Braunmühl, "On the Analysis of the Bourgeois State within the World Market Context", in John Holloway and Sol Picciotto (eds.), *State and Capital: A Marxist Debate* (London: Edward Arnold, 1978), pp. 160–177; John Holloway, "Global Capital and National State", *Capital & Class*, Vol. 18, No. 1 (1994), pp. 23–49; Werner Bonefeld, "The Spectre of Globalization: On the Form and Content of the World Market", in Werner Bonefeld and Kosmas Psychopedis (eds.), *The Politics of Change: Globalization, Ideology and Critique* (Basingstoke: Palgrave, 2000), pp. 31–68; and Peter Burnham, "Marx, International Political Economy and Globalisation", *Capital & Class*, Vol. 25, No. 3 (2001), pp. 103–112.

As path breaking as Smith's argument was for its time, we think that there are further limitations to his theory of uneven development. Crucially, Smith works with a methodological approach that reinforces a dualistic rift between theory and history (ironically so, given the attention he gives to the unity of nature and society). For Smith, as with historical-geographical materialist scholarship more generally, theorising amounts to offering a mental construct, or "cognitive map",[38] that identifies general tendencies or "laws of motion" in abstraction (e.g. "the dialectic of equalisation and differentiation"), only to then attempt to extrinsically *apply* that construct or map to an otherwise self-subsisting concrete "reality" in order to try to come up with a framework offering a certain degree of explanatory power. The crux for us is that, in dialectical cognition, "theoretical categories" are not—in a Kantian dualistic fashion—a subjective way of ideally organising a given material content, but rather they are more abstract yet fully objective determinations of those more concrete "empirical" forms. This further explains our earlier injunction to heed Marx's methodological point about the determinate—rather than historical or logical—sequencing of the categories of critique.[39] Smith, on the other hand, is himself culpable of a dualism between theory and history. To the extent that he in particular conceives of unity of the world market, it is but the *contingent* result of the *in*determinate manner in which the tendencies of "equalisation and differentiation" unfold historically and concretely.[40] To the extent that he conceives of national states as mediating forms of worldwide capitalist development, they are but the contingent "resolution" of the *in*determinate manner in which the tendencies of "competition and cooperation" unfold historically and concretely within and beyond their demarcated boundaries.[41] In both cases, his "mapping" remains at the apparent level of the concrete forms in which the substantive immanent unity of the global movement of the total social capital—to which we return in more detail below—asserts itself outwardly through the antagonistic relationships among individual capitals (economically) and among national states (politically). That is, his work leaves significant questions unanswered regarding the development of an approach that can adequately conceive of the systematic mediations between abstract tendencies of the capital accumulation process and concrete empirical forms of the world market.[42]

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[35] Karl Marx, *Theories of Surplus Value, Vol. II* (Moscow: Progress Publishers, 1968), p. 29.

[36] Juan Iñigo Carrera, "The General Rate of Profit and Its Realisation in the Differentiation of Industrial Capitals", in Greig Charnock and Guido Starosta (eds.), *The New International Division of Labour: Global Transformation and Uneven Development* (Basingstoke: Palgrave, 2016), p. 36.

[37] Further textual evidence to demonstrate that this accords with Marx's own thinking might be found in chapter 31 of *Capital*, where he discusses the "colonial system" as a concrete form of the original accumulation of capital: it "proclaimed the making of profit as the ultimate and sole purpose of mankind" (Karl Marx, *Capital: Volume I* [Harmondsworth: Penguin, 1976], p. 918). That is, now profit-making becomes the content of the social process of humanity as a whole (i.e. the world market), and not just any particular national community. Space constraints do not allow us to elaborate on the precise nature of the process of transition this entails in different parts of the world, but we would broadly endorse the approach in Dale Tomich, "Rapporti sociali do produzione e mercato mondiale nel dibattito recente sulla transizione dal feudalesimo al capitalismo", *Studi Storici*, Vol. 21, No. 3 (1980), pp. 538–564.

[38] David Harvey, *The Urban Experience* (Oxford: Blackwell, 1989), p. 2. We also think Castree's encapsulation of Harvey's theoretical project applies as much to Smith, insofar as "he acknowledges that while [theory] is indubitably *about* the world it is not, by definition, *coterminous with it*. … What this means is that while critique can be compelling *at the theoretical level*, it is found wanting when put to the test of conjunctural specifics"; Noel Castree, "The Detour of Critical Theory", in Noel Castree and Derek Gregory (eds.), *David Harvey: A Critical Reader* (Oxford: Blackwell, 2006), p. 260. In this respect, Derek Kerr's critique of a theory-history dualism in Harvey's work applies as much to Smith; see Derek Kerr, "The Theory of Rent: From Crossroads to the Magic Roundabout", *Capital & Class*, Vol. 20, No. 1 (1996), pp. 70–71.

In sum, we find that Smith's "cognitive mapping" leads him to overlook the determinate social content of uneven development. At one point in *Uneven Development*, he does discuss the "fate of human nature under capitalism", but only as an incidental *by-product* of the technical division of labour and the historical advance of the system of large-scale machinery.[43] Smith does not, in other words, identify the development of the material powers of the human being as a labouring subject—that is, of human productive subjectivity—as the *content* of the production of nature, the real subsumption of nature to capital, the historical development of the social and technical division of labour, and of the development of the productive forces under capitalism. And for this reason, he too leaves us bereft of a unified theory that is able to provide a systematic explanation of uneven international development that maintains the unity of not just nature and society but also theory and history. As we now explain in further detail, the key to finding such a theory still lies precisely in the "inner dynamics of development itself", as suggested by Rioux. But it entails the foregrounding of the recognition that the global accumulation of capital still rests upon the pursuit of relative surplus-value, and with it the transformation of the human productive subjectivity of the international working class.

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[39] John Bellamy Foster makes a broadly similar point in his "Marxism in the Anthropocene: Dialectical Rifts on the Left", *International Critical Thought*, Vol. 6, No. 3 (2016), p. 414.

[40] See, for instance, Smith, "The Geography of Uneven Development", *op. cit.*, pp. 189–190.

[41] See Smith, "Remaking Scale", *op. cit.*, pp. 228–229.

[42] In *Uneven Development*, Smith falls back on orthodox Marxist ideas on the sources of uneven international development and "underdevelopment" (the likes of Samir Amin, Arghiri Emmanuel and Ernest Mandel), and only re-signifies them in light of his foregrounding of a dialectic of equalisation and differentiation. For a critique of this orthodoxy, see Juan Iñigo Carrera, "End Notes to 'The General Rate of Profit and Its Realisation in the Differentiation of Industrial Capitals'", available: <https://www.academia.edu/24332230/End_Notes_to_The_general_rate_of_profit_and_its_realisation_in_the_differentiation_of_industrial_capitals_1> (accessed 7 October 2016).

[43] Smith, *Uneven Development*, *op. cit.*, pp. 72–74.

The Global Accumulation of Capital and the "Inner Dynamics of Development Itself"

One of Marx's most potent scientific discoveries was that capital is neither simply a thing (for example, the instruments of production), nor a productive unit or legal entity (such as a firm), nor a social grouping sharing common characteristics and interests (for instance, "business" or "the bourgeoisie"). Rather, in its general determination as self-valorising value, capital is a materialised social relation between commodity-owners differentiated into social classes, which, in its fully developed form as the (global) *total social capital*, becomes inverted into the (alienated) subject of the process of social reproduction and its unitary expansion.[44] Thus, capital is essentially the movement of the self-expansion of the objectified general social relation between private and independent human beings, which, in the course of its own process, produces and reproduces the latter as members of antagonistic social classes.[45] All moments of the human life-process become inverted into material bearers of the life-cycle of capital, or, rather, they become forms assumed by the flow of value in its self-expanding circulatory process. Subsumed under the capital-form, the alienated content of social life becomes the production of surplus-value or the formally boundless quantitative progression of the general reified form of social-ecological metabolism.[46]

Although this content governs the movement of capital as a whole, as an alienated collective power the total (global) social capital is nonetheless the product of the private and independent form taken by social labour.[47] The general unity of the movement of the total social capital cannot be established immediately. It is thereby indirectly established through the exchange of commodities resulting from the apparently autonomous actions of individual capitals in competition with each other, as each of them pursues the maximisation of its profitability through the expanded reproduction of their formally independent cycles of valorisation. More specifically, the concrete form in which individual capitals assert their class unity as "aliquot parts" of the total social capital is the process of formation of the general rate of profit.[48] This is the inner or essential determination of the general social relation between capitalist firms (or individual capitals). Competition between individual capitals operating in different branches of production within the international division of labour (IDL) has the result of equalising rates of profit in and across those branches, thus averaging out to form an average world market rate of profit.[49]

The antagonistic character of the class relation disrupts the fluidity of the total social capital's valorisation. The establishment of the general unity of social labour must therefore take shape through a further objectified form of social mediation, the state, which in bourgeois society confronts commodity-owners (the personifications of money-as-capital and of the commodity labour-power), as an apparently external power with the authority and capacity to establish the overall direct regulation of their antagonistic social relations. The state thus develops as the most concrete political form that embodies the direct organisation of the unity of the conditions of social reproduction in its alienated capital-form.[50] By virtue of this content, the state becomes the general political representative of the total social capital. In brief, capitalist social relations exist as differentiated economic forms (the autonomised movement of capital-commodities on the market) and political forms (class struggle and the state). The latter, far from enjoying "autonomy" (relative or otherwise), are the necessary mode of realisation of the contradictory content of the economic mode of existence of capitalist social relations. In other words, class struggle and state policies are not to be conceived of as independent, self-subsisting factors that externally modify or influence the workings of the law of value. Instead, they need to be grasped as necessary modes of motion through which the law of value further unfolds beyond the strictly economic forms immediately springing from the indirect nature of the social relations of capitalist production.

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[44] Marx, *Capital: Volume I*, *op. cit.*, p. 763.

[45] *Ibid.*, pp. 723–724; Karl Marx, *Capital: Volume II* (Harmondsworth: Penguin, 1992), p. 185.

[46] Marx, *Capital: Volume I*, *op. cit.*, pp. 251–257.

[47] The term "total social capital" is the usual English translation of what Marx variously terms "*gesamte gesellschaftliche Kapital*", "*gesellschaftlichen Gesamtkapitals*", or simply "*gesellschaftliche Kapitals*".

[48] Karl Marx, *Capital: Volume III* (London: Penguin, 1981), pp. 298–300, 312.

[49] Iñigo Carrera, "The General Rate of Profit", *op. cit.*; Bonefeld, "The Spectre of Globalization", *op. cit.*, p. 38.

Insofar as the law of value operates through the jurisdictional demarcation of the world market into multiple national spaces of valorisation, the unity of the global total social capital becomes self-differentiated into the circulation processes of distinct national total social capitals. In this way, the competition between individual capitals becomes politically mediated "by the direct relations that are established between distinct national states—that is, their 'international relations'".[51] The formation of the average world market rate of profit thus takes concrete shape through diverse geopolitical forms. However, this does not change the fact that the immanent content of both international economic relations between individual capitals and international political relations between national states remains the accumulation of capital on a world scale. Geopolitical competition in the "interstate system" is thus but a further mediated form in which, through their political representation by their respective states, the "multiplicity" of national total social capitals also assert their unity as aliquot parts of the global total social capital. Through all these complex mediations, the latter thereby affirms itself as the concrete alienated subject of socio-ecological metabolism through the exploitation of the international working class.[52]

This eminently unconscious and crisis-ridden social-ecological process gives rise to changing constellations of the international division of labour and, as a consequence, to evolving developmental potentialities for each national space that mediates the production of relative surplus-value by the total social capital across the globe. The territorial or spatial dimension of the capital accumulation process—and the changing forms of the worldwide division of labour—therefore cannot be seen as being determined by the conscious and autonomous political "strategies" of governments and state bureaucrats charged with directing the "national economy". Instead, it needs to be grasped as an expression of the underlying formal and material unity of the essentially global contradictory dynamics of the accumulation of the total social capital through the production of relative surplus-value, which are economically mediated (as opposed to determined) by relations of competition among individual capitals like transnational corporations (TNCs), on the one hand, and politically mediated by the policies of a multiplicity of national states on the other.[53]

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[50] Marx, *Capital: Volume I*, *op. cit.*, p. 719ff.

[51] Gastón Caligaris, "The Global Accumulation of Capital and Ground-Rent in 'Resource Rich' Countries", in Charnock and Starosta, *The New International Division of Labour*, *op. cit.*, p. 58.

[52] For further methodological clarification of the relation between the *global* total social capital and *national* total social capital, see *ibid.*, pp. 56–59.

The dynamic and changing character of international development is therefore a product of *these* "inner structural dynamics" of the accumulation of capital and the worldwide production of relative surplus-value in particular. Smith's insistence that "uneven development represents a forced yet contested, momentarily fixed yet always fluid resolution to [the] central contradiction [of equalisation and differentiation]" ultimately stops short of foregrounding the content of such dynamics, and thus leaves "geo-historical processes as they are 'really going on'" unexplained.[54] Where we advance beyond Smith, therefore, is in our own insistence that we need to return to the question of how the total global social capital—as the general reified form of social-ecological metabolism—looks to produce relative surplus-value *in concrete, historical forms*. The key to providing an answer to this question, and one which evades the dualism between theory and history, lies in the recognition that in its most developed form as large-scale industry, the production of relative surplus-value fundamentally entails the permanent revolution in the modes of exertion of the labour-power of individual workers and of their articulation as a directly collective productive body or organism.[55] *This* is the "permanent revolution" that lies at the heart of the changing historical forms of the international division of labour and its geopolitical manifestations, and which—when it forms the basis of the theorisation of "the international"—allows for the preservation in the very process of cognition itself of the unity of nature and society (i.e. the specificity of capitalism) as well as the unity of theory and history in the substantive explanation of the social totality and its changing forms.

The foundation of the uneven spatial differentiation of capitalism as a totality—whether manifest in the differentiation of conditions of development across and indeed *within* national borders—must therefore be searched for in the global, historical transformation of the material forms of the capitalist production process (and not, as Smith would leave it, in some indeterminate dynamic of equalisation and differentiation). To reiterate, the (global) total social capital's production of relative surplus-value through the transformation of the materiality of labour process, and hence of the productive subjectivity of the labourer herself, is the general content that is realised in the form of uneven development.

The Changing Forms of the New International Division of Labour and Uneven Development Today

Uneven development is the product of the total social capital's drive to enhance the production of relative surplus-value on a world scale through the development of the productivity of labour. Today, this drive finds its most advanced expression in the computerisation and robotisation of large-scale industry. As a result of its own immanent tendencies, the contemporary form of the IDL represents a complex constellation that is the culmination of an evolving concrete historical process, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class (through their impact upon their general conditions of reproduction and condensed in what Marx alludes to as the "historical component" of the value of labour-power). Each country therefore *tends* to concentrate a certain type of labour-power of distinctive "material and moral" productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner.[56] Production in specific industrial branches since the 1950s, and more conspicuously since the 1970s, has thereby expanded in some countries while contracting in others where new and more advanced sectors have developed, following a rhythm determined by the evolution of technological changes and the relative cost and productive attributes of national labour forces.[57] The result of this historical process is the contemporary IDL, which is expressed of course in "socio-political multiplicity" and the immediate fact of uneven development.

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[53] This crucial point about dialectical mediation is lost in dualist accounts of international politics that posit a "logical" separation between geopolitics and capitalist development – see, for instance, David Harvey, *The New Imperialism* (Oxford: Oxford University Press, 2003). Furthermore, this points to how the crisis-ridden nature of capital accumulation intensifies geopolitical competition to the point of it taking the form of military rivalry between national total social capitals. Although this does not add anything to the *explanation* of the content of the determinations at stake, it does draw attention to its concrete forms and, in particular, to those that comprise the focus of many of the case studies chosen by the U&CD literature.

[54] Smith, "The Geography of Uneven Development", *op. cit.*, pp. 190, 193.

[55] Marx, *Capital: Volume I*, *op. cit.*, p. 617.

Succinctly put, our argument is therefore that the essential general content that explains the unevenly developed character of the contemporary IDL, and which has been reproduced under its evolving historical configurations since the 1950s until the present time, consists in the international fragmentation of the productive subjectivity of the working class.[58] Our approach allows us not just to explain the existence of the international as comprising a multiplicity of distinct national forms of the organisation and reproduction of a material and essentially global process, but also to explain the changing forms of this IDL in world-historical terms.

An analysis of the materiality of the process through which the total social capital today organises socio-ecological metabolism in the form of large-scale industry reveals four divergent and ongoing tendencies in the development of the productive attributes of the global working class.[59] First, it expands the productive subjectivity of the part of the collective labourer responsible for the advance in the conscious control of the movement of natural forces (that is, science) and its technological applications in the directly social organisation of the immediate production process. Although not explicitly addressed by Marx in *Capital*, the benefit of historical hindsight makes it very easy for us to recognise how capital deals with its constant need for the development of the productive powers of science and for the conscious organisation of the increasingly social labour process, namely by engendering a special partial organ of the collective labourer.[60] Capital requires from these workers ever more complex forms of labour. As much as those discussed in *Capital*, these are also "immediate effects of machine production on the worker".[61] Needless to say, inasmuch as this expanded productive subjectivity is nothing more than a concrete form of the production of relative surplus-value, the exercise of the newly developed intellectual productive powers is inverted into a mode of existence of capital in its movement of self-valorisation as well. Moreover, sooner or later many of these intellectual dimensions of living labour can also experience automation (or knowledge "codification") and therefore become relatively simplified. This latter aspect has been central to the more recent phases of the evolution of a "new" international division of labour (NIDL), which has therefore subsumed intellectual labour under its dynamics too.[62]

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[56] Nicolas Grinberg and Guido Starosta, "The Limits of Studies in Comparative Development of East Asia and Latin America: The Case of Land Reform and Agrarian Policies", *Third World Quarterly*, Vol. 30, No. 4 (2009), pp. 771–772.

[57] A process whose incipient stages were identified and (problematically) theorised by Folker Fröbel, Jürgen Heinrichs and Otto Kreye, *The New International Division of Labour: Structural Unemployment in Industrialised Countries and Industrialisation in Developing Countries* (Cambridge: Cambridge University Press, 1980).

[58] Iñigo Carrera, *El capital*, *op. cit.*, pp. 53–90.

[59] *Ibid.*; Guido Starosta, "Revisiting the New International Division of Labour Thesis", in Charnock and Starosta, *The New International Division of Labour*, *op. cit.*, pp. 79–103.

Secondly, the process tends to degrade the subjectivity of those workers that acquire and exercise their increasingly simpler manual or experienced-based productive attributes in the direct process of production. Indeed, large-scale industry is based on the objectification of tacit knowledge, previously embodied in the manual industrial worker and largely acquired through lengthy on-the-job, learning-by-doing processes, as an attribute of the system of machinery.[63] In this sense, the tendency of the impact of the capitalist automation is certainly one of "deskilling" or "degradation" of direct production work through the objectification of formerly manual tasks as functions of machines. Yet the effect of increasing automation in recent decades has not only been one of deskilling. It has been mixed, also entailing a certain creation of new skills that are required by capital even from direct production workers. The key point, however, is that these newer skills have been of a different *kind* from those that have been eroded. While these latter skills tended to be based on the *particularistic* development of the productive subjectivity of wage-workers (both manual and intellectual) as a result of the practical experience of machining in the direct process of production, the newly created skills tend to revolve around the *universalistic* dimension of the productive quality of labour-power, whose development is achieved in the general process of education and socialisation that precedes its actual application in the production process. For instance, the "microelectronics revolution" that is at the basis of the contemporary international division of labour has entailed not only the degradation of the particularistic dimension of direct production work but also the emergence and generalisation of so-called "soft" or "generic skills",[64] such as familiarity with computers and flexibility or individual initiative in problem-solving or decision-making.[65]

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[60] Starosta, *Marx's* Capital, *op. cit.*, pp. 233–288.

[61] Marx, *Capital: Volume I*, *op. cit.*, p. 517.

[62] See, for example, Tomás Friedenthal and Guido Starosta, "The New International Division of Labour in 'High-Tech' Production: The Genesis of Ireland's Boom in the 1990s", in Charnock and Starosta, *The New International Division of Labour*, *op. cit.*, pp. 127–156. Today, such dynamics fascinate commentators on so-called "Industry 4.0" or the "fourth industrial revolution" more generally.

[63] Ursula Huws (ed.), *The Transformation of Work in a Global Knowledge Economy: Towards a Conceptual Framework* (Leuven: HIVA-K. U. Leuven, 2006).

[64] Monique Ramioul, "Organisational Change and the Demand of Skills", in Huws, *The Transformation of Work*, *op. cit.*, pp. 97–118.

[65] Margherita Balconi, "Tacitness, Codification of Technological Knowledge and the Organisation of Industry", *Research Policy*, Vol. 31, No. 3 (2002), pp. 357–379.

In the third place, while the new technologies have not resulted in the total elimination of manual labour from automated processes of production,[66] they have recreated the conditions for the extended reproduction of what Marx called the "modern manufacturing division of labour", that is those non-mechanised tasks and labour processes acting as an "external department" of large-scale industry proper as the dominant form.[67] This tendency was fundamental for the initial stages of what scholarly debate labelled an NIDL from the late 1960s, and it remains the focus of continuing critical research on "commodity chains" and the labour process in, for instance, the global garment industry.[68]

Fourthly and lastly, the production of relative surplus-value through the system of machinery leads to the multiplication of the surplus population relative to the needs of the accumulation process, which also constitutes a transformation of productive subjectivity produced by the automation of large-scale industry.[69] More specifically, this tendency represents the most extreme case of material mutilation of the productive attributes of the working class resulting from capital accumulation, that is, not simply their degradation but the prospect of their outright non-reproduction. Yet it is from this tendency that the global pool of cheap but disciplined labour-power that has been central for the original constitution and evolution of an NIDL from the 1960s was eventually derived, and which today provides the lifeblood for "debtfarism" and the "poverty industry" in advanced as well as developing countries.[70]

In sum, the upshot of all these material transformations in the capitalist labour process has been an increase in the internal polarisation of the global collective labourer according to the type of productive attributes that its different members embody. As a concrete expression of the inner nature of the process of capital accumulation, these social processes have been global in content and national only in form. More specifically, this growing differentiation of the productive attributes of the collective labourer of large-scale industry has been at the basis of the emerging patterns of differentiation of national and indeed supra- and sub-national spaces of accumulation in the last four decades. In effect, based on these productive changes and the revolution in communication and transportation methods, capital has been increasingly able globally to disperse the different parts of the labour process according to the most profitable combinations of *relative* costs and productive attributes of the different national fragments of the worldwide labour force (through their impact upon labour productivity and unit labour costs). In empirical terms, this presents itself in the immediate fact of uneven international development.[71] It is also manifest in the internal regional and local differentiation of the conditions of the reproduction of labour-power *within* national spaces of accumulation,[72] as well as the formation of wider supranational or regional spaces of valorisation whose constitution thereby required the mediation of the development of novel international juridical and political forms (e.g. the European Union). The economic and/or political integration of national spaces of accumulation into broader free trade areas, in competition with one another, has been yet another concrete form in which capital achieved the increased heterogeneity in the reproduction of the varied organs of the global collective labourer.

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[66] Ludovico Alcorta, "Flexible Automation and Location of Production in Developing Countries", *The European Journal of Development Research*, Vol. 11, No. 1 (1999), p. 164.

[67] Marx, *Capital: Volume I*, *op. cit.*, p. 588ff.

[68] See, for example, Alessandra Mezzadri, *The Sweatshop Regime: Labouring Bodies, Exploitation and Garments Made in India* (Cambridge: Cambridge University Press, 2017).

[69] Marx, *Capital: Volume I*, *op. cit.*, pp. 553–575.

[70] Susanne Soederberg, *Debtfare States and the Poverty Industry: Money, Discipline and the Surplus Population* (London: Routledge, 2014).

[71] As detailed in Nicolas Grinberg, "From Miracle to Crisis and Back: The Political Economy of South Korean Long-Term Development", *Journal of Contemporary Asia*, Vol. 44, No. 4 (2014), pp. 720–721.

[72] Which is to say that the divergence in the conditions of reproduction of the expanded and degraded organ of the collective labourer is now replicated *inside* advanced capitalist countries

We would underline, however, that the historical emergence and expanded reproduction of this novel form of the IDL has not entirely wiped out its "old" or "classic" modality. In this, certain countries (for instance, most of the Southern Cone of Latin America and, paradigmatically, Argentina and Brazil), due to particularly favourable and non-reproducible natural conditions that enhance the productivity of labour, continue to participate in the planetary production of relative surplus-value through the provision of cheapened raw materials, staple foods or energy sources to the world market (hence directly or indirectly reducing the average value of labour-power of the international working class).[73] Moreover, the reproduction of this form of subsumption of these territories into the global circuits of accumulation is not simply based on the export of "natural-resource based" commodities. In effect, insofar as the latter are material bearers of ground-rent and are consumed overseas, this involves a continuous in-flow of extraordinary social wealth that constitutes a drain of the total surplus-value otherwise available for capital's appropriation, and which, *ceteris paribus*, would end up in the pockets of domestic landowners.[74] Capital was thus historically driven to overcome this barrier to its accumulation capacity by reshaping those spaces of valorisation in order to recover part of that surplus-value, through the establishment of an "antagonistic association" with local landowners over the shared appropriation of ground-rent.[75] Thus, from originally being simply a source of cheap raw materials and means of subsistence, the qualitative specificity of those national spaces of valorisation has actually become determined as a source of ground-rent recovery for global capital.[76]

The reproduction of this modality of the accumulation process needs to be politically mediated by a wide array of state policies that intervene in the circulation of ground rent-bearing commodities in order to block the "spontaneous" course of ground-rent towards landowners and divert its flow towards capital. Thus, the transfer of ground-rent must be achieved through different policy mechanisms

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themselves. This process is, of course, heavily mediated by gender, ethnicity, age and other intersectionalities. See, for example, the illustrative evidence in Alex Nunn, "The Production and Reproduction of Inequality in the UK in Times of Austerity", *British Politics*, Vol. 11, No. 4 (2016), pp. 469–487.

[73] As Marx remarks in Volume I of *Capital* (*op. cit.*, pp. 579–580), the establishment of this "classic" modality of the IDL was determined by the production of relative surplus-value through the system of machinery of large-scale industry.

[74] Juan Iñigo Carrera, *La renta de la tierra: Formas, fuentes y apropriación* (Buenos Aires: Imago Mundi, 2017).

[75] Nicolas Grinberg and Guido Starosta, "From Global Capital Accumulation to Varieties of Centre-Leftism in South America: The Cases of Brazil and Argentina", in Susan J. Spronk and Jeffrey R. Webber (eds.), *Crisis and Contradiction: Marxist Perspectives on Latin America in the Global Political Economy* (Leiden: Brill, 2015), pp. 236–272.

[76] For an explanation of the specific modality through which subsidiaries of TNCs operate within such countries, and how they valorise on the basis of the recovery of in-flows of surplus-value, see Alejandro Luis Fitzsimons and Guido Starosta, "Global Capital, Uneven Development and National Difference: Critical Reflections on the Specificity of Accumulation in Latin America", *Capital & Class*, Vol. 42, No. 1 (2018), pp. 109–131.

(overvalued exchange rates, export and import taxes, direct state regulation of staple food and raw material prices, etc.), which result in the establishment of specific domestic conditions for the circulation of capital within those national territories.[77] Consequently, its appropriation can only be done by capitals operating within those countries and whose circuit realises its final phase (i.e. the sale of commodities) almost exclusively on protected domestic markets of a very limited size vis-à-vis world market norms.[78] Although this means that individual capitals cannot reach the scale needed for profitably utilising advanced technological conditions, they have compensated the resulting higher production costs with the appropriation of a portion of ground-rent. In this way, they have valorised at the average rate of profit despite their restricted magnitude and backward technologies.[79] This abundant extraordinary mass of social wealth has thus systematically complemented the surplus-value extracted from the domestic working class to the point of determining the very specificity, *with its inherently limited potentialities*, of the developmental trajectory in those national spaces. This, in other words, explains "underdevelopment" in Latin America, and on a basis that is entirely consistent with the "unified theory" of uneven development we outline above.

The emergence and development of the "new" IDL did not, therefore, entail the overcoming of the "classic" IDL. Both modalities actually coexist in the contemporary configuration of the world market, resulting in a more complex form through which the formal/material unity of the global accumulation process is achieved. This insight can explain the content that underlies the different types of regionalism that prevail in Latin America for instance (e.g. the Mercosur), and in a way that does not simply rely on a catch-all tendency to subsume the explanation of the existence of such regions within some abstract logic of geopolitical rivalry and cooperation. It is, in other words, another reason not to theorise "the international" as if political forms were autonomous from their economic content.

Conclusion

In a recent essay, Olaf Corry makes the case that the longstanding preoccupation with geopolitics among IR scholars of various theoretical bents has resulted in a commonplace tendency to assert an ontological distinction between nature (or the environment), on the one hand, and questions of "sovereignty, anarchy and balance of power" on the other—a separation he finds palpably untenable in an "Anthropocene age" in which we are all fast becoming aware of the mutually transformative (and destructive) dynamics of human behaviour and the Earth's ecology.[80] Corry suggests that "old materialism" might have something to offer IR scholars today insofar as "Marx put nature, and human interaction with it, right at the centre of historical social theory".[81] We agree, and have sought in

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77. A detailed account of these policies and their role in transferring ground-rent to industrial capital can be found in Juan Iñigo Carrera, *La formación económica de la sociedad argentina. Volumen I, Renta agraria, ganancia industrial y deuda externa. 1882–2004* (Buenos Aires: Imago Mundi, 2007); and in Caligaris, "The Global Accumulation of Capital", *op. cit.*, pp. 66–70.

78. Grinberg and Starosta, "The Limits of Studies", *op. cit.*, p. 769ff.

79. Fitzsimons and Starosta, "Global Capital", *op. cit.*

80. Olaf Corry, "The Nature of International Relations: From Geopolitics to the Anthropocene", in Clara Eroukhmanoff and Matt Harker (eds.), *Reflections on the Posthuman in International Relations: The Anthropocene, Security and Ecology* (Bristol: E-International Relations, 2017), pp. 102–118.

81. *Ibid.*, p. 111.

this article to outline the basis for a unified—that is *dialectical*—theory of uneven development that resists any tendency to posit a dualist logic between humans and nature, or indeed between the "laws of motion" of capital and the international system. The key to this endeavour, we suggest, is to put the question of the transformation of human productive subjectivity—or, more simply, labour—at the heart of any cogent theory of the international and its uneven development. Unfortunately, while Rioux is right to suggest that Neil Smith has gone some way to uncovering the "inner dynamics of development itself", we have argued that Smith's explanation of uneven development on the basis of his theory of the production of nature, space and scale in capitalism falls short of foregrounding the underlying content of uneven development: the worldwide production of relative surplus-value and, with it, the transformation and fragmentation of the productive subjectivity of the international working class.

To persist in the pursuit of a theory of uneven development and the international that upholds the relative autonomy of geopolitical and sociological modes of explanation on the basis of an axiomatic "logical rule" is to foreclose the possibility of arriving at a socio-naturally-grounded theory that explains why and how the inner dynamics of (specifically) capitalist development are *necessarily* uneven, and why and how they are expressed through the reproduction in time and space of an international state system characterised by cooperation and conflict between geopolitical forms that mediate the global accumulation of capital. Our intervention goes some way, we hope, towards the elaboration of such a theory—one that foregrounds the analytical and political question of the transformation of human productive subjectivity. As a basis for future research and debate into the dynamics of uneven development, and their mediation by different national states, our intervention points towards further empirical investigation of the concrete forms in which the expansion and degradation of the productive subjectivity of the different organs of the collective labourer, as it springs from the global production of relative surplus-value, unfolds.

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No potential conflict of interest was reported by the authors.

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Global capital, uneven development and national difference: Critical reflections on the specificity of accumulation in Latin America

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Abstract

A recent Special Issue in this journal devoted its pages to discuss the varied forms of capitalist development in different countries and regions across the globe. Specifically, the contributions offered a critical assessment of the hegemonic 'neo-institutionalist' approach to the study of national diversity of capitalism, with particular focus on the 'varieties of capitalism' approach. This article critically engages with the different alternatives to the varieties of capitalism approach that were put forward and shows that these other perspectives also fall short of providing a convincing framework to address the problematique of national or regional particularities as posed in the debate. In order to offer a more solid explanation of the phenomenon of 'capitalist variety', the article draws upon Marx's fundamental insight into the determination of capital as a materialised social relation which becomes the immediate alienated subject of the organisation of the process of social life and also moves some way beyond it so as to cast fresh light on global transformation and uneven development in recent decades. More concretely, the article further submits that the specificity of the Latin American 'variety of capitalism' must be grounded in the constitution and dynamics of the

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international division of labour which results from the underlying essential unity of the production of relative surplus value on a world scale by the global total social capital. In other words, we grasp the emergence of national specificities as the immanent result of the global unfolding of the 'law of value'.

Keywords
global accumulation, Latin America, law of value, uneven development, varieties of capitalism

Introduction

A recent Special Issue in this journal devoted its pages to discuss the varied forms of capitalist development in different countries and regions across the globe. Specifically, the contributions to the Special Issue offered a critical assessment of the hegemonic 'neo-institutionalist' approach to the study of national diversity of capitalism, with particular focus on the 'varieties of capitalism' (hereafter, VoC) school (Hall & Soskice 2001), which is probably the most influential perspective within the broader 'comparative capitalisms' (CC) literature (Coates 2015: 14–16). The general conclusion agreed upon by most authors was that this approach suffers from several weaknesses for the purpose of a critical understanding of the undeniable national differences that exist in the global landscape of the capitalist mode of production. On the other hand, participants in the debate also tended to agree that there is a 'rational kernel' in the intellectual enterprise underpinning the VoC approach, which is the recognition that it is necessary to account for the self-evident differences in the contemporary forms taken by capitalism within each national or regional space of capital accumulation. However, disagreements emerged when it came to establishing the alternative approach that could offer a more solid explanation of the social processes underlying the phenomenon of national differentiation in the world market.

A further point made in the Capital & Class Special Issue was that although the original focus of the VoC perspective was on diversity in 'advanced' capitalist countries, it later broadened its analyses to incorporate research on other parts of the world (Ebenau 2015).[1] As a matter of fact, one of the central themes that cropped up in most articles in a specially devoted section on zones outside the 'core' of the capitalist world economy was the inability of the VoC framework (and also of the broader CC literature) to offer a solid account of the particularities of development in 'peripheral' or 'emergent' countries or regions. Moreover, most contributions also tended to agree on the fundamental reasons behind the failure of 'neo-institutional' perspectives to shed light on the nature and dynamics of the 'periphery'. In the first place, critics highlighted that the one-sided focus on *institutions* led the VoC approach to neglect the specifically *capitalist* character of those societies. Second, they also argued that it failed to shed light on the ways in which the global dimension of capitalist social relations shapes the structure and trajectory of those countries and regions of the world economy.

We fully concur both with this appraisal of the limitations of the neo-institutionalist approach to our understanding of the 'periphery' and with the main sources of those weaknesses that these critics of the VoC identified. However, we think that the radical alternative frameworks advanced in the Special Issue, based as they were on different versions of dependency theory and on the increasingly popular uneven and combined development (U&CD) perspective, did not entirely succeed in overcoming those limitations of the VoC school to make sense of the specifically capitalist and global determinations underlying the constitution of the political economy of the so-called 'periphery'.

In this regard, the central aim and deliberately limited scope of this article is to intervene in this other 'derivative' debate, specifically focusing on the question of the 'variety of capitalism' prevailing in Latin America (which, incidentally, was one of the most widely discussed cases in the Special Issue).[2] Thus, while taking on board the consensus on the pitfalls of neo-institutionalism that emerged out of the Special Issue, we intend to push the discussion forward by critically engaging with the different alternatives to the VoC approach that were set forth and show that these other perspectives also fall short of providing a convincing framework to address the *problematique* of national or regional particularities as posed in the debate. In a nutshell, we argue that there are two main weaknesses in all those other approaches, which underlie their inability to offer a critical alternative to the understanding of the fundamental issue at stake. In the first place, despite their self-conscious effort to transcend the 'methodological nationalism' characterising the VoC perspective, they nonetheless fail firmly to ground the constitution of national or regional specificities in the essentially global dynamics of the capital accumulation process. Second, and relatedly, in all cases they more or less explicitly conceive of political forms of capitalist social relations, that is, class struggle and/or the state (and its policies) as somehow autonomous from the (alienated) economic content of this historically specific mode of existence of the human-life process: the self-movement of valorisation of value.

To overcome these shortcomings, this article offers an alternative approach that builds on innovative theoretical scholarship that has emerged in the last 20–25 years under the auspices of the Centre for Research as Practical Criticism (CICP), based in Buenos Aires, Argentina, and especially the work of the independent scholar Juan Iñigo Carrera (2007a, 2013). This work, which is only just recently beginning to appear in Anglophone literatures – in part, because it has been developed outside of formal academic structures and networks – represents a thorough re-examination of Marx's critique of political economy and its dialectical-methodical foundations (Iñigo Carrera 2006, 2014, 2015). While drawing upon Marx's fundamental insight into the determination of capital as a *materialised* social relation which becomes the immediate alienated subject of the organisation of the process of social life in its immanent unity, it also moves some way beyond it so as to cast fresh light on global transformation and uneven development in recent decades.[3]

Two insights from this reading of the Marxian critique of political economy are relevant for this purpose. First, we argue that the specificity of the Latin American 'variety of capitalism' must be grounded in the constitution and dynamics of the international division of labour which result from *the underlying essential unity of the production of relative surplus value on a world scale by the global total social capital* (Iñigo Carrera 2016b; Starosta 2016). In other words, we propose to grasp the emergence of national specificities as the immanent result of the global unfolding of the 'law of value'. Second, we submit that the qualitative form of capital accumulation in Latin America that has historically consolidated out of the global process of production of relative surplus value, and which is still being reproduced in the majority of countries in this region under the contemporary configuration of the international division of labour, revolves around the appropriation of an extraordinary mass of social wealth flowing into those national spaces of valorisation under the form of ground-rent (Caligaris 2016; Iñigo Carrera 2006, 2007b).[4] It is this specific determination which underlies the economic and political forms that constitutes the Latin American 'variety of capitalism'. However, the article also notes that since the late-1950s, the planetary production of relative surplus value has constituted a new, *co-existing* constellation of the international division of labour, which revolves around the international fragmentation of the productive subjectivity of the global collective worker of capitalist large-scale industry (Iñigo Carrera 2013: 53–90). The constitution of this so-called New International Division of Labour (NIDL) has been at the basis of the different developmental path followed by East Asian countries since the 1960s (Starosta 2016). But, in addition, the changes in Mexico and Central America in the last 30 years indicate that the *qualitative specificity* of their respective developmental processes has actually 'converged' with that of (second-tier) East and South East Asian newly industrialised countries (NICs) and 'diverged' from that of South American countries. Strictly speaking, then, one can no longer speak of a *single Latin American* 'variety of capitalism'.

To substantiate all these arguments, the article is structured as follows. The next section briefly reviews the main lines of criticism of the VoC that were put forward in the symposium and then moves to a more detailed appraisal of the other approaches that were presented as theoretical alternatives to neo-institutionalism. Upon uncovering the weaknesses of these radical approaches for the development of a solid *explanation* of the constitution and dynamics of the qualitative specificity of the developmental process in Latin America (or, more broadly, in the 'periphery'), the third section unfolds our own alternative approach to global uneven development based on our reading of the Marxian critique of political economy. This will allow us to delineate in greater depth the constitution and particular features of national spaces of valorisation with specifically limited qualitative potentialities (e.g. most Latin American countries), out the dynamics of the essentially global process of production of relative surplus value. Finally, the final section illustrates the more concrete implications of this perspective with the examination of the recent trajectory of the automotive sector in Argentina. This will allow us to bring to light the peculiarities of the form of accumulation of capital revolving around the appropriation of a portion of ground-rent (in a country which is paradigmatic of this modality of accumulation) through the observation of the immediate empirical manifestations of this form of valorisation of capital (in a sector of social production which, in turn, is emblematic of the limited potentialities of the industrialisation process to which the former gives rise). In addition, this brief 'sectoral case study' will serve to highlight more starkly the shortcomings of many of the other radical approaches to the study of Latin America.

Beyond the VoC approach? The limits of alternative critical approaches to the specificity of capital accumulation in 'peripheral' regions

The radical perspectives brought together in the Special Issue of this journal point to several weaknesses in the VoC approach to Latin America. Most of the critiques focus on its neo-institutional foundations, although some of them mention concrete problematic issues concerning the analysis of Latin America by VoC scholars. In the first place, as

Coates (2014: 21–24) points out, even within the CC literature it is increasingly acknowledged that the VoC approach pays scarce attention to the determinations of that whose varieties it aim to explain, that is, capitalism as an economic system. In this sense, some scholars have argued that the excessive emphasis on institutions led the VoC approach to 'reify' the different institutional arrangements as the only causes of national variation (Fernández & Alfaro 2011: 71; Taylor 2014: 131). Coates (2014: 24–25), however, goes further in his critique and observes that it is not simply a matter of complementing institutional with economic analysis, but a question of bringing the laws and tendencies of capitalism back into the heart of the explanation of differentiated national development.

This point dovetails with a second line of criticism made by several participants in the Special Issue: the underlying 'methodological nationalism' which characterises the VoC framework and institutionalism more generally. A first aspect of this is that the VoC approach is overly focused on the nation-state as a regulatory institution, losing sight of the growing role of supranational structures of regulation, such as bilateral or regional trade agreements, which limit state capacities for autonomous policy formulation and making (Ebenau 2012: 213–214). Similarly and with specific reference to Latin American countries, it has been argued that the VoC approach one-sidedly reduces the explanation of the behaviour of TNCs' subsidiaries to a function of the national institutional framework in which they operate, thereby overlooking their contextualisation within the *global* strategies of TNCs (Ebenau 2012: 211–212). Still, the farther-reaching criticism centres on the undertheorisation of the global economy. In effect, as noted by Taylor (2014), the VoC approach conceives of the world economy as 'as an aggregate of distinct national models' (p. 132), which leads these scholars to overlook the (hierarchical) interconnections between the diverse economies which form the global structure of capitalism (see also Ebenau 2014; Hardy 2014; Jessop 2014).

Finally, most critics have also taken issue with the VoC approach's 'firm-centrism'. In effect, this excessive focus on the firm, which derives from a general framework initially devised for the comparative analysis of advanced countries, fails to capture the central role of the state in the organisation of capitalism in Latin America (Fernández & Alfaro 2011: 80–84; Sánchez-Ancochea 2009). In a similar vein, the VoC approach is usually blind to the part played by working class resistance to transnational corporations' (TNCs') strategies, especially in the Argentine case (Fishwick 2014). Still, we think that the more problematic issue with the VoC's firm-centrism raised by critics lies elsewhere and is essentially methodological: the one-sided explanation based on 'agency' at the expense of 'structure'. More concretely, the argument of these scholars go, VoC's virtually exclusive focus on business strategies and forms of corporate governance does not allow it to comprehend the functioning of capitalism as a broader set of 'institutions' (or rather, social relations) which actually shape those strategies (Jessop 2014: 49–54).

In sum, although most critics recognise the merits of the VoC approach for drawing scholarly attention to the importance of national or regional particularities in the world economy, they also tend to agree that at bottom, the key weakness of the approach is that in its efforts to bring variety to light, it has neglected (or, at least, downplayed) the capitalist character of those societies in which those varied institutions that constitute their specificity are found. As Coates (2014) eloquently puts it,

> We cannot move from understanding to explanation without completing the epistemological rupture with the new institutionalism; without going from idealism to materialism, and without going from Weber to Marx. (p. 25)

We could not agree more with this. Hence, in the rest of this section, we turn to the critical examination of the major alternative approaches to the study of 'peripheral societies' that were put forward in the Special Issue of Capital & Class, to assess the extent to which they live up to Coates' demand to 'move from understanding to explanation' in the study of the specificity of Latin America in the global political economy of capitalism.

In broad terms, the Special Issue contained three main alternative perspectives for the critical study of the specificity of capitalism in 'peripheral' regions. The first one is that of Weiss, whose main thrust revolves around the recovery of ideas from the monthly review dependency school centred in turn on Baran and Sweezy's concept of 'economic surplus'. According to Weiss (2014: 160), this latter concept allows us to avoid the reification of institutions' characteristic of the VoC approach (i.e. the divorce of institutions from the relations of production which constitute their 'historical context'). In this sense, this author argues that institutional variety is always limited by the structural necessity to search for profits that define capitalism as a mode of production (Weiss 2014: 158). Thus, it follows that this first line of argumentation actually consists in *downplaying* the importance of the phenomenon of capitalist diversity rather than offering an alternative account of it. In the second place, Weiss (2014) points out that the *content* of institutional difference is not given by the need to resolve coordination problems of collective action, as VoC scholars would have it, but by the result of the *class struggle over the distribution of the economic surplus* (p. 162). However, despite this alternative conceptualisation of the content of institutions, Weiss does not seem to offer any source of national or regional capitalist diversity other than *institutional variety* itself. Put differently, Weiss' proposal comes down to the explanation of national specificities in terms of the different outcomes of the *politically determined modes of distribution* of the 'economic surplus'. However, it is to be noted that according to this approach, those national specificities do not imply any qualitative difference in the *economic content itself of the valorisation and accumulation of capital.* Variety, Weiss (2014) concludes, is simply defined as 'the historically conditioned and socially contested utilisation of economic surplus' (p. 165).

In our view, this approach fails to achieve a complete break with the institutionalist paradigm for at least two reasons. In the first place, similarly to the VoC framework, it still locates the explanation of capitalist diversity in the institutional configuration of different countries or regions. In effect, institutions are the only social forms that 'vary': the modalities of the valorisation and accumulation of capital that constitute the general content of the capitalist mode of production remain essentially the same in all 'national societies'. In the second place, in confining variation to a distributive conflict over the 'surplus', this perspective necessarily conceives of variety as a *contingent* feature of national or regional spaces of valorisation of capital, since all 'structural' economic determinations of the latter are seen as invariant by definition.

Ebenau (2012, 2014) offered a further alternative to the VoC approach to the study of the specificity of 'peripheral' societies in the world market, which also draws from the tradition of dependency theory. However, in this case the main intellectual source is the

Latin American school of dependency theory and centres on Cardoso and Faletto's analysis of the impact of external factors (grounded in each country's form of insertion in the world economy) on domestic class relations (Ebenau 2012: 219). On this basis, Ebenau highlights that there are certain structural factors – which originate in the dynamics of 'central' or 'dominant' countries – that condition the class struggle in 'dependent' countries and, a fortiori, their national processes of capital accumulation. These factors include, among others, the specialisation of dependent economies in the export of primary products, the hegemonic role of TNCs in the leading sectors of the local productive structure and the subordination of national capitals to the strategies of TNCs.

Now, a first critical point to make against this recovery of Cardoso and Faletto's contribution is that this 'sociological' version of 'dependency theory' focused on the class struggle as the essential explanatory factor of the Latin American specificity had already been challenged within the same theoretical tradition by its so-called Marxist current, that is, that derived from Ruy Mauro Marini's (1978, 2008) work. Although Ebenau does refer in passing to the works of Marini (Arinci et al. 2015: 193; Ebenau 2014: 110), he does not seem sufficiently aware of the crucial differences that set the latter apart from Cardoso and Faletto's more widely acknowledged 'sociological' take on dependency theory. Fundamentally, Marini (1978) perceptively noted that the version of dependency theory that 'pays lip service to the class struggle […] will never allow us to understand *why* the working class in advanced capitalist countries has managed to unfold its struggle with better outcomes than that of dependent capitalist economies' (p. 71, *our translation*). The reason for this inability resides in the fact that this approach invokes the class struggle as a self-grounded 'deus ex machina' which 'allows to explain everything' (Marini 1978: 68). In contrast, Marini's (1978) alternative perspective consists in identifying the *reasons* that 'explain the class struggle', that is, it investigates 'the material conditions in which the class struggle takes place' (p. 68).

Moreover, Marini (2008) insightfully attempts to extend this essentially correct *immanent* nexus between *economic content* and *political forms* of the capital relation to the sphere of uneven international relations, thereby rejecting those 'politicist' explanations of national differences based on 'diplomatic and military pressure by industrialised nations' (pp. 119–120). Unfortunately, in this latter endeavour, Marini's own attempt at a Marxian explanation of global uneven development is not entirely successful. In effect, when accounting for the specificity of capital accumulation in Latin America, Marini conceives of the latter as residing in a particular, *nationally embedded* method of production of surplus-value based on the 'super-exploitation' of labour, which, in turn, emerges as an 'adaptation mechanism' through which dependent economies react to the outflows of surplus-value that result from the 'unequal exchange' relations that they establish in international circulation with advanced capitalist countries (Marini 1978: 172–179, 2008: 124–127). In other words, for Marini the production of surplus-value is an attribute of each 'national total social capital', with its specificity determined by the *dominant* (i.e. essential but not necessarily exclusive) mechanism of exploitation of the working class. Latin American 'total social capitals' develop their own nationally based methods of production of surplus-value (super-exploitation) as a 'functionally determined' consequence of the methods originally developed in advanced countries (technical progress). In contrast, we shall argue in the next section that the production of surplus-value is an attribute of the *global total social capital*, whose *immanent unity or content* obtains at the level of the *world market*, but which becomes *self-differentiated* into qualitatively specific *national forms*. Thus, despite his valuable best efforts to ground the qualitative differentiation of the world market in the *economic* determinations of the unfolding of the 'law of value' on a *global* scale, even Marini ultimately *fails* to transcend the 'methodological nationalism' that characterises dependency theory as a whole.

In this sense, a common flaw of all versions of dependency theory lies in their conceptualisation of the essentially global unity of the process of capital accumulation. Specifically, in all cases, ranging from its different original formulations up to its contemporary revivals such as those in the Special Issue, dependency approaches ultimately explain the developmental course of each particular country in terms of the *interaction* between 'internal factors' and 'external constraints'. As we argue below, this approach cannot but represent the inner connection between global content and national form in its *apparent exteriority*. We shall come back to the general methodological limitation of this conception later on, when discussing the shortcomings of the U&CD approach. For the moment, let us examine its more concrete implications through a critical engagement with Ebenau's substantive argument on the limits to the recent 'centre-left' politico-economic experience in Argentina that started in 2003 and which has just come to an end in 2015 (a national instance of the broader so-called 'Pink Tide' that prevailed in many countries of the Southern Cone throughout that period).

According to Ebenau, this 'neo-developmentalist' project, which he identifies theoretically with the work of authors like Bresser-Pereira (2010) and Boschi and Gaitán (2009), and politically with the three 'Kirchnerist' administrations, clashed with two kinds of obstacle. The first one is the 'structurally problematic competitive position of Argentinian firms' in the context of the world market. As a result, these firms are unable to compete neither with China's (or even Brazil's) low wages nor with advanced countries' high productivity (Ebenau 2014: 109). In other words, and here Ebenau invokes a classic insight of dependency theory, it is quite simply impossible for all countries to attain 'autonomous development'. In effect, in the context of 'over-accumulation on a world scale […] the success of some producers will necessarily come at the cost of others, be they already established or aspiring competitors' (Ebenau 2014: 106). The successful progressive 'high road' to world market integration proposed by the neo-developmental political project is therefore highly improbable (if not quite simply impossible). In the second place, Ebenau also points to internal factors hindering autonomous national development. Fundamentally, Ebenau (2014) highlights the refusal of support to the strategy of 'industrial upgrading' by the domestic bourgeoisie (especially, the agrarian faction), who opted for a clear-cut strategy of 'dependent development' on the basis of a peripheral form of world market integration driven by the export of primary products (p. 110). Likewise, the project eventually failed to maintain the support of the workers' movement and other popular groups that it had enjoyed during its earlier years.

In our view, this empirical analysis replicates the more general theoretical shortcomings of the dependency approach mentioned above, and which derived from its conception of the world market as an externally related aggregate of national economies. Thus, it does not suffice simply to *empirically describe* the 'structural external constraints' confronted by recent centre-left administrations in Latin America to comprehend their limited potentialities for social transformation. This leaves us unarmed to *explain* the *qualitative* form of participation of these countries in the global process of accumulation, which *underpins* the *immanent* impotence to challenge and overcome those apparently external factors which are seen as hindering 'from outside' the national development project. To put it in more concrete terms, this account fails to explain, for instance, why wages in Argentina are not as low as in other 'peripheral regions' or the productivity of labour lags so far behind that of 'developed' countries. It just takes those phenomena as given empirical 'facts'. Similarly, it does not suffice to indicate the subjective 'preferences' of bourgeois factions, who for some unexplained reason are depicted as inclined towards profiting from 'commodity rents' (Ebenau 2014: 110) instead of supporting the state-led industrialisation project.[5] A proper 'critical-materialist' account needs to explain *why* the Argentine bourgeoisie adopted this 'accumulation strategy', which, in turn, should be grounded in the globally determined forms taken by the capital accumulation process in this particular national space of valorization.[6]

Finally, let us now examine the third alternative approach to the understanding of national differences in global capitalism put forward in the Special Issue (Hardy 2014; Taylor 2014). In contrast to the previous two cases, it does not draw inspiration from any variant of dependency theory but from Trotsky's analysis of U&CD. In its original formulation in the *History of the Russian Revolution* (Trotsky 2008), this perspective attempted to grasp capitalist development in 'backward' countries on the basis of the 'combination' of 'archaic' elements from domestic relations of production with those assimilated from more advanced capitalist countries. In Trotsky's view, this allowed 'backward' countries to skip 'a whole series of intermediate stages' in their attempt at catching up with advanced countries. Yet, Hardy (2014) notes that

> although Trotsky argued that an understanding of the 'whip of external necessity' has to be rooted in the inner workings of capitalism explained by Marx's law of value, he did not offer an explanation of the drivers or causes of unevenness. (p. 145)

To complete this explanation, Hardy (2014) thus points to capital's 'essential contradiction between a constant tendency for differentiation rooted in the division of labour and the organisation of production, and the opposite tendency towards universalisation reflected in the tendency towards the equalisation of the rate of profit'. However, this explanation of unevenness generated by each firm's aim at realising extra profit that leads to 'technological and institutional change as well as contestation by workers' (Hardy 2014: 146) is still rather abstract and falls short of explaining 'the division of labour [...] between countries'. In other words, as Hardy (2014: 146) remarks, 'this raises a key question regarding the theorisation of the relationship between national sate formations and the interdependence of the global market'.[7]

In order to address this further instance of U&CD, Hardy follows Barker's (2006) extended notion of 'combined development'. According to this view,

> 'national peculiarities [...] are a product of the world system as it is inflected within each separate state', so that 'each country is [...] shaped simultaneously by the development of social

> relations within its borders as well as by multiple forms of economic, political, military and cultural traffic across those same borders'. (Hardy, 2014: 148)

Thus, Hardy (2014) concludes 'the world economy and nation-states are not dichotomous entities', but are

> mutually constitutive in a process whereby nation-states are constrained and shaped by the parameters of accumulation processes in the global economy, but at the same time the strategies of states and capital reshape the accumulation processes in the global economy and forge a new set of parameters and dynamics. (pp. 148–149)

We find two main problems with the U&CD approach. In the first place, although it highlights the need to consider the 'world system' and the 'law of value' to understand national processes of accumulation, we think that the relations between them are ultimately represented in *external* terms. This is most evidently clear in Trotsky's 'classic' formulation, insofar as it conceives of national peculiarities on the basis of the 'combination' of given differences that had been generated by the universal law of unevenness and which *pre-exist* their articulation. Aware of this weakness, Hardy's reformulation proposes the inversion of the order between the 'uneven' and 'combined' aspects of capitalist development, that is, she relabels the theory as 'combined and uneven development'. However, in our view, this theoretical strategy does not suffice to eliminate the exteriority between the global and national dimensions of the unfolding of the law of value. In effect, we have seen that even in its revised version as C&UD, this approach still conceives of the relation between the global unity of the capital accumulation process and national differences as resulting from the *interaction* (or *mutual constitution*, in Hardy's words) of *elements* (i.e. 'world economy' and 'nation states'). And no matter how much two distinct elements influence, complement and transform each other through their interaction, they can only do so from an 'ontologically' prior and irreducibly self-contained existence. This point obviously has broader methodological underpinnings which exceed the scope of this article. But, as argued in great length elsewhere (Starosta 2015: 76–116), suffice it to note that this essentially 'Engelsian' view of dialectical relations as 'unity of opposites' still fails to capture the *movement of affirmation through self-negation* which constitutes the inner, immanent unity between the *content* and *form* of real phenomena. In contrast, we shall see below that the key question resides in explaining why and how the immanently global unity of capital accumulation (the content) becomes self-differentiated in national spaces of valorisation of qualitatively 'varied' kinds (the form), as it *subsumes* under its movement of formally boundless self-expansion the materially diverse determinations of different territories and human productive forces across the globe, thereby engendering historically changing constellations of the international division of labour.

This leads us to what we consider the second major weakness of the UC&D/CU&D approach to the study of 'peripheral societies'. In our view, and in a nutshell, this approach does not really constitute a theory proper but rather a *description* of the differentiated concrete forms taken by the establishment of the unity of capitalist development at the level of the world market (Rioux 2015). It thus still falls short of 'moving from *understanding to explanation*' as demanded by Coates in the passage cited above. In other words, it is self-evident that there is 'unevenness' in the world market (e.g. that there are more or less 'advanced'/'backward' or 'rich'/'poor' countries) and that there also is 'combination' (i.e. that each country assimilates 'elements' that had their origin in another national territory). The question is to account for the *reason to be or ground* of those particular 'differences and combinations', whose 'amalgam' determines national variation according to this approach. In this sense, the first task that a proper 'theory of capitalist differentiation' should undertake is the identification of which are the differences that actually matter for the emergence of qualitatively specific potentialities in the diverse concrete national forms taken by the global accumulation process.

According to our own alternative to the VoC approach based on the Marxian critique of political economy, the key to the comprehension of relevant forms of national differentiation resides in focusing on the historical dynamics of the *production of relative surplus value by the global total social capital on a planetary scale*. And this requires that we elucidate which territorially embedded qualitative differences acquire 'world-historical' significance from the point of view of their participation in the global process of relative surplus-value production. More concretely, we argue that the explanation of uneven development cannot take as point of departure already constituted national differences (whether institutional or class-based) in their apparently irreducible *singularity*, in order to thence proceed to their 'classification' as a national or regional 'variety of capitalism'. Instead, it must attempt to account for the *specificity* of each territorially or jurisdictionally demarcated space of valorisation, as it emerges out of the configuration of the capital-determined international division of labour. In the next section, we elaborate further on this approach and flesh out its implications for the study of the Latin American 'variety of capitalism'.

Uneven global capital accumulation and the role of Latin America in the international division of labour[8]

The historical specificity of capitalist production derives from the private and independent form taken by human labour. In this form of the human-life process, the social character of labour is represented as an objective attribute of its product, namely, the value-form, which determines useful objects as commodities (Marx 1976: 132). Social relations thus take the alienated form of powers of the product of labour, and human beings become determined as personifications of those objectified forms of social mediation; in its simplest form, as 'representatives of [...] commodities' (Marx 1976: 178–179).

This indirect form in which the unity of social labour is established is fully developed when it becomes capital. Subsumed under the capital-form, the production of surplus value – in short, the formally boundless quantitative progression of the reified 'social nexus' – becomes the content of social life (Marx 1976: 251–257). In this more concrete form as self-valorising value, the materialised social relation does not simply formally mediate the material life process of human beings, but actually becomes inverted into the very alienated subject of the process of social reproduction and its expansion *in its unity*:

the material metabolism of society takes the inverted form of the accumulation of the *total social capital* (Marx 1976: 763). In other words, in capitalist society the process of human metabolism is characterised by an automatism subject to laws, whose motion obviously takes shape through the conscious action of individuals, but whose general unity is unconsciously established 'behind theirs backs'. The 'law of value' is the succinct term that refers to the unity of the determinate forms of movement assumed by this alienated mode of existence of social life in all its concrete complexity.

In the process of renewal of the conditions for its self-valorisation, the total social capital produces and reproduces commodity owners as members of antagonistic social classes (Marx 1976: 723–724, 1978: 185). In its simplest determination, the class struggle is thus the most general *direct* social relation between collective personifications of commodities (thereby determined as a political form of social relations), which mediates the reproduction of the *indirect* relations of capitalist production through the generalised commodity form (thereby determined as the economic form of social relations; Iñigo Carrera 2013; Kicillof & Starosta 2007). Although a necessary form taken by the reproduction of the total social capital, the antagonistic character of the class relation disrupts the fluidity of the former's valorisation. The establishment of the general unity of social labour must therefore take shape through a further objectified form of social mediation, the state, which confronts commodity owners (the personifications of money-as-capital and of the commodity labour-power), as an apparently external power with the authority and capacity to establish the overall direct regulation of their antagonistic social relations (Iñigo Carrera 2012). The state thus develops as the most concrete political form that embodies the direct organisation of the unity of the conditions of social reproduction in its alienated capital-form. That is, the state is the concrete form of the essentially indirect social relations through the valorisation of capital. By virtue of this content, the state becomes the *general political representative of the total social capital*. In brief, capitalist social relations exist as differentiated into economic forms (the autonomised movement of capital-commodities on the market) and political forms (class struggle and the state). The latter, far from enjoying 'autonomy' (relative or otherwise), are the necessary mode of realisation of the contradictory content of the economic mode of existence of capitalist social relations. In other words, class struggle and state policies are not to be conceived of as independent, self-subsisting factors that externally modify or influence the workings of the law of value. Instead, they need to be grasped as necessary modes of motion through which the law of value further unfolds beyond the strictly economic forms immediately springing from the indirect nature of the social relations of capitalist production.

Now, as an expression of its inherently self-expansive nature, this fetishised social relation is global in content and national only in form (Clarke 2001; Iñigo Carrera 2013: 144–145; Marx 1973: 277–278). This means that it is the self-valorisation of value on a global scale, or global accumulation on the level of total social capital, that constitutes the immanent end in the world market (Smith 2006: 193). It follows from this that neither class antagonism nor its expression in the concrete form of state policies or 'domestic institutions' *determines* the modality and course of accumulation within each national space of valorisation. Instead, those nationally differentiated political and institutional forms mediate the unfolding of the underlying formal and material unity of the inherently contradictory dynamics of the accumulation of the total social capital at the global scale. Moreover, the immanent content of these global dynamics is not one of 'imperialism' or 'dependency' (i.e. a *direct political relation* between states, another mediating *form*), but determined by the production of (relative) surplus value on a world scale.[9]

This eminently unconscious and crisis-ridden social process gives rise to changing constellations of the international division of labour and, as a consequence, to evolving developmental potentialities for each national space that mediates the production of relative surplus value by the total social capital across the globe. The latter is, in sum, the general economic content that is realised in the political form of state policies (domestic and foreign) and class conflict, albeit 'behind the backs' of the antagonistic actions of the personifications involved (i.e. social classes and their diverse political organisations, political elites and/or state managers).

Now, as is recognised by virtually all accounts of the history of capitalist development in South America, and more broadly Latin America, the original subsumption of these territories to the global accumulation of capital was based on the production of agricultural (and/or mining) commodities for the world market (Furtado 1976; Marini 2008). As Marx (1976) remarks in *Capital*, the establishment of this 'classic' modality of the international division of labour was determined by the production of relative surplus through the system of machinery of large-scale industry (pp. 579–580). In effect, the exceptional natural conditions prevailing in many of these territories allowed for a greater productivity of agricultural or mining labour, thereby resulting in the cheapening of means of subsistence and a lower value of labour-power. However, this form of subsumption of Latin American territories into the global circuits of accumulation was ridden with a contradiction: if, on one hand, the total social capital enhanced its valorisation by reducing the value of labour-power, on the other hand, this was partly offset by the drain of surplus value, otherwise available for capital's appropriation, flowing into the pockets of domestic landowners in the form of ground-rent.[10] Moreover, to the extent that primary commodities produced in the region have been consumed overseas, ground-rent has constituted a continuous international *inflow* of social wealth.

Capital was thus driven to overcome this barrier to its accumulation capacity by reshaping those spaces of valorisation in order to recover part of that surplus value, through the establishment of an 'antagonistic association' with local landowners over the appropriation of ground-rent. From being simply a source of cheap raw materials and means of subsistence, those territories also became determined as sources of ground-rent recovery for global industrial capital. The developmental trajectory of these countries has been determined by the historical course of this modality of capital accumulation, not only throughout the so-called agro-export stage but also during the so-called import substituting industrialisation (ISI) phase and, in South America, until contemporary times (Iñigo Carrera, 2013: 145–158).

As Caligaris (2016) points out, insofar as 'the political representation of the global total social capital by the state is mediated by the national form taken by the accumulation process', the total social capital's recovery of ground-rent 'must take shape, first of all, in the appropriation of ground-rent by the national total social capital of "resource rich" countries through its own national state' (p. 66). This political mediation has been necessary in order to block the 'spontaneous' course of ground-rent towards landowners through a wide array of state policies that intervene in the circulation of ground rent–bearing commodities and divert its flow towards industrial capital.[11] Thus, the transfer of ground-rent has been achieved through different policy mechanisms (overvalued exchange rates, export and import taxes, direct state regulation of staple food and raw material prices, etc.), which resulted in the establishment of specific domestic conditions for the circulation of capital within those national territories.[12] Consequently, its appropriation could only be done by industrial capitals operating within those countries and whose circuit realised its final phase (i.e. the sale of commodities) almost exclusively on protected domestic markets of a very limited size vis-à-vis world market norms (Grinberg & Starosta 2009: 769ff). Although this has meant that individual capitals could not reach the scale needed for profitably utilising advanced technological conditions, they have compensated the resulting higher production costs with the appropriation of a portion of ground-rent. In this way, they have valorised at the average rate of profit despite their restricted magnitude and backward technologies. This abundant extraordinary mass of social wealth has systematically complemented the surplus-value extracted from the domestic working class to the point of marking the very specificity of the accumulation process in those national spaces.

The modality of the accumulation of capital based on the appropriation of ground-rent in Latin American–protected markets has been very attractive for domestic capitals which, with the exception of those producing ground rent–bearing commodities, were not competitive enough to sustain their expanded reproduction by producing for the world market. But additionally and fundamentally, those markets have proved especially profitable for industrial capitals of foreign origin (i.e. TNCs), which established there from the mid-to-late-1950s onwards. Unlike the internationalisation strategy of TNCs in East Asia (the establishment of 'world market' factories, whether directly or through original equipment manufacturer (OEM) arrangements), foreign capitals in Latin America operated with the smaller scale that those domestic markets required and, given their protected nature, actually made possible. In this way, TNCs in Latin America managed to valorise obsolete fixed capital and accumulate without spending a portion of surplus value in the active development of the productive forces of social labour. However, the other side of this same coin is that the scale of Latin American processes of capital accumulation continued to be structurally dependent on the highly cyclical evolution of the magnitude of ground-rent available for appropriation (hence the widespread 'political and institutional instability' characterising many Latin American countries).

This also explains the noticeable lack of dynamism of capital accumulation in the region since the mid-to-late-1970s, which was momentarily and only partially reverted during the recent 'primary commodities boom' that seems to be just coming to an end:[13] in effect, the mass of ground-rent, especially of agrarian origin, has been, on average, growing at a slower pace than its requirement by industrial capital in Latin American national spaces of accumulation. As a consequence, the process of capital accumulation in the Latin American countries slowed down or entered into deep crisis. In this context, and in order to compensate for the slowly growing ground-rent in sustaining industrial capital's profitability, these national processes of capital accumulation have resorted to other sources of extraordinary social wealth such as the payment of labour-power below its value and the massive inflow of global fictitious capital in the form of mounting foreign debts (the latter made available as a result of the expansion of international liquidity deriving from the long-standing crisis of global overproduction).

Now, since at least the late-1950s, the planetary production of relative surplus value by the total social capital has led to the emergence and gradual development and expansion of a novel configuration of the international division of labour, which has not simply displaced but co-exists alongside the 'classic' modality just sketched out. Premised on the concrete material forms taken by the further automation of the capitalist labour process and advances in means of transport and communication, the so-called NIDL has revolved around the *international fragmentation of the collective productive subjectivity of the working class* (Iñigo Carrera 2013: 66ff; Starosta 2016: 84–96). More specifically, the constitution of the NIDL has been the outcome of the transformation of the modes of existence of the global collective labourer brought about by the leap forward in the process of computerisation and robotisation of the production processes of *large-scale industry*, especially since the 'microelectronics revolution'.

Historically, the emergence of geographically dispersed 'chains of production of surplus-value' *started* with the relocation of simple manual labour processes while concentrating its increasingly more complex parts in advanced capitalist countries. This is the particular initial manifestation of the NIDL that Fröbel et al. (1980) rightly (though one-sidedly) captured in the late-1970s without being able to uncover its general content. Thus, the emergence of the NIDL has been originally guided by capital's search for not only relatively low wages but also domestic working classes whose specific productive attributes included the habituation to 'intensive, collective and disciplined labour' (Iñigo Carrera 2013: 66) under harsh conditions. However, as a result of its own immanent tendencies, the simplest original form of the NIDL has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class. Each national sphere of accumulation that actively participates in the NIDL therefore tends to concentrate a certain type of labour-power of distinctive 'material and moral' productive attributes of a determinate complexity, which are spatially dispersed but collectively exploited by capital as a whole in the least costly possible manner. Note, additionally, that this point applies to intellectual labour as well. Insofar as the latter also becomes *relatively* simplified, the exploitation of the consequently less complex forms of intellectual labour-power can also be relocated to countries where capital finds those kinds of workers more cheaply and with a more compliant subjectivity, as the current literature on 'offshoring of innovation' and 'creative labour' illustrates (Ernst 2005; Huws 2014).[14]

Although this more recent global restructuring of the international of labour had its most emblematic expression in the 'late industrialisation' experience of East Asia since the 1960s (Grinberg 2016; Iñigo Carrera 2013: 66ff), it also had a profound impact in Latin America; paradigmatically in Mexico after the 'debt crisis' of the early-1980s and, more recently, in Central America and the Caribbean Basin.[15] Thus, despite the similar developmental trajectory of Mexico vis-à-vis Argentina and Brazil until the 1980s, in the past three decades the former country has transformed the specificity of its capital accumulation process. More concretely, it has become a source of relatively cheap and disciplined simple labour-power for industrial capital in general, which exploits it in the material conditions (of scale and technology) needed for competitive world market production (whether directly in Mexico through the *maquilas* regime, or mediatedly through the international migration of workers into the United States). Hence, the contrast with Argentina and Brazil, where capital continued to find it more profitable to valorise on the basis of the appropriation of a portion of ground-rent, because the specific kind of labour-power it needed either was not there or was not cheap enough, and/or because the mass of ground-rent was large enough to offset the benefits of a 'structural transformation' in the other direction by providing the source of extraordinary social wealth sustaining those profitable protected domestic markets.

In sum, we think that this approach can help overcome the limitations inherent in the 'methodological nationalism' of other perspectives by providing a basis for the study of VoC both across and within regions, which is grounded in the intrinsically *global* nature of capital accumulation. In the next section, we sketch out a brief illustration of the usefulness of this approach through the discussion of the recent trajectory of the automotive industry in Argentina.

Capital accumulation through ground-rent appropriation: the case of the Argentine automotive industry[16]

Throughout its six decades of existence since the installation of the first *manufacturing* plants in the mid-1950s, the Argentine automotive industry has been characterised by its small scale, the use of internationally backward technology and the relatively low productivity of labour. In effect, even after the so-called 'restructuring' of the 1990s, when a wave of investment gave way to a recovery and expansion of the industry that allowed it to overcome the prolonged crisis of the 1970s and 1980s, the scale and productivity gap with respect to 'world market' norms remained on the same levels as it had been in the 1960s. What is more, due to the high levels of local fragmentation of capital in contrast with the strong global tendency towards its centralisation, the gap actually widened when considered at the level of individual plants. Yet, despite these persisting features in the productive structure of the industry, the main automotive TNCs have not only maintained their direct manufacturing operations in the country but also have actually obtained equal or even higher rates of profits than those existing in the sector at the global level (Pinazo 2015; Sourrouille 1980). This obviously connects with our previous argument about the existence of a specific extraordinary source of valorisation of industrial capital in South America, which allows its normal reproduction despite its uncompetitive material conditions.

As a matter of fact, the prevailing approaches to this issue in the specialised literature resonate with the discussion of 'dependentista' perspectives in the second section of this article (Ebenau 2012; Weiss 2014). On one hand, the more widespread 'sociological' perspective has focused on the oligopolistic and/or speculative behaviour of TNCs, which would have allowed them – together with state policies – to focus their valorisation strategy on the imposition of abnormally high prices, thereby perpetuating the inefficiency of the sector (Jenkins 1984; Nofal 1989; Sourrouille 1980). On the other hand, more 'radical' views – and in particular those related to the *Marxist* strand of dependency theory – have placed greater emphasis on low domestic wages in relation to those in the more industrialised countries (Cimillo et al. 1973; Pinazo 2015). We think, however, that both analyses have focused only on the superficial manifestations of the valorisation of TNCs and have failed to identify the precise sources of social wealth which the latter appropriate *via* high prices and low wages.

Let us begin with the question of internal prices, which the vast majority of scholars tend to see as consistently higher than international ones, both before and after the 'restructuring' of the 1990s (Arza & López 2008; Jenkins 1984: 46; Llach et al. 1997; Sourrouille 1980: 81). Without disputing the veracity of this fact, it is often overlooked that throughout the history of the Argentine automotive industry, there has been sufficient solvent demand to validate domestic prices that were recurrently set above global prices of production. In other words, one must explain the sources of this exceptional purchasing power on the part of Argentine consumers relative to those of other countries. A first source of this higher solvent demand may be found in the specific market destination of automotive production. In effect, a part of the industry's output is absorbed as means of production and/or for the transport of agricultural commodities. And in order for agrarian capital to yield the normal rate of profit, the consequently greater costs incurred in the purchase of those dearer automotive means of production must be transferred 'upstream' towards the rent of the landowning class. Consequently, the social wealth that flows to TNCs via the sale of their product at commercial prices superior to those of production is, in the corresponding proportion, a part of the agrarian ground-rent whose appropriation determines the specificity of capital accumulation in Argentina. Furthermore, another share of the industry's output has been certainly destined for the luxury personal consumption of landowners. As is evident, the source of this purchasing power is also ground-rent.

But agrarian ground-rent also generated growing demand for automotive vehicles in general (and not only for those directly consumed by agrarian capital and landowners). It did so because one of the normal courses followed by agrarian ground-rent in Argentina has been its primary appropriation by the national state through the mechanisms mentioned in the previous section (e.g. high export and import taxes) and its subsequent conversion into public spending.[17] In this way, agrarian rent augmented the demand for industrial commodities in general, including of course that for the automotive industry. Consequently, the overpricing of vehicles destined for general domestic consumption (including some sectors of the working class) was also sustained, in the corresponding part, by agrarian ground-rent.

Thus, the existence of ground-rent was, directly or with the mediation of state policies, a source of growing demand for automotive vehicles. This explains the setting of domestic sale prices above international prices of production. Without this extraordinary source of social wealth that validated those relatively high prices, the fixing of protectionist measures – at the national or regional level – would simply have contracted the consumption of vehicles, instead of expanding it as happened in Argentina in every one of the expansive phases of the industry.

As mentioned above, the second main response offered in the literature to the question of the sources of the valorisation of automotive capital in Argentina is linked to the payment of internationally low wages. Usually, the 'advantage' derived from the hiring of cheap labour-power is interpreted simply as a reduction in costs (Barbero & Motta 2007; Santarcángelo & Perrone 2012), without identifying the reasons for the existing wage levels nor, furthermore, the source of the 'advantage' in question. Dependency theory, for its part, just asserts that this amounts to the 'over-exploitation' of labour-power; that is, that the *specific* source of profit in the 'periphery' lies in the 'abnormal' modality of extraction of surplus labour from workers (i.e. the sustained payment of labour-power below its value) *vis-à-vis* the forms of exploitation prevailing in 'advanced' countries (Cimillo et al. 1973: 55–56, 95–97; Pinazo 2015: 151–153; see also Marini 1979 for the Brazilian case). We think, however, that the question of the conditions of the purchase and exploitation of labour-power deserves a deeper analysis.

The crucial point in this regard is that the existence of lower wages does not necessarily involve a greater exploitation of labour-power. If we rule out the possibility that reduced wages could be attributable to a lower value of labour-power, which seems unlikely at least in Argentina, it must be noted that they could be explained either by a reduction in the number of use-values consumed by wage-workers or by the cheapening of 'wage-goods'. However, only the former case would be an instance of the purchase of labour-power below its value or, in 'dependentista' parlance, of 'over-exploitation'. In order to clarify which of these two possible situations has tended to prevail in Argentina, it is necessary to make a comparative analysis of both money-wages and consumption levels of Argentine automotive workers.

Now, there is no doubt that money-wages of Argentine autoworkers have been consistently lower than those prevailing in the United States, which could be taken as an indicator of *normal* wage levels for these relatively skilled workers at a global scale (i.e. those corresponding, on average, to the full value of this type of labour-power).[18] In effect, in monetary terms, the Argentine automotive wage has been less than a third of its US counterpart between 1960 and 2013 (at purchasing power parity exchange rates). This means that to put an automotive worker into production, TNCs must disburse as much as three times less variable capital than they would have to if they had to hire labour-power in the socially normal conditions of exploitation of labour-power prevailing at the global level. Nevertheless, the comparison of *real* wages shows that the Argentine automotive worker was capable of consuming almost two-thirds of the levels of consumption reached by a US worker. In other words, the Argentine worker's ability to consume was much closer to that of the American's than is indicated by the value of her or his wage. The explanation for this situation resides in the domestic prices of wage goods for the working class. In effect, within the Argentine space of capital accumulation, agrarian commodities circulate more cheaply than in the world market. Given that the domestic sale of these commodities below their normal price of production is only possible because of the existence of agrarian ground-rent, the cheapening of labour-power constitutes a vehicle for the appropriation of this rent by industrial capital and, in our case, by automotive capital. In brief, the process of appropriation of ground-rent by industrial capital explains to large extent the relative cheapness of labour-power in Argentina. Note, in this sense, that this cheapness does not derive from the 'historical and moral' element of the value of labour-power of national fragments of the global working class, which had formed a *latent relative surplus population* composed of formerly free peasants who were nonetheless subordinated to a centrally and hierarchically structured tributary system of exploitation (Iñigo Carrera 2013: 66), as happened in Korea and other East Asian countries (Grinberg 2016).

To conclude, the preceding analysis shows that the fundamental basis for the valorisation of industrial capital in Argentina has been the appropriation of a portion of the agrarian ground-rent that flowed into the country, both through the purchase of cheapened labour-power and through selling at prices that have been set above those of production. In this way, automotive TNCs have compensated for the backward technical conditions in which they have operated. In this context, other sources of extraordinary profits that did exist, such as the 'over-exploitation' of workers highlighted by Marxist 'dependentistas', acted as *secondary* or *complementary* forms of compensation for those backward material conditions of valorisation, rather than as the essential defining determination of the specific modality of accumulation of automotive capital in Argentina.

Conclusion

In a nutshell, our overview and appraisal of the various critical approaches presented in the Capital & Class Special Issue on 'capitalist diversity' allow to draw the conclusion that regardless of the undeniable theoretico-political differences among them, they nonetheless share a two-fold common ground. On one hand, they conceive of *political forms* (antagonistic class relations, the nation-state and public policies, international relations between states) as involving, to a lesser or greater extent, an element of autonomy with regard to the *economic content* of the accumulation of capital. On the other hand, and analogously, they tend to conceive of the configuration and developmental potentialities of *national* spaces of valorisation as involving at least some degree autonomy from the *global* dynamics of the 'law of value'.

In contrast, we think that to fully transcend the shortcomings of the neo-institutional VoC-CC literature rightly and accurately identified by the 'critical political economy' frameworks discussed above, it is necessary to leave behind the aforementioned two-fold notion of autonomy that implicitly or explicitly informs those perspectives. And this means taking the *immanent unity* of the capitalist world market as the starting point of the investigation and, as a consequence, grasping changing patterns of national or regional differentiation as concrete forms that mediate the unfolding of the contradictory dynamics of the essentially global production of relative surplus value by the total social capital. In turn, the specific political forms prevailing in each country are thus revealed as expressions of the movement of the economic forms taken by global capital accumulation in each national space of valorisation. In our view, these two insights are grounded in one of the most potent scientific discoveries of Marx's critique of political economy, namely, that capital is neither simply a thing (for example, the instruments of production) nor a productive unit or legal entity (such as a firm), or a social grouping sharing common characteristics and interests (e.g. 'business' or 'the bourgeoisie'). In its general determination as self-valorising value, capital becomes 'the all-dominating economic power of bourgeois society' (Marx 1973: 107), whose 'substratum' is the 'world market […] in which production is posited as a totality together with all of its moments' (p. 227).

Notes

1. See Schneider (2009) and Schneider and Soskice (2009) for an influential account of Latin America from the VoC perspective.
2. However, we believe that the implications of our discussion are more general and can be applied to other regions of the 'periphery' of the world market.
3. In particular, these issues have been examined with greater detail in an edited collection of essays which provides both an elaboration of the general theoretical underpinnings of this approach and various empirical 'case studies' at country and industry levels (Charnock & Starosta 2016).
4. For a comprehensive critical review of the Marxist literature on ground-rent, see Caligaris (2014). Although the issue of ground-rent has been widely discussed within Marxism, its connection with the specificity of capital accumulation in Latin America has not been as broadly addressed.
5. As a matter of fact, we think that it is actually misleading to depict 'Kirchnerism' as a political regime that incarnated the attempt to undertake a project of 'autonomous national development' that could have overcome the Argentina's 'dependent or peripheral' status, but which 'lamentably' clashed with both external structural limits and the insurmountable resistance of the local bourgeoisie on the domestic front. In our view, 'Kirchnerism' was the political and ideological form that, far from constituting the attempt to change the form taken by Argentina's 'integration into the world market', personified the expanded reproduction of this specific modality of the valorisation of capital throughout a prosperous phase based on an unprecedented upsurge of agrarian ground-rent, which was, in turn, the outcome of the course taken by the global process of accumulation. For a more detailed discussion of the nature and potentialities of 'Kirchnerism' and a comparative analysis with the Brazilian experience, see Grinberg and Starosta (2014).
6. We address some of the determinations involved in the third section of this article below.
7. Incidentally, in this more general analysis of the contradictory tendencies for uneven development inherent in capital accumulation, Hardy relies heavily on Neil Smith's (2008) 'dialectic of equalisation and differentiation'. Although based on an interesting and quite rigorous close reading of *Capital*, Smith's discussion remains at a rather abstract level of abstraction and so it is not very useful to make sense of the historically changing configurations of the international division of labour, as Hardy herself notes in the passage quoted above. In fact, in the occasional and usually brief remarks through which he does venture into more concrete territory, Smith (2008) tends to rely on long-standing Marxist ideas on the sources of uneven development (Amin, Emmanuel, Mandel) and only resignifies them in light of his dialectic of equalisation and differentiation (pp. 187–189, 290). For a critique of theories of unequal exchange based on the approach developed in this article, see Iñigo Carrera (2016a).
8. The first part of this section draws partly on Grinberg and Starosta (2014). Further elaboration of the arguments can be found in the essays collected in Charnock and Starosta (2016).
9. For a similar argument from a different perspective, see Burnham (1994) and Howe (1981).
10. Ground-rent is surplus-value potentially appropriated by landowners due to their differential and absolute *monopoly* over non-reproducible natural conditions of production that, respectively, increase labour productivity in the primary sector or allow production altogether (Iñigo Carrera 2007b: 11–14; Marx 1981: 779–823, 882–907).
11. As Caligaris (2016) also notes, the overt direct taxation of ground-rent has been virtually impossible to implement given its 'confiscatory' character. In effect, given the enormous mass of social wealth at stake, its direct taxation would involve the breach of the juridical principle of fiscal equity that governs capitalist private property (pp. 66–67).

12. See Iñigo Carrera (2007b) and Caligaris (2016) for a detailed account of those policies and their role in transferring ground-rent to industrial capital (and the former bibliographical source, in particular, for statistical evidence supporting this argument for the case of Argentina).
13. For the recent 'Pink Tide' in South America see, Grinberg and Starosta (2014) for Argentina and Brazil and Purcell (2016), for Ecuador and Venezuela.
14. Ireland's software industry is a case in point (Friedenthal & Starosta, 2016).
15. Likewise, the NIDL has underpinned the recent contradictory dynamics of the accumulation process in the European 'periphery', as attested by the case of Spain (Charnock et al. 2014, 2016).
16. This section summarises arguments more fully developed in Fitzsimons and Guevara (2016), which also provides more details on data, sources and methodology.
17. From 1960 to 2007, the Argentine State annually appropriated, on average, 20% of the total ground-rent that flowed out of agrarian production, with peaks of 50% in some periods (see Iñigo Carrera, 2008).
18. Note also that skill requirements of direct production workers in Argentina have been relatively similar to those in 'advanced' countries such as the United States.

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Marx and Socially Necessary Labor Time. On the Content and Form of the Quantitative Determination of Value

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Abstract
This article revisits the debates on socially necessary labor-time (SNLT) in the light of contemporary discussions of Marx´s value-theory, which have tended to move from a rather narrow focus on the explanation of the economic basis of the exploitation of wage-workers, to a wider critical inquiry into the social constitution of alienated forms of mediation that structure capitalist society. Moreover, this re-examination of SNLT draws on a novel reading of the textual evidence offered by the critical edition of the manuscripts for Capital, against the backdrop of a brief overview of the controversies between the three main interpretations which can be found in the literature, and the development of an alternative systematic-dialectical presentation of the constitution of the content and concrete forms of realization of the quantitative determination of value.

Keywords
socially necessary labor time, market value, solvent demand, Marxist debate, value theory

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Introduction

The last couple of decades have witnessed a remarkable shift in the main themes and preoccupations prevailing in debates surrounding Marx's economic works. Broadly speaking, it could be argued that the discussion moved from a rather narrow focus on the explanation of the economic basis of the exploitation of wage-workers to a wider critical inquiry into the social constitution of alienated and reified forms of mediation that structure the capitalist organization of social life (e.g., Bonefeld 2014; Heinrich 2021; Iñigo Carrera 2021; Kurz 2016; Postone 1993). The angle of specialist contributions specifically addressing the fundamental issues in Marxian value theory has changed accordingly. Thus, whereas in the past the main concern had been the formally consistent demonstration of the reduction of prices to quantities of labor, contemporary scholars tend to gear their intellectual efforts to the explanation of *why*, in capitalist society, labor takes the *social form* of value. In turn, this renewal of debates has been grounded in a philological re-reading of Marx's works, which has been largely motivated and facilitated by the publication of the respective section of his original manuscripts for *Capital* undertaken by the editorial project known as MEGA^2 (see, for instance, Bellofiore and Fineschi 2009).

Now, these new readings of Marx´s economic works have sought to rethink a wide array of problematics pertaining to the determination of economic categories as fetishized social forms, such as the respective roles of production and exchange in the constitution of value, the materiality and social form of abstract labor, the money-form as the necessary mode of expression of value, among others. Yet, while this new spate of Marxist approaches has greatly contributed to throwing into relief those varied aspects of the qualitative determination of value as a materialized social relation, it seems to us that those novel insights and perspectives have not been similarly extended into an equally in-depth re-examination of the quantitative determination of value (for notable exceptions to this trend see, e.g., Moseley 2023a; Iñigo Carrera 2021). More concretely, we think that the meaning of the key notion of *socially necessary labor time* (SNLT) which, according to Marx, underpins the magnitude of value, has not been sufficiently rethought, or at least not in a systematic categorial fashion, in the light of these new approaches to the Marxian critique of political economy. As we shall see, the elucidation of this issue is not only crucial for a sound comprehension of both the content and concrete forms of the value-determinations in their unity; in addition, it has not been exempted from controversies in the Marxist literature since the publication of *Capital*.

Against this backdrop, the aim of this article is to revisit the debates on SNLT in the light of contemporary discussions of Marx´s value-theory and with recourse to the textual evidence offered by the critical edition of the manuscripts for *Capital*. To do so, the article is structured as follows. The first section offers a brief overview of the controversies which traces the three main interpretations which can be found in the literature. Subsequently, we present our own approach to the constitution of the *content* and *concrete forms of realization* of the quantitative determination of value based on Marx's systematic-dialectical exposition in *Capital*. Lastly, the third section examines the main passages from Marx's economic works whose diverging interpretations have underpinned the different theoretical positions under debate. Furthermore, it provides an alternative reading of those controversial pieces of textual evidence.

It goes without saying that the philological discussion should not be read as an end in itself. It is just a way of putting our main substantive argument across against the backdrop of the historical and contemporary academic debates around this issue, which have tended to take such a philological angle on the question. In a nutshell, we shall see that the fundamental issue at stake is the connection between production and circulation in the historically specific social form of the human life-process in capitalism.

Brief Historical Overview of the Debate on SNLT

The discussion over the meaning of SNLT can be traced back to just after the publication of the first volume of *Capital*. As Grigorovici reports, the first wave of reactions to this work tended to assume that when Marx spoke in the preface of "important mistakes" in Lasalle´s understanding of his theory, he had SNLT in mind (Marx 1976, 89 fn.; Grigorovici 1910, 4). More precisely, this initial reception of *Capital* understood that Lasalle would have misinterpreted Marx by imputing him the idea that SNLT refers to that which society is willing to validate on the market, whereas it is crystal clear that at stake in the determination of the magnitude of value was the labor-time required for the production a commodity. However, Grigorovici also notes that already at that time some Marxist contributions tried to reconcile both understandings of SNLT (Grigorovici 1910, 18). The publication of *Capital Vol. III* and of *Theories of Surplus Value* reignited the controversy. In effect, these works contained some passages which seemed to allow Lasalle´s allegedly market-centered reading or, at least, a middle ground which reconciled the latter with the traditional "production-centered" understanding of SNLT. In this emerging new context, Marxist approaches to SNLT polarized into those authors who sought to develop further the interpretation of this economic phenomenon as determined by market conditions, and those who wanted to preserve a reading which grasps it as exclusively determined by the conditions of production.[1]

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[1] According to Rubin, an analogous debate came up among Russian Marxists in the 1920s (Rubin 1972, 185 fn.; see also Groll 1980, 338 fn.; and Swanson 1989, 61). Similarly, Itoh and Yokokawa comment that the same happened among Japanese Marxists a few years later (Itoh and Yokokawa 2015).

Concerning the former, those early contributions quite simply adopted the suggestion, which many tended to assume originated in Lasalle´s reading, that effective solvent demand on the market determined SNLT and, consequently, the magnitude of value of commodities (Bernstein 1899, 1993, 51; Boudin 1920, 68–70). The quantitative divergence between prices and values, which recurs in Marx´s text, was seen to boil down to express the singularity of each act of exchange among all those simultaneously taking place on the market, based on the respective "haggling" abilities and individual motives and subjective estimates of exchangers (Boudin 1920, 66–67). As for the determination of value by the labor-time required to produce each commodity (without regard to effective demand), this was ultimately reduced to a merely *subjective* logical instance, which would effectively play no actual role in the explanation of the *objective* constitution of its immediate mode of existence as price (whether market price or price of production) (Bernstein 1993, 47–48). Among contemporary Marxists, this is the kind of interpretation which, arguably, would be consistent with so-called "value-form" approaches that explain the qualitative and quantitative social constitution of value through the exchange of commodities and money (as inferred, for instance, in the literature review offered by Kristjanson-Gural, 2017). Yet, it is not easy to find among those contributions an *explicit* philologically informed discussion of the question of SNLT in the systematic architecture of *Capital* (see, however, Fineschi 2001, 269 ff.; and Tombazos 2013, 34–56, for a more extended discussion of SNLT which is broadly sympathetic to the main tenets of the so-called "value-form" approach).

At the opposite end of the spectrum, other Marxists entirely rejected the role of demand in the determination of SNLT and insisted that the latter exclusively referred to the conditions of production of commodities. For its part, the imbalance between demand and supply was seen as only affecting the divergence between prices and values. If anything, effective demand could trigger a *change* in the normal conditions of production and, *therefore*, a modification of SNLT and the value of commodities. Arguably, this perspective eventually consolidated as the dominant view among Marxists (cf. Meek 1973, 178–80). However, it is noteworthy that very rarely have scholars who endorsed it self-consciously placed their own views in the context of a longstanding controversy or sought to situate their views in the light of the textual evidence from Marx´s writings. Be that as it may, among this latter group we can include the contributions by Grigorovici (1910, 30 ff.), Rosenberg (1979, 383 ff.), and Salama (1978, 219 ff.). In more recent times, the approach resurfaced in the works by Lianos and Droucopoulos (1992), Cipolla (2003; 2008), and Moseley (2023b).

As we shall explore in more detail in the last section, the textual evidence from Marx´s economic works is, at least at first sight, not free from ambiguities, and therefore is very far from unequivocally offering support for either of the two "extreme" positions in the controversy. For that reason, most contemporary Marxists have veered toward what could be labeled as an "intermediate" position, in which both the technical conditions of production and the volume of effective demand determine SNLT and, consequently, the value of commodities. More concretely, it is usually argued that the (conjunctural) level of effective demand establishes the specific technical condition that regulates SNLT, out of the different labor productivities prevailing in a certain sphere of production. Thus, either the "inferior," "mean," or "superior" conditions of production could be validated by effective demand as that which determines the value of commodities. Furthermore, these contributions tend to see the emergence of a divergence between price and value only when the intensity/weakness of demand makes market prices rise/fall even further *beyond* the individual value of any of the two extreme conditions of production. Although this kind of reading can be traced back to the writings of Rubin (1972, 173–222),[2] it gained prominence mainly through Rosdolsky's contribution (1977, 88 ff.) and also via the dissemination of Uno's approach (1977, 83), especially as propagated by his disciples and followers (Itoh and Yokokawa 2015; Itoh 1980, 80 ff., Itoh 1988, 226 ff.; Sekine 1982, 1997, 33, Sekine 2020, 547 ff.). Still, a reading along those lines has been accepted quite widely among many Marxists, not necessarily inscribed in those intellectual lineages (cf. Vygodsky 1967, 89 ff., Vygodsky 1974, 83 ff.; Indart 1987, 1990; Horverak 1988; Swanson 1989; Shaikh 1990; Carchedi 1991, 57 ff.; Martínez González 1993, 64 ff.; Giussani 1996; Lee 1998; Mariña-Flores 1998; Kristjanson-Gural 2003, 2017; Balardini 2017, among others).

Now, although this latter reading admittedly manages to give some formal coherence and unity to the textual evidence which forms the focus of the controversy, especially to that which is found in Volume III of *Capital*, we think that it nevertheless fails to offer a solid approach to the content and form of the value-determinations which is rigorously grounded in the methodological and substantive foundations of the Marxian critique of political economy. Above all, insofar as the magnitude of value is seen as possibly determined by one of the extreme conditions of production, the total socially necessary abstract labor expended in a determinate branch of production no longer coincides with the total mass of value allegedly produced in the said sphere of the social division of labor. That mass of value thereby ceases to be the reified social representation of the materiality of the aliquot part of social labor that has been objectively expended in that sphere of production. More generally, that reading fails to avoid the essential weakness that could be imputed to any view which, whether wholly or in part, assigns a role to effective demand in the determination of SNLT and the magnitude of value of commodities, namely: insofar as it somehow cuts off the immanent nexus between the actual expenditure of living labor and the constitution of the objectivity of value, it ends up tearing asunder the contradictory unity between materiality and social form which is historically specific to capitalist society (Iñigo Carrera 2021; Starosta, Caligaris, and Fitzsimons 2023, chapters 1 and 2).

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[2] Rubin´s emphatic insistence that his approach stands in stark opposition to that which postulates that (market) value is determined by effective demand (Rubin 1972, 182–84; 197–99; 206), has led commentators to place him among those who reject the idea that the latter plays a role in the determination of value (e.g., Kristjanson-Gural, 2017). However, we think that, on closer inspection, Rubin´s argument is much more nuanced and comes rather close to what we have just called "intermediate" position (Rubin 1972, chapter 17 in particular).

The Quantitative Determination of the Magnitude of Value by SNLT and its Form of Manifestation in Circulation

In addition to the controversy over the interpretation of passages in which Marx seems to link SNLT to conjunctural market conditions[3], the Marxist debate also revolved around whether the meaning of SNLT changed with the passage from the simpler level of abstraction of the commodity-form to its more developed mode of realization through the competition among multiple individual capitals that mediates the unity of the global process of capitalist production. For this reason, in order critically to examine the Marxian texts which ignited the polemic (most of which correspond to the level of abstraction of capitalist competition), in this section, we firstly offer a methodologically informed systematic exposition of the unity of the content and the different more concrete forms taken by the quantitative determination of SNLT and the magnitude of value.

Now, any investigation of the quantitative determination of a certain phenomenon must start out by shedding light on the essential quality of the attribute or property whose magnitude we seek to analyze. Space restrictions do not allow us to engage in an in-depth examination of this issue, a task that we have undertaken elsewhere through a discussion of contemporary Marxist debates on the qualitative determination of value (Starosta, forthcoming; Starosta et al., 2023). Still, here we would like briefly to address at least the essential questions at stake in those latter controversies which, we think, underpin the debate over SNLT that constitutes the main focus of this article. More specifically, the fundamental issue is whether the social constitution of value, as the historically specific social form of the product of labor, takes place in production, in circulation, or in some kind of unity between both spheres. Under the influence of the writings of Rubin (1972), a great deal of contemporary Marxists have rejected the old "technological" or "asocial" readings which had dominated until the 1970s through the adoption of some variant of the so-called "circulationist" perspective, whether in the "extreme" version which more one-sidedly grasps value as coming into being in circulation (cf. Heinrich 2021; Reuten 1988), or in the more nuanced "co-constitutive" views which are at pains to give the sphere of production its due place in the constitution of value as a social form, but which still consider that it is only through the eventual effective exchange against money that value acquires full objective existence (cf. Bellofiore 2018; Murray 2016). There is no doubt that these new readings manage to remain safe from the naturalization of value which was more or less implicit in the old orthodoxy, which simply rested content with its analytical reduction to labor as its source, but never openly addressed the question of the historically specific social constitution of value as a fetishistic social form. However, by lapsing into "circulationist" arguments, these more recent approaches avoid a Ricardian account of the value-objectivity at the expense of depriving the immediate process of production of its immanent social character (Iñigo Carrera 2021; Starosta, Caligaris, and Fitzsimons 2023).

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[3] This section partly draws on Starosta, Caligaris and Fitzsimons (2023, chapter 2).

More specifically, all variants of "circulationist" value-form theory fail properly to come to grips with this essential fact: the private and independent form taken by the organization and establishment of the unity of social labor, which marks the specificity of value-producing labor, does not *do away with* or *abstractly negate* the social determination of individual *living* labor *in act or in motion*, that is, *as it exists in the direct process of production*. What happens in a commodity-producing society is that this *materially immanent* general social character of individual labors is not carried as a *conscious determination* by the working subject. Consequently, when organizing the expenditure of the labor-power that they embody, the human individual must unconsciously project or transpose those individually borne social powers as external to their individuality and existing as the objective attribute of the product: the social property of exchangeability or value (Marx 1976, 166–67).

In sum, the key to understanding value as *both* social and grounded in production resides in the recognition that at stake in value-positing is the "unconscious" organization of the determination of privately-undertaken labors as successfully integral individual organs of social labor; a fact which, albeit not "guaranteed," becomes established or not in the sphere of production. What remains to be established in circulation, upon completion of a privately undertaken production process, is not the *positing* or *constitution* of its social determinations (i.e., their coming into objective existence), but their explicit outer *expression* and *accreditation* in a socially recognizable and generally valid manner. The exchange relation performs this necessary yet *mediating* role, through the inverted outward expression of the inner social property of exchangeability intrinsic to each individual *socially useful* product of private labor, as the immediate social power of the general equivalent (Iñigo Carrera 2021). Let us consider the quantitative determination of value in this light.

In chapter 1 of *Capital,* Marx discusses the magnitude of value solely as a corollary of an investigation whose guiding thread lies in its qualitative determination. Consequently, his discussion does not go beyond a formal-analytical indication of the inner content of value's quantitative determination and the elucidation of the necessity of its outward form of manifestation in the body of the equivalent. Specifically, Marx's initial analysis of the exchange relation shows that value abstracts from all qualitative differences, so that its substance must also be qualitatively homogeneous. However, the analysis of the magnitude of the substance of value confronts us with two qualitative differences, namely: the productivity and intensity of labor. In this context, Marx simply makes the formal observation that the qualitatively undifferentiated character of the substance of value implies that the singularity of each productive action, which involves individual material differences in the aforementioned two features of labor, must thereby socially count as identical to any other individual expenditure of human labor-power, that is, as an aliquot part of the total labor-power of society or as an "average sample of its kind" (Marx 1976, 130).

This is all that Marx says, and actually all that could be said from the viewpoint of the systematic-dialectical exposition, concerning the quantitative determination of value; at least until chapter 3. In effect, as argued elsewhere, the analysis can just uncover the "what" of a determinate phenomenon. But only the synthetic development of the unity between the discovered content and its concrete forms of existence can account for the "why" and the "how" (Starosta 2008). Nevertheless, one could wonder whether the discovery of private labor which marks the specificity of the capitalist organization of social labor could cast additional light on the ground of the magnitude of value. More concretely, the question is how can the social recognition of the quantity of necessary labor be established in a society with no directly collective power which could determine the productivity and intensity with which to exert the labor-power possessed by the different individuals? In these circumstances, the only way the normal conditions of production can assert themselves is through the constitution of an average out of the multiplicity of diverse independent singularities, which tend to converge towards the said normality (Iñigo Carrera 2021, 49).

Two additional issues must be thrown into relief. First, no matter how concise Marx's discussion of the magnitude of value in chapter 1 of *Capital* is, the point remains that the *content* of the quantitative value-determination has been fully unearthed by that stage. In this sense, nothing in the subsequent systematic exposition can alter that initial potentiality of the commodity. The only thing that could change and be brought more fully into view is its necessary *form of realization*. Second, Marx's presentation in chapter 1 already shows that for the product of labor to be bearer of value, it must be a *social use-value*, that is, it must satisfy the need of a different individual from its producer (Marx 1976, 131). From the standpoint of *commodity-producing labor*, this means that it must be *useful for others*. That is why one could legitimately refer to a second sense in which commodity-producing labor must be "socially necessary." However, this has absolutely nothing to do with the determination of the magnitude of the commodity's value. Yet, circulationist readings conflate these two clearly different meanings to assign "effective demand" a role in the quantitative determination of value. But the "effective demand" is a phenomenon of circulation, which we have already seen has no place in the *constitution* of value as social form. In fact, at this initial "level of abstraction" the dialectical presentation has not even led to face such thing as "demand," so it could hardly enter as an element of the simplest content of value. At stake in chapter 1 is only the *expression* of value, and therefore the *constitution of the price-form as such*. "Demand" has the latter as its systematic premise; it concerns the concrete form of realization of the price-form in the effective practical movement of the circulation of commodities.

In this sense, it is crucial to distinguish among the different systematic steps in the constitution, ideal expression, and effective realization of the determinations of value. To do this, in the 1859 *Critique* Marx differentiates between what he calls the "theoretical phase of circulation of commodities" and the actual circulation process. The theoretical phase of circulation of commodities is then deemed "preparatory to real circulation" (Marx 1987, 303), since the latter can only take place once, "as a result of the establishing of prices, commodities have acquired the form in which they are able to enter circulation" (Marx 1987, 323). Only then (section 2 of chapter 3 of *Capital*) is the actual movement of circulation of commodities reproduced in thought, revealing the subsequent functions of money not as its preconditions (presupposed more abstract forms) but as its results (its developed concrete forms). By that point, the question no longer resides in elucidating the "what" of the quantitative norm that constitutes the magnitude of value, but rather in shedding further light, albeit preliminarily and incompletely, on the "why" and, primordially, on the "how."

As Marx stresses on the section on the "Measure of Value," although the "price or money form" of commodities is a "purely ideal or notional form" in which value is *expressed*, the latter is nonetheless *determined* by the (socially necessary) "quantity of human labor" *materially* contained in (socially useful) products as they emerge from production (Marx 1976, 189–190). Thus, the *unity between the immanent qualitative and quantitative determinations of value*, which constitutes the *objective* inner content that is *outwardly* expressed in the monetary form of the "normal price" of a commodity, must evidently be the *systematic premise* of the formal possibility of, and actual necessity for, a "quantitative incongruity between price and the magnitude of value" *in circulation* (Marx 1976, 196). In other words, from a systematic-dialectical perspective, already-determined *normal prices* (both qualitatively and quantitatively) must constitute the explanatory presupposition of market prices that deviate from them by virtue of a disequilibrium between "supply and demand" manifested in circulation (cf. Marx 2015, 298).

As matter of fact, this methodological angle underpins Marx's "thought experiment" in chapter 3, through which he eventually follows the movement of the *effective* circulation of commodities. A certain number of pieces of linen arrive at the market *with their value already and solely determined* by the "materialization of the same socially determined quantity of homogeneous human labor" contained in each of them, which are in turn monetarily expressed in a "normal price" of 2 shillings (Marx 1976, 202). On that basis, Marx *then* supposes that the "market cannot stomach the whole quantity" of articles at that normal price, which *implicitly* leads, through the competition process among weavers, to a fall in the market price of the yard of linen below the magnitude of value.

Marx then closes his thought experiment with the observation that, from that moment on, he shall consider the phenomenon "in its pure shape" (Marx 1976, 203). This involves abstracting from the "abnormal loss or accretion of substance" of value which may result from the "change of form" of the commodity, if the latter "is not impossible to sell" (Marx 1976, 203).[4] Marx thus leaves the matter at that and proceeds with the further unfolding of the individual commodity's metamorphosis. However, there are a couple of additional points which could be made in this regard.

First, it must be stressed that it is not that the commodity loses/gains magnitude of value, but that its change of form *entails*, respectively, a loss or accretion of value for the seller or buyer of that commodity. What one abnormally loses is what the other gains and vice versa (Iñigo Carrera 2021, 278–81). Second, and beyond Marx's explicit focus, when circulation is grasped from the standpoint of the overall unity of social production and consumption, an additional quantitative meaning of "socially necessary labor" comes to the fore (Marx 1989a, 132). Briefly stated, there emerges another "quantitative norm" in the articulation of the general social division of labor, namely: the proportional allocation of the total social labor into the different branches of production. This reveals that the establishment of the unity between social production and consumption entails a definite magnitude of what becomes determined as the *normal social need* for each kind of use-value. At this level of abstraction, this corresponds to what is required for the reproduction of the productive attributes of commodity-producers. Furthermore, this brings to view the organic character of each individual commodity as an aliquot part of the quantitatively determined normal mass of commodities of a qualitatively certain type. From the standpoint of commodity-producing labor, this shows that the quantitative determination of value-production is not a process which simply concerns each "isolated" commodity but pertains to the organic (sub)unity of each branch of social labor (Marx 1976, 202; 2015, 302). Still, although this quantitative determination of the normal social need is *discovered* through the examination of circulation, it is an *immanent material determination of the organization and execution of direct production*. As elaborated in more detail elsewhere, production is the point of the departure and ground of the unity of the process of metabolism and, therefore, also of social consumption (Starosta, Caligaris, and Fitzsimons 2023).

Now, a partial overproduction of a certain kind of use-value *vis-à-vis* the normal social need does not imply that there has been no value production corresponding to that excess "supply." Instead, it means that too much value has been produced compared to the normal scale in that sphere; or, as Marx puts it, that "all these pieces taken as a whole [...] contain superfluously expended labor-time" (Marx 1976, 202). Thus, this value does not just simply vanish into thin air but is appropriated in another node of the social division of labor. In effect, the very existence of a normal inter-branch proportional distribution of social labor implies that the excess in value-production in one node must involve a correspondingly insufficient scale of value-production in another. The competition-driven divergence of market prices from normal prices that directly express the immanent magnitude of value "constantly regulates this distribution" of "necessary labor time [...] among the various spheres of production" (Marx 1989a, 132). Under these circumstances, and from the viewpoint of the unity of social production and consumption, *all privately undertaken material expenditure of SNLT proves to have been socially useful in a qualitative sense*. In terms of its "purely social" representation as the "exchangeability" of its product, the total mass of value materially borne by all *socially useful* products of private labor is realized in circulation, although it is (partly) appropriated in different spheres from those in which it had been produced (Iñigo Carrera 2021, 278–81). In sum, the imbalance between "supply and demand" is but the self-negating form in which the proportional distribution of social labor-time is established when mediated by generalized commodity-production.

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[4] Were the product of private labor quite simply "impossible to sell," it would mean that it was not a social use-value nor, therefore, bearer of value, from the very outset in production.

At this juncture, a final methodological observation is in order. Note that Marx's analysis in chapter 3 stops short at the indication of a necessity for a quantitative divergence between market prices and normal prices and does not unfold the adjustment mechanism which tends to eliminate the underlying imbalance between production and social need for the respective use-value. Presumably following his own methodological remark in the 1859 *Contribution* that the "coming into being" of a "market price differing from exchange value" must be "solved in the theory of competition" (Marx 1987, 302), that mediating process is not fleshed out until Volume III, once Marx has already developed the exchange of commodities as the product of individual capitals determined as formally undifferentiated aliquot parts of the total social capital, that is, through the formation of the general rate of profit. In effect, the competition over the appropriation of the general rate of profit is the concrete form in which the requirements for the normal material reproduction of society are imposed upon capitalistic private producers (i.e., individual capitals). This applies both to the SNLT required to produce each commodity and to that which is needed for the total mass of commodities in the respective sphere of production.

At this more concrete level of the dialectical exposition, Marx analytically distinguishes between intra-branch competition, which mediates the realization of the value of commodities, and inter-branch competition, through which prices of production come about. That latter presupposes the distinction between values and market prices (Marx 2015, 304). Regarding intra-branch competition, Marx distinguishes between an "individual value," which represents the privately-undertaken individual labor-time embodied in a commodity, and a "social value," as the representation of the latter which is determined as socially necessary insofar as it expresses the normal conditions of productivity and intensity of labor prevailing in a certain branch of industry (which, as we have argued above, are exclusively established in the sphere of production).[5] In turn, insofar as the point is to mediate the actualization of the social value through competition, it is necessary to distinguish between a market price, which is the immediately visible mode of existence of value, and a *direct normal price*, as the *simplest* monetary expression of the social value, which is the gravitational center around which the former fluctuates. We refer to the latter form of manifestation of the social value as "direct" insofar as it involves no quantitative divergence from its immanent magnitude.[6]

Now, commodities reach the market as the result of diverse conditions of production. Consequently, their normal price will reflect the average of their respective individual values. Hence, if commodities produced under mean conditions have the greater weight, whilst those in the respective ends of the spectrum cancel each other out, the normal price will be "regulated" by the former (in the simple *arithmetic* sense of proportion in the weighted average). By contrast, if any of the extreme conditions predominates, they will have the "upper hand" in the constitution of the normal price. As Marx observes, individual capitals will consequently gain/lose value to the extent that the individual value of its commodities stands below/above the resulting normal price (Marx 2015, 289).[7] Through these divergences the norm that constitutes SNLT is imposed upon individual capitals.

Once the formation of the normal price has been elucidated, it remains to be considered the mode in which the former takes concrete shape through market prices. Another quantitative difference emerges, but now concerning the normal conditions for the unity between social production and consumption. In other words, at stake here is the relation between the total social labor that has been privately expended in the production of a certain kind of use-value, and the normal magnitude of the (solvent) social need which is meant to satisfy. An imbalance will be expressed through a divergence between the respective market price and the normal price which constitutes the simplest monetary expression of the social value (Marx 2015, 291; 297–304). Thus, this divergence between an already-constituted normal price and market prices, which will also be expressed in the individual capital's capacity to obtain the average rate of profit, will be the mode in which the *normal* magnitude of social labor which must be allocated to a certain branch of production, will be imposed upon individual capitals.

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[5] In *Capital*, Marx explicitly introduces for the first time such a distinction in chapter 12 of Volume I (Marx 1976, 433; see Starosta, Caligaris, and Fitzsimons 2023, chapter 6). However, it thereafter fades into the background until the exposition returns to the more systematic treatment of competition in chapter 10 of Volume III.

[6] As we shall discuss in the next section, Marx includes this direct normal price in the definition of what he calls "market value." However, his usage of this latter term is broader and incorporates other phenomena.

[7] This process only involves normal capitals, that is, those which partake in the active development of the productive forces by virtue of their scale, in contrast to "small capitals." See Iñigo Carrera (2016) and Starosta, Caligaris, and Fitzsimons (2023, chapter 8) for a fuller discussion of the qualitative differentiation of individual capitals.

The Discussion Around the Textual Evidence

Let us now turn our attention to the passages of *Capital Vol. III* and *Theories of Surplus Value* which have been at the center of the controversy on SNLT. Among them, there are a couple which stand out for Marx´s comment that SNLT "acquires another meaning," insofar as it can be considered as "[t]he total quantity of labor time used in a particular branch of production" vis-à-vis "the total available social labor" (Marx 1989a, 131–32); that is, "that only the necessary part of the total labor time of society is used in the particular sphere, only the labor time which is required for the satisfaction of social need (DEMAND)" (Marx 1989b, 150). Elsewhere, Marx refers to this other meaning of SNLT as "a further developed expression of the law of value in general" (Marx 1991a, 774).

Furthermore, there are other instances in which Marx seems to be stating that a disequilibrium between supply and demand plays at least some part in the determination of what at those junctures he calls "market value" (Marx 1991a, 284, 286–287). This strikes us as rather problematic insofar as there are passages in which Marx appears to identify this latter term with what he had named "social value" in Volume I; which, as argued in the previous section, is determined solely in production as the representation of socially normal material conditions of productivity and intensity of labor. Yet, to complexify things further, we shall also see that in other parts of his manuscripts Marx seems to use the term "market value" more broadly. Thus, there is an admittedly striking lack of categorical clarity and precision in the nexus between the term "market value" introduced in Volume III, and that of "social value" from Volume I. Presumably, this paved the way for readings which, one way or another, end up maintaining that market disequilibria affect the determination of value as such.

Against this backdrop, we would like to offer an alternative reading of the textual evidence at play in the debate. First and foremost, we should point out that the connection between the "second sense" of SNLT and the definition of market value is textually very weak. On the one hand, most passages in which Marx refers to this other meaning of SNLT are not located in the parts of his manuscripts where he discusses the category of market value. As a matter of fact, in the few passages in which both terms do concur, the occurrence takes place in a context in which Marx stresses the divergence between market value and *market prices* (e.g., Marx 2015, 297–298). More importantly, the mere reference to another meaning for SNLT is not unequivocal evidence that it involves a *modification of the first sense*. As Grigorivici had already observed, similarly to the term "socially necessary" utilized to refer to the part of the working day during which the worker reproduces the value of their labor-power, it might as well be a case of the "use of the same technical term in different senses" (Marx 1976, 35 fn.; Grigorovici 1910, 46). Lastly, Marx´s statement that at stake is "a further developed expression of the law of value in general" (Marx 2015, 734) does not necessarily mean that a modification of the *foundations* of this law is involved. In fact, what Marx´s words *literally* refer to is the *expression* of the general law, that is, to the *self-negating form of manifestation* of the determination of value, which is indeed the case through the establishment of market prices which diverge from values.

Concerning those passages where market value is deemed to be determined by a divergence between supply and demand, it must be stressed that it is an incontrovertible fact that they are largely overshadowed by a majority of passages in the same part of the manuscript where Marx unequivocally states that a market disequilibrium exclusively affects the movement of market prices by making them diverge from market values, in turn considered as synonymous with the social value. Based on this evidence, some authors have hinted at the possibility that those apparently "market-centric" references to the determination of market value involve a lapsus by Marx or maybe errata by his editors (Yamamoto 1962, cited in Itoh and Yokokawa, 1979, 106; Salama 1978, 222 fn.; Moseley 2023b). In our view, however, another reading is possible.

In the first place, we must distinguish within the set of textual evidence usually adduced as proof of the role of effective demand in the determination of value, certain passages which entail no ambiguity whatsoever but which, we think, are quite simply misread. For instance, this is the case where Marx indicates that if any of the extreme conditions of production predominates, it is "the mass produced under [those] conditions that governs the market, or social, value." (Marx 2015, 293). As should be evident, demand plays absolutely no role in these situations. It exclusively is a matter of the proportional composition of the total mass of commodities produced in a certain branch. Furthermore, that a determinate condition of production is deemed to "govern" value does not invalidate the idea that at stake is the respective incidence on a weighted average (cf. Marx 1989a, 428–429). As already mentioned in the previous section, here the verb "govern" is used by Marx in a simple arithmetic sense. Interestingly, Carcanholo (2013, 131) suggestively notes that Marx´s precise choice of the verb "govern," which is rather unusual in his vocabulary, over the more common "determine," seems to indicate that it was not haphazard but deliberate.

Now, at this juncture, it must be duly acknowledged that there are parts of the text in which Marx unequivocally does state that effective demand determines the magnitude of market values. Yet, it is often overlooked the precise context in which those formulations occur, namely: as part of "extraordinary situations," in which "demand is *so strong*, however, that it does not contract when the price is determined by the value of the commodities produced in the worst market conditions" (Marx 2015, 289, emphasis added). In modern terminology, it would be cases of extreme price inelasticity of demand. Alternatively, Marx points to the opposite case in which supply falls below "the usual level" (Marx 2015, 289). In our view, a crucial issue here is the precise sense which Marx had in mind when referring to the "usual level" of supply and demand. This becomes clear some pages later, when Marx explicitly turns to discuss "the real difficulty in pinning down the general concepts of supply and demand" without ending up "with a tautology" (Marx 2015, 296). In that context, it transpires that when previously referring to "extraordinary situations" Marx seemed to have been pointing to a deviation from the "given scale" that expresses the "*definite quantity*" which constitutes the "customary measure" of the "*annual* production or reproduction" (Marx 2015, 296). In other words, he was not considering short-term conjunctural imbalances between supply and demand, but a more resilient disequilibrium which prevents an adjustment process through expansion/contraction of the scale of production, and which can thereby only take place through the movement of prices to a new "normal" level.

Seen in this light, this highly exceptional character of those situations casts doubts on the hypothesis that the determination of value by demand forms part of the *foundations* of the "law of value." In other words, it seems more likely that they are "divergences" from the norm, which actually have to be explained on the basis of a prior knowledge of "natural law of the equilibrium" of value (Marx 2015, 298). More importantly, in no scenario does Marx indicate that market conditions determine value but *market value*. Thus, this begs the philological question of the precise meaning of the latter in Marx´s writings, to which we now turn.

In *Theories of Surplus Value* Marx had mentioned market value for the first time, specifically as the "common value […] at which they [commodities] appear on the market," which "[e]xpressed in money" takes on the form of a common "price" (Marx 1989a, 429). On a first glance, one would be led to think that Marx is referring to what we called in the previous section "direct normal price," that is, the monetary expression of the social value of commodities. However, Marx immediately adds that "[o]ver a certain period, however, the fluctuations [of the actual market prices] equal each other out and it can be said that the average of the actual *market prices* is the market price which represents *the market value*" (Marx 1989, 429, 433; 1994, 156–157). It is noteworthy that in this latter formulation that Marx does not just refer to the market value as the simplest monetary expression of the social value, that is, as the more abstract *systematic premise* of market prices. Instead, he now refers to an *average market price* which is the *empirical result* of their oscillation, and which is deemed to "*represent*" the market value. Crucially, it must be borne in mind that the average market price is not always the immediate manifestation of the direct normal price. In effect, in the case of productions subject to natural conditions uncontrollable by capital, the average market price is regulated by the individual value of the least favorable conditions which are needed to satisfy the existing social demand. Insofar as it is a regulating price, it still is determined as a normal price, albeit not as a *direct* one (since it does not reflect the average level of labor productivity but one of the extremes). That Marx does treat the market value along these lines as a non-direct regulating price can be discerned some pages later when he discusses Ricardo´s ground-rent theory, where he observes that in the case of agriculture "the market value is *determined* by the unfertile class"(Marx 1989a, 589). Moreover, he also differentiates between this regulation of market prices and that which is simply established "because of the state of the market" (Marx 1989a, 488), elsewhere labeled as "monopoly price" (Marx 1991a, 898). This definition of market value as a "regulating" normal price, which is determined by production "in a broad sense" but without necessarily being the *direct* quantitative expression of the *social value*, is preserved throughout the whole of this manuscript (Marx 1989a, 461–63; 473–80; 485–90; 507–8; 1991b, 380; 1989b, 69–70; 516; 1994, 156). In our view, it also recurs in the manuscript which comprises Volume III of *Capital.*

Effectively, in this manuscript, Marx also starts out his exposition with a definition of market value as the direct monetary expression of the social value. But he also adds that it is "the center around which the daily market prices revolve, and at which they are balanced out in definite periods" (Marx 2015, 290). Moreover, some pages later he stresses the latter point by noting that "this average figure is by no means of merely theoretical importance. It is, rather, practically important for capital" (Marx 2015, 300; see also 294, where he refers to "average price or market value"). Against this backdrop, the claim that the market conjuncture can affect the magnitude of the market value by making it come to be regulated by "commodities produced under the worst conditions, or alternatively exceptionally favorable ones" (Marx 2015, 289), should come as no surprise. That is indeed what happens with the regulating normal price and, a fortiori, with the average market price. Now, insofar as in these passages Marx addresses what he *explicitly* considers to be "extraordinary situations" (Marx 2015, 289), he is not meticulous enough to make a *categorical distinction* between the quantitative determination of the market value regarded as the direct monetary expression of the social value (i.e., as a "direct normal price") *vis-à-vis* a broader definition as a regulating price limited by the productive capacity of the respective sphere of production which can diverge from the social value. Still, when toward the end of the manuscript he addresses the transformation of surplus profits into ground-rent, where this distinction is the norm rather than an exception, Marx leaves no doubt that the "determination by a *market value,*" understood as a regulating normal price determined by the worst conditions of production, "produces a false social value," that is, a quantitative divergence between the market value thus defined and the proper social value (Marx 2015, 817).

Lastly, we now turn to the discussion of a key paragraph which is at the center of contemporary controversies and which, moreover, involves the greatest interpretative difficulties. To begin with, let us place the said paragraph in context. The text is located where Marx announces that, up to that point, he had analyzed the "*abstract* establishment of market value," that is, by bracketing the movements of supply and demand and only considering the weight of each kind of condition of production in the total mass of commodities supplied (Marx 2015, 295). Yet, he continues, "it now becomes essential to consider the *volume*, hence the quantity, of [the corresponding] social need" (Marx 2015, 295). After a brief discussion of the scenario in which supply equals "customary demand" and in which, therefore, "the commodity is sold at its market value, however, regulated according to the variable composition of the elements forming the aggregate supply" (Marx 2015, 295), Marx moves to the examination of a scenario in which the quantity supplied diverges from "customary demand". This discussion, it must be recalled, is considered by Marx within a timeframe which corresponds to the normal *annual* scale of the reproduction process, so that the adjustment process can only occur through price variations. And he states:

> [1] If, however, the quantity supplied is less than the *demand*, or alternatively more, there will be variations of the market price from the market value. [2a] And the first variation will be that if the quantity is too small, it is always the commodities produced under the worst conditions that govern the market value, while if it is too large, it is always those produced under the best conditions; [2b] hence it is one of the two extremes that determines the market value, despite the fact that the proportions produced under the different conditions, taken by themselves, would lead to a different result. [3] If the difference between the demand for the product and the quantity produced is more significant, the market price will diverge more significantly from the market value –than through this different determination of the market value–, either upwards or downwards (Marx 2015, 295-96; translation modified based on original manuscript in Marx 1992, 260).[8]

As already mentioned, some commentators account for the potential "circulationist" implications of this paragraph by appealing to alleged lapsus or errata, whether on the part of Marx or of his editors. Thus, it is argued that all the phrases where the market value appears to change in response to a market disequilibrium would involve such an instance of lapsus or erratum. Marx must have meant that the change occurs in the "market price." Note, however, that this implies that Marx would have incurred in *three* consecutive lapsus, which, moreover, would be present in *three different phrases* (albeit only two tend to be cited, since the phrase between hyphens, which Engels did not include in his edition, but which appears in the MEGA[2], is usually overlooked). Is this hypothesis quite simply untenable? Not necessarily. However, we do think that it is highly unlikely that Marx would have made so many mistakes in a row. On the other hand, note that the hypothesis of the "triple lapsus" fails to make sense of the *counterpoint* that Marx evidently wants to make when he states that market value comes to be determined by one of the extremes, "despite the fact that the proportions produced under the different conditions, taken by themselves, would lead to a different result." A contrast between a determination of market *prices* by extreme conditions and the simplest determination of the market *value* by the weighted average of the incidence of each of the different conditions of production, would make Marx´s wording lack in all formal coherence. Or, at best, it would be an absolutely and suspiciously trivial argument. Finally, this reading proves to be even more problematic when account is taken of the phrase between hyphens that Engels omitted and where Marx stresses the sense of the counterpoint by referring to "this different determination of this market value."

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[8] Numbering of each sentence added.

In opposition to the thesis of the "triple lapsus," the more widely accepted contemporary reading takes the paragraph at face value. On those grounds, it concludes that the passage adds to the case for the plain identification of social value and market value and, consequently, for the role of demand in its determination through the establishment of the regulating condition of production. Again, this interpretation also clashes head on against the formal coherence of the paragraph´s wording. In this case, the inconsistency is between Marx´s first claim, according to which by virtue of a market disequilibrium "there will be variations of the market price from the market value" [1], and the sentence that immediately follows [2a]. This latter sentence starts off referring to "the first variation"—which must evidently refer to the direction of the divergence between the market price and the market value—but ends up speaking about a peculiar determination of the market value as such.

How to avoid what seems like an inevitable dead-end? We think that our hypothesis about Marx´s idiosyncratic and lax usage of the term "market value," coupled with a *partial* acceptance of the "lapsus thesis," allows a reading that makes sense of a paragraph which seems to elude all formal coherence. Specifically, we concur that there might be a lapsus in the paragraph. Yet, in our view, it is located only in the *first* mention of the regulation of the market value by "the commodities produced under the worst/best conditions" in sentence [2a], which should have referred to the "market price." Thereafter, all subsequent mentions to the "market value" (sentences 2b and 3) are correct. The key, however, is the (im)precise meaning that Marx gives to that term. As already argued at length, Marx uses the category of market value not only to refer to the immediate quantitative expression of the social value, that is, to the direct normal price. Instead, he uses it more broadly also to include the regulating normal price which, under definite circumstances (notably, in agricultural production), entails a quantitative divergence from the quantity of labor that is represented in the magnitude of the social value of the product; but which, nevertheless, does reflect some of the production conditions of the respective sphere of the social division of labor.

In light of this alternative reading, the controversial paragraph seems to recover rational sense. “The first variation” would be between the market price and the market value understood as the immediate quantitative expression of the social value (i.e., according to “the proportions produced under the different conditions, taken by themselves”). Insofar as this variation is not simply short-term but, due to whatever peculiar circumstances which involve “rigidities” in the quantities supplied, persists in time, and crystallizes into an “empirical gravitational center” for the daily fluctuations of market prices, Marx appears to infer a “different determination of this market value” by one of the “extremes.” Even “more significant” variations would thereby imply market prices that lose direct connection to any of the conditions of production found in the respective sphere, that is, that differ from the market value in any of its meanings to become a so-called monopoly price.

In sum, our main argument is that the interpretative difficulties in the passages from Marx´s text which relate the market value with supply and demand conditions get resolved once we acknowledge that this category is used broadly to refer to a regulating normal price, albeit not necessarily a direct one. Along the same lines, we threw into relief that it is of paramount importance to be clear that *it therefore is not synonymous with “social value.”* While the latter is always determined solely in production according to the SNLT formed by the weighted average of the individual conditions of production in the respective branch, and constitutes the “general law of value” or “norm” that governs the “movement of prices” (Marx 2015, 288), Marx´s treatment of the “market value” in Volume III of *Capital* also encompasses further *extraordinary* mediating circumstances which involve *divergences* from the “general law,” albeit still within the limits set by the existing material conditions of production.

Now, all this begs a subsequent question. Why would Marx use the *same* category to account for *two* qualitatively different phenomena such as what we have called “direct normal price” and “regulating normal price?” At this juncture, we believe that it is suggestive that Marx coins the term “market value” as part of his critical review of Ricardo´s theoretical project aimed at offering a “unified labor theory of value” which is applicable to both manufacturing and agriculture (Marx 1989a, 428 ff.). In effect, under these peculiar premises the issue at stake no longer is to establish the connection between the magnitude of value of a commodity and SNLT but, instead, to delineate the broader nexus that all normal prices must have with some “quantity of labor expended in production.” But if this were the case, one could still wonder whether such an attempt to generalize the case of agriculture to all branches of production would entail a problematic collapse of different systematic levels of abstraction. Even more awkwardly, as attested by Marx's own exposition in Volume III, it entails lapsing into the formulation of opposite cases to what is the peculiar but real norm in agriculture, such as the permanent oversupply of commodities, which do not seem to have any practical relevance in the objective reality of the capitalist mode of production.

Conclusion

This article has revisited the Marxist debate over the meaning of SNLT against the backdrop of contemporary discussions on Marx´s value theory and the newly available evidence provided by the critical edition of the original manuscripts for *Capital.* We have seen that three main perspectives can be discerned. The "circulationist" one considers that SNLT represents the amount of social labor validated by effective demand on the market. The "production-centered" approach maintains that it is constituted through an average of the conditions of production prevailing in the respective sphere. Finally, there is an "intermediate" position which argues that it expresses the regulating condition of production which is in turn determined by effective demand. After critically reviewing the different positions in the debate, we concluded that none of them offers an explanation which is consistent with both the simplest determinations of value and Marx´s writings on the subject.

Our own key argument was that SNLT, as the quantitative aspect of the substance of value, expresses the norm of the productivity of labor which is established through the diversity of production conditions under the command of the multiple individual capitals in a certain branch of social labor. In turn, we submitted that the different price-forms are the "distorted" (i.e., self-negated) modes in and through which the former *content* is *expressed*, with varying degrees of mediation. Furthermore, this latter process mediates the indirect imposition of the norm which constitutes the proportional allocation of the total social labor among the different spheres of production.

As for Marx´s textual legacy, we pointed out that he does refer to this other norm in the quantitative regulation of social labor as a "second sense" of SNLT. But we disputed the claim that it entails a modification of its "first sense." Instead, we maintained that it is a case of usage of the same "technical term" for different purposes. Moreover, concerning the passages in Volume III of *Capital* where Marx relates the determination of the magnitude of the market value with the volume of effective demand, our central claim was that the former term is not synonymous with the social value. However, in chapter 10 of Volume III Marx arguably tended to conflate the two categories. More specifically, Marx understands the market value as the monetary expression of the social value in the form of a regulating normal price, be it in a quantitatively direct or unmodified fashion (as happens in normal circumstances), be it as a regulating normal price within the range of those determined by at least one of the conditions of production prevailing in a certain industry. Seen in this wider light, its determination does incorporate the mediation of (highly exceptional) conditions of circulation. This is what sets it apart from the social value, whose constitution as the purely social representation of the materiality of the privately performed socially necessary abstract labor, takes place exclusively in the sphere of production.

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Global Commodity Chains and the Marxian Law of Value

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Abstract: This paper develops a Marxian critique of the "global commodity chain" (GCC) paradigm. It is argued that this approach fails to provide an actual explanation of the phenomenon it sets about to investigate. Instead, it offers a typological description of the immediate manifestations of the determinations at stake. As a consequence, the GCC approach one-sidedly conceptualises the relations among individual capitals within a commodity chain as the simple result of relations of power (or co-operation), that is, of direct social relations. By contrast, this paper argues that the latter are concrete mediations of the inner laws regulating the indirect social relations among individual capitals: the process of global competition through which the formation of the general rate of profit asserts itself. On this basis, it develops an alternative account of the social determinations underlying the genesis, structure and evolving configuration of GCCs as an expression of the unfolding of the Marxian "law of value".

Keywords: global commodity chains, Marx, law of value, capitalist competition

> . . .and all science would be superfluous if the form of appearance of things directly coincided with their essence (Marx 1981:956).

Introduction

The global commodity chain (GCC) approach can be regarded as a highly influential framework for the study of contemporary economic processes to have emerged out of the academic debates around the so-called "globalisation" question.[1] It is part of a growing number of diverse traditions that have been converging into what could be labelled a "network-led development paradigm" (Sturgeon 1998). These related approaches see the problematic of development through the lenses of some variant of the concepts of "chains" or "networks" (Henderson et al 2002:448).[2] Without wanting to downplay the differences between the varied intellectual traditions in this broad group of perspectives, they all share a common set of assumptions and concerns. First, they all recognise the novelty of phenomena generally associated with the "globalisation" of the capitalist economy, which they define in terms of the emergence of a pattern of global dispersion with functional integration of economic activities (Dicken 2003:12). Second, they see the configuration of global production networks of firms as fundamental

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drivers of these economic transformations and, therefore, as the context in which to rethink the problematic of development (Yeung 2007:1). In particular, participation in these networks or chains is considered to be a central determining factor of different developmental outcomes by providing opportunities for "upgrading" of firms that can spill over to the rest of the national economy (Kaplinsky 2000; see Bair 2005:167ff, for a critical assessment of the concept of upgrading).

This focus on the sectorally specific structure and dynamics of global industries could be said to resonate with the broader resurgence of interest in the economic, cultural and spatial "life" of particular commodities among geographers (Bridge and Smith 2003; Castree 2001). In this sense, Leslie and Reimer (1999) identify the GCC approach as one of three perspectives that have recently revived academic attention to the specificities of different sectors, the other two being the systems of provision approach mainly associated with Fine and Leopold (Fine and Leopold 1993) and the commodity circuits found, for instance, in Cook and Crang's work on "circuits of culinary culture" (Cook and Crang 1996). But while these latter two groups of literature tend to concentrate on the production–consumption linkage (and, as a consequence, on the nature of the connection between "economy" and "culture" in capitalism), it is the former strand of research that fundamentally puts issues of economic and industrial organisation at the centre of the inquiry (Smith et al 2002). Insofar as this paper is concerned with organisational aspects of the changing forms of global competition, I shall therefore restrict the critical discussion that follows to the GCC approach.

There is no doubt that studies informed by the GCC approach have provided rich empirical descriptions of the functional articulation of particular branches of industry dispersed across the globe. In effect, research stemming from the GCC tradition offers very detailed and informative accounts of the current forms of intra-capitalist competition in different commodity chains. Those studies can therefore be taken as a useful empirical starting point for the investigation of the more general determinations that underlie the relationships among the different individual capitals along each chain. However, some further questions arise concerning its contribution to our comprehension of the contemporary forms of global capital accumulation. In the first place, a critical assessment of the GCC approach should evaluate its merits as a framework for the study of international development. Such an overall assessment of the GCC approach as a tool for the comprehension of uneven development in global capitalism is not, however, the path that I shall follow in this paper.[3]

My aim here is much more modest but, at the same time, focuses on an aspect that has remained unexplored in the critical literature: this paper subjects to critical scrutiny the very concept of commodity chain

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through the lens of the Marxian "law of value". Given this limited scope, the paper will only examine one of the two constitutive components of the notion of GCCs. Thus, the discussion focuses on the determinations of the "chain form" taken by the current forms of capitalist competition at the expense of analytically "bracketing" its global dimension. To freely borrow a useful distinction from Yeung (2007:4), I centre the examination of GCCs on the "organisational fix" in GCCs and not so much on its "spatial fix". While the latter idea originally developed by Harvey (2006) refers to the geographical relocation undertaken by capital in order to maintain its profitability, the former tries to capture the way in which global lead firms reorganise their network of suppliers in order to maximise their valorisation. As Harvey himself remarks in the *Limits to Capital*, even if it does not provide a full picture of the social processes at stake, a separate engagement with the changing organisational arrangements of capital can nonetheless offer valuable insights into what is a distinctive concrete form taken by the accumulation process (Harvey 2006:139).

Through a critical appraisal of the general foundations of the GCC approach, I make the following two main points. In a more critical vein, I shall argue that despite its informative character, the GCC approach does not actually provide an explanation of the very specific phenomenon that it sets to investigate. What commodity chain studies do is simply to offer, through an essentially inductive-empiricist methodology, a typological description of the immediate outer manifestations of the determinations at stake. This failure firmly to explain the nature of GCCs is expressed, for instance, in the disjuncture between the portrayal of the particular dynamics internal to each industry and the general dynamics of the "system as a whole". Secondly, and more constructively, this paper offers an alternative account of the social determinations underlying the genesis, structure and evolving configuration of GCCs on the basis of the Marxian critique of political economy. In this way, I recast the phenomenon of GCCs by putting forward more solid theoretical foundations for the comprehension of this novel form of capitalist competition on a world scale.

In this endeavour, I intend to echo Neil Smith's appeal for a "return to theory" in radical economic geography (Smith 1989). As he argued in the late 1980s, much of the work among critical geographers tended to react to the abstract and formalistic general models of traditional location theory by re-emphasising empirical research on specific industries and places and aiming at capturing the detail and complexity of particular cases. While there is much to commend in this preoccupation with particularity, Smith reported how this shift towards empirical research had eventually come at the expense of a renunciation of theory and had dangerously slipped into a new empiricism that was incapable of shedding light on the general movement involved in the changing

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uneven geography of capitalism (Smith 1989:154–156). More recently, Jamie Gough noted how this theoretical gap still remained more than 10 years after Smith's original call and reinstated the need to found the understanding of scalar economic relationships on the fundamental processes of capitalist economies (Gough 2003:25). Difference or particularity, he further argued, should be comprehended out of the contradictory development of the general movement (as differentiation of a contradictory totality), rather than as an irreducible and self-subsistent singularity that escapes determination by the motion of the fundamental social forms of capitalist production (Gough 2003:29). As Hudson puts it in a recent appraisal of the state of progressive radical geography, the Marxian "law of value" remains vital to "elucidate the decisive social relationships specific to capitalism and to the contemporary world" (Hudson 2006:379); and, one could add following Harvey's reflections on the Marxian notion of the capital circulation process (Harvey 1996:64–66), as the fundamental general social process that gives unity and content to the different particular moments or differentiations of the movement of modern social life. This obviously includes a phenomenon as concrete as the formation and dynamics of GCCs, whose current study can arguably be shown to suffer from all the shortcomings and risks of empiricism denounced by Neil Smith 20 years ago. This paper thus takes up this intellectual challenge and offers some elements for filling this theoretical gap in the study of GCCs.

An Outline of the GCC Approach

The concept of GCCs aims to capture the novel type of inter-firm linkages that articulate the functional integration of globally dispersed activities that characterise the present era of globalisation (Gereffi 1994:96). As a unit of analysis, the concept of GCC refers to:

> . . . the full range of activities, *including coordination*, that are required to bring a specific product from its conception to its end use and beyond. This includes activities such as design, production, marketing, distribution, support to the final consumer, and governance of the entire process (Gibbon and Ponte 2005:77).

As Bernstein and Campling note (2006b:439), the main focus of commodity chain analysis lies in the realm of the relation between individual capitals. In particular, GCC research has attempted to illuminate the different types of international network forms that co-ordinate the division of labour underlying each final product and that cannot be grasped through the traditional binary opposition between "market" and "hierarchy" (Gereffi, Humphrey and Sturgeon 2005; Palpacuer and Parisotto 2003). As Gereffi, Humphrey and Sturgeon note against the predictions of transaction cost approaches and building on the

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insights of network theories, "co-ordination and control of global-scale production systems, despite their complexity, can be achieved without direct ownership" (2005:81). These different ways of articulating complex global production systems are reflected in varied and shifting governance structures.

The concept of governance was originally devised to depict the diversity of authority and power relationships that give overall co-ordination to the division of labour within the commodity chain. Specifically, the governance structure was seen by Gereffi as socially mediating the material interdependency that characterises the "input–output structure" of each GCC (ie the sequence of value-adding economic activities), insofar as it determines "how financial, material, and human resources are allocated and flow within a chain" (Gereffi 1994:97). This was all the more necessary since that input–output structure had a globally dispersed coverage. In turn, this concept of governance is intimately connected with the concept of the "driveness" of GCCs or, what amounts to the same thing, the role of lead firms as "chain drivers". These are the most powerful firms which effectively command the overall commodity chain co-ordination due to their ability to exert control over the other nodes of the network of firms (Bair and Dussel Peters 2006; Gereffi 2001:1622). In this early formulation, the concept of GCC was underpinned by a "strong" notion of chain drivenness (Bernstein and Campling 2006a), in which lead firms strategically exerted their power in order to configure GCCs for the benefit of their own profitability. In this sense, GCC analysis was seen to be a methodology that could shed light on the intrinsic connection between power and profits. According to Gereffi, "profitability is greatest in the relatively concentrated segments of global commodity chains characterized by high barrier to the entry of new firms" (2001:1620). In "apportioning roles to key players" within a network of firms (Kaplinsky 2000), lead firms end up regulating how much profit accrues at each stage of the chain (Gereffi 2001:1620).

Now what is the source or material basis of the relative power of each firm (and in particular that of chain drivers)? The answer to this question leads us to what is another key element of the GCC approach, namely, the related concepts of economic rents and barriers to entry (Kaplinsky 2000:122). Lead firms obtain their exceptional profitability as a result of their capacity to generate different kinds of rents, which are defined as "returns from scarce assets" (Gereffi 2001:1620). These scarce assets, which can be tangible (machinery), intangible (brands) or intermediate (marketing skills), provide the foundation for the emergence of barriers to entry and thereby give rise to those different sorts of extraordinary economic rents: technological, organisational, brand-name, relational and so on (Gereffi 2001:1621). Moreover, these assets provide the basis for the definition of the core competencies that lead firms will

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tend to monopolise (eg R&D, design, manufacturing, marketing and so on).

Although there is no a priori precise node in the chain where a lead firm will tend to be situated (ie lead firms are not necessarily involved in the making of the finished product and can be located upstream or downstream from manufacturing, see Gereffi 2001:1622), early GCC empirical research claimed that there were two main types of commodity chains: producer-driven commodity chains (PDCCs) and buyer-driven commodity chains (BDCCs). The former tend to predominate in capital and technology intensive industries (automobiles, computers, aircraft and electrical machinery) and generally involve a powerful manufacturer that has tight control over a vertically organised network of suppliers consisting of several tiers. Core competencies are usually final assembly and R&D (Bair 2005:159). BDCCs tend to predominate in lighter, labour-intensive industries (apparel, toys, footwear, consumer electronics); their organisation is generally under the command of "big buyers" (designers, retailers, brand-name firms) that monopolise the functions of design, marketing and distribution, and that outsource the whole manufacturing stage (as opposed to components) to a more horizontally organised and decentralised network of small and medium-sized firms (Bair 2005:159).

Subsequently, partly as a response to criticisms of the simplistic nature of the PDCC/BDCC dichotomy and partly as a result of further empirical observation of different and changing configurations of commodity chains, Gereffi and his colleagues came up with a more complex typology involving five different types of chain governance (Gereffi et al 2005).[4] This five-fold typology also reflects the more recent incorporation into the GCC approach of insights from the new economic sociology, with its emphasis on notions like "embeddedness" and "networks".[5] In this new characterisation of types of GCC, governance structures "move along a spectrum that starts with un-embedded 'arms-length' market relations, moves through modular, relational and captive value chains, and culminates in 'hierarchy', which relates to the complete vertical integration of production within a unitary transnational enterprise" (Taylor 2007:534).[6] The constitution of each particular type of commodity chain is a function of three key determinants: the complexity of transactions, the ability to codify transactions, and the capabilities in the supply-base (Gereffi et al 2005:87). In turn, each of the five governance types along the spectrum from market to hierarchy involves increasing degrees of explicit co-ordination and power asymmetry (Gereffi et al 2005:87). In consonance with the new economic sociology literature, this new typology emphasises that the embeddedness of economic transactions in broader social relations leads to the co-ordination of inter-firm networks not only through sheer power relations, but also through "trust" and "mutual co-operation". Still, the

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point remains that in all cases the emphasis lies in the way in which these networks of firms are socially regulated through a certain degree of what GCC theorists call "explicit co-ordination", that is, they are not completely evanescent and impersonal. In other words, linkages between firms in commodity chains are regulated through relatively stable direct (ie conscious and voluntary) social relations.

Now there is no doubt that studies informed by the GCC approach have provided rich empirical descriptions of the functional articulation of particular branches of industry dispersed across the globe. In effect, research stemming from the GCC tradition offers very detailed and informative accounts of the current forms of intra-capitalist competition in the different "commodity chains". However, a closer scrutiny of the foundations of the theoretical edifice of the GCC approach suggests that it does not actually provide a satisfactory explanation of the constitution and dynamics of commodity chains. In the next section, I substantiate this point through a more critical engagement with the concept of GCC with a focus on the foundational contributions to the GCC approach, that is, when it was still explicitly formulated as a theoretical development within the world-systems tradition. As I shall argue, the theoretical difficulties in connecting the particular characteristics of GCCs with the general dynamics of capital as a whole do not only stem from its more recent shift to a meso/micro level of analysis, as reported by Bair (2005) in her survey of the intellectual evolution of the GCC paradigm (through the incorporation of insights from the new economic sociology and management/industrial organisation theory literature). Rather, I argue that those weaknesses can be traced back to the original formulations of the GCC approach, that is, when it was still explicitly concerned with establishing a firm connection between the social constitution of "globally dispersed networks of firms" and the "structural properties" of the world economy as a whole.[7]

The Limits of the GCC Framework

Although rarely noted by commentators, it is remarkable that one of the founding works in the GCC paradigm by Gereffi, Korzeniewicz and Korzeniewicz (1994) explicitly situated the emerging approach broadly within the intellectual lineage of monopoly capital theory; or rather, in what the world-systems approach shared with it.[8] Thus, building on the contribution to the book *Commodity Chains and Global Capitalism* by Hopkins and Wallerstein (1994), the editors of the volume stated that "monopoly and competition are key to understanding the distribution of wealth among the nodes in a commodity chain" (Gereffi et al 1994:2). The argument was that competitive pressures were unevenly distributed along the chain. While innovation or, more generally, the possession of "strategic assets" allowed core-like nodes in the chains to be relatively

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insulated from the forces of capitalist competition, peripheral firms bore the transfer of competitive pressures onto their shoulders (Gereffi et al 1994:3). Accordingly, profitability was said to be distributed along the chain following the relative intensity of competition within different nodes (Gereffi et al 1994:4). Moreover, the possession of strategic assets gave those core firms not only higher profitability (due to greater "market power"), but also the overall power to control forward and backward linkages along the chain.[9]

My claim is that the GCC approach is ill-equipped to explain this phenomenon, which is so central to its very own object of inquiry. In effect, it is to be noted that the above account of the formation and dynamics of commodity chains simply presupposes what needs to be explained. Thus, the differential power among firms to appropriate profits is seen to derive from the capacity of some capitals to generate barriers to entry, which is in turn premised on their relative monopoly over some strategic "scarce asset", that is, one which expresses the capacity to actively participate in the development of the forces of production. But surely the determination of those assets as relatively "scarce" presupposes that other firms within the chain are systematically unable to have their own strategic assets, that is, they lack the magnitude of capital necessary to generate their own barriers to entry. Otherwise, all firms along the chain would have their own "strategic asset", making the possession of those assets cease to be relatively scarce, and leading to the disappearance of the material basis for the differential capacity to command the chain and appropriate higher profits. GCC analysis simply assumes the power differential among capitals and then "explains" the emergence and dynamics of commodity chains on the basis of it as the strategic choice made by lead firms through which they arbitrarily impose the particular conditions for the overall circulation (hence valorisation) of all other capitals along the chain. But although this might be descriptively accurate, it simply presupposes that all other capitals do not have the power to contest that organisational leadership and will therefore have no choice but submissively to accept to valorise at a lower rate of profit. As we can see, this inability to provide a sound explanation of its very object of inquiry has accompanied the GCC approach from its world-systems origins, broadly based as it was in monopoly capital theory.

The rest of the paper argues that the Marxian "law of value" can provide firmer foundations for the comprehension of the nature and dynamics of GCCs. As Marcus Taylor (2007) notes in a recent attempt to conceptualise GCCs from the perspective of the Marxian critique of political economy, this endeavour requires us to rethink the precise relation between those embedded economic activities that GCC research so vividly describes and the more general global dynamics

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of capital accumulation. “Embedded” social relations, Taylor rightly points out, cannot be understood as self-subsistent constellations but as moments in a circuit of capital spanning production and circulation (Taylor 2007:536). More concretely, the fundamental question lies in the connection between the essentially indirect nature of the general social relation that regulates capitalist production, and the varied direct social relations through which the establishment of the unity of the former is eventually mediated at particular nodes of social division of labour. In other words, what needs to be uncovered is the inner connection between the self-expansion of capital on an ever increasing scale through the unfolding of the “law of value” (the content) and the relatively enduring direct social relations between particular individual capitals within a chain, that is, “embeddeness” and “networks” (the form). The problem with the GCC approach in all of its variants is that it does not grasp the relations among individual capitals beyond their immediate appearances. It is thereby unable to uncover the content of the phenomenon under investigation behind its outward manifestations and actually inverts the latter into the very cause of the phenomenon itself. Thus, it sees the constitution of commodity chains as essentially governed by direct social relations of command (or co-operation). This in turn leads to the inability of GCC research to comprehend the underlying unity of the process of capitalist competition and its inner laws and, therefore, to an inability to connect the particular dimensions of GCCs (including the embedded or direct social relations that mediate the material interdependency among its participants) with the general dynamics of the “system as a whole”. This connection, I argue below, is precisely what the Marxian “law of value” can help elucidate.

GCCs as an Inner Moment of the Process of Capital Circulation

Some first steps in the direction of recasting GCCs through the lenses of the Marxian critique of political economy have been already made by radical economic geographers. For example, Hudson rightly remarks that to “conceptualise production in terms of GPNs [Global Production Networks, GS] is to do no more—and no less—than to recognize the practical realities of capitalist economies”, which are fundamentally “centred upon commodity production, the production of things with the intention of sale in markets, and value expansion via the production and realization of surplus-value” (Hudson 2008:425). However, this is only implicit in the GCC approach and needs to be made explicit by extending that framework “beyond “the commodity” per se and towards the commodity as an embodied form of value (Smith et al 1999). The “biographies” of commodities are in this light the way in which they

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move within and beyond the circuits of individual capitals (Hudson 2001, 2008).

I agree that this is the correct starting point for a Marxian take on the phenomenon of GCCs, insofar as it locates the latter within the general nature of capital as self-expanding value. However, I think that there is still a theoretical gap to be filled by unfolding the precise mediations that connect this more abstract determination of capital with the systematically more concrete level of abstraction at which the phenomenon of commodity chains has to be located, namely, the relations of cross-branch competition between individual capitals (ie capitalist firms). The question that needs to be addressed is why and how the unity of the circulation process of capital is achieved through the characteristic relations between individual capitals that structure commodity chains. Let me expand and reframe this question by firstly looking more closely at the general nature of capital.

One of the most potent scientific discoveries of Marx's critique of political economy was that capital is neither simply a thing (for example, the instruments of production), nor productive unit or legal entity (ie a firm), nor a social grouping sharing common characteristics and interests (ie "business" or "the bourgeoisie"). In its general determination as self-valorising value, capital is actually a materialised social relation between commodity owners differentiated into social classes which, in its fully developed form as total social capital, becomes inverted into the very (alienated) subject of the process of social reproduction and its expansion in its unity (Marx 1976:763).[10] Thus, capital is essentially the movement of self-expansion of the objectified general social relation between private and independent human beings which, in its own process, produces and reproduces the latter as members of antagonistic social classes (Marx 1976:723–724; 1978:185). All moments of the human life process thus become inverted into material bearers of the lifecycle of capital or, as Harvey highlights, they become forms assumed by the flow of value in its circulatory process (Harvey 1996:63). Subsumed under the capital form, the alienated content of social life becomes the production of surplus value or the formally boundless quantitative progression of the general reified form of social mediation (Marx 1976:251–257).

Although this content governs the movement of capital as a whole or as an alienated collective power, the total social capital is nonetheless the product of the private and independent form taken by social labour. The general unity of the movement of the total social capital cannot be established immediately. It is thereby indirectly established through the exchange of commodities resulting from the apparently autonomous actions of individual capitals in competition with each other, as each of them pursues the maximisation of its profitability through the expanded reproduction of their formally independent cycles of valorisation. In

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their simplest form, those cycles can be represented through the well-known general formula of capital.

$$M - C \left\langle \begin{matrix} LP \\ Mp \end{matrix} \right. \ldots P \ldots C' - M'$$

where *M* is money capital, *C* is commodity capital, *P* is productive capital, *L* is labour power, *Mp* is means of production, – is circulation process and "..." represents production process.

More specifically, the concrete form in which individual capitals assert their class unity as "aliquot parts" of the total social capital is the process of formation of the general rate of profit (Marx 1981:298–300, 312). This is the inner or essential determination of the general social relation between capitalist firms. However, the concrete realisation of this inner determination could be mediated under certain circumstances by the establishment of relatively stable direct social relations between certain individual capitals; for instance, relations of hierarchy and power such as those that structure GCCs. The elucidation of those determinate circumstances is precisely what a critical investigation of the social constitution of GCCs should be directed towards. The intellectual challenge, then, is to comprehend the differentiation of the valorisation capacities of individual capitals along the chain as an expression of the global unfolding of the "law of value", that is, through the formation of the general "world market rate of profit" (Bonefeld 2006:51). In the next two sections, I show why and how the direct social relations governing GCCs are concrete mediations in the process of competition through which the formation of general rate of profit—and therefore, the unity of the movement of the total social capital—asserts itself.

Capitalist Competition and the Differentiation of Individual Capitals

In *Capital* Marx develops the inner determinations regulating the competition among individual capitals of different branches of the division of social labour through his discussion of the formation of the general rate of profit and the "transformation of values into prices of production".[11] As Marx argues in those pages, the formation of the general rate of profit takes the concrete form of a tendential equalisation of average rates of profit across the different branches of industry. This would seem to leave us disarmed in the face of the central feature of GCCs that needs to be explained: the configuration of chains with capitals of different profitability and under the overall command of a lead firm that systematically appropriates extraordinarily high profits.

And yet I do not think that this should be the end of the story, a fatal blow for the potentiality of the critique of political economy to

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cast light on contemporary forms taken by global capitalist competition and described in the GCC literature. Drawing on the work of Iñigo Carrera (2003:ch 5) I argue that what Marx provides in those pages is the simpler or more abstract form taken by the formation of the general rate of profit. The affirmation of the unity of the total social capital through the determination of its private fragments as "equally valorised values" (Iñigo Carrera 1995) is further realised in the form of its self-negation, that is, by differentiating their valorisation capacities. Here it is important to emphasise that this process of differentiation does not constitute, as monopoly capital theories (the GCC approach among them) would have it, the absolute opposite of the formation of a general rate of profit as the fundamental law regulating the relation between individual capitals. Instead, it involves a further concretisation of that very same law.[12]

The key to these more concrete determinations, however, are not to be found where Marx explicitly addresses the competition among the multiplicity of capitals comprising the total capital of society. But they can be found several pages later in volume 3 of *Capital*. Specifically, Marx hints at this problem in the context of his discussion of the genesis of capitalist ground rent when he is unfolding the peculiarities of small-scale peasant ownership (Marx 1981:940ff). There Marx unfolds the category of "small capital" and shows that its valorisation is not regulated in the same form as normal capitals. More generally, what Marx effectively offers us in those pages is the basic elements to further develop the determinations of the qualitative differentiation between normal and small capitals which, as shown below, will prove of paramount importance for the explanation of GCCs on the basis of the law of value. While Marx only unfolds those determinations in the specific context of agrarian capital (ie industrial capital valorised in agriculture), the work of Iñigo Carrera (2003:ch 5) insightfully shows that their applicability is broader and can actually be generalised to industrial capital as a whole. Moreover, he draws additional implications from the reproduction of small capitals which, I believe, cast further light on the constitution of commodity chains.

As has been forcefully argued by many Marxist scholars (Shaikh 2006; Weeks 2001), the dynamics of capitalist competition that mediate the production of relative surplus value by the total social capital is not the judicious and orderly social process ideologically presented by neoclassical economics. Rather, it is marked by a fierce warfare that results in the uneven development of the productive forces within and across branches of production (Smith 2008). Individual capitals that cannot keep up with the demands of the competitive battle (essentially and ultimately—though not exclusively—revolving around the increase of the productivity of labour), eventually face bankruptcy and displacement from the market. This is the concrete form that mediates the process of

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concentration and centralisation of capital that Marx emphasised as characterising the dynamics of the accumulation of capital through the production of relative surplus value (Marx 1976:776–777). However, as Iñigo Carrera points out (2003:124), this process does not necessarily take the simple form portrayed by Marx. In effect, the liquidation of individual capitals that are unable to keep up with the scale needed to set into motion the socially normal methods of production (ie to function as normal or average capitals) does not have to be the immediate outcome of their defeat in the competitive struggle. Besides the recourse to other temporary sources of competitiveness like the abnormal extension of the working day or intensification of labour (Clarke 1999), there are still other ways in which they can extend their agony. The key to this expanded lifespan lies in the determinations of *small* capitals that I mentioned above.

In effect, I have pointed out that the valorisation of agricultural small capitals is not regulated by the average rate of profit of normal capitals. Instead, it is regulated either by the value of the means of subsistence needed for the material reproduction of the peasant or, additionally, by the interest paid on the price of land. This differential valorisation capacity can be generalised for all industrial capitals. In this case, only in very extreme circumstances will the rate of valorisation fall down to the equivalent of the wage that the small capitalist receives (i.e., the case of the family business whose owner is on the verge of proletarianisation). More generally, the rate of valorisation of small capitals in non-agricultural branches of production is usually regulated by the interest rate on the liquidation value of their productive assets (Iñigo Carrera 2003:124). In other words, their valorisation capacity is determined by the rate of interest that those capitals of restricted magnitude could yield if they closed down business and were turned into interest-bearing capitals. Accordingly, this rate of valorisation will vary with the specific concrete magnitude of different small capitals, since the aforementioned rate of interest will vary in each case.[13] Small capitals actually constitute a stratification of capitals of different magnitudes, some of which might only slightly differ from normal capitals, to the point of being imperceptible through impressionistic observation (Iñigo Carrera 2003:124). This means that, at first sight, some small capitals can look impressively "big". The point is that they nonetheless do not reach the specific magnitude needed to be turned into normal capitals, that is, they do not reach the "definite minimum of capital [that] is required in each line of business to produce commodities at their price of production" (Marx 1981:843).

The crucial point for this discussion is the following: if, as is likely to be the case, the rate of interest tends to be below the general rate of profit, then the higher costs springing from the smaller scale and/or the obsolete means of production used could be compensated by the lower

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rate of profit. The limit to the survival of small capitals is thereby given by the extent to which the price regulating their valorisation (determined by their cost price plus the interest rate on the liquidation value of their respective assets) manages not to rise above the price of production regulating the valorisation of normal capitals.[14] This strictly determined limit is therefore subject to the general development of the productivity of labour in each particular branch of industry, which in turn expresses the changing pace and forms of production of relative surplus value by the total social capital. Moreover, inasmuch as the concentration and centralisation of capital nonetheless marches forward, the limit for the subsistence of small capitals moves continuously upwards over time. But as long as the pace of the increase of the productivity of labour determines a normal price of production that does not fall below the price that regulates the valorisation of small capitals, the latter can continue accumulating despite their inability to keep up with the development of the capitalist productive forces due to their reduced magnitude.

In fact, if the price that regulates the valorisation of small capitals is actually lower than the normal price of production that regulates the valorisation of normal or average capitals, the latter become effectively excluded from those branches of social production. What we effectively have here is an "entry barrier" for normal capitals, which are unable to compete with smaller capitals that set into motion a lower productivity of labour but which compensate those higher costs through a considerably lower rate of profit. And this has fundamental consequences for the development of the productive forces of social labour. To put it simply, since small capitals are by nature incapable of being at the vanguard of technological development, their reproduction and dominance in whole branches of production acts as a reactionary barrier to the unfolding of the plenitude of the potentialities of the revolutionary transformation of the material conditions of social labour through the automation process.

The reproduction of small capitals has another implication which is crucial for the comprehension of the formation of commodity chains: the release of surplus value by small capitals (Iñigo Carrera 2003:126ff). If concrete circumstances are such that small capitals manage to sell their commodities at a price that stands above the one determined by their specific rate of valorisation but below the price of production of normal capitals, then a potential surplus profit emerges.[15] However, although this surplus profit is borne by the commodities produced by small capitals, their competition over that extraordinary mass of abstract social wealth eventually leads them to expand production and drives their prices down to a level determined by their specific rate of valorisation.

Does this mean that the surplus profit vanishes into thin air? Certainly not. Although it slips through the fingers of small capitals, it ends up in the hands of some of the normal capitals that valorise in directly neighbouring branches of the division of labour and with which they

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relate in the sphere of circulation. Assuming, for the sake of argument, that small capitals are suppliers of inputs for those normal capitals, the latter will benefit from a permanent flow of extra surplus value derived from the purchase of inputs at prices below their normal price of production (ie at a "pseudo" price of production). In turn, this means that those successful normal capitals that end up monopolising the market relation with small suppliers will systematically obtain a higher than normal rate of profit.[16]

What are the implications of all these further mediations in the concrete forms taken by the competition among individual capitals beyond the simple equalisation of the average rates of profit described by Marx? In a nutshell, we can now see that the unfolding of the intra-capitalist competitive battle generates a three-fold differentiation among individual capitals. First, there are normal or average capitals whose rate of profit is tendentially equalised at the level of the general rate of profit. Second, there are small capitals, the losers in the competitive war that nonetheless manage to extend their lifespan through systematic valorisation at a rate of profit below the general one. Third, there are some normal capitals that, through the appropriation of the surplus profit freed up by small capitals, systematically valorise at higher than average concrete rates of profit. I shall term this latter kind of individual capital enhanced normal capital.[17]

In brief, a hierarchy of individual capitals with differential valorisation powers emerges out of the immanent dynamics of competition that mediate the establishment of the unity of social capital as the concrete subject of the exploitation of the collective labourer. Two important points should be emphasised in this regard. First, this is not simply a short-term phenomenon but can reproduce itself over relatively long periods of time. Still, this differentiation cannot persist indefinitely as the aforementioned objective limits to the reproduction of small capitals are eventually reached. The precise forms and timing of its internal dynamics ultimately depend on the pace of the contradictory development of the productive forces of social labour as an attribute of the total social capital, that is, on the concrete forms taken by the production of relative surplus-value on a world scale in the course of capitalist development.

Second, this hierarchical differentiation of capital does not derive from, or result in, the suspension or transcendence of the general law regulating the competition process, that is, the capitalist law of value or the formation of the general rate of profit, through the emergence of a "monopoly sector" that stands above and dominates a "competitive" one. Quite to the contrary, as I hope to have shown: it is the concrete expression of the pure unfolding of the formation of the general rate of profit beyond its simpler forms (as discussed by Marx in *Capital*). The law of value continues to operate with full force across the whole

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capitalist economy. Moreover, the above discussion implies that value is not simply created within each chain or network of firms and then contingently captured in different degrees by each participant, as implied by GCC analysts. Instead, value is created by the living labour of workers in the economy as a whole and appropriated through the objective process of formation of the general rate of profit by each individual capital.

What follows from this is that the power relations among individual capitals are not, as GCC analysts would have it, the cause of their differential valorisation capacities. It is the other way round: because the law regulating the competition process—the formation of the general rate of profit—takes concrete shape through the differentiation of the concrete valorisation capacities of each kind of individual capital, the indirect social nexus among the latter is expressed through unequal or hierarchical relations. This means that although the establishment of the concrete rate of profit of each capital in the chain is mediated by their respective exercise of power in the sphere of circulation (thereby appearing as the simple outcome of those unequal market relations, i.e. as a relation of subordination), it is actually strictly and objectively determined in accordance to the laws of movement of capital as whole.

Rethinking the Nature of Power in GCCs

This latter point bears on a more general question that has recently caught the attention of geographers investigating the dynamics of GCCs, namely, the nature of power in networks of firms (Hess 2008; Rutherford and Holmes 2008; Smith 2003). The debate can be seen as motivated in part by the dissatisfaction with what has been considered as a reified understanding of power in Marxist or structuralist approaches. This allegedly is a view of power as "thing" that can be possessed and used to advance certain vested interests, and which exists in particular, privileged social loci (for instance, in the headquarters of TNCs or in the state) (Marques 2007). It is, as post-structuralists would have it, a "centred" conception of power. In light of the shortcomings of this traditional Marxist view to make sense of the diversity and apparent contingency of power relations in production networks, many geographers have tended to adopt a more "decentred" or "diffuse" view of power as immanent to the singularity of the specific social field in which it is exercised or, alternatively, as a relational effect of social interaction (Allen 2003). The latter view in particular has been highly influential among proponents of the GPN approach who draw on action network theory (ANT) (Coe et al 2008). Finally, some scholars have tried to find a compromise between the two extremes of "structural determination" and "relational contingency" through either a "weak" version of ANT (Castree 2002; Smith 2003) or by recourse to insights

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from critical realism (Marques 2007; Rutherford and Holmes 2008; Sayer 2004).

I believe that the approach developed in this paper offers a perspective on power in commodity chains which, although drawing on the Marxian critique of political economy, differs from what is usually depicted as the Marxist position in the debate, namely, that the dynamics of GCCs or GPNs are directly controlled at will by the (structurally determined) economic authority and power of TNCs, and maybe indirectly through their privileged influence on the policies of a relatively autonomous state (Rutherford and Holmes 2008). More generally, it suggests that the whole terms of the debate on power in commodity chains or production networks might be in need of rethinking. It seems to me that the prevailing understandings of power and domination tend to grasp them, as Postone puts it in relation to what he calls "traditional" Marxism, "in terms of the concrete domination of social groupings or of institutional agencies of the state and/or the economy" (Postone 1998:62). This not only applies to those "structural" approaches that focus on the "idea that we are under the control of a political or economic authority" (Allen 2004:23). Inasmuch as they focus on the concrete immediacy of direct social relations, it also applies to relational approaches as well.

My own approach points to a different understanding of the inner or essential nature of power and domination in capitalism. As Postone (1998:62) notes, what is specific to capitalist domination is its impersonal and abstract character. This is not simply the domination of one kind of actor over another (ie the command of lead firms over the network of suppliers emphasised by structuralist and realist approaches). But neither is it the open relational effect of the contingent mobilisation of resources by actors in a network. Rather, it is the abstract rule of all "actors" by the autonomised movement of the general objectified form of social mediation, namely, value (Iñigo Carrera 2003). As Marx puts it in volume 2 of *Capital*, "the movement of industrial capital is this abstraction in action" (Marx 1978:185). This is not an insight to be upheld only in relation to the more abstract determinations of capitalist society, to be then dropped or somehow restricted when more concrete phenomena like power relations in commodity chains are considered.[18] The "concrete" power that each actor in a commodity chain exercises (both "power to" and "power over") is actually an expression of the "abstract" power that capital exercises over all of them.

This kind of approach does resonate with the Foucauldian view of power as ubiquitous, immanent and with the quality of a self-expanding subject (Kerr 1999:182). In this sense, it is indeed not "structurally" possessed or controlled by anybody. However, while Foucault ignored the question of the social constitution of this abstract form of power, Marx discovered its form determination as capital or self-valorising value, and the content of the latter in the alienated

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mode of existence of the movement of human productive activity (Kerr 1999:182). Thus, although the impersonal domination of capital has no privileged locus or centre, it does have unity and determinate forms of movement or "laws" through which the former is established. The "law of value" in all its complexity captures precisely that form-determined motion of alienated human practice. In its most developed form, this "abstraction in action" achieves unity through the formation of the general rate of profit. The latter is thereby not simply an abstractly economic process determining equilibrium prices, but the form through which the formal inversion of the materiality of the powers of human activity into powers of the objectified social relation acquires its plenitude in the overall movement of social reproduction (Iñigo Carrera 1995). The changing and differentiated "concrete" power relations characterising the governance of GCCs must therefore be grasped as particular mediations in that more abstract alienated general social process of overall circulation of the total social capital, that is, as outward manifestations of the inner workings of the abstract rule of dead over living labour. Thus, they are not to be conceived of as independent, self-subsisting "factors" that externally "modify" or "influence" the operation of the law of value, as happens with all undialectical understandings of the notion of "mediation". Instead, they need to be grasped as necessary modes of motion through which the law of value is further unfolded beyond the strictly "economic" forms springing from the indirect nature of the social relations of capitalist production. In the next section, I show that it is the differentiation of individual capitals engendered by the movement of the law of value that constitutes the general determination of, and gives unity to, the formation and changing configuration of GCCs and their forms of governance. The alleged "fluidity" and "diversity" of power relations emphasised by relational approaches is actually nothing but the outward appearance of the movement of the inner contradictions of the capital form, when grasped at the level of the relations of competition between individual capitals.

Genesis, Structure and Dynamics of GCCs in the Light of the Marxian Critique of Political Economy

After what might have seemed as a long-drawn diversion, let us now sketch out the relevance of the determinations discussed above for the comprehension of the configuration and dynamics of GCCs. Behind the different particular motives usually adduced by scholars for the formation of GCCs (eg taking advantage not only of foreign cheap labour, but also of "organisational flexibility" Gereffi et al 1994:6), I think there is a more general inner content underlying this novel social phenomenon, namely, commodity chains essentially are the social form

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through which certain normal capitals appropriate the surplus value released by small capitals.

The formation of commodity chains is therefore the concrete form taken by the competition among normal or average capitals over the extra surplus value that escapes the hands of small capitals. The deeper immanent purpose and prime mover of the outsourcing of manufacturing is therefore the multiplication of the sources of extra surplus value released by small capitals in the sphere of circulation, as particular functions of the social division of labour that were formerly done "in-house" and thereby actively participated in the tendential equalisation of the rate of profit at the general level, are now carried out outside the immediate reach of that social process. Similarly, "the contractual subordination of suppliers previously linked through 'open market' transactions" (Raikes et al 2000:396) involves the attempt by normal capitals to secure and protect the control over the outflow of surplus value released by particular small capitals. Thus, although it is true that one of the conscious motives for normal capitals to outsource manufacturing is the benefit to be obtained by the employment of "cheap labour" in low-wage locations, this line of reasoning simply assumes that those lower costs will not (entirely) translate into higher profits for contractors but will be appropriated by "lead firms". The determinations of the law of value developed in the previous section explain why this will necessarily be the case: although normal capitals are not the direct employers of those low-wage workers, they nonetheless end up appropriating part of the surplus value that corresponds to their exploitation.[19] The imposition of strict conditions for chain membership (eg the fixing of low prices for the suppliers' output) is the concrete form that mediates this transfer of surplus value from small to normal capitals. The same could be said of "organisational flexibility" which, as Raikes, Jensen and Ponte highlight, tends to be flexibility for the key agent in the chain (2000:396). From the perspective of the organic unity between the production and circulation of capital, "organisational flexibility" actually entails the optimisation of the overall turnover structure of normal capitals at the expense of higher circulation costs for all other capitals in the chain (through, for instance, accumulation of inventories or unfavourable conditions of commercial credit). More generally, the transfer of surplus value in the chain will always be mediated through the establishment of determinate conditions of turnover for each participating capital, since it is out of the whole cycle of valorisation (ie production plus circulation) that their respective concrete annual rate of profit emerges.[20]

To sum up, the geographically dispersed networks of firms that constitute GCCs are a concrete instantiation of the differentiation of capitals that mediates the establishment of the unity of social production through the formation of the general rate of profit. However, since that

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differentiation is necessarily mediated through the concrete specific relations established in the process of exchange of commodities between determinate capitals of varying magnitudes and valorisation capacities, the indirect relations of inter-branch competition end up taking the form of their opposite: direct relations of command (or maybe co-operation, see below).

The general determination of both the composition and governance structure of GCCs also follows from the differentiation of industrial capitals outlined above. Thus, although varying in its specifics with the particularities of each GCC (which can only be captured through detailed empirical research), it seems reasonable to suggest that all commodity chains generally comprise at least three qualitatively different kinds of capitals: enhanced normal capitals, normal capitals and small capitals. The peculiarities of the governance structure will surely vary according to the composition of the chain. While relations of command/subordination will tend to prevail in nodes where exchange relations between the normal and small capitals dominate (more "captive" forms of governance), more horizontal or "co-operative" relations will tend to prevail among normal capitals and, probably, also between enhanced normal capitals and normal capitals, or between small capitals ("modular" or "relational" governance structures). The simple reason for this is that hierarchical relations are more likely to be the concrete mediating form involved in the appropriation of an extraordinary surplus value freed up by small capitals. The "lead firm" or "chain driver" in particular will most certainly be a normal capital that, on the basis of the concrete particular circumstances and industrial trajectory of each chain, has found itself in a better situation to act as the key co-ordinating agent.[21] From that position, it will therefore be able to capture the surplus profits freed by small capitals within that chain and become an enhanced normal capital, or the strongest among them if there are other normal capitals that successfully manage to make a claim over those extraordinary profits flowing out of small capitals.

Take, for example, the case of the apparel industry until the mid-1990s, one of the most extensively researched GCCs (Bair and Dussel Peters 2006; Gereffi 1999; Gereffi and Memedovic 2003) and usually taken as an emblematic case of BDCC. Simplifying slightly, there are three main players in this particular chain: "big buyers" (branded marketers, retailers and branded manufacturers), garment producers and textile manufacturers. While textile manufacturers in the United States are large firms that use highly automated labour processes (Gereffi 1994:103), garment manufacturers are small, labour-intensive factories (Gereffi 1994:102). "Big buyers", for their part, are generally capitals specialising in the design, marketing and branding of commodities and having the overall leadership in the chain. They include fashion-oriented companies, department stores, brand-named companies, mass

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merchandisers and discount chains (Gereffi 1994:112). As Gereffi reports, developments since the 1980s meant that garment manufacturers were being "squeezed" from both ends of the apparel commodity chain by textile companies and retailers (Gereffi 1994:103). The specificities of this dynamic seem to indicate that while these two kinds of capital were normal capitals, garment producers were small capitals that released some of its potential surplus value in the sphere of circulation, which therefore became available for appropriation by the former. The role of big retailers as "chain drivers" can only mean that they were capturing the larger amount of that extraordinary surplus value through the establishment of the overall conditions of circulation of capital within the chain thereby becoming the strongest enhanced normal capital. However, the fact that textile producers were placing greater pressures on garment manufacturers for larger orders, high price of inputs and favourable payment schedules (Gereffi 1994:103), that is, shaping their turnover structure, suggests that they might have been participating in the appropriation of part of that extra surplus value as well.

However, the situation in BDCCs has more recently changed with the emergence of giant transnational contractors in East Asia. As Appelbaum (2008) shows, although this trend has been more pronounced in industries such as electronics, it has developed in the apparel and footwear sectors as well. Not only do these giant contract suppliers operate large modern factories (in contrast to the sweatshops of small contractors emblematic of the early phases of the apparel GCC), but they have also taken over many of the pre- and post-production functions previously centralised by "big buyers", including design, warehousing and control over logistics (Appelbaum 2008:73). According to Appelbaum, these dynamics seem to signal that a power shift in the apparel GCC has occurred, with the asymmetry between "big buyers" and contractors at least partly redressed (2008:71, 81). In effect, evidence seems to indicate that these giant contractors increasingly are in a better position to negotiate prices of output with giant retailers (2008:81). Interestingly, Appelbaum notes how these changes away from more "captive" governance structures comprising a highly decentralised network of small suppliers have been a largely unexpected development (2008:71). However, from the Marxian perspective outlined above, those recent transformations of BDCCs are far from unexpected and can be read as a predictable expression of the way in which the objective limits to the reproduction of small capitals (hence of more captive network forms) are reached. On the one hand, we have seen that the tendency for the concentration and centralisation of capital ultimately undermines the competitive edge of small capitals by increasing the productivity of labour of normal capitals to the point where their price of production sinks below the price that regulates the valorisation of the former. On the other hand, in light of the particular

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characteristics of giant suppliers described by Appelbaum, it seems plausible to consider those contractors as normal capitals that, as an expression of the previous point, have eventually managed to enter into (or grow within) branches of production formerly dominated by small capitals.[22]

Thus, the insights gained through the re-framing of the particularities of each GCC in the light of the more general determinations of the differentiation of the total social capital can provide more robust general foundations for the comprehension of this concrete social form. Specifically, this framework can adjust more flexibly to some of the empirical objections to the original formulation of the general features of governance structures that have been put forward in the literature. Raikes, Jensen and Pontes (2000:397–399), for example, have disputed the idea of single chain driver (contemplating the possibility of "multi-polar driving" or of varying degrees of "drivenness" in different nodes of the chain). Ponte and Gibbon (2005:5–6) have also taken issue with the more recent five-fold typology developed by Gereffi, Humphrey and Sturgeon, claiming that the different types of governance do not necessarily reflect the overall drivenness of a chain but can exist at different nodes of the same commodity chain. These objections to the over-simplistic original portrayal of the "governance structure" of commodity chains can be easily and more rigorously addressed armed with the determinations of the differentiation of individual capitals and the release of surplus value by small capitals that I discussed earlier. "Multi-polar driving" would simply signal the presence of more than one normal capital enhancing its accumulation via the appropriation of an extra surplus value from small capitals. Similarly, the existence of varying "degrees of drivennes" or of diverse "governance modalities" in the various links of a chain, would express the fact that there are at least three qualitatively different kinds of capitals of stratified valorisation capacities (enhanced normal capitals, normal capitals and small capitals) and, above all, that the category of small capital includes a wide spectrum of concrete magnitudes and rates of valorisation. The kind of exchange relations that mediate that process of differentiation in the sphere of circulation will differ accordingly. This greater complexity of "actually existing" GCCs and their dynamics of change can therefore be grasped on the basis of rigorous and clear criteria reflecting the general qualitative determinations of the different kinds of capitals that emerge out of the system-wide laws of motion of capital accumulation. By contrast, the GCC approach can only accommodate these variations by continuous ad hoc redefinitions and refinement of previous typologies based on inductive generalisations from particular commodity chains, that is, by permanently chasing a moving target. This inability to comprehend the immanent transformative dynamics in GCCs lies, again, in the inability to connect the particular determinations of each chain

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with the organic unity of the contradictory movement of capital as a whole through the unfolding of the law of value. As Harvey (2006:153) remarks, the organisational arrangements of capitalism are nothing but expressions of the workings of the law of value and, as such, they are more developed carriers of those very same contradictions. In this sense, it is in their nature to be subject to chronic instability and change, although always as concrete (self-negating) forms in which the general tendency for the concentration and centralization of capital ultimately asserts itself.

Conclusion

This paper has critically examined the GCC approach and the nature of GCCs. As I hope to have shown, GCC research offers a very useful empirical investigation of contemporary trends in the forms of global capitalist competition. However, it fails to root this novel phenomenon in the general laws of motion of capital as a whole. As a consequence, I have argued that the GCC approach cannot actually provide a firm explanation of the constitution and dynamics of its own object of inquiry. These shortcomings are not to be found in the more recent GCC research only, with its characteristic industrial organisation/management theory turn. It can even be traced back to its origins in the world-systems school.

Those difficulties can be overcome by re-considering GCCs in the light of the Marxian critique of political economy. The paper has shown that the latter can offer valuable insights into this social phenomenon by uncovering the way in which this industry-specific phenomenon mediates the underlying unity of the system-wide dynamics of the total social capital. To paraphrase Marx, the critique of political economy can illuminate the way in which this novel particular form taken by the competition among individual capitals across branches of production dispersed across the globe "force the inherent determinants of capital upon one another and upon themselves" (Marx 1973:651). In so doing, it can posit GCCs on more robust foundations, uncovering not only the true underlying content behind their emergence and initial configuration (the differentiation of industrial capital and the release of surplus value by small capitals in the sphere of circulation), but also the dynamic principle underlying their subsequent transformation and evolution away from more "captive governance structures" with the rise of a global supply base of giant contractors (the ways in which the tendencies for the concentration and centralisation of capital undermine the basis for the continued reproduction of small capitals).

This critical appraisal of the GCC approach has nonetheless been incomplete. For reasons of space, I have limited the discussion to the "network" aspect of GCCs at the expense of hardly addressing their global character and, therefore, their territorial dimension. This

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latter dimension cannot be ignored when attempting to provide a comprehensive assessment of this form of capitalist competition on a world scale. In turn, this global dimension bears on the question of the contemporary forms of the international division of labour. But the determinations behind the latter cannot be grasped by simply looking at the relations of competition among individual capitals. Rather, it requires that we descend into the "hidden abode of production" to uncover the modes taken by the global extraction of relative surplus-value by the total social capital through the exploitation of the global working class.[23] And it is by considering these two aspects in their unity that the implications of this theoretical critique can be fully appreciated. Needless to say, I cannot elaborate at great length on this in these concluding remarks (see Starosta forthcoming for a more extended discussion). Still, the discussion of the "organisation fix" provided in the paper already points to some implications for the reformulation of the GCCs framework for the study of particular global industries.

So how does one translate the theoretical critique outlined in this paper into the development of a sounder empirical research on GCCs? At the merely descriptive qualitative level there is not much to be advanced beyond what GCC analysts themselves have already recognised and addressed as limitations of earlier studies utilising the framework. It is precisely at that level where the strength of the approach resides.[24] However, there are other dimensions that could still be strengthened. First, there is a need to rethink the terms for the construction of typologies. The latter should not be based on inductive generalisations out of the particular direct social relations that mediate the exchange of capitalist commodities. Instead, I think that the relevant criterion for the identification of agents and their relations essentially lies in the qualitative differentiation of individual capitals outlined above. It is this differentiation only that can shed light on the real meaning and significance of those different "explicit forms of co-ordination" in the various nodes of the chain as mediating the circulation of value along the latter.

This leads to the second point: the issue of quantitative evidence of profitability. For there is no other way of unequivocally identifying whether an individual capital is small, normal or enhanced than through a rigorous estimation of the concrete annual rate of profit (see endnote 9). This actually reflects the nature of capital itself. As qualitatively undifferentiated masses of values in process of expansion, individual capitals know no other difference than quantitative ones; or, better stated, they can only express qualitative differences through quantitative ones. Thus, the only synthetic expression of the differentiation of individual capitals lies in the concrete form taken by the degree of their valorisation capacity, that is, the annual rate of profit. In turn, this estimation can only be done on the basis of a detailed reconstruction of the specific forms taken by the turnover circuit of each capital as they flow through the different phases of their valorisation process.

A reformulated GCC empirical analysis would then consist in the reconstruction of the modalities in which the turnover circuits of the different chain participants intertwine in order to then uncover the diverse mechanisms through which some capitals transfer surplus value to others in the chain. Note, however, that this will not only be reflected in the prices at which commodities are exchanged (although that is very likely to be one of the most general and visible mechanisms), but in the establishment of all sorts of conditions that affect the circulation times and costs of each capital and, as a consequence, their respective concrete rates of profits. As mentioned above, the concrete profitability yielded by individual capitals emerges out their overall circulation process. Thus, any circumstance affecting the forms in which each capital passes through its different circulatory phases will be reflected in their profitability and accumulation capacity. These circumstances may include, among others, commercial credit conditions, differential access to financial credit, unfavourable storage costs, technology transfer royalties, specific tax credits or state subsidy schemes, and even most performance requirements for suppliers such as quality control criteria and the establishment of general standards, codes of conduct, etc. All these circumstances are bound to affect the times and costs of circulation of individual capitals, and as long as their negative effects on the unfolding of the turnover circuit are not compensated through higher prices, they entail a differentiation of concrete rates of profit. Consequently, they are all modalities of the transfer of surplus value between individual capitals in a chain that I unfolded in more abstract terms above. In this sense, the significance of the different "embedded" social relations and modes of governance established within each node should fundamentally be grasped as mediators in the uneven allocation of circulation conditions for the different participating capitals in the commodity chain. It is in relation to the intertwining of the individual turnover circuits of capitals qualitatively differentiated along the lines discussed earlier that those direct social relations matter.

A similar point could be made about the need to bring other actors into GCC analysis, a point forcefully made by many scholars both within that tradition and from related ones such as GPN research (Gibbon et al 2008; Henderson et al 2002). I could not agree more with this, although the crucial question remains as to how to conceptualise the role of those other actors in a commodity chain. Indeed, inasmuch as the turnover conditions of individual capitals are affected by a myriad of circumstances that cannot be reduced to those simply established through the action of direct members of a GCC, all actors that one way or another shape the turnover circuits of individual capitals in a chain need to be included in the picture. In this sense, it is worth

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highlighting the crucial role of credit, both commercial and financial, in the differentiation of turnover conditions. And this means the need to pay more attention to the role of financial institutions as actors in GCCs; which, incidentally, are noticeably absent in most GCC literature.

Another of these central actors is of course the state. Yet, the significance of state policies, at least as far as the organisational dimension of GCC analysis is concerned, lies in the ways in which they mediate but, once again, do not determine, the process of differentiation of capital through which the formation of the general rate of profit asserts itself. In other words, state policies are relevant as concrete forms taken by the circulation of value along the chain. Value-as-capital is not an inert substance waiting out there to be captured by the different actors in a chain on the basis of their respective possession or exercise of power (including that to "influence" or "shape" state policy), but it is the very subject whose circulatory movement takes the form of those power relations and state policies. And it is because the overall circulation of the total social capital takes the concrete form of the differentiation of the valorisation capacities of individual capitals that state policies have a differential impact on the conditions of circulation of each kind of capital. For instance, state policies promoting the formation of university–industry research networks in the Canadian automotive industry that favour OEMs (Original Equipment Manufacturers) and large parts suppliers over so-called SMEs are not simply the (externally related) cause or consequence of the asymmetrical relations of power to "capture value" in the chain (cf Rutherford and Holmes 2008). Instead, they are the concrete mediating form that gives course and reproduces the process of differentiation of valorisation capacities objectively stemming from the unfolding of the "law of value". What would need to be investigated is the precise way in which those policies affect the turnover circuits of those capitals to see how that impact is reflected on their respective rates of profit.

Without any doubt, this reformulation of GCC research would be very laborious and would require a huge (collective) effort. In particular, the practical difficulties involved are likely to be considerable (not least in terms of availability and accessibility of relevant information). Unfortunately, it is probably the only way to go beyond the mere description of GCCs and make progress towards a real explanation and comprehension of this most salient phenomenon in the contemporary configuration of the world market which is grounded in the organic unity of the movement of the total social capital. The need for stronger theoretical foundations for empirical GCC research does not stem from an abstractly "scientific" interest but arises from what, ultimately, should guide the work of radical intellectual labourers, namely, the progressive practical transformation of the world. If GCCs matter as an object of

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inquiry it is because their constitution and dynamics can affect our existence as social subjects in capitalism. But, more importantly, they matter because we can be active forces in their transformation through our conscious political intervention. Yet, it is only through an inquiry that goes beyond the description of the immediate appearances of social forms that we can discover the plenitude of the objective transformative potentialities immanent in them.

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Endnotes

[1] For a detailed account of the evolution of the GCC approach, see Bair (2005). A more concise presentation of the current state of the art can be found in Gibbon, Bair and Ponte (2008), while the collection of essays in Bair (2009) offers a broader and more in-depth overview. In this paper I use the term GCCs as a shorthand expression that includes the more recent re-labelling of the approach as global value chains.

[2] Related approaches include international production networks (Borrus, Ernst and Haggard 2000), global production networks (GPNs) (Henderson et al 2002) and the French *filière* approach (Raikes, Jensen M F and Ponte 2000). Although originally emerging in economic sociology, the GCC approach has been widely adopted within the discipline of economic geography (Birch 2008; Hartwick 1998; Hughes 2000, 2006; Hughes and Reimer 2004; Leslie and Reimer 1999). However, given its more explicit engagement with the spatiality of globalised networks of firms, the GPNs could be said to be more influential. For detailed comparative discussions of GPNs and GCCs, see the contributions by Bair and Hesse to the recent special issue on GCCs in the journal *Economy and Society* (Bair 2008; Hess 2008). In a nutshell, two crucial differences can be identified between the GCC and GPN approaches (Coe et al 2008:272). First, the GPN approach rejects the linear conception of inter-firm relations entailed by the "chain" metaphor, trying instead to incorporate all kinds of networks configurations. Secondly, GPN research encompasses all relevant sets of actors and relationships, while GCC analysts tend to focus on the governance of inter-firm transactions only. A thorough assessment of the GPN approach exceeds the scope of this paper. However, the latter shares with GCC research the conception of the immediacy and particularity of direct social relations in production networks as exhausting the content of the phenomenon under investigation. In this sense, I believe that critique in this paper could be extended to the GPN literature as well.

[3] See Bernstein and Campling (2006a, 2006b) and Taylor (2007) for critical discussions of the GCC approach as a tool for development research from a Marxist perspective. For a non-Marxist assessment, see Dussel Peters (2008), who provides a more sympathetic but still critical appraisal of the GCC approach as a framework for the study of development.

[4] See Sturgeon (2002) on recent developments in the electronics industry that contradict that dichotomy, and Raikes, Jensen and Ponte (2000) for a general appraisal of the limits of Gereffi's original formulation.

[5] See Peck (2005) for a thorough critical assessment of the "new economic sociology".

[6] Bair (2008) argues that this recourse to network theories is more rhetorical than substantive since Gereffi, Humphrey and Sturgeon actually use a more expansive notion of network than the one derived from the new economic sociology.

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[7] In the recent meso/micro turn the idea of a general economic determination of "value creation and capture" is entirely jettisoned and replaced with an account explicitly and entirely based on the pure contingency of immediate direct social relations. One could argue that this sort of analysis represents the outright capitulation before the need to give a solid foundation to the formation of GCCs based on the general "macro" dynamics of the capitalist economy.

[8] For an explicit statement of the connection between the world-systems approach and monopoly capital theory, see Hopkins (1977). In particular, Harvey rightly notes that the latter's fundamental idea that the increasing centralisation of capital with the development of capitalism leads to the moderation of competition and to the undermining of the tendency for the formation of a general rate of profit is deeply problematic. See Harvey (2006:141–144).

[9] Two points should be mentioned in relation to the question of empirical quantitative evidence of differential profitability in GCCs. First, as Raikes, Jensen and Ponte note (2000:403), despite the claims about the hierarchy of profitability along the chain, GCC analysts seldom demonstrate with rigorous quantitative empirical evidence that the profits in some parts of the chain are higher than in others. Second, the kind of quantitative evidence generally provided based on share of value added in each node of the chain (cf Kaplinsky 2000) is not a meaningful measure of each individual capital's valorisation capacity (ie their profitability), and falls into the mislabelling of the rate of profit about which Hopkins and Wallerstein (1994:18) complained in their seminal paper on commodity chains. But neither are profit margins, the measure preferred by Raikes, Jensen and Ponte (2000:403). Profit margins as a measure of the individual capital's concrete rate of valorisation obliterate the distinction between advanced and consumed capital and are therefore impotent to capture the organic unity of the rotation of capital and its effects on profitability (razor thin margins can yield a high rate of profit if compensated by a high turnover speed). The only meaningful synthetic expression of the rate of valorisation of individual capitals—and hence of their respective accumulation power—is the annual rate of profit, measured as the magnitude of appropriated surplus value in relation to the total capital advanced (different from the total capital consumed in that period). Although it certainly involves a laborious and difficult process (accessibility of information is of the essence here), it is not impossible to estimate empirically as Raike, Jensen and Ponte (2000:403) claim. See Iñigo Carrera (1998) for a model to estimate the concrete rate of profit of individual capitals based on the determinations of the turnover circuit of capital, which also develops a critique of the different mainstream attempts at measuring profitability.

[10] Here I understand the term "social capital" in the specifically Marxian sense just specified above. Thus my use of the term should not be confused with the currently fashionable concept of social capital in mainstream social sciences. See Fine (2001) for a Marxist critique of the latter.

[11] Prices of production of commodities can be resolved into cost prices (ie the cost of "inputs"—labour power and means of production, including the depreciation of fixed capital), plus the normal profits of capital (the average rate of profit on the total capital advanced for its production). See Marx (1981:257–258).

[12] One could see this as another instance of the dialectic of equalisation and differentiation that characterises capitalist production discussed by Harvey (2006:441–442) and Smith (2008:ch 4).

[13] The rate of interest will vary with the magnitude of the money capital being lent out for two major reasons. First, the rate of interest is entirely dictated by the balance of forces between supply and demand of loan capital or the competition between lenders and borrowers (Marx 1981:477, 484–489), with the force of individual lenders positively affected by the magnitude of their money capital offered on the market. Second, the

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costs of the management of interest-bearing capital by banks proportionally decrease with the increasing magnitude of capital.

[14] This is the underlying general reason for the competitive success of the so-called "small and medium enterprises" (SMEs). See You (1995) for a general survey of small firms in conventional (both mainstream and heterodox) economic theory, whose varied explanations contrast with the one offered here.

[15] This surplus profit, it is to be emphasised, does not arise out of the active development of the productive forces of society. Quite to the contrary, it is the product of its very negation through the reproduction of small capitals.

[16] This begs the question of why this surplus profit is "retained" in those neighbouring branches of production instead of being eroded through the regular competition of normal capitals over its appropriation (thereby transferring the surplus profit over to other branches further downstream in the social division of labour until reaching individual consumption in the form of cheaper means of subsistence). However, the peculiar source of this surplus profit means that normal capitals cannot compete directly over its appropriation (Iñigo Carrera 2003:127–129). Inasmuch as this surplus profit does not derive from an increase in the productivity of labour of the early innovator but from the purchase of abnormally cheap inputs, the expansion of production resulting from the attempt by normal capitals to appropriate it would not confront any organic limit that would confine the concomitant fall of market prices to the new lower level of the aforementioned "pseudo" price of production (since that expanded output would not be regulated by changes in socially necessary labour for the production of those commodities). But this would entail a fall of the rate of profit of those normal capitals below the general level, ie their self-annihilation as normal capitals. This renders the immediate competition over this peculiar surplus profit impossible, thus blocking its transfer further downstream the division of labour. Normal capitals do compete over it but only indirectly, through the regular competition over surplus profits from innovations, which in this case includes the control of the market relation with small capitals as a "bonus prize".

[17] Here I am focusing on the determinations of the differentiation of individual capitals which are generally applicable to all kinds of commodity chains. In this sense, I am leaving aside a further differentiation of industrial capitals that springs from the more recent de-coupling between innovation and manufacturing in industries such as electronics and which has given rise to the constitution of the so-called "modular" or "turnkey" production networks (Lüthje 2002; Sturgeon 2002). As I have argued elsewhere (Starosta forthcoming), this phenomenon expresses a rather different content than the qualitative differentiation of industrial capitals stemming from the extended reproduction of small capitals.

[18] In my view, this is the tension running through Castree's attempt to marry a weak version of ANT and the Marxian critique of political economy (Castree 2002). If it is the movement of value that gives formal and substantive unity to commodity networks (2002:140), then it is not clear to me in what sense can those networks not be fully governed by the "abstraction in action" characterising the capital form (2002:139). Castree can only apparently resolve this tension by postulating an exteriority to the capital relation, a conceptual move which I see as deeply problematic, both theoretically and politically (Starosta 2004). One could argue that this recourse to a residual exteriority was already latent in Castree's idiosyncratic readings of both Postone (Castree 1999) and Harvey's earlier works (Castree 1995). These authors are interpreted as putting forward far weaker claims about capital's totalising force than, I think, they actually (and correctly) are.

[19] As Iñigo Carrera points out, despite being the ultimate beneficiaries of the "over-exploitation" of the workforce of small capitals, "lead firms" can hypocritically present

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themselves as the champions of the now fashionable "corporate social responsibility" (2003:63).

[20] Although not unproblematically (Gough 2004), Harvey's *Limits to Capital* has the merit of emphasising the importance of Marx's discussion the turnover of capital at a time when few scholars were engaging with Volume 2 of *Capital*.

[21] This means that there is no general formal determination that can account for the particular firm that acts as "chain driver" other than being a normal capital (when there is more than one of them in a GCC). The role of empirical research is precisely to specify that general determination for each particular chain and it is here where the GCC approach provides valuable information.

[22] Another possibility is that they are still small capitals but that the specific magnitude of money necessary to be turned into a small capital has increased as an expression of the constantly upward-moving limit for the reproduction of the lower end of the spectrum that constitutes that qualitative category. Again, only rigorous quantitative evidence of profitability can be decisive on this.

[23] For discussions of the international division of labour and commodity chains that bring the perspective of workers into the picture, see Wills and Hale (2005) and Cumbers, Nativel and Routledge (2008).

[24] See, for instance, Gibbon's (2008) refinement of the description of governance forms, entry barriers and upgrading dynamics of the clothing commodity chain.

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A missing link in the Agrarian Question: the role of ground-rent and landed property in capital accumulation. The case of Argentina (1993-2019)

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A missing link in the Agrarian Question: the role of ground-rent and landed property in capital accumulation. The case of Argentina (1993-2019)

Abstract

This article examines the relevance of ground-rent and landed property for the economic and political forms of capital accumulation in Argentina. This specific focus on capitalist development in Argentina is more broadly framed as a theoretical intervention within recent debates on Agrarian Marxism, which addresses the major issues under controversy through the lenses of an original methodologically-minded approach to the Marxian critique of political economy. Empirical quantitative evidence for the theoretical discussion is offered through the presentation of an estimate of ground-rent and its appropriation by landowners between 1993 and 2019.

Keywords: Agrarian Marxism; Landowners; Ground-rent; Recovery of surplus value; International division of labour; Latin American capital accumulation.

Introduction

The recent special issue of JPS edited by Levien, Watts, and Hairong in 2018 (V°45, N°5-6) offered an up-to-date and wide-ranging heterodox reconstruction of "Agrarian Marxism". Indeed, the rich diversity and insightfulness contained across the articles, attests to the relevance and vitality of this theoretical program for the comprehension of the contemporary dynamics of agrarian change in the modern world system (Levien, Watts, and Yan 2018, 856). Yet, the editors themselves note that although those contributions pointed the way beyond the impasse that the old debate between Marxists and “populists” had reached, there are themes and regional perspectives which, although they should undoubtedly be part of this renewed research agenda, were not covered in the volume. Against this backdrop, the aim of this article is to contribute to this lively debate within Agrarian Marxism from two angles. First, we would like to bring to the fore what we feel were important absences in the theoretical and methodological discussion. Secondly, we intend to redress the regional imbalance by focusing on the role and dynamics of agrarian production in capitalist development in Latin America; a region which was only covered in Purcell´s (2018) thought-provoking research on cocoa production and global value chains in Ecuador.

The first two sections examine certain methodological and substantive issues which, we believe, have not been thoroughly addressed either in classical or contemporary controversies within Agrarian Marxism. In the first one, we explore the social determinations of the “peasantry” on the basis of a “systematic-dialectical” approach to the Marxian critique of political economy. This categorial re-examination of this classical agrarian question will allow us to reframe the “peasant” as a social subject fully-constituted by the unfolding of the law of value. Specifically, we argue that they are socially determined as personifications of a small capital, a category which was only hinted at by Marx in Capital, but which is crucial not only to grasp the peasantry but also to comprehend their resilience in agrarian production. In addition, an upshot of this discussion is to throw into relief the absence in most controversies of proper insight into the social determinations of modern landed property and, therefore, of landowners as a class belonging in the very nature of the capitalist mode of production.

Thus, the second section moves to the presentation of the determinations of ground-rent accruing to landowners, with a particular focus on debates over the source of surplus-value that constitutes this specific form of social wealth. The controversy over the nature and different types of ground-rent had gained prominence in the late 1970s and early 1980s, mostly among political economists and with a rather "Marxological" imprint (Ball 1977; 1980; Fine 1979; Itoh 1978). More recently, interest on this issue has resurfaced mainly among radical geographers, albeit with a focus on urban rents rather than agrarian ground-rent (cf. Manning 2021). Yet, we think that the current reconstruction of Agrarian Marxism (Bernstein 2006; Akram-Lodhi and Kay 2010a, 2010b) underestimates the significance of this social form of material wealth appropriated by landowners. In order to bring to view its contemporary relevance for the agrarian question, the discussion shall therefore look at the realisation of the determinations of ground-rent through the movement of the necessarily antagonistic relation between the personifications of capital and modern landed property.

These more abstract theoretical and methodological insights are concretised in the third section, in which we draw their implications for another longstanding debate within agrarian Marxism, namely, that of the nature of intersectoral flows of value between agriculture and industry in the capital accumulation process. More concretely, we shall examine the fundamental role of global flows of ground-rent in the constitution of the potentialities and dynamics of the specificity of capitalist development in Latin America. In this way, the article also hopes to contribute to shed light on the form in which this region of the "global south" participates in the changing forms of the international division of labour that structure the capitalist world market.

The fundamental ideas are brought together in the fourth section, which sketches out an empirical case study of the evolution of the magnitude of ground-rent appropriated by landowners in Argentina between 1993 and 2019. In the first place, this quantitative analysis should bring to light both the significance of global ground-rent flows in the highly contradictory dynamics of the accumulation process in this national space and that of the portion of social wealth that ends up in the pockets of landowners. In the second place, this quantitative analysis will allow us to address the way in which these economic determinations have been expressed in the ideological and political forms assumed by the subjectivity and action of the personifications of landed property in Argentina during the period under study.

1. The contemporary relevance of the “classic” agrarian question

In the last decades Marxist scholars seem to have reached a consensus over the resolution of the “classic” Agrarian Question, which is now considered settled and ramified into new and varied agrarian questions (Bernstein 2006; Akram-Lodhi and Kay 2010a, 2010b). Forged towards the end of the 19th century, the first version of the agrarian question centred on the “existence in the countryside of a poor country of substantive obstacles to an unleashing of the forces capable of generating economic development, both inside and outside agriculture” (Byres 1991, 9). In particular, Marxists tended to regard two related phenomena as politically significant and/or theoretically enigmatic. On the one hand, the resilience of “peasants”, which were seen as social subjects that differ from those that should express the full development of the capitalist mode of production. On the other hand, the problem of the peasants´ capacity to generate an “agrarian surplus” that could foster the industrialisation process. In sum, the classic agrarian question boiled down to the specific form of resolving the agrarian transition to a full-fledged capitalist agriculture (Byres 1996).

In broad terms, it could be argued that the varied Marxist responses to this problematic revolved around the further development or articulation of the foundational works of Kautsky (1988), Lenin (1964), Chayanov (1986) and Preobrazhensky (1965). The former two authors had highlighted the existence of inherited historical barriers to the entry of capitalist firms in agrarian production, which should eventually vanish with the evolution and consolidation of capitalism. Chayanov, by contrast, had stressed the existence of a specific mode of production or set of social relations that characterised the agrarian sector, which would thereby not necessarily tend to disappear as capitalism developed. Lastly, Preobrazhensky oriented his analysis to the role of peasants in the industrialisation process, focusing on the intersectoral flows of value between agriculture and industry.

In more recent times, these different responses have seen a wider and deeper integration, thus leaving behind the apparent opposition among the various traditional approaches, particularly with respect to the notion of the peasant as a social subject who did not belong in the essential character of the capitalist mode of production (Bernstein 1986; Gibbon and Neocosmos 1985). Bernstein´s (1988) pioneering approach probably is one of the most elaborate in this regard. In his view, the peasant must be explained as a social subject "exclusively constituted […] through the basic social relations and dynamics of the capitalist mode of production" (Bernstein 1988, 259), and must be grasped through the specifically-capitalist category of the "petty commodity producer". Moreover, Bernstein added, the "spaces" or "places" for petty commodity production "within the social division of labour are continuously created as effects of the law of value in capitalist competition, accumulation, and concentration" (Bernstein 1986, 18–19) and, consequently, "petty commodity production will exist as long as capitalism exists" (Bernstein 1986, 25). However, rather than systematically unfolding the "form-determinations" of competition, accumulation and the concentration of capital that engender petty commodity production, Bernstein just pointed to a set of external circumstances, such as "conditions of access to key resources", the configuration of "markets", "nature" and "government policies", among others (Bernstein 1994, 56). In other words, according to this approach, the limits and potentialities of petty commodity production cannot be immanently derived from the general determinations of the "laws of movement of capital". Instead, Bernstein considered that this phenomenon can only be examined at a very concrete level of research, since at stake are processes which "are always the effect of particular conditions of competition and class struggle requiring concrete investigation" (Bernstein 1988, 264).

Thus, in both the classic controversies and their more recent reception, the agrarian question was essentially conceived of as a problematic of historical transition between modes of production or more narrowly focused on the problematic of the persistence of the peasantry. Either way, the capitalistic social determinations of landowners as a class have remained for the most part overlooked.[1] In this context, it comes as no surprise that the specificity of modern landed property in agrarian production, its relationship with capital and its "laws of motion" and, therefore, the existence of surplus profits appropriated in the form of ground rent have become increasingly neglected in the specialised literature of Agrarian Marxism. To put it differently, all discussion of landed property has been consigned to its role as historical premise or presupposition of the emergence of the capitalist mode of production. But very little light has been shed on its determination as a posited result of the reproduction of capital.

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[1] For a similar conclusion from a different theoretical perspective, see Carlson (2018) and Manning (2020).

Bernstein´s retrospective look in the 1990s on the resolution of the classic agrarian question is quite telling in this regard: “the land question […] was resolved either by revolutionary means, by bourgeois land reforms, or by the internal transformation of feudal property to capitalist farming” (Bernstein 1991, 487). In this way, all contemporary relevance of the role of landed property in agriculture tends to become boiled down to a problem of access to land for subsistence production or, as Araghi puts it, to a matter of “dispossession through displacement” (Araghi 2000). The essential difference between capital and landed property has been therefore progressively left out of the picture. Similarly, one could argue that to the extent that the industrialisation process gradually left its initial stages behind, Agrarian Marxism also tended to lose interest in the problematic of intersectoral transfers of value between agriculture and the rest of the economy. As Akram-Lodhi and Kay succinctly and expressively conclude, with “the development of the forces of production on a global scale […] agriculture has effectively become ‘decoupled’ from the process of capital accumulation” (Akram-Lodhi and Kay 2010b, 264).

In sum, considering this intellectual trajectory traversed by Agrarian Marxism, it is not surprising that the classic agrarian question has been declared fundamentally settled in the face of the development of capitalism in the past century, particularly in the light of the increasingly manifest subsumption of different agrarian productions to the movement of "Transnational Corporations" associated with the phenomenon of so-called globalisation. Yet, we think that the matter looks different when the agrarian question is approached through the systematic exposition of the general determinations of capital unfolded in the Marxian critique of political economy.

As discussed at great length elsewhere (Starosta 2015), and as has been ever more widely acknowledged in the Marxist literature (Postone 1993), one of the most potent scientific discoveries of Marx's critique of political economy was that capital is neither simply a thing (for example, the instruments of production), nor a productive unit or legal entity (such as a firm), nor a social grouping sharing common characteristics and interests (for instance, business or the bourgeoisie). In its general determination as self-valorising value, capital is actually a materialised social relation between commodity owners differentiated into social classes, which, in its fully developed form as the total social capital, becomes inverted into the alienated subject of the unity of the process of social reproduction and its expansion. Thus, capital is essentially the movement of self-expansion of the objectified general social relation between private and independent human beings which, in its own process, produces and reproduces the latter as members of antagonistic social classes (Marx 1976, 723–24; 1992, 185). All moments of the human life process thus become inverted into material bearers of the life cycle of capital, or they become forms assumed by the flow of value in its circulatory process. Subsumed under the capital-form, the alienated content of social life becomes the production of surplus value or the formally boundless quantitative progression of the general reified form of social mediation (Marx 1976, 251–57).

From this standpoint, every privately-organised productive unit, as a materially integral part of the social division of labour, becomes necessarily subsumed under the movement of formation of the general rate of profit. It follows from this that, whether they have the phenomenal form of an individual capital or not, all productive units become formally determined as if they were one. Hence, the human individuals whose reproduction process is subsumed to that private fragment of social labour, become invested as personifications of capital, labour power and, eventually, landed property. Seen in this light, the peasant is an individual who is simply characterised by the concentration in their own subjectivity of the personification of those three different and antagonistic social roles (Marx 1988, 556; 1994, 142).

This approach to the social determinations of the peasant reframes the discussion of the characterisation and historical potentialities of the peasantry in relation to the kind of capital they personify and the relation that they have in that capacity with landed property. However, in the systematic exposition of the critique of political economy, Marx never went beyond the simplest determination of individual capitals as formally undifferentiated organs of the total social capital. Presumably, he had planned to defer the treatment of the differentiation of individual capitals (in particular, that between normal and small capitals) to the separate book on the concrete forms of competition that he eventually never managed to complete during his lifetime (Marx 1988, 444). Yet, as Starosta (2010) argued building on Iñigo Carrera´s (2016) insights, it was precisely in considering peasant agricultural production as the carrier of the determination of a small capital that Marx hinted at the basic elements for such a systematic exposition of the differentiation between capitals.

In a nutshell, in those pages Marx implies that despite its significantly smaller scale, the individual capital which the peasant personifies can survive competition from normal capitals. This is possible because “the smallholding peasant´s exploitation is not limited by the average profit on capital, in as much as he is a small capitalist; nor by the need for rent, in as much as he is a landowner” (Marx 1991, 941). Therefore, the smallholding´s higher costs could be offset by having “the absolute limit” to its reproduction in “the wage that he pays himself, after deducting his actual expenses” (941–42). In other words, this absolute limit implies the absence of all profitability as personification of capital and an income which boils down to the peasant´s condition as personification of labour. As argued elsewhere (Starosta 2010; Iñigo Carrera 2016), before reaching this extreme limit, the small agrarian capital does yield positive profitability, which is regulated by the rate of interest on the liquidation value of productive assets. Against this backdrop, the limit selling price which secures the small capital´s reproduction could even stand below that of the regulating price of production of normal capitals. Under those circumstances, the peasant´s small capital would outcompete normal capitals, with the result that a portion of the surplus labour performed there would be “presented to society for nothing” (Marx 1991, 942).

Now, the specialised literature in agrarian studies has broadly acknowledged and thematised the existence of specific obstacles for the valorisation of capital in agriculture, among which the limits to territorial expansion, climate-induced pronounced fluctuations of the productivity of labour and overly long production periods stand out (Bernstein 1994, 50–52). These barriers have so far made agriculture particularly apt for the prevalence or even full dominance by small capitals. By contrast, those normal capitals which operate in neighbouring branches of production, which provide agriculture with means of production or commercialise agrarian commodities, have shown virtually no interest in embarking on a process of vertical integration of agricultural production (Heffernan 2000, 68–71). Instead, they have preferred to "double squeeze" the latter by forcing high prices for agricultural inputs or low prices for agricultural output (Weis 2007, 82). Seen in this light, the displacement of the peasant or petty commodity producer by capitalist firms, or a changed orientation of production to the world market are far from entailing the overcoming of the "agrarian question". As long as agricultural capitalist enterprises continue to be small capitals, the limits to the development of the productive powers of social labour in agriculture will remain firmly in place.

On the other hand, the "colonisation" of agrarian production by small capitals leads to a particular relationship between capital and landed property. In principle, there should be a tendency for the repulsion and separation between them. The reason for this is that capital invested in the acquisition of land yields the rate of interest only (Marx 1991, 760–61), whilst its valorisation in production yields the average rate of profit, which is, by definition, normally higher (480–82). By contrast, by virtue of the significantly lower-than-average rate which regulates the valorisation of small capitals, they are unaffected by this barrier to land ownership; it is a matter of indifference to them whether to invest additional capital in buying land or in the expansion of the scale of production. Hence the observable empirical tendency in agriculture for a tenancy regime which fuses together capital and landed property.

The American "farmer" probably is the classic figure that incarnates this "hybrid" personification of reified social relations. However, of more immediate relevance for the theme of this article, it also is the case of the so-called "agrarian producer" (or "chacarero") from the Argentine Pampas. This is a social subject whose reproduction is subsumed under the law that governs the subsistence of small capitals as just sketched out. Consequently, they act in the social reproduction process not only as their own labourer for a wage-equivalent, but also totally or in part as their own landowner. Hence the active role of this type of individual as the political subject *par excellence* in social conflicts over the appropriation of ground-rent, as we shall see in our empirical discussion in a subsequent section.

At this juncture, it might be worth noting that the joint personification of capital, wage-labour and landed property is not exclusive to the case of "farmers" and "chacareros", who can be seen as the "genuine" expression of the small agrarian capital. This three-fold personification also tends to be the social determination of individuals that the capital accumulation process throws into the ranks of the rural relative surplus population. In effect, to the extent that their "income" sinks *below* the absolute limit to the subsistence of small capitals (i.e. below the equivalent of a "normal" agrarian wage), the law that comes to regulate the reproduction of this private fragment of social labour (hence of the individuals who personify it), no longer is the formation of the general rate of profit. Instead, their material and social reproduction becomes subsumed under the accumulation dynamics which determine the respective volume of the different forms of existence of the relative surplus population. A paradigmatic example is that of the great majority of peasant communities in most of Latin America, whose subsistence in impoverished conditions rests on petty commodity production usually catering for local food markets, but which have more recently managed to act as suppliers in "global value chains" (e.g. those cocoa "owner-producers" in Ecuador barely scraping a living on USD 2 a day, which Purcell (2018) discusses in great depth in the recent special issue on Agrarian Marxism in journal). In this latter case, the subjective aim of these individuals centers exclusively on their most immediate material reproduction as personifications of labour, and they are therefore entirely indifferent to the fluctuating movements of ground-rent.[3]

In our view, this unified concrete mode of existence of capital and landed property explains, to a large extent, the aforementioned neglect of the contemporary role of modern landed property in agricultural production within Agrarian Marxism. However, when the reproduction of the peasantry is approached as a concrete outcome of the unfolding of the "law of value" as mediated by landed property, the latter´s specific significance for agrarian production comes to the fore. As we shall see later, this is also relevant with regards to the problematic of intersectoral flows of value between agriculture and industry, which has been another longstanding concern of the first controversies within Agrarian Marxism. From both angles, the implication of our argument so far is that the consideration of the classic agrarian as fully resolved might be too hasty. To further substantiate this conclusion, we must turn now to the closer examination of the nature and source of capitalist social wealth that takes the form of ground rent.

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[3] For this reason, we shall leave them out of the main theme under discussion in this article. See Villar (2022), for an in-depth examination of the stark contrast between these two qualitatively different kinds of "hybrid" personification ("genuine" small capitals vis-à-vis the rural surplus population) in the case of Paraguay.

2. Ground rent and its source

Ground rent appears as a mass of value which ends up in the hands of landowners exclusively by virtue of their ownership of land. In his systematic-dialectical exposition of this form of surplus value, Marx identified four mechanisms through which landowners manage to capture this portion of social wealth: differential rent I, differential rent II, absolute rent and simple monopoly rent. The common basis of all of them resides in the existence of natural conditions of production materially tied to land, which thereby have a quantitatively limited availability and which capital cannot reproduce without affecting its normal valorisation.

In the case of both types of differential ground rent, they are constituted by surplus profits that emerge as a result of differences in the productivity of labour which, in turn, derive from capital investments in natural environments with diverse material properties, fundamentally fertility or location. Differential rent I simply derives from the varying productivity of labour set into motion by capitals invested on plots of land with distinct degrees of fertility or proximity to consumer markets (Marx 1991, 779 ff). By contrast, albeit predicated on the existence of type I, differential rent II stems from the varying productivity of labour borne by successive capital investments on the same plot of land (812 ff). In both cases, the limit to the extensive or intensive application of capital is reached with the last investment that yields the average rate of profit (i.e. allows the normal valorisation of capital), given the market price for the respective commodity as determined by effective demand.

For its part, absolute rent is constituted through the appropriation of the surplus profit that emerges from the difference between the value and the price of production of commodities, which in turn results when the active affirmation of the landowners´

absolute monopoly over that natural condition of production hinders the participation of agrarian capital in the formation of the general rate of profit (882 ff). Lastly, simple monopoly rent derives from the sheer existence of private property over the worst land (898; 906; 910). Insofar as these two types of ground rent entail a higher unit price for agricultural produce, they also affect the magnitude of differential ground rents (897).

The identification and explanation of the various mechanisms through which surplus profits in agricultural production are transformed into ground rent have been subject to wide ranging controversies in the specialised Marxist literature. In the first place, scholars have debated the determination of absolute ground rent vis-à-vis that of simple monopoly rent (Bortkiewicz 1910; Emmanuel 1972, 216–23; Harvey 2009, 179–82). In the second place, in the last quarter of the 20th century a controversy over the characterisation of differential rent II cropped up (Ball 1977; 1980; Fine 1979; Flichman 1977). Lastly and of more direct relevance for the theme of this article, there has been a polemic on the primordial source of the surplus value which takes the form of ground rent. More specifically, at stake here is the identification of the wage workers who produce the surplus value that landowners appropriate as the revenue accruing to landed property. As we shall see, this point is of fundamental significance not only with regards to the role of agrarian production in capitalist development as debated in the "classic" agrarian question, but also in connection with the specificity of Latin American societies in the global unity of the accumulation of capital. Let us therefore examine this latter controversy in more detail.

In essence, two main perspectives can be discerned. On the one hand, there are those scholars who maintain that, regardless of the type of ground rent, in all cases it is constituted by surplus value produced within agriculture. On the other hand, other authors argue that, except for absolute rent, all other forms of ground rent have their source in surplus value originally produced outside agrarian production.

The former perspective has been fundamentally developed by the Soviet orthodoxy that consolidated out of the debate tiggered by Preobrazhensky´s (1965) work on the role of the agricultural sector in the industrialisation process (Lapidus and Ostrovitianov 1929, 279–80; Lyubimov 1930, 118–19; 211–18; 223–25; 247–74; Institute of Economics of the Academy of Sciences of the U.S.S.R. 1957, 222–23). The basic argument that crystallised as official doctrine was that insofar as ground rent originates due to the higher productivity of labour which produces in more favourable circumstances, the substance of surplus value that constitutes ground rent must be found in that labour itself. This is the conclusion drawn by, for instance, Lapidus and Ostrovityanov: "ground rent, which constitutes an extra profit over and above the average profit, is created by the higher productivity of the workers employed on better soil" (Lapidus and Ostrovitianov 1929, 279). More sophisticated contemporary versions of essentially the same longstanding argument (Balardini 2017) emphasise that since value is a reified social relation, its magnitude can only be determined in the exchange process. Consequently, these authors reject the notion that there could be such thing as intersectoral transfers of previously-constituted masses of value.

However, a first problem with this line of reasoning is that it stands in blatant contradiction with the Marxian explanation according to which an increase in the productivity of labour leads to a larger quantity of use values produced in a certain time but leaves unaltered the total amount of value (Marx 1976, 130–31). Furthermore, as pointed out by some scholars in other debates which have also touched upon the problematic of value-transfers, the implication of the idea that ground rent is constituted by the surplus labour extracted from agricultural labourers is that the total quantity of surplus value generated across society would no longer coincide with the total quantity of surplus labour performed by the working class as a whole. The immanent unity between materiality and social form characterising capitalist society would thereby be torn asunder (Mandel 1998, 92–107; Starosta, Caligaris, and Fitzsimons 2021).

The other position in this debate initially developed within Japanese Marxism in response to Lyubimov (1930) and was also put forward by several Latin American contributions to debates over dependency and the agrarian question in the region around the 1970s (Sakisaka 1930; citaddo en Itoh, 1988; Uno 1977, 98 fn 4; Itoh 1988, 237 ff; Laclau 1969; Bartra 1979). The central argument was that since in agriculture the market price is regulated by the least favourable conditions of production, those privately-performed fragments of social labour which set into motion a higher productivity are also expressed in that market price. And this leads to a quantitative divergence between the latter and the magnitude of value of agricultural commodities. As buyers of the consequently dearer agricultural produce mostly comprise members of the working class, the mass of value at stake entails a deduction of the surplus value that could otherwise be extracted from them should they need not consume those higher priced commodities. It follows from this that the surplus value which constitutes ground rent originates in those branches of production in which the said wage workers/consumers are employed (i.e exploited by capital).

In our view, this latter perspective is the one which is consistent with the substantive and methodological foundations of the Marxian critique of political economy. As a matter of fact, it is in line with Marx´s own argument in his examination of ground rent which leads him to characterise this part of surplus value as a “false social value”, which “results from the law of market value to which agricultural products are subjected” (Marx 1991, 799).

This conclusion that ground rent is surplus value produced in other branches of the social division of labour allows to cast in a different light both the parasitical character of the landowning class and the potential flow of the so-called “agrarian surplus” to industrial capital in general. In the first place, it shows that the material and social reproduction of landowners, as the class of personifications of landed property, and regardless of whether it concretely exists in unity with, or differentiated from, the class of agrarian capitalists, comes at the expense of the accumulation of capital as a whole. More specifically, surplus value that could feed the expansion of social production ends up being squandered in a social class which plays no active part in the capitalist organisation of social labour (not even that of exploiting the “direct producers” of surplus value). In the second place, and fundamentally, it becomes clear that the part of agrarian social wealth transferred to industrial capital in general, far from involving a primordial drain out of agrarian production, actually entails the recovery of surplus value which had originally slipped from industrial capital´s hands. Let us scrutinise this latter point more closely.

First of all, the possibility of the recovery of surplus value initially pocketed by landowners lies in the nature of the revenue that constitutes ground-rent. This form of revenue reproduces a social subject that plays no role in the immediate process of production, so that the appropriation of that part of the revenue by third parties does not affect the reproduction process in its unity (Marx 1988, 539).

From this viewpoint, it would seem that the total social capital has no choice but to get rid of the landowning class, taking directly into its hands the exercise of monopoly over the land, or rather, converting private property of the land into state property, so as to not have to cede to this parasitical class a part of the surplus value generated by its own workers (Marx 1988, 470).

However, the abolition of private property for a means of production as significant as the land cannot be realised without calling into question the private property for the rest of the means of production and private property in general. Thus considered, it would appear that the total social capital has no option but to live with the landowning class and, therefore, to cede to it all surplus value corresponding to the form of ground-rent (Marx 1988, 278).

The recovery by the total social capital of the surplus value produced by its workers but which ends up in the hands of landlords in the form of ground rent contains, then, a contradiction. On the one hand, a recovery could be possible insofar as landlords are mere social parasites and, therefore, useless for the entire process of the accumulation of capital; on the other hand, doing away with landlords would imply jeopardising private property of the land and, along with it, the very process of capital accumulation. Marx presents the development of his contradiction in the following way: "Capital cannot abolish landed property. But by converting it into rent [which is paid to the State] the capitalists as a *class* appropriate it and use it to defray their State expenses" (Marx 1988, 470).

In summary, insofar as ground rent is a mass of value that the landlord appropriates only by virtue of the economic relation they personify, the total social capital can appropriate from them through the power of the state (in its capacity as the political form of capital in general; Müller & Neusüss, 1975; Starosta, 2015). However, precisely because ground rent is revenue accruing to the private property of land, this appropriation is quantitatively limited by the very questioning of private property that it entails.

3. The agrarian sector and the industrialization process

Although seldom explicitly acknowledged or formulated in the substantive terms outlined in the previous section, the contradiction between capital (rate of profit) and landed property (ground-rent) has arguably underpinned another issue which has caught the attention of Agrarian Marxism beyond the classical concern over the "capitalization of agriculture", namely: the broader question of the relationship between the agricultural sector and capital accumulation and, more concretely, that of the role of the so-called "agrarian surplus" in financing the "development project" (Akram-Lodhi and Kay 2010a, 192–93). The intellectual lineage of this theoretical concern can be traced back to Preobrazhensky´s intervention in the debates over the New Economic Policy in the Soviet Union (1965, 194–95). However, the part played by "intersectoral transfers" between agriculture and industry was later reconsidered in wider terms as a central aspect of the political economy of "late industrialization". Specifically, the issue has emerged in comparative studies of capitalist development in Latin America and East Asia.

In effect, some scholars have maintained that the early implementation of comprehensive land reforms prior to the industrialization process, coupled with the subsequent agrarian state policies channelling the intersectoral transfer of resources, have been a central determinant of East Asia's (mainly, Taiwan's and South Korea's) outperformance of Latin America (Anglade and Fortin 1990; Kay 2002; Kohli 2004). Thus, the argument goes, whilst South Korean and Taiwanese states were able to finance the industrialization process through ‘the squeeze of the peasantry’ upon the abolition of landlordism, the failure or lateness of land reforms in Latin America resulted in the continued reproduction of a politically powerful landlord class which hindered the state´s attempt to “extract such a high surplus from agriculture as in South Korea and Taiwan” (Kay 2002, 1093). However, as argued at greater length elsewhere (Grinberg and Starosta 2009), although agrarian policies have indeed been a significant element in each region´s respective processes of capital accumulation, the differential resolution of the “agrarian transition” has not been a fundamental reason behind the divergent paths of industrialization. Instead, those distinct political forms have expressed the qualitatively different modes taken by the essentially global process of capital accumulation in each region, which in turn have mediated the unfolding of the changing historical modalities of the capitalistic international division of labour (Charnock and Starosta 2016). More specifically for the theme of this article, we shall see that the existence of a global inflow of extraordinarily large masses of social wealth in the form of differential ground-rent into Latin America, implied that capital so far has not confronted established forms of landed property as an immediate insurmountable barrier for its accumulation. Consequently, it has been able to valorise normally (i.e. at the average world market rate of profit) by appropriating only a portion of ground-rent and, hence, through the continued reproduction of landlords as a class. However, we shall also see that this form of capital accumulation has resulted in increasingly limited developmental potentialities for those national territories.

Now, as is recognised by virtually all accounts of the history of capitalist development in Latin America, the original subsumption of these territories to the global accumulation of capital was based on the production of agricultural and/or mining commodities for the world market. As Marx remarks in *Capital*, the establishment of this "classic" modality of the international division of labour (that he labels "new"), which "converts one part of the globe into a chiefly agricultural field of production for supplying the other part, which remains a pre-eminently industrial field" (Marx 1976, 580), was determined by the production of relative surplus value through the system of machinery of large-scale industry.

In effect, the exceptional natural conditions prevailing in many of these territories allowed for a greater productivity of agricultural or mining labour, thereby resulting in the cheapening of means of subsistence and a lower value of labour-power. However, this form of subsumption of Latin American territories into the global circuits of accumulation was ridden with a contradiction: if, on the one hand, the total social capital enhanced its valorisation by reducing the value of labour-power, on the other this was partly offset by the drain of surplus value, otherwise available for capital's appropriation, flowing into the pockets of domestic landowners in the form of ground rent. Moreover, to the extent that primary commodities produced in the region have been exported and consumed overseas, ground rent has constituted a continuous extraordinary international inflow of social wealth (as opposed to the normal outflows in the process of equalisation of the worldwide rate of profit emphasised by some Marxist dependentistas, e.g. Dussel, 2002).

Capital was thus driven to overcome this barrier to its accumulation capacity by reshaping those spaces of valorisation in order to recover part of that surplus value, through the establishment of an "antagonistic association" with local landowners over the appropriation of ground rent. From being simply a source of cheap raw materials and means of subsistence, those territories became also determined as sources of ground rent recovery for global industrial capital. The developmental trajectory of these countries has been determined by the historical course of this modality of capital accumulation, not only throughout the so-called agro-export stage, but also during the so-called Import Substituting Industrialisation (ISI) phase and, in South America, until contemporary times (Iñigo Carrera 2016, 34–47).

As Caligaris (2016, 66) points out, insofar as "the political representation of the global total social capital by the state is mediated by the national form taken by the accumulation process" the total social capital's recovery of ground rent "must take shape, first of all, in the appropriation of ground-rent by the national total social capital of "resource rich" countries through its own national state." This political mediation has been necessary in order to block the "spontaneous" course of ground rent towards landowners through a wide array of state policies that intervene in the circulation of ground rent-bearing commodities and divert its flow towards industrial capital. Thus, the transfer of ground-rent has been achieved through different policy mechanisms (overvalued exchange rates, export and import taxes, direct state regulation of staple food and raw material prices, etc.), which resulted in the establishment of specific domestic conditions for the circulation of capital within those national territories. Consequently, its appropriation could only be done by industrial capitals operating within those countries and whose circuit realised its final phase (i.e. the sale of commodities) almost exclusively on protected domestic markets of a very limited size vis-à-vis world market norms (Grinberg and Starosta 2009, 769 ff). Although this has meant that individual capitals could not reach the scale needed for profitably utilising advanced technologies, they have compensated for the resulting higher production costs by appropriating a portion of ground-rent. In this way, they have valorised at the average rate of profit despite their restricted magnitude and backward technologies. This abundant extraordinary mass of social wealth has systematically complemented the surplus-value extracted from the domestic working class to the point of marking the very specificity of the accumulation process in those national spaces.

The modality of the accumulation of capital based on the appropriation of ground-rent in Latin American protected markets has been very attractive for domestic capitals which, with the exception of those producing ground-rent-bearing commodities, were not competitive enough to sustain their expanded reproduction by producing for the world market. But additionally and fundamentally, those markets have proved especially profitable for industrial capitals of foreign origin (i.e. TNCs), which were established there from the mid-to-late-1950s onwards. Unlike the internationalisation strategy of TNCs in East Asia (the establishment of "world market" factories, whether directly or through OEM arrangements), foreign capitals in Latin America operated on the smaller scale that those domestic markets required and, given their protected nature, actually made possible. In this way, TNCs in Latin America managed to valorise obsolete fixed capital and accumulate without spending a portion of surplus value in the active development of the productive forces of social labour. However, the other side of this same coin is that the scale of Latin American processes of capital accumulation continued to be structurally dependent on the highly-cyclical evolution of the magnitude of ground-rent available for appropriation (hence the widespread "political and institutional instability" that has historically characterised most Latin American countries, with sharp oscillations between nationalistic populist and/or developmentalist regimes and neo-liberal ones).

This also explains the noticeable lack of dynamism of capital accumulation in the region since the mid-to-late-1970s, which was momentarily and only partially reversed during the recent "primary commodities boom" that seems to be just coming to an end (politically expressed in the current shift to the right in, for instance, Argentina, Brazil and Chile):[4] in effect, the mass of ground-rent, especially of agrarian origin, has been, on average, growing at a slower pace than is required by industrial capital in Latin American national spaces of accumulation. As a consequence, the process of capital accumulation in the Latin American countries slowed down or entered into deep crisis. In this context, and in order to compensate for the slowly growing ground-rent in sustaining industrial capital's profitability, these national processes of capital accumulation have resorted to other sources of extraordinary social wealth, such as the payment of labour-power below its value and the massive inflow of global fictitious capital in the form of mounting foreign debts (the latter made available as a result of the expansion of international liquidity deriving from the long-standing crisis of global overproduction).

Now, since at least the late 1950s, the planetary production of relative surplus value by the total social capital has led to the emergence and gradual development and expansion of a novel configuration of the international division of labour, which has not simply displaced but co-exists alongside the "classic" modality just sketched out. Premised on the concrete material forms taken by the further automation of the capitalist labour process and advances in means of transport and communication, the so-called "New International Division of Labour" (NIDL) has revolved around the international fragmentation of the collective productive subjectivity of the working class (Fröbel, Heinrichs, and Kreye 1980; Iñigo Carrera 2014, 560–65; Starosta 2016, 84–96). Moreover, as a result of its own immanent tendencies, the simplest original form of the NIDL has evolved into a more complex constellation, whereby capital searches worldwide for the most profitable combinations of relative cost and qualities/disciplines resulting from the variegated past histories of the different national fragments of the working class. Each national sphere of accumulation that actively participates in the NIDL therefore tends to concentrate on a certain type of labour-power of distinctive "material and moral" productive attributes of a determinate complexity. While spatially dispersed from each other, they are all collectively exploited by capital as a whole in the least costly possible manner.

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[4] For the so-called "Pink Tide" in South America, see Grinberg and Starosta (2015) for Argentina and Brazil, and Purcell (2016) and Dachevsky and Kornblihtt (2016), for Ecuador and Venezuela.

Although this more recent global restructuring of the international of labour had its most emblematic expression in the "late industrialisation" experience of East Asia since the 1960s (Grinberg 2016), it also had a profound impact in Latin America; paradigmatically in Mexico after the "debt crisis" of the early 1980s and, more recently, in Central America and the Caribbean Basin. Thus, despite the similar developmental trajectory of Mexico vis-à-vis Argentina and Brazil until the 1980s, in the past three decades the former country has transformed the specificity of its capital accumulation process. More concretely, it has become a source of relatively cheap and disciplined simple labour power for industrial capital in general, which exploits it in the material conditions (of scale and technology) needed for competitive world market production (whether directly in Mexico through the maquilas regime, or mediatedly through the international migration of workers into the USA). Hence the contrast with Argentina and Brazil, where capital continued to find it more profitable to valorise on the basis of the appropriation of a portion of ground-rent; either because the specific kind of labour-power it needed was not there or was not cheap enough, and/or because the mass of ground-rent was large enough to offset the benefits of a "structural transformation" in the other direction by providing the source of extraordinary social wealth sustaining those profitable protected domestic markets (albeit on a diminishing scale).

In the following section, and by way of empirical illustration of our general argument, we shall provide quantitative evidence for Argentina of what could be referred to as the "social cost of reproduction of the landowning class". On the one hand, we shall see that, in effect, in the last 30 years landowners have appropriated a significant amount of social wealth: they have pocketed an average of 30% of the total ground rent that has flowed into the country. On the other hand, this means that this has not prevented capital from recovering the remaining 70%, thus making evident that the antagonistic relationship between capital in general and landed property has continued finding "room to move" in Argentina through the reproduction of landowners as a class.[5]

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[5] Our discussion will focus on the portion of ground rent appropriated by landowners. We are currently finalising an update of the measurement of the ground rent appropriated by capital in general.

4: The evolution of the magnitude of ground rent appropriated by landowners and its concrete political forms: the case of Argentina 1993-2019.

To begin with, let us draw the reader´s attention to the fact that, in Argentina, there is a noticeable prevalence of small capitals in the agrarian sector, just as discussed in section 1. Consequently, the tendency for the unity between capital and landed property is also verified, with the same individual thereby determined as a joint personification of both social roles. In effect, according to the latest National Agrarian Census (2018), as many as 47276 holdings explain the total annual crops in the Pampas. In turn the tenancy regime in the Pampas is still dominated by the individual agrarian capital´s ownership of land: whilst this latter form of land tenure accounts for 61% of the cultivated area, only 36% takes the form of tenant farming.[6] Admittedly, the share of lands under tenancy has risen, albeit with fluctuations, over the recent past. In our view, however, this empirical trend does not clash with the general determination on the unity between capital and landed property in agrarian production discussed in section 1. As a matter of fact, it is a phenomenon to be expected in circumstances of pronounced technological change, as happened between the late 1990s and the mid-2000s. In effect, the resulting increase in minimum "efficient" scales of production led to the ruin of smaller agricultural holdings. Consequently, those areas came to be leased to neighbouring farms, which thereby extended their scale of operation, or to so-called "large sowing pools". The latter surged during the unprecedented hike in prices in the 2000s and were mostly formed out of speculative capitals from outside agriculture through, for instance, the establishment of financial trusts (Fernández 2010; Caligaris 2015). Yet, they tended to disappear when agrarian prices eventually dropped towards the mid-2010s (Gras and Cáceres 2017). Either way, these phenomena led to the diffusion of a novel kind of social subject, namely: the "pure" *small landowner* (so-called "mini-rentier" in the local literature), whose subsistence turns to rest on the minimum magnitude of ground-rent necessary for their material and social reproduction, which in turn can be comprised by familial subdivision of landed property through inheritance.[7] Against this backdrop, hereafter we shall refer to "landowners" to denote all social subjects whose material reproduction is tied to the personification of landed property, whether "in pure shape" or jointly as personification of an agrarian capital as well.

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[6] For an in-depth analysis of the latest National Agrarian Census, see Ameghino and Fernández (Ameghino and Fernández 2019).

Our quantitative estimate of the magnitude of ground-rent captured by landowners draws on the general methodology originally formulated by Iñigo Carrera (2007), which he applied to the period 1882-2004. Here we present a new estimate which involved a revision of some statistical sources and the update of all data, covering the period 1993-2019. In a nutshell, the method consists in the estimation of both the primary appropriation of ground-rent by landowners and the portion recaptured by capital in general. In this article, we focus on the former portion, which derives from the comparison between the rate of profit in the agrarian sector with that in industry, with the latter as a proxy for the normal or general profitability of capital within the national space.

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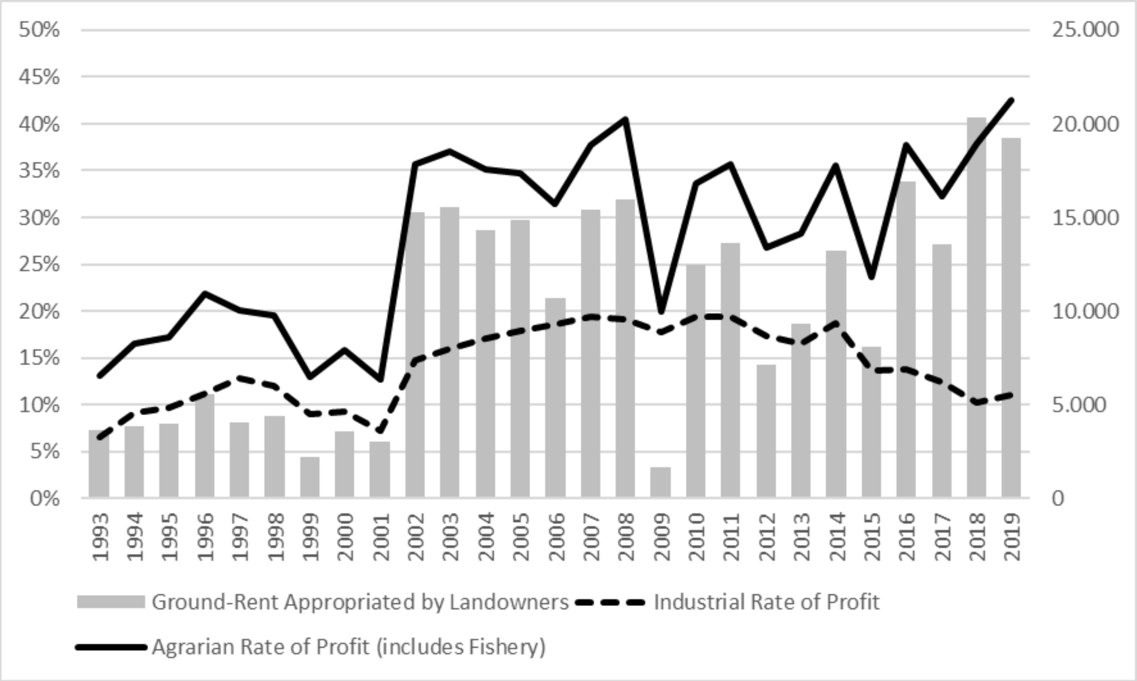
[7] In our view, these two phenomena (the leap in the normal degree of concentration of capital in agrarian production and the appearance of sowing pools) underlie the so-called fading away of the "chacareros world" described in the specialised literature (e. g. Balsa 2006; Gras and Hernández 2019).

Insofar as the rate of profit in both sectors is calculated as the relationship between the surplus value appropriated and the total capital advanced, a higher sectoral rate of profit in agriculture entails the existence of surplus profits in that branch of production. As we have seen in section 2, this mass of capitalist social wealth is transformed into ground-rent accruing to landed property. To put it differently, the inter-branch comparison of rates of profit allows to set apart the profit of agrarian capital and landowner´s ground-rent. This is shown in figure 1, which plots the evolution of the respective sectoral rates of profit and absolute magnitude of ground-rent appropriated by landowners between 1993 and 2019.

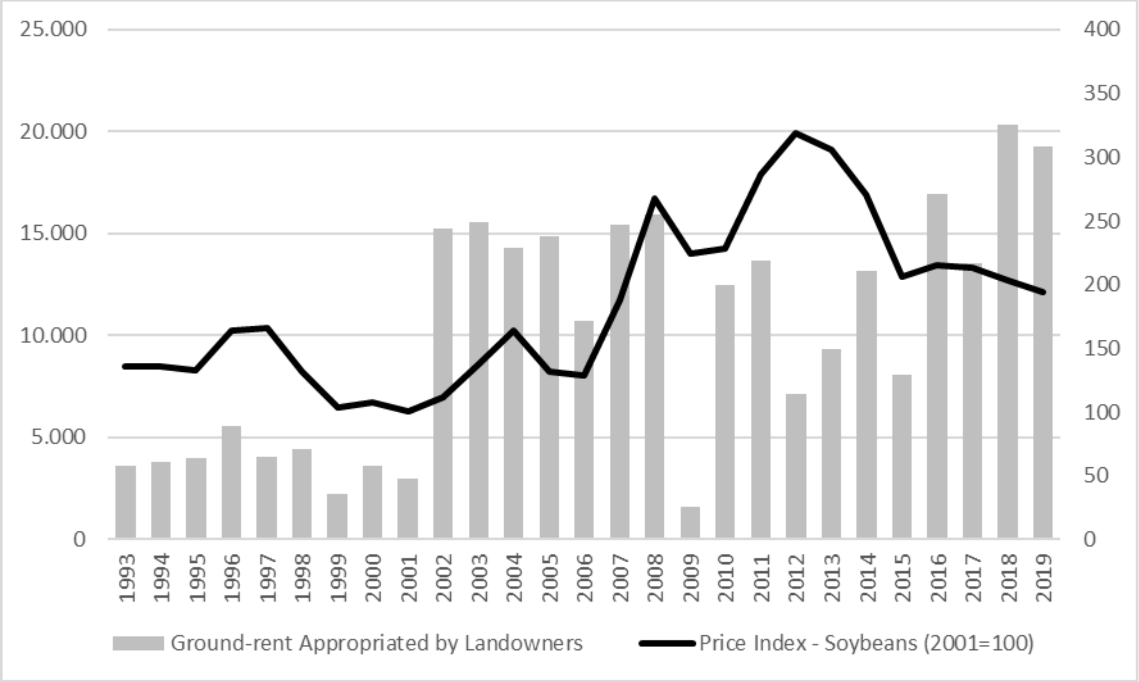
Figure 1: Agrarian vs. Industrial Profitability (Landowner´s Ground-rent). Source: See methodological appendix.



In addition to showing the existence of systematic surplus profits in the agrarian sector (i.e. ground-rent), this figure also evidences the remarkable increase (more than three times) in its absolute magnitude during the 2000s. More specifically, this means that during the period 2002-2019, around a third of the agrarian net product (which amounts to 2% of Argentina´s GDP) was essentially “squandered” in the reproduction of landowners as a parasitic social class. As is well known, this rise relates to the surge in agrarian production during the so-called (primary) “commodities boom”. Thus, except for 2009, which was doubly affected by both a draught and the plummeting of prices of agrarian commodities in the context of the global financial crisis, landowners benefitted from the general prosperity of the agrarian sector in the form of an absolute increase in the mass of social wealth that they appropriated as a class.

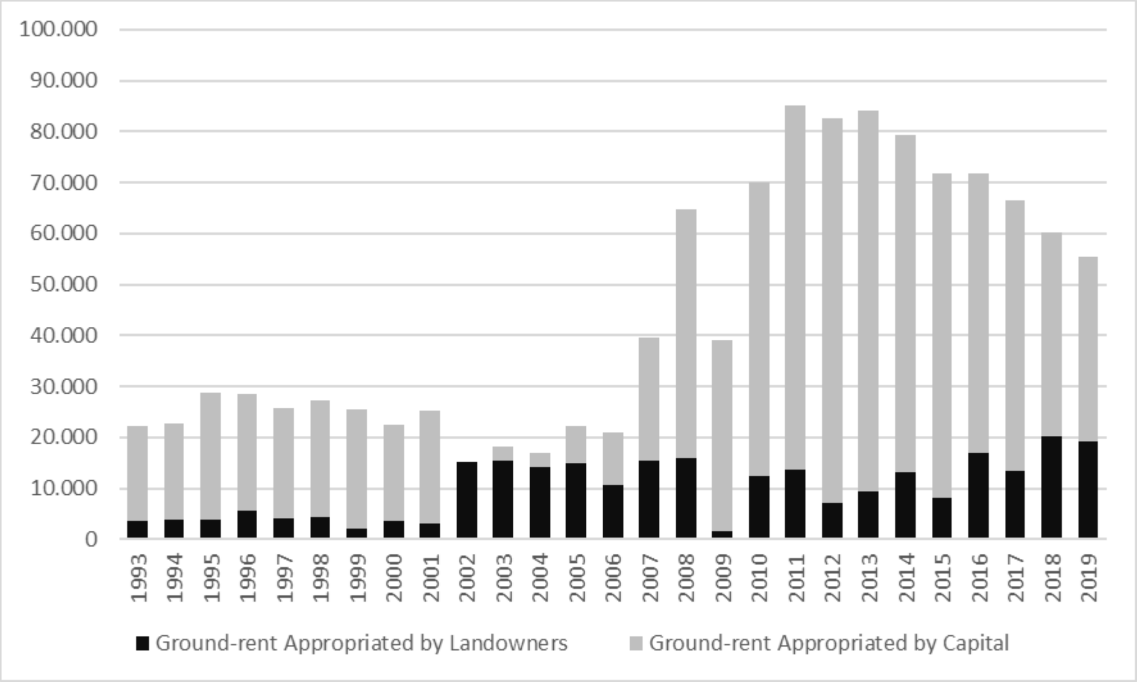
Yet, on closer inspection of shorter-term variation of agrarian prices, it is possible to discern a certain delinking between the movement of international prices, hence the mass of *total ground-rent* flowing into Argentina through the export of agrarian commodities (paid more dearly at the expense of surplus value produced abroad by virtue of the “false social value” contained in them), and the portion of ground-rent *pocketed by landowners*. For instance, between 2010 and 2012 there is a pronounced hike in agrarian prices (of more than 40%), but it did not translate into the growth of ground-rent captured by landed property (which actually contracted during 2012 and 2013). Conversely, when in 2014 agrarian prices reversed their upward trend to henceforth stabilise until 2020 at around 35% below the peak of 2012, the mass of social wealth appropriated by landowners actually grew to unprecedented levels.

Figure 2: Landowner´s Ground-rent and Agrarian Prices. Source: See methodological appendix.



Now, what is the reason for this delinking between the movement of international agrarian prices and the magnitude of ground-rent appropriated by landowners? As argued in the previous section, this is explained by state policies which mediate the diversion of the course of ground-rent flowing into the country towards capital in general; among them, the establishment of taxes on agrarian exports and the regulation of the exchange rate (more concretely, the overvaluation of the national currency, achieved through a rate of devaluation that lags behind inflation), stand out.

Figure 3: Share of Capital and Landed Property in Total Ground-Rent. Source: See methodological appendix.

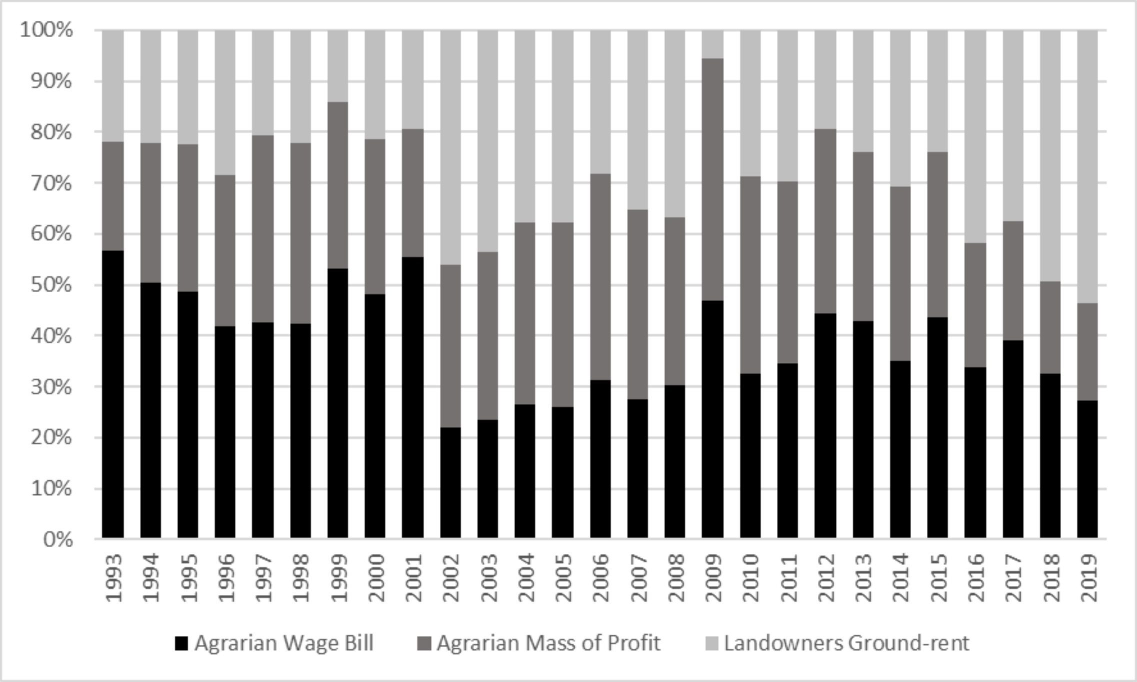


Indeed, as this third figure makes evident, the increase in total ground-rent derived from the hike in international prices since 2007 ended up mostly in the hands of capital in general. Unsurprisingly, this process led to a heightening of the political confrontation between the governing "populist coalition" (the so-called "Kirchnerist" administration) and the landowning class (represented in different "rural" organisations), especially since 2008 (Pérez Trento 2021). The material basis of the growing discontent of the personifications of landed property lied not only in the decrease of their share of total ground-rent but was actually compounded by the actual fall in the absolute magnitude of social wealth appropriated as a class. Between 2010 and 2015, landowners pocketed, on average, 25% less ground-rent than in the period 2002-2008. As a matter of fact, the contrast with the latter period is even starker: from

2002 until 2006, landed property had actually increased its appropriation of ground-rent vis-à-vis the levels reached in the 1990s up to, and including, 2001. Moreover, this took place in the context of a sharp drop in the inflow of total ground-rent into the country, which thereby meant that intersectoral transfers into the rest of the economy concomitantly fell (and virtually faded away between 2002 and 2004). A similar pattern can be discerned during the right-of-centre Macri administration from 2016 until 2019, albeit on a smaller scale. In effect, on the one hand, the pronounced fall in international prices of agrarian commodities since 2014 led to a decrease in the total ground-rent available for appropriation. On other hand, the substantial reduction of export taxes, coupled with the devaluation of the national currency after the sudden lift of all foreign exchange controls, meant that both the absolute level and the share of ground-rent captured by landowners increased.

In sum, these estimates illustrate the connection between the ebbs and flows of the availability of total ground-rent in the national space and its capture by both the different social subjects comprising the agrarian sector and that by the accumulation of capital in general outside agriculture. When climatic conditions (i.e. draughts or floods) or international prices lead to the shrinking of total ground-rent, given its key role in the general reproduction of the national process of accumulation, the need arises to sustain the scale of agrarian production. Consequently, a reduction of export taxes and/or a devaluation of the (usually overvalued) national currency takes place, with a view to increasing the domestic price of agrarian commodities and thereby shielding the sector from the negative effects of the crisis. Thus, the development and resolution of the accumulation crisis is achieved through the growth of the relative share of landed property in the appropriation of total ground-rent. Under particularly dire economic circumstances, it might even lead to the absolute growth in the mass of social wealth captured by landowners, as happened in both 2002 and 2016. In other words, the resolution of the crisis is in all cases achieved at the expense of the share of agrarian capitalists and, fundamentally, that of agricultural workers (as shown in the next figure) and, more generally, by curtailing the transfer of ground-rent to capital in general across society.[8]

Figure 4: Class Distribution of the Agrarian Net Product. Source: See methodological appendix.



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[8] For a more extended discussion of the changing material conditions of reproduction of agrarian wage-workers during this period, see Villulla (2021).

At this juncture, it is interesting to consider against this backdrop the ideological and political forms of subjectivity and action which have mediated those fluctuations in the magnitude, and the changes in the share, of the inflow of ground-rent into Argentina. Specifically focusing on the personifications of landed property, two kinds of phenomena can be discerned as the underlying determinants of their antagonistic stance towards state policies that channel a portion of ground-rent into the accumulation process of capital in general.[9] In the first place, as Iñigo Carrera (2008) points out, the concrete mechanisms adopted by intersectoral transfers of social wealth are of the essence, particularly as far as it concerns the ideological dimension of the political consciousness of landowners. In this sense, the overvaluation of the national currency stands apart from other, more direct or overt forms of diverting the course of a portion of ground-rent into the pockets of capital (such as special export taxes on agrarian commodities), for its universal scope and relatively opaque or "invisible" nature. To a large extent, this helps explain its predominant and recurrent character over the historical course of capitalist development in Argentina. It also allows to understand the support of landowners to, or even outright participation in, political regimes whose main economic policies included the overvaluation of the national currency.

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[9] In other words, on the grounds spelled out earlier on (see fn. 2), the following discussion does not apply to the rural surplus population that constitutes the social determination of most "peasants" in the rest of Latin America. As already mentioned, for those social subjects the appropriation of ground-rent is entirely immaterial for their conditions of reproduction and, therefore, for the constitution of their political subjectivity.

Yet, the potentiality of this modality of appropriation of ground-rent by capital to pacify the opposition of landowners and proceed in comparatively “harmonious” ways, largely depends on the existence of a single foreign exchange rate regime. By contrast, when the overvaluation of the national currency operates in a context of foreign exchange controls, with a dual or multiple exchange rates regime (whether formal or informal), “parallel” exchange rates bring to view the “drain” of social wealth entailed by the overvaluation of the “official” exchange rate for exports. Thus, landowners tend to radicalise their political opposition to state policies that mediate the diversion of the course of ground-rent. In this sense, this latter scenario tends to resemble that of direct, and thereby more conflictive, forms of appropriation of ground-rent, such as regulation of domestic prices of staple foods or special export taxes on agrarian commodities. The latter, in particular, carry a quantitative limit in their capacity to act as vehicles for the appropriation of ground-rent. In effect, beyond a certain threshold, they clash with the “non-confiscatory” juridical principles that structure the fiscal powers of the capitalist state.

In the second place, there is the sheer material determination of the political consciousness of landowners, which we can sketch out with a brief look at the “politics of intersectoral transfers” in the last three decades in Argentina. The so-called “convertibility regime” implemented during the 1990s, which pegged by law the Argentine peso to the US dollar, resulted in a very strong overvaluation of the national currency (which was maintained by a mounting foreign debt that would eventually turn impossible to service and led to a declaration of default in 2001). Nevertheless, in the absence of foreign exchange controls, this allowed to hide from view that both the absolute magnitude of social wealth appropriated by landowners and their share in total ground-rent, was in historically very low levels. Despite these comparatively unfavourable circumstances, the personifications of landed property would receive with standing ovation President Menem´s speech at the annual exhibition of the Rural Society of Argentina (the organisation which gathers the larger landowners). Conversely, in the next period (2002-2007), the prosperity enjoyed by landowners by virtue of the sharp increase in their capture of ground-rent, softened the political and ideological impact of the re-introduction of more visible forms of appropriation such as export taxes, which had been eliminated during the 1990s. Relatively moderate taxation rates, coupled with a national currency that remained undervalued until 2007 (upon the heavy devaluation of 2002), also contributed to the momentary pacification of the state-mediated antagonism between capital and landed property (Barlow and Peña 2021).

However, this relatively peaceful scenario would be drastically uprooted in 2008. Faced with the sudden and historically unprecedented hike of agrarian prices in the world market, the left-of-centre Fernández de Kirchner administration unsuccessfully tried to introduce "moving export taxes" which, in that context, would have entailed "confiscatory" levels of taxation and breach the ideological juridical principle of "horizontal fiscal equity". After a long-drawn-out and fierce political conflict with landowners, the Fernández de Kirchner administration was forced to withdraw the said policy proposal. State-mediated recapture of ground-rent by capital thus came increasingly to depend on growing levels of currency overvaluation. However, unlike in the 1990s, and against the backdrop of a default on the public foreign debt that had not been fully resolved, there was no access to global liquidity that could compensate for the drain of US dollar reserves from the central bank in the face of a gradual worsening of the current account of the balance of payments. The state responded by the reintroduction of foreign exchange controls. The ensuing duality in the exchange rate made increasingly visible again the effects of the overvaluation on the appropriation of ground-rent by landowners, who thereby intensified their opposition to the "populist" Fernández de Kirchner administration.

This antagonistic stance of the personifications of landed property dwindled between 2016 and 2019, during the term of office of the "market-friendly" right-of-centre Macri administration, who even appointed a former president of the Rural Society as head of the Ministry of Agribusiness. This renewed "harmony" between landowners and the state had the following basis. As soon as it took office the new administration implemented a drastic reduction of export taxes, lifted all foreign exchange controls, and devalued and unified the exchange rate. Although the overvaluation of the national currency remained in place at least until 2018, the intersectoral transfer of ground-rent tended to become more hidden from the view of landowners. In effect, this was a period in which, due to the substantial drop in international prices of agrarian commodities since 2014-5, total ground-rent available for appropriation in Argentina started to shrink. As happened before in 2002, the continued reproduction of the unity of the accumulation process required that the scale of agrarian production be sustained which, as mentioned earlier on, resulted in the rise of the amount of ground-rent captured by landowners vis-à-vis the average levels registered in the prior "Kirchnerist" administration.

Conclusion

In this article we addressed a series of relatively absent themes in the contemporary literature in Agrarian Marxism and showed their relevance for a regional analysis of contemporary forms of capitalist development in Latin America, which was, in turn, illustrated through a case study of the role of the agrarian sector in capital accumulation in Argentina. The following, we think, are the fundamental points that can be extracted from our discussion.

In the first place, we unfolded the concrete determinations of the general laws of motion of capital that underpin the tendency for the repulsion between normal individual capitals and landed property. Consequently, we argued that the constitution of the peasant as a social subject in the capitalist mode of production expresses their determination as the unity of the personification of a small capital, wage-worker and landowner. On this basis, we explained the "colonisation" of the agrarian sector by small capitals as an expression of the "law of value", which also cast in new light the resilience of peasant production. More generally, this discussion called into question the contemporary consensus over the resolution of the agrarian question.

A corollary of the previous point was the need for a rigorous analysis of modern landed property in the capitalist mode of production and of the determinations of ground-rent as the form of social wealth accruing to landowners as a parasitic social class. More specifically, a case was made for the importance to revisit and clarify the longstanding Marxist debate over the source of surplus-value that constitutes agrarian ground-rent, i.e. whether it originates in the exploitation of workers within or outside agriculture. Our answer to this question paved the way for a discussion of the potentialities of capital in general to recapture a portion of this mass of social wealth to feed its own accumulation.

As a further implication of this, the article made a case for the significance of ground-rent in the unity of its underlying determinations for the comprehension of the specific form in which Latin American national spaces participate in the global process of capital accumulation. In a nutshell, we argued the role of these territories is not simply to act as suppliers of raw materials and staple foods for the capitalist world market but, more importantly, to be constituted as spaces for ground-rent recovery by the global total social capital. It is this qualitative specificity, we further claimed, that explains the limited potentialities of the industrialisation process and the highly contradictory and crisis-ridden character of the economic and political forms of the accumulation process in the region.

Finally, both this general approach and a methodology for the quantitative estimation of ground-rent, were used to shed light on the recent developmental dynamics in Argentina during the so-called “commodities boom” in the 2000s. This allowed us accurately to identify the relationship between the movement of international prices of agrarian commodities and the appropriation of ground-rent by the different social subjects, as mediated by the public policies implemented by the state. Furthermore, this discussion of the quantitative evidence for the fluctuations in the flow of ground-rent laid the ground for a materialist analysis of the political forms taken by the state-mediated antagonistic relationship between the personifications of landed property and capital in general. In other words, the article sketched out the concrete determinations which underlie the political subjectivity and action of landowners as a class.

METHODOLOGICAL APPENDIX

*The respective rate of profit (R) in each sector (agriculture and industry), is obtained as follows:

$R = SV / K$

Where,

SV is total surplus-value appropriated
K is total capital advanced

In turn,

$SV = VA - W - CFK$
$K = CK + FK$ (+ livestock in the agrarian sector)

Where

VA is the value added in each sector
W is the cost of labour-force
CFK is the consumption of fixed capital
CK is the circulating capital advanced
FK is the fixed capital advanced

* Ground-rent appropriated by landowners (LR) is calculated as follows:

$LR = Ka . (Ra - Ri)$

Where,

Ka is the total capital advanced in the agrarian sector

Ra is the rate of profit in the agrarian sector

Ri is the rate of profit in the industrial sector

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Dialectics on Its Feet, or the Form of the Consciousness of the Working Class as Historical Subject

Juan Iñigo Carrera

1 Placing Dialectics Right Side Up

In his afterword to *Capital*, Marx defines his method as a dialectical one. In so doing, he explicitly recognises Hegel as 'the first to present its [dialectics'] general form of working in a comprehensive and conscious manner'.[1] However, he also points out:

> My dialectic method is not only different from the Hegelian, but is its direct opposite ... With him it is standing on its head. It must be turned right side up again, if you would discover the rational kernel within the mystical shell.[2]

What does it mean to place dialectics right side up, starting from Hegel's inversion?

The question cannot be avoided, unless someone were to believe that Marx was incoherent and actually based his developments on the logic of Hegel – of which the latter considered his method to be its content[3] – although he stated the necessity of inverting this method.

Could it be about replacing 'idea' where Hegel uses the term with 'matter' in order to reconstruct a dialectical logic?[4] Is it about providing 'materialist content' for Hegel's logic?[5] Is it about placing 'capital' where Hegel places 'idea'?[6] These changes imply changing the content upon which logic operates. But Marx refers to placing the method itself right side up. Therefore, the point is the very form of the process of knowledge.

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[1] Marx 1965 [1867], p. 20.

[2] Marx 1965 [1867], pp. 19–20.

[3] Hegel 1999 [1812–16], p. 53.

[4] Althusser 1972, p. 172.

[5] Levine 2006, p. 49.

[6] Meaney 2002, p. 8; Arthur 1993, pp. 86–7.

Could it be about Marx applying the 'Logic of Essence' where Hegel applies the 'Logic of Being'?[7] In this case, the inversion would only have a partial character, as if it could be said that Hegel's logic uses arms where it should use legs. But the problem pointed out by Marx is that Hegel's method is inverted from head to toe.

Could the change in form mean proceeding from a general logical structure to one particularly appropriate to its object? In an early stage of the development of his thought, Marx asserted:

> However, this comprehension [*Begreifen*] does not, as Hegel thinks, consist in everywhere recognizing the determinations of the logical concept [*des logischen Begriffs*], but rather in grasping the proper logic of the proper object.[8]

Do we thus reach the answer by resorting to a logic that starts from the simplest category which represents the proper object and makes this category develop itself through its own movement, so as to engender a more complex category, and so on, until an integral system of categories which belong to the proper object is completed? For example, is it about the development of the concept of the commodity engendering the concept of money, and the development of the latter engendering the concept of capital, and so on?[9] Marx himself rejects the idealist inversion inherent in such a procedure:

> Apply this method to the categories of political economy and you have the logic and metaphysics of political economy ... which makes them look as if they had newly blossomed forth in an intellect of pure reason; so much do these categories seem to engender one another, to be linked up and intertwined with one another by the very working of the dialectic movement.[10]

Moreover, Marx criticises himself with regard to the risk of letting the form of presentation generate the appearance that his research has fallen into this sort of idealist inversion:

> The product becomes a commodity; the commodity becomes exchange value; the exchange value of the commodity is its immanent

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[7] Smith 1990, pp. 51–3.

[8] Marx 1970b [1859], p. 92.

[9] Fineschi 2006, pp. 128–9.

[10] Marx 1976b [1847], p. 165.

> money-property; this, its money-property, separates itself from it in the form of money ... It will be necessary later ... to correct the idealist manner of the presentation, which makes it seem as if it were merely a matter of conceptual determinations and of the dialectic of these concepts.[11]

It happens that logic is a constructive necessity produced by thought, whose movement as such is alien to the movement of the necessity that determines the object. Marx develops, apropos of Proudhon, the unavoidable contradiction implied by any attempt to follow in thought, at the same time, the necessity taken from reality and a logical-constructive necessity:

> When M. Proudhon spoke of the *series in the understanding*, of the *logical sequence of categories*, he declared positively that he did not want to give *history according to the order in time* ... Thus for him everything happened in the *pure ether of reason*. Everything was to be derived from this ether by means of dialectics. Now that he has to put this dialectics into practice, his reason is in default ... [N]ow we have M. Proudhon reduced to saying that the order in which he gives the economic categories is no longer the order in which they engender one another. Economic evolutions are no longer the evolutions of reason itself. What then does M. Proudhon give us? Real history ... ? No! History as it takes place in the idea itself? Still less! ... What history does he give us then? The history of his own contradictions.[12]

The problem with logic, whatever its alleged degree of generality or singularity, resides in its exteriority with respect to the real necessity. Every logical representation rules its path based on the substitution of the real necessity by a constructive necessity that appears as bearing the power to put thought into motion:

> Logic – mind's *coin of the realm*, the speculative or *mental value* of man and nature – its essence which has grown totally indifferent to all real determinateness and hence unreal – is *alienated thinking*, and therefore thinking which abstracts from nature and from real man: *abstract* thinking.[13]

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[11] Marx 1973 [1857–8], pp. 147, 151.

[12] Marx 1976b [1847], p. 169.

[13] Marx 1975e [1844], p. 330.

Once again, what is the point? Let us address the question by reproducing the paths followed by Hegel and Marx as they present the unfolding of their methods.

2 Hegel's Idealistic Construction of 'Pure Knowledge' Which Immediately is 'Fulfilled Being'

Hegel recognises that scientific knowledge, as the 'science of manifested spirit', starts from 'empirical, *sensuous* consciousness', an '*immediate* knowledge', therefore, a knowledge which emerges from practice.[14]

But Hegel idealistically inverts the fact that knowledge is always knowledge of one's subjectivity with respect to the object upon which one is going to act. Instead of facing the question of knowledge as the discovery, by the subject, of the necessity of its action regarding the potentiality of the object, he inverts the question into that of the re-establishment of the identity between the subjective process of knowing and the objective determination of the potentiality, where the former engenders the latter. He thus represents immediate knowledge as pertaining to a subjectivity which confronts itself from its own exteriority, since it is not capable of recognising the object as its own self-realisation. It deals with a subjectivity whose limitation in determining the object resides in that which is not developed even in its self-consciousness as the determinant of the object, in the fact that it does not recognise itself as a determinant.

Consequently, for Hegel, the overcoming of immediate cognition does not consist in the deepening of knowledge of the determinations of the subject and of those of the object, but rather the point is to abstract the movement of knowledge itself, since this movement itself has engendered subjectivity as well as its realisation as objectivity. Therefore, immediate knowledge is not followed by the discovery of the content which determines the necessity of the subject and of the object, by penetrating into this content. For Hegel, the point is simply to penetrate the 'significance ... of immediate knowledge' itself.[15]

Thus, the very forms of the subject's consciousness, already emptied of their historical determinations by having been abstracted from the object of their action,[16] become inverted as if they were the pure object of knowledge which in its movement engenders the consciousness:

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[14] Hegel 1999 [1812–16], p. 69.

[15] Ibid.

[16] Consequently, free consciousness that bears the alienation in the commodity – this being the historically specific determination of Hegel's own consciousness – is raised to an abstractly free consciousness.

> Spirit ... has shown itself to us to be ... *this movement* of the Self which empties itself of itself and links itself into its substance, and also, as Subject, has gone out of that substance into itself, making the substance into an object and a content at the same time as it cancels this difference between objectivity and content. That first reflection out of immediacy is the Subject's differentiation of itself from its substance, or the Notion's separation of itself from itself, the withdrawal into itself and the becoming the pure 'I'.[17]

The phenomenology of spirit culminates in 'pure knowledge', 'the *Notion* of science', which is the 'absolute truth of *consciousness*'.[18] Upon reaching this point, in which the forms of consciousness have been elevated to the condition of being the pure object of themselves, Hegel considers that 'in absolute knowing ... the separation of the *object* from the *certainty of itself* is completely eliminated; truth is now equated with certainty and this certainty with truth'.[19]

Since for Hegel consciousness has thus overcome 'the difference between knowledge and truth',[20] 'pure science ... contains *thought in so far as this is just as much the object in its own self, or the object in its own self in so far as it is equally pure thought*'.[21] And since 'pure knowing as concentrated into this unity [certainty which has become truth] has sublated all reference to an other and to mediation ... this simple immediacy, therefore, in its true expression is *pure being*'.[22]

Thus Hegel arrives at the point of departure of the *Logic*, which is '*pure science*, that is, pure knowledge in the entire range of its development'.[23] Once this development has been unfolded:

> Thus then logic, too, in the absolute Idea ... is the Idea that has reached ... a likeness corresponding to itself. The method is the pure Notion that relates itself only to itself; it is therefore the *simple self-relation* that is *being*. But now it is also *fulfilled being*, the *Notion that comprehends* itself, being as the *concrete* and also absolutely *intensive* totality.[24]

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[17] Hegel 1977 [1807], p. 490.
[18] Hegel 1999 [1812–16], p. 68.
[19] Hegel 1999 [1812–16], p. 49.
[20] Hegel 1977 [1807], p. 491.
[21] Hegel 1999 [1812–16], p. 49.
[22] Hegel 1999 [1812–16], p. 69.
[23] Ibid.
[24] Hegel 1999 [1812–16], p. 842.

The relationship that the subject of the action establishes with his/her object by ideally appropriating his/her own potentiality with respect to the object's potentiality in order to transform it, namely, the capacity of the human subject to organise his/her conscious action, appears here completely inverted. Hegel represents it as if it were a particular concrete form of an impersonal rationality, of a self-consciousness, which does not arise from human subjectivity, but, conversely, determines it. Here, freedom is not a historically determined social relation whose development is borne in the development of human subjectivity as it objectively advances in knowing its own transforming powers, and therefore transcending itself. Quite the opposite: Hegel idealistically inverts freedom, creating the appearance that it constitutes the attribute of a self-consciousness that only relates to itself in the complete impossibility of transcending its own identity:

> The Idea, namely, in positing itself as the absolute *unity* of the pure Notion and its reality and thus contracting itself into the immediacy of *being*, is the *totality* in this form – *nature*. But this determination has not *issued from a process of becoming*, nor is it a *transition*, as when above, the subjective Notion in its totality *becomes objectivity*, and the *subjective end becomes life*. On the contrary, the pure Idea in which the determinateness or reality of the Notion is itself raised into Notion, is an absolute *liberation* for which there is no longer any immediate determination that is not equally *posited* and itself Notion; in this freedom, therefore, no transition takes place.[25]

What is the concrete reality of this freedom? It is but each and all of the concrete forms of the social relation in the capitalist mode of production – private property, value, contracts, right, fraud, morality, ethics, family, justice, guilt, police, state, and so on – conceived as forms inherent by nature in human subjectivity by grace of the self-conscious Idea.[26] Thus:

> The state is the actuality of the ethical Idea ... the actuality of concrete freedom ... The principle of modern states has prodigious strength and depth because it allows the principle of subjectivity to progress to its culmination in the extreme of self-subsistent personal particularity, and yet

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[25] Hegel 1999 [1812–16], p. 843.

[26] Hegel 2008 [1820].

> at the same time brings it back to the substantive unity and so maintains this unity in the principle of subjectivity itself.[27]

The complete realisation of Hegel's Idea is but the cultivation of the apparently limitless reproduction of the capitalist mode of production with all of its contradictions overcome.

3 Marx's Discovery of Dialectics as the Necessary Form of Revolutionary Consciousness

3.1 *The Analysis*

Marx synthesises his critique of Hegel's method as follows:

> Impersonal reason, having outside itself neither a base on which it can pose itself, nor an object to which it can oppose itself, nor a subject with which it can compose itself, is forced to turn head over heels, in posing itself, opposing itself and composing itself ... If we abstract thus from every subject all the alleged accidents, animate or inanimate, men or things, we are right in saying that in the final abstraction, the only substance left is the logical categories ... [O]ne has only to make an abstraction of every characteristic distinctive of different movements to attain movement in its abstract condition – purely formal movement, the purely logical formula of movement. If one finds in logical categories the substance of all things, one imagines one has found in the logical formula of movement the *absolute method*, which not only explains all things, but also implies the movement of things ... All things being reduced to a logical category, and every movement, every act of production, to method, it follows naturally that every aggregate of products and production, of objects and of movement, can be reduced to a form of applied metaphysics ... So what is this absolute method? ... The purely logical form of movement or the movement of pure reason ... Up to now we have exposed only the dialectics of Hegel.[28]

Next, he observes, 'Hegel has no problems to formulate. He has only dialectics ... [Proudhon] has the advantage over Hegel of setting problems.'[29] By then, Marx had already set his own problem: 'The philosophers have only interpreted the world in various ways; the point is to change it'.[30]

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[27] Hegel 2008 [1820], pp. 228, 235.

[28] Marx 1976b [1847], pp. 162–5.

[29] Marx 1976b [1847], p. 168.

This problem places us immediately in the field of action. And the first step in the very realisation of action corresponds to its organisation. How could action be organised through a consciousness that goes beyond the interpretation of reality, other than by questioning oneself about the objective potentiality of one's action and, therefore, about this action's necessity? That is, the point is now to answer oneself about the potentiality of one's action *vis-à-vis* the potentiality of its object, namely, about the determination of one's subjectivity as the necessary concrete form of realising the potentiality of the object upon which action is to be taken.

Marx faces for the first time the problem he has posited by reproducing Hegel's course and, consequently, with the perspective that the movement of social life should be explained starting from the movement of the state. Therefore, the overcoming of the barriers to the reproduction of social life should arise from the realisation of the state's ought-to-be. However, just as Marx addresses the practice of such reproduction, he finds that there is a superior social power that imposes upon this assumed ought-to-be, namely, private interest:

> [T]he Assembly degrades the executive power, the administrative authorities, the life of the accused, the idea of the state, crime itself, and punishment as well, to *material means of private interest* . . . [which means to] solve each material problem *in a non-political way*, i.e., without any connection with the whole of the reason and morality of the state.[31]

If the state, and even its idea, are but material means of private interest, is political freedom not then a form of this same private interest? How could the state be the subject which is the bearer of human freedom if the political freedom which constitutes it has private interest as its content? Finally, how is it possible to advance, acting politically in a rational manner, without beginning to respond with regard to the necessity of private interest?

At the point where Hegel's abstraction found an answer by resorting to the state as 'the actuality of the ethical Idea', thus bringing down all antagonism to an insufficient development of that Idea in its historical course, Marx's analysis finds a question, namely, the question about the necessity of the subordination of the state, of politics, to private interest. Therefore, Marx seeks to find the necessity of private interest where it manifests itself in an immediate manner, where the lack of all generic unity represented by the state seems to prevail, that is, in 'civil society', whose quality is that 'the only bond between men is natural necessity'.[32] The question is now about the organisation of the process in which human beings satisfy their natural needs, whose point of departure is the organisation of the process of social production.[33]

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[30] Marx 1976a [1845], p. 5.

[31] Marx 1975a [1842], pp. 259, 262.

Fifteen years after setting his problem, Marx synthesised the path followed by his analysis:

> My inquiry led me to the conclusion that neither legal relations nor political forms could be comprehended whether by themselves or on the basis of a so-called general development of the human mind, but that on the contrary they originate in the material conditions of life, the totality of which Hegel ... embraces within the term 'civil society'; that the anatomy of this civil society, however, has to be sought in political economy.[34]

Now, the analysis faces the categories of political economy. But as soon as these categories are questioned concerning their necessity, they show that:

> We have proceeded from the premises of political economy ... [I]n its own words, we have shown that the worker sinks to the level of a commodity ... Labour produces not only commodities; it produces itself and the worker as a *commodity* ... This fact expresses merely that the object which labour produces – labour's product – confronts it as *something alien*, as a *power independent* of the producer ... within the *producing activity*, itself.[35]

Since political economy is a system of categories, its critique in search of its necessity as a concrete form of the consciousness that organises this alienated producing activity, therefore, as a form of alienated consciousness itself, points towards its simplest category: 'The first category in which bourgeois wealth presents itself is that of the *commodity*.'[36]

But Marx's analysis could not stop at a category, namely, at a form in which this alienated consciousness conceives, and therefore interprets, its own determinations. His analysis needed to face the commodity itself. He recognises in the commodity the simplest real concrete in which the historically specific character of the alienated organisation of social production is manifested. With this, he recognises the commodity as the concrete from which the reproduction in thought of the determinations of the subjectivity able to supersede the capitalist mode of production must necessarily begin:

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[32] Marx 1967b [1844], pp. 225, 236–7.

[33] Marx and Engels 1998 [1845], pp. 47, 48–9, 98.

[34] Marx 1987b [1859], p. 262.

[35] Marx 1975e [1844], pp. 270–80.

[36] Marx 1973 [1857–8], p. 881.

> In the first place, I do not start out from 'concepts', hence I do not start from the 'concept of value'... What I start out from is the simplest social form in which the labour-product is presented in contemporary society, and this is 'the commodity'.[37]

From the *Grundrisse* to *A Contribution* and *Capital* Marx makes here a definitive step forward in putting dialectics on its feet: in the same way that in biology it is clear that the cell from which one departs is a real concrete and not a concept or a category, the commodity, namely, 'the economic cell-form [in bourgeois society]',[38] is equally so.

3.2 *The Dialectical Reproduction of the Concrete*

Marx presents the point of departure of the dialectical development by stating, 'The wealth of those societies in which the capitalist mode of production prevails, presents itself as "an immense accumulation of commodities", its unit being a single commodity.'[39]

On confronting the commodity as a real concrete and not as a category or a concept, the first knowledge of it could enter an exposition only as a simple immediate knowledge, that is, as the simple observation of a fact for whose necessity the very point of departure cannot account. The supersession of Hegel's inversion is already manifested here in a twofold manner. Against Hegel's abstract 'pure knowledge', we have here the modest determined concrete being of the commodity and the modest immediate knowledge which has not gone beyond the appearance presented by social wealth in capitalist society. Moreover, the same supersession is expressed in the unity itself between knowledge and being: here, the existence of the commodity obliges thought to get into motion from its exterior, far from that 'pure knowledge' from whose immediateness 'pure being' emerged. At the same time, this point of departure is empty of any concept able to be placed in motion, either by imposing upon it a given logical structure, or by expecting that it can get into motion by itself as a consequence of its proper logic.

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[37] Marx 2002 [1879/1881], p. 241.

[38] Marx 1965 [1867], p. 8.

[39] Marx 1965 [1867], p. 35.

To overcome its immediateness, knowledge needs to confront analytically the commodity in its reality, in search of the necessity that gives it its character as that simplest social form. The point is to confront the commodity in its real existence, in order to analyse it with the purpose of discovering why it presents the peculiar social property of being a use-value that bears the unnatural power of being an exchange-value. Marx performs this analysis, thus discovering that this attribute of the commodity, its value, emerges from its being a materialisation of a labour which appears to lack any specific quality. He raises the question about the necessity of this labour as the determinant of value, a question which can only be answered by analysing this same labour. He thus discovers that the labour represented as the value of commodities embodies a material quality, that of being a productive physiological expenditure of the human body, and a social quality, that of being that physiological expenditure applied to the production of use-values for other individuals, of social use-values, which has been governed in its application by a private consciousness and independently of those individuals.

Thus, the analysis discovers socially necessary abstract labour, performed in a private and independent manner, to be the human activity that provides the commodity with its exchangeability, with its value. Nevertheless, it cannot answer the question of why this materialised labour represents itself in such a way. The only place where thought can objectively examine the manifestation of this necessity is where this necessity realises itself. Therefore, unless one attempts to force a logical movement upon the object, the only path opened to dialectical knowledge is to reproduce by means of thought the movement through which the commodity expresses its value in reality, that is, to follow ideally the commodity in the practical expression of its value in the process of exchange. How is this possible? Firstly, to say that the commodity has an attribute – namely, its capacity to be exchanged – is the same as saying that it has a potentiality to be realised. Therefore, its real determination is its affirmation as this realised potentiality, or in other words, its negation as that same to-be-realised potentiality. Its determination is the affirmation of its attribute through its own negation. Secondly, thought is the subject's capacity virtually to appropriate his/her own potentiality with respect to the potentiality of its object. Thought thus confronts the real commodity and realises its own determination; that is, it affirms itself as a subjectivity that knows, negating itself as a subjectivity that bears knowledge as a potentiality yet to be realised.

Now, it becomes apparent that although the value of a commodity is a quantity of socially necessary abstract labour, it necessarily takes the form of a certain quantity of another privately produced use-value. That is, in the capitalist mode of production, social labour only manifests itself in the form of a thing that relates mutually independent producers with each other. At the moment they act as individual organs of social labour, that is, at the moment they organise their social labour, commodity-producers do not appear to be related between themselves, beyond each of them being the bearer of an individual portion of society's total labour-power. However, they do not bear this portion as the capacity to perform a certain concrete labour already determined by the same organisation of social labour, but in so far as it concerns their capacity to perform labour in general, to expend productively their body in general. Then, each one decides, according to his/her own consciousness and will, namely, in a private and independent manner, in which concrete useful form he/she expends his/her labour-power. Each one thus affirms him/herself as a subject free from all personal dependency with respect to those for whom he/she works.

Nevertheless, the recognition of his/her labour as socially useful is not an attribute that belongs to him/her, but a private attribute of everybody else's will. The capacity to recognise the social character of the labour performed by each one is an attribute inherent to the others, and only once the same labour has been materialised in its product. Therefore, this mutual recognition is established through the equalisation of those products in exchange as materialisations of that sole social relation that existed between their producers at the moment in which each of them had to give, in a private and independent manner, a concrete form to his/her capacity to perform labour in general. Provided this generic labour-power has been appropriately applied, that is to say, provided abstract labour has been materialised in a socially useful concrete form, the materiality of that same labour is represented as the social attribute borne by its product to relate, in exchange, with another which bears the same materialisation. That is, the materiality of socially necessary abstract labour is represented as the value of its product, and this product presents its specific social determination as a commodity. This is the indirect form in which the material unity of social production organised in a private and independent manner imposes itself. The value-form taken by commodities is the general social relation that the private independent producers establish between themselves in an indirect manner.

Given that he/she performs his/her labour in a private and independent manner, the commodity-producer fully controls its individual character, and therefore affirms himself/herself as an individual free from any relationship of personal dependence. However, at the same time, he/she lacks any control over his/her labour's social character. The powers of his/her own individual labour with respect to the unity of the process of social metabolism completely escape his/her control. Consequently, he/she has to submit his/her consciousness and will (which is inherent in a free individual) to the social powers borne by the product of his/her labour. Value, and therefore his/her capacity to take part in the organisation of social labour, and then in social consumption, is not his/her personal attribute. It is an attribute alien to his/her person; it belongs to his/her commodity. The material product of the labour that the consciousness and will of his/hers that is inherent in a free individual have governed confronts him/her as the bearer of a social power that is alien to him/her and to which his/her consciousness and will are submitted. Therefore, the free consciousness and will of commodity-producers are the form in which the alienation of their consciousness and will as attributes of commodities is realised. Their free consciousness is the form taken by their alienated consciousness. Thus, they behave towards the commodity in a fetishistic way.

Starting from the movement of the commodity, we discover alienated consciousness. However, we have not made this discovery by logically developing the category 'commodity', but by reproducing through thought the real movement of commodities. Now, the fact that this alienated consciousness is the one which the commodity-producer employs to govern his/her participation in his/her production confronts us with the following evidence: just as our point of departure was that 'immense accumulation of commodities', alienated consciousness was already present in its realisation at the point of departure itself. Moreover, consciousness is the form in which human subjects bear their capacity to govern their individual labour as organs of social labour. Therefore, regarding commodity-producers, we see that their capacity to govern their individual labour is an attribute that fully concerns their consciousness and will. Nevertheless, at the same time, they lack any control over the social character of their labour. This control is an attribute objectified in the commodity. Therefore, when commodity-producers look at the movement of their own product, what confronts them is the movement of their alienated capacity to govern their social labour. We can then say that, in both *A Contribution* and *Capital*, the point of departure is the specific historical form presented to the subjects of action by their own consciousness in the capitalist mode of production. However, it would have been impossible to begin abstractly from the consciousness itself of commodity-producers, in order to discover free consciousness as the form of alienated consciousness. It is impossible to discover objectively the fetishism of commodities without discovering, first, the specific form in which social labour is organised, which is the production of commodities. Here, the social relation takes form in the consciousness and will of its subjects, and not vice versa.

In addition, let us notice that what confronts us here is not the abstract consciousness of an abstract commodity-producer. Actually, it is the very consciousness which has achieved this discovery, namely, *it is our own consciousness*. Its power to produce the said discovery, and therefore the development of its freedom, is but an expression of the development of its alienation.

Let us continue following the movement of the commodity. The same development of the form of value makes it evident that, even though the general social relation appears to arise *a posteriori* from the material process of production, the organisation of this process requires that one commodity in particular becomes placed apart by the movement of the rest, to act as the socially recognised substantive expression of social labour performed in a private and independent manner. The generalised production of commodities, which makes social wealth appear as an immense accumulation of commodities, implies the developed existence of money. Therefore, the point is not that the commodity has become money, or that the category 'commodity' has engendered the category 'money', by following a logical necessity. The point is that the movement of commodities, namely, the movement of the simplest specific concrete, has placed us in front of the real necessity that determines the existence of money as that objectified expression.

The realisation of commodities as values takes us from production to circulation. When we confronted production, we discovered commodity-producers to be individuals free from any personal dependence who socially relate themselves in an indirect way through commodity-exchange, which operates behind their backs, thus determining their consciousness and will as alienated. Now, in circulation, we see that that indirect relation takes the concrete form of a direct relation, a conscious and voluntary one, as personifications of commodities. Thus we discover that the indirect relation between persons, that is, the economic relation, realises its necessity under the form of a direct relation between personifications, that is, as a juridical relation.

Once again, the accumulation of commodities from which we departed was already mediated in its existence by the juridical relations between commodity-owners, but we were unable to account for these relations at that point. Therefore, those who attempt to start by erasing the specificity of commodities as the social representation of the materiality of socially useful abstract labour performed privately are unable to go beyond the representation of the relationship that exists between economic relations and juridical relations as an external one. Since juridical relations appear to emerge from the will of mutually independent individuals, these conceptions fall victim to the appearance that human beings are abstractly free subjects by nature. From this follows the appearance that alienation is externally imposed upon this nature, thus hindering the recognition of alienation as the content of freedom, and thus the recognition of freedom as a historical social relation.

When we continue by following with our thought the real movement of commodities in circulation, we come to face the concrete form in which the unity between social production and consumption is established. At the stage where we had completed the first development of the form of value, we knew that the only possibility for this unity was the exchange of commodities in the exact proportion in which they were materialisations of the same quantity of socially necessary abstract labour. Now we discover that this determination affirms itself by taking a concrete form that appears as its own negation: those commodities whose production exceeds or falls short, *vis-à-vis* the amount of the solvent social necessity for them at their value, retain their capacity to enter the exchange-relation. But they do so by representing a greater or lesser amount of social labour than the socially necessary one which they actually embody. That is, the realisation of the values of commodities takes concrete shape, in competition, through the selling of commodities above or beneath their values.

Again, the point here is not that the category 'commodity' has logically engendered the category 'competition'. Nor is it the case that we have started by abstracting the commodity from the contingencies of competition, by constructively introducing the simplifying assumption of the immediate realisation of value, and that we are now lifting this assumption. However, the point is also not that the commodity we came to know at first carried in itself, as a latent potentiality, the necessity of engendering the movement of competition. On the contrary, as the elementary form of the initial accumulation of commodities, it was the full expression of the realisation of all the concrete determinations of competition. But it was impossible at that stage for us to apprehend it as such with our thought. Only by beginning with the commodity as the simplest specific concrete could we come completely to appropriate its determination as a full concrete.

As soon as the movement of commodities in circulation demands that we account for its concrete form as competition, we advance another step in recognising the determinations of the consciousness and will of personifications. All the direct relations that they establish in the organisation of social life necessarily have an antagonistic character.

The movement of money as a means of circulation synthesises the determinations of commodities that we have developed thus far. C – M – C: in order to satisfy their human needs by purchasing commodities which bear use-value for them, commodity-producers must have first appropriately acted as alienated personifications in the production and realisation of value. This is a production of use-values whose condition lies in the production of value. Therefore, the objective of the circuit remains beyond it. But when we ideally follow the movement of money, we find out that the very form of this movement confronts us with the functions of money as hoard and as means of payment. Here, commodity-production has as its immediate aim the production of the objectified general social relation: both circuits end in money.

However, the production of the general social relation is, above all, the production of the capacity to open the circuit of the process of social metabolism, that is, the production of the capacity to put into motion individual labours as organs of social labour. Thus, the reproduction by means of thought of the movement of money faces us with the movement of the objectified general social relation, which opens the circuit of production of commodities with the immediate aim of producing more of itself: M – C – M'. Now we recognise the general social relation as capital, that is, as the capacity to put social labour into motion with the immediate aim of producing more of this same capacity. The reason for this circuit resides within the circuit itself. This is a modality of organising the process of social metabolism which has its self-multiplication as its immediate aim. Therefore, this is a social relation that acts as the immediate subject of social production, namely, an automatic organisation of social production. The consciousness and will of the individuals are concrete forms that embody the realisation of this organisation, which as such confronts them as an alien power that dominates them.

We thus discover that commodity-production, from whose simplest concrete expression we departed, is not a production of use-values mediated by the production of value. We recognise this determination now as an appearance. Commodity-production has the valorisation of capital as its immediate aim, and use-values for human life are produced only provided that surplus-value is produced. It is not about the category 'commodity' engendering the category 'capital'. On the contrary, we are now able to recognise that the simplest concrete from which we departed, the commodity, is the product of capital.

At the stage where we recognised the commodity as the simplest concrete presented by the capitalist mode of production, it appeared that no general social relation pre-existed the private decision about the concrete form in which each producer would expend his/her individual portion of society's labour-power. The general social relation only appeared to emerge from private production, ruled by these decisions; so this alienated social relation appeared, then, as the one which determined the consciousness of the commodity-producers, in the form of the necessity to produce value. Now it becomes evident that the objectified social relation pre-existed the putting into action of social labour in a private manner, and that the will of the capitalist, as the personification of capital, is but the concrete form under which this modality of organising social production realises its necessity.

Had we stopped before reaching this point, we would have fallen victim to an appearance which was the inverse of the true content. It would have been impossible for us to discover that the commodity from which we departed is not the simple product of labour, but the product of a labour alienated to capital. Nevertheless, we now recognise the true concrete determination, only because we departed from the commodity as that simplest concrete which confronted us in its immediateness.

As the substantive form of the general social relation, money acting as capital starts by recognising as socially necessary the labour privately materialised in two types of commodities, namely, labour-power and means of production. Then, the labour-power is transformed into living labour, which becomes materialised in a private and independent manner in a new commodity, which in turn is transformed into money, as it is recognised in circulation as a materialisation of socially necessary abstract labour.

When we faced the commodity for the first time, private ownership of one's means of production appeared to be necessary in order to produce it. Now, from a more developed concrete point of view, we see that the content is the opposite one: the worker sells his/her labour-power because, as a free individual, he/she is separated from his/her means of production. Workers are free individuals in a double sense. Freedom, which we knew to be the form of the alienation in commodities, shows through its real movement that, actually, it is the form of the alienation in capital.

It is not about the category 'capital' engendering the category 'commodity labour-power', and even less so about constructing a category 'capital' which satisfies the requirement of treating labour-power as a commodity. What we have done is to reproduce in thought the fact that the general social relation proper to the capitalist mode of production puts itself into motion by determining the worker's capacity to work as its own product.

By thus following the movement of capital, we discover that the true content enclosed by the exchange of commodities as equivalent materialisations of social labour implies that the worker is forced to render more social labour than that materialised in the means of subsistence he/she receives in exchange. That is, the exchange of equivalents is the form taken by the exploitation of the worker by capital.

Initially, when we discovered the commodity as the objectified form of the general social relation in the capitalist mode of production, it appeared that, on the one hand, the direct producer had complete control over his/her individual labour while, on the other hand, no direct control existed over the social character of labour. We can now see that, on the one hand, the direct producer of commodities, the worker, remains a free individual although he/she does not have complete control over his/her individual labour. As this free individual, he/she must obey the authority of the capitalist who has purchased his/her labour-power. On the other hand, the capitalist directly controls the worker's labour, thus controlling a social labour, albeit in a private way. Then, just at this stage of reproducing the movement of the general social relation, we are able to recognise the commodity from which we departed as the product of a certain direct organisation – therefore conscious and voluntary – of social labour. We thus discover that private labour is not merely such, but a contradiction in itself: private labour socially organised within itself.

As an objectified social relation that immediately aims at producing more of itself, capital realises its determination by lengthening the working day. However, this, its very movement, confronts us with the negation of its own reproduction, in so far as the lengthening of the working day undermines the reproduction of labour-power. When we follow the development of this contradiction, we find that its first pole simply reproduces the antagonistic relationship between the workers as sellers of the same commodity, namely, the competition among themselves. On the contrary, the second pole causes this competition to take the concrete shape of its opposite, namely, solidarity as the normal form of selling labour-power at its value.

Thus far, it appeared that the owners of commodities were only able to relate directly with each other as personifications on an individual basis, namely, juridical relations could not go beyond private ones. But after following the movement of capital, we discover that the antagonistic relations between personifications necessarily have a public character, namely, a political character, in so far as the universe of the sellers of labour-power confronts the universe of its purchasers. In this confrontation, the former determine themselves as the working class and the latter as the capitalist class. That is, the indirect organisation of social labour through the valorisation of capital has class-struggle as its necessary concrete form. In other words, in the capitalist mode of production, the political action of social classes is the concrete form taken by capital-valorisation. In turn, the concrete forms of class-struggle confront us with the determination of the state as the political representative of the totality of the individual capitals of society.

Now, this concrete form taken by the buying and selling of labour-power confronts us with the fact that, where the independent action of individual capitals as the subjects of valorisation appeared to be the only possible unity within the process of social metabolism, these are not the actual subjects of the said unity. In a concrete manner, total social capital is the subject of that unity. Therefore, the very alienated subject of this mode of organising the process of social metabolism is the unity of its self-reproduction.

The contradiction between a limited working day and capital's valorisation confronts us with the production of relative surplus-value. In it, the apparently independent movement of each individual capital in pursuit of an extraordinary surplus-value, achieved by developing the productivity of its workers, results in the reduction of the value of the workers' means of subsistence, and therefore the reduction of the value of labour-power and, finally, the increase of the rate of surplus-value.

Let us follow the movement of capital into the production of relative surplus-value and leap forward, for reasons of brevity, to its most powerful form: the system of machinery of large-scale industry. Now, we are able to recognise that the commodity from which we departed was the concrete realised form of very different determinations from those we were able to discover in it as the simplest specific concrete. As that simplest concrete, we knew it as the product of a free individual, who as such exerted complete control over his/her individual labour but lacked any control over its social character, so he/she had to alienate his/her consciousness to the social powers of the product of his/her labour, or, in other words, he/she had to produce value. The development of capital as the subject of the production of relative surplus-value shows us now, firstly, that the commodity from which we departed concretely is the product of the labour of a collective of doubly-free individuals. Secondly, this collective worker consciously governs the labour of its individual organs by means of a production-plan elaborated by an objective, namely scientific, consciousness. Therefore, the collective worker acts with complete control over the unity of its labour as a private organ of social production. However, it lacks any control over the general social character of its labour. Consequently, it has to alienate its consciousness in the service of the social powers of the product of its labour, that is, it has to produce surplus-value.[40]

Thus far, we have followed capital along the complete movement of its circuit of valorisation, that is to say, along the process within which surplus-value emerges from capital. The only movement that capital presents us, beyond this circuit, is the reproduction of this same circuit. As we follow this reproduction, we are confronted by three contents that appeared inverted in the buying and selling of labour-power in circulation, beyond the exchange of equivalents as the necessary form of exploitation. Firstly, under the form of the worker's freedom, he/she is a forced labourer for total social capital. Secondly, under the form of the worker's personal interest in reproducing him/herself, the need of capital to reproduce labour-power is achieved. Thirdly, under the form of private property based on one's own labour, private property based on the gratuitous appropriation of the product of others' labour asserts itself.

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[40] Iñigo Carrera 2008 [2003], pp. 15–23.

Certainly the latter determination was present in the commodity from which we departed. Why did we not depart directly by making evident this actual content? Because it would have implied we were attempting to discover the necessity borne in the commodity produced by capital by turning the point of departure into an abstraction. Given its own aim, the dialectics that reproduces the concrete in thought can only start from the immediacy with which the unity between the subject and the object (the subject's own alienated social relation) actually confronts the former under its simplest concrete form.[41]

As we follow the reproduction of capital, we find out that the expansion of the private capacity directly to organise social labour develops beyond the concentration of each individual capital, through the centralisation of capitals. And in this double movement, we confront the most developed concrete form of the contradiction that emerges from the fact that the immediate object of social production is the extensive and intensive multiplication of the capacity to put social labour in motion. This attribute determines the capitalist mode of production as a revolutionary one, with respect to the development of the productive forces of social labour. Nevertheless, the same attribute determines it as a barrier to this development. Its extreme expression in this sense is the transformation of an increasing part of the working class into a surplus-population for capital, that is, for its own general social relation.

The reproduction by way of thought of the movement of the materialised social relation brings us now to the specific historical determination of the capitalist mode of production. This is the development of the productive forces of labour by means of the ever increasing socialisation of private labour. The socialisation of labour implies that consciousness is able to govern the organisation of the process of social metabolism by objectively knowing the potentiality of human productive activity with respect to the potentialities presented by its environment. Private labour implies that consciousness is unable to know in an objective manner the same potentialities and their unity, as they confront it as powers materialised in the products of labour to which it is submitted. The capitalist mode of production is itself a contradiction in constant development towards its own supersession through the complete socialisation of labour.

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[41] Marx 1965 [1867], pp. 583–6.

4 Dialectics as Reproduction of the Concrete by Way of Thought and Its Subject

To supersede the constructive necessity that rules the path of thought means to leave thought without any necessity to follow other than that with which the movement of its object faces it. The point is to develop 'a reproduction of the concrete by way of thought'.[42]

Given its very form, this reproduction cannot take an autonomous shape, constructed by the proper movement itself of the categories of thought abstracted from their object. Then, the question here is as follows: upon which concrete could the method of the reproduction of the concrete by way of thought be developed for the first time in history?

Knowledge is the form in which the subject organises its action of actually appropriating its environment, by virtually appropriating the potentiality of its action with respect to the potentialities that its environment offers it. More specifically, consciousness is the form in which the individual human subject rules his/her action as an organ of the process of social metabolism based upon labour. Consciousness is thus the form in which the human subject carries in his/her person his/her social relation.

Therefore, firstly, the object of human knowledge is always the knowledge of one's own subjectivity. Secondly, the form of consciousness, namely, the method by which the human subject produces his/her knowledge, is in itself a form of his/her own social relation. As it is a social relation, far from being a natural form, the method of knowledge is a historically determined form. In this historical determination, Marx opposes his method to Hegel's:

> In its mystified form, dialectic ... seemed to transfigure and to glorify the existing state of things. In its rational form it ... is in its essence critical and revolutionary.[43]

A consciousness whose method divorces the movement of thought from the actual movement is neither an aberration nor an expression of 'inadequacy' or 'immaturity', as Hegel believed concerning formal logical representation.[44] It is a consciousness whose social being inhibits it from fully appropriating its own real powers. Thus, these very powers confront it as powers it is unable to control. It is an alienated consciousness. Instead of being able to advance by reproducing the real necessity embodied in its object, it needs to replace this necessity with an ideal constructive necessity, with a logic that puts into motion a system of categories, in order to appear as the most pure expression of an abstractly free subjectivity.

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[42] Marx 1973 [1857–8], p. 101.

[43] Marx 1965 [1867], p. 20.

[44] Hegel 1999 [1812–16], pp. 38, 685.

Therefore, the need to develop a dialectic the inverse of Hegel's – a dialectic that replaces constructive necessity with the reproduction of real necessity in thought – finds its basis in a form of a specific historical development of the productive forces of social labour. It arises from the need of the process of social metabolism to invert the mode by which it rules itself. That is, this dialectic has its point of departure within a mode of production in which the subject lacks complete control over the social powers of his/her own labour. Thus, these powers confront him/her as an objectified attribute of the material product of that labour and, therefore, as alien to his/her own subjectivity. Therefore, even the objective consciousness (namely, scientific consciousness) of the said subject needs to stop at that appearance. And this need takes concrete shape in a method of cognition that substitutes the necessity inherent in its object with an ideal constructive necessity alien to that objectivity. The radical inversion of this mode of regulating the process of social metabolism implies that the subject's consciousness reaches the complete domination of his/her condition as an individual organ of social labour and, therefore, that the subject's consciousness recognises the power of social labour as his/her own power. However, this new form of consciousness can only be engendered by the development of the pre-existent one. Therefore, its birth appears as the inversion of the most powerful form of the pre-existent method. Thus, the production of the new consciousness takes concrete shape in the method of cognition that, given that it has the necessity itself of its object as the only necessity to follow, forces its subject to face his/her own alienation. And this is the first step given by that subject in the historically specific development of his/her freedom.

The production of this consciousness is, therefore, the concrete through which the method of the 'reproduction of the concrete by way of thought' necessarily could be developed for the first time in history.

Hegel's *Science of Logic* is the social objectification (a text) of the process in which a consciousness, historically determined by its social being, produces itself on the basis of stopping at the appearance of being an abstract self-consciousness, which in its own movement engenders the real. It is the most developed expression of an alienated consciousness which, in order to reproduce itself in its alienation, needs to take the inversion inherent in any logical representation to its final consequences.

To presuppose the requirement of a logical necessity to apprehend any real concrete in thought is, by itself, to presuppose that the real concrete lacks all proper necessity to be mentally followed. If real necessity existed, what sense would there be to resort to a mental constructive necessity instead of simply following the development of the real one with our thought? Therefore, the real forms must appear as being unable to relate, to move by themselves, at the beginning of the process of representation. Nevertheless, when they emerge from this process, they do so full of the relations that logic has established between them.

However, Hegel does not consider concrete forms to be unable to move by themselves. Instead, he discovers the form of the real movement, namely, self-affirmation through self-negation.[45] Nevertheless, at the same time, he reproduces the appearance proper of the representation by inverting the said movement, as if it emerged from the movement of a consciousness that has itself as its sole determination, of a self-consciousness:

> Accordingly, what is to be considered here as method is only the movement of the *Notion* itself, the nature of which movement has already been cognized; but *first*, there is now the added *significance* that the *Notion is everything*, and its movement is the *universal absolute activity*, the self-determining and self-realizing movement . . . The method . . . is therefore not only the highest *force*, or rather the *sole* and absolute *force* of reason, but also its supreme and sole *urge* to find and cognize *itself by means of itself in everything*.[46]

However, by discovering that self-affirmation through self-negation is the simplest and more general form of determination, Hegel takes philosophy to the end of its historical possibility to bear the advance of the objective consciousness in the organisation of social metabolism. He does so, as the very form of his method makes evident the need for the missing final step, in which real necessity is put in the place thus far occupied by ideal necessity. After Hegel, philosophy can only withdraw towards the rational cultivation of the purest formal exteriority (logical positivism) or towards the cultivation of the crudest irrationality (Nietzsche, postmodernism).

Capital is not a concept whose movement obeys the necessity imposed upon it by thought. The relation is completely the opposite. Capital is a general social relation, that is, a mode of organising social labour and, therefore, social consumption. In this mode of production, the organisation of social labour within each unit of production is an attribute that privately pertains to it. Conversely, each productive unit lacks control over the general social character of the labour it performs. Social labour is organised in a private and independent way. The unity between social production and consumption is thus established in an indirect manner. The capacity to privately organise social labour operates as an attribute materialised in the product of the same labour. At the same time, the immediate aim that rules the putting into action of social labour is not the production of social use-values, but the expanded reproduction of the same objectified capacity to put into action social labour in a private manner. The objectified social relation is the one that puts into action social labour in order to produce more of itself. Such is capital's essential determination.

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[45] Marx 1975e [1844], p. 332.

[46] Hegel 1999 [1812–16], p. 826.

Again, consciousness is, above all, the capacity of human subjects to rule their own individual labour as organs of social labour. However, in the capitalist mode of production, this power confronts its subjects as a power that belongs to the material product of their social labour. That is, the determination proper of the subjects' consciousness confronts their consciousness itself as a power located beyond it, as an autonomised capacity to put into action social labour which their consciousness itself must obey, that is, of which consciousness must act as a concrete form of realisation. As such, the said autonomised capacity puts consciousness into movement. In reality, the movement of capital puts thought into movement, determining it as an alienated thought.

As a historical form of the development of the productive forces of social labour, capital determines a specific movement of consciousness. The specifically capitalist form of developing the productive forces of social labour consists in the progressive socialisation of private labour. That is, it consists in the development of the capacity to organise social labour through the objective knowledge of one's own determinations, as a concrete form of the realisation of the development of the organisation of social labour as the negation of such objective knowledge. The development of the productive forces of immediately social free labour as an attribute of its very negation, namely, of private labour, is the contradiction that synthesises the historical potentialities and the absolute limit of the capitalist mode of production. And the transformation of the materiality of the labour in which the development of the said contradiction takes concrete form (the production of relative surplus-value) determines the working class to be the subject whose action realises such development.

The capitalist social relation itself needs to engender this social subject, which produces its consciousness under the form in which every constructive necessity – that as such seems to make thought move by itself independently of the actual movement of its object – must disappear. At the same time, the place of this constructive necessity can only be taken by the reproduction in thought of the movement of the very necessity of the real concrete. Therefore, it is about a subject whose general social relation provides it with no starting point other than being in possession of an alienated consciousness and, consequently, a consciousness which is a prisoner of the idealistic inversions of logical representation. But it is about a subject determined by its general social relation as the bearer of the necessity to develop its consciousness up to the point of freeing it from any inverted construction. It is, therefore, about an alienated subject whose social being makes it the active subject of the revolutionary transformation of the mode of organising the process of social production, which it accomplishes by abolishing all alienation. The reproduction of the concrete by means of thought, through which every subject rules his/her individual labour as he/she completely knows him/herself as an organ of social labour, thus asserts itself as the concrete form of the general social relation.

Marx's *Capital* is the social objectification (a text) of the process in which, for the first time in history, the movement of the general social relation of the working class as an alienated subject confronts this subject with the necessity to rule its conscious action by giving an account of its own alienation, which it can do because it has the real development of the latter as the only source of its own flow. This alienated subject, which advances in its freedom by becoming aware of its alienation, thus becomes aware of the historical power that this same alienated social relation provides it as the necessary subject of its supersession. And knowing such powers means nothing other than organising such radical superseding action. In other words, *Capital* is in itself the development, performed for the first time and in a form that allows its social reproduction, of the alienated consciousness of the working class that produces itself as an alienated consciousness that is aware of its own alienation and of the historical powers it derives therefrom.

Method: From the *Grundrisse* to *Capital*

Juan Iñigo Carrera

Questions of method: concerning the point of departure

In August 1857, Marx began writing the drafts of what was eventually to become *Capital*, now published as the *Grundrisse*. In the opening lines of the manuscript, he states: 'Individuals producing in society – hence socially determined individual production – is, of course, the point of departure'.[1]

In the same notebooks, he laid out the sequence that the development of his ideas was to take: '(1) the general, abstract determinants which obtain in more or less all forms of society, but in the above-explained sense. (2) The categories which make up the inner structure of bourgeois society . . .'.[2]

Marx had earlier established the need for the same point of departure together with Engels.[3] However, barely a year after penning that first draft, and as a direct consequence of it, he started working on the *Contribution to the Critique of Political Economy*, making the commodity his new starting point.[4] From then onwards, Marx not only re-vindicated this latter beginning of the critique of political economy but, when presenting it in the opening paragraph of *Capital*, also stated its necessity: 'The wealth of those societies in which the capitalist mode of production prevails, presents itself as "an immense accumulation of commodities", its unit being a single commodity. Our investigation must, therefore, begin with the analysis of a commodity'.[5]

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[1] Marx 1993, p. 83.
[2] Marx 1993, p. 108.
[3] Marx and Engels 2004, p. 42.
[4] Marx 1911, p. 19.

Towards the end of his life, Marx once again emphasised the necessity of this starting point: 'In the first place, I do not start out from "concepts", hence I do not start from the "concept of value", and do not have "to divide" these in any way. What I start out from is the simplest social form in which the labour-product is presented in contemporary society, and this is "the commodity" '.[6]

Only the actual argument unfolded in the text of the *Grundrisse* mediates in the shift from the starting point laid out in its first paragraph cited above to the one in the *Contribution*. The text of the *Grundrisse* itself must, therefore, be the place in which to seek the traces left by that transition.

Several Marxist theorists have considered that the change in the point of departure reflects the passage from the process of inquiry to that of presentation, whose different modalities Marx alluded to in *Capital*.[7] Thus, some scholars have asserted that the development leading from the *Grundrisse* to *Capital* essentially pertains to the presentation.[8] Furthermore, others have claimed that the dialectical development only belongs to the method of presentation.[9] Finally, some authors have argued that Marx deliberately tried to conceal the method of inquiry in the published versions of his critique of political economy.[10] The implication of this line of argument is that any attempt to find the key to the method of inquiry would have to focus on the *Grundrisse*, rather than on *Capital*. However, one cannot but wonder whether the change in the point of departure is not, rather, a development of the method of inquiry itself, which only reaches its plenitude in *Capital*. In this case, the key to the question lies in recognising the actual concrete content of that development.

This question of the redefinition of the point of departure places us squarely before another problem. In the *Grundrisse*, Marx begins his study of capitalist economic forms by firstly taking as his object the categories established by political economy. He thus faces the determinations of value by engaging in a critique of the theory of the 'time-chit': 'The point to be examined here is the convertibility of the time-chit. . . . [A] few observations can be made about the delusions on which the time-chit rests, which allow us an insight into the depths of the secret which links Proudhon's theory of circulation with his general theory – his theory of the determination of value'.[11]

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[5] Marx 1965, p. 35.
[6] Marx 2002, p. 241.
[7] Marx 1965, p. 19.
[8] Rosdolsky 1977, p. 189.
[9] Fraser 1997, pp. 97–8; Carchedi 1993, pp. 195–7; Arthur 1993, p. 68.
[10] Nicolaus 1993, p. 60; Reichelt 1995, p. 41.

One can recognise a similar approach to the real subject matter in his 1844 Paris manuscripts:

> We have started out from the premises of political economy. We have accepted its language and its laws. . . . It is true that we took the concept of *alienated labour* (*alienated life*) from political economy as a result of the movement of *private property*.[12]

In contrast, Marx opens the *Contribution* with his own positive unfolding of the determinations of the commodity. It is precisely this latter development that culminates with the *raison d'être* of the categories of political economy, including the theory of the time-chit. In other words, the critique of political economy no longer proceeds by accompanying the development of the theories of political economy up to the point in which the critical discussion puts it before the need to address the real determination. On the contrary, the critique starts by confronting the real determination itself and follows it in its development to the point where the categories of political economy are revealed as necessary ideological forms of existence of that real determination. This new course of the argument only reaches maturity in *Capital*, especially in the definitive version of the first chapter in the second edition. Marx begins there by unfolding the determinations of the commodity, and concludes the dialectical development contained in that chapter by showing how both classical and vulgar political economy are two necessary forms taken by consciousness held captive by commodity-fetishism.[13] Once again, we face the question of the nature of the methodological change entailed by the modification in the form of Marx's argument. Just as the result of this change materialises for the first time in the *Contribution*, we are only able to track down the path of its development in the text of the *Grundrisse*.

Representation or reproduction of the concrete

The second way in which the point of departure is transformed puts us before a third methodological issue that is far more intriguing and complex. No reader, much less one well versed in current scientific research-methods, could have failed to notice a peculiar aspect of the aforementioned quotation from the *Notes on Adolph Wagner*: 'In the first place, I do not start out from "concepts". . .'

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[11] Marx 1993, p. 136.
[12] Marx 1992a, p. 322, 332.
[13] Marx 1965, pp. 80–3.

How so? Is not the representation of reality that arises of necessity from the definition of concepts or theoretical categories the only method of developing scientific knowledge? Nowadays, two main forms of human knowledge can be distinguished: intuition, namely immediate non-rational knowledge, and rational conception, namely the representation that starts from concepts and establishes relations among them according to a constructive necessity, that is, a *logic* (more on this below). However, in the *Grundrisse*, Marx opposes a third form of knowledge to those two, which he defines not only as having a rational character, but also as a way of overcoming representation as such: 'The concrete is concrete because it is the concentration of many determinations, hence unity of the diverse. It appears in the process of thinking, therefore, as a process of concentration, as a result, not as a point of departure, even though it is the point of departure in reality and hence also the point of departure for observation [*Anschauung*] and conception [*Vorstellung*].[14] Along the first path the full conception was evaporated to yield an abstract determination; along the second, the abstract determinations lead towards a reproduction of the concrete by way of thought'.[15]

The name of each method itself indicates the specific differences between them. To *represent* the concrete means taking its manifestations as they are presented to us at face-value, in order to present them once again as if they were subject to relationships of necessity dictated by the constructive logic of representation itself. Those manifestations can be either those that appear immediately to our eyes, or those that can only be apprehended through the mediation of an analytic process that has managed to abstract the manifestations themselves based on the (more or less) universal features of the concrete in question. However, regardless of the degree of detail achieved by the analysis, the necessity represented always corresponds to the externality of the manifestations that it has put in relation to each other. Penetrating this externality to extract the true necessity at stake is, by definition, alien to its aim.

By contrast, *reproducing* the concrete by means of thought implies that the course taken by the progression of ideas must be the same as that followed by the development of the necessity of the concrete, namely by its determination, in its real actuality. The movement of thought cannot introduce any necessity not found in its real object. Thus, it cannot resort to any constructive necessity that establishes a certain point of departure. Consequently, this form of knowledge cannot start out from concepts, but only from the actual concrete.

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[14] Nicolaus translates *Vorstellung* as 'conception'. Hegel uses the term *Vorstellung* to refer to thought that stops at the apparent exteriority of its object, precisely in opposition to conceptual thought, which, always via an idealist inversion, engenders the object as a concrete form of realising its concept (see Inwood 1992, pp. 257–9). Putting the question of the forms of knowledge back on its feet, although a conception is the result of the process of representing something, the actual term *representation* expresses directly the very form of the method utilised.

[15] Marx 1993, p. 101.

The existence of two methods of rational thought that are essentially at odds may appear strange. However, this could not have been the case for Marx, who was very familiar with Hegel's work and who had 'skimmed' once more through *The Science of Logic* while writing the *Grundrisse*.[16] In his texts, Hegel persistently contrasts dialectics – which he terms 'speculative thought' in his idealistic inversion – and the method of representation that bases its constructions on formal foundations, that is, on the formal externality of its object.[17] However, his idealistic inversion made him stop at the appearance that the unfolding of logical necessity itself engenders the real. His own theory was thus condemned to being a representation of reality.

Now, beyond principally formal references, the contrast between *representation* and *reproduction* has received scant attention from Marxist theorists working on the issue of method in the *Grundrisse* and its relationship with Hegel's method. In general terms, the specificity of the method developed by Marx is presented as if this were an issue bearing on the form of the constructive necessity, hence of the logic used, and thus as if it were about the difference between two kinds of representation. In some cases, *representation* and *reproduction* are employed as interchangeable terms.[18] On the other hand, even those who recognise that Marx opposes his method to representation tend to replace the term *reproduction* [*Reproduktion*] with that of *reconstruction*.[19] The etymology of this word refers to the joining of elements that are mutually external to each other. In that condition of mutual exteriority, they therefore lack any immanent necessity to establish a relation. The latter can only be established through a necessity stemming from the constructive process itself rather than from its object. As Hegel pointed out – precisely in order to show the limits of representation – maybe this is a case in which 'that which is known in general terms, precisely for being *known*, is not acknowledged'.[20]

Now, it is clear that since its foundation political economy has known no other method than that of logical representation. Yet, the paragraph quoted above where Marx presents the method of the *reproduction* of the concrete flows directly from this one:

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[16] Marx and Engels 1983, p. 248.

[17] See Hegel 1999, pp. 458–61, pp. 496–8, pp. 624–5; Hegel 1977, pp. 8–9, 18–20, 34–43.

[18] Musto 2008, p. 15.

[19] Dussel 1985, p. 33, p. 48, p. 52; Smith 1990, p. 20, pp. 34–5, p. 60; Psychopedis 1992, p. 33; Meaney 2002, p. 3; Ilyenkov 1982, p. 136.

[20] Hegel 1977, p. 18; translation modified.

> The economists of the seventeenth century, e.g., always begin with the living whole, with population, nation, state, several states, etc.; but they always conclude by discovering through analysis a small number of determinant, abstract, general relations such as division of labour, money, value, etc. As soon as these individual moments had been more or less firmly established and abstracted, there began the economic systems, which ascended from the simple relations, such as labour, division of labour, need, exchange value, to the level of the state, exchange between nations and the world market. The latter is obviously the scientifically correct method.[21]

How is it possible for Marx to say that the method used by political economy is the right one, while at the same time defining the outcome of its deployment as *reproduction*, in opposition even to political economy's own self-understanding of the nature of its theories as *representations* of reality?

Furthermore, in the afterword to the second edition of *Capital*, as in the *Theories of Surplus Value*, Marx indicates how the method used by classical political economy leaves room for the element of vulgar political economy to emerge. He also highlights how, on the basis of such a methodological approach, the historical development of political economy reveals it as a form of consciousness doomed to lose all scientific content in order to become the pure apology for the capitalist mode of production as the latter progresses towards its own supersession:

> For the development of political economy and of the opposition to which it gives rise keeps pace with the *real* development of the social contradictions and class conflicts inherent in capitalist production. Only when political economy has reached a certain stage of development and has assumed well-established forms . . . does the separation of the element whose notion of the phenomena consists of a mere reflection of them take place, i.e., its vulgar element becomes a special aspect of political economy. . . . Since such works only appear when political economy has reached the end of its scope as a science, they are at the same time the *graveyard* of this science.[22]

In utter contrast to this destiny of political economy inherent in its method, Marx defines the historical role of the method of the critique of political economy, 'my dialectical method', by stating: 'In its rational form it is a scandal and abomination to bourgeoisdom and its doctrinaire professors, because it includes in its comprehension and affirmative recognition of the existing state of things, at the same time also, the recognition of the negation of that state, of its inevitable breaking up; because it regards every historically developed social form as in fluid movement, and therefore takes into account its transient nature not less than its momentary existence; because it lets nothing impose upon it, and is in its essence critical and revolutionary'.[23]

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[21] Marx 1993, pp. 100–1.
[22] Marx 1971, pp. 921–2.

On the other hand, the same point made by Marx about the two historical stages followed by classical political economy – from its seventeenth-century beginnings to its maturity with the works of Smith and Ricardo – makes it clear that its naturalisation of capitalist relations does not derive, *pace* Rosdolsky,[24] from the fact that it confines its procedure to the analytical stage without subsequently returning to the more concrete forms.

Once we disregard any possibility of incoherence on Marx's part, the only possible answer is that, while both methods (logical representation and the ideal reproduction of the concrete) go through the two-fold path of analysis and synthesis, each form of scientific knowledge undertakes each of these two steps in different concrete forms. These concrete forms need to be so different from each other that their respective outcomes are, in one case, the *representation* of the concrete in thought and, in the other, the *reproduction* of the concrete in thought. What is more, their difference must be so profound that while the historical development of the former turns it into 'the graveyard of science' and the apologetic for capitalist social relations, the other becomes the scientific form of consciousness which buries those social relations. The divergence in historical trajectories does not arise from taking a different real content as an object of inquiry, but from the very form in which the same content is appropriated in thought.

It is thus clear that Marx's methodological remarks at the start of the *Grundrisse* do not constitute an unproblematic synthesis that could straightforwardly resolve the issue of the specificity of the method of the critique of political economy. On the contrary, they raise more questions than answers. The 1857 introduction provides no more than a concise rendition of certain aspects of the dialectical method whose content must be further developed in a critical fashion. In this chapter, we shall therefore firstly elaborate on the question of the difference in form between the representation and the reproduction of the concrete in thought. On this basis, we shall subsequently discuss the other two methodological evolutions on which we commented above that lead from the *Grundrisse* to the *Contribution* and *Capital*.

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[23] Marx 1973, p. 20.

[24] Rosdolsky 1977, p. 567.

The methods of scientific knowledge[25]

Both the representation and the reproduction of the concrete are constructions of an ideal nature, in other words, constructions of thought. As Marx points out, both start by facing a real concrete. Moreover, both aim to appropriate in thought the determinations of the concrete in question with a view to intervene in its development, that is, to act upon it. Both intend to give such an action the character of an action that is objectively aware of its own cause. In this sense, they depart from the premise of not accepting any necessary content other than that found in its object, nor forcing on its object any necessity springing from the subjectivity of the researcher. In turn, this means that they begin by facing the real concrete in order to go beyond the appearance that it presents to immediate cognition in search of its true determination. In other words, both methodological approaches begin with the *analysis* of the real concrete. In the following sections, we explore in more detail each form of the process of cognition in order to bring out the fundamental differences that set the two scientific methods apart.

Logical representation

Let us start by examining the way in which the analysis characteristic of logical representation conceives the foundations of its own objectivity. The latter is seen as ruling out all possibility that an existing concrete may carry within itself a causal necessity other than the immediate manifestation of its very form. On this basis, there is no other possible expression of the general nature of causality other than the greater or lesser regularity of its manifestations. It follows that the analysis that leads from the immediate concrete to the discovery of the most simple and general determination must consist in the identification of recurring attributes.[26] Therefore, the necessity of its simplest concepts and categories is founded on the repeated presence of an attribute in the original concrete. The qualitative development that determines the general, specific and singular is represented indistinctly from, if not confused with, the merely quantitative development of the universal, particular and individual. This also implies that those simpler concepts are obtained by assuming a *purely ideal* concrete bereft of non-recurring real attributes. They therefore cannot correspond to any *actually existing* concrete simpler than that with which the analysis began.

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[25] I have originally presented the fundamental aspects of the following discussion on method in Iñigo Carrera 1992 and Iñigo Carrera 2008, pp. 235–368.

[26] Hempel 1965, pp. 231, pp. 253–4.

Once the degree of repetition considered sufficient for the abstraction of those general concepts from the original concrete has been achieved, the process must reverse its direction. In this second phase, the representation of the concrete arises as a unity in which the more and less general concepts obtained in the analytical phase are placed in a necessary relation to each other. Thus, on the basis of the simplest necessary element identified in the first phase, progress is subsequently made by re-incorporating the attributes formerly excluded as accidental, or, in other words, by removing 'simplifying assumptions'. However, given that the analysis began by conceiving each concrete as devoid of any causal necessity that transcends the objectivity of its immediate affirmation, the concepts arising from it cannot but preserve this condition. As a result, they must be placed in relation to each other by recourse to a *constructive necessity* that is inevitably external to them and that simultaneously preserves the mutual externality of those concepts in the represented unity. *Logic* is thus this constructive necessity which represents all objective connection as if it were an external relationship between concepts. It gives coherence to the reciprocal externality of all concepts and relationships involved in representation based on its own necessarily tautological nature. Hence the tautological nature of the synthesis itself.[27]

True, most Marxist authors referred to earlier do not necessarily subscribe to this manner of proceeding.[28] They oppose to it what they define as a dialectical approach. However, they rarely explicitly state the specific form that the analysis should take within the dialectical investigation. Thus, it is stated that the key resides in distinguishing between necessary and contingent moments,[29] between empirical and substantive abstractions,[30] or between general and determinate abstractions.[31] These contributions recognise that abstract forms must be sought within more concrete ones. However, they usually do not explain either the way in which this search should be made, or the basis on which those differences could be established. In the cases in which the form of analysis is made explicit, this is sometimes seen as entailing the repetition of common attributes (thus not differing from representational analysis).[32] Alternatively, other scholars have characterised the analytical process in a Cartesian fashion, namely, as the decomposition of the complex totality into mutually external simple elements.[33] Finally, some authors have argued that elemental concepts should be defined in terms of the aim or finality of the theoretical construction, in other words, that they should be posited by the criterion of the researcher *prior to* the scientific development itself.[34]

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[27] Carnap 1959, p. 143, p. 145.

[28] An obvious exception is that of analytical Marxists. See Burns 2000, pp. 86–98.

[29] Reuten 1988, p. 143.

[30] Bonefeld 1992, pp. 104–5.

[31] Fraser 1997, p. 93.

[32] Dussel 1985, p. 33.

[33] Murray 1988, pp. 121–9; Dussel 1985, p. 51.

Given that the concepts arising from these modes of analysis are bereft of a necessity which would drive them to self-transcendence, the relationship between them is represented by a constructive necessity defined as a *dialectical logic*. In some cases, it is stated that a concept should be logically derived from another until a system is structured, although the concrete form in which this process is to take place is not actually explained.[35] In other cases, the derivation is founded in a parallel with the development of Hegel's *Logic*,[36] or in the doubling of abstract notions,[37] or in the unfolding of determined categories as the condition of existence of determinant ones.[38] Other approaches see dialectical logic as involving the attempt to place the parts in a relationship to the whole, which implies relapsing into a process of synthesis in which the general and specific are reduced to the mutually external nature of the universal and particular.[39] In all cases, the inevitable result is a concrete in thought whose nature as the outcome of a purely ideal intertwining of concepts is beyond question, hence its condition as a systematic conceptual representation in opposition to a reproduction.[40]

Other Marxist conceptions posit that the dialectical-logical development should be driven forward by the tendencies for determinate actions of social agents that are intrinsic to the social form referred to by each theoretical category,[41] or by the practical insufficiency of each form achieved.[42] However, these approaches do not explain how to solve the rift that these procedures generate in the actual consistency of the conceptual development. On the one hand, this implies following a sequence that responds to a constructive necessity, and on the other, a sequence that follows the movement of the real concrete itself.[43]

These ideas have provided the grounds for the claim that developments based on dialectical logic are not tautological in nature.[44] However, the very same developments undertaken with the purpose of structuring a dialectical logic capable of bringing coherence to the representation of the concrete as a unity of opposites have concluded that such logic necessarily requires each of them to be defined as simple immediate affirmations.[45] This is not a circumstantial fact. If each pole were accorded the capacity to affirm through self-negation, it would then have to be recognised as the bearer of a necessity whose realisation would set it into *self*-movement independently of its opposite. In this case, one would have to accept that the introduction of a constructive necessity representing all movement as a relationship between opposites would be redundant. What is more, inasmuch as this logical movement would collide with the real one of affirmation through self-negation, it would lead the process of cognition towards incoherence. Hence the external and tautological nature underlying, in the last instance, all conceptual relationships representing the real movement by means of a dialectical logic.[46]

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[34] Mattick 1993, p. 122; Smith 1990, pp. 34, 68; Psychopedis 1992, p. 34.
[35] Foley 1986, pp. 3–11.
[36] Uchida 1988; Arthur 1993, p. 73; Smith 1990; Murray 1988, pp. 161, 184, 231.
[37] Reuten 1988, p. 52.
[38] Arthur 1993, p. 67; Carchedi 1987, p. 75.
[39] Dussel 1985, p. 52.
[40] Marx 2002, p. 244.
[41] Smith 1993, pp. 19–20.
[42] Mattick 1993, p. 128.
[43] Marx 2005, pp. 120–4.
[44] Arthur 1993, p. 67.

Let us now see how the application of this method appears in the very point of departure of political economy. For example, Adam Smith uses it to ground the simplest determination on which to develop his theory of the organisation of social life. 'The principle which gives occasion to the division of labour', he argues, stems from 'a certain propensity in human nature . . . to truck, barter, and exchange one thing for another' whose discovery lies in observing that 'it is common to all men, and to be found in no other race of animals'.[47]

This same form of analysis appears when Smith has to ground the general determination which dictates that the labour-content of exchange-value is not directly expressed as such, but rather as quantities of another commodity, and, more concretely, as price. The entire foundation is reduced to the assertion that the first expression is 'more frequently' observed and 'is more natural, therefore' than the comparison 'with labour', while at the same time, 'every particular commodity is more frequently exchanged for money than for any other commodity'.[48]

Let us note, in passing, how the recurrence of the most immediate appearance allows this mode of analysis to present it in an inverted form as the true general determination. This is what Hegel had in mind when he said that:

> [S]ince in this procedure the ground is derived from the phenomenon and its determinations are based on it, the phenomenon certainly flows quite

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[45] Joja 1969, pp. 111–13, 157; Lefebvre 1984, p. 154.

[46] In his defence of dialectical logic, Ilyenkov (1982) falls into circular reasoning by arguing that the identification of the relevant aspect to be abstracted by analysis 'presupposes the comprehension' of its specific role and place in the whole (Ilyenkov 1982, p. 103). In turn, he conceives the process of synthesis as the 'combination' (p. 37) of a pair of the abstracted concepts, which are complementary as each of them presents an aspect lacking in the other (pp. 88–92). Consequently, he can only ground the capacity to identify which pair of opposed aspects is determining in each case by asserting that it 'is an axiom of dialectics' (p. 138).

[47] Smith 1852, p. 6.

[48] Smith 1852, p. 13.

> smoothly and with a favourable wind from its ground. . . . The exposition begins with grounds which are placed in mid-air as principles and primary concepts; . . . Therefore he who aims to penetrate such sciences must begin by instilling his mind with these grounds, a distasteful business for reason because it is asked to treat what is groundless as a valid foundation.[49]

It is precisely by virtue of the way in which logical representation opens the door to the inversion of immediate appearances into the content of the determination that political economy exhausts its role as science to engender its apologetic form as vulgar economics.

As for the return to the concrete by lifting simplifying assumptions, both Adam Smith and David Ricardo offer a particularly illustrative example in the aesthetically-naturalising form taken by their depiction of the transition from the 'early and rude state of society' to 'the accumulation of stock'. This transition is reduced to the substitution of the assumption that 'capital' belongs to the labourer for the more realistic one that 'all the implements necessary to kill the beaver and deer might belong to one class of men, and the labour employed in their destruction might be furnished by another class'.[50]

Dialectical reproduction: from '*Capital*' to the '*Grundrisse*'

Already before the *Grundrisse*, Marx had exposed the ultimate result of the analysis based on the construction of an abstract representation of the concrete by forcefully stripping it of its attributes: 'In consequence of thus abstracting all the so-called accidents, animate or inanimate, men or things, we are right in saying that in the final abstraction we have as substance the logical categories'.[51]

Even earlier, Marx had exposed the inversion inherent in all representation by which logic appears as the necessity that sets the concrete into motion, with the latter in turn conceived of under the appearance of being inert and therefore incapable of self-movement. Initially, he had limited himself to making a case for replacing a constructive necessity of a general nature with one that corresponded to the specificity of its concrete object: 'the proper logic of the proper object'.[52] However, later he advanced in the development of a scientific method capable of overcoming the externality of the constructive necessity *vis-à-vis* the real necessity of its object, making it clear that this externality was inherent in logic itself, no matter how concrete one might wish to make it: 'Logic is the

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[49] Hegel 1999, pp. 459–60.
[50] Ricardo 1821, p. 17.
[51] Marx 2005, p. 115.
[52] Marx 1982, p. 92.

currency of the mind, the speculative *thought-value* of man and of nature, their essence which has become completely indifferent to all real determinateness and hence unreal, *alienated thought*, and therefore thought which abstracts from nature and from real man: *abstract* thought'.[53]

It might seem that, in the same text on the method in the *Grundrisse*, Marx is leaving room for a form of analysis guided by the search for a recurring attribute: 'As a rule, the most general abstractions arise only in the midst of the richest possible concrete development, where one thing appears as common to many, to all. Then it ceases to be thinkable in a particular form alone'.[54]

However, at stake in this passage is the condition of universal existence of the concrete that allows its abstraction to be thought up. In turn, the representation that starts out from an analysis based on repetition is the most immediate form of thought. Yet, precisely because of this it is unable to transcend the appearances of repetition itself. For example, freedom and equality can only be conceived of as abstract categories when they have become universal forms of the general social relation. However, despite this recurring presence, the latter says nothing about their content or, in other words, of their necessity: '[T]he stale argumentation of the degenerate economics of most recent times . . . *which demonstrates* that economic relations everywhere express *the same* simple determinants, and hence that they everywhere express the equality and freedom of the simple exchange of exchange values; this point entirely reduces itself to an infantile abstraction'.[55]

Now, the specific aim of this paper is to address the issue of method in the *Grundrisse*. However, let us recall the methodological observation made by Marx in the latter book itself: 'Human anatomy contains a key to the anatomy of the ape. The intimations of higher development among the subordinate animal species, however, can be understood only after the higher development is already known'.[56]

Thus, *pace* Mepham, let us thus begin by taking as the concrete object of our study of the dialectical method in the *Grundrisse* the fully-developed shape that it would acquire in *Capital*.[57]

The analysis pertaining to the dialectical method begins by confronting a determinate concrete. However, far from seeking out others alike to see what recurs in their manifestations, it attempts to uncover the necessity whose immediate self-realisation has taken the form of (hence determined) the original concrete. In other words, dialectical analysis penetrates the real concrete in search of the necessity that makes it what it is. It does so by separating the necessity in question in what it has as a pure potentiality, from its already realised result. The analysis thus separates the content of necessity (and hence, abstract existence) from its realised form (hence, concrete existence).[58] Once this first step has been made, the process must advance step-by-step towards the discovery of an ever simpler potential necessity. This is done by taking the content of the recently-discovered necessity as a concrete form in which its own necessity-content has in turn self-realised. In other words, the analysis moves forward by taking the abstract form uncovered in its determination as a concrete form itself.

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[53] Marx 1992a, p. 383.
[54] Marx 1993, p. 104.
[55] Marx 1993, p. 249.
[56] Marx 1993, p. 105.
[57] Mepham also resorts to this same analogy to discuss the evolution of Marx's method from the *Grundrisse* to *Capital*, but to argue against its use as an appropriate way of approaching the question. In an Althusserian fashion, he thus postulates a 'radical discontinuity' between those two texts. See Mepham 1989, pp. 232–3.

In *Capital*, Marx makes evident how the analysis begins by facing the specific determination of the commodity as a social relation under the concrete form in which this determination presents itself, that is to say, under the form of exchange-value. He points out how, at first glance, it seems impossible that this concrete form is able to carry within itself a different content from its outward appearance.[59] However, this immediate appearance of exchange-value as an abstract quantitative relation dissolves as soon as it is analysed. In asking about the necessity for the existence of the quantitative relationship of equality between different use-values, it becomes clear that the latter immediately entails the existence of a common content. Let us note that what is at stake, here, is not the search for a recurring attribute, but the discovery of the source that allows each one of these two qualitatively different use-values indifferently to take the place of the other. Thus, such content cannot arise from the exchange-relation but, instead, must find expression within it.[60] The analysis continues by facing that common substance crystallised in the commodity in order to separate its realised form from its necessity as pure potentiality yet to be realised, that is to say, as the very action capable of engendering this common substance. At this point, the analysis faces the potentiality of human productive action, in other words, of labour, as the source of the commodity's exchangeability. Still, it discovers this potentiality only when taking a further step that abstracts labour from its concrete forms of realisation. This means it discovers that the necessity of value so far has the following as its simplest content: '[H]uman labour in the abstract. . . . [T]he same unsubstantial reality in each, a mere congelation of homogeneous human labour, of labour-power expended without regard to the mode of its expenditure'.[61]

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[58] '. . . all science would be superfluous if the outward appearance and the essence of things directly coincided' (Marx 1966a, p. 817).

[59] Marx 1965, p. 36.

[60] Marx 1965, p. 37.

Now, the analysis cannot stop there. It has discovered abstract labour as the realised action that endows the commodity with value. However, inasmuch as abstract labour is itself a potentiality that has been realised, it appears to be devoid of all qualities except, precisely, its qualitative indifference. Thus, the analysis must search for the content of the necessity of abstract labour that produces commodities, which it finds in the material nature of abstract labour: 'Productive activity, if we leave out of sight its special form, viz., the useful character of the labour, is nothing but the expenditure of human labour-power. . . . [A] productive expenditure of human brains, nerves, and muscles . . . '.[62]

The analysis must now answer the following question: how can this material expenditure of human body, a condition of human life in general, be the determinant for the social specificity of the commodity? It thus continues by separating this materiality as an individual expenditure of labour-power from its necessity as an active organ of the process of social metabolism. Accordingly, the analysis discovers that this material expenditure has as its specific qualitative content the way in which the individual carrying it out rules his/her participation in the organisation of social labour. It is a productive expenditure of a human corporeality in general, which is made for others, whose concrete realisation is fully controlled by the will of the individual performing it. The commodity-producer controls by means of his or her own individual will how and what to produce for other members of society. Thus he or she consciously controls, free from personal dependence, the exercise of his or her individual capacity to perform social labour. At the same time, however, his or her consciousness is excluded from the organisation of the labour carried out by any other individual commodity-producer. There is no alien individual will, nor any collective will, organising the expenditure of the individual labour-power applied to the production of commodities. The labour that produces commodities is thus social labour privately undertaken by mutually independent producers: 'Only such products can become commodities with regard to each other, as result from different kinds of labour, each kind being carried on independently and for the account of private individuals'.[63]

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[61] Marx 1965, p. 38.

[62] Marx 1965, p. 44.

[63] Marx 1965, p. 42. This translation obscures Marx's direct reference to 'mutually independent private labours' [*voneinander unabhängiger Privatarbeiten*] as the determinant of commodities. Nevertheless, the translations by E. and C. Paul and the one by Fowkes directly omit the word 'private'. Such an omission at this crucial point has prevented us from using them for our quotations. It is noteworthy how Marxist political economy has displaced the private form with which social labour is performed in capitalism as the specific determinant of the commodity-form. From this perspective, two main

The analysis that gives way to the reproduction of the concrete by means of thought does not end because the researcher arbitrarily decides to cease identifying recurring features in order to produce an even more abstract concept. Instead, it concludes, because when searching for the necessity of the recently-discovered content, it becomes plain that it can only be found by accompanying the self-realisation of that content in its necessary concrete form. Let us return to the case of the value-content of the commodity. Analysis has allowed us to discover that the commodity has value, that is to say, the attribute of exchangeability, because privately and independently performed socially necessary abstract labour has been materialised in it. This places us squarely in front of another question: why is it that this private and independent realisation of the material expenditure of human labour-power in general endows its product with the social attribute of value? The analysis, however, is unable to answer this question.[64]

In fact, if we examine the manner in which Marx presents how this point has been reached, the limit of the analysis appears as emerging from a change in its modality. Up to this point, it involved the search of the necessity of the content. Conversely, in its latest step, Marx presents it as if it were unable to penetrate through the exteriority of a recurring attribute, namely, that of being the product of private and independent labour. In other words, the analysis appears as having to assume the modality characteristic of the method of representation.

The question about the necessity of value now faces us in such a way that it can only be answered by accompanying the realisation of the specific potentiality that the analysis has discovered as an immanent actuality in the commodity. The commodity's exchangeability, posited by the materialisation of abstract socially necessary labour carried out in a private and independent manner, confronts us in the manner of a content that must account for its own necessity by realising it. Hence, the development must follow the movement of value in its necessary concrete form of expression as exchange-value.[65]

Marx thus successively unfolds the forms of the exchange-relation, asking each one in turn which content it progressively reveals. Let us note that this development does not imply a simpler form engendering a more concrete one. Instead, the unfolding of the former's necessity evidences the necessity of the

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strands can be identified. The first one, principally based on the work of Sraffa, maintains that value is determined by the immediate material unity between social production and consumption, thus replacing private labour with one that is directly social as the foundation of the commodity-form. The second, which stems mainly from Rubin, holds that the specificity of commodity-producing labour is its 'abstract' character, which is defined in opposition to the materiality of abstract labour pointed out by Marx as a simple productive expenditure of the human body. On this issue, see Iñigo Carrera 2007, pp. 107–80.

[64] Marx 1965, p. 47.

[65] Marx 1965, pp. 47–8.

existence of the latter. The starting point from which to follow the development of the necessity of value to manifest in the concrete form of exchange-value is the simplest expression of the latter, namely, the exchange-relation between two different commodities: 'The whole mystery of the form of value lies hidden in this elementary form. Its analysis, therefore, is our real difficulty'.[66]

Already in this simplest form, it is clear that the value of a commodity, i.e. the socially-necessary abstract labour materialised in it in a private and independent form, does not only manifest itself in a purely relative manner. In addition, it does so necessarily through the use-value of another commodity that acts as its equivalent.[67] Above all, this first step in the process of unfolding of the value-content of the commodity in its necessary form as an exchange-value makes evident the same determinations already uncovered by the analysis:

> We see, then, all that our analysis of the value of commodities has already told us, is told us by the linen itself, so soon as it comes into communication with another commodity, the coat. Only it betrays its thoughts in that language with which alone it is familiar, the language of commodities. In order to tell us that its own value is created by labour in its abstract character of human labour, it says that the coat, in so far as it is worth as much as the linen, and therefore is value, consists of the same labour as the linen.[68]

Thus it might appear as if all that is at stake, now, is to present what the analysis has already discovered. Yet, we immediately discover that, in appropriating the 'language of commodities', that is, in reproducing in thought the commodity's immanent movement, certain determinations that the analysis was unable to discover now come to the fore. In first instance, the commodity affirms itself as the real subject whose development must be followed in thought: 'It therefore follows that the simple form of value of the commodity is at the same time the simple form of value of the product of labour, and also that the development of the commodity-form coincides with the development of the value-form'.[69]

The analysis could not account for the necessity of the commodity as its starting point. Matters are different as soon as thought begins to reproduce the movement of a commodity in its social relationship with another. In this second phase, the commodity shows itself as the necessary point of departure for the discovery of the concrete determinations of the specific form in which the materiality of the process of social metabolism in the capitalist mode of production is organised. The exposition here reflects the actual course of the research, which moves along a path alien to that of any analysis.

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[66] Marx 1965, p. 48. With this statement, Marx brings out the specific difference between the representation and reproduction of the concrete. In the former, the key to the discovery of the law of determination lies in formal generalisation. By contrast, in the latter the key resides in the simplest expression of the content. See also Hegel 1999, p. 280.

[67] Marx 1965, p. 19.

[68] Marx 1965, p. 52.

[69] Marx 1990a, p. 67. We were forced to resort to this edition of *Capital* for this particular quotation because the edition we are normally using introduces here an alleged reference to the historical development of commodities that is completely absent from the German original.

In this ideal reproduction of the concrete, the research moves forward and uncovers the necessity according to which the general materiality of the labour represented in the value of the commodity appears in the very form of the exchange-relation.[70] At the same time, it reveals that the apparent absence of all unity in the materiality of the labour represented by value is the indirect form in which the general unity of the material process of social labour is realised.[71] Subsequently, it makes evident that this unity needs to acquire an expression that can synthesise it in the very movement of its own organisation, in other words, in the very movement of commodities.[72] In effect, in the exchange-relation, the corporeal materiality of any concrete form of the product of social labour mutates into that of the general equivalent as a synthetic expression of the indirect unity of social labour. This reveals that the unity of social labour is specifically established in capitalism on the basis of the general materiality of human labour, namely of the simple productive expenditure of the human body:

> The substance linen becomes the visible incarnation, the social chrysalis state of every kind of human labour.... In this manner the labour realised in the values of commodities is presented not only under its negative aspect, under which abstraction is made from every concrete form and useful property of actual work, but its own positive nature is made to reveal itself expressly. The general value form is the reduction of all kinds of actual labour to their common character of being human labour generally, of being the expenditure of human labour-power.[73]

We can now see that the reproduction of the necessity of the commodity in its realisation not only progresses by discovering determinations that the analysis was impotent to bring out. At the same time, it exposes the actual appearances to which it would have stuck had the research been interrupted at that stage. In the process of analysis, the unity of social labour expressed in the exchangeability of the commodity may appear, at first, as something determined by the absence of all material content in abstract labour. Only in a second step does the analysis inevitably face this materiality. By contrast, in the development of the value-form taken by the determination of the indirect unity of social labour, it becomes clear that such unity is predicated on the real material quality of abstract labour as a productive expenditure of human corporeality. This evidence comes up already in the simplest expression of value. In effect, the concrete labour that produced the equivalent can express the abstract labour that produced the commodity occupying the relative pole, only because its materiality as a simple expenditure of human labour-power is identical to that of the latter. As Marx points out, inasmuch as the analysis is the necessary first step in the scientific cognition of an actual concrete, it appears as easier to deal with, and even as sufficient, *vis-à-vis* the difficulty inherent in the second phase comprising the reproduction of the concrete in thought. Yet, it is only this second phase that has the power to account for the possible apparent abstractions that could have emerged in the course of the first, analytic phase: 'It is, in reality, much easier to discover by analysis the earthly core of the misty creations of religion, than, conversely, it is, to develop from the actual relations of life the corresponding celestialised forms of those relations. The latter method is the only materialistic, and therefore the only scientific one'.[74]

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[70] Marx 1965, p. 63.
[71] Ibid.
[72] Marx 1965, p. 66.
[73] Marx 1965, p. 67.

The development of the value-form taken by the product of social labour performed privately and independently has shown us that, in the capitalist mode of production, the organisation of social production and consumption is not realised directly by consciously ruling the concrete material form taken by each individual labour. On the contrary, social labour achieves its unity indirectly, premised on the material identity of labour as human productive activity in general, that is, as labour whose materiality as the expenditure of human labour-power has not yet assumed a specific concrete form.[75] Thus, the unfolding of this form of organisation of the social labour-process cannot come to a halt without accounting for the necessary form in which it is borne in the consciousness of its subjects. Having arrived at this point, that which in the analytical stage could only be uncovered in a rather external fashion on the basis of mere repetition, is now exposed as emerging from the reproduction in thought of its own movement:

> [A]rticles of utility become commodities, only because they are products of the labour of private individuals or groups of individuals who carry on their work independently of each other. The sum total of the labour of all these private individuals forms the aggregate labour of society. Since the producers do not come into social contact with each other until they exchange their

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[74] Marx 1965, pp. 372–3, n. 4.
[75] Marx 1965, p. 67.

> products, the specific social character of each producer's labour does not show itself except in the act of exchange. In other words, the labour of the individual asserts itself as a part of the labour of society, only by means of the relations which the act of exchange establishes directly between the products, and indirectly, through them, between the producers.[76]

In sum, the development of the form of value does not simply consist in the exposition of the determinations of value that were already discovered through analysis. On the contrary, only such a development is able to reveal that, when organising their social labour, the mutually-independent producers cannot rely on any social relation other than their general condition as individual bearers of the capacity to expend their bodies productively, in other words, to carry out labour in general. It is incumbent on each private producer to expend this generic capacity in a determined concrete form. In other words, each of them privately exerts his or her abstract labour in the form of a determined concrete labour. If this expenditure of labour-power has materialised under a socially-useful concrete form, the corresponding abstract labour will be represented as the social attribute of its product to establish an exchange-relation with another bearer of an identical objectification of abstract labour. The materiality of socially-necessary abstract labour is represented as the value of its product, which thus acquires the specific social determination of a commodity. The material unity of privately and independently undertaken social production is established in this indirect form. The value-form taken by commodities is the general social relation indirectly established by the mutually-free producers. This is the reason why the product of their own labour confronts them as the bearer of an alien social power that dominates them.

The scope of the dialectical method in the *Grundrisse*

Let us return to the *Grundrisse.* Already in these manuscripts, Marx reveals the historical specificity of the commodity as the general social relation in a society where social labour is organised privately and independently, which determines its producers as mutually-free persons:

> The dissolution of all products and activities into exchange-values presupposes the dissolution of all fixed personal (historic) relations of dependence in production, as well as the all-sided dependence of the producers on one another. Each individual's production is dependent on the production of all others; and the transformation of his product into the necessaries of his own life is

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[76] Marx 1965, pp. 72–3. Again, Marx's direct attribution of the private character to labour, *Privatarbeiten*, becomes an attribute of the individuals in the translation.

> [similarly] dependent on the consumption of all others. . . . The reciprocal and all-sided dependence of individuals who are indifferent to one another forms their social connection. This social bond is expressed in *exchange-value*, by means of which alone each individual's own activity or his product becomes an activity and a product for him; he must produce a general product – *exchange-value*, . . . The individual carries his social power, as well as his bond with society, in his pocket. . . . Each individual possesses social power in the form of a thing. Rob the thing of this social power and you must give it to persons to exercise over persons.[77]

It might seem, then, that the difference in the development of the dialectical method mediating between the *Grundrisse* and *Capital* is limited to the greater wealth of detail with which the latter presents the same essential question already uncovered in the former (namely, the simplest form of the general social relation in a society of mutually-free individuals). However, as soon as we examine the path taken by Marx in the *Grundrisse*, we can see that the discovery of the determinations of value still follows an essentially analytical course. In fact, from a methodological viewpoint, the specific richness of this part of the *Grundrisse* among Marx's works lies in the fact that it gives transparency to the limits weighing on progress during the analytical phase. The argument in *Capital* overcomes these limitations in the flow of synthetic reproduction. As we shall see below, the primacy of the analytical course is reflected in the limits on the cognition of the substance of value and, hence, in the development of this substance into its necessary concrete forms.

In progressing analytically, Marx discovers in the *Grundrisse* that at stake in the determination of use-values as commodities is the organisation of the materiality of social labour. He also discovers that the unity of this materiality manifests itself indirectly through the circulation of commodities. Yet, he only comes to face the materiality of abstract labour under the external appearance of its opposite, as the total absence of all materiality:

> In becoming an exchange value, a product (or activity) is not only transformed into a definite quantitative relation, a relative number . . . but it must also at the same time be transformed qualitatively, be transposed into another element, so that both commodities become magnitudes of the same kind, of the same unit, i.e., commensurable. The commodity first has to be transposed into labour time, into something qualitatively different from itself (qualitatively different (1) because it is not labour time as labour time, but materialised labour time; labour time not in the form of motion, but at rest; not in the form of the process, but of the result; (2) because it is not the objectification of labour time

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[77] Marx 1993, pp. 156–8.

> in general, which exists only as a conception (it is only a conception of labour separated from its quality, subject merely to quantitative variations), but rather the specific result of a specific, of a naturally specified, kind of labour which differs qualitatively from other kinds), in order then to be compared as a specific amount of labour time, as a certain magnitude of labour, with other amounts of labour time, other magnitudes of labour.[78]

The general social relation thus appears bereft of the simplest material content bestowed by its historical specificity. This means that Marx has not yet discovered that its movement originates in the unity of society's material capacity to undertake labour in general, in order to impose itself indirectly through the concrete material forms in which this capacity has been privately and independently exerted. Thus, its movement is presented as if it emerged from the abstractly-ideal nature assigned to its simplest specific content. With such content reduced to the condition of a mere representation, namely to an abstractly ideal construction, the development of its concrete forms by means of thought appears correspondingly inverted. Instead of responding to the fact that thought follows the real movement, it appears as if the movement of thought itself were conceptually engendering those concrete forms: 'The product becomes a commodity; the commodity becomes exchange-value; the exchange-value of the commodity is its immanent money-property; this, its money-property, separates itself from it in the form of money . . . '.[79]

Marx himself subjects his development to criticism, exposing its upside-down nature: 'It will be necessary later, before this question is dropped, to correct the idealist manner of the presentation, which makes it seem as if it were merely a matter of conceptual determinations and of the dialectic of these concepts. Above all in the case of the phrase: product (or activity) becomes commodity; commodity, exchange-value; exchange-value, money.'[80]

Let us leave aside any improvements in the exposition of what has already been uncovered in the *Grundrisse* to focus on the key to the qualitative leap in the dialectical development that mediates between its point of departure and that of the *Contribution*, and which would be fully completed later in *Capital*. This key lies in the discovery of the material quality of abstract labour as a generic productive expenditure of human labour-power, of the human body, of muscles, brain, and so on, which, inasmuch as it is performed privately and independently, becomes represented as the social attribute of its product. Such a discovery was made possible only by Marx's development of the form of value.

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[78] Marx 1993, p. 143. The difficult path taken by the reproduction of the concrete by means of thought has a noticeable expression when, in the *Contribution*, Marx discovered for the first time the materiality of abstract labour as a simple productive expenditure of the human body while, at the same time, he was not yet able to fully separate this materiality from that corresponding to the material difference between simple and complex labour (Marx 1911, p. 24).

[79] Marx 1993, p. 147.

[80] Marx 1993, p. 151.

In turn, this development of the progress from the simplest determination of the commodity to its concrete forms impinges on the mode in which Marx undertakes the analysis. The latter no longer progresses from the immediate concrete to arrive at 'abstract or simple categories', as Marx still put it at the beginning of the *Grundrisse*. Instead, the analysis moves with the aim of discovering the simplest specific form of the immediate concrete. Hence: '[N]either "value" nor "exchange-value" are my subjects, but the commodity . . . [T]he simplest economic concretum'.[81]

Thus, the analysis does not merely move from the concrete to the abstract. More precisely, it penetrates the concrete itself until discovering the form constituting the simplest manifestation of its specific necessity. On the other hand, neither does the analysis progress by searching for the generic necessity in the apparent universal repetition of its manifestations. Hence, it can only reach the simplest concrete in its condition as a singular existence: '[T]he reader who wishes to follow me at all, must make up his mind to pass from the special [*einzelnen*] to the general [*allgemeinen*]'.[82]

Let us now summarise the issue by returning to the way in which Nicolaus reduces the development of the dialectical method from the *Grundrisse* to *Capital* to a difference between the mode of research, in the former, and the mode of presentation, in the latter. This reading overlooks the fact that the research is in full swing, and actually in its most powerful stage (hence able to overcome all appearance), in the development of the form of value unfolded in *Capital*. Nicolaus also argues, along with Reichelt, that the research-method is clearly visible in the *Grundrisse* but deliberately concealed in *Capital*. They thus overlook the fact that Marx resorts to a mode of exposition in *Capital* that at each step reveals the unity of the two moments inherent in dialectical research. Broadly put, he starts each presentational 'node' by facing what appears to be an immediate concrete in order to proceed to analyse its necessity. Once the latter is uncovered, he follows it through in its self-realisation until the initial concrete is reproduced but now as a *known* concrete. This does not mean that no change has occurred in the dialectical presentation between the *Grundrisse* and *Capital*. Specifically, Marx removed from the exposition the explicit reflections on the direction that the development of the content in its necessary form should take. However, those reflections are, strictly speaking, external to the ideal reproduction of the content's self-development. In light of his interpretation, Nicolaus recommends the following reading strategy in order to 'understand' Marx's method of research: firstly, the contemporary reader should approach the *Grundrisse*, then (in line with Lenin's aphorism) Hegel's *Logic*, and finally *Capital*.[83] The approach put forward in this chapter leads to very different implications. Thanks to the fact that Marx had to produce the *original knowledge* that progressed from the *Logic* to the *Grundrisse* and from the latter to *Capital*, we can empower our process of *recognition* by firstly appropriating the 'anatomy' (the method) of the most developed subject, namely, *Capital*. This more developed form of the critique of political economy contains the key to the understanding of the method of the *Grundrisse*, and the more primitive one of the *Logic*.

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[81] Marx 2002, pp. 230, 242.

[82] Marx 1911, p. 9. In a more precise translation, *einzelnen* corresponds to the 'individual' and *allgemeinen* to the 'universal'. See Inwood 1992, p. 302.

Now, however inverted the sequence in search of the dialectical method may be presented, there will always be an abyss between the approaches just mentioned and Althusser's grotesque '*imperative* recommendation' (emphasis in the original) that *Capital*'s entire first section be skipped in order to avoid the 'highly damaging' 'Hegelian influence' which would prevent an understanding of 'what must be understood'.[84]

Once again concerning the point of departure . . . of working-class consciousness as revolutionary subject

We have discussed the substantive difference of form and content between the *reproduction* and the *representation* of the concrete by means of thought as methods of rational cognition. We have also seen how the *Grundrisse* are a step in the original development of the former, which only reaches the plenitude of its development in *Capital*.

However, still pending is the question of the change in the point of departure from the *Grundrisse* to the *Contribution*. We stated at the outset that the change should be traced in the very text of the former. We also claimed that in those earlier manuscripts the discovery of the determinations of the commodity as the simplest form of the general social relation in the capitalist mode of production was developed through an essentially analytical process. However, we should now add that, as Marx moves forward in the unfolding of the concrete forms taken by this general social relation, the unity of the text of the *Grundrisse* becomes increasingly determined by the stage of dialectical reproduction. This fact acquires its clearest expression at a crucial juncture much later in the text. Specifically, after unfolding the determinations of the capitalist mode of production in its concrete unity, the dialectical reproduction reaches the point at which it fully uncovers capital's necessity to supersede itself in the conscious organisation of social life. The analysis is, at this point, incapable of uncovering the necessity at stake, as all that matters in the existing concrete is its immanent potentiality to affirm through its own negation as the general social relation. In the face of this, the analysis is unable to go beyond the presentation of that potentiality as deprived of its own concrete content, conceiving it under the form of a 'recipe . . . for the cook-shops of the future'.[85] In reproducing in thought the determinations of the capitalist mode of production in their unity as constituting the existing concrete, Marx makes it evident that the historical necessity of this mode of production stems from the specific form in which it radically transforms the materiality of the worker's productive activity through the socialisation of private labour:

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[83] Nicolaus 1993, p. 60.

[84] Althusser 1971, p. 93.

> The exchange of living labour for objectified labour – i.e. the positing of social labour in the form of the contradiction of capital and wage labour – is the ultimate development of the *value-relation* and of production resting on value . . . No longer does the worker insert a modified natural thing [*Naturgegenstand*] as middle link between the object [*Objekt*] and himself; rather, he inserts the process of nature, transformed into an industrial process, as a means between himself and inorganic nature, mastering it. He steps to the side of the production process instead of being its chief actor. In this transformation, it is neither the direct human labour he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body – it is, in a word, the development of the social individual which appears as the great foundation-stone of production and of wealth. . . . Capital itself is the moving contradiction . . . On the one side, then, it calls to life all the powers of science and of nature, as of social combination and of social intercourse, in order to make the creation of wealth independent (relatively) of the labour time employed on it. On the other side, it wants to use labour time as the measuring rod for the giant social forces thereby created, and to confine them within the limits required to maintain the already created value as value. Forces of production and social relations – two different sides of the development of the social individual – appear to capital as mere means, and are merely means for it to produce on its limited foundation. In fact, however, they are the material conditions to blow this foundation sky-high.[86]

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[85] Marx 1965, p. 17.

[86] Marx 1993, pp. 704–6.

Almost immediately after thus discovering the concrete historical determination of the capitalist mode of production, Marx confronts again the commodity and its value-determinations in the *Grundrisse*. Yet, this is no longer something abstractly analytic. Following the simple note 'this section to be brought forward',[87] Marx begins to unfold the determinations of the commodity as the simplest concrete form of the general social relation in this mode of production. However, having barely begun this development, those earlier manuscripts break off. The body of their text has given way to what would be the 1859 *Contribution*. Nevertheless, it is the 1857–8 version of Marx's critique of political economy that has brought to light that the development of the reproduction of the concrete by means of thought (rather than the analysis) is what determines the necessity of the point of departure.

Now, how has the starting point concretely changed? At the outset of the *Grundrisse*, Marx posited that the point of departure was 'individuals producing in society' while in the *Contribution* and *Capital*, this becomes 'the commodity'. Let us take the 'individuals producing in society'. The first step that these individuals need to make to undertake their social production consists in organising it: that is, each of them must be assigned with a useful concrete labour to be performed for others. The mode in which they unfold this organisation is but the exercise of their general social relation at the point at which each cycle of society's life-process is set into motion. Thus, the point of departure in the study of the 'individuals producing in society' is that of the simplest specific form presented by their general social relationship in each historical period. What is this form in the capitalist mode of production? It is not a direct social relation between persons. Conversely, it is an indirect relation that they establish through the exchange of the products of their privately and independently-undertaken social labour as materialisations of equivalent quantities of abstract labour. In brief, that social relation is the commodity. The *Contribution* and *Capital* both begin from exactly the same point that Marx had been propounding as the necessary one until then. However, his progress in the reproduction of the concrete by means of thought allows him to recognise that this thing, the commodity, is the simplest concrete form bearing the capacity to organise social labour – and hence social consumption – in a society where individuals are free of personal dependence. The full conscious control over one's own individual labour corresponding to its private and independent realisation entails, at the same time, the complete lack of conscious control over its social character. Hence the subordination of the human individual to the social powers objectified in the product of his or her own labour.

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[87] Marx 1993, p. 881.

Let us look once again at the question of method. Logical representation is not the *natural* form of scientific method. As all forms of consciousness, and hence of the human capacity to organise action, scientific method is itself a historically-determined social form. Against this form of consciousness stands the reproduction of the concrete by means of thought, also as the bearer of a historically-determined social relation. Marx developed the historical necessity of this method, 'in its essence critical and revolutionary', as the necessary form of consciousness in the supersession of the capitalist mode of production. Yet it subsequently fell into oblivion, nearly to the point of being forgotten altogether, or rather erased, even by Marxist scholars themselves. The aim of this text is to put the question back at the heart of the discussion of the form of working-class consciousness with the power to organise capital-transcending practice.

From the Materiality of Labor to the Political Strength of the Working Class

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At the beginning of the *Grundrisse* Marx discovers commodities as the objectified form of our general social relation. He immediately points out that the historical role of the capitalist mode of production is to engender, "for the first time", through "personal independence founded on objective dependence", "a system of general social metabolism, of universal relations, of universal needs and universal capacities", as a condition for a following stage of "free individuality based on the universal development of individuals and on their subordination of their communal, social productivity as their social wealth".

By the beginning of the 1970s it seemed that the accumulation of capital was advancing in this direction, through the development of public education, public health, the centralization of capital as state property, the processes of national and social liberation, etc. All of these developments took form through the strength of the political and union organizations of the working class. It even seemed that superseding capitalism was just a matter of developing a revolutionary consciousness able to take power. Ten years later, all of these processes were pointing backwards: privatizations, deep differentiations in the selling of labor power, multiplied unemployment, the advance of finance over production, etc. All of these changes took shape through the retreat of the unions and the political parties of the working class, who visibly lost their power, or even worst, they just became neoliberals. So much so, that claiming that the point is to change the world without taking power could be seen as the non plus ultra of a revolutionary consciousness.

Such a reversion in the basis of the accumulation of capital is frequently explained as a matter of the capitalist class' political will to discipline the working class, or even as a matter of its revenge upon the working class. But we must recall that it is not consciousness which determines social being, but concrete social being which determines, i.e. takes concrete shape in, consciousness. Therefore, from a materialist point of view, we must search for the roots of these changes in political power starting from the very materiality of the process of social production and its consequential modes of organization.

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Up to the 70s, the production of relative surplus value through the system of machinery hold at its core two processes of manual labor: the calibration of machinery and the assembly line. To this technical basis corresponded the production of relatively undifferentiated workers. Consequently, individual capitals profited from the reproduction of labor power in large scale through the direct action of the state.

But the production of relative surplus value through the system of machinery has the technical necessity to remove all manual labor from the flow of production. And by the early 80s computing matured to the point of allowing the substitution of manual skills through the automation of machinery and robotized assembly line. Consequently, capital's needs for labor power radically change: now, on the one hand, it needs workers bearing a constantly developed productive subjectivity related with intellectual labor and, on the other hand, workers with practically no skills to operate as appendix of the machinery and in manual labor. The new international division of labor is the main form in which the process of capital accumulation in its global unity developed this differentiation. In brief, the classical countries that produced the generality of the commodities they consumed left place to some countries specialized in complex labor, and other countries specialized in simple unskilled labor. From the old international division of labor only rest the countries specialized in the production of raw materials. Beyond these three broad types of countries, remain those that mainly became reservoirs of laboring surplus population. In the first type of countries, immigration became the source of cheap labor power for the processes of production that require it. Now, the access to education, health, housing, etc. ceased to be based on citizenship, to become an attribute of individual wages. Meanwhile the centralization of capital flowed beyond the range of national states.

Consequently, the development of the capitalist mode of production is currently taking a concrete form opposite to its general historical determination as the condition for the production of universal individuals bearing universal capacities and universal needs. This is a critical matter for the political organization of the working class. The central question is how to develop the mutual recognition as historical subjects between the workers that perform the more complex labor and those who perform unskilled labor, and, moreover, between both types of active workers and the increasing mass of consolidated relative laboring surplus population. This very same question crosses the national boundaries. Yet, these questions are far from being at the core of the political organizations of the working class today. On the contrary, we are witnessing a trend towards an increased antagonism between the members of the working class determined by capital in those three different ways, mediated at the same time through their international competition. The surge of nationalism, xenophobia, racism, warmongering, religion, are expressions in this sense.

In turn, the process of general overproduction currently suffered by the global accumulation of capital (once and again extended through the expansion of insolvent credit and the issuing of money to the point of creating the appearance that finance has become the true source of capital accumulation) deepens the antagonism.

Moreover, the working class faces a further technical transformation that will deepen the differentiation in the conditions for its reproduction. The production of relative surplus value points now to a greater elimination of manual workers and of workers as appendixes of the machinery at the shop-floor, however cheap their labor power could be.

All this evidences confront us with a question that roots the revolutionary organization of the working class. A widespread point of view aims to base this organization on the conception of freedom as a natural condition inherent to human beings, which suffers from mutilation under capitalism. But let us return to our starting point: let us face the existence for the first time in history of a system of "personal independence founded on objective dependence" whose historical necessity is to engender the concrete material conditions for "free individuality based on the universal development of individuals". Thus faced, it becomes evident that human freedom is not a natural condition but a historical form of social relation specifically inherent to this mode of production. It becomes evident that, as historical concrete human subjects, that is to say, as members of the working class, our freedom from personal dependency is the form taken by our submission to our objectified general social relation, to capital. As Marx puts it in *Capital*: "From a social point of view … the working class, even when not directly engaged in the labor process, is just as much an appendage of capital as the ordinary instruments of labor. Even its individual consumption is … a mere factor in the process of production". But, at the same time, it becomes evident that capital is an objectified social relation that bears in itself the necessity to produce its own supersession into a society of free individuality based on the universal development of individuals. This contradiction is what determines the working class as a revolutionary subject. The political freedom of the working class to supersede the capitalist mode of production is the necessary concrete historical form taken by the development of its alienation in capital. In other words, from this contradiction arise the historical powers of the working class. But, at the same time, it is this same contradiction which takes concrete form in the antagonistic relations within the working class itself. In order to advance determining itself as a consciousness that points towards the "universal development of individuals", the political organization of the working class as a revolutionary subject needs to start by recognizing itself in its contradictory determination of being a free action that carries in itself the movement of alienation. The recognition of this concrete determination of the working class' subjectivity, is a necessary first step in the political organization of the working class able to engender its universal solidarity.

In brief: the political organization of the working class as a revolutionary subject is not a matter of the affirmation of abstract naturalized freedom. It is a matter of a freedom that affirms itself through the negation of its own alienated content and, therefore, a matter of the negation of the negation of freedom as it is historically determined as a specific social relation of the capitalist mode of production.

Being a Marxist or objectively recognizing one's own political subjectivity through the dialectical method discovered by Marx[1]

Juan Iñigo Carrera

CICP

1) On Marxism's interpretive character, or on the objectively unsolvable dichotomy between 'true' and 'false' Marxism.

'Where is the party in opposition that has not been decried as communistic by its opponents in power? Where is the opposition that has not hurled back the branding reproach of communism, against the more advanced opposition parties, as well as against its reactionary adversaries?'.[2]

There is no reason to think that, on writing the passage above, it would have crossed its authors' minds that, in the course of history, the term 'Marxist' would replace that of 'Communist' in this mutually incriminatory usage between governing and opposition parties. Moreover, such an indictment gets an immediate response from the incriminated party; 'Marxist!', says one; 'No, Keynesian!' replies the other. 'Marxist!' reciprocates the accused party as soon as it emerges that a major leader of its opponent has a Communist skeleton hidden in the cupboard. 'If you are not a Socialist at twenty, you have no heart, but if you remain one at thirty, you have no head!' substantiates the other, paraphrasing Clemenceau. Nonetheless, however amusing this tragicomic exchange of recriminations may be, in which a sort of 'Who, me?' attitude prevails, it is a seemingly opposite discussion that is of real interest from the point of view of the political action of the working class. In this discussion each one proclaims him/herself Marxist at the same time that, usually, accuses as "false Marxists" those who also proclaim themselves Marxists but disagree on the interpretation of the point at stake. The question becomes inevitable: What do those who consider themselves Marxists understand by being Marxist?

It is usual practice in this milieu to confidently place the phrase 'According to Marx's theory…' before any personal judgement, and to virulently expell any dissenter from 'the realm of Marxism'. Even Pio IX would have envied such expressions of dogmatic infallibility. However, unlike his case, there has never been among Marxists any conciliar agreement that would anointed one Pope. The world of Marxists is not made in image and likeness of the world of commodities, in which the latter have sellected one as the expression of their value-quality. It is, so to speak, a world of plain and simple commodities. Therefore, the dogmatic authority of one Marxist can be called into question by all others. At least outside party and academic hierarchies.

In the absence of a universaly accepted authority who could dictate what constitutes 'true' Marxism, no objective resolution can be found to the debate on who can legitimately be defined as Marxist, which leads to the permanent renewal of the argument. Recently, Professor Rolando Astarita has proposed what he considers an unsurpassable criterion to settle the issue of classification.[3] According to him, it is a criterion based on 'the dialectical idea of a leap from quantity into quality'. Thus, he singles out as mere 'quantitative variations' 'a range of nuances and disagreements with aspects of the theory, however maintaining the core beliefs that form a theoretical and political body with definite characteristics'. Beyond these quantitative variations, 'there are challenges which involve a qualititative break'. The autor presents, as an example, that of the theory of exploitation, which, 'being (…) one of the defining features of Marxism, the proposition that the capitalist mode of production is not exploitative would not fit, by any means, within the Marxist current of thought.'

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[1] A previous version was presented at the VII Jornadas de Economía Crítica in 2014

[2] Marx, Karl and Engels, Friedrich [1848], 'Manifesto of the Communist Party', *Marx/Engels Selected Works*, Vol. 1, Progress Publishers, Moscow, 1969, p. 98.

In line with this criterion, it seems plain to exclude from the Marxist realm someone who states that '[a]ll legitimate income, from work or not, should be protected',[4] which in other words means to consider income obtained from exploiting others' work as legitimate. Yet, this statement is a fundamental principle of 'Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory' for those who rule their practice by 'the important thought of Three Represents'.[5] And precisely given that the 'leap from quantity into quality' has been invoked, a question arises: Would it make sense to exclude from Marxism those who probably comprise the largest number of people that define themselves as Marxists worldwide?

Let us consider another case. Following the cited argument, the conception that 'capitalism suffers from unnecessary alienation and exploitation', whose necessity of being transcended 'flows from a historical world view, based on the evolution of forms of property',[6] apparently does not infringe the boundaries of a 'quantitative variation'. Yet if the limit to the 'qualitative break' is premised on the endorsement of Marx's theory of value, then Roemer's 'analytical Marxism' should clearly remain off-limits, insofar as it rejects it for the analysis of exchange relations. Instead, he states that for such analysis 'the tools *par excellence* are rational choice models: general equilibrium theory, game theory, and the arsenal of modelling thechnics developed by neo-classical economics'.[7] However, no Marxist within the range of quantitative adequacy has yet succeded in precluding 'analytical Marxism' from being considered a variety of Marxism.

Likewise, a stricter stance could be adopted towards the 'every man his own Marxist' view,[8] considering that a 'simultaneous dual-system interpretation' in the derivation of production prices from values rejects Marx's theory of exploitation, as opposed to a 'temporal single-system interpretation'.[9] And how to esablish if the *Neue Marx-Lektüre*'s critique of the tendency of the rate of profit to fall is just a 'quantitative variation' or exceeds the limits of a 'qualitative break' from Marxism.[10] Or if the new category of a 'Marxism without Marx' is at all plausible within it.[11] Or if only those who propose to 'return to Marx' in order to fight 'religious Marxism'[12] are worthy of holding the name -which would imply that to be a real Marxist, one should first have gone somewhere else from where to return. Or if, after all, even the modern emulators of Proudhon could feel welcome by the 'we are all Marxists now'.[13] In sum, how to establish on which side of the dividing line drawn for the 'leap from quantity into quality' an 'erratic Marxist',[14] a 'Marxist for the long run and Keynesian for the here and now',[15] or the statement itself that 'to take 'liberties' with the signature of Marx is in this sense merely to enter into the freedom of Marxism',[16] should be placed.

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[3] Astarita, Rolando, 'Kicillof ¿el ministro marxista?' [Kicillof, the Marxist Minister?], 2013, in http://rolandoastarita.wordpress.com/2013/11/20/kicillof-el-ministro-marxista/.

[4] Jiang Zemin, 'Full Text of Jiang Zemin's Report at 16th Party Congress', Beijing, 2002, in http://www.china.org.cn/english/features/49007.htm.

[5] Jiang Zemin, op. cit.

[6] Roemer, John, '"Rational choice" Marxism: some issues of method and substance', in John Roemer, (editor), *Analytical Marxism*, Cambridge, Cambridge University Press - Editions de la Maison des Sciences de l'Homme, 1986, pp. 194, 201.

[7] Roemer, John, op. cit., p. 192.

[8] Kliman, Andrew, *Reclaiming Marx's 'Capital'*, Lanham, Lexington Books, 2007, p. 8.

[9] Kliman, Andrew, op. cit., pp. 5, 189.

[10] Heinrich, Michael, 'Crisis Theory, the Law of the Tendency of the Profit Rate to Fall, and Marx's Studies in the 1870s', *Monthly Review*, Vol. 64, N° 11, April 2013.

[11] Freeman, Alan, 'Marxism Without Marx: A note towards a critique,' *Capital and Class*, Vol. 34, N° 1, 2010, pp. 84-97.

In turn, Marx himself has been declared unworthy of being reclaimed as a Marxist, as he is said to have professed 'the ideological, non-scientific character of the concept of'alienated labour' -and thus of the concept of 'alienation' that supports it',[17] which leaves a 'flagrant and extremely harmful […]' influence: 'the theory of *fetishism*'.[18] He has also been accused by the Marxist Rubin of infringing upon the interpretation of his own theory, for having 'a few sentences' in which he brings out the materiality of abstract labor common to all forms of social organization, and which is socially represented as the value of commodities only when it is performed in a private and independent manner, something that 'cannot in any way be made consistent with the entirety of Marx's theory of value'.[19] Nevertheless there are also those who furiously blame Marx himself for the generosity thanks to which anyone can be considered a Marxist: 'We are all Marxists in a Marxian world'.[20]

The criterion presumably based on the 'dialectical idea of a "leap from quantity into quality"' thus proves helpless for establishing the contours of Marxism, other than by lapsing into an arbitrary subjective rule based on the maxim: 'I, true Marxist; you, false Marxist'. And this inability to avoid aribitrary criteria should come as no surpirse. In effect, the difficulty invovled in any sort of classification resides in explaining the nature of the qualitative difference that manifests itself in a quantitative difference, instead of proceeding blindly in reverse, that is, by starting from the observation of an alleged quantitative difference in order to derive from it the existence of a qualitative difference whose content remains unexplained. This inverted approach, which proceedes by leaving the quality undefined, cannot surpass the barrier of *smallness* in the difference.[21] In this case, this means the barrier of the sectarian debate on who is and who is not included.

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[12] Harnecker, Marta, 'Introducción', in Louis Althusser, *La revolución teórica de Marx*, México, Siglo XXI, 1967, p. 3.

[13] Bax, Ernest Belfort, 'The Zurich Resolutions', *Justice*, 13th May 1893, p. 6.

[14] Varoufakis, Yanis, 'Confessions of an Erratic Marxist in the Midst of a Repugnant European Crisis', in http://yanisvaroufakis.eu/2013/12/10/confessions-of-an-erratic-marxist-in-the-midst-of-a-repugnant-european-crisis/, 2013.

[15] Lapavitsas, Costas, 'Interview by S. Budgen', *Jacobin*, in https://www.jacobinmag.com/2015/03/lapavitsas-varoufakis-grexit-syriza/, 12/3/2015.

[16] Anderson, Perry, *Passages from Antiquity to Feudalism*, London, Verso, 1996, p. 9.

[17] Althusser, Louis, 'On Theoretical Work: Difficulties and Resources', in Louis Althusser, *Philosophy and the Spontaneous Philosophy of the Scientists & Other Essays*, Verso, London - New York, 1972, 1990, p. 62.

[18] Althusser, Louis, 'Preface to "Capital" Volume One', in *Lenin and Philosophy and other essays*, New York, Monthly Review Press, 2001, p. 62.

[19] Rubin, Isaak [1928], *Essays on Marx's theory of value*, Montréal-New York, Black Rose Books, 1990, pp. 134-135.

[20] Felix, David, *Marx as Politician*, Carbondale & Edwardsville, Southern Illinois University Press, 1983, p. 218.

[21] Hegel, Georg Wilhelm Friedrich [1812], *The Science of Logic*, Cambridge, Cambridge University Press, 2010, p. 435.

Given that the starting point of any classification is the recognition of the qualitative attribute that determines its object, the problem faced is the qualitative definition of what is being Marxist. And the distinctive qualitative attribute that all Marxists share is that they all self-identify as individuals who seek to interpret Marx's writings, and more generally his action, in the positive manner that each of them conceives as adequate. Yet it is not an interpretation which is sought out of scholastic interest. Instead, it is aimed at being applied to the real world in order to interpret its workings in a way that allows the transformation of the existing social order into one which is superior from the point of view of the realisation of the human species being.[22] To sum up, *the qualitative attribute that defines Marxists is the self-recognition as political subjects intending to interpret the world in order to change it, by interpreting Marx in the positive way they concibe as appriopriate*. And this qualitative attribute remains unchanged, regardless of the claim to be doing a *Marxian* interpretation as opposed to any *Marxist* one, whereby 'Marxian' is seen as 'Marx's own'.[23]

The question about the qualitative nature of Marxism leads us to the question of what is the qualitative nature of '*to interpret*'. All interpretation is an action in which the subject defines which of the attributes that his/her determinate subjectivity makes him/her discover in the object, are relevant in the determination of the latter's very objectivity and, consequently, of its potientialities. On this basis, the subject thereby confronts the object as if it embodied as its actual necessity that which had been ideally introduced in it by his/her own subjectivity. In other words, the object becomes represented under the appearance of possessing that subjectively-constructed necessity. Whether the interpretation is of a music score, religious texts or -what is our concern- the scientific writings of Marx, such is the subjectively determined essence of interpretation.

Given the interpretive character of Marxism, i.e., given that Marxists define themselves as interpreters of Marx, the fact that they interpet Marx in various ways determines them as different species within the same genus. The plausibility of 'each one their own Marxist' is inherent in the very interpretive essence of Marxism. Hence, it also follows the impossibility of finding an objective criterion capable of drawing the line between 'true' and 'false' Marxists. *The attempt to establish such objective criterion is a contradiction in terms in the face of the interpretive essence of Marxism.* This finding obviously cannot by itself put an end to the mutual accusations of 'false Marxist'. On the contrary, its power resides in explaining why such recriminations have formed, and will continue to form, part of the Marxist subjectivity.

2) Knowledge is the organizational instance of action, or to know is to organize one's own action

Well-known are Engels's citations of Marx's remarks about himself: '…Marx once said to Lafargue: "*Ce qu'il y a de certain c'est que moi, je ne suis pas Marxiste*"'.[24] In addition, 'As Marx said of the French Marxists in the late seventies: *"Tout ce que je*

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[22] Gattungswesen, strictly, but unusual in English, generic being.

[23] '*Marxist* theory of value necessarily blocked the understanding of the *Marxian* theory of value'. The interpretative contrast between Marxist and Marxian is widely spread, to the point of thus citing Hans-Georg Backhaus's statement from his *Dialektik der Wertform*, Freiburg, Ca iraVerlag, 1997, p. 69, in the Spanish translation of the text from Elbe, Ingo, *Marx im Westen*, Berlin, Akademie Verlag, 2010, http://enelhorizontedelacrisis.files.wordpress.com/2013/01/ingo-elbe_entre-marx-el-marxismo-y-los-marxismos.pdf . Yet the original uses the term *Marxschen*, which strictly means, 'by Marx'.

[24] Engels, Frederick, 'Engels to E. Bernstein, 2/3 November 1882', *Marx-Engels Collected Works*, Volume 46, Great Britain, Lawrence & Wishart, 1992, p. 356.

sais, c'est que je ne suis pas Marxist"'.[25] And directly in German, 'Marx said: "All I know is that I'm not a Marxist"'.[26]

Were the point to interpret Marx, it could be concluded that his own self-exclusion from Marxism responds only to a formal impossibility: Marxism can interpret Marx, but it would be meaningless to say Marx interprets himself. Alternatively, it could be understood as an expression of Marx's irony.[27] Or a 'pained lament' in rejection of Lafargue and his followers' doctrinary conceptions.[28] Or else, as a means of 'getting rid of' an 'aberrant mythology' about the '"creators" of a set of ideological conceptions artificially grouped under the name of "Marxism"', which carries the stigma of 'obscurantism from its origin'.[29]

The speculation on how to interpret Marx's reasons to explicitly reject being a Marxist can go on endessly. But what does the interpretative character of Marxism really mean from the point of view of our own condition as political subjects willing to take action to change the current social organization? At once, another passage from Marx that focuses on the the nature of interpretation springs to mind: 'The philosophers have only *interpreted* the world in various ways. The point is to *change* it'.[30]

There is a general agreement among Marxists as to the interpretation of this statement: philosophers are not being criticized for interpreting the world, but for thereafter not acting upon it . In other words, according to this view the point is to interpret the world in order to act on its change on the basis of that interpretation. Nevertheless, let us examine again the nature of an interpretation. Whatever the particular object under consideration, to interpret something is a mode of knowing the potientiality that such object embodies in order for the subject to appropriate it. Interpretation is thus is a form of knowledge. Consequently, in order to resolve the question of the necessity of interpretation as such, we should first inquire into the necessity of knowledge in general.

In any metabolic process, the subject needs to expend its body in order to appropriate objects from its environment, thereby reproducing itself as a subject. The production of knowledge is the moment of this metabolic process in which the subject consumes its body in order to appropriate its own potientiality faced with that offered by the object from its environment. That is, knowledge is the moment of the subject's self-reproduction process by which it virtually appropriates its condition as such subject in order to regulate the full expenditure of its body that is needed to effectivelly act upon, and thereby actually appropriate, the object. Hence, knowledge is the process by which the subject organises its own action of effectively appropriating the object in order to satisfy its own purpose. In this condition as a moment of the subject's bodily expenditure in order to organise its action, knowledge is an inner instance of this action itself, the action in its own unfolding. Therefore, the point is not that the philosophers stopped short of acting once they have intepreted the world. The point lies in the fact that the very form of their knowledge of the world, the fact that they interpret it, has been the necessary form of ruling their action in a manner which makes it impotent to change the world. The question we are facing here does not refer to the content of the interpretation but to the very form of the process of knowledge that results in an iterpretation. In other words, it refers to to the method of this knowledge.

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[25] Engels, Frederick, 'Engels to C. Schmidt, 5 August 1890', *Marx-Engels Collected Works*, Volume 49, Great Britain, Lawrence & Wishart, 2001, p. 7.

[26] Engels Frederick, 'Engels to P. Lafargue, 27 August 1890', *Marx-Engels Collected Works*, Volume 49, Great Britain, Lawrence & Wishart, 2001, p. 22.

[27] Althusser, Louis, 'Theory, Theoretical Practice and Theoretical Formation: Ideology and Ideological Struggle', in Louis Althusser, *Philosophy and the Spontaneous Philosophy of the Scientists & Other Essays*, op. cit., p. 17.

[28] Vincent, K. Steven, *Between Marxism and Anarchism: Benoît Malon and French Reformist Socialism*, Berkley, University of California Press, 1992, p. 74.

[29] Rubel, Maximilien, 'La légende de Marx ou Engels fondateur', in M. Rubel, *Marx critique du marxisme*, Paris, Payot, 1974, pp. 19-21 (my translation).

[30] Marx, Karl [1845], 11th Thesis on Feuerbach, 'Thesen über Feuerbach', *Marx-Engels Werke*, Band 3, Berlin, Dietz Verlag, 1978, p. 7 (my translation).

Conscious knowledge, i.e. a kind of knowledge which knows itself as such -or more simply, *consciousness*- is the form of knowledge generically inherent to human beings. Consciousness is the way each human being carries in his/her person the capacity to rule his/her own individual action as an organ of the process of social metabolism.

Scientific consciousness, or scientifc knowledge, is a specifically determined form in which the human subject rules his/her action upon the object. Under this specific modality, the subject aims to virtually appropriate his/her own potientiality faced with that of the object without allowing, in this process, his/her own subjectivity to posit -whether ideally or actually- determinations in the object which are alien to it. Accordingly, it is a form of knowledge through which the subject aims to ideally aprehend the determinations of his/her own subjectivity, as if the latter were an external object itself. Its method, i.e. its form, thus has a twofold objective character. Hence its power to transform reality.

A question arises here as to why, if scientific knowledge is in itself but an inner moment of the self-organisation of human action in the manner most powerful for changing the world, is it conceived in contemporary society as sundered from action: on one hand, there is theory; on the other, practice. At most, the positing of that constitutive separation between theory and practice is then followed by the claim that both should be placed in a correspondingly external relationship whose concrete form can never be clearly defined. In fact, this divorce between scientific knowledge and action underlies the Marxist interpretation which submits that the problem with philosophers is that they know but do not act thereafter.

3) The scientific method of logical representation as a historically specific social relationship, or free scientific consciousness as a form of alienated consciousness in capital.[31]

In the capitalist mode of production, consciousness is determined in a historically specific way. The general social relation, hence one's own social being, confronts individuals as an objectified existence external to their person. This objectified social relation, which is the product of privately-performed social labour, carries the power to set into motion social labour itself with no immediate goal other than its self-multiplication. Such is capital's generic determination. Thus, human subjects are free from relations of personal dependence in the organization of their lives because they are subordinated to the social powers objectified in capital. To put it briefly, free consciousness is the form taken by consciousness alienated in capital.[32]

Capital's need for scientific knowledge embodies a contradiction. In order to produce relative surplus value through the system of machinery, capital needs to subordinate production to science. However, inasmuch as scientific knowledge is simply a specific form of the production of surplus value, science has to reproduce the alienation of consciousness in capital.While it must be an objective consciousness, it must also confront itself in a non-objective way, falling prey to the appearance of being an abstractly free consciousness. Therefore, it is a science that needs to present the foundations of its objectivity as originating from outside itself, more specifically, as founded on a philosophical representation that is conceived as emerging from a pure abstractly free subjectivity.

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[31] Henceforward, this text is based on the chapter named 'Dialectic method. Critique of scientific theory', by Iñigo Carrera, Juan, *El capital: razón histórica, sujeto revolucionario y conciencia* [*Capital: Historical Reason, Revolutionary Subject and Consciousness*], Buenos Aires, Imago Mundi, 2008.

[32] See also Iñigo Carrera, Juan, Conocer el capital hoy. Usar críticamente "El capital", [Knowing capital today. Using 'Capital' critically], Buenos Aires, Imago Mundi, 2007, pp. 55-62.

Logical representation is this contradiction resolved, i.e. developed. It represents real connections by taking the forms in which the determinant necessity appears as already realized, as if they did not simulataneously embody a necessity of their own to be realized. On this basis, real existences are defined as incapable of self-movement. Thus, nothing in the real world is conceived as being able to bear within itself the need -i.e. to be the subject- of its own trascendence. It seems that all movement must be bestowed upon them externally. Thus posited as incapable of self-movement, all real forms are represented in thought as if they were abstract immediate affirmations. In this way, free consciousness can only be free consciousness. Likewise, alienated consciousness can be nothing but itself. But there is no way in which free consciousness could be a concrete form of alieanted consciousness. At most, according to so-called dialectical representation, both can be put together contradicting each other externally, albeit each one of them as its correspondingly abstract immediate affirmation.

Once real existences are devoid of their necessity, i.e. turned into concepts, the representation of their motion must impose upon them a constructive necessity that relates them externally in thought, so as to build a conceptual system. However, as a means to scientific knowledge, this constructive necessity must represent the outward manifestation of the objective relationships among its objects. The systematization of the said constructive necessity is the logic of representation. The appearance as immediate abstract affirmations effectively corresponds to the expression of the real quantitative determination considered in itself. On this basis, the logical construction starts conceiving of concrete forms as devoid of a necessity to be realized, thereafter representing that necessity through the relations of measure observed among them. Although the very quality of the necessity at stake remains unknown, it is still possible to act upon the relations of measure among such forms, thereby modifying quantities until they correspond to a different qualitative form. Here lies the power of logical representation to transform the existing material conditions as a historical specific form of developing the productive forces of society ruled by the production of relative surplus value. It can measure everything objectively, without inquiring on the objective necessity of anything. In particular, without inquiring on the objective necessity of the knowing subject's own subjectivity.

Nonetheless, the very form of this logical representation does not just hinder the possibility of discovering that the progress in freedom implied in the capacity for action that this mode of knowledge confers, is the necessary form in which alienation self-develops. Its power in this respect takes a concrete form which is of particular interest here. Logical representation starts by conceiving of real concrete forms as abstract immediate affirmations. Therefore, the real necessity that determines them can only be grasped by representation through the greater or smaller degree of recurrence in which such real concrete forms appeared at the beginning. Hence, logical representation itself reaches a logically inevitable conclusion: by virtue of its own constructive character, which is necessarily external to the real necessity which it attempts to appropriate by means of thought, logical representation makes it impossible to attain any certainty of an objective knowledge before acting. Consequently, the conclusion is drawn that logical representations, hence scientific theories, are indeed different ways of interpreting reality. They are but ideological constructions. And this eventually culminates in the the view according to which the claim that all scientific knowledge is ideologicaly determined by its very nature, is seen as the most genuine expression of a critical consciousness, historically able to overcome its current form.

Such conclusion, stemming from the very form of logical representation whatever its content may be, is not an abstract epistemological question but concretely concerns working class political action. It entails the naturalization of the capitalist mode of production and, thus, a way of depriving the working class of its condition as revolutionary subject. Any interpretation of a real determination is, in itself, the negation of a knowledge that has trascended all appearance. The interpretation of the determination of one's social being is the negation of its full objective knowledge. Yet the full objective knowledge of the human being's determination as an individual organ of the social life process, born by the consciousness of each member of society, is the necessary form taken by the general social relation in a society founded on the general conscious organization of that process. Thus, the claim that objective knowledge is bound to remain an interpretation renders the general conscious organization of social life impossible. In other words, the claim that logical representation is the natural, therefore insurmountable form of scientific knowledge necessarily implies that the supersession of the capitalist mode of production by socialism/communism is impossible. So it is. By its very form -i.e., its method- logical representation is a form of objective consciousness proclaiming 'the end of History'.

Besides agreeing that the point is to interpret the world by positively interpreting Marx in order to change it, Marxists unanimously coincide that all social relations are of a historical nature. Now, we have already stated that consciousness is the form in which each human subject carries in him/herself the capacity to organize his/her own individual action as an organ of the process of social metabolism. Therefore, consciousness is the form in which each person carries his/her general social relation. In short, consciousness is a form of the general social relation. But it is not so abstractly, simply by virtue of its content. Its very form -i.e., its method- is an expression of the general social relation. Therefore, its method is a historical social product itself. According to Marxists, however, all general social relations might be historical, but not quite so the method of scientific knowledge, which is seen as naturally taking the form of logical representation and, in that condition, as one or another way of interpreting the world.

So much so that even someone who asserts that '[concerning Marxism] orthodoxy refers exclusively to *method*',[33] and that 'to grade the methods objectively in terms of their value to knowledge is itself a social and historical problem',[34] cannot find any specific about historical materialism, as regards the very form of representation, other than an abstract reference to a 'mediated totality'.[35]

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[33] Lukács, Georg, *History and Class Consciousness*, Cambridge MA., The MIT Press, 1971, p. 1. Notably the English translation does not include the direct reference to Marxism present in the original edition, included here between straight brackets.

[34] Lukács, Georg, op. cit., p. 164.

[35] Lukács, Georg, op. cit., p. 164. In this manner, Lukács considers that '(t)he goal of these arguments is an *interpretation*, an exposition of Marx's theory *as Marx understood it*' (ibid., p. xliii). On the one hand, he clings to the appearance that 'theory' -i.e., the organizational moment of an action based on logical representation- may have an existence and finality abstracted from that action itself. On the other, that there can be a 'practice' devoid of the concretely determined integrity of its own organization. Subsequently, 'theory' and 'practice' are placed in a relationship of 'correspondence' (or lack of it) out of their mutual exteriority. Only in this way can an action in which the subject affirms his/her concretely

Nevertheless, logical representation is not the *natural* form of scientific method. It is a historically determined form of social relationship in which ideology, thus the negation of objective knowledge, becomes affirmed under the appearance of its opposite, i.e. scientific method.

4) The reproduction of the concrete by means of thought, or dialectical knowledge as a historically specific form of the objective consciousness of the working class as revolutionary subject.

Thus far we have recognized the specific historical determination of logical representation as the necessary form of objective consciousness in the capitalist mode of production. It is the necessary form of the production of relative surplus value which, as such, deprives its subject -more concretely, the working class as a political subject- of the possibility of becoming objetively aware of its powers as historical subject. A question immediately arises: which is, then, the form of objective knowledge inherent to the working class's own historical subjectivity, with the capacity to organize the supersession of the capitalist mode of production?

This kind of knowledge does not come to a halt in the face of the appearance that the concrete existence upon which we intend to act is devoid of any objective potentiality to be actualized. If it lacked this potentiality, any action aimed at transforming the concrete existence under consideration would be utterly impotent. Consequently, our process of cognition must confront this concrete existence by means of an analysis that recognizes it precisely in its condition as an actual existence which, at the same time, embodies a potentiality to be realized. But in order to act upon this potentiality, our knowledge needs to account for its necessity. And the latter resides in the very form as an actual existence of the concrete object we are facing. In turn, this actual existence is the product of the realization of a potentiality which determined it as such actual existence. In other words, our analytical process must pierce deeper into the concrete existence that constituted the starting point in search of the necessity which is already realized in it. The point now is therefore to discover the form in which the initial concrete still existed as a pure potentiality to be actualized. Upon which, we must then account for the necessity of the newly discovered concrete existence.

Schematically put, we faced at the beginning concrete existence A, whose potentiality α could be realized by means of our action. In order to account for the necessity of this potentiality, and thus of our own action, we must account for the necessity of A as an already realized actual existence. We analyse A, and find that it is the concrete form in which concrete existence B had realized its own potentiality β. We must now explain the necessity of this newly discovered potentiality, which we do by moving to the analysis of B as an already realized existence. We thereby arrive at concrete existence C, whose potentiality χ is realized under the concrete form of B. As should be clear from this schematic presentation, the analysis does not consist, as it does according to logical representation, in the abstraction of a recurring attribute. Instead, this dialectical analysis moves through the discovery of the necessity-content that determines each concrete existence which, in turn, can only be done by facing the necessary concrete form of realization of the said content. As a consequence, this form of analysis renews on each turn the inquiry into the necessity of its object, without being able to stop until discovering it under its simplest and most general form of actual existence. The simplicity and

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determined social being be represented as if it were organised by a 'false consciousness', and not by his/her necessary concrete form of consciousness (ibid., pp. 224-225).

generality of the latter stems from embodying no potential necessity other than that of self-transcendence or self-actualization, that is, of affirming through self-negation. This analysis thus culminates when facing matter, that is, objective existence, under its simplest and most general form.

So far the course of our process of cognition has proceeded by inquiring into the objective content's necessity, starting with the analysis of the latter's realized form of existence. Conversely, at the juncture in which the analytical process culminated, the only necessity to account for at our disposal is that of the content's equally necessary forms of realization. No sooner than this content realizes its potentiality under its necessary concrete form, the resulting concrete existence confronts us as an actual existence whose necessity we already know, but which, however, embodies a potentiality whose realisation we still need to follow by means of thought. In this way, we move forward from the simplest and most general expression of determination, reproducing by means of thought the realization of that determination under its necessary concrete forms. This *synthetic* process stands in stark contrast with that of logical representation, which revolves around the removal of simplifying assumptions. In order to clarify this point, let us briefly return to our schematic presentation.

At this juncture, we already know the necessity of C as an actual existence which embodies the potentiality χ. Thus, in order to make progress in the knowledge of our action's necessity we must follow the actualization of potentiality χ in its concrete from B, etc. Eventually, this path will lead us to confront concrete existence A again, but now as an existence whose determination we objectively know, given that we have followed the unfolding of its necessity by means of thought. Likewise, we thereby also know A's necessity in its form of existence as potentiality α, whose realization is still pending. In turn, we can therefore recognize which form of our action can act as a concrete mode of realization of potentiality α, in the transformative shape that we, as determinate subjects, consciously and willingly intend. In other words, the subject of an action organized by means of this kind of knowledge, finds that in order to govern his/her own potentiality vis-à-vis that of his/her object, he/she needs to ideally follow both the object's necessity as well as his/her own through their unfolding. Furthermore, this process cannot come to a halt until reaching the point in which each necessity is respectively revealed in its determination as a potentiality of the object whose necessary concrete form of realization is but the transformative potentiality of the subject. It is a dialectical process of cognition which takes shape by reproducing in thought the motion unfolded in reality by the development of the subject of action's own necessity with respect to that of his/her object.

The dialectical process of individual knowledge that faces its object as an already constitutive portion of social knowledge, cannot take for granted the latter's existence and represent it as the foundation of its own objectivity. Otherwise, it would cease to be a reproduction of the concrete in thought and develop the exteriority of a representation, i.e. it would become an interpretation. Its own form leads it to penetrate by itself in the real concrete it faces in order to, subsequently, ideally reproduce the latter's potientiality, as a mode in which the subject organises his/her action.

Thus, recourse to already existing dialectical knowledge only provides the subject with the possibility of approaching the concrete upon which him/her will take action, equipped with a guideline on the necessity which must be sought in the object under consideration. What was an intricate search with no guide but its own wandering about in the purely original process of cognition, turns into the possibility of directly inquiring if the already-known necessity is at stake in the proces of *re-cognition*. It is, however, just a guide. Once the process of recognition discovers in its singular concrete a different necessity from the one to which previously-existing knowledge was pointing to, or discovers one which trascends the latter, it thereafter itself becomes a purely original process of cognition. Therefore, each individual reproduction of dialectical knowledge inevitably subjects existing social knowledge to criticism, thus making it account for its continuing validity.

In fact, Marx makes our proces of recognition confront the specificity of this form of dialectical knowledge at the very onset of the development of scientific knowledge: 'I do not start out from "concepts" […] What I start out from is the simplest social form in which the labour-product is presented in contemporary society, and this is "the commodity"'.[36] Accordingly, as the starting point is a concrete and not its concept, the necesity that guides its unfolding cannot be external to such concrete. And it is Marx too who, in the following remark, makes our process of recognition account for this determination within our object, i.e. within the method of dialectical knowledge: 'Logic […] is *alienated thinking*, and therefore thinking which abstracts from nature and from real man: *abstract* thinking'.[37]

Without a concept as starting point and an abstract ideal necessity to follow, Marx places our process of recognition before the need of explaining why, due to this concrete determination, the method of scientific knowledge in question is necessarily *the opposite of the unfolding of a conceptual system*, however dialectic this may be: 'It will be necessary […] to correct the idealist manner of the presentation, which makes it seem as if it were merely a matter of conceptual determinations and of the dialectic of these concepts. Above all in the case of the phrase: product (or activity) becomes commodity; commodity, exchange-value; exchange-value, money.'[38]

Likewise, Marx confronts our process of recognition with the need of wondering why *it is not a matter of opposing a scientific unfolding of the concept to dogmatic or doctrinal conceptions*: 'Just as from the dialectic movement of the simple categories is born the group, so from the dialectic movement of the groups is born the series, and from the dialectic movement of the series is born the entire system. Apply this method to the categories of political economy and you have the logic and metaphysics of political economy [...] which makes them look as if they had newly blossomed forth in an intellect of pure reason'.[39] And, finally, he makes our process of recognition account for the dialectical method in its unity as the *'reproduction of the concrete by way of thought*',[40] *in contrast to logical representation and its conceptual systems.*

On advancing in this manner, we recognize *Capital* as the historically-unprecedented unfolding of the reproduction in thought of the necessity that determines the historical *raison d'être* of the capitalist mode of production and, as a consquence, the action of the working class as bearer of its revolutionary supersession through the development of a community of freely associated individuals. In other words, a community of individuals with the power to organise their action for objectively knowing their own determinations beyond any apparent exteriority. Marx has produced this unfolding by giving this original knowledge an objective social existence suitable for appropriation by others, i.e. by giving it the form of a published text.

After *Capital*, all reproduction in thought that moves through the determinations unfolded in it, becomes thus determined as a process of recognition from a social point of view. But it is not a matter of *interpreting* it. It is truly about confronting the real forms of capital ourselves, in order to attain our potientiality as historical subjects on reproducing such forms by means of thought. However, we can undertake the task with the enhanced power we acquire with the availability of the ideal reproduction of those real forms as already developed in *Capital*. In this sense, we have a two-fold advantage compared to Marx. First, we have the product of Marx's social labour to empower our progress towards the free organization of the process of human life. Second, we face the immediate object of our action, capital, under much more developed historical forms than those that Marx confronted in his time. Concrete forms that existed as barely emerging potentialities then, lie now before us in their full actuallity. All of which leaves its mark on our responsibility as historical subjects, whose action towards superseding the capitalist mode of production involves, as a necessary inner moment, the collective production of a consciousness capable of organising our own action with the objective power of dialectical knowledge.

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[36] Marx, Karl [1879-80], 'Notes on Adolph Wagner', *Later Political Writings*, Cambridge, Cambridge University Press, 2002, p. 241.

[37] Marx, Karl [1844], 'Economic and Philosophic Manuscripts 1844' in *Marx/Engels Collected Works*, Volume 3, London: Lawrence and Wishart, 1975, p. 330.

[38] Marx, Karl [1857-8], *Grundrisse*, London: Penguin Books, 1993, p. 151.

[39] Marx, Karl [1847], 'The Poverty of Philosophy', *in Marx/Engels Collected Works*, Volume 6, London: Lawrence and Wishart, 1976, p. 165.

[40] Marx, Karl [1857-8], *Grundrisse*, op. cit., p. 101.

If in the course of reproducing by means of thought of a concrete upon which we are taking action we confront different forms from those faced by other subjects in their own inquiry, our reproduction will cease to be a process of recognition from a social point of view to become an original process of cognition. Let us take, in this sense, the specific case of a divergence from the forms discovered by Marx himself. At this stage of our discussion, it should be clear that at stake here is not the organization of our action as organs of the process of social life by means of one or another way of *interpreting* Marx. Thus, insofar as the question actually is that of acting on the basis of an objective knowledge of our own determinations with the potientiality to transcend the appearances which characterise all interpretation, we shall not undertake an ideal *representation* of the concrete. In line with the interpretive character of such representation, the difference between one's own claim and Marx's writings, even if contradicting the latter openly, are settled by maintaining that the former is in fact 'what Marx really meant'. Subsequently, the next step is to propose a certain organization of social action founded on such interpretation. However, in all this it is never acknowledged that the proposed course of action is founded on its advocate's own ideal construction. Instead, it is presented as if it had entered the realm of theoretical representations under the aegis of the *true* Marx, i.e. as *Marxist theory* or simply *Marxism*.[41]

By contrast, in its self-recognition as the organizational instance of its subject's action, the reproduction of the concrete by means of thought cannot lay claim to the ability to speak in someone else's name , even if the concrete forms it has gone through in its development are identical to those already presented by this other individual. Needless to say, the same goes for non-identical forms. Hence, instead of speculating on the hermeneutics or philological readings of *Capital*, we might as well summarize the point by stating that 'what Marx found on his scientific development was Marx's problem; what we encounter on facing our real concrete, whether the same as Marx's or not, that is our problem'.[42]

Finally, and by way of concluding remark: Why, when we undertake this path and objectively recognize that the capitalist mode of production means exploitation and alienation of the worker as an attribute of capital, should we degrade that objective knowledge by referring to it under name types designating interpretations of reality? Is it not the case that, when we state with certainty that the Earth revolves around the Sun, or that blood circulates through arteries and vains, we do it on of the basis of objective knowledge and not because we are Copernican or Harveyist?

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[41] Particularly notorious examples of this practice are *Ricardian Marxism's* reduction of value to its content, or the reduction of value to its form, as done by *Rubinist Marxism.* Both reductions lead to the representation of human freedom as a natural attribute thus avoiding its recognition as a historical social relation born out of the production of commodities as a necessary form of the consciousness alienated in them. And both reductions are the grounds for the inversion of the *critique of political economy* into *Marxist political economy* precisely insofar as the naturalization of an abstractly free individual is intrinsic to political economy (See Iñigo Carrera, Juan, *Conocer el capital hoy…*, op. cit., pp. 107-187).

[42] Iñigo Carrera, Juan, *Conocer el capital hoy…*, op. cit., p. 8.

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From the negation of the materiality of abstract labor to the abstraction of the revolutionary subject's free will. The case of Michael Heinrich[*]

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Translated by Leonardo Kosloff

- *Heinrich (The New Reading of Marx)*

According to Heinrich:

> Every act of labor whose product (which can also be a service) is exchanged produces value.[1]

This statement, which may initially appear as a simplification, is the first step in Heinrich's shift towards the inversion of the substance and the form of value. According to him, it's not that labor that produces commodities possesses a socially specific attribute that determines them as values, that is, as bearers of the anti-natural ability to relate to each other in exchange. Instead, for Heinrich, it is the fact that the products of labor are exchanged that determines the latter as a producer of value. The inverted determination of value-producing labor by the fact that its products are exchanged, is then followed by the reduction of value-producing labor to an abstract labor, which is abstracted from its historically specific determination by the private form that social labor takes in the capitalist mode of production. And as is customary, Heinrich makes this abstraction of the abstract labor that produces value by invoking the name of Marx:

> Marx therefore speaks of value-producing labor as 'abstract labor.'[2]

Heinrich thus erases the fact that when labor is organized in a directly social manner, the general productive expenditure of the human body, or in other words, abstract human labor, does not produce value. This is precisely why he takes the first step in the inversion: if, at the starting point, labor owes its status as a producer of value to the fact that its products are exchanged, followed by the idea that abstract labor produces value, this erases the possibility of there being abstract labor that does not produce value. Furthermore, the apparent simplicity of Heinrich's phrase contains another step in the erasure of the materiality of abstract labor and its specific social determination as a producer of value by the private character of labor:

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[*] Taken from *Conocer el capital hoy. Usar críticamente "El Capital"*, Vol. 1: 'La mercancía, o la conciencia libre como forma de la conciencia enajenada' (*Knowing Capital Today, Using "Capital" Critically*, Vol. 1: 'The commodity, that is, free consciousness as the form of alienated consciousness')

[1] Heinrich, Michael, *An Introduction to the Three Volumes of Karl Marx's Capital*, New York, Monthly Review Press, 2012, p. 48.

[2] Heinrich, Michael, op. cit., p. 48.

> Marx therefore describes abstract labor as the "value-forming substance" or as the "substance of value." The "substance of value" as a figure of speech has frequently been understood in a quasi-physical, "substantialist" manner: the worker has expended a specific quantity of abstract labor and this quantity exists within the individual commodity and turns the isolated article into an object of value.[3]

Not only has the analysis unfolded to discover the specificity of value-producing labor been reduced to a mere "Marx speaks of", but the discovery of socially necessary abstract labor materialized privately and independently in its product as the "substance of value" is degraded to the status of a mere rhetorical "figure of speech." In this way, Heinrich turns the substance of value into a purely ideal existence, a pure concept:

> Abstract labor is not visible, only a particular concrete labor is visible, just as the concept of 'tree' isn't visible...[4]

Heinrich denies the visibility of a materiality that is immediately visible: the materiality of the fact that when a human being works, they are productively expending their body, regardless of the specific form in which they do so, and materializing that expenditure in their product, whatever it may be. Moreover, when it comes to simple commodity producers, each of them has full control over this expenditure of their body, performing it privately and independently. Thus, his conception of abstract labor, which started by inverting the determination of its historical specificity as a producer of value, closes its inverted circle, presenting the materiality of abstract labor as devoid of its historical specificity due to the private form of social labor, as an abstract mental construct, impotent to account for the historically specific determination of value:

> The reduction of various types of labor to labor in a physiological sense, however, is a purely mental abstraction, to which any kind of labor can be subjected, regardless of whether it produces a commodity. Furthermore, this formulation suggests that abstract labor has a completely non-social, natural foundation, and has therefore accordingly provoked "naturalistic" interpretations of abstract labor. [...] Abstract labor, on the other hand, cannot be "expended" at all.[5]

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[3] Heinrich, Michael, op. cit., p. 49.

[4] Heinrich, Michael, op. cit., p. 49.

[5] Heinrich, Michael, op. cit., p. 50.

In summary, where Marx literally expounds his discovery regarding the materiality of abstract labor as the productive physiological expenditure of any human body under any concrete form, common to all forms of society,[6] but that only when performed privately and independently, its materialization in the product represents the latter's attribute to socially relate its producers,[7] Heinrich believes he sees "naturalistic interpretations" of a "concept," resulting from a "purely mental abstraction." The entire secret of the apparent analysis through which Heinrich arrives at this erasure of the substance of value was already present in the initial inversion of that analysis, where labor appeared to owe its status as a producer of value to the fact that its product was exchanged.

Once he has emptied value of its substance, Heinrich aims to present this same substance as emerging from the form of value, that is, from exchange value.

> Abstract labor is a *relation of social validation* (*Geltungsverhaltnis*) that is constituted in exchange. In exchange, the concrete acts of expended labor *count* as a particular quantum of value-constituting abstract labor, or are *valid* as a specific quantum of abstract labor, and therefore as an element of the total labor of society.[8]

In light of this conception of abstract labor, the immediate question arises: What is the norm that governs this "relation of social validation", that is, what is the necessity which is realized by taking form in it? In other words, why should the product of a certain concrete labor normally be validated as equivalent to x amount of "abstract labor" and not some other amount? Or, what determines that the product of x hours of concrete labor is normally validated as equivalent to the product of y hours of another concrete labor, insofar as they are "abstract labor"? And, in a more general sense, on what qualitative basis is said "social validation" determined quantitatively? Because, in the real world, exchange still takes the form of a quantitative relationship, the existence and commensurability of which presupposes the existence of a common quality in both poles of the relationship.[9] Let's examine it:

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[6] In Marx's original terms:

> The mystical character of the commodity does not therefore arise from its use-value. Just as little does it proceed from the nature of the determinants of value. For in the first place, however varied the useful kinds of labour, or productive activities, it is a physiological fact that they are functions of the human organism, and that each such function, whatever may be its nature or its form, is essentially the expenditure of human brain, nerves, muscles and sense organs. (Marx, Karl, *Capital*, *Volme 1*, London: Penguin Books, 1982, p. 164)

[7] Again, in Marx's terms:

> Something which is only valid for this particular form of production, the production of commodities, namely the fact that the specific social character of private labours carried on independently of each other consists in their equality as human labour, and, in the product, assumes the form of the existence of value, ... (Marx, Karl, op. cit., p. 167)

[8] Heinrich, Michael, op. cit., pp. 50-51.

> Value-objectivity (*Wertgegenstandlichkeit*) is not possessed by commodities as objectifications of concrete labor, but rather as objectifications of abstract labor. However, if as we just outlined, abstract labor is a relation of social validation existing only in exchange (where privately expended labor counts as value-constituting, abstract labor) then value also first exists in exchange. What's more, value is not at all a property that an individual thing possesses in and of itself. The substance of value, that constitutes the foundation of this objectivity, is not inherent to individual commodities, but is bestowed *mutually* in the act of exchange.[10]

Heinrich's response skips from the sheer material heterogeneity of concrete labor to the private form in which social labor is organized. This form lacks inherent materiality, as is evident. It leads to an "abstract labor" that, thanks to the leap taken along the way, has shed its materiality to become an abstractly conceptual existence. This existence is entirely devoid of a substance that can be manifested in exchange, since it now turns out that exchange itself generates it.

Private labor is a way of organizing social labor, that is, assigning the materiality of the total labor capacity of society to the various specific and useful forms of labor to be physically carried out by each productive member of society. Without a doubt, this historically specific form of making such an allocation operates by determining the material forms through which social labor is executed. It does so by giving each producer full control over their individual labor and depriving them of any control over its social character. However, this fact does not change in the slightest that the materiality of labor is irreducible to the social form of its organization. Therefore, invoking "private labor" does not resolve the question that, in the equality relationship between quantities of qualitatively distinct use-values, there must be an underlying common quality of the labor privately materialized in them, and that this quality is alien to the heterogeneity of concrete labor.

It is then that Heinrich attempts to evade the issue by turning it upside down: it's not that the exchange reveals that both poles of the relationship possess the same property in equal quantity, but that the realization of the exchange relationship establishes a quantitative proportion abstracted from all qualitative content, resulting in the existence of a common quality. In other words, according to Heinrich, it's not that the exchange relationship reveals that commodities have an attribute that has allowed them to enter it, but that commodities enter exchange devoid of attributes and emerge from it with the attribute of being "values," whereas the labor that produced them emerges with the attribute of being "abstract."

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[9] It pertains a property inherent to the thing and the necessity that this property carries within itself, by its very determination, to manifest itself in a relative form:

> However, the properties of a thing do not arise from its relations to other things, they are, on the contrary, merely activated by such relations. (Marx, Karl, op. cit., p. 149)

[10] Heinrich, Michael, op. cit., pp. 52-53.

On this basis, Heinrich takes one step further in denying abstract socially necessary labor which is privately and independently embodied in its product as the substance that constitutes the qualitative foundation that is objectified in the relationship of equality that takes form in exchange. He inverts the former as if it were emerging from the very existence of that exchange, so that the determination of value is posited on its necessary form of exchange value:

> Only labor-time expended under the average existing conditions of production as well as for the satisfaction of monetary social demand constitutes value.[11]

Even the mere reference to "labor time expended under average production conditions" corresponding to a certain type of commodity reveals the erasure of the material quality of labor that Heinrich has had to resort to in order to reduce it to the abstraction of its pure social quality as "private labor." The reference to different production techniques converging to form an average quantity of labor spent implies the coexistence of different forms of concrete labor applied to produce the same type of use value. Therefore, the determination of the average amount in question requires the existence of a common quality, not just among different branches but within each of them. The expenditure of human labor power in general, that is, the materiality of socially necessary abstract labor performed privately, sneaks into Heinrich's determination of the exchangeability of commodities, no matter how much he tries to expel it to the realm of concepts.

However, now, even the determination of the "socially necessary" character itself suffers the consequences of denying the determination of the substance of value by the materiality of privately and independently performed abstract labor. It is no longer a matter of how the private allocation of the capacity to perform social labor gives each producer full control over their individual concrete labor at the expense of having no control over the determination of their product as socially useful or useless. As a result, the product of socially necessary labor performed privately can only acquire that condition at the very moment when labor is materializing in it, that is, at the very moment of its production. But the fact of possessing such an attribute, that is, being a commodity, can only manifest itself when that product proves to be a bearer of it by entering into an exchange relationship with another commodity in quantities of whose body it expresses its value, meaning the latter functions as its equivalent. Therefore, the socially necessary character of a certain amount of privately materialized abstract labor will always manifest itself as such in circulation, being confronted as a counterpart with a social need capable of being represented through that equivalent. Correspondingly, the socially useless character of privately materialized abstract labor will manifest its condition as such when attempting to enter into an exchange relationship and being unable to do so because it lacks the necessary attribute. It is the fact that social labor is performed privately which determines that the unity between production and social consumption can only be established in this indirect manner, after production has been completed.

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[11] Heinrich, Michael, op. cit., p. 50.

Consequently, this indirect unity takes the form of the relationship between the supply and demand for these commodities in circulation. Once again, it is the substance of value that determines the necessity of its form.[12] Nevertheless, as Heinrich denies the substance of value in order to reduce it to a "social validation" that occurs in circulation, the socially necessary character of value-producing abstract labor is inverted under the form of "*as well as* for the satisfaction of monetary social demand," which determines the extent of that validation. And once again, the form appears inverted as determining the necessity of the substance. From this inverted perspective, it would be necessary to first understand what money is and what demand is to explain what value is.

From the same inversion, Heinrich subsequently argues that in determining the value of a commodity, the relationship between its supply and demand plays a role. This implies that under any circumstances, commodities are always sold at their value. It also implies, therefore, the impossibility of the existence of a substance of value that determines the exchangeability of a commodity, except for the magnitude of its "social validation" by the very equality established in exchange:

> To what extent the privately expended labor was actually necessary to satisfy demand depends on the one hand upon the amount of this demand and on the other hand upon the volume of production of other producers—both of which first become apparent in exchange.[13]

The analysis of this determination requires going beyond the question of the substance of value and its necessary form as exchange value, to advance in the unfolding of its concrete movement in circulation. This implies that we must proceed by reproducing on our own the development that Marx presents in the third chapter of 'Capital' regarding the function of money as a means of circulation. Having done this, our exposition is confined here to the specific determination in question.

Heinrich considers that to back up his assertion, it is sufficient to present a quote from Marx. Let's take this same quote as the starting point for our analysis. Therefore, we transcribe it with greater extension than the portion quoted by Heinrich:

> We suppose him to have spent on his product only the average socially necessary quantity of labour-time. The price of the commodity, therefore, is merely the money-name of the quantity of social labour objectified in it. […] Let us suppose, finally, that every piece

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[12] 'The exchange or sale of commodities at their value is the rational, natural law of the equilibrium between them ; this is the basis on which divergences have to be explained, and not the converse, i.e. the law of equilibrium should not be derived from contemplating the divergences. … The real inner laws of capitalist production clearly cannot be explained in terms of the interaction of demand and supply […] since these laws are realized in their pure form only when demand and supply cease to operate, i.e. when they coincide.' (Marx, Karl, *Capital*, *Volume 3*, London: Penguin Books, pp. 289 and 291)

[13] Heinrich, Michael, op. cit., pp. 51-52.

> of linen on the market contains nothing but socially necessary labuor time. In spite of this, all these pieces taken as a whole may contain superfluously expended labour-time. If the market cannot stomach the whole quantity at the normal price […], this proves that too great a portion of the total social labour-time has been expended in the form of weaving. The effect is the same as if each individual weaver had expended more labour-time on his particular product than was socially necessary. As the German proverb has it: caught together, hung together. All the linen on the market counts as one single article of commerce, and each piece of linen is only an aliquot part of it. And in fact the value of each single yard is also ·nothing but the materialization of the same socially determined quantity of homogeneous human labour. … The division of labour converts the product of labour into a commodity, and thereby makes necessary its conversion into money. At the same time, it makes it a matter of chance whether this transubstantiation succeeds or not. Here, however, we have to look at the phenomenon in its pure shape, and must therefore assume it has proceeded normally. In any case, if the process is to take place at all, i.e. if the commodity is not impossible to sell, a change of form must always occur, although there may be an abnormal loss or accretion of substance - that is, of the magnitude of value.[14]

The normality that governs the indirect unity between the social production and consumption of a commodity corresponds to the point at which its producers, collectively, have privately applied a total amount of abstract labor that puts them in a position to dispose of the product of the same amount of abstract labor materialized privately by other producers under the concrete forms from which the commodities that satisfy the needs of the former result. Consequently, the key regarding the question of whether or not the imbalance between supply and demand intervenes in the determination of the value of commodities lies in discovering if, when the former exceeds the latter, the substance of value which is abnormally suppressed in circulation has vanished without a trace. In the inverse case, the key lies in discovering the source of the substance of value which is abnormally added in circulation.

Let's assume that the abstract socially necessary labor required to produce one unit of commodity A is 10 hours, a value substance expressed as $10, and that the solvent demand - that is, the social need capable of being represented by value - corresponding to this value is 100 units. However, let's assume that the producers of A have produced 110 units, meaning that instead of applying the 1000 hours of socially necessary abstract labor, they have applied 1100 hours. Let's assume that for the solvent demand to expand and reach this quantity, each unit must be sold for $9. Finally, let's assume that all buyers of commodity A have sold their own commodities for their value, so they have received $1 for the product of each hour of socially necessary abstract labor they have performed.

When they meet their buyers in circulation, the sellers of A deliver the product of 1100 hours of socially necessary labor, but only receive $990. They have contributed the product of those 1100 hours of socially necessary abstract labor to social consumption but can only withdraw for themselves the product of 990 hours of the same labor. Indeed, from their point of view, 110 hours of socially necessary abstract labor, or value substance, have vanished.

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[14] Marx, Karl, *Capital, Volume 1*, op. cit., pp. 201-203.

But let's look at the same situation from the buyers' point of view. They have contributed the product of 990 hours of socially necessary abstract labor to social consumption, but have taken from the market the product of 1100 hours of the same labor. In the indirect unity between production and social consumption, the entire product of the 2090 hours of privately performed socially necessary abstract labor has passed into the sphere of social consumption. However, precisely because of the private manner in which this labor has materialized in its product under the respective concrete forms, some producers have applied 1100 hours of their labor to produce for social consumption and received the product of 990 hours of socially necessary labor, while others have contributed to social consumption the product of 990 hours of socially necessary labor and received that of 1100 hours. Far from simply vanishing in circulation, the portion of the value substance in question has been appropriated by those who bought the commodities in which it was materialized by paying below their value.

Let's consider the inverse case. Suppose the producers of commodity A have only produced 90 units and, therefore, applied 900 hours of socially necessary abstract labor. Suppose that for the normal solvent demand to contract to this quantity, each unit must be sold for $11. Let's continue assuming that all buyers of A have sold their own commodities for their value. Now, the sellers of A deliver the product of 900 hours of socially necessary labor, but receive $990. They have contributed to social consumption the product of 900 hours of socially necessary abstract labor but withdraw for their own consumption the product of 990 hours of equal labor. From their point of view, the exchange has added 90 hours of socially necessary abstract labor, or in other words, value substance to their product, without them having to lift a finger beyond what is normal for them. But let's place ourselves on the other side of the counter. The buyers of A have contributed the product of 990 hours of socially necessary abstract labor to social consumption, but have only taken from the market the product of 900 hours of equal labor. In the indirect unity between production and social consumption, all the product of the 1890 hours of socially necessary abstract labor carried out privately has been absorbed by social consumption. But while some producers have brought the product of 900 hours of that labor to this consumption and disposed of the product of 990 hours for themselves, others have found themselves in the opposite situation. Far from simply adding new value substance to commodity A in circulation, the portion in question has been originally produced by the socially necessary abstract labor of those who then lost it in favor of the producers of A, by buying it and paying above its value.

> But although price, being the exponent of the magnitude of a commodity's value, is the exponent of its exchange ratio with money, it does not follow that the exponent of this exchange-ratio is necessarily the exponent of the magnitude of the commodity's value.[15]

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[15] Marx, Karl, *Capital, Volume 1*, op. cit., p. 196.

No matter how much the prices at which commodities are exchanged may differ from their values, in circulation, no more or less value substance changes hands than what enters it. As the substance of value, abstract labor is not a "validation relationship" that arises in exchange, nor does the relationship between supply and demand enter into its determination:

> It becomes plain that it is not the exchange of commodities which regulates the magnitude of their values, but rather the reverse, the magnitude of the value of commodities which regulates the proportion in which they exchange.[16]

The absurdity of pretending that the relationship between supply and demand intervenes in the determination of value is evident, even by simply considering that if it did, commodities would always appear to be sold and bought at their value. In which case, there would never be any deviation from normalcy because it would be a normalcy lacking determination, except for being simply fluctuating at the rhythm of said relationship. Even the average of these "values" would appear to have no necessity other than chance, since if value were that abstract "validation relationship" lacking all substance preexisting the exchange itself, supply and demand would always emerge equal from that same exchange. Thus, producers of commodities would have no way of recognizing whether their action as private individual organs of the process of social metabolism should be modified in one direction or another around a norm.

Curiously, the "new reading of Marx" converges towards the most vulgar neoclassical economics in attributing to the interplay between supply and demand the capacity to determine value. And, like it, it can only be sustained upon its own contradictions. As we have already seen, Heinrich has explicitly told us that:

> However, if as we just outlined, abstract labor is a relation of social validation existing only in exchange (where privately expended labor counts as value-constituting, abstract labor) then value also first exists in exchange.[17]

But now he reprimands us for falling into the 'nonsense' of believing him, because it turns out that the very value and, by logical consequence, the 'abstract labor that constitutes value,' already exist in production, an activity that obviously precedes the circulation where the exchange occurs:

> However, even the question as to whether value and the magnitude of value are determined in the sphere of production or in the sphere of circulation (the sphere of buying and selling) is the result of a fatal reduction. Value isn't just "there" after being "produced" someplace. … But value isn't a thing like the bread roll, but rather a social relationship that *appears as a tangible characteristic* of a thing. The social relationship

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[16] Marx, Karl, *Capital, Volume 1*, op. cit., p. 156.

[17] Heinrich, Michael, op. cit., pp. 52-53.

> that is expressed in value and the magnitude of value is constituted in production *and* circulation, so that the “either/or” question is senseless.[18]

Far from being a materialized social relationship, which as such takes the form of a spectral materiality, what Heinrich presents to us is a kind of production process capable of going back to the future, since it is governed by a value that does not yet exist. Thus, value can go from being "a social relation that appears as a tangible characteristic of a thing" to being the expression of a social relation, that is, something which is not the social relation itself in its entirety, while this social relation conveniently remains with its specificity wholly undefined, and even unnamed. Such ambiguity allows it to be everywhere, even in those places where this same conception asserts that it cannot be.

We have already seen Rubin's reaction to Marx's exposition in Capital regarding abstract labor as the generic physiological expenditure of human body applied productively, which only when materialized privately and independently in its product under a socially useful concrete form and under normal conditions, is represented as the historically specific purely social attribute of said product, as the value of commodities. Where Marx discovers this simplest and most fundamental determination of the general social relation in the capitalist mode of production, Rubin sees an incoherent writer who literally wrote sentences incompatible with his own theory of value. And even someone who intellectually regressed from his own previous work, the Contribution to the Critique of Political Economy, "where Marx developed his theory more completely." Heinrich not only shares Rubin's first perspective, but also shows himself determined to fuel the second. Thus, Heinrich sees a Marx whose knowledge of value and its form has reached "emphatic clarity" when writing a draft in preparation for the second edition of Capital, only to fall back and end up falling into the abominable assertion, typical of "naturalistic interpretations," of the physiological character of abstract labor in the published text. As he puts it:

> The substance of value, that constitutes the foundation of this objectivity, is not inherent to individual commodities, but is bestowed *mutually* in the act of exchange. The most emphatic statement on this by Marx can be found in his revised manuscript for the first edition. There he states that when a coat is exchanged for linen, then both are “reduced to an objectification of human labor per se.” However, it should not be forgotten that “*none of both is in and of itself value-objectivity* [Wertgegenstandlichkeit], they are this only insofar as that this objectivity is commonly held by them. Outside of their relationship with each other—the relationship in which they are equalized—neither coat nor linen possess value-objectivity or objectivity as congelations of human labor per se.” (MEGA, 2.6:30).[19]

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[18] Heinrich, Michael, op. cit., p. 54.

[19] Heinrich, Michael, op. cit., p. 53.

To begin with, the existence of a substance and its expression or objectification are not synonymous. Everyone knows that thought is the substance that is socially objectified in words when one speaks, even though there may be those who seem to speak without thinking. That is, thought exists per se, but due to its qualitative determination, it cannot manifest itself on its own, it needs to be expressed as the substance that takes form in words.

But Heinrich goes beyond the identification between substance and objectification. What he does is distort the flow of Marx's text. He attributes to Marx the assertion that it is through exchange, that the coat and the linen are "reduced to an objectification of human labor per se". But Marx explicitly reaches that point in his draft through the exposition of the process of *analysis* of the immediate manifestation of the exchange relation. And it is through this process of analysis that he discovers abstract labor as the substance of value. His discovery of the latter, therefore, runs in the opposite direction to the process of unfolding its necessary form as exchange value, that is, opposite to the way Heinrich seeks to present it:

> Commodities acquire *value expression* (value form) only in *relation* to one - other. […] Where does this come from? How does this peculiarity, common to all forms of value of the commodity, arise from the concept of value? We originally found the *concept of value* of commodities as follows: We took an exchange relation like *1 coat = 20 yards of linen*. We said: the coat and linen express something in *common* here [...] This same something is not their use-values or material usefulness […] In their equation it is abstracted. It is, therefore, their character as *products of labor*. […] As products of labor, they are the same insofar as they are products of the same labor, i.e. the coat, like the linen, is regarded *as a mere objectification of human labor per se*. This is their *value*. Thus, the coat and linen as values, each one for itself, were reduced to the *objectification of human labor per se*.[20]

From the "none of both..." onwards, what follows in the quote presented by Heinrich, Marx clearly refers to the objectification or necessary expression of value in the form of exchange value, not to the determination of its substance as the objectification of abstract human labor. It is worth noting that because socially necessary abstract labor, which constitutes the substance of value of a commodity, is performed privately and independently, no commodity can present its own body as the objectification of its own value. The value of a commodity can only manifest itself by being objectified in quantities of the use-value of another kind of commodity, thus taking its specific form of exchange value.

But Heinrich adds a second quote from the same draft that he considers decisive:

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[20] Marx, Karl, «Ergänzungen und Veränderungen zum ersten Band des "Kapitals"», in *Karl Marx Friedrich Engels Gesamtausgabe (MEGA)*, Volume 6, Division 2, Berlin, Dietz Verlag, 1987, pp. 29-30, (JIC translation).

> As a consequence, “a product of labor, considered in isolation, is not value, nor is it a commodity. It only becomes value in its unity with another product of labor.” (MEGA, 2.6:31).[21]

However, the apparent forcefulness of the quote has no more support than the selective excerpting of Marx's text (Heinrich’s excerpting is underlined):

> *The value form of the commodity as given in the value relation of different commodities.* 1) The production of the materializations of labor as values reduces them to expressions of the *same unity*, (to expressions that which they have in common, expressions of that what is the same in them) to *human labor per se* as their *common substance*. This includes: *relation* to human labor as a unity, relation of the commodities to each other, as expressions of the *same* unit. *Or the relation of the products of labor to each other as expressions of this same unity is their value-being*. And it is only through this relationship that mere *products of labor* become useful objects – *commodities*. Therefore, a product of labor, considered in isolation, is not value, nor is it a commodity. It only becomes *value* in its *unity* with another product of labor, or in the proportion within which the different products of labor, as crystals of the same unit, human labor, are equated with each other. It follows, therefore, because the *value* of commodities is nothing but their *relation to labor* as their common substance, or their *relation to each other* as an expression of this common substance, that this value of a commodity can also only appear in the *value relation* in which it relates to other commodities, or only in the *value relation of different commodities*. Hence value expression can only be found, or commodities can only obtain value form, in their *relation to other commodities*. This shows us how the value form arises from the nature of value itself. If I say that this product of labor is value because human labor is expended in it, then this is merely the subsumption of the product of labor under the concept of value. It's an abstract expression that encompasses more than it says. For this product of labor is only reduced to this concept of value, in order to reduce it as a *thing of the same substance* as all other products of labor. The relation to other products of labor is therefore implied. […] The expression, although it says nothing of this relationship, includes it.[22]

At first glance, it may seem that Marx is simply unfolding the formal necessity of the unity between the substance of value and its objectification in exchange. The substance arises in production, where the products of labor acquire the common quality that enables their relationship as materializations of human labor per se. As a common quality of the products of labor, this substance cannot be objectified as a relation between the body of each product and the labor that produced it per se. It can only be objectified through the relationship between the bodies of commodities containing equal quantities of it, that is, as exchange value. But what Marx is truly unfolding is the real necessity of the unity between the substance of value and its form as exchange value. It is only that here, Marx does not directly make explicit the specificity of commodity-producing social labor. That is, he does not directly refer to it as socially useful labor organized privately and independently. But he implicitly introduces this specificity of commodity-producing labor by transitioning from the abstract attribute, which up to this point is only formally common to commodities, to the concrete exercise of this attribute in its determination as the real capacity of commodities to enter into the relation of exchange. This capacity is lacking in products of labor organized in a socially direct manner, despite also being materializations of human labor per se. Therefore, the term "value" is not abstractly reduced to the expression of "materialized abstract labor." It expresses the specific determination of privately materialized abstract labor that needs to manifest its socially useful condition through the entry of these materializations into relations of equality with their equivalents. Hence, the term "value" includes the necessity of the exchange relation, the necessity to express itself in the exchange relation.

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[21] Heinrich, Michael, op. cit., p. 53.

[22] Marx, Karl, «Ergänzungen und Veränderungen zum ersten Band des "Kapitals"», op. cit., pp. 29-30, (JIC translation).

It is not in vain that Marx emphasizes that his exposition "shows how the form of value arises from the very nature of value." This is the complete opposite of the inverted appearance that Heinrich attempts to present, with the intention of making it seem as if Marx is saying that the substance of value arises from its form. The "most emphatic statement made by Marx", to which Heinrich appeals in support of his inverted construction, actually demolishes the latter into pieces as soon as the adulteration and selective editing upon which it seeks to rely are exposed.

As is characteristic of a conception in which the form determines the substance of the content, or what is essentially the same, where there is no content other than the form, Heinrich begins by denying the development of human generic essence — defined by himself as 'what separates [real humans] from animals, namely that they developed their potential and ability through labor'—[23] and alienation, as manifest objects of *Capital* .[24] Consequently, he cannot acknowledge that the historically specific form taken by the development of this human generic being in the capitalist mode of production is synthesized in the fact that its subjects confront their own social being as if they lacked it, as individuals mutually free from personal dependence who carry out their social labor privately. Therefore, they confront the development of their generic being as if it were the realization of a power alien to them, as the realization of a power that naturally belongs to the product of their own social labor. Consequently, Heinrich cannot recognize the historically specific determination of the consciousness and will of subjects as free subjects, by virtue of being alienated in the commodity; that is, it is a consciousness and will alienated due to its content, which necessarily takes shape in its opposite, in personal freedom. And he cannot recognize that the fetishism of the commodity is the simplest and most general form of this alienated consciousness. Thus, he also cannot recognize that the necessity to overcome this fetishism can only arise from the fact that the alienated development of the material productive forces of social labor needs to take shape in a consciousness that advances in its freedom by knowing itself to be objectively alienated.

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[23] Heinrich, Michael, op. cit., p. 21.

[24] Heinrich, Michael, op. cit., p. 22.

It is thus that Heinrich ultimately reveals where his inversion of the determinations of value lead. From his inverted standpoint, value is not the simplest content of the general social relation that governs the development of a historically specific material form of the productive forces of human labor. Nor is the determination of individuals as personifications of value the concrete form in which they govern their conscious and voluntary action as individual organs of the process of social metabolism.[25] According to Heinrich, it is the reverse; the existence of value is explained by human behavior. Consequently, the necessity to overcome value is inverted into the abstract possibility of considering how to change that behavior.

> the rule of value over humans is not a natural law of society, but the result of a very specific behavior by humans, and this behavior can—at least in principle—be changed. A society without commodities and money is conceivable.[26]

And, in turn, fetishism dissolves into an abstract "structural background" that operates externally by affecting the consciousness and will of individuals, and which they can "penetrate" by opposing it with the exercise of a no less abstractly free consciousness and will:

> However, this fetishism is also not a completely closed universal context of deception from which there is no escape. Rather, it constitutes a structural background that is always present, but affects different individuals with varying strength and can be penetrated on the basis of experience and reflection.[27]

As always, behind the conception that value has no content other than its form lies the conception of human consciousness and will as inherently abstractly free by nature.

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[25] As a whole, this is the opposite of:

*The capitalist mode of production thus exhausts its historical reason for being, namely, the development of the material productive forces of society through the transformation of the productive powers of individual free labor into powers of directly social labor consciously organized by the collective worker that carries it out, in the form of the alienation of the powers of this labor as social powers of its material product. (*Iñigo Carrera, Juan*, El capital: razón histórica, sujeto revolucionario y conciencia,* p. 39*).*

[26] Heinrich, Michael, op. cit., p. 77.

[27] Heinrich, Michael, op. cit., p. 185.

Scientific method: logical representation vis à vis dialectical reproduction (i.e., the consciousness dominated by alienation for believing itself an abstractly free one vis à vis the consciousness that advances in its freedom by being aware of its alienation)[*]

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The point is to change it

'The philosophers have done nothing but to *interpret* the world in various ways; the point is to *change* it.' (Marx, Karl, XI Thesis on Feuerbach)

Marxists unanimously assume that the problem with philosophers is not that they interpret the world, but that they do not take action once they have achieved this interpretation. Moreover, Marxism has always postulated that the point is to scientifically interpret the world to face, on the basis of that interpretation, its conscious transformation. Still, is it the point? Should *interpretation* be taken as the natural form of scientific knowledge? What change are we talking about?

Free consciousness as the form of alienated consciousness[1]

The capitalist mode of organizing social production, and therefore of organizing the process of social metabolism, starts from the dissolution of the relations of personal dependency. It is about a society of free individuals, within which social labor is performed in a private way. This means that the free consciousness in charge of organizing each unit of social labor lacks the capacity to control its own social powers. These powers face that consciousness inverted as the social powers imposed on it by its product -capital- which embodies the capacity to automatically give way to the general organization of social labor bearing its self-multiplication as immediate aim. Therefore, free consciousness is determined as the necessary personification of that alien social power, that belongs to its product and to which it is submitted. That is to say, within the capitalist mode of production, free consciousness is the form of the consciousness alienated in capital.

Through the production of relative surplus value, the process of capital accumulation, i.e. the progressive socialization of private labor, is the mode of organizing social life within which social labor is constantly driven to develop the capacity to consciously control its own organization while, at the same time, it pursues as its immediate aim the multiplication of the capacity to automatically organize social life beyond the consciousness of its producers.

The absolute limit to the capitalist development of the productive forces of society lies in this negation of the complete domination of the very powers of social labor. Therefore, the ultimate capitalist barrier to the development of productive forces lies in the mutilation imposed on free consciousness by its determination as the form of existence of alienated consciousness. The overcoming of this barrier necessarily entails the annihilation of private labor as the way of organizing social labor, thus giving birth to the general conscious organization of the latter. In other words, to change the world means to transform human freedom from consisting in not being subject to the personal domination by another at the expense of submitting to domination by the social powers that belong to the product of one's own labor, to consist in not submitting to the personal domination of another, because one holds complete objective sway over one's individual labor as an organ of social labor.

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[*] This presentation summarizes chapter 7 "The dialectic method. A critique of scientific theory" of my book *El capital: razón histórica, sujeto revolucionario y conciencia*, Ediciones Cooperativas, Buenos Aires, 2003 as well as the developments on consciousness included in my book *Conocer el capital hoy - Usar críticamente «El Capital», Volumen 1, La mercancía, o la conciencia libre como forma de la conciencia enajenada*, Imago Mundi, Buenos Aires, 2007.

[1] See my presentation 'The historical determination of the capitalist mode of production and of the working class as the revolutionary subject, vis à vis the current fragmentation of the workers' productive subjectivity' for the Economy Section of this Congress.

The consciousness of the working class as the negation of the negation of free consciousness

The need inherent within the capitalist mode of production to develop itself towards its own overcoming into the general conscious organization of social production immediately presents us with the process of the development of consciousness. A consciousness able to organize the totality of the process of social production must have attained the power inherent in the fullness of objective knowledge, that is, it needs to be a completely free consciousness. Nevertheless, it can not reach this condition as an offspring of the previous overcoming of the capitalist mode of production. On the contrary, this overcoming is the offspring of the complete development of free consciousness. Therefore, complete free consciousness must necessarily be the most genuine product of the capitalist mode of production itself. More concretely yet, it must needs be the product of the social subject that the capitalist mode of production objectively determines as the bearer of its own overcoming, resulting from the same process in which the subject undertakes this overcoming. In a nutshell, the consciousness in question can only be developed as the product of the political action of the working class in the process of overcoming the capitalist mode of production. This action takes, as its necessary concrete form, the advance in the socialization of private labor by means of the centralization of capital as an alienated social property, which is to say, as property of the state. The consciousness of the working class able to overcome the capitalist mode of production can only be developed as a concrete necessary moment of the aforementioned process of capital centralization.

Yet, the consciousness of the working class is determined as an attribute of capital and, therefore, as a form of alienated consciousness. Above all, the free consciousness of the working class is the necessary concrete form of its alienated consciousness. Hence, it is the negation of free consciousness under the appearance of being a free consciousness. Therefore, the consciousness that bears the overcoming of the capitalist mode of production cannot be developed as the abstract affirmation of the free consciousness of the working class. It can only be developed as the free consciousness of the working class that determines itself as an alienated consciousness advancing in the denial of its own alienation. That is, as a consciousness whose freedom resides in determining itself as the negation of the negation of free consciousness.

The science of capital as a pure form of the production of relative surplus value, i.e., the theoretical representation

Capital's needs concerning scientific cognition face a contradiction. To increase relative surplus value by means of the system of machinery, capital is compelled to submit all production and consumption to science. Nevertheless, insofar as scientific cognition is simply a concrete form of the production of surplus value, science must reproduce the alienation of human consciousness in capital. At the same time it has to be an objective consciousness, it needs to be a consciousness that looks upon itself in a non-objective way by accepting the appearance of being an abstractly free consciousness. For this reason, it is about a science that needs to appear as if the foundations of its objectivity were rooted outside itself This foundation must appear to arise from a pure abstractly free subjectivity, as if it were based on philosophy[2], and more specifically, on a philosophy based on the appearance of free individuality inherent in the circulation of commodities.[3]

Scientific theory, namely logical representation, is this contradiction resolved. Scientific theory represents real concatenations by taking the forms where the necessity has been already realized needs have already been fulfilled -which is to say, the concrete forms- as if they were not, at the same time, forms that carry within themselves a necessity to be realized -which is to say, abstract forms. It thus defines real forms as unable to move by themselves. From this point of view, they can only be linked by an external relationship. It is here that logic comes into play.

Placed as incapable of moving by themselves, real forms are represented as forms that affirm themselves through the appearance of being abstract immediate affirmations. Consequently, consciousness could be affirmed as a free one or it could be affirmed as an alienated one. However, it is logically impossible for alienated consciousness to affirm itself through its own negation under the concrete form of free consciousness.

In fact, the appearance of being an immediate abstract affirmation corresponds to the actual quantitative determination considered in itself. Scientific theory subscribes to the logic that is genuinely necessary for mathematical cognition and represents it as the objective necessity that relates qualitatively the abstract immediate affirmations to which all real forms have been previously reduced. Mathematical logic is thus represented as formal logic. Based on this premise, scientific theory represents the real abstract determinations by the relationships of measure between their concrete forms. This representation allows the subject to govern actions upon real forms consciously: although the real necessity at stake is not truly known, it is nevertheless possible to act upon the magnitude of the real forms, thus transforming their quantity until this corresponds to that of a qualitatively different form. Its quality itself has thus been transformed.[4]

In turn, materialist dialectical logic takes the same abstract immediate affirmation as the simplest form of real existence.[5] Its only difference is that it represents each of these affirmations as being necessarily united with another one of the same kind which appears as opposed to the former. Thus, the consciousness of the workers is represented as the unity of their free consciousness, on the one hand, and of their alienated consciousness on the other, within the constant struggle between them. Nevertheless, these poles are clearly mutually exclusive. The fact that their free consciousness is the concrete form of their alienated consciousness remains logically inadmissible.

Scientific method as ideology

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[2] Hempel, Carl, *La explicación científica: estudios sobre la filosofía de la ciencia*, Paidós, Barcelona, 1996, p. 220.

[3] Popper, Karl, “La lógica de las ciencias sociales”, in Popper, K, T. Adorno, R. Dahendorf, J. Habermas, *La lógica de las ciencias sociales*, Grijalbo, México, 1978, p. 18.

[4] Hegel, G. W. F., *Ciencia de la lógica*, Solar/Hachette, Buenos Aires, 1976, pp. 291-293.

[5] Joja, Athanase, *La Lógica Dialéctica y las Ciencias*, Juárez Editor, Buenos Aires, 1969, p. 154.

Scientific theory revolutionizes once and again human control on natural forces, based on transforming quantitative differences into qualitative differences with objective knowledge. Its development seems to have no limit other than the conscious control over all the processes that concern human life. Therefore, scientific theory would appear to be the necessary form taken by the conscious organization of the human process of social metabolism. Yet, scientific theory itself has already discovered that this is like trying to walk through quicksand.

As its initial premise is to represent real concrete forms as abstract immediate affirmations, the real necessity that determines them can only go into logical representation by being reduced to the greater or lesser degree that the repetition of the existence of the real concrete form in question could present.[6] Therefore, however the hypothetically postulated determination has been verified by comparing the foreseen results with the real ones in all the cases of similar appearance taken into consideration, this fact does not allow one to be logically certain about the unavoidable extension of the regularity to the singular case now faced, whose realization still remains pending. Therefore, theories cannot be verified previously to the action based on them. Scientific theory seeks for the solution to this impasse by turning the problem upside down: although theories cannot be verified, at least their potential falsity can be proved. Nevertheless, even the certainty about the falsity of a theory dos not solve the problem of having acquired effective knowledge on the actual determination.

Hence, scientific theory itself arrives at a logically unavoidable conclusion: given the external nature of logical representation with respect to the real needs that we aim to appropriate in thought, it is impossible to be certain about an objective knowledge before acting.[7]

The theoretical stream that directly flows from modern Positivism accepts these limitations to the scope of scientific theory -that arise from the externality of the logical necessity with respect to the real necessity that is represented- beyond any doubt. It starts with Popper's self-complacent whining about 'rationally criticizing' what cannot be 'rationally justified nor proved' to have any real content,[8] goes on with Feyerabend's degraded 'everything goes,'[9] and ends up with Rorty's open contentment with his 'objective truth' not for its correspondence with reality but because 'the widest possible intersubjective agreement' has been achieved.[10] Thus, objective scientific truth becomes any assertion that the community of scientists solidarily declares to be such. Why this privilege? Because, it is said, inasmuch as scientists pursue no interest other than knowledge itself, they are the most pure expression of free human subjectivity. Of course, free consciousness is not an abstract natural attribute but the historic specific social relation in which the consciousness alienated as an attribute of capital takes shape.

What alternatives offers us the Marxist theoretical stream, that is to say, the one whose critical position is grounded in taking Marx's texts as the model for logical representation? To begin with, we find the critical scientific theory that counts on overcoming the impotence of theory to reach the certainty concerning its truth thanks to the presumed superior self-consistency of its dialectical logic: while formal logic can only represent the results of determination in general, dialectical logic represents this determination in itself. How does

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[6] Hempel, Carl, op. cit., pp. 233 y 255.

[7] Popper, Karl, op. cit., p. 27.

[8] Popper, Karl, "La lógica de las ciencias sociales" en Popper, Adorno, Dahrendorf, Habermas, *La lógica de las ciencias sociales*, Grijalbo, México, 1978.

[9] Feyerabend, Paul, *Tratado contra el método,* Madrid: Tecnos, 1981.

[10] Rorty, Richard, "Solidarity or Objectivity," *Objectivity, Relativism, and Truth,* Cambridge University Press, Cambridge, 1991.

Marxist theory know this? Because it considers the form in which determination manifests itself once and again as the unity of two opposite elements[11]. Or because it thus acquires a greater range in its 'explanatory power,' in its ability to demonstrate the necessity of the observed phenomena[12]. Nevertheless, in the first place, the self-consistency of logic is unable to add more content of reality to the theoretical hypothesis, other than that of being the formal product of a constructive course developed with a greater or lesser self-consistency. In the second place, not even a step has been given here towards the nature of the general real necessity, beyond its appearance of an abstract repetition. Or, even worst, the certainty concerning the content of reality of a theory is declared possible not by demonstrating the theoretical necessity in reality, but the necessity of reality through logic.

As a second option, Marxist scientific theory accepts that verifying its results is only possible as the foresight of main tendencies[13]. Still, it happens that these tendencies have no way of realizing themselves other than through concrete human action. And the action that realizes a tendency can appear as its very negation, inasmuch as the inverse relation may be possible. Let us recall that, 'all science would be superfluous if the form of appearance and the essence of things immediately coincided.'[14] Thus, the nebulous field that goes from the tendencies that are presumably known to the necessity of the concrete action that realizes them, is consecrated as the kingdom of opportunism, by the critical scientific theory itself.

Marxist critical theory seeks for the solution inside the theoretical procedure itself. It tries to solve the question of the certainty concerning the reality of theories through the immanent critique of theoretical developments.[15] Still, to be such, this immanent critique must follow the logical necessity even more rigorously than the criticized development. Therefore, deep as it may go into a theory, this immanent critique has no way of overcoming the externality of the logical necessity with respect to the real necessity.

Marxist theory does not know if its own impotency must horrify or fascinate it. In both cases it goes on by considering itself free from the hopeless problem of verification. In the first case, because it has decided that its truth criteria reside in its moral foundations, in the elevated aims that guide it.[16] That is to say, it presents itself necessarily constructed on the basis of a philosophy. We come thus face to face with the ideological negation of scientific cognition, i.e., philosophy, placed as the necessary departing point of the scientific cognition of reality. In the second case, this scientific theory directly declares any question concerning the truth or falsity of a theory to be meaningless. It starts by resolving that scientific cognition only deals with the mental forms through which it represents reality, but not with the real forms themselves. Hence, it declares eliminated by nature the necessity to confront the reality of the theoretical construction. From here on, it believes enough with declaring itself the working class' revolutionary doctrine, to sustain its cognitive superiority.[17] Thus, it can only end up by concluding that all which matters concerning a scientific theory is its usefulness towards promoting action.[18] What does not have to matter in the least to accept this complete emptying of scientific cognition, is that the action thus based can be anything but an action aware of its cause. We are dealing with an action that sees itself having no other aims than those it abstractly ascribes to itself.

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[11] Joja, Athanase *La Lógica Dialéctica y las Ciencias* Buenos Aires: Juárez Editor, 1969. Lefevre, Henri *Logique formelle, logique dialectique* Paris: Editions Anthropos, 1969.

[12] Bhaskar, Roy *Reclaiming Reality* London: Verso, 1989. Parekh, Bhikhu *Marx's Theory of Ideology* Baltimore: The Johns Hopkins University Press, 1982. Smith, Tony *The Logic of Marx's Capital* Albany: State University of New York Press, 1990.

[13] Bhaskar, Roy *Reclaiming ..., op. cit.*.

[14] Marx, Karl *Das Kapital*, Vol. III, Frankfurt: Ullstein Verlag, 1980.

[15] Adorno, Theodor *Negative Dialectics* London: Routledge & Kegan Paul, 1973. Gunn, Richard 'In Defense of a Consensus Theory of Truth', *Common Sense,* 7, 1989.

[16] Gramsci, Antonio *Quaderni del Carcere I-IV* Torino: Einaudi, 1975. Habermas, Jürgen 'Teoría analítica de la ciencia y la dialéctica' *La Lógica de las Ciencias Sociales* México: Grijalbo, 1978. Kolakowski, Leszek 'Karl Marx and the Classical Definition of Truth', *Marxism and Beyond* London: Pall Mall, 1969. Korsch, Karl *Marxism and Philosophy* London: New Left, 1970. Murray, Patrick *Marx's Theory of Scientific Knowledge* New Jersey: Humanities Press, 1988.

[17] Althusser, Louis 'The object of *Capital*' in *Reading 'Capital'* edited by L. Althusser and E. Balibar, London: New Left, 1970.

As a last resort, Marxist theory vindicates practice itself as the instance that renders the verification of hypotheses possible.[19] Unfortunately, the realization of this verification presupposes the previous realization of the action. This position implies by itself that there was no way of knowing if the theory was true or false in the very moment that the action was performed; that is, when cognition really matters. Likewise, this fact uncovers the vacuity of the attempt to overcome the impossibility of verification by alleging that scientific theories are not 'predictive' but 'explicative.'[20] Thus pushed beyond any hope, Marxist theory tries to conceal this fact attributing the potential of verification, not to each concrete singular practice but, to an abstract social practice. Theory is verified, we are told, in the historical development of the transformation of reality accomplished by society on its basis.[21] Of course, any other ideological representation, e.g. religion, can make the same claim in its favor.

Of the critical intention merely remains the assertion that, just as the restraints to theory apply to natural science, the limitation of social theory to cognize reality insofar as it exists as a potency will asymptotically reach its resolution under socialism.[22] Or, otherwise, it merely remains the assertion that the very necessity of scientific cognition concerning social forms will be extinguished in socialism, on representing the overcoming of alienated consciousness as the possibility of wholly cognizing these forms in an immediate way;[23] as if socialism were not the supersession of the form of social organization which, in turn, has precisely emerged from the insufficiency of immediate cognition to carry out that organization. Thus, in both cases, the alleged critique even surpasses the modern successors of positivism when the time comes to elude the questions that today emerge in concrete practice from the non-verifiability of theories, by presenting these questions as matters of pure scholasticism.

In a nutshell, the point is that scientific theories cannot go beyond interpreting reality in different ways.[24] They are but ideologies. However powerful an action based upon a theory may be in its mission to transform reality, it is in itself the denial of the action which thoroughly cognizes its own necessity beyond any appearance, insofar as it is based upon an interpretation. No wonder theoreticians themselves end up condemning scientific knowledge, as a consequence of its logical method itself, to the field of 'exhausted utopias', of 'emancipating grand narratives;'[25] or, worse, to the field of the attempts of 'totalitarian domination,' aimed at oppressing human freedom.[26] This happens to the extent that the belief that the ideological determination of all scientific cognition must be taken for granted currently passes for the most unquestionable historically conscious criticism of its present general form.[27]

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[18] Wolff, Richard and Resnik, Stephen *Economics: Marxian versus Neoclassical* Baltimore: The Johns Hopkins University Press, 1987.

[19] Carchedi, Guglielmo *Class Analysis and Social Research* Oxford: Basil Blackwell, 1987. Negri, Antonio *Marx Beyond Marx: Lessons on the 'Grundrisse'* Massachusetts: Bergin and Garvy, 1984.. Thompson, E. P. 'The Poverty of Theory' *The Poverty of Theory & Other Essays* London: Merlin Press, 1981.

[20] Bhaskar, Roy *Reclaiming ..., op. cit.*.

[21] Habermas, Jürgen 'Teoría ..., *op. cit.*.

[22] Gramsci, Antonio *Quaderni ..., op. cit.*.

[23] Cohen, Gerald *Karl Marx's Theory of History: A Defense* Oxford: Clarendon, 1978.

[24] Habermas, Jürgen, "Teoría analítica de la ciencia y la dialéctica" in Popper, Karl, Theodor Adorno, Ralf Dahrendorf y Jürgen Habermas, op. cit., p. 86.

[25] Lyotard, Jean-François, *La condición postmoderna*, Editorial REI, Buenos Aires, 1989, pp. 73 y 76-77.

[26] Durand, Jean Pierre, "Can we make our own history? The significance of dialectic today", *Capital & Class*, 62, 1997, pp. 143-158.

The contradiction is obvious. Any interpretation of a real determination is in itself the denial of the knowledge of that determination that has transcended every appearance; the interpretation of one's own need is the denial of its complete objective cognition. But the general conscious organization of social life entails that the objective knowledge held by each of the members of society about his/her determinations as such, transcending every appearance, becomes the general social relation. Therefore, as much as scientific cognition is condemned to interpretation, so the general conscious organization of social life is condemned to impossibility. In other words, as much as scientific theory is the final form of scientific cognition, so socialism/communism is condemned to impossibility. Even the most blatantly apologetic cretinism of capitalism has nothing further to request: from the mouths of the true representatives of scientific method comes the utterance that this very same method declares that 'the end of history' has been reached, that 'the future is already here.'

In addition, as scientific knowledge has been reduced to an ideological conception whose specificity lies in its repressive and authoritarian power, antiscientific irrationality and fragmented sight begin to earn praise as the liberating resistance that 'desire' opposes to oppressing knowledge[28]. Theoretical representation opposes the very denial of totally free action -i.e., the free interpretation of reality[29]- to the transforming power of totally free action –i.e., of the action that is aware of its own determinations beyond any appearance- as the consummation of human freedom. In scientific theory, ideology manifests itself in the form of its opposite, namely, scientific method.

The reproduction of the concrete in thought, i.e. dialectical cognition

The critique of scientific theory has no way of taking shape in the formulation of a new logical paradigm. In other words, the critique of the current universally dominant science does not take shape in the construction of a new theory, but in the production of a new form of objective cognition that supersedes scientific theory itself. Thus, it is not about conceiving a new representation of reality, condemned by its sole condition as a form of representation to follow a constructive necessity alien to the real one, to follow a logic.

What is to be done then? There is only one step possible: we must face the issue itself of 'what is it to be done' in a radical way; that is to say, we must start by submitting to criticism the determinations of our own transforming action from its very roots, from the determination of our social being, putting everything into question.

The production of the scientific consciousness of the working class concerning its own historic potential is not a mere scientific matter. It is a necessary specific moment of the political action of the working class within in class struggle. As long as the scientific consciousness of the working class remains the prisoner of the same method that operates as the scientific consciousness of the simple production of relative surplus value -namely, of logical representation- it lacks the capacity to uncover that, in the capitalist mode of production, freedom is the concrete form of alienation. Certainly, the working class makes its revolutionary advances based on this consciousness in the process of centralizing capital as a direct social property. Moreover, insofar as this advance necessarily entails the advance in its liberation from the rule of the bourgeoisie, it appears to be the practical confirmation that the theories it uses to rule its action are the product of a purely free consciousness. Nevertheless, the same production of relative surplus value forces forward the continued development of conscious control on social labor. This drives the conscious action of the working class towards overcoming any limitation that could be imposed on that control by stopping short at an appearance. Sooner or later in this process, the working class finds out that it is impossible to continue advancing without uncovering its own free consciousness as the necessary concrete form of its alienation as an attribute of capital. It can only take this step by appropriating its own determination which it achieves by reproducing their necessity in thought. That is, when its action concerning the conscious organization of social labor needs to leave behind it the exteriority of logical representation to govern itself through the reproduction of the concrete in thought.

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[27] Adorno, Theodor, "Sobre la lógica de las ciencias sociales", en Popper, K, T. Adorno, R. Dahendorf, J. Habermas, op. cit., p. 42.

[28] Foucault, Michel, *La arqueología del saber: las ciencias humanas en la episteme moderna*, Siglo XXI, México,1997, p. 23.

[29] Rorty, Richard, *Philosophy and the Mirror of Nature*, Basil Blackwell, Oxford, 1980, p. 208.

At the point when we intend to appropriate in thought the necessity of our action, we are faced with the object of this action as it actually is for us in that moment: something external. We therefore are faced with our object in its immediate exteriority. We overcome the appearance of this immediate exteriority as we advance through the abstract forms of our object. The analysis pertinent to scientific theory separates the abstract forms according to their degree of repetition, therefore stopping at their exteriority. On the contrary, the analysis that is going to support the reproduction of the real necessity in thought separates the concrete form that we face from the necessity that it carries within itself as the other-one whose realization determines it. That is to say, it takes shape by discovering the abstract form (and as such, a necessity to be realized) within its concrete form (and as such, a necessity already realized). Given this form, the analysis cannot cease until it reaches the real form that does not carry in itself an other-one from which its necessity arises, but which is, by itself and not by an other-self, the need to negate itself as abstract existence in order to affirm itself as concrete existence. That is to say, until we face matter simply as such.

The return towards the concrete forms following the analysis that has come to a halt in the externality of the abstract forms unavoidably takes shape in the addition of the non-repeating -and consequently previously excluded- forms to the representation. This process lacks any necessity to follow other than the purely constructive one dictated by its logic. Hence, the inevitable externality of its result with regard to the real necessity that the action aims to realize. On the contrary, the reproduction of reality in thought advances by following the development of the necessity that the simplest abstract form carries within itself. As soon as this abstract form realizes its necessity, i.e., it affirms itself as an abstract form, it negates itself as such an abstract form in order to affirm itself as a realized necessity, i.e., as a concrete form. But this concrete form immediately negates itself as such, by affirming itself as a form that carries in itself a necessity to be realized, i.e., as a new abstract form. Thus, we follow in thought our real object as it unfolds its development. This reproduction of the development of real necessity by means of thought is unable to get to its end before reaching a form whose necessity as a potent power takes our transforming action -determined as an action that has needed to follow this path all along in order to become a conscious action- as its necessary form of realizing itself. That is, the reproduction in question is unable to get to its end until our action can discover its own concrete form as a conscious action, i.e., can discover itself, as the necessary concrete form of the realization of the real potential at stake. Due to the form of its method the ideal reproduction of reality is determined as dialectical cognition.

Science, i.e., the production of the objective consciousness, is thus carried out in a concrete form that immediately corresponds to its content: it has no room for necessities other than those purely inherent to its object. Therefore, when it is developed by the alienated subject, it unavoidably faces the latter with the evidence of his/her own alienation, whichever the appearance of abstract free subjectivity he/she has started from. Hence, the development of scientific cognition as the way of governing the transformation of present society into that of freely associated individuals is the critique of scientific theory.

The science of capital as the pure form of annihilating itself, namely, the science of the working class

The apparent separation between cognition and practice stems from the nature of the historical stage of humanity's development in which the regulation of the process of social metabolism by means of thought - the specifically human regulation of the process of social metabolism - is alienated, turning itself into a concrete form of the autonomous regulation of this process by the production of value. Only in this historical stage can scientific cognition appear denying its true immediate condition as the necessary form taken by the regulation of conscious action. Moreover, scientific cognition can even appear as the very denying of action, as its abstract opposite, in other words, as theoretical cognition. In the very form of its method, that is, as *dialectical cognition*, the reproduction of one's own necessity by means of one's thought immediately shows itself excluding all appearance of externality in relation to the action that it sustains. It shows itself, therefore, as what it is: the regulation of such action, that is to say, a specific portion of this action and, consequently, this action itself. Scientific research thus overcomes all appearance of being the abstract opposite of practice, to affirm itself as *practical criticism*.

Since it begins, unavoidably, by discovering its own historical condition as an alienated consciousness, dialectical consciousness can only be a product of capital inasmuch as the latter needs to annihilate itself through the conscious general organization of the social metabolism. Therefore, dialectical cognition as practical criticism can only arise as the immediate expression of the general interests of the working class; namely, as the expression of the latter's power to abolish itself as a class by constituting the society of freely associated individuals. Only inasmuch as it expresses this necessity is dialectical cognition able to advance upon the immediate concrete forms of the political organization of privately-performed social labor and of the transformation of natural forces into human instruments. Nevertheless, when it does so, it brings to these fields the revolutionary powers it obtains from its very historical reason of existence.

Given its primary determination, the production of dialectical consciousness initially has to take the form of a political action of the working class immediately aimed at this self-same production. Hence -from the viewpoint of capital ideologists, obliged to conceive of any form of scientific production as a process of logical representation- the production of dialectical consciousness seems to begin as a process of abstract theoretical production. Nevertheless, dialectical consciousness can only count on a single object in order to advance, even to take the first step in its development, namely, the action of the working class in its struggle against the capitalist class in order to express the immediate necessities of social capital. Therefore, the concrete object from which the development of dialectical consciousness must needs start in order to produce itself, makes this same immediate end inseparable from the true end of dialectical consciousness in present-day society: the general conscious organization of the action of the working class in the class struggle through which the capitalist mode of production annihilates itself in its own development. Far from being an abstract theoretical production, the production of dialectical consciousness, i.e., the conscious organization of one's action by reproducing its necessity in thought, is always, given the unity of its form and content, a product of the concrete political practices of the working class.

As a concrete form of the general social relation, the conscious organization of social life performed by dialectical cognition is necessarily a task for the collective laborer who is politically delimited by the advance in the transformation of his/her environment into a means for him/herself based on this same organization. This collective laborer only affirms him/herself in his/her unity as such with respect to the process of knowledge as long as all of those members in the collective process reproduce the whole of the necessity of each one's share in the collective action that, as such a member, he/she is going to perform. Consequently, there is no way for the collective laborer to include within itself the separation between the organization and the fulfillment -in a restricted sense- of each action; in other words, there is no way for the collective laborer to include within itself the separation between the knowledge of the necessity of the action and the execution of the action itself. In brief, the action governed by the form of dialectical cognition is the actual abolition of the separation between intellectual labor and manual labor.

Today, the action governed by dialectical cognition is a necessary concrete form of capital. In turn, capital is the very denial of the consciously organized process of social metabolism. Nevertheless, because of its mere objective form, dialectical cognition embodies, as its own necessity, that same necessity inherent in the process of consciously organized social metabolism: the necessity of being the product of freely associated individuals. Though, in the capitalist mode of production, individuals lack any way to become actually free other than by having an alienated consciousness that negates its own alienation; i.e., as the negation of the negation of their freedom. Even as the form of dialectical cognition necessarily determines the social subject able to develop it as an alienated subject which, due to its awareness of its own alienation is therefore free, this cognition makes evident that it is only a power of capital insofar as it bears its own annihilation through the development of the material conditions for the general conscious organization of society as a historical necessity. Only because it is thus determined by its specific form of reproduction in thought of reality as a class product, as the science of the working class, does scientific cognition free itself from any ideological determination.

Marx's advance towards conscious revolutionary action

Marx's *Capital* is in itself the development -performed for the first time and objectified in a way that enables its social reproduction- of the alienated consciousness of the working class that produces itself as an alienated consciousness aware of its own alienation and of the historical powers it derives from it. In *Capital*, this consciousness develops to the point where it reaches its general determinations concerning the revolutionary action of the working class in which the historical powers in question realize themselves, thus producing the material conditions for the conscious -therefore, free- organization of social life.

From Marx on, any process of cognition of this kind concerning social forms over which we need to act in a revolutionary manner is, in what is thus determined as its general part, a recognition process from the social point of view. Still, we can very well say that it is not about *reading Capital*; nor even about *studying* it. The point is to face capital's real forms by ourselves to ideally reproduce them, with the potency we acquire by having at our disposition their ideal reproduction developed in *Capital*. Actually, the development by oneself of this task is the only critical way to recognize the original specificity of Marx's procedure concerning scientific method. Any other way implies an attempt to unfold the real necessity that is present here in a mode external to it; therefore, it implies to represent this necessity.

While he develops the ideal reproduction of capital's necessity, Marx stresses the specificity of the method he has discovered, in his well known remarks on scientific procedure. For instance:

> It is, in fact, much easier to find by analysis the earthly core of religious mistiness than, conversely, from the real relations of life at each moment, to develop their celestial forms. The latter is the only materialistic and, therefore, scientific method.[30]

Of course, Marx's most famous comment on the matter is the so frequently quoted one where he directly describes the research method and defines its result as the reproduction of reality in thought:

> The concrete is concrete because it is the synthesis of multiple determinations, therefore, the unity of diversity. It appears in thought then, as a process of synthesis, as a result, not as a point of departure, although it is the true point of departure, and, therefore, as well, the point of departure of intuition and of representation. In the first path [the analysis], the sheer representation was condensed to abstract determination; in the second one, abstract determinations lead to the reproduction of the concrete by the path of thought.[31]

Nevertheless, Marx does not get to develop the specific difference between this scientific cognition that ideally reproduces the real necessity and theoretical cognition, that only represents it. In other words, he does not get to face this ideal reproduction as the critique - the supersession - of scientific theory itself. This happens to the extent that he refers to his own scientific works and discoveries as being of a theoretical nature. Certainly, in Marx's time scientific theory had not yet got to unfold its ideological determination as an apologetics of capitalism, no longer for its potency but, for its lack of potency to transform nature in full cognition of cause; that is to say, scientific theory did not yet need to boast about its own limits to consecrate the impossibility of the conscious regulation of social life. Marx was then able to advance for the first time in the ideal reproduction of the real forms of capitalist society until discovering its historical character, without confronting the necessity of making explicit the specific difference between that reproduction and theoretical representation, inasmuch as this difference embodies in the form itself of one and the other cognition process. Still, the sole materialization of this advance violently pushes scientific theory towards the exhaustion of its capacity for self-criticism in the complacency with respect to its own impotence. Today, the organization of the conscious revolutionary action of the working class immediately presents the form of the critique of scientific theory.

What does Marxism have to say about the specificity of the method discovered by Marx? We can hardly find a more expressive synthesis than Lenin's non less widely quoted assertion 'If Marx did not leave behind him a "Logic" (with a capital letter), he did leave the *logic* of *Capital*.'[32]

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[30] Marx, Karl, *Das Kapital*, Band I, Ullstein Verlag, Frankfurt, 1980, author's translation.

[31] Marx, Karl 'Einleitung [zu der "Grundrissen der Kritik der politischen Ökonomie"]' *Marx/Engels Ausgewählte Werke*, Vol. II Berlin: Dietz Verlag, 1985, author's translation.

[32] Lenin, V. I. 'Philosophical Notebooks' *Collected Works* vol. 38 Moscow: Foreign Languages Publishing House, 1961.

Let us briefly unfold the point once more. Reality, matter, has the self-affirming by means of self-negation - the necessity of self-determining, contradiction - as its general form. Hence, each natural concrete form (and therefore, each natural form specifically developed as a social one) is the realized necessity of its abstract forms in their becoming, from the simplest one (matter as such), to one that negates itself as such concrete form (realized necessity) affirming itself as a potency (a necessity to be realized). Cognition is the way in which a subject regulates the realization of its own potency as the necessary concrete form of realizing a potency inherent in its environment, by appropriating these two potencies in their virtuality as purely such potencies. The subject of the cognition by means of ideas always starts by facing its object as something external to itself as such subject. Under its simplest form, this cognition reaches the necessity of the subject's own action just insofar as this one virtually manifests itself to the subject's mind as an immediate link between the mutual necessity of the subject and the object. Consequently, such form of cognition does not go beyond the very exteriority of the subject and of its object. It is determined, thus, as *immediate* ideal cognition. This cognition develops into cognition by means of thought when the subject goes beyond the immediate concrete forms to discover their necessity as realizations of their abstract forms. Nevertheless, on performing this advance, the subject comes up, first of all, against the exteriority of the abstract forms themselves; that is to say, the subject starts by ideally facing the abstract forms in what these forms have of realized necessity, under their appearance as purely concrete forms. From which, the appropriation of a real necessity in thought takes its most primitive specific form by ideally placing by itself in a causal relation the real forms (abstract and concrete ones) starting from the way they present themselves to it; that is, by mentally conceiving links among the real forms on the basis of their exteriority; and, therefore, independently from their necessity. Cognition becomes a mental construction that follows a causality alien to the real one: the ideal *representation* of reality. Logic is the scientific general form of this mental necessity. The appropriation in thought of the real forms in their virtuality transcends the exteriority of these forms by ideally accompanying them in the unfolding of their real necessity. In this way, scientific cognition mentally reproduces their real concatenations, thus taking the form of an ideal *reproduction* of reality. This cognition has no way of proceeding other than by making each real concrete form account for the necessity that it carries in itself as an already realized one, and each abstract real form, for the development of the necessity to be realized which it is.

Reality simply is the self-affirming by means of self-negation. Dialectical cognition, *dialectics*, is the method for virtually appropriating this contradiction that reality is, by following its development with our thought. Seen the other way round, dialectics does not belong in reality but in human cognition of reality; or, rather, it belongs in reality, in matter, in what this one takes its specific form of human cognition. This same condition applies to logic. Still, while the former can only take shape following the development of the necessity of a concrete real form, the latter necessarily has to take an autonomous incarnation as a condition for representing any concrete real form. Hence, any attempt to call the ideal reproduction of reality a logic, even runs into a formal impossibility: the absence of an independent body of ideal relations able to receive such a name. To pretend that logic remains effective in the ideal reproduction of reality, it is necessary to abstract it from its formal and historical determinations, turning it into a pure abstraction.

The certainty about the need of a logic to appropriate reality in thought inevitably implies that the real forms are taken as if they were incapable of being the realization of their own necessity, as if life were to be insufflated to them by the cognition process itself. Representations, whether on an idealist or a materialist basis, cannot avoid carrying in themselves this appearance. Let us look at it a little closer. To assert the need of a logical necessity to apprehend in thought any real form means, by itself, to assert that this real form has no necessity of its own to be mentally followed: being there a real necessity, why should we appeal to a mental one instead of just following it through its development, with our thought? Hence, real forms appear as being unable to relate, to move, by themselves at the beginning of the representation process. But they emerge from this process overflowing with relations. Hegel just sticks to this appearance up to its end. He gives logic as its content, that is, as the content of the abstractly ideal necessity, the general form of the development in thought of the real necessity, placed not as the ideal reproduction of matter but as the development of the real necessity itself. Dialectics is thus inverted, appearing as the development of the Idea placed as the real subject that engenders matter. On doing so, Hegel pushed representation beyond its limits. The real necessity was laid there with its strength unchained, ready to be called into action. Naturally, standing dialectics on its feet after such inversion has nothing to do with entering 'matter' where Hegel writes 'idea' and vice versa.

Marx gives a first step in putting dialectics right side up by opposing to the claim of generality of Hegel's logic concept, 'the peculiar logic of the peculiar object'[33]. 'The peculiar logic of the peculiar object' already excludes by itself the possibility for logic to take a general body as the ideal necessity that cognition must follow and, therefore, its possibility to exist by itself. And what can the 'the peculiar logic of the peculiar object' be, but the reflection in thought of the development of the real object's own specific necessity? Nevertheless, Marx still has not completely developed here the distinction between the ideally produced necessity, the logic, that is, the discursive reason, that takes the place of the real causality in the representation and this real causality itself. It happens that Marx has not gone yet beyond the boundaries of philosophy; so much so, that he still identifies the abolition of the proletariat with the realization of philosophy[34]. But, immediately after in the same year, 1844, Marx faces for the first time the economic determinations of capital as the alienated general social relation of present-day humanity. On doing it, he discovers for the first time in history the real necessity of philosophy as a concrete form of alienated consciousness and how Hegel has developed it to its end. Consequently, Marx does no longer criticizes logic for being a general ideal necessity that displaces a peculiar ideal necessity. He criticizes logic for being an ideal necessity itself that displaces the real necessity that has to be followed in thought to rule one's conscious transforming action. That is, he criticizes logic for its very essence as a discursive reason that represents the real reason in thought, as the necessary form in which alienated thought takes shape:

> In turn, the philosophical spirit is nothing but the alienated spirit of the world that thinks inside its self-alienation, that is, that captures itself in an abstract way. *Logic* [the pure *speculative thought*] is the *money* of spirit, the speculative, the *thought-out value*, of man and of nature; its essence that has become completely indifferent to any real determination and which is, therefore, unreal; it is the alienated thought that hence abstracts from nature and the real man; the *abstract* thought.[35]

A little later, in 1847, Marx develops the specific critique of dialectical logic, showing step by step how this 'absolute method' starts from categories (that is, from the ideal representation of the real forms) and unavoidably ends up by representing itself as the one who engenders the real forms (Hegel) or by succumbing to its own contradictions (Proudhon)[36].

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[33] Marx, Karl 'Kritik des Hegelschen Staatsrechts"' *Marx/Engels Werke* Band II, Berlin: Dietz Verlag, 1965.

[34] Marx, Karl 'Crítica de "La filosofía del derecho" de Hegel. Introducción' *Obras fundamentales de Marx y Engels* Vol. I, México: Fondo de Cultura Económica, 1982 ('Critique of Hegel's Philosophy of Right. Introduction').

[35] Marx, Karl 'Pariser Manuskripte 1844' *Texte zu Methode und Praxis,* II, Munich: Rowohlts Klassiker, 1966.

Hegel's inversion is embodied in the form itself of the process of cognition; it is embodied in the conception of this process as a logical one. In fact, to proclaim logic as an inescapable condition for scientific cognition is nothing but to consecrate the idealist inversion, that prioritizes a mental necessity over matter's necessity. To say it once more, the question is not to give rise to a new logic, but to free science from it. Precisely what Marx has done. The claim for a logic in *Capital* is a contradiction in terms. This is something that Marx himself remarks in his comments on Wagner[37]. And, by the way, for the same reason there is not a single invocation in Marx to a dialectical logic, nor to a logic in general, there is not to dialectical materialism, to historical materialism or to other such *categories* either, that can only be used to *conceive* the real materiality and the real history as the corresponding abstractions.

Nevertheless, according to Marxism everything comes down to inverting dialectics again just by turning into a common place the representation of its development accomplished by Marx as its opposite, as if it were the development of a *dialectical logic*.

Engels points out how Marx made clear he was not a Marxist.[38] Considering what they call themselves, we must assume that Marxists can only see in Marx's assertion an expression of insincere modesty, or of his sense of humor, as Althusser wants to.[39] It happens that, opposite to Marx, *they really are* Marxists. As its very name shows, *Marxism* is the conception of the *reproduction* in thought of the specificity of present-day society - originally developed by Marx - as a *representation* of this specificity; and, hence, the representation of dialectical cognition as a *conception of the world*, as *a system of thought*. In brief, it is the degradation of the integral cognition of one's own necessity to *an interpretation* of reality and, therefore, to an *ideology*. The stage is reached where the point is turned into interpreting the world by interpreting Marx in different ways. It is not surprising then, that even though Marxism is always willing to point out the historical nature of capitalism and its concrete forms, the idea that scientific theory is one of these never crosses its mind. It is unable to recognize that, as it is a form of consciousness, scientific method is a social relation and, as such, a historically specific form. As we have already seen, it happens that in scientific theory, ideology takes the form of its opposite, of scientific method.

Thus, like any other scientific theory about present-day social forms, Marxism shows its own necessity insofar as a concrete form of alienated consciousness by representing itself as the abstract negation of alienated consciousness, as an abstractly free consciousness. But here it is where dialectic materialist logic shows the *raison d'être* for its specificity, for representing the simplest real determination, the self-affirming through self-negation, as the unity of two immediate affirmations mutually opposed and, therefore, for representing the existence of the concrete forms as abstractly opposed to their own determination. Marxism does not represent itself just as an abstract free consciousness, but, by invoking dialectical logic, it represents itself as the abstract free consciousness placed by itself as the opposite pole of the consciousness alienated in capital. Marxism does not see itself as being the opposite of alienated consciousness for recognizing itself as a form of existence of capital; on the contrary, it sees itself as the absolute realized negation of capital, as a social form whose necessity is external to capital. From this point of view, capital's historically immanent necessity of annihilating itself in its own development, that determines the working class as the necessary personification of this annihilation, comes down to an action external to that development itself. And, consequently, the performer of this action comes down to an abstract opposite of capitalism that, at best, has its necessity related to this one's as its absolute realized negativity, to the working class that reacts in self-defense against capitalistic misery and oppression.

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[36] Marx, Karl *The Poverty of Philosophy* New York: International Publishers, 1963.

[37] Marx, Karl 'Notes on Adolph Wagner' *Karl Marx: Texts on Method* Oxford: Basil Blackwell, 1975.

[38] Letters to E. Bernstein dated 2-3/11/1882 and to C. Schmidt dated 5/8/1890.

[39] Althusser, Louis, *La filosofía como arma de la revolución*, Cuadernos de Pasado y Presente 4, Córdoba, 1972.

As a result, the revolutionary realization of socialism/communism does no longer appear as what it is, as the realization of the historical necessity of the general regulation of the present-day process of social metabolism (and therefore, as the ruling itself of this process in action), as the realization of the historically own necessity of today's general social relation. On the contrary, the working class' revolutionary action sees its necessity degraded to the realization of 'right', 'justice', or 'equality' as opposed to capitalist 'unnatural' injustice and exploitation;[40] to the realization of the 'dialectics of ethicity';[41] to the 'increase of an internal self-determination or self-morality';[42] to the fact that the mere antagonistic relationship that exists between the exploiters and the exploited in class struggle engenders an abstract accumulation of experience;[43] to the 'autonomy' achieved by class struggle with respect to its determination as the necessary concrete form of the socialization of private labor;[44] to the 'autonomy achieved by the working class' consciousness with respect to capital, be this -in relative terms- by means of the production of a revolutionary 'doctrine',[45] or by means of its 'self-valorization';[46] to the 'democratization' of capitalism through the apparent standoff between an abstractly free consciousness and an abstractly alienated consciousness by means of 'market socialism';[47] to the production of a working class consciousness able to develop itself by itself beyond the exhaustion of the development of productive forces;[48] to the need to avoid 'barbarism' vis-à-vis the mechanical impossibility of capital reproduction;[49] to the resistance of the laboring surplus population in its desperate struggle to survive. In brief, the working class' revolutionary action sees its necessity degraded to a collection of abstractions that cannot but ideologically reflect the alienation of human potencies as capital's potencies, but that are represented as being so naturally eternal that the society freed from all alienation could only be realized through them.

Opposite to this naturalization of an abstractly free consciousness, the point is the conscious organization of the revolutionary action of the working class through which capital realizes its necessity of annihilating itself into the general conscious organization of human life. Therefore, the point is to produce an alienated consciousness that is aware of its own alienation or, in other words, to produce an alienated consciousness, indeed, but one that is only such insofar as it is the negation of the negation of free consciousness. The advance in the production of this consciousness is the concrete political task of the working class that expresses its general historical interests. Moreover, this production is, in itself, the process of the determination of the forms that correspond to the organization of the political party of the working class that directly bears the power of the capitalist mode of production to overcome itself.

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[40] Bernstein, Eduard, *Evolutionary Socialism: A Criticism and Affirmation* (Spanish edition: *Socialismo teórico y socialismo práctico. Las premisas del socialismo y la misión de la social democracia*, Editorial Claridad, Buenos Aires, 1966). Laclau, Ernesto and Chantal Mouffe, *Hegemony and Socialist Strategy: Towards a Radical Democratic Politics*, Verso, London, 1985.

[41] Habermas, Jürgen, *Knowledge and Human Interests* (Spanish edition: *Conocimiento e interés*, Taurus Ediciones, Madrid, 1982)

[42] Mezaros, István, *Marx's Theory of Alienation*, Merlin Press, London, 1986.

[43] Lukács, Georg, *History and Class Consciousness* (Spanish edition: *Historia y conciencia de clase. Estudios de dialéctica marxista*, Editorial Grijalbo, México, 1969)

[44] Holloway, John, "The Great Bear: Post-Fordism and Class Struggle", Werner Bonefeld and John Holloway (eds) *Post-Fordism & Social Form: A Marxist Debate on the Post-Fordist State*, Macmillan, London, 1991.

[45] Althusser, Louis, *For Marx* (Spanish edition: *La revolución teórica de Marx*, Siglo XXI Editores, Buenos Aires, 1968)

[46] Negri, Antonio, *Marx au-delà de Marx*, Christian Bourgois Éditeur, Paris, 1979.

[47] Schweickart, David, *Against Capitalism*, Cambridge University Press, New York, 1993. Roemer, John, *A Future for Socialism*, Harvard University Press, Cambridge, MA, 1994.

[48] Trotsky, Leon, *The Transitional Programme for Socialist Revolution* (Spanish edition: *El Programa de Transición*, Ediciones Política Obrera, Tigre, s/f)

[49] Luxemburg, Rosa, *The Accumulation of Capital* (Spanish edition: *La acumulación de capital*, Editorial, Buenos Aires, 1968)

As Marx shows, the point is not to interpret the world. The point is that the transformation of the world in question is the development of the conscious organization of the process of social metabolism, and, therefore, the supersession of interpretation itself. Above all, the scientific critique of scientific theory is the development of the organicity of the working class' revolutionary action.

Transformations in capital accumulation: From the national production of an universal labourer to the international fragmentation of the productive subjectivity of the working-class

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Juan Iñigo Carrera

1. The starting point

The revolutionary action of the working-class needs to organise itself through the awareness of its concrete determinations. Since we are focusing on a process characterised by international integration and fragmentation, it could seem that the most concrete approach is that circumscribed to the economic policies that prevailed in the different national processes of capital accumulation involved.[1] Still, this approach ends up by bringing down all historically-specific necessity to the immediate action of those that personify capital. Thus, apologetics of capitalism presents national capitalists and state-bureaucrats as the social subjects whose abstract will rules the historical movement.

Opposite to this sterility it could seem that the starting point lies in capitalism's global unity, once this unity is represented as the movement of accumulation regimes, their rise, 'failure' and fall. Still, then, the subject of historical change seems to have vanished, as if this were 'a process without a subject'.[2] Once again, abstraction has displaced the concrete.

It could seem, then, that the answer lies on circumscribing the global unity of accumulation to its concrete manifestation: class struggle. Still, considered in itself, class struggle comes down to a series of confrontations in which, now the working-class prevails and advances, now it is defeated and retreats, at the rhythm imposed by the development of working-class consciousness. Thus, consciousness appears as that which determines by itself the working-class as an historical subject.[3] Even the most concrete form is turned into an abstraction when it is separated from its determinations.

Human natural history consists in the history of the transformation of the material conditions of social life through labour. The development of the human being as a historical subject is but the development of its capacity to act in a conscious and voluntary way over the rest of nature, to transform it into a means for itself. In other words, it is the development of human productive subjectivity. This development is the only concrete materialistic, and therefore the only scientific[4] starting point to produce the consciousness about any historical movement. Therefore, this will be our starting point here, to unfold the concrete determinations of the current transformations of capital accumulation and its present crisis.

Machinery and productive subjectivity

The accumulation of capital based on the production of relative surplus-value through the machinery system transforms the materiality of the labour-process. It gradually ceases to consist in the application of labour-power upon the objects in order to transform them. Rather, it turns into the application of labour-power to scientifically control natural forces and to objectify this control in machinery, in order to automatically apply those forces upon the objects to transform them. Accumulation thus determines in three ways the productive subjectivity of the labourers in large-scale industry.[5] In the first place, it degrades the productive subjectivity of the labourers that still apply their labour-power to the direct transformation of the objects. It simplifies their work, turning them into the appendages of machinery or into detail labourers in modern manufacture. Secondly, it transforms an increasing part of the working-class into a surplus-population, thus directly depriving it of its productive subjectivity. Thirdly, it develops the productive subjectivity of the labourers in charge of advancing and exercising the scientific control over natural forces, enabling them to perform an increasingly complex labour.[6]

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[1] See, for example, World Bank 1993.
[2] Hirsch 1991, p. 12.
[3] Holloway 1991, p. 100.
[4] Marx 1965, p. 373.

Accumulation under its classic national form

The accumulation of capital is a global process in essence, but a national one in form. Let us start with the countries where accumulation presents the concrete national form that most immediately reflects the unity of its essential determinations (hereafter, 'classic countries'): Western European countries and the USA. During the 19th century and through the first three-quarters of the 20th century, capital accumulation presented a noticeable tendency concerning the reproduction - therefore exploitation - of labour-power. The labour-power whose productive subjectivity underwent degradation and the one whose productive subjectivity expanded tended to be reproduced jointly and under relatively undifferentiated conditions. This unity had a general technical basis.

The labourers of degraded productive subjectivity lack the opportunity to develop any skills in their labours. Still, the more complex the collective production processes that include their simplified individual labours become, the more they demand the application of universal productive aptitudes whose development escapes from the mere practice of those individual labours. Likewise, these labourers must be able to adapt themselves to any machinery imposed by technical change. Therefore, capital needs to produce them as universal labourers before they enter production, however degraded their participation in it. And this previous formation needs to be extended inversely to the possibility of developing a particular productive skill in practice and directly to the frequency with which capital forces the workers to move from one task to another. In addition, the intensity of labour imposed by the pace of machines and by the scientific improvement in the manufacturing division of labour requires a shorter working-day.

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[5] As it modifies the materiality of the labourers' productive subjectivity, capital modifies the scope and content of their consciousness. It is not that the labourers' consciousness is functional to capital. Functionality would mean that the labourers' consciousness arises beyond the capital-relation itself, and then, this externally formed consciousness adapts itself to capital's needs. Contrary to this apparent externality, the labourers become really subsumed in capital through the production of relative surplus-value (Marx 1965, p. 510). Even as working-class, they are the attributes of capital (Marx 1965, p. 573), that produces and reproduces them as human beings, ie. as bearers of consciousness (Marx 1965, p. 578). Their consciousness is inverted - under the appearance inherent in circulation that they are free individuals - into the powers of capital, ie. of their own objectified general social relation that has become the alienated concrete subject of social life. The revolutionary action of the working-class is the necessary concrete form in which the above-mentioned constant revolution in the materiality of the labour-processes - that concurrently entails their direct socialisation - develops its necessity to be organised as a direct social power that transcends the boundaries of its capitalist private form. Therefore, this revolutionary action is the necessary concrete form through which the capitalist mode of production realises its historical necessity to overcome itself through its own development by engendering the general conscious organisation of social life.

[6] In *Capital*, Marx developed the first two subjectivities, but he referred to the third one only indirectly (eg. Marx 1965, pp. 386-87 and 508-09). Thus, a gap could seem to appear between the degradation and loss of productive subjectivity and the constitution of the working-class' capacity to consciously organise social life. Yet, in *Grundrisse* Marx presented the latter subjectivity as the one whose materiality directly bears the necessity of capital to annihilate itself through it own development. (Marx 1973, pp. 704-07). In Marx's time, the subjectivity in question was only just starting to develop. Nowadays, accounting for its development is the key to any revolutionary program of the working-class (Iñigo 2000b).

In turn, the production of labour-power that bears an expanded subjectivity is based on the production of a scientifically structured productive consciousness.[7] Therefore, it is based on the expansion of the universality of the labourers' productive attributes. These labourers require a longer universal and particular scientific formation of their labour-power before being able to enter production. However, this labour-power only achieves its complete maturity after several years of being actually applied. In the early 19th century, English capital optimised its valorisation by exploiting workers whose natural lives it exhausted in thirty years. Nowadays, the labourers bearing the most developed productive subjectivity, the scientists, only become mature enough to produce surplus-value when they reach this age. Hence, capital needs to extend their useful-life, to dilute their training costs and to fully exploit their aptitude to perform complex labour. The conditions needed to achieve this extension extend the labourers' natural lives beyond the exhaustion of their productive attributes. Besides, it becomes a cost for capital when the labourers lose their productive aptitude because of illness or circumstantial unemployment. The value of labour-power thus includes pensions, medical assistance and unemployment compensations.

The expansion of productive subjectivity does not lie on the multiplication of either handicraft skill nor physical strength. It concerns, above all, the development of the labourers' productive consciousness. It is about constantly pushing this consciousness beyond the limits reached by the control over the natural forces already objectified in machinery. The point is to develop the capacity of the labourers to make productive decisions by themselves in the name of capital. The consumption of use values that corresponds to the reproduction of this labour-power is consequently determined in quantity and quality. In turn, the intensity of labour involves the fixation of the labourers' attention in the process of productively deciding. This demands a shorter working-day.

Both the materiality of their labour and of their individual consumption reinforce in the consciousness of these labourers the appearance of being free individuals, who dispose of what is their own for an equivalent, in pursuing their self-interest. Hence, that unitary materiality reinforces the appearance through which the exploitation of the labourers as forced workers for social capital, paid by it with the product of their own former unpaid labour, and whose individual consumption is not for themselves but for capital, takes concrete shape in circulation. So much so, that the more these labourers develop their productive subjectivity, the harder they find to recognise themselves as what they are, namely, members of the working-class.

In brief, albeit rooted in the divergence of their productive subjectivity, the reproduction of both types of labourers converges towards a certain degree of relatively common universality.

During the above-mentioned period, the lower birth rate (that corresponds to the transformations in productive subjectivity), plus both the pace of capital accumulation and of the increase of its technical composition, the shortening of the working-day, massive emigration and periodic slaughters in war, ended up giving the local labouring surplus-population a peculiar appearance. It did not seem to transcend being a floating one, on a massive scale. And, in this case, social capital needed to maintain its productive subjectivity to place it back in action in due time. Thus, the illusion emerged concerning capitalistic accumulation having freed itself from its general law: that which makes the accumulation of social wealth in the pole of capital an accumulation of misery and degradation in the pole of the working-class.

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[7] The divergent paths followed by the labourer's productive subjectivity directly reflect the historically-specific determination of the division between manual and intellectual labour when the social powers of labour are developed as the alienated powers of capital in large-scale industry. From the standpoint of productive subjectivity, this division is focused as it directly concerns the labourers' activity as the subjects of the labour process alienly ruled as a valorisation process.

Under these conditions, social capital found it cheaper to undertake the relatively undifferentiated and massive reproduction of the working-class that included the two opposed productive subjectivities. The general political representative of social capital, ie. the national state, was in charge of this task. The reproduction of labour-power thus acquired a specific expression: that of public education, health, pensions, unemployment insurance, housing, transportation, etc. Hence, the labourers reproduced themselves under conditions that individually reached them as an expansion of their equal rights as citizens of the nation. In this way, that which the working-class pays for with its own surplus-labour to reproduce itself as a forced labour-power for capital, and that it necessary achieves by struggling against the bourgeoisie, appeared ideologically inverted as the gracious concessions that the 'welfare state' granted it.

Nevertheless, the inversion of the political forms on the basis of the relatively undifferentiated reproduction of the working-class through the direct action of the political representative of a national social capital reached a further expression yet. It did so as this reproduction converged with the necessity of reproducing the national process of capital accumulation through the centralisation of individual capitals as immediate units of national social capital and, therefore, as state capital. The most developed form of this inversion arose when the centralisation in question needed to reach the totality of the capitals that underwent valorisation within the country in order to start to realise its powers. This centralisation could only take the concrete political form of a social revolution that abolished the domestic private fragmentation of capital. In other words, it presupposed a social revolution through which the working-class and the peasantry expropriated the bourgeoisie and the landlords, and imposed the collective property on capital and land within the national boundaries. Yet, capital has not ceased to be such because it has been thus centralised. It goes on confronting those that are now its owners as an alien power that dominates them. The national state became then, not only its general political representative as social capital, but also the direct agent of its accumulation in production and circulation through its immediate movement as individual capital. Because of its political concrete form, this process realises itself under the appearance of being its very opposite, ie. realised socialism or communism. That is the case of the USSR.

The Appendix shows the evolution of the conditions of exploitation in the UK and the USA during the period considered, concerning real wages, length of the working-day, education and productivity.[8]

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[8] As it could be seen in the Appendix (albeit distorted by the inclusion of productive and unproductive labour for capital in the computation), the productivity of labour has been steadily multiplied throughout the development of great-scale industry. Insofar as this multiplication has taken place in the branches that directly or indirectly produce the means of subsistence for the workers, the values of these means of subsistence have been falling in consequence. Nevertheless, an important part of this cheapening has been sterilised as an immediate source of relative surplus-value. The individual capitals that introduced the technical innovations have appropriated in a normal way the extraordinary surplus-value that emerges from the possibility of selling below the social value but above the individual value, by individually putting into action a productivity higher than the social one. In turn, as the new technical conditions have been generalised and the social value has turned to be determined by them, the means of subsistence for the workers have become cheaper. Still, this cheapening has been significantly compensated by the necessity of a higher consumption of use values to reproduce labour-power with the productive attributes required from it by capital, given its new general technical conditions. At the same time, the increased intensity of labour that corresponds to these new technical conditions has been imposing the necessity to shorten the working-day in a significant way. Therefore, the increase in the surplus-value rate that the constant revolution in the productivity of labour potentially carries in itself has been restricted to the net balance between the cheapening of the means of subsistence, on the one hand, and the increased consumption of means of subsistence and the shortening of the working-day, on the other.

Handicraft skill in the machinery system and workers' political power

Along with the conditions seen thus far, the labourers whose productive subjectivity declines attained political strength from an historically-specific base to impose on capital their reproduction in conditions close to those of the labourers whose subjectivity expands. The labourers' handicraft skill still stood at the very core of the production based on the machinery system, ie. in the production of machinery itself. Capital had not yet freed its valorisation from it. The calibration of the machinery for serial mechanical production remained subordinated to the labourers' handicraft skill. The same happened regarding the assembling process, however much that skill came down to the simplest operations through the manufacturing division of labour. The assembly line was yet not a true machine; the eye-brain-hand unity still ruled the tools.

Concurrently, the scale of capital accumulation placed those labourers together at work in large masses. Furthermore, the very material conditions of their labour process, devoid of content and controlled in an openly coercive way, made them immediately confront capital as an antagonistic alienated power. The sum of these conditions directly gave the portion in question of the working-class the consciousness of precisely being working-class. Consequently, the direct mediation of its subjectivity in the production of machinery became a particularly powerful weapon in its struggle against the bourgeoisie to realise the value of its labour-power. Moreover, it led the reproduction of the rest of the labour-power bearing the same productive attributes but that was placed in a non-central place concerning the general productive structure of large-scale industry.

However, in a violently visible manner since the mid-1970s, the computerised calibration of machinery and the robotised assembly line - finally turned into a machine itself - revolutionised the production of machinery. Upon which, both automations revolutionised the general conditions of capital accumulation based on the machinery system. The productive subjectivity based on the labourers' handicraft skill started to be expelled from the production of machinery. As far as it remained there, it did so only by descending in its degradation as an appendage of the machinery. Conversely, capital needed to strengthen the development of the subjectivity able to advance in the productive control over the natural forces. This control had gone a step beyond as the only resource to increase the productivity of labour and, consequently, to produce relative surplus-value.

Capital thus deprived the first portion of the working-class of its specific source of political power. At the same time, it needed to reproduce the second portion with an expanded capacity to perform complex labour. Thus, capital doubly eased its necessity to produce the two portions under relatively undifferentiated conditions. Moreover, it needed to cheapen one, extend its working-day and shorten its preparation in a brutal way, whilst it needed to take the other down the opposite path. Still, it could not perform this divorce at once. Both portions reached this point coming from a common history: that of their relatively undifferentiated reproduction through the action of the national state that integrates their members as citizens bearing equal rights. It could seem that the national form taken by accumulation rose a barrier against it. Yet, that very form carried the solution within itself.

Latent labouring surplus-population and cheap degraded productive subjectivity

Outside the classic countries, an increasing portion of the peasantry had been displaced from production and transformed into a latent surplus-population by capital accumulation. Its birth rate rose, to enable social survival over the weakened possibilities of individual survival. Thus, capital accelerated the expansion of this surplus-population from both ends.

The international separation between the active labouring population and the surplus one necessarily stems from the realisation of the global content of accumulation through independent national processes. The expansion of the labouring surplus-population to the point of characterising a country expresses the pure development of that content. Yet, capitalism apologetics inverts the relation between global content and national form. On doing so, it presents that expansion as if it were the result of the 'underdevelopment' of capitalism in those countries.

On internationally separating the active labourers from the latent surplus-population, the national form of accumulation politically fragments the working-class. On this basis, capital was able to break the barrier contrived by the history of relative productive universality conquered by the labourers in the classic countries. It did so by technically dividing the processes of production along national borders. The parts of these processes in which the expanding productive subjectivity dominates, tended to remain on this side of the border. On the other, the latent labouring surplus-population was turned into an active labour-power. Albeit, one which basically performed the tasks that require a productive subjectivity lowered to absolute simplification as an appendage of the machinery and as a detail organ in manufacture.[9] The conditions in which this latter part of the working-class was exploited were no longer the concern of the national state where capital exploits the former. Now, they just came to concern the citizens of 'another country'.

Still, not all the latent surplus-population generated beyond the borders of the classic countries was equally apt as a source of labourers bearing a degraded subjectivity.

Capital had engendered a mass of latent labouring surplus-population in Latin America. Nevertheless, it still found it profitable to valorise itself there based on its association with landowners to appropriate the agrarian and mining differential rent. To gain access to this valorisation, capital needs to detach fragments of itself in the classical countries, to put them into action as small capitals of a magnitude specifically restricted to the scale of the internal market, in the countries where the rent is appropriated. Therefore, this modality of valorisation excludes production for the world market - beyond the commodities bearing ground-rent - from the latter countries, and limits the capacity to import from it.[10] Hence, capital waited until this form of accumulation pushed surplus-population a stage forward, before turning it into a source of degraded productive subjectivity nationally differentiated.

In Africa, accumulation had turned former hunters-gatherers, shepherds and farmers of unirrigated lands into latent surplus-population. This population was not accustomed to large-scale collective labour ruled by a central authority. Since it was unfitted for its needs, capital just went on consolidating it as a surplus. Thus, capital even deprives it of its capacity to transform its environment into a means for itself through labour, sentencing it to death.

Quite different was the history of the latent surplus-population in East Asia. Former free peasants, harshly exploited via a strongly structured tributary and rental system, constituted it. This modality of exploitation had its general material basis in the presence of irrigated agriculture organised on a large scale. Hence, these peasants were used to intense, collective and disciplined labour, performed under their immediate responsibility as free individuals, but hierarchically ruled in a general way. Their history made them particularly apt to be transformed into labourers able to function as appendages of machinery and in modern manufacture.

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[9] Fröbel, Heinrichs and Kreye 1980. However, labelling this separation a matter of 'core' and 'periphery' obscures its true content that arises from the differentiation of productive subjectivity. The so-called peripheral labour-power is as 'core' to present-day capital accumulation as any other.

[10] Iñigo 2000a.

The national process of capital accumulation in Japan

The international division of labour according to the type of productive subjectivity prevailing in each country started to resort to the historical attributes of East Asian rural population before automation reached the point of imposing it.[11] The particular origin of Japanese labour-power here comes in. Contrary to the classic countries, the national working-class was not universally reproduced under the conditions imposed by the necessity to expand productive subjectivity. Rather, the expanded subjectivity was able to be produced even under the conditions that simply corresponded to the reproduction of the degraded one.

On this basis, simple labour already started to move from the classic countries to Japan in the 1950s. However, this displacement could not reach the labour that produced machinery itself. The material base that diluted the political strength of the labourers that performed it in the classic countries had not yet developed. The displacement could only start with a type of production where the handicraft skill of the labourers prevailed, but that lacked itself any essential role in the general development of the productivity of labour. Japan became, then, a large-scale producer of apparel and footwear for the world market.

Nevertheless, accumulation moved forward in the classic countries. Productive subjectivity became able to control the microelectronic processes. Then, it was not just a question of producing automatic machines where this control became objectified. It was about producing them by means of equally automated machines. Yet, to automate the calibration of the machinery and to robotise its assembling, the electronic components bearing automation had to be assembled first. Therefore, capital freed itself from the intervention of the labourers' handicraft skill in the mechanical processes of calibrating and assembling at the expense of resorting to a new manual labour process: the assembling of electronic components. This circumstance appeared to counterbalance the political weakening of the working-class in charge of simplified assembly labour. Still, capital had the international division of labour based on the history of each national labour-power at hand.

The assembling of microelectronic components constituted a new operation. Therefore, in the classic countries where the complex labour of research and development started to be performed, a collective labourer that amalgamated the latter with simple assembling labour had not been consolidated at this moment. Potentially, the working-classes of the classic countries could acquire new political strength were that collective labourer constituted within those countries. Yet, this constitution appeared to them as being a decision of capital. Hence, they faced their own potential political empowerment as an alien potentiality. Capital did not need to start by defeating the national unity of the collective labourer in question. It sufficed with putting the assembling of the microelectronic components in the hands of Japanese labour-power of degraded productive subjectivity, which was relatively cheap given its specific history. Furthermore, in Japan, this relative cheapness included the labour-power of expanded productive subjectivity too. Capital utilised the latter to perform research and development that completed the task of the new applied microelectronics collective labourer. This labourer had been finally constituted, based on the Japanese national specificity.

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[11] It has been debated if it is about the social capitals of the classic countries imposing a new international division of labour or about the social capitals of the 'new industrialised' countries imposing themselves on the world market (Jenkins 1984). Both sides invert the necessary national forms through which the generic global unity of capital accumulation rules social production, by presenting them as the unity itself of accumulation.

Nevertheless, the production of automatic machinery includes a task that demands an expanded productive subjectivity plainly reproduced as such. This task involves the mental labour needed to create and develop the logical structures that control the flow of electronic processes itself. Its materiality specifically determines it as the attribute of labourers that reproduce their labour-power under conditions that feed in their consciousness the appearance of being abstractly free individuals. Therefore, it collides against the conditions of reproduction of a working-class whose specific productive powers arise from its immediate historical origin as a peasantry subjected to labour under a hierarchical and authoritarian rule. Furthermore, if this happens concerning the labour applied to the mere development of logical structures, with all the more reason it happens concerning the labour that develops the scientific capacity itself to advance in the control over natural forces, ie. basic science.

In Japan, research and development labour has been mainly aimed at the technological application of science. Such an immediate scope has manifested itself in the social organisation of scientific and technical production mainly through disbursements realised at the risk of individual capitals.[12] Any revolution in the productivity of labour stems from the development of basic science. Its pioneer application becomes a particularly powerful source of extraordinary profit. However, its productive results normally fall beyond the scope of individual capitals. The same occurs concerning the concentrated capital required for its development. Therefore, its general production is necessarily ruled via the direct disbursement of social capital through the state's political action. International fragmentation thus has even concerned the expanded subjectivity itself as the classic countries have tended to monopolise the above-mentioned labour processes.

Thus, by the mid-1970s, capital had already formed the collective labourers in charge of automating the calibration of machinery and its assembling as subjects fragmented by a first international division of the productive subjectivity of their members.[13] Likewise, capital had also internationally fragmented the collective labourers in charge of producing the machinery itself. The productive subjectivity of the labourers that apply their handicraft skill to calibrate and assemble machinery had lost its critical intervention in the production of the machinery system. To the extent that capital continued to need it - and the very same automation multiplies this necessity by simplifying existing tasks and by creating equally simple new ones - it tended to be exercised by labourers reproduced in conditions that strictly correspond to their specific attributes.

Accumulation flourished in Japan, already including the production of machinery, cars, electronic equipment, etc. for the world market. The opposite occurred in the classic countries. The old fixed capital could no longer sustain valorisation. It was not just a question of technical obsolescence. Its inability stemmed equally from being located in countries where the value of labour-power corresponded to its reproduction with the relatively universal material and moral attributes that tended towards the general development of its productive subjectivity. The crisis of general overproduction detonated in the classic countries.

The fragmentation of the working-class within the classic countries

The reproduction of labour-power in the classic countries suffered substantial changes. Crisis threw labourers that worked in the now obsolete conditions into the industrial reserve army. This enabled the bourgeoisie to break the unity of the national working-class regarding the process of determining the value of labour-power. An increasing differentiation in the reproduction of the respective labour-power of degraded and expanded subjectivity replaced the tendency towards a relative universality. The latter tendency necessarily took shape through the political and trade union advances of the working-class. These advances were then expressed through the direct action of the national state that reached the bearers of different labour-powers as citizens bearing equal rights. The reversion towards relative differentiation took the opposite shapes.

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[12] Okimoto and Saxonhouse 1987.

[13] Jang-Sup Shin 1996, p. 113.

Trade union power stepped back, unable to resist capital's charges to intensify the exploitation of the labourers bearing a degraded subjectivity. Of course, capital did not miss the opportunity offered by an increased industrial reserve army, to intensify the exploitation of the labourers bearing an expanded subjectivity too. Thus, while the average real wage (direct plus indirect) arrested its increase, the gap between high and low wages deepened. See the Appendix, particularly for the USA.

The retreat from the relative universality in the reproduction of the labourers of large-scale industry became specifically apparent though the political defeat of the working-class. Through crisis, the national state advanced on that which appeared as the equal rights of its citizens, imposing the individual capacity to pay for as their new expression. The reversion towards the separation in the reproduction of the different fragments of the national working-class took shape through privatisation[14] and the reduction of public expenditure in health, education, unemployment, etc. If capital accumulation appeared thus far as being subjected to the 'intervention' of the so-called 'welfare state', its general political representation now appears as naturally inhering in the 'neo-liberal state' that worships 'the market'. Now the labourers have to reproduce their labour-power on the basis of a wage that individually corresponds to their specific productive subjectivity.

European and American social capital has introduced the differentiation in the conditions of reproduction and exploitation of the working-class even when its members are determined as equal citizens of the same national state. Nevertheless, it has needed to go further in deteriorating those conditions concerning the labourers of degraded productive subjectivity that it requires in the countries where the developed subjectivity prevails. To attain such a differentiation, it has needed to transplant inside the national ambit the separation between the two types of labourers on the basis of their different national citizenship.

In Europe, this differentiated integration has developed through the gradual formation of a new national ambit of accumulation - and hence of a new national state - that starts by integrating formerly autonomous national ambits in a supranational organisation. The European Union includes national working-classes bearing different histories with respect to their productive subjectivity. Under the political form of an extended equality among their citizens, some countries of the union supply relatively cheap labour-power to the capital located in others. At the same time, the relative dissolution of each national unity allows an exacerbated regional and local differentiation in the internal reproduction of labour-power. In the USA, the immediate co-operation of national labour-powers bearing different productive histories has taken shape through free-trade agreements that run over the geographically common borders: the NAFTA.

Above these particular forms, immigration is the consummate path for differentiated national integration. Immigration reproduces national boundaries as a difference of citizenship within the working-class that capital exploits within a country. Capital moves what is a latent surplus-population in its original country, to the country where it needs it as a labour-power bearing a degraded subjectivity that complements the local one, mainly reproduced to bear an expanded subjectivity. Far from acting as an egalitarian factor among the conditions to reproduce one and the other labour-power inside the same country, citizenship rises here as a justification for inequality. The miserable conditions in which the immigrants reproduce their labour-power politically appear as not being the concern of the receiving national state. They are not its citizens. Capital extremes the differentiation by resorting to the two-faced policies of massive illegal immigration. At the same time, racism, xenophobia, religion, etc. develop into the necessary concrete forms taken by the differentiated reproduction of both productive subjectivities within the same country.[15]

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[14] Concurrently determined by capital centralisation beyond national spaces.

These transformations did not fit at all the capital absolutely centralised as a property of the working-class within the USSR. This capital could not detach fragments of itself to valorise them in another country without violently colliding with the appearance - necessary for its general valorisation - of being the supersession itself of the appropriation of surplus-value. Even domestically, this appearance would ha been destroyed by the accelerated expulsion to surplus-population that such a detachment would have meant to the soviet working-class. Essentially, this type of national process of capital accumulation is restricted in its expansion beyond its borders to international trade, regardless if on a free basis or through direct coercion. Likewise, this capital cannot accumulate itself by deepening the differences within the working-class that owns it, violently pushing a part of it into disqualification and pauperism, while at the same time it increases the mass of use values received by the other part. The concentration of capital as a collective property inside the USSR had shown to be such a powerful modality to enhance the national process of capital accumulation as to place it second in the world scale. Still, now its turn arrived to crudely show its own limitations vis à vis the world character of the powers of the capitalist mode of production. It thus went down into a violent process of capital decentralisation and national fragmentation.

As this happened in the classic countries and the USSR, the reproduction of labour-power followed the opposite path in Japan. Accumulation exhausted the latent surplus-population. And the more labour-power becomes the product of accumulation itself, the more the conditions for the reproduction of the individual labourers are ruled by the attributes that correspond to their productive subjectivity as organs of the collective labourer of large-scale industry. The reproduction of the expanded productive subjectivity could no longer be based on the conditions that corresponded to the reproduction of the degraded one. At the same time, the national unity of the process of accumulation imposed the extensive and intensive expansion of the former subjectivity. The conditions for its reproduction became the ones that those corresponding to the degraded subjectivity tended to follow. The Japanese working-class advanced in its political and trade union struggle to improve the sale of its labour-power. See the Appendix.

New sources of latent labouring surplus-population

The automation of machinery and its robotised assembly are processes in constant progress. Consequently, they go on simplifying the labours performed as appendages of machinery and in modern manufacture. Simplified labours can be performed by further unskilled, therefore cheaper, labour-power. At the same time, the increased labour productivity and intensity achieved through them constantly cheapens the commodities produced in the automated plants compared with the similar ones produced by the labourers' handicraft skill. What once was a labour-power cheap enough to counteract the low productivity and intensity it rendered loses this attribute vis-à-vis the once and again increased productivity and intensity of the labour performed by a labour-power that formerly was too expensive. From both sides, accumulation imposes the constant relative cheapening of the labour-power bearing degraded productive subjectivity.

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[15] Apparel industry synthesises this differentiation (Blumenberg and Ong 1994).

As soon as Japanese labour-power became relatively more expensive, capital started searching for a renewed national source of latent surplus-population that it could transform into an industrial army bearing a degraded productive subjectivity. Again, it found the specific history of the East Asian former peasantry to be particularly appropriate. By the late 1960s, the simplest labour processes started to move from Japan to Taiwan, South Korea, Hong Kong and Singapore. Again, apparel and footwear marched ahead.

International fragmentation of productive subjectivity and differentiation in the capacity to accumulate

To internationally relocate production, capital needs to move itself bearing a certain concentration. It must reach in its new location the scale required to compete by producing for the world market. Thus, the accelerated expansion of production had presupposed an accelerated accumulation and individual concentration of capital in Japan. Given this accelerated nature, plus that of being a national process of accumulation that confronted the classic ones on the world market, the unity of individual capitals as the aliquot parts of national social capital became visible with specific immediateness. That is, the Japanese state acted in a particularly visible manner as the direct agent of the accumulation of individual capitals. In turn, the same necessity to accelerate accumulation imposed an immediate unity between industrial and bank capital. Hence, the concrete forms taken by the accelerated accumulation in its unity as a national process became completely apparent in the Japanese case.

When the production based on cheap simple labour expanded to other East Asian countries, the concrete forms of accelerated accumulation shed new light on their specific contents. These contents became the basis on which each national process of accumulation has developed its own specificity. To begin with, in Taiwan, the expansion of production has been characterised by the proliferation of small capitals.[16] The question that must be addressed is why, being about producing cheap commodities in large-scale for the world market, did capital fragment itself into individual units whose restricted scales normally mean higher costs?

Accumulation rules itself by determining individual industrial capitals as aliquot parts of social capital through the formation of the general rate of profit. Only industrial capitals bearing the scale needed to put in action the productivity of labour that determines the value of commodities actively participate in that formation. Industrial capitals that fall behind in the process of concentration are unable to go on autonomously operating as such. They are forced to become capitals lent for an interest. Nevertheless, they can delay this shift. The general rate of profit no longer rules their valorisation in an immediate way, but through the - normally lower - interest rate. Therefore, they can remain active as small industrial capitals insofar as the lower concrete rate of profit that immediately rules their valorisation counterbalances the higher costs caused by their smaller scale. The selling price thus determined cannot exceed the price of production, but the opposite relation is possible. In this case, on selling at the price of production, small capitals would appropriate an extraordinary profit placed above their specific normal rate. Yet, small capitals cannot avoid competing over the extraordinary profit, making it flow to the normal capitals that relate to them in circulation.

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[16] Fields 1998.

In turn, normal capitals cannot compete with each other directly for the extraordinary profit they are thus receiving. They would not only lose it, but mutually destroy their capacity to valorise at the general rate of profit. Hence, the extraordinary profit in question becomes a constantly reproduced inflow for the normal capitals that appropriate it through the concrete circumstances of circulation. For instance, this is the specific relation established between a capital concentrated in the normal scale needed to design a certain commodity and to impose its social necessity through advertising, and the bunch of small capitals that produce it. That is the true content of what political economy inverts by presenting the market-forms as the cause of the different concrete capacities to accumulate.

The cheapening of labour-power is the key to the international fragmentation of the working-class' productive subjectivity. However, for the highly concentrated capitals, it comes together with the extraordinary profit that the direct exploitation of the labourers bearing a degraded subjectivity by the small capitals, frees for them. Besides, because they stand on the edge, small capitalists are particularly appropriate to exercise the merciless exploitation of those labourers. Normal, ie. sufficiently concentrated, capitals reserve for themselves the pretty face of 'human relations'. This is a condition to extract surplus-value from the part of the working-class whose productive subjectivity concerns the conscious control on the natural forces. But what about direct production taking place under miserable conditions, that include physical abuse on children, as the source for 'pretty face' capitals' extraordinary profits? 'That' is not 'their business'.

Still, not all productions based on a degraded productive subjectivity can be competitively performed by small capitals. In large-scale industry proper, the simplification of labour presupposes highly concentrated constant capitals to which massive collective labourers are attached. This happens in the car, heavy-machinery, shipbuilding, steel, etc. industries. Hence, to internationally move these productions in search of a renewed source of cheap labour-power, a concentrated movement of capital has to take place. In this sense, the original centralisation of capital in steel industry and, moreover, of bank capital as national state property is the starting point for the specificity of South Korean accumulation.[17] Small capitals are present too. Yet, capitals concentrated in a scale aimed at competing in the global formation of the general rate of profit prevail.

As we have already seen, the relative cheapness of the expanded productive subjectivity in Japan did not suffice to massively move the complex labour devoted to basic research there. As the simplest labour moved to the continent, the international fragmentation of productive subjectivity cut complex labour in a specific way again. It reached technological research itself. To a certain extent, this part of the labour process did not go beyond Japan.[18] Basically, it is the simple labour applied to production in a restricted sense that moved to the new countries.

When that fragmentation runs between independent individual capitals, it delimits a second difference concerning the concrete capacities of accumulation. Each time a technical innovation rises the productivity of labour, the individual capitals that lead its use appropriate an extraordinary profit. Still, this extraordinary profit disappears as the new technique is generalised. Now, the more the capacity to control the natural forces develops into the general basis of production in large-scale industry, the more the production of this development itself becomes a special branch of social production. The products of this branch bear a peculiarity: that of giving access to an extraordinary profit for the capitals that consume them. This circumstance entitles the capitals of the special branch in question to a share in that profit. Of course, this share vanishes as the new technique becomes generalised. Then, the capitals that consume the innovation have to wait until they exhaust the useful life of the fixed capital where the innovation is embodied, to renew their chance. Oppositely, the capitals whose product consists in the technical innovation itself renew the source of extraordinary profit with every renewal of their production process. The development of the productive subjectivity aimed at controlling the natural forces thus turns into a regular source of extraordinary profits for the individual capitals specialised in it. When sellers and buyers of innovations are systematically separated by an international border, a continuous flow of extraordinary surplus-value from the consuming country to the producer one occurs. Thus, the attempt to produce its own scientific and technological development becomes an immediate condition for the expansion of the national process of capital accumulation in the former. Yet, to achieve that development, the corresponding productive subjectivity must be developed within the country first. And this development normally means a relatively more expensive national labour-power, thus undermining the basis on which the national process of accumulation immediately stands.[19]

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[17] Pilat 1994.

[18] Smith 1997.

Worse still, the prices of the commodities exported owing to the cheapness of the national labour-power present a particular tendency to fall. They become cheaper, similarly to any other, as the productivity of labour increases. But they become cheaper, too, because this increased productivity is put in action by a labour-power that is constantly cheapened through the incorporation of new latent surplus-population. This incorporation reaches Thailand, Malaysia, the Philippines and Indonesia since the late 1970s. This time, electronic components themselves integrated the vanguard. Furthermore, the incorporation of Bangladesh, Sri Lanka, etc followed in the late 1980s. Nevertheless, the conditions of accumulation in the region were truly revolutionised as Chinese latent surplus-population started to function as a cheap source of simple labour to produce for the world market. This incorporation characterised the 1990s.

Chinese latent labouring surplus-population appears as an inexhaustible source of labour-power apt to function as an appendage of machinery and in modern manufacture. The cheapness of this labour-power even contrasts with its primitive cost in other Asian countries. (See the Appendix). This cheapness, together with Chinese labour discipline, have a historical specificity that reinforces the regional one. In China, the process that transformed the peasantry into a latent labouring surplus-population was, at the same time, the process that reconstituted the former centralised national unity of the organisation of social production. This unity is now established through a tendency to the absolute centralisation of capital within the nation, under the necessary concrete political form pointed out with respect to the USSR.

Chinese national social capital thus acquires the specific power given by the ideological identification of the workers with its accumulation. Moreover, any resistance they could oppose to the extraction of surplus-value they are submitted to appears inverted, here, as an attack to the socialist organisation of production. Hence, it appears as a treason to the historical interests themselves of the working-class. The national state charges against the workers' resistance with all the strength it gets from this appearance.[20]

The expansion that national accumulation is thus potentially able to reach, cannot wait for the mere expanded reproduction of existing capital. It demands a massive inflow of foreign capital. At first, the same political form taken by the national process of capital accumulation limited this inflow to foreign credit conceded to state firms. Yet, when the march itself of accumulation dissolved the apparent incompatibility between its national political form and its true content, capital started to flow as foreign direct investment.

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[19] Yun 1997.

[20] Reiitsu 1982, p. 241.

Towards general overproduction by means of the international fragmentation of productive subjectivity

Let us place ourselves in the early 1990s. The international division of labour is no longer simply based on the supply of raw materials to the classic countries, by countries where natural conditions allow a higher productivity of labour. Its contemporary specificity lies in the international fragmentation of productive subjectivity in large-scale industry. Some countries concentrate the exploitation of the labour-power bearing an expanded productive subjectivity. Others mainly concentrate the exploitation of labour-power bearing a degraded productive subjectivity. Finally, a third type of country essentially functions as reservoir of the labouring population that capital has deprived of all productive subjectivity, thus turning it into a consolidated surplus-population. Apparently, the 'globalisation' of production runs over national boundaries. Actually, it stands on their reinforced existence as the basis to cheapen labour-power.

Let us consider the aggregate evolution of West Germany, France, Italy, UK, USA, Japan, South Korea and Taiwan, between 1973 and 1992.[21] These economies synthesise the key to the transformation in the global exploitation of the working-class based on the international fragmentation of productive subjectivity. Gross domestic product at constant prices (that roughly reflects the evolution of material production) rose 68 percent, and total working hours 15 percent. The difference between both rates makes evident the increase in productivity, both concerning production and circulation labour. In turn, average annual hours worked per labourer fell 7 percent. Hence, the total number of employed labourers rose 24 percent. To hell with the disappearance of the working-class! The increase in the number of workers, plus the relative development of productive subjectivity and the exhaustion of agrarian origin as a source to cheapen labour-power, made the mass of real wages (strictly, the real direct plus indirect labour costs) rise 55 percent.

Let us assume that all labour-power at capital's disposal would have been that reproduced in the European and American conditions. To achieve the same increase in production, the number of jobs would have increased 47 percent, and the mass of real wages 65 percent. And notice that we are disregarding the fact that the reproduction of the labour-power in question has not escaped being deteriorated by the actual presence of the differentiation. Thanks to the international fragmentation of productive subjectivity, capital has appropriated a greater proportion of the material product of labour and turned more of the labouring population into a surplus one.

A part of the increased product covered the increase in the technical composition of capital: the mass of means of production and circulation to be advanced per working hour increased 88 percent. Yet, since this increase essentially corresponded to the expansion of fixed capital, an increase of 39 percent in annual gross investment sufficed to cover it. In brief, while production has increased 68 percent, the cost of labour-power has gone from representing 72 percent to representing 67 percent of it. In turn, the part demanded to replace and expand the means of production and circulation has fallen from 25 percent to 21 percent. However much the individual consumption of the capitalist class could have increased, the transformation suffered by the conditions of accumulation has advanced in a defined direction: general overproduction.[22]

This advance towards overproduction has not been an immediate expression of the law of the tendency of the rate of profit to fall. In the USA, the concrete annual rate of profit of social capital rose sharply after its fall during the 1930s, reaching a post-war peak in the mid-1960s, fed by the relatively undifferentiated reproduction of labour-power and the increased productivity achieved through it. Yet, as the value of labour-power started to be determined through the fragmentation of its reproduction according to each productive subjectivity, the capital whose technical attributes and location were associated to the former undifferentiated conditions started to become redundant. Then, the indifference in the reproduction of productive subjectivity started to appear as the cause of the fall of the rate of profit. Yet, it was just the concrete manifestation of the moral depreciation of the capital that corresponded to the former conditions.

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[21] The sources are included in the Appendix.

[22] It is not about underconsumption. In capitalism, everyone consumes what one's general social relation - capital accumulation - rules one should consume; albeit this certainly means zero consumption for the consolidated labouring surplus-population.

Capital started to face general overproduction in the only way it knows: by fleeing directly into it. Credit is the tool for this. Selling on credit to an insolvent buyer creates the appearance that the capital materialised in the overproduced commodities has completed its circuit of valorisation. This appearance allows the renewal of that circuit in a scale expanded beyond the reach of the effectively realised surplus-value, by buying on credit too. As soon as credit reaches maturity, it acquires an independent life. The process of deferring overt general overproduction by expanding it now includes the renewal of mature credits, while interests accrue to unpaid capital. The 68 percent increase in production from 1973 to 1992 has been sustained by a 156 percent real increase in public indebtedness plus private indebtedness with the financial system. From 1992 to 2000, the product increased 26 percent more, at the expense of a 48 percent increase in indebtedness.

The apparently autonomous expansion of credit has a natural offspring, speculation. Credit titles start to function as fictitious capital. Fictitious capital is unable to valorise by itself. Still, here, its profits are fed by the constant flow of part of the unrealisable surplus-value, that constantly enlarge its base. In turn, fictitious capital inflated by speculation turns into industrial capital, thus fuelling overproduction. As capital advanced in the classic countries by exploiting the increase in productivity through automation, and the cheapening of labour-power through the latter's international and domestic differentiation, while at the same time it resorted to the expansion of credit, the rate of profit started to rise (See the Appendix). Yet, the more capital expands production to appropriate the thus increased rate of profit, the faster it advances towards general overproduction.

While the US and the EU entered a decade of expansion, in East Asia overproduction started to be evident despite the continuous expansion of credit. Japanese accumulation had practically exhausted the source of its specific strength (See the Appendix). It delayed an acute crisis of general overproduction, but overproduction goes on reproducing itself with the strength evinced by a continued general stagnation. South Korea, Taiwan, Singapore and Hong-Kong started the decade as the main substitutes for Japan on the world market, based on their relatively cheap labour-power. Still, when China imposed the extreme relative cheapness of its labour-power, overproduction became evident in the former countries.

The overproduction of industrial capital engenders fictitious capital. Or, in other words, unrestrained speculation is but the autonomous way in which the development of general overproduction of industrial capital rules itself. Now the time arrives for the true determination to appear inverted. It starts to seem that the excess of fictitious capital obstructs the accumulation of industrial capital. Still, the true fact is that the mere reproduction of the apparent valorisation of fictitious capital needs to be fed by an increasing flow of surplus-value, while it has gone beyond the capacity of industrial capital to support it with its unrealisable surplus-value. Thus, it seems that the insufficiency of the rate of profit detonates the crisis of fictitious capital. In turn, the latter depresses the capacity to pay and consume. It thus appears as engendering general overproduction by itself, albeit it does but to show that accumulation is approaching the necessity to re-establish its material unity through a general crisis. Now, overproduction does not come down to the existence of capital under obsolete material forms, either for their technology or for their location with respect to the international differentiation of labour-power. Simply, too much capital bearing the modern conditions of production has been produced. The time has arrived for the rate of profit to fall in the classic countries themselves.

Working-class internationalism

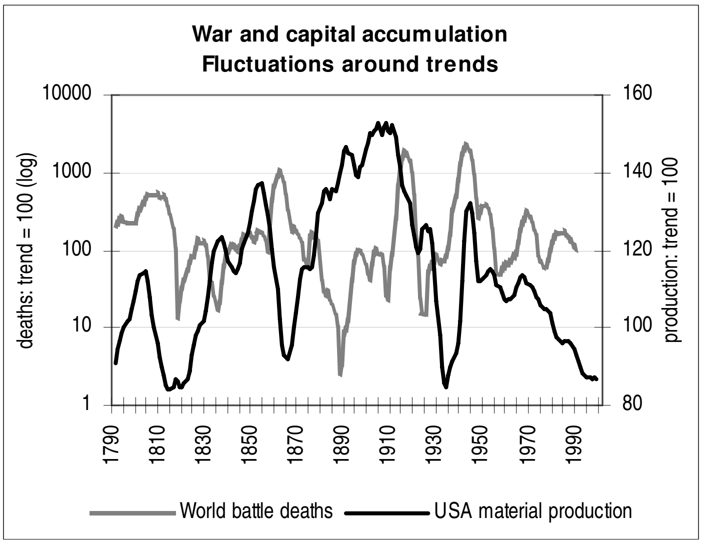
The automation of machinery and the robotisation of assembling are two genuine expressions of the historically-specific powers of labour under the rule of capital. They imply a substantial leap forward in the development of the productive forces of society under the material form inherent in the specific historical role of the capitalist mode of production; namely, through the transformation of labour into a process of collectively developing the conscious control on the natural forces to make these forces act on the objects to transform them. Still, as an alienated product of social labour, this leap forward turns against its own producer, the working-class. Standing on it, capital acts against its historical tendency towards reproducing the labourers of large-scale industry under universal conditions. It does so by internationally fragmenting the corresponding collective labourers, so as to link the different productive subjectivities of its specialised organs to the different historical conditions in which each national labour-power is reproduced.

On this basis, capital reproduces the labour-power whose productive subjectivity it degrades by spending just that which is required according to its specific attributes, thus cheapening it. By so doing, capital increases the rate of surplus-value. However, this increase does not result from developing labour productivity and, hence, the productive forces of society. Worse still, the cheaper labour-power becomes, the bigger the gap that the productivity of labour has to overcome before the machinery that supports it could be put in production. Therefore, the cheapening in question procrastinates the development of social productive forces. Moreover, the resulting lower mechanisation is far from counterbalancing the cheapening of labour-power with an increased demand for it. On the contrary, since the lengthening of the working-day is key to that cheapening, this process entails lower employment. A larger consolidated labouring surplus-population is yet another of its disastrous results.

Through the national form taken by its accumulation, capital divides the working-class into fragments that confront each other as citizens of different national states. This division is the specific political form through which capital differentiates the reproduction of labour-power according to the specific productive subjectivity it requires from it. Moreover, capital profits from the exacerbated international competition it imposes between the national fragments of the working-class through that differentiation. A specific task is thus imposed on working-class internationalism.

It is about forcing the reproduction of labour-power on a common universal basis, whichever its productive subjectivity. Capital cannot avoid reproducing the part bearing the developed one by paying it for its value. Therefore, an universal basis means that this would tend to be the general one. The consequent expensiveness of labour-power bearing degraded productive subjectivity would force capital to accelerate technical development. Hence, capital would be forced to cease avoiding its specific historical role in the development of the material productive forces of society.

The struggle of the working-class for the universality in the reproduction of labour-power has a necessary general political form: that of imposing a global undifferentiated citizenship. Therefore, it is not just about reinforcing international solidarity, but it is essentially about directly advancing towards the constitution of a world state.[23] The political action of the working-class needs to be, as ever, at the vanguard of the abolition of national boundaries. Yet, the general crisis of overproduction, increasingly required by capital to restore its material unity, will violently worsen the conditions of exploitation of every portion of the working-class. Historically, this has acted against working-class international unity. We cannot overlook the fact that capital has relied on generalised war as a key path to finally unleash, and afterwards also to overcome, its general crisis of overproduction:



Source: Iñigo Carrera, Juan, "Crisis, ciclos y tendencia de la acumulación de capital", CICP, Buenos Aires, 2002.

Furthermore, today, the perspective points to capital violently freeing itself from any burden that the consolidated excess of labouring surplus-population - globally distributed through the international fragmentation of productive subjectivity and expanded by the crisis of overproduction - could mean to its accumulation. The concrete forms of internationalist action towards an unmediated global working-class is the core question underlying any political action able to express 'the interests of the proletariat as a whole'.

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[23] Hardt and Negri (2000) claim for a global citizenship brought down to the free international mobility of labour-power. This implies to believe that the national form of capital accumulation - hence national states - could be abolished by abolishing the immigration laws in which that national form itself takes concrete shape. And all this in the name of ethics, ie. of the alienated consciousness who sees itself as an abstractly free one. Contrary to such an idealist fantasy, world citizenship can only arise from the concentration of capital in scales and conditions that go beyond the scope of any national space, thus imposing the necessity of the world state as its general political representative.

Appendix

Table 1

	UK**				USA						Japan				South Korea				China			
	AH/W	GDP/H	LC/H	YE	AH/W	GDP/H	LC/H	GC	YE	RP	AH/W	GDP/H	LC/H	YE	AH/W	GDP/H	LC/H	YE	AH/W	GDP/H	LC/H	YE
1700	3000	1,03	0,66																			
1780	3600	1,07	0,71																			
1820	3800	1,12	0,92	2	3600	0,87	0,51															
1870	2984	2,61	1,71	4	2964	1,80	1,50				2945	0,46										
1890	2807	3,46	2,25	5	2789	2,52	2,18				2770	0,69										
1913	2624	4,40	2,54	7	2605	4,01	3,21		8		2588	1,03										
1929	2286	5,54	3,48	8	2342	5,86	4,42		8	8,3	2364	1,78										
1938	2267	6,02	3,88		2062	6,67	5,28		9	5,3	2391	2,19										
1950	1958	7,86	5,28		1909	11,33	8,42		9	10,7	2166	2,03	3,26*		2200	1,28						
1960	1913	9,69	7,04	10	1830	14,66	11,41		11	9,4	2138	3,82	3,96*	10				3				2
1973	1688	15,92	11,81	9	1764	20,23	15,89	0,31	12	10,2	2042	11,15	8,70	11	2683	3,22	0,94	5				3
1987	1557	22,39	14,22	10	1683	24,16	17,01	0,35	13	8,8	2020	16,46	11,10	11	2705	6,68	2,64	8	2462	1,98	0,20	5
1997	1530	26,32	16,25		1684	27,59	17,29	0,40	13	9,5	1790	22,50	13,98		2436	12,91	6,51		2329	4,00	0,28	
1999	1530	26,95	17,52		1683	28,66	18,12	0,41		10,2	1741	22,93	14,34		2497	13,54	6,51	9	2285	4,68	0.34	

** 1700/80 includes the whole of Ireland.
* Overestimated by the backward projection.

Notation
AH/W: Annual hours per worker.
GDP/H: Gross domestic product per hour worked, in 1990 Geary-Khamis PPP US dollars.
LC/H: Direct and indirect labour cost per hour worked, in 1990 Geary-Khamis PPP US dollars.
GC: Gini coefficient for individual earnings of full-time male workers.
YE: Mean years of formal education of employed population.
RP: Concrete annual rate of profit of social capital (excluding housing).

Table 2

	Total employment (thousands)		Annual hours per employee		GDP (millons of 1990 Geary-Khamis PPP US dollars)			Hourly labour cost (1990 Geary-Khamis PPP US dollars)		Constant capital advanced per worker (1990 Geary-Khamis PPP US dollars)		Gross investment over GDP %		Public debt + private debt with the financial sector over GDP %		
	1973	1992	1973	1992	1973	1992	2000	1973	1992	1973	1992	1973	1992	1973	1992	2000
France	21434	22557	1771	1542	674,4	1030,4	1199,4	11,29	18,83	25839	44942	27,2	19,7	49,0	126,9	148,7
Germany (ex FGR)	27160	29141	1804	1563	815,1	1254,8	1414,3	15,76	27,35	40606	49327	25,3	23,0	82,5	121,6	185,1
Italy	20448	24257	1612	1490	570,2	939,7	1068,7	11,67	20,85	23149	40521	30,3	24,1	122.7	167.2	190,3
United Kingdom	25076	25465	1688	1520	674,1	910,4	1146.0	11,81	15,05	16094	27005	21,9	15,3	86,1	148,1	183,1
USA	86838	119164	1764	1672	3519,2	5510,4	7331,0	15,89	17,34	29655	43182	20,2	15,2	116,9	158,4	179,1
Japan	52590	64360	2042	1876	1197,2	2415,2	2826,5	8,70	12,56	16519	49532	38,1	30,8	142,6	245,6	292,7
South Korea	11140	18376	2683	2478	96,4	436,4	686,8	0,94	4,91	6467	26355	25,6	37,3	53,4	111,0	144,8
Taiwan	5327	8632	2672	2357	56,6	238,8	396,9	“	“	8237	36841	24,6	23,1			

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The Historical Determination of the Capitalist Mode of Production and of the Working Class as the Revolutionary Subject

Juan Iñigo-Carrera

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Prominent Marxist theoreticians conceive the working class as a revolutionary subject based on moral or ethical superiority, a natural will for freedom, self-valorization, the need to avoid barbarism, etc. From a materialist viewpoint, human history consists of the transformation of the material conditions of social life through labor. Capitalism is the historically specific development of human subjectivity by transforming the powers of free individual labor into those of the social labor consciously organized by the collective laborer who privately performs it. Thus, the material product of the labor of the working class increasingly consists of the development of its capacity to scientifically organize production, whereas this capacity goes on confronting it as an alien social power embodied in that same product, that is capital, that falls beyond its control. With its free consciousness thus embodying alienation, the working class carries this absolute contradiction inherent in the socialization of private labor (a contradiction that transcends the contradiction between social production and private appropriation) beyond its limit, until revolutionarily organizing labor as a direct social power. As a historical social relation, freedom is transformed by this revolutionary transformation of the materiality of labor: the absence of personal domination based on the objective consciousness concerning one's own individuality as the bearer of productive social powers annihilates the absence of personal domination based on submitting to domination by the social powers embodied in the product of one's own labor.

Keywords: Consciousness; Freedom; Alienation; Working-class; Revolutionary Subject; Method

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> It is not a question of what this or that proletarian, or even the whole proletariat, at the moment *regards* as its aim. It is a question of *what the proletariat is*, and what, in accordance with this *being*, it will historically be compelled to do.[1]

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The Issue

The last quarter of a century has been shown to be particularly hard on the powers of the working class to change society. There where the working class had expropriated the expropriators, the power it acquired seemed to have turned against itself. This power vanished, leaving behind a working class ready to be exploited once again as an extremely inexpensive source of labor power. Things went no better for the working class in other parts of the world. Defeated time after time, it has seen the deterioration of its working conditions which it won after such fraught struggles. Furthermore, its own political parties have competed with the neoliberals in seeing which was most successful in forcing it to retreat.

The situation did not improve for the working class when, weary of party bureaucrats, it turned for support to the theoreticians critical of capitalism. First, the working class was informed that it had lost its condition as the subject able to transform society, since this transformation was a process without a subject.[2] Then, the working class came to know that the subject had been reinstated, but that it was no longer considered for this role. Far from being the result of the development of universal subjects, social revolution now sprung from the affirmation of a universe of subjects that only had in common their self-vindication as pettily exclusive identities.[3] Furthermore, not only did it have to discover that it was no longer the revolutionary subject, but that it did not even exist: work had disappeared, and so had the working class itself.[4] Later, it emerged that it was not work per se that had disappeared, but the private form in which it was carried out in capitalism. The forced worker for capital was now a 'social worker',[5] and the working class was itself invited to celebrate the loss of all identity and to live the joy of becoming a 'multitude',[6] or a 'civil society.'[7] And what about seizing power? Not even in dreams. The issue, it is claimed, is not

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[1] Karl Marx, 'The Holy Family or Critique of Critical Criticism. Against Bruno Bauer and Company', *Marx & Engels Collected Works*, Volume 4 (New York: International Publishers, 1975), p. 37.

[2] Louis Althusser, 'Preface to *Capital* Volume One', in Louis Althusser, *Lenin and Philosophy, and other Essays*, (New York: Monthly Review Press, 1971), p. 94.

[3] Toni Negri, 'Do You Remember Revolution?', in Toni Negri *Revolution Retrieved: Writings on Marx, Keynes, Capitalist Crisis, and New Social Subjects (1967-83)* (London: Red Notes, 1988), pp. 233–234. Manuel Castells, *The Information Age. Economy, Society, and Culture. Volume II. The Power of Identity* (West Sussex: Wiley-Blackwell, 2010), p. 422.

[4] Jacques Attali, *Millennium. Winners and Losers in the Coming World Order* (New York: Times Books, 1991), p. 101. Jeremy Rifkin, *The End of Work. The Decline of the Global Labor Force and the Dawn of the Post-Market Era* (New York: G. P. Putnam's Sons, 1995), p. 197.

[5] Michael Hardt and Antonio Negri, *Empire* (Cambridge, MA: Harvard University Press, 2000), pp. 409–410.

[6] Michael Hardt and Antonio Negri, op. cit., pp. 53–54, 401–402.

[7] Sergio Tischler, 'La "sociedad Civil": ¿Fetiche? ¿Sujeto?', *Bajo el Volcán*, Vol. 2, Num. 3, Benemérita Universidad Autónoma de Puebla, México, 2001, pp. 176–179.

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about the working class seizing in its own hands the powers of human labor alienated as powers of capital, but that capital itself will be quashed by mere indifference.[8]

And yet there is more. Nowadays, the barest reference to necessity, to a historical *raison d'être*, is a scandal and abomination to many of those that proclaim themselves critics of capitalism. Teleology![9] 'Exhausted utopias'! 'Grand narratives of emancipation!'[10] Or, worse, attempts of 'totalitarian domination'![11] Such are the sentences passed on any scientific recognition that society advances towards a certain direction. Under the umbrella of pluralism and diversity, all potential for social transformation is reduced to abstract 'desire', 'free will', or 'moral superiority', alien to any development of the materiality of the productive forces of society. No wonder theoreticians themselves end up claiming that poetry, religion and science attain equal rights as practical forms of consciousness in transforming all that exists.[12]

Nevertheless, from the point of view of the supersession of the capitalist mode of production the question remains unchanged: what is to be done? Since the aforementioned issues confront the condition of the working class as a revolutionary subject at its very roots, the only possible answer is to tackle the question of what is to be done by the working class in a radical way. This means starting by taking a critical stance in the face of one's own transforming action from its very roots, from the simplest determination of the social being of the working class.

The Social Being of the Working Class: Free Consciousness as the Concrete Form of Alienated Consciousness

Human natural history is the history of the transformation of the material conditions of social life through labor.[13] The development of the human being as a historical subject is nothing but the development of human capacity to act in a conscious and voluntary way upon the rest of nature, in order to transform the latter into a means for human life. In other words, the development of the human being as a historical subject is the development of the human condition as the subject of production, that is, of human productive subjectivity. This development is the only materialistic concrete starting point, and therefore the only scientific one[14] to generate consciousness as regards any historical process.

The capitalist mode of production starts by dissolving any general direct organization of social labor based on relations of personal dependence, thus turning

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[8] John Holloway, *Change the World Without Taking Power* (London: Pluto Press, 2005), pp. 212–215. Michael Hardt and Antonio Negri, op. cit., p. 212.

[9] Roger Chartier, 'L'histoire ou le récit véridique', *Philosophie et histoire*, Paris, Centre Georges Pompidou, 1987, p. 119.

[10] Jean-François Lyotard, *The Postmodern Condition: A Report on Knowledge* (Manchester: Manchester University Press, 1984), pp. 37, 38,

[11] Durand, Jean Pierre, 'Can we make our own history? The significance of dialectic today', *Capital & Class*, 62, 1997, pp. 143–158.

[12] Paul Feyerabend, *Against method* (London: Verso, 1993), p. 249–50.

[13] Karl Marx, *Capital*, Volume I (Moscow: Progress Publishers, 1965), p. 10.

[14] Karl Marx, *Capital*, Volume I, op. cit., p. 373.

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the producers into free individuals. Each concrete element of social labor is thus given the specific form of private labor performed independently from the rest. Then total social labor-power is allocated to its useful concrete forms through an autonomous system. As it is performed in a private and independent way,[15] the abstract socially necessary labor (a simple productive expenditure of the human body in whatever concrete form it is performed,[16] and, as such, a natural condition for human existence whatever the social modality that rules it)[17] acquires a historically specific social form. After it materializes into its products, it appears represented as the aptitude of these products to relate to each other in exchange, thus placing their private and independent producers within a social relationship.[18] That is to say, materialized privately performed socially necessary abstract labor is represented as the value that determines use-values as commodities.[19]

Since they need to generate their general social relationship through material production, the free individual consciousness and will of the producers that privately and independently organize their social labor are subjected to a historically specific determination. They have to submit to the needs that the value-form of their own material products imposes on them. They must act as personifications of their own commodities; they need to produce value as a matter of life or death. Commodity producers are free from any personal servitude because they are the servants of the social power of their products. Whereas it is the will of the producers that completely dominates the private and independent exercise of individual labor, these same producers are in turn completely subordinated to the social powers of the material product of that self-same labor. From the point of view of the participation of private and independent producers in social labor, their consciousness and will matter only inasmuch as they personify the powers of their commodities. The productive power of their social labor stands removed from the producers themselves as an alienated power, as a power incarnate in their commodities. The free consciousness and will of commodity producers is the specific form within which their alienated consciousness and will exist.

Now, at the same time, only because they are submitted to the domination of commodities, human consciousness and will determine themselves as free from all alien personal domination. In the previous modes of production, starting with primitive communism, there were no individuals freed from relations of personal dependency in the organization of their social labor. Those who stop at the appearances of the circulation of commodities believe that their possessors are abstractly free subjects by nature. Nevertheless, human freedom is but a social relation that in its historical development up to today has only existed and exists under the concrete form of not being submitted to relations of personal dependency because one is submitted to the social powers of the product of labor. Hence, the development of freedom has no necessity other than that that could emerge from the development of its very alienation.

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[15] Karl Marx, *Capital*, Volume I, op. cit., p. 42.

[16] Karl Marx, *Capital*, Volume I, op. cit., pp. 38, 44, 46.

[17] Karl Marx, *Capital*, Volume I, op. cit., p. 71.

[18] Karl Marx, *Capital*, Volume I, op. cit., pp. 72–74.

[19] Karl Marx, *Capital*, Volume I, op. cit., p. 38.

Therefore, social production is not directly aimed at producing use-values, but at producing the general social relation itself, that is value. In its condition as the objectified general social relation that represents the privately and independently performed social labor, value takes the substantive form of money. Money represents all the concrete modalities of social labor and, therefore, it embodies the potentiality to set into motion all of the modalities that will act as the starting point of the process of social metabolism. Thus, the organization of social production simply does not start from the alienated consciousness of each free individual putting in action his/her part in social labor. On the contrary, alienated consciousness does but express the necessity of the substantive social relation, which puts in action social labor without having as its immediate objective the production of use values, but the expanded reproduction of the very same substantive social relation. Hence, it is about the valorization of value, about the production of surplus value. Such is the capitalist mode of organizing social production. Capital is but the specific historical form in which the capacity to organize the labor of society gets into action as the attribute embodied in a thing that has been produced by previous social labor, with the immediate objective of producing more of that capacity to organize the labor of society as an attribute embodied in the material product of previously performed labor. Capital thus becomes itself the concrete immediate subject of social production and consumption.

As free independent individuals, wage laborers enter their general social relation as personifications of their only sellable commodity, their labor power. This means that the working class has nowhere from which to obtain any historically specific revolutionary powers other than those it gets from its own general social relation, namely, the production of surplus value. To be precise, the history of the production of surplus value is nothing but the history of the production of the material revolutionary powers of the working class and, therefore, of its revolutionary consciousness and will.

The working class constitutes itself as such through its necessarily antagonistic relationship with capital in terms of selling its labor power at its value. Nevertheless, the development of its revolutionary powers is not limited to the development of the formal subsumption of labor to capital. Through the production of relative surplus labor—that is, making labor power cheaper by multiplying the productivity of the labor that produces the worker's means of existence through a continuous technical revolution—labor really becomes subsumed under capital.[20] Even in their unity as working-class and in their very process of individual consumption, the workers become an attribute of capital.[21] Thus, capital produces and reproduces them as

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[20] Karl Marx, *Capital*, Volume I, op. cit., pp. 509–510.

[21] Karl Marx, *Capital*, Volume I, op. cit., p. 573.

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human beings; that is, as bearers of consciousness.[22] This happens to the point that capital even rules the laws of their biological reproduction.[23] In the circulation of commodities, the consciousness of the laborers appears to be free. In fact, the consciousness and will of the laborers are defined as the necessary concrete forms taken by the alienation of labor's powers as capital's powers, namely, their own objectified general social relation that has become the alienated concrete subject of social existence.

The Capitalist Transformation of the Materiality of Labor and of the Laborer

Capital constantly revolutionizes the material conditions of production in the pursuit of relative surplus value. This revolution is not merely limited to the kind of a necessary large-scale collective process involved in working in mechanized big industry. As the system of machinery is developed, so capital tends to revolutionize the very material nature of labor. Essentially, labor ceases to consist of the conscious exertion of human strength and ability applied on tools in order to make them act upon an object to transform its use value. Rather, it tends to consist of the conscious expenditure of human body applied to the scientific control of natural forces and to the objectification of this control as an attribute of machinery, so as to make those natural forces automatically act upon tools in order to make the latter bring about the transformation of the object.[24]

Consequently, commodity producers are collective individuals (formed by doubly-free workers, both in the sense of not being submitted to anyone's personal domination and of being separated from the means of production required to produce their existence that confronts them as an alien social power) who perform their labors in a private and independent way. As independent private producers, these collective producers have complete control of their individual labor processes, but none at all over the latter's general social character. Therefore, their consciousness and will as collectives formed by free individuals must needs submit to the rule of the social powers of the material product of their labor, that is, capital: they must produce surplus value. The free consciousness and will of the members of the collective laborers are the concrete forms of their consciousness alienated in capital.

Capitalist Universality and Fragmentation of the Workers' Productive Subjectivity

The capitalist mode of production tends to determine laborers as social subjects whose freedom develops as the materialization of their own labor processes—which is governed in an alienated way—necessarily tends to transform them into the bearers

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[22] Karl Marx, *Capital*, Volume I, op. cit., p. 578.

[23] Karl Marx, *Capital*, Volume I, op. cit., p. 643.

[24] Karl Marx, *Capital*, Volume I, op. cit., pp. 386–388; Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy* (London: Penguin, 1973), pp. 704–707, 713–714.

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of a scientific, that is, objective, therefore, free, consciousness that aims to acquire an universal scope. And, as capital moves forward by eliminating the particularities that correspond to the direct application of labor power on its objects from the actual materiality of the labor process, it moves forward by universalizing the attributes of labor power; which means that it moves forward by universalizing the conditions of its reproduction, that is, the attributes of human consumption.

Nevertheless, the capitalist mode of production performs this transformation inasmuch as the conscious organization of social production is, at the same time, the necessary concrete form through which its opposite is able to realize itself. That is to say, inasmuch as conscious organization is the necessary concrete form in which the alienation of the productive powers of human labor is realized under the shape of an attribute of its own material product converted into the general social relation. In other words, inasmuch as it is about the socialization of private labor. Therefore, capital can only develop the universal powers and needs of the subjects of social labor through their opposite, namely, by constantly holding back and atomizing the universality of labor power. By privately socializing labor, capital revolutionizes the materiality of the labor process at the expense of the fragmentation of social labor power by determining the productive subjectivity of the laborers of large-scale industry in three contrasting ways.

Capital first needs to develop the productive subjectivity of the segment of the working class that participates in the collective laborer as the bearer of the latter's capacity to make progress towards universal control on natural forces and towards conscious control on the collective nature of labor. In itself, the development of this productive subjectivity reveals the general trend inherent in the historically specific development of the productive forces of society under the capitalist mode of production. Nevertheless, this does not mean that capital is moving forward without further ado. On the contrary, to begin with, capital itself constantly balances out its own historical general trend, thus turning each advance in the area of control of the natural forces into an objectified attribute of the machine. This means that any form of labor that exerts the aforementioned control becomes simplified, from the manual to the intellectual. At the same time, in the process of expanding its alienated productive subjectivity, the collective laborer broadens his sphere of action by taking charge of his self-coercion and the general representation of capital. The general antagonistic relation between those that personify labor power and those who personify capital permeates the collective laborer and, hence, the working class itself. The individual laborers that are in charge of those tasks appear both to themselves and to others as the very negation of that which they are; namely, members of the class of free individuals that only count on their labor power as a sellable commodity, that is, forced laborers for social capital, members of the working class. Consequently, even the part of the working class determined by capital as the direct bearer of the development of productive subjectivity suffers from the fact that its capacity to become aware of its own orientation as an alienated subject of social production is stunted. Therefore, capital prevents this part of the working class from fulfilling the very historic potential for which it was created by capital itself: the development of the productive forces of society through the objective conscious organization of social labor. This mutilation of objective consciousness—which takes the shape of its opposite, alienated consciousness—can only be embodied in the very form taken by the scientific method that produces it. Hence, it can only arise from scientific method, being, at the same time, the requisite concrete form of its opposite, that is, ideology.

Secondly, the system of machinery degrades the productive subjectivity of the laborers that develop and use their manual skills in the direct process of production. They become mere appendages of the objectified control of natural forces, i.e. appendages of machinery. Their labor is thus continuously disqualified, deprived of any content beyond the mechanical repetition of an ever-increasingly simplified task. Each leap forward made by capital in the process of appropriating natural forces, that is, each leap forward made by the productivity of labor through the development of machinery, means that capital expels this type of laborer from the direct process of production on a wide-scale basis. And it does the same to those detail laborers still bound by the division of labor in manufacturing. It replaces the necessary intervention of their skillful subjectivity in the direct process of production with the objectified capabilities of a machine. Nevertheless, at the same time that each technical leap forward expels this type of living labor in order to replace it with dead labor, it generates a multiplicity of new areas for its exploitation. These areas emerge precisely as a result of this new step in the degradation of the productive attributes of both types of laborers. Consequently, the development of the productive forces of society ruled by the production of relative surplus value through the use of machinery carries within itself its own negation. It does so by multiplying the working population that it needs to reproduce with an ever-deteriorating productive subjectivity rather than by developing its productive subjectivity.

Thirdly, capital accumulation based on the extraction of relative surplus value by means of the system of machinery transforms an increasing part of the laboring population into surplus population with regard to the necessities of capital. Capital is the general social relation of the laboring population, i.e. the general social relation through which the working class reproduces its natural existence. Therefore, to be transformed into a surplus for capital means to be deprived of the capacity to produce one's own natural existence. Thus, capital extracts up to the last trace of productive subjectivity from the laboring surplus population, condemning it to death. In this brutal manner, capital undermines the contribution that growing segments of the laboring population could make to the development of the productive forces of society.

The global unit of capital accumulation realizes itself in the form of independent national processes. This form, itself a manifestation of the private nature of labor, becomes a basis for the fragmentation of the working class according to the differentiation of its role in the development of the productive forces of society.

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becomes a basis for the fragmentation of the working class according to the differentiation of its role in the development of the productive forces of society.

The classic form of the international division of labor is defined centrally by the supply of raw materials for those countries where accumulation assumes its general form from other countries where natural conditions allow for a higher degree of labor productivity in the production and extraction of these raw materials. Consequently, a mass of differential and simple absolute monopoly ground rent flows towards the latter countries. This mass has its source in the surplus value generated by the workers of the importing countries where primary commodities reach individual consumption. Therefore, this surplus value not only escapes appropriation by the individual capitalists from these countries, but also eludes the national process of capital accumulation itself. Then, these national economies set out to recover for themselves the largest part possible of the rent in question. Historically, they have done so in two ways. Both of these have been in association with the landowners from those countries where the rent is appropriated, and which share it out as a condition for their own emergence and reproduction. The first way in which the surplus value in question returns is through the foreign public indebtedness of the country that benefits from the flow of rent to the country in which it originates. This debt accrues interest rates that are significantly higher than normal rates. The second set-up, which has been in force largely since the 1930's crisis onwards, consists of the countries from which ground rent flows outwards being able to recover it by investing industrial capital in the countries where it ends up. Nevertheless, they do not do so in order to carry out production in these countries on the normal scale required to compete in the world market, but only to operate in the countries on a small scale, which corresponds to their domestic markets. These capitals then balance out the negative effect that their restricted scale has on the generation of surplus value by appropriating part of the ground rent through *ad hoc* state policies. At the same time, the same capitals add to this valorization base, (a) the re-use of machinery that has become obsolete in their countries of origin as the scale required to compete in the world market has evolved; (b) the profits that flow to the capitals in question from the local small capitals through the relationship to be presented below and, more importantly; (c) the purchase of the local labor power below its value. The national segment of the working class is thus doubly deprived of its capacity to take part actively in the global development of the productive forces of society. Such is the content of the national processes of capital accumulation in question, albeit the ideological inversion of this content under the label of 'import- substitution industrialization'.[25]

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[25] This approach is opposed to the theories of underdevelopment, unequal exchange, dependency and imperialism. The Argentine case is a paradigmatic example of this specific national form of capital accumulation. See Juan Iñigo Carrera, *La formación económica de la sociedad argentina*, Vol. 1 (Buenos Aires: Imago Mundi, 2007), pp. 41–85.

While this form of international division of labor reproduces itself continually, a new form of the same kind of division arises that gives it contemporary specificity. This new form is directly based on the international fragmentation of the productive subjectivity of the laborer in large-scale industry dedicated to production on the world market scale. This fragmentation arises principally from the robotization of the assembly line and the computerized adjustment of machinery. These processes have a two-fold effect on the productive attributes of the laborers. On the one hand, they increase the level of complexity of the labor required to develop control over natural forces and to develop the conscious organization of collective labor; and on the other hand, they simplify to an extreme the manual task of assembly as well as the manual labor, and even the intellectual one, which operate as appendages of machinery. The development of electronic data communications and of transport adds to the counter-movement taken by developments in productive subjectivity.

Through this new development in the international division of labor, global accumulation takes shape through the constitution of a limited number of nations in which capital tends to foster the type of work that expands the productive attributes of the laborer. Capital accumulation determines a second kind of national space as the location for the productive processes that essentially require a labor force whose productive attributes have deteriorated, as it has been determined as a surplus laboring population that is either latent or stagnant. Finally, the global unity of capital accumulation brutally turns other countries into mere repositories for a consolidated surplus laboring population, which it deprives of all productive subjectivity. On the surface, it would appear that the 'globalization' of the production process of industrial capital erases national frontiers. In fact, it rests on the strength that such frontiers have to further cheapen labor power.

In turn, the national differentiation of the laborers' productive attributes is enhanced by the relationship between normal capitals, which prompt the productivity of labor corresponding to the formation of the general rate of profit, and small capitals no longer able to afford to reach that level of productivity. These small capitals have been left behind in the development of labor productive forces. Nevertheless, they continue to produce by balancing their higher production costs against being valorized at the lower profit rate corresponding to the interest rate they would receive if they went into liquidation and they convert this into loan capital. Nevertheless, the sales price set by the compensation arising from higher costs balanced against a lower normal concrete profit rate can fall below the price of production set by the formation of the general profit rate. In this case, the small capitals in question would benefit from an extraordinary profit, well above that corresponding to their normal concrete existence as industrial capitals. However, these capitals cannot avoid competing among themselves for that extraordinary profit, and so it flows away from them in the direction of the normal capitals directly linked to the small ones in circulation. Thus, the former multiply their capacity for accumulation, thanks to the subsistence of small capitals that lack the capacity to

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develop society's productive forces.[26] This source of profit for normal capitals accrues greater power as small capitals are particularly suited to exert the ruthless exploitation of the labor force whose productive subjectivity is undergoing deterioration, all the more so when this labor force makes up the greater part of the country's laboring population.

Based on these national differentiations, capital acts against its historical tendency towards the universalization of the conditions in which it reproduces the laborers of large-scale industry. It does so by linking the different productive subjectivities of the specialized organs making up the collective laborer to the different conditions in which each national labor power is reproduced. Hence, the intensified international competition imposed on the national segments of the working class adds to its capacity for exploitation. The issue concerning the kind of unity required by the working class to tackle its double fragmentation by capital—based as much on the differentiation of productive subjectivity as on the international division of labor—is at the root of the issue concerning the forms of consciousness capable of organizing political action.

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The Historical *Raison d'Être* of the Capitalist Mode of Production

The development of the productive forces of society through the increased socialization of private labor, that is to say, the reproduction of the capitalist mode of production, takes concrete shape in the negation of this self-same development through the mutilations that it necessarily carries out on the productive subjectivity of the whole of the laboring population. The concrete form in which the capitalist mode of production develops the productive forces of free labor is sufficient proof that this is not the ultimate social form taken by development. It is a specific historical modality that carries within itself the need for its own overcoming.

The transformation of the nature of labor and of the producer of commodities highlights the historical reason for the existence of the capitalist mode of production: the transformation of the productive powers of free individual labor into the productive powers of collective labor consciously organized by the same collective laborer that performs it, under the contradictory form of the development of social labor as private labor. It is about a labor whose product confronts its own producers as the autonomous bearer of the capacity to put in motion the labor of society and, therefore, as the bearer of a social power alien to them that exerts domination on them. This immanent contradiction of the capitalist mode of production is that which makes it bear in itself the need to supersede itself by engendering the general conscious organization of social production through its own development.

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[26] This modality taken by the normal equalization of the profit rates under the concrete form of their permanent inequality based on the subsistence of small capitals in activity is the true content of that which political economy inverts when it explains the differences in the concrete capacities to accumulate by the market forms. This inversion goes from the Neoclassical theory of 'imperfect competition' to the theory of 'monopoly capital.'

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The Centralization of Capital as the Alienated Property of the Working Class

The advance in the socialization of private labor necessarily takes shape through the centralization of capital, that is, the convergence of individual capitals in direct unity as the total capital of society. It is in the context of political action, which is to say, when it directly expresses the powers of social capital, that the working class embodies the direct socialization of private labor. The revolutionary action of the working class is the necessary concrete form in which the aforementioned constant revolution in the materiality of labor—which at the same time entails its direct socialization—develops its need for being organized as a directly social power that transcends the limits of its private capitalist form. Therefore, this revolutionary action is the necessary concrete form in which the capitalist mode of production fulfills its historical need to supersede itself through its own development.

The path is set by the working class taking into its own hands its alienated general social relation, i.e. the working class appropriating social capital. This is a task that can only be undertaken by centralizing capital as state property.[27]

The complete socialization of private labor, that is the absolute centralization of capital as the property of a global state, is the necessary course of the political action of the working class as the highest form of the development of the productive forces of society in the capitalist mode of production. Nevertheless, this is not its real end. Indeed, a process of capital accumulation where the complete fulfillment and control of the labor process were in the hands of the wage laborers and capital was the collective property of these same laborers under the necessary modality of state capital, would be the most developed form of the alienation of human powers as capital's powers. In it, the separation of the laborers from their means of production would be complete, which is to say that the laborers would be directly confronted with these means—that is, without needing to be mediated by the figure of the capitalist—as an objectified autonomous power not only alien to them but also one to which they would be completely subordinate.

The Conscious, therefore Free, Organization of Social Life

The private character of labor, plain and simple, means that the free consciousness that organizes each unit of social labor is deprived of the capacity to control its own social scope. This scope confronts it in an inverted form as the social power that its product—capital—imposes upon it to embody the general unity of social labor. Insofar as free consciousness necessarily personifies the social power belonging to its product, it is determined as an alienated consciousness.

In its complete development, the free consciousness bearer of alienation directly takes form in the materiality itself of the labor process. At this point, work materially consists of applying a scientific consciousness—that is, one that is objectively aware of its own determinations and, as such, one that advances asserting its freedom—to develop control on the natural forces in order to objectify them in machinery, namely, to multiply the capacity to organize the process of social metabolism. Nevertheless, that same product, i.e. the multiplied capacity for organization, confronts its producers under the specific social form of surplus value. That is, it confronts its producers as an alien social power that belongs to the material product of their labor and to which their objective consciousness itself is submitted. It is about an automatic organization of social life in which human labor consists of the development of the capacity to consciously control that very organization, simultaneously having as its immediate object the multiplication of the capacity to automatically organize social life beyond the consciousness of its producers.

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[27] Karl Marx and Frederick Engels, *The Communist Manifesto* (London: Penguin, 2002), p. 243.

The absolute limit to the capitalist development of the productive forces of society lies in this negation of the complete domination of the very powers of social labor. Therefore, the ultimate capitalist barrier to the development of productive forces lies in the mutilation imposed on free consciousness by its determination as the form of existence of alienated consciousness. The overcoming of this barrier necessarily entails the annihilation of private labor as the way of organizing social labor, thus giving birth to the general conscious organization of the latter.

This step forward in the development of productive forces thus takes a specific material concrete form. Namely, it takes the form of a social revolution in which the material subject of this development, i.e. the working class, does not limit itself to the annihilation of the bourgeoisie by transforming capital into an immediately social property. It annihilates capitalism itself, and, by doing so, annihilates the general political representative of capital, that is, the state. And by anihilating capitalism, the working class reaches its own end. The new general social relation takes shape in the consciousness and will by means of which the laborer directly determines him/herself as an individual organ of social labor. Freedom is no longer about not being subject to the personal domination by another at the expense of submitting to domination by the social powers that belong to the product of one's own labor. Now, freedom consists of not submitting to the personal domination of another because one holds complete sway over the social powers of one's own labor. It has developed as the complete objective consciousness concerning one's own individuality as the bearer of productive social powers. Therefore, it is about the general conscious organization of the process of producing social life. Free consciousness, i.e. free individuality, has become the general social relation.[28]

The historically specific revolutionary powers of the working class to overcome the capitalist mode of production do not arise from the realization of 'right', 'justice', or 'equality' as opposed to capitalist 'unnatural' injustice and exploitation;[29] nor from the realization of the 'dialectic of the moral life';[30] nor from the 'increase of an

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[28] Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy*, op. cit., p. 156.

[29] Eduard Bernstein, *The Preconditions of Socialism* (Cambridge: Cambridge University Press, 1993), p. 141. Ernesto Laclau and Chantal Mouffe, *Hegemony and Socialist Strategy: Towards a Radical Democratic Politics* (London: Verso, 1985), pp. 180–181.

[30] Jürgen Habermas, *Knowledge and Human Interests* (Boston: Beacon Press, 1971), p. 61.

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internal self-determination or self-morality';[31] nor from the fact that the mere antagonistic relationship that exists between the exploiters and the exploited in class struggle engenders an abstract accumulation of experience;[32] nor from the 'autonomy' achieved by class struggle with respect to its determination as the necessary concrete form of the socialization of private labor;[33] nor from the 'autonomy achieved by the working class' consciousness with respect to capital, be this—in relative terms—by means of the production of a revolutionary 'doctrine',[34] or by means of its 'self-valorization';[35] nor from the 'democratization' of capitalism through the apparent standoff between an abstractly free consciousness and an abstractly alienated consciousness by means of 'market socialism';[36] nor from the production of a working class consciousness able to develop itself by itself beyond the exhaustion of the development of productive forces;[37] nor from the need to avoid 'barbarism' or 'catastrophe' vis-à-vis the mechanical impossibility of capital reproduction;[38] nor from this mechanical impossibility itself;[39] nor from the resistance of the laboring surplus population in its desperate struggle to survive.

Each of these reasons presupposes that working-class consciousness imposes itself—on its own account—upon the actual determination of the social being of the working class as an attribute of capital. Therefore, they are all idealistic inversions to which the materialistic point of view must be opposed. The capitalist mode of production is nothing but the form in which society develops its material productive forces by means of the accelerated socialization of free labor (i.e. by means of the generation and advance of the conscious organization of social labor performed by the direct producers themselves) by aiming for the multiplication of that socialization as the immediate object of social production and consumption. Therefore, this form of the organization of social production takes action directly aimed at reproducing the same mode of organization in a qualitatively and quantitatively expanded scale. Hence, its specific need to revolutionize the very materiality of the labor process, transforming it in the exercise of human faculties to submit natural forces to their conscious control exerted as a direct social power. Yet, for that reason too, the direct producers are presented with the product of their own social labor as an alien power that dominates them; that is, as the very denial of their conscious organization of social labor, which is to say, as capital. Therefore, the capitalist mode of production constantly revolutionizes the materiality of the labor process in a way that entails the necessary overcoming of its own reproduction. Only because it is completely determined as an attribute of its own alienated material product, and as it cognizes itself completely in this determination as the necessary form of the advance in the conscious socialization of labor, the revolutionary action of the working class is today the complete expression of liberating action.[40]

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[31] István Mészáros, *Marx's Theory of Alienation* (London: Merlin Press, 1986), pp. 188–189.

[32] Georg Lukács, *History and Class Consciousness* (Cambridge, MA: The MIT Press, 1971), p. 76.

[33] John Holloway, 'The Great Bear: Post-Fordism and Class Struggle', in Werner Bonefeld and John Holloway (eds) *Post-Fordism & Social Form: A Marxist Debate on the Post-Fordist State* (London: Macmillan, 1991), p. 100.

[34] Louis Althusser, 'Theory, Theoretical Practice and Theoretical Formation: Ideology and Ideological Struggle', in *Philosophy and the Spontaneous Philosophy of the Scientists & Other Essays* (London: Verso, 1990), pp. 1–42.

[35] Antonio Negri, *Marx au-delà de Marx* (Paris: Christian Bourgois Éditeur, 1979), p. 182.

[36] David Schweickart, *Against Capitalism* (New York: Cambridge University Press, 1993). John Roemer, *A Future for Socialism* (Cambridge, MA: Harvard University Press, 1994).

[37] Leon Trotsky, *The Transitional Program & the struggle for socialism* (Sydney: Resistance Books, 1999), pp. 23–24.

[38] Rosa Luxemburg, *The Accumulation of Capital* (London: Routledge and Kegan Paul, 2003), pp. 366, 466–467. Georg Lukács, *History and Class Consciousness*, op. cit., p. 282.

[39] Henryk Grossman, *The Law of Accumulation and breakdown of the capitalist system* (London: Pluto Press, 1992), pp. 619–620.

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The Consciousness of the Working Class as the Negation of the Negation of Free Consciousness

The need inherent within the capitalist mode of production to develop itself towards its own overcoming into the general conscious organization of social production immediately presents us with the process of the development of consciousness. A consciousness able to organize the totality of the process of social production must have attained the power inherent in the fullness of objective knowledge, that is, it needs to be a completely free consciousness. Nevertheless, it cannot reach this condition as an offspring of the previous overcoming of the capitalist mode of production. On the contrary, this overcoming is the offspring of the complete development of free consciousness. Therefore, complete free consciousness must necessarily be the most genuine product of the capitalist mode of production itself. More concretely yet, it must needs be the product of the social subject that the capitalist mode of production objectively determines as the bearer of its own overcoming, resulting from the same process in which the subject undertakes this overcoming. In a nutshell, the consciousness in question can only be developed as the product of the political action of the working class in the process of overcoming the capitalist mode of production. This action takes, as its necessary concrete form, the advance in the socialization of private labor by means of the centralization of capital as an alienated social property, which is to say, as the property of the state. The consciousness of the working class able to overcome the capitalist mode of production can only be developed as a concrete necessary moment of the aforementioned process of capital centralization.

Yet, the consciousness of the working class is determined as an attribute of capital and, therefore, as a form of alienated consciousness. Above all, the free consciousness of the working class is the necessary concrete form of its alienated consciousness. Hence, it is the negation of free consciousness under the appearance of being a free consciousness. Therefore, the consciousness that bears the overcoming of the capitalist mode of production cannot be developed as the abstract affirmation of

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[40] Frederick Engels, *Anti-Dühring (Herr Eugen Dühring's Revolution in Science)* (Peking: Foreign Languages Press, 1976), p. 144.

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the free consciousness of the working class. It can only be developed as the free consciousness of the working class that determines itself as an alienated consciousness advancing in the denial of its own alienation. That is, as a consciousness whose freedom resides in determining itself as the negation of the negation of free consciousness.

The production of the scientific consciousness of the working class concerning its own historical potential is not an abstract scientific matter. It is a specific moment necessary to the political action of the working class in the class struggle.

Capital's needs concerning scientific cognition face a contradiction. To increase relative surplus value by means of the system of machinery, capital is compelled to submit all production and consumption to science. Nevertheless, insofar as scientific cognition is simply a concrete form of the production of surplus value, science must reproduce the alienation of human consciousness in capital. At the same time, it has to be an objective consciousness, it needs to be a consciousness that looks upon itself in a non-objective way by accepting the appearance of being an abstractly free consciousness. For this reason, it is about a science that needs to appear as if the foundations of its objectivity were rooted outside itself. These foundations must appear to arise from a pure abstractly free subjectivity, as if they were based on a philosophy,[41] grounded in turn on the appearance of free individuality inherent in the circulation of commodities.[42]

Logical representation is this contradiction solved. It starts by basing its objectivity on the conception of real concrete forms as if they were empty of any necessity to be realized and, therefore, as unable to affirm themselves through their own negation. Thus conceived as lacking any potentiality to get into motion by themselves, and consequently expelled from science even the very question about the possibility of apprehending in thought their necessity by ideally following it in its real development, thought can only place them into relation by imposing an external constructive necessity upon them; that is, logic: 'Logic—mind's *coin of the realm*, the speculative or *mental value* of man and nature—its essence which has grown totally indifferent to all real determinateness and hence unreal—is *alienated thinking*, and therefore thinking which abstracts from nature and from real man: *abstract* thinking.'[43]

Thus, logical representation is able to conceive free consciousness as the abstract opposite of alienated consciousness. Moreover, it could even conceive consciousness as the externally contradictory unit between free consciousness and alienated consciousness, these being two opposite poles. But it excludes from the field of scientific knowledge any possibility of discovering free consciousness as the necessary concrete form of alienated consciousness, since such relation violates any logical consistency.

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[41] Carl Hempel, 'The Theoretician's Dilemma', in H. Feigl, M. Scriven and G. Maxwell (eds.), *Minnesota Studies in the Philosophy of Science*, Vol. 2 (Minneapolis: University of Minnesota Press, 1958), p. 83.

[42] Karl Popper, 'The Logic of the Social Siences', in T. Adorno, H. Albert, R. Dahrendorf, J. Habermas, H. Pilot and K. Popper, *The Positivist Dispute in German Sociology* (London: Heinemann, 1976), p. 96.

[43] Karl Marx, 'Economic and Philosophic Manuscripts 1844' in *Marx/Engels Collected Works*, Volume 3 (London: Lawrence and Wishart, 1975), p. 330.

Given the external character of the constructive necessity followed to conceive in thought the real concrete forms with respect to their proper one, logical representation itself arrives at the logically unavoidable conclusion that it cannot produce the certainty of an objective knowledge before acting.[44] Therefore, scientific theories based on logical representation are recognized by their own producers as necessarily stopping at appearances and, therefore, as being unable to go beyond interpreting reality in different ways.[45] They are but ideologies based on each one's philosophy. In logical representation, ideology manifests itself in the form of its opposite, namely, scientific method.

Marx opposes the 'reproduction of the concrete by way of thought'[46] to logical representation. Reproducing the concrete by way of thought implies that the course taken by the progression of ideas must follow the development of the necessity inherent in the actuality of the real concrete upon which action is going to be performed. Therefore, the movement of thought cannot introduce any necessity alien to its real object, nor force a conceptual point of departure. It can only start by accounting for the necessity of the simplest form presented by its object. That is, dialectics on its feet. Science, namely, the production of the objective consciousness, is thus carried out in a concrete form that immediately corresponds to its content. Therefore, when it is developed by the alienated subject, it unavoidably faces this subject with the evidence of his/her own alienation, whichever the appearance of abstract free subjectivity he/she has started from.

Since it begins, unavoidably, by discovering its own historical condition as an alienated consciousness, this consciousness can only be a product of capital inasmuch as the latter needs to annihilate itself through the conscious general organization of the social metabolism. Therefore, dialectical cognition as practical criticism can only arise as the immediate expression of the general interests of the working class; namely, as the expression of the latter's power to abolish itself as a class by constituting the society of freely associated individuals. Only inasmuch as it expresses this necessity is dialectical cognition able to advance upon the immediate concrete forms of the political organization of privately-performed social labor and of the transformation of natural forces into human instruments. Nevertheless, when it does so, it brings to these fields the revolutionary powers it obtains from its very historical reason of existence.

As long as it remains the prisoner of the self-same scientific method that operates as the objective consciousness capable of producing relative surplus value while seeing itself in a non-objective light, namely, of logical representation, the scientific consciousness of the working class is unable to discover that, in the capitalist mode

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[44] Karl Popper, 'The Logic of the Social Siences', op. cit., p. 104.

[45] Jürgen Habermas, 'The Analytical Theory of Science and Dialectics', in T. Adorno, H. Albert, R. Dahrendorf, J. Habermas, H. Pilot and K. Popper, *The Positivist Dispute in German Sociology*, op. cit., pp. 160–161.

[46] Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy*, op. cit., p. 101.

of production, freedom is but the concrete form of alienation. Therefore, it weakens itself within its own historical powers, for it sees itself as an abstractly-free consciousness. Nevertheless, as the very process of capital accumulation imposes the development of direct control over the social character of labor, it follows that the conscious action of the working class needs to move towards overcoming this appearance. It needs to leave behind the exteriority of logical representation in order to rule itself by means of the reproduction of the concrete in thought, that is, by means of dialectical cognition. Marx's *Capital* is, in itself, the development (carried out for the first time and given a form that allows its social reproduction) of the alienated consciousness of the working class that produces itself as an alienated consciousness aware of its own alienation and of the historical powers it derives from it. In *Capital*, this consciousness unfurls to the point where it reaches the general determinations that relate to the revolutionary action of the working class in which the aforementioned historical powers are fulfilled inasmuch as they produce the material conditions for the conscious, and thus free, organization of social life.

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Capital's Development into Conscious Revolutionary Action

Critique of Scientific Theory

Juan Iñigo Carrera

Buenos Aires
1993

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CENTRO para la INVESTIGACION
como CRITICA PRACTICA
(CENTER for RESEARCH as PRACTICAL CRITICISM)

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Content:

- *The point is to change it.*
- *Green is the tree of life.*
- *Gray is the theory ...*
- *The historical nature of scientific theory.*
- *Dialectical cognition; i.e., the regulation of action in its form of the reproduction of one’s own necessity in thought.*
- *Marx’s advance towards conscious revolutionary action; Marxism’s retreat to ideology.*
- *Appendix*

Capital's Development into Conscious Revolutionary Action
Critique of Scientific Theory [*]

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The construction of the community of the freely, i.e., consciously, associated individuals is the most genuine critique of the present social organization. Does critical scientific theory, the scientific theory that sees itself as the direct expression of free consciousness vis à vis the general alienation of consciousness in capitalism, appear today living up to this social necessity?

Since that construction can only take shape in the development by each individual of the complete cognition of his/her own real necessity, it annihilates by itself any utopia. Likewise, it annihilates by itself the alienated forms in which the autonomous regulation of the process of social metabolism through the production of value takes shape. It thus annihilates the apparent individual independence as the form of the general social interdependency, to begin with; and, therefore, it is about the annihilation of moral and justice. Still, if the redemption of utopias and the conceiving of moral and justice as the foundations of the necessity of social transformation have a champion today, critical scientific theory is it. At the same time, critical scientific theory has not ceased to externally relate the general regulation of the process of social metabolism - i. e., the general social relation - with the concrete forms through which this regulation realizes itself. Only on this basis, it can go on uncritically representing the social regulation that takes shape in the national accumulation process of the capital that is a wholly collective property within this national ambit (and therefore, as much capital for the whole of the working class, and as much private capital, for the working class of the rest of the national ambits, as any other) as the realized supersession of capital, i.e., realized socialism or communism. Or, seen the other way round, only on this basis, critical theory can go on representing the brutal forms of the alienation of human potencies as capital's potencies in which this process takes shape, as abstract deviations, treason, bureaucratization, external constraints, lack of democracy, authoritarian vices, etc., of socialism in its realization.

Still, what other answers can we expect from critical scientific theory to the renewed demand for a conscious revolutionary action? Let us consider one that is particularly eloquent: 'Philosophers neither interpret nor change the world; science, whose cognitive autonomy philosophy is charged with protecting, does the former in order that the latter may one day be possible.' This is the way in which 'it is now ... necessary to emend' Marx's 11th thesis on Feuerbach, according to M. Sprinker[1]. Most, not to say all, Marxists will certainly agree that this 'emendation' is an attempt to emphasize the critical aim of the statement with which Marx gave way to his scientific discovery of the specificity of present-day society. Some Marxists will certainly object the appeal to philosophy or the frailty of the 'may one day be possible.' Yet, at worst, they will take Sprinker's emendation just as an unhappy attempt to rephrase Marx's thesis; never as an attempt to alter its core. For, Marxism unanimously assumes as being self-evident that the problem with philosophers is not that they interpret the world, but that they do not take action once they have achieved this interpretation. Moreover, Marxism has always postulated that the point is to scientifically interpret the world to face immediately after, on the basis of this interpretation, its conscious transformation. Still, is it the point? What change are we talking about?

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[*] This is a synopsis of the book I am working on. See Appendix for its scheme. Its first chapter, *Dialectical cognition; i.e., the regulation of action under the form of reproduction of self-necessity by thought*, has been published by the *Centro para la Investigación como Crítica Práctica* (*Center for Research as Practical Criticism*).

[1] Sprinker, Michael 'The Royal Road: Marxism and the Philosophy of Science', *New Left Review*, 191, January/February, 1992.

Green is the tree of life

Above all, life is a process of metabolism, the process where a subject appropriates its environment to produce itself. As such, the living subject carries in itself the capacity for regulating its process of metabolism. That is to say, it is able to cognize the potentiality of its own action and of its environment, so as to control the self-consumption it must undergo in the process of producing itself. Undoubtedly, a long way runs from the capacity for, and form of, regulating itself inherent in a DNA molecule to those inherent in the most developed animal species. Nevertheless, all of these living forms center their capacity for transforming their environment from alien to a medium for themselves and, specially, their capacity for advancing in this transformation, in their capacity for transforming themselves, in their capacity for mutating their own bodies adapting them to the environment. By developing its capacity for transforming the environment into a medium for itself, not mainly by mutating its own body to adapt it to the environment, but by transforming the environment itself, a specific animal form turns itself into the generic human being. In other words, to be generically human imports the capacity for producing one’s own means of living and, consequently, the capacity for producing the means of production of these means of living. The cognition of one’s own potentiality with respect to the medium’s potentiality, i.e., the regulation of the human process of metabolism, extends in a generically correspondent way the degree of foresight it needs to reach.

Human life is a process of social metabolism. Still, this process has no way of realizing itself other than in the process of metabolism of human individuals. Since it is a process of social metabolism that has the individual process of metabolism as the necessary form of realizing itself, the regulation of the former process is the organic unit of the latter ones. In other words, the regulation of the process of social metabolism realizes itself as the social relation among its members; it is the social tissue, so to speak. Since it is itself a concrete form of that collective process, this regulation is necessarily shaped in the action of each of its members. As it happens with any regulation of this kind, the regulation of this process takes shape, above all, in the cognition by each individual of the point reached by the unfolding of his/her process of metabolism and of the corresponding processes of the other individuals that interact with him/her. This cognition is thus the way in which each individual integrates the flowing of the corresponding portions of her/his individual process of metabolism with those of the rest. Naturally, the process of cognition is developed by each individual as a moment of his/her own process of individual metabolism.

The regulation of the human process of social metabolism, the general social relation among human beings, has the purely animal immediate cognition as its historical starting point. At least according to its length, the greatest part of human history up to today is the history of the transformation of this animal relation into the regulation by means of the cognition of the point reached by each individual process of metabolism through direct personal relations. Obviously, human cognition by means of ideas develops along this transformation as rudimentary forms as rudimentary is the complexity of the process of social metabolism that it regulates and, hence, which produces it.

Still, however much human cognition by means of thought might have been developed and however little somebody might know concerning the historical specificity that determines the current form of the human process of social metabolism, nobody would claim cognition is the general regulator of this process today. In other words, it is obvious that our general social relation - the allocation of society's total labor-power among its different concrete forms and the coordination of the individual process of metabolism - does not take shape through the process of cognition of the social necessities.

The absence of a general coordination through cognition in the allocation and development of social labor determines individuals as private independent producers. Insofar as purely such, they have no way to get into relation by themselves to incarnate the process of social metabolism. To begin with, these producers do not retain any general social relation other than that of being individual personifications of society's total capacity for performing productive labor. This total labor-power is, as such, the capacity for performing human labor in general. The realization of this capacity under the mass of its different concrete forms is, thus, the development of the general social relation among the private independent producers.

The human process of social metabolism goes into motion by itself. It does so carrying the cooperation among its members beyond their capacity for - mutually recognizing each other in the development of their respective individual process of metabolism - directly coordinating these processes as moments of the process of social metabolism. The process in question determines itself as the autonomously regulated human process of social metabolism; that is to say, the process in which society allocates its total labor-power among the different concrete modalities of labor by representing the socially necessary abstract labor embodied in the products of the concrete labors carried out by the independent private producers, as the capacity of these products for relating among themselves in exchange. The general social relation that rules the process of metabolism that is able to produce its own medium takes the form of *commodities*; and the socially necessary abstract labor in that way represented, becomes *the value* of commodities. In commodity production, material production produces, at the same time, the general social relation. The private producers lack any direct general social relationship among themselves. They must act, and consequently see themselves, as being mutually independent. They come to face their general social interdependency only through the mediation of their material products. Therefore, this relation appears to them as an attribute inherent in the material form itself of these products, as a fetishistic social relation.

Commodities develop themselves insofar as the concrete unit of their natural form, use-value, and their specific social form, their value-form. In this development, the exchangeability of commodities negates itself as simply such, to affirm itself as the direct exchangeability only of the commodity that all of them detach as their general equivalent, money. From here on, commodity production realizes its necessity by taking the production of this general representative of value, the production of the general social relation in its substantive manifestation, as its general object.

Social production as a production of value transcends itself, realizing its necessity by producing more value by means of value itself, by transforming money into capital. As an accumulation of means of production and means of subsistence for the laborers that opens its productive metamorphosis, capital submits living labor to its necessity of valorizing itself. This is no longer a production of use values regulated by the condition of these as values. It is not even a production of use values which is only a means for the production of substantive value. This is a production of value in itself that yields as its result the production of use values and, hence, of human beings. This happens to the extent of determining as productive, no longer the labor that transforms the environment into a means for itself, not even the one that produces value, but only the labor that produces surplus-value. Capital, materialized labor and, as such, a means for the human process of social metabolism, has taken possession of the generic potentialities of this process. Capital thus presents itself as the alienated incarnation of the generic human being. The product of social labor, a material product that is at the same time the materialized form of the general social relation, has transformed itself into the concrete social subject. From being a formally fetishistic material form, this product thus faces its own producers as the one which produces them, as a real fetish, so to speak.

Whether they like such an alienation of their generically human potencies or not, the bourgeoisie and the proletariat cannot but personify these potencies which now belong to capital. Capital is itself the one that produces and reproduces human beings giving them the concrete forms of the bourgeoisie and the proletariat, on realizing its necessity as a process of simple valorization by transcending into the reproduction of this process. The simple reproduction of capital develops into the process of capital accumulation. Relative surplus-value affirms itself as the general concrete form of this process. As such, its simple form (the increase of labor's productivity in the spheres that directly or indirectly produce the means of subsistence for the wage-laborers) becomes a double determination to the transcendence of the process of capital accumulation from being simply itself.

Above all, the reproduction of the increment in the productivity of labor takes its general concrete form in the increased concentration of the masses of capital individually put into action. And this concentration clashes against private property of capital; not just with particularly restricted forms of this property, but with it in itself. In turn, the reproduction of the increase in the productivity of labor takes its equally general concrete form in the submission of all aspects of production to science; the reproduction of the simple increase of relative surplus value, in the same submission concerning consumption. From which, capital, our specific social relation, carries in itself the necessity of annihilating its historical concrete base, as well as its historical reason of existence; that is, private property in general, as well as the insufficient development of human capacity for consciously ruling its process of social metabolism. In brief, capital carries in itself the necessity to annihilate itself, as its own potency. Since it is empty of any immediate necessity other than the purely quantitative of increasing its own value, capital cannot find a qualitative limit to its valorization process inside itself. It cannot find this limit even in its own impotence as a concrete form of the human process of social metabolism that emerges from the negation of the potencies of the conscious regulation of this process. Hence, from its very root, capital carries in itself the necessity of acquiring the most brutal forms in the exploitation of human labor to satisfy its insatiable hunger of surplus-value. Still, from here, its specific historical potency to drive itself beyond its own limits also arises.

As capital accumulation advances in the concentration of the scale of individual capital and the scientific organization of production and consumption, it transcends the narrow base of private property, already in what this directly personifies in the bourgeoisie the general organization of that process. Capital thereby deprives the bourgeoisie of its historical *right* to exist. At the same time, it determines the very working class from whose surplus-labor it feeds itself, with the mediation of developing it as a collective laborer, as its own general personification. This personification does no longer enclose in itself limitations to its condition as such. Therefore, it is the most genuine concrete form of the process of capital accumulation. And, as such concrete form, it is the working class who carries in itself the necessity of personifying the annihilation of capital. This annihilation is, in itself, that of social classes. It is the annihilation of the bourgeoisie, straightway; no wonder why the bourgeoisie resists it with tooth and nail. But, in this same annihilation, the working class realizes its own necessity, negating itself absolutely as such, certainly, to affirm its potencies as the human potencies of the freely associated individuals; that is to say, of the concrete subjects of the human process of social metabolism that consciously regulate this process on cognizing, each of them, their own determination as such subjects. It is about the supersession of capitalism in the third main step in the historical development of human society, i.e., realized socialism or communism. However alienated in capital this revolutionary potency may be, or better stated, precisely for being such alienated potency, it shows itself as the working class' own potency. And, as the point is the general organization of the process of capital accumulation, the production of the present general social relation, it shows itself as a potency that has the political revolutionary action of the working class as its general concrete form of realizing itself.

Gray is the theory ...

Since its birth, scientific theory has not ceased to increase its potency to transform reality. We can see it today advancing through a renewed deep revision of itself. Once again, it is multiplying its transforming capacity over real forms that were beyond the scope of human conscious action. Apparently, its development has no limit other than the conscious control over all the processes that concern human life. Therefore, scientific theory apparently is the form that the conscious regulation of the human process of social metabolism necessarily takes. Yet, scientific theory itself has already discovered that it moves in quicksand.

As any scientific theorist can tell us, a scientific theory is, above all, a *representation* of reality in thought, by means of ideas. As such representation, all scientific theories result from a constructive process carried out in thought, following a necessity inherent to this process itself, i.e., a *logic*. Theory takes the chaotic mass of real forms that present themselves to analysis and represents these forms by placing them in the general relation dictated by logic. Beyond this point, the complete agreement among theorists breaks off. Today, most of them consider that representation must follow, given the nature of its object, a *formal* logic. Formal logic (even as fuzzy logic) conceives real determination - i.e., transformation - as an abstract immediate affirmation. Confronting this main-stream conception, critical theorists appeal with no less strength to *dialectical* logic. Dialectical logic represents real movement by the interpenetrating, by the antagonism (simple or over-determined), the relative autonomy, of opposites.

Theorists do not agree either concerning how theories take shape in scientists' minds. For some, a theory results from a careful observational process upon reality. For others, it bursts from the sole scientist's mind. And there are those who consider that a theory can only truly arise in a direct relation with practice.

Regardless of the differences theoreticians may have concerning logic's form or the source of their theoretical production, their initial coincidence is wholly reestablished as soon as they complete their constructive courses. They all start from the conviction that scientific cognition naturally takes form in the formulation of theories. Now, once they are formulated, theories immediately appear to them as what they are: as mental constructions that do not carry in themselves any real necessity other than the necessity imposed by their logical coherence. Thus, theories cannot go beyond being the formulation of hypothesis about the reality that exists in potency. Strictly followed, the method itself of theoretical cognition makes evident by itself the irreducible externality of its product, the ideal representation of real concatenations, with respect to these ones' necessity. This evidence is the evidence of the equally irreducible externality between scientific theoretical cognition and scientific cognition's own generic aim (i.e., the regulation of the real appropriation of the means of human life, the regulation of action, under the form of an ideal appropriation of the necessity of this action).

Theories thus face their *moment of truth*. They must prove their correspondence with reality, if they are true or false. To formulate a theory is in itself to represent a real necessity as *a regularity* (even if this regularity is no other than the absence of regularity). From the viewpoint of scientific theory, the question is to reach the certainty about the presence of the hypothetically postulated regularity in the singular case upon which action is going to be taken. Let us assume that the hypothetically postulated determination has been verified by comparing the foreseen results with the real ones in all the cases of similar appearance taken into consideration. Nevertheless, this fact does not allow one to be logically certain about the unavoidable extension of the regularity to the singular case now faced. Therefore, theories cannot be verified previously to the action based upon them. Scientific theory seeks for the solution to this impasse by turning the problem upside down: although theories cannot be verified, at least their potential falsity can be proved. To do so, it suffices with finding one previous singular case from which the postulated relation has been absent. When this happens, the regularity of that relation with respect to the case now faced can be put into question. Still, this circumstance does not allow one to go any further concerning the original problem. Although one can establish the falsity of a hypothetical relation in each case submitted to proof, nothing logically allows one to be sure that this relation will not arise, from the new case at stake on. Still, above all, although it could free one from mistakenly believing that one knows reality, even the certitude concerning the falsity of a theory would leaves one as lacking that positive cognition as one was.

In addition, the scope of scientific theory does not appear only limited by the relation of its results with reality. Gödel's theorem presents scientific theory as having a limit to its scope in its logic itself. Even in the specific field where the limitations to verification naturally do not come in, mathematics, scientific theory has already shown its frailty. If it tries to build mathematics by coherently following the development of formal logic, it arrives at Russell's insoluble paradox. If it tries to avoid this paradox by axiomatically ruling it away, it cannot even justify such a spurious procedure through its success: it ends up backfired by Skølem's and infinite regression paradoxes. At the same time, modern scientific theory represents the measure of the necessity which actually exists as a possibility that relates with itself in its realization, through chaos theory. In it, reality's nature itself apparently places an absolute limitation to the certainty of scientific cognition.

The theoretical stream that directly flows from modern Positivism accepts these limitations to the scope of scientific theory, that arise from the externality of the logical necessity with respect to the real necessity that is represented, beyond any doubt. It starts with Popper's self-complacent whining about 'rationally discussing' what cannot be 'rationally proved' to have any real content, goes on with Feyerabend's degraded 'everything goes,' and ends up with Rorty's open contentment. Post-Modern theory has its own existence determined by the social necessity to theoretically assert, as an absolute truth, the impotence of any scientific cognition to overcome theoretical incertitude. Yet, what alternatives offers us the scientific theory that sees itself as the genuine criticism of Positivism?

To begin with, we find the critical scientific theory that counts on overcoming the impotence of theory to reach the certainty concerning its truth thanks to the presumed superior self-consistency of its dialectical logic: while formal logic can only represent the results of movement in general, dialectical logic represents this movement in itself. How does critical theory know this? Because it considers the form in which this movement manifests itself once and again as the unity of two opposite elements[2]. Or because it thus acquires a greater range in its 'explanatory power,' in its ability to demonstrate the necessity of the observed phenomena[3]. In the first place, the self-consistency of logic does not add more content of reality to the theoretical hypothesis than that of being the product of a constructive course developed with a greater or lesser self-consistency. In the second place, not even a step has been given here towards the reason of the general real necessity, beyond its appearance of an abstract repetition. Or, even worst, the certainty concerning the content of reality of a theory is declared possible by appealing to an absurd sort of inversion of the proof: the point is no longer to demonstrate the theoretical necessity in reality, but the necessity of reality through logic. In both cases, the necessity of contrasting the result theoretically predicted against reality remains untouched. In fact, all the question has come down to contrasting the representation's most abstract form, its logic, with the concrete real forms. This attempt to overcome the limitations to the reach of scientific theory does nothing but to renew them.

Critical scientific theory steps backwards. It now accepts that verifying its results is only possible as the foresight of main tendencies[4]. Still, it happens that these tendencies have no way of realizing themselves other than in concrete human action. And the action that realizes a tendency can appear as its very negation, inasmuch as the inverse relation may be possible. Let us recall that, 'all science would be superfluous if the form of appearance and the essence of things immediately coincided.'[5] Thus, the nebulous field that goes from the tendencies that are presumably known to the necessity of the concrete action that realizes them, is consecrated as the kingdom of opportunism, by the critical scientific theory itself.

Critical scientific theory seeks for the solution inside the theoretical procedure itself. It tries to solve the question of the certainty concerning the reality of theories through the immanent critique of theoretical developments[6]. Still, to be such, this immanent critique must follow the logical necessity even more rigorously than the criticized development. Therefore, deep as it may go into a theory, this immanent critique has no way of overcoming the externality of the logical necessity with respect to the real necessity.

Critical scientific theory does not know if its own impotency must horrify or fascinate it. In both cases it goes on by considering itself free from the hopeless problem of verification. In the first case, because it has decided that its truth criteria reside in its moral foundations, in the elevated aims that guide it[7]. That is to say, it presents itself necessarily constructed on the basis of a philosophy. We come thus face to face with the ideological negation of scientific cognition, i.e., philosophy, placed as the necessary departing point of the scientific cognition of reality. In the second case, this scientific theory directly declares any question concerning the truth or falsity of a theory to be meaningless. It starts by resolving that scientific cognition only deals with the mental forms through which it represents reality, but not with the real forms themselves. Hence, it declares eliminated by nature the necessity to confront the reality of the theoretical construction. From here on, it believes enough with declaring itself the working class' revolutionary doctrine, to sustain its cognitive superiority[8]. Thus, it can only end up by concluding that all which matters concerning a scientific theory is its usefulness towards promoting action[9]. What does not have to matter in the least to accept this complete emptying of scientific cognition, is that the action thus based can be anything but an action with cognition of cause. We are dealing with an action that sees itself having no other aims than those it abstractly ascribes to itself. Dressed this time as heuristics, ideology takes the place of scientific consciousness regarding the necessity of one's own action.

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[2] Joja, Athanase *La Lógica Dialéctica y las Ciencias* Buenos Aires: Juárez Editor, 1969. Lefevre, Henri *Logique formelle, logique dialectique* Paris: Editions Anthropos, 1969.

[3] Bhaskar, Roy *Reclaiming Reality* London: Verso, 1989. Parekh, Bhikhu *Marx's Theory of Ideology* Baltimore: The Johns Hopkins University Press, 1982. Smith, Tony *The Logic of Marx's Capital* Albany: State University of New York Press, 1990.

[4] Bhaskar, Roy *Reclaiming ..., op. cit.*.

[5] Marx, Karl *Das Kapital*, Vol. III, Frankfurt: Ullstein Verlag, 1980.

[6] Adorno, Theodor *Negative Dialectics* London: Routledge & Kegan Paul, 1973. Gunn, Richard 'In Defense of a Consensus Theory of Truth', *Common Sense*, 7, 1989.

[7] Gramsci, Antonio *Quaderni del Carcere I-IV* Torino: Einaudi, 1975. Habermas, Jürgen 'Teoría analítica de la ciencia y la dialéctica' *La Lógica de las Ciencias Sociales* México: Grijalbo, 1978. Kolakowski, Leszek 'Karl Marx and the Classical Definition of Truth', *Marxism and Beyond* London: Pall Mall, 1969. Korsch, Karl *Marxism and Philosophy* London: New Left, 1970. Murray, Patrick *Marx's Theory of Scientific Knowledge* New Jersey: Humanities Press, 1988.

As a last resort, critical scientific theory vindicates practice itself as the instance that renders the verification of hypotheses possible[10]. Unfortunately, the realization of this verification presupposes the realization of the action. This position implies by itself that there was no way of knowing if the theory was true or false, in the very moment that the action was performed; that is, when cognition really matters. Likewise, this fact uncovers the vacuity of the attempt to overcome the impossibility of verification by alleging that scientific theories are not 'predictive' but 'explicative'[11]. Thus pushed beyond any hope, critical scientific theory tries to conceal this fact attributing the potential of verification, not to each concrete singular practice but, to an abstract social practice. Theory is verified, we are told, in the historical development of the transformation of reality accomplished by society on its basis[12]. Of course, any other ideological representation, e.g. religion, can make the same claim in its favor.

Reached this point, critical theory does not need to give even one further step to consecrate, together with the successors of Positivism and with Post-Modernism, the socially dominant representation as the possible scientific truth; and, hence, that only is scientific that which the referees of scientific community pronounce as such. Stated in 'critical' terms, that the course of certainty about scientific cognition runs through hermeneutically incarnating intersubjectivity, thanks to communicative action. Of the critical intention merely remains the assertion that, just as the restraints to theory apply to natural science, the limitation of social theory to cognize reality insofar as it exists as a potency will asymptotically reach its resolution under socialism[13]. Or, otherwise, it merely remains the assertion that the very necessity of scientific cognition concerning social forms will be extinguished in socialism, on representing the overcoming of alienated consciousness as the possibility of wholly cognizing these forms in an immediate way[14]; as if socialism were not the supersession of the form of social regulation which, in turn, has precisely emerged from the insufficiency of immediate cognition to carry out that regulation. Thus, in both cases, the alleged critique even surpasses the modern successors of positivism when the time comes to elude the questions that today emerge in concrete practice from the non-verifiability of theories, by presenting these questions as matters of pure scholasticism.

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[8] Althusser, Louis 'The object of *Capital*' in *Reading 'Capital'* edited by L. Althusser and E. Balibar, London: New Left, 1970.

[9] Wolff, Richard and Resnik, Stephen *Economics: Marxian versus Neoclassical* Baltimore: The Johns Hopkins University Press, 1987.

[10] Carchedi, Guglielmo *Class Analysis and Social Research* Oxford: Basil Blackwell, 1987. Negri, Antonio *Marx Beyond Marx: Lessons on the 'Grundrisse'* Massachusetts: Bergin and Garvy, 1984.. Thompson, E. P. 'The Poverty of Theory' *The Poverty of Theory & Other Essays* London: Merlin Press, 1981.

[11] Bhaskar, Roy *Reclaiming ..., op. cit.*.

[12] Habermas, Jürgen 'Teoría ..., *op. cit.*.

[13] Gramsci, Antonio *Quaderni ..., op. cit.*.

[14] Cohen, Gerald *Karl Marx's Theory of History: A Defense* Oxford: Clarendon, 1978.

In fact, not even the realization of an action solves the problem of the truth or falsity of a theory. The attempt to verify it at this point is not only inopportunely late, but impossible. The concrete real forms - resulting from an action - that fall inside the scope of one's cognition without the mediation of the theory one wants to verify, may completely agree with the theoretically foreseen ones. Nevertheless, this agreement does not tell one anything concerning the correspondence between the real determinations that the concrete forms carry in themselves and the ones theoretically conceived. It suffices with recalling that, since scientific theory represents the generic necessity by regularity, it is impelled to give as the cause of phenomena the very form of them. Which theory concerning any voluntary action can resist falsification better, but that which presents human will as the determinant of this action? And if the "revolutionary or democratic will", the "will to advance or to dominate," etc., are quite haggard lately, it is only because the season of boasting by naming *rational choice* one's shortsightedness - but, rather, *irrational philistinism* - has arrived. Again, the abstract forms do not manifest themselves identically to themselves in their concrete forms.

However we face it, the point is that it is impossible to logically show the truth of scientific theories previously to action. Any action based upon them cognizes its own necessity only through the relations it establishes to represent the real forms. At best, this representation is based upon the discovery of the abstract determinations, by separating that which repeats itself from that which does not. At worst, it directly establishes relations between the abstract determinations according to the author's opinion. Whether we like it or not, scientific theories cannot go further than interpreting reality in different ways. They are ways of interpreting the world. However powerful an action based upon a theory may be to transform reality, it is in itself the negation of the action which thoroughly cognizes its own necessity beyond any appearance, insofar as it is based upon an interpretation. No wonder scientists themselves end up condemning scientific knowledge, as a consequence of its logical method itself, to the field of 'exhausted utopias', of hopeless 'emancipating grand narratives.' This happens to the extent that the belief that it must be taken for granted the ideological determination of all scientific cognition, currently passes for the most unquestionable historically conscious criticism of its present general form.

The historical nature of scientific theory

The contradiction is obvious. Any interpretation of a real determination is in itself the negation of the cognition of that determination that has gone beyond any appearance presented by it; the interpretation of one's own necessity is the negation of its complete cognition. As much as scientific cognition is condemned to interpretation, so is condemned to impossibility the general conscious regulation of social life through the cognition by each of its members of his/her determinations as such overcoming any appearance. In other words, as much as scientific theory is the final form of scientific cognition, so is socialism condemned to impossibility. Even the most blatant apologetic cretinism of capitalism has nothing else to ask for: from the lips of its true representatives, the very same scientific method declares that 'the end of history' has been reached, that 'the future is already here.' If one had Orwell's expressiveness, one could well say that when one looks from the scientist to the ideologist, and from the ideologist to the scientist, it already is impossible to say which is which. *The* *question of the form of scientific cognition confronts us as the question of the necessarily historical nature of scientific theory.*

In the autonomously regulated system of social metabolism, individuals can only realize their social interdependence through their own independent behavior. Therefore, their social interdependence necessarily faces them as being external to their own necessity as abstractly independent individuals. To their own consciousness, abstract individual *will* seems to clash against the limits that the social interdependence externally opposes it. This determination, specifically inherent in a commodity-based society, immediately excludes the complete cognition of one's own necessity as the general form of consciousness in this society. The alienation of human potencies as potencies inherent in the materialized general social relation, commodities, acquires, in this exclusion, the form of an alienated consciousness. This apparent consciousness begins its specifically capitalist development by necessarily representing the extraction of surplus-product from wage labor without compensation, as an exchange of commodities where only equivalents are involved. The discovery of one's own necessity in any field is, by itself, the negation of this alienation in general.

Capital's necessity concerning scientific cognition faces a contradiction. To increase relative surplus-value, capital is compelled to submit all production and consumption to science. Nevertheless, insofar as scientific cognition is a concrete form of capital's simple necessity to valorize itself, science has no way of overcoming the alienation of human consciousness in capital. *Scientific theory is this contradiction solved.* Scientific theory represents real concatenations by taking the forms where the necessity is already realized - concrete forms - as if they were not, at the same time, forms that carry in themselves a necessity to be realized - abstract forms. It thus puts the real forms as being unable to move by themselves. From this point of view, only an external relation fits between them. It is here that *logic* comes in.

Placed as being incapable of moving by themselves, the real forms are represented as forms that affirm themselves through the appearance of being abstract immediate affirmations. This appearance really corresponds to the self-affirming by means of the negation of self-negation- i.e., to the real quantitative determination, abstractly considered. The logic of scientific theory is, by nature, the logic that genuinely belongs to mathematics. Of course, to be used to structure the representation of qualitatively different forms in general, it must be emptied of the specificity it gets from the specificity of its object, i.e., the specificity of the quantitative determination. Consequently, scientific theory represents it as *formal* logic. Based on this logic, it represents the real abstract determinations by the relations of measure of their concrete forms. This representation allows the conscious regulation of action upon real forms: although the real necessity at stake is not truly known, it is possible to act upon the magnitude of the real forms, transforming their quantity until making it correspond to that of a qualitatively different form, thus transforming their quality itself. The limits to the scope of this action become evident as soon as the form of its regulation is shown.

Dialectic materialist logic does nothing but to take the same abstract immediate affirmation as the simplest form of real affirmation. Its only specificity arises from representing each of these affirmations as necessarily being united to another one of its same nature, which appears to be opposed to it. That is to say, the simplest real determination, the self-affirming by means of self-negation, is represented as an external abstract relation between opposites. From which, the formulation of dialectical logic can only get to generically enunciate its specificity. Beyond this point, it has no substance left other than the one of the formal logic it carries in itself. So, when it attempts to face any concrete question it immediately ends up reduced to this logic. Let us consider, for instance, G. Carchedi's development[15], maybe the most elaborated among the many recent ones. Carchedi represents the forms to be determined as being 'contained' as potencies in the determinant ones. It thus appears to transcend the externality of formal logic. Nevertheless, this representation does nothing but to preserve this externality. On its basis, the necessity of facing the fact that the determinant forms are such for being themselves those potencies, is left aside. Next, Carchedi represents determination itself - i.e., the realization by the determinant forms of their necessity as potencies, thus determining themselves as concrete forms - as a 'system' of mutually related already realized forms. The determined forms have no place in this system as the concrete forms in which the determinants realize their necessity and, therefore, as these ones in their concrete existence itself. They only fit in the completely external relation of 'conditions' for the reproduction or supersession of the determinant forms. All the necessity that fits into each of these steps is the necessity of the logical representation of the real determination as an abstract immediate affirmation. To preserve this logical externality, Carchedi needs to reduce the method of inquiry to analysis. Hence, he considers the unfolding of the real necessity in thought as a mere resort for presentation. It is impossible to avoid recalling here with Marx that, 'It is, in fact, much easier to find by analysis the earthly core of religious mistiness than, conversely, from the real relations of life at each moment, to develop their celestial forms. The latter is the only materialistic and, therefore, scientific method.'[16]

Dialectical cognition; i.e., the regulation of action in its form of the reproduction of one's own necessity in thought

The critique of scientific theory has no way of taking shape in the formulation of a new logical paradigm. In other words, the critique of the current universally dominating science does not take shape in the construction of a new theory, but in the supersession of scientific theory itself. Thus, it is not about conceiving a new *representation of reality*, condemned by its sole condition as such representation to follow a constructive necessity alien to the real necessity, to follow a logic.

Which is the point then? Let us face the object of our cognition, reality. Outside the theoretical world, reality does not present itself to our minds as an abstract generality. It presents itself as a mass of concrete forms that we distinguish from each other as simply being such. Therefore, we start lacking any way to mentally appropriate the relation these forms have with ourselves, other than by taking them one by one. Whichever we take, it will face us as a potentiality, as a necessity to be realized (at least, in its temporal determination) when we look at it once isolated. There is nothing to wonder about. If real concrete forms are of any interest for us, let alone a nebulous abstractly contemplative one, it is because, as potencies, they can affect us on realizing themselves and, rather, because we can realize the potencies they are with our action.

To discover the selected concrete form as a potentiality, we have just put into action our capacity for immediate cognition. There was no need of any scientific cognition nor, *a fortiori*, of a theoretical cognition. Of course, we can try to realize the discovered potentiality right away with our action. Still we have no guide for this realization other than what the immediate appearance of that potentiality tells us about itself. And our immediate cognition also tells us that appearances often fool us. The point is to discover the reason, the necessity, of the real potentiality at stake.

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[15] Carchedi, Guglielmo *Class ...*, *op. cit.*.

[16] Marx, Karl *Das ...*, *op.cit.*, Vol. I.

However we look at it, the real potentiality we are attempting to cognize has nothing to add concerning its necessity, other than facing us with its appearance of being such potentiality. Nevertheless, our immediate cognition is still far from exhausting its capacity. The selected concrete form already appears as a potency to be realized, whose necessity is not reduced to this potency itself. On doing so, it tells us that we can only search for its necessity as a potency in what it has, not of an actual potentiality, but of a simple already realized actuality.

We thus face the selected real form as an actual existence that carries in itself a potentiality to be realized. To search in the real concrete form insofar as it is a simple actual existence, for the necessity of its existence as a pure potency, we must consider the former form of existence separated from the latter. It is about isolating the necessity from its form of manifesting itself. This is the last thing our immediate cognition has to tell us, since we can only accomplish this separation inside our thought. The time to begin with our scientific cognition of the real concrete form we are facing, has arrived.

Let us separate with our thought the necessity of the real concrete form from its form of manifesting itself. In other words, let us analyze the real concrete form. Thus separated, the necessity that was realized as an actual existence faces us as a potency to be realized, as the potentiality of determining the concrete form in which it is already realized. The real form cut out by our immediate perception thus faces us as a concrete form that is such for carrying in itself its own necessity of existence as a pure potency, i.e., its own abstract form. Since it is the necessity of existence of a real form, this abstract form can neither be more nor less real than its concrete one. In their pure reality, they only differ from each other by the modality in which they carry in themselves the same real necessity. The real necessity the abstract one has as the potency that determines it as such, is that which the concrete one has as its correspondingly determinant actual necessity.

Still, as such potentiality to be realized, the discovered abstract form cannot account for its own necessity either. It can only face us with its own necessity as the other-self that it carries in itself. Nothing is left for us, but to penetrate deeper by means of our thought into our starting real form. And we repeat this deepening, as many times as the abstract form consequently discovered shows to enclose inside itself its own necessity of existence as a pure potency. Therefore, our uninterrupted progress through the link thus defined is the only necessity that formally determines the course of our analytical process.

Let us consider a brief example. Since the point is to transform the world, let us take, from the mass of concrete forms that we start by facing, the form itself we are going to give our transforming action. What is to be done? Our transforming action tells us, thus, just by imposing this first step upon us, that it is not simply itself; that it is itself and at the same time a different thing: the very question of *what is to be done*. It makes us know, therefore, that it carries in itself a determination that is not reducible to it itself. And this is all our transforming action can tell us about itself in its immediateness, though we may face it and interrogate it once and again.

To continue forward with the realization of our action as an action whose regulation pertains to us, as a conscious action, there is nothing left for us but to confront the *what is it to be done* itself. In doing so, the *what is to be done* shows in such immediateness, as it itself and at the same time an other, the necessity of our action. After which, the *what is to be done* has nothing to add about itself, not being through what this necessity of our action can tell us regarding itself. Let us face, then, the necessity of our action. This necessity can only point out that our transforming will is the other one that it carries in itself; the other one where its own necessity resides. Now, our transforming will can only tell us, concerning its own necessity, that we must search for it in that which our transforming will has of the working class' own transforming will. When we face the working class' will, it cannot give us immediate reason about itself, either. How could it, without forcing us to account for what it has of a simple class will, first? Nevertheless, the clash against the absence of immediateness with respect to self-necessity repeats itself: classes limit themselves to tell us that we must look for theirs, first of all, in what they carry in themselves of the reproduction of the process of capital accumulation.

Let us stop for a moment at this point in the development of our transforming action. So far, it has materialized itself in the search of the necessity of its concrete forms. As such, it has get to tell us that it carries in itself the transforming will of the working class. But it has equally get to tell us, that the will of the working class is not self-sufficient to account for its own necessity, that this necessity transcends it. With which, our transforming action has told us that, just as the transformation of the world takes in itself the working class' voluntary action, neither the concrete forms -and therefore, the working class' political organization - nor the transforming potency of this action, are simply born from the said will itself.

If we want to go on advancing in the realization of our conscious action there is, thus, no other way left for us now but to confront the reproduction of the process of capital accumulation. But, concerning its own necessity, this reproduction does nothing but to point us back to its content of the valorization process of capital. When we face this, it shows itself, insofar as a simple process of value valorization, enclosing a process of simple value production, a production process of commodities. And this process points again back to its material nature, to its content as a process of human life. To account for the necessity of this process, where the exchange between human beings and nature presents itself as a process of work, we need to look back into its necessity as a simple process of metabolism between a living being and its environment. The analysis of purely social forms has turned, in its own development, into the analysis of pure natural forms. Yet, the form of our analysis has not changed at all. We can only go on advancing it by questioning the, now natural, form we come to face for its own necessity, i.e., for the real abstract form it carries in itself as the one that determines it.

Since we are going on advancing over increasingly abstract forms of the determination, the time will come when we are not going to face necessity as the potentiality of this or that determined form any longer, but as the potentiality of determination itself: as much as our object is a determined concrete real form, determination itself is its abstract real form as much as any other. But it is not an ordinary abstract real form. As the rest, it starts by facing us as a concrete form. Still, insofar as such concrete form, it is a pure potential necessity, the necessity itself of being determined and, consequently, an abstract form. Its potential necessity is no longer an-other of its concrete form, but such potentiality is what this real abstract form is insofar as a concrete form. This simple real form has the necessity of its own existence as an immediate actual necessity, it is existence in itself. Still, as far as this actual existence the simple form has is the necessity of transcending from itself into realized determination, the simple form is, at the same time, potential existence. As such, simple existence, *matter*, is a contradiction in itself. Then, it has no way of affirming itself other than by realizing its potency as a determination to be realized, that is, by negating itself as such potency to affirm itself as a realized determination.

We are thus facing the simplest moment in which the necessity of the concrete real form we have originally selected and, consequently, of our action, unfolds itself. Now, since it becomes the affirming of the simple form by means of its negation as such, the realized determination is the real reproduction of the necessity of self-affirming by means of self-negation. And as such it unfolds in the development of the progressively more concrete forms of our real object. Each of these concrete forms (which is such for actually existing as a realized necessity) is, precisely for that reason, an abstract form (which is such for actually existing as a necessity to be realized, as a potency). Thus, determination develops into the transformation of an existing form, on negating itself in its actuality insofar as an abstract one by affirming itself as a realized necessity, a new concrete form, whose actual existence is that of being its self-negation as such concrete form, by self-affirming as a necessity to be realized. When a form simply affirms itself by means of its own negation, its necessity reaches its term, acquiring a more developed shape both as an already realized and as an actual potency. The form determined by the original necessity thus transcends its quality, realizes its *qualitative* determination. The necessity that determines the new form as a potency has emerged purely and exclusively from the primitive one; hence, the new necessity is nothing but the realized form of the primitive one and therefore, it itself. However, as the negation of the negation, this potency is nonexistent for that primitive form in its abstract condition as such: it is just a potency inherent in its concrete forms. Do we have a better way to thoroughly cognize the qualitative potential of any given form, other than by reproducing with our thought the real necessity that has come to such form in its development, by ideally following this development?

At first, an abstract form exhausts its potency on becoming its corresponding concrete form. Still, as any other, the very form of realizing necessity undergoes its own development. Now, the abstract form is in itself not one but many different necessities to be realized. Moreover, these are potencies whose realized forms mutually exclude themselves as the same concrete form, potencies that exist together with their contraries. Such potencies do not have their actual existence in the abstract form as a simple power to be, but as a power to be that is, at the same time, a power not to be: as *possibility* or *contingency*. The abstract form exhausts its necessity only on becoming a diversity of concrete forms, each of them solving the mutual compatibility of those potencies as realized ones. Abstract forms thus determine themselves as *genus*; their concrete forms, as differentiated *species* in which the genus realizes its necessity.

Since it is a concrete form taken by determination, possibility itself develops into a necessity actually existing as a possible potency, that has the necessity of the very course of its realization determined as a possible potency. The determination of the species by the genus thus develops through the mediation of possibility as a specific form the realization of possibility itself takes.

As an already realized possibility, a species is completely impotent concerning the determination of its own possibility. From its viewpoint, the realization of necessity - *causality* - takes the form of *casualness*, of *accidentalness*, of the necessity that, at the same time, is no necessity whatsoever. Each species thus appears as the absolute materialization of the generic potencies that have directly determined it; and these potencies, as its circumstances or conditions. *Life* is the overcoming of species' impotence concerning their own determination as concrete modalities through which possibility is realized: it is the concrete form that has the potency for appropriating its own conditions and transforms them into concrete existences, thus determining itself as an abstract form. Life advances in its real potency by appropriating its conditions in their very virtuality. Life is thus determined as the transforming action that regulates itself through the *cognition* of its own necessity. Seen from the outside, just because it is completely determined as a necessary concrete form of matter, human action can transform other forms of matter into forms for itself; and, therefore, can transform itself. And only because it finds itself thus determined, human action necessarily becomes, in the historical process, a *free* action: an action that integrally cognizes its own necessity.

As it is obvious, in a previous stage of the exposition we have unfolded what remains of our return to the increasingly concrete forms of the necessity of our conscious transforming action by reproducing it through the path of thought. This, and no other, is the necessity that makes the "tree of life green." At a certain point of that unfolding, we have left behind the field of pure natural forms. Thus, we have entered the specific field of the real forms in which a particular process of natural metabolism, that has ceased to be a specific form of animal existence to acquire a generic being (the capacity to produce its own means of living through work), organizes itself. That is, we have entered into the field of social forms. Yet, there was no way to go on advancing in our cognition other than by proceeding in the same way we were doing while we were dealing with simple natural forms. That is, by following in our thought the realization of the necessity that existed as a potency in the real abstract form we had reached already, through which this one transforms itself into a concrete one.

When we are going to ideally appropriate the necessity of our action, we face the object of this action as what it is for us in that moment: something external. We therefore face our object by its immediate exteriority. We overcome the appearance of this immediate exteriority upon advancing through the abstract forms of our object. The analysis inherent in scientific theory separates the abstract forms according to their degree of repetition. It thus stops at their exteriority. On the contrary, the analysis that is going to support the reproduction of the real necessity in thought separates the concrete form that we face, from the necessity that it carries in itself as the other-one whose realization determines it. That is, it takes shape in the discovering, inside the concrete form (and as such, realized necessity), of its abstract form (and as such, necessity to be realized). Given its form itself, this analysis cannot stop until it reaches the real form that does not carry in itself another one from which its necessity arises, but which is, by itself and not by another-self, necessity of negating itself as abstract existence to affirm itself as concrete existence. That is, until we face matter as simply such.

The return towards the concrete forms that comes after the analysis that has stopped in the externality of the abstract forms, unavoidably takes shape in the addition of the non-repeating, and consequently previously excluded forms, to the representation. This process has no other necessity to follow than the purely constructive one dictated by its logic. Hence, the inevitable externality of its result with regard to the real necessity that the action aims at realizing. On the contrary, the reproduction of reality in thought advances by following the development of the necessity that the simplest abstract form carries in itself. As soon as this abstract form realizes its necessity, i.e., it affirms itself as an abstract form, it negates itself as such abstract form to affirm itself as a realized necessity, i.e., as a concrete form. But this concrete form immediately negates itself as such, affirming itself as a form that carries in itself a necessity to be realized, i.e., as a new abstract form. We ideally follow, thus, our real object in its own development. This reproduction of the development of the real necessity by means of thought is unable to get to its end before reaching a form whose necessity exists only as a potency, and this potency has our transforming action - determined as an action that has needed to follow all this path to become a conscious action - as its necessary form of realizing itself. That is, it is unable to get to its end until our action can discover its own concrete form of conscious action, i.e., can discover itself, as the necessary concrete form of the realization of the real potencies at stake. Due to this form of its method, the ideal reproduction of reality is determined as *dialectical cognition*.

In brief, the point is *to virtually appropriate reality by reproducing its necessity through thought*, the *ideal reproduction of reality*. Hence, the development of scientific cognition as the regulation of the transformation of our present society into the one of the freely associated individuals is the *critique of scientific theory*.

Scientific theories arrive at the formulation of certain general laws, but anyone that has to deal with everyday practical matters knows that there is an abyss between these two. The justifications of the link between *the theoretical model*, *the theoretical framework* and *the concrete practice* cannot but resemble what Marx referred to as the dialectics of 'on the one hand ... , on the other hand ... .' Given the way it proceeds, the ideal reproduction of reality needs to integrally unfold itself upon facing each singular action that is going to be realized. Each singular unfolding carries in itself the production of the general unfolding of dialectical cognition. Nevertheless, the existence of this general unfolding does not allow us any abridgment in the necessary singularity of the renewal of our dialectical cognition. The attempt to immediately relate the general necessity with the singular necessity at stake, can only take shape through the introduction of an external link between them, thus mutilating the twofold process that produces the ideal reproduction of the latter necessity. The existence of the general unfolding only allows us to unfold our cognition process in each singular occasion with the agility of being not just a process of purely original cognition, but a process of recognition in the corresponding part. Due to its very form, dialectical cognition submits to criticism the portion of itself developed up to that moment, in the concrete singularity of each of its renewals. It makes this portion account for its condition as an ideal reproduction of reality faced with the movement of the subject that concerns it. By the way, we can see that abstractly, and therefore externally considered in themselves, all that dialectical cognition gets from the practice based upon it, is a new real more developed concrete that it needs to face in the thus renewed satisfaction of its aims.

The ideal reproduction of reality is a product of the double process of analysis and synthesis, in its indissoluble unity. Nevertheless, it is only in its second phase that this process actually follows the unfolding of the real necessity of the object under consideration and, therefore, where its ideal reproduction in a strict sense, takes place. The exposition of this reproduction is consequently determined. Dialectical research cannot overlook any form pertinent to the development of the necessity of the concrete object that is going to be personified. The critical reading of the exposition of dialectical research unavoidably carries in itself the development of the research process itself by the reader, with the potency that this process acquires as it advances supported by the original research. The nature of this unity between the dialectical cognition already produced and its critical reading results in the independence of the exposition with respect to the necessity of strictly presenting each and all the ties discovered by research in the development of abstract forms into their concrete necessary forms. According to its specific aim, the exposition can thus be limited to fully unfold only the discovered ties that are essential for enhancing the critical reproduction of the research.

When we face the magnitude that the necessity of our action has, to cognize it as such, we have to deal with a real form in which the general self-affirming by means of self negation has developed into its specific form of self-affirming by means of the negation of self-negation. In other words, we have to deal with a real form in which the general necessity to become has acquired the specific form of the difference determined as indifference. Hence, we have relations to discover, but we cannot discover them by following their development with our thought. We can only discover the quantitative relations in a completely external way with respect to the unfolding of their own necessity as the abstract real forms they are.

Lacking a real necessity whose development it can ideally follow, our cognition process has to provide itself the necessity of its course; that is, a strictly constructive necessity. Inasmuch as we unfold the ideal *reproduction* of reality as a process of measuring, as mathematical cognition, it necessarily takes the form of an ideal *representation* of reality. Nevertheless, the nature itself of the object of this representation, where the content appears in its form by means of the negation of its own negation, overcomes any restriction to the validity of the logically represented relations. This happens to the extent that the process of recognition of an original demonstration may be accomplished by simply reproducing this demonstration, but also as the mere application of a previously demonstrated formula, that is., just by showing the relation as demonstrated.

Freed from the inversion due to its use as a representation of qualitative determination in general, logic directly reflects the specific quality of its object, quantitative determination. The logical relations do not appear now as representing attributes inherent to abstractly mental forms, to the truth or falsity of one's logical thoughts. These relations immediately show themselves as what they are: representations of the concrete forms of the real quantitative determination. The need to empty logic of the specificity of its object, forces the representation of *the number* by *the set* in the mathematics produced by scientific theory. Nevertheless, the set is the unity of continuity and discontinuity represented under its concrete form of the term of the unity between intensiveness and extensiveness. The development of the representation of the concrete forms that mediate between this unity and the true concrete form that is represented by the number, i.e., the identity of the unit and the multiplicity where the exteriority of the quantitative determination appears completely unfolded, is consequently inverted. It does not appear under its proper shape of a simple logical development, but as a representation of the magnitude of an abstract form by the relations of measure of its concrete forms, as *mathematical analysis*. Thus proceeds the universally dominant mathematics today. It starts with the representation of the number as a set (G. Frege), follows with the relations between *transfinite magnitudes* (G. Cantor), and ends up by representing the realization of the relation of the unit with itself in the degree of multiplicity as the *limit* of the change of the ratio between variables (K. Weierstrass). Hence, the development of dialectical cognition carries in itself the necessity to revolutionize scientific cognition even in the part in which this cognition keeps representation as its necessary form.

The apparent separation between cognition and practice stems from the nature of the historical stage of humanity's development in which the regulation of the process of social metabolism by means of thought - the specifically human regulation of the process of social metabolism - is alienated, turning itself into a concrete form of the autonomous regulation of this process by the production of value. Only in this historical stage can scientific cognition appear denying its true immediate condition as the necessary form taken by the regulation of conscious action. Moreover, scientific cognition can even appear as the very denying of action, as its abstract opposite, in other words, as theoretical cognition. In the very form of its method, that is, as *dialectical cognition*, the reproduction of one's own necessity by means of one's thought immediately shows itself excluding all appearance of externality in relation to the action that it sustains. It shows itself, therefore, as what it is: the regulation of such action, that is to say, a specific portion of this action and, consequently, this action itself. Scientific research thus overcomes all appearance of being the abstract opposite of practice, to affirm itself as *practical criticism*.

As a concrete form of social relations, the conscious regulation of the process of social metabolism under the form of the ideal reproduction of reality - dialectical cognition- is necessarily a task of the collective laborer cut off by the execution of the transformation of its environment on the basis of this regulation itself. This collective laborer only affirms itself in its unity as such with respect to the process of the virtual appropriation of reality, in the development by each of its members of, at least, the whole reproduction of the necessity of the portion of the collective action that, as such member, it is for him/her to perform. Consequently, inside this collective laborer there is room for the differentiation between the partial moments in which the regulation and the, in a restricted sense, realization of the action are unfolded. Still, the separation between the regulation and the, in a restricted sense, realization of each of those partial moments (the separation between the cognition of the necessity of the action and the execution of the action itself) lacks any way of finding room inside the collective laborer. In brief, the action regulated under the form of dialectical cognition abolishes the separation between intellectual-labor and manual-labor. For the time being, this regulation of action is a necessary concrete form of capital. In turn, capital is the very negation of the consciously regulated process of social metabolism. Nevertheless, because of its very form, dialectical cognition carries in itself, as its own necessity, that necessity inherent in the process of social metabolism consciously regulated: the necessity of being the product of the freely associated individuals. In the development of the form of its process determining the necessary form of the social subject capable of realizing it, dialectical cognition makes evident, by its sole form, that it is only a potency of capital insofar as this one has its own annihilation through the development of the material conditions for the said conscious regulation, as its historical necessity. Only because it is thus determined by its specific form of ideal reproduction of reality as a class product, as the working class' science, scientific cognition frees itself from any ideological determination.

Marx's advance towards conscious revolutionary action; Marxism's retreat to ideology

Insofar as a simple regulation of the process of social metabolism through the valorization of value, capital does not find any limit to its development in the capacity of the reproduction of reality in thought for transforming nature into a means of human life. On the contrary; the complete development of this cognition is the realization itself of the conscious regulation of the process of social metabolism and, therefore, the overcoming of the limitations to that transformation of nature that arise from the necessary unconsciousness concerning the alienation of human potencies as capital's potencies. Still, it is also capital the one which carries in itself this necessity of annihilating itself. From which, the development of dialectical cognition as the necessary concrete form of realizing itself this capital's potency, unavoidably has to start by producing the consciousness of its own historical necessity; that is, by producing the consciousness of the specificity of the social forms that give birth to it. It is only upon recognizing itself in this, its own potentiality, that the ideal reproduction of reality is able to advance over the simply natural forms; and even, to face the cognition of its own concrete forms as such reproduction.

Karl Marx accomplished the original development of the ideal reproduction of the specificity of present-day process of social metabolism, of capitalism, until discovering its necessity to annihilate itself in the conscious regulation of the process of social metabolism. On doing so, he gave shape for the first time to the reproduction of a real necessity by means of thought. From Marx on, any process of cognition of this kind concerning social forms over which we need to act in a revolutionary manner is, in what is thus determined as its general part, a recognition process from the social point of view. Still, we can very well say that it is not about *reading Capital*; nor even about *studying* it. The point is to face capital's real forms by ourselves to ideally reproduce them, with the potency we acquire by having at our disposition their ideal reproduction developed in *Capital*. Actually, the development by oneself of this task is the only critical way to recognize the original specificity of Marx's procedure concerning scientific method. Any other way implies an attempt to unfold the real necessity that is present here in a mode external to it; therefore, it implies to represent this necessity. Nonetheless, it is fitted here for us to go on a little further into the question.

Hegel already clearly pointed out the difference between representation, whose development obeys a necessity external to its object, and dialectical cognition, that follows the unfolding of the necessity immanent to this object[17]. Nevertheless, he was unable to avoid the appearance that it is about the necessity of the Idea itself,

While he develops the ideal reproduction of capital's necessity, Marx stresses the specificity of the method he has discovered, in his well known remarks on scientific procedure. For instance, it is worth repeating here the already quoted 'It is, in fact, much easier to find by analysis the earthly core of religious mistiness than, conversely, from the real relations of life at each moment, to develop their celestial forms. The latter is the only materialistic and, therefore, scientific method.' Of course, Marx's most famous comment on the matter is the so frequently quoted one where he directly describes his research method and defines its result as the reproduction of reality in thought: 'The concrete is concrete because it is the synthesis of multiple determinations, therefore, the unity of diversity. It appears in thought then, as a process of synthesis, as a result, not as a point of departure, although it is the true point of departure, and, therefore, as well, the point of departure of intuition and of representation. In the first path [the analysis], the sheer representation was condensed to abstract determination; in the second one, abstract determinations lead to the reproduction of the concrete by the path of thought.'[18]

Nevertheless, Marx does not get to develop the specific difference between this scientific cognition that ideally reproduces the real necessity and theoretical cognition, that only represents it. In other words, he does not get to face this ideal reproduction as the critique - the supersession - of scientific theory itself. This happens to the extent that he refers to his own scientific works and discoveries as being of a theoretical nature. Certainly, in Marx's time scientific theory had not yet got to unfold its ideological determination as an apologetics of capitalism, no longer for its potency but, for its lack of potency to transform nature in full cognition of cause; that is to say, scientific theory did not yet need to boast about its own limits to consecrate the impossibility of the conscious regulation of social life. Marx was then able to advance for the first time in the ideal reproduction of the real forms of capitalist society until discovering its historical character, without confronting the necessity of making explicit the specific difference between that reproduction and theoretical representation, inasmuch as this difference embodies in the form itself of one and the other cognition process. Still, the sole materialization of this advance violently pushes scientific theory towards the exhaustion of its capacity for self-criticism in the complacency with respect to its own impotence.

What does Marxism have to say about the specificity of the method discovered by Marx? We can hardly find a more expressive synthesis than Lenin's non less widely quoted assertion 'If Marx did not leave behind him a "Logic" (with a capital letter), he did leave the *logic* of

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[17] Hegel, G. W. F. *The Science of Logic* New Jersey: Humanities Press, 1969.

[18] Marx, Karl 'Einleitung [zu der "Grundrissen der Kritik der politischen Ökonomie"]' *Marx/Engels Ausgewählte Werke,* Vol. II Berlin: Dietz Verlag, 1985.

Capital.'[19] Let us briefly unfold the point once more. Reality, matter, has the self-affirming by means of self-negation - the necessity of self-determining, contradiction - as its general form. Hence, each natural concrete form (and therefore, each natural form specifically developed as a social one) is the realized necessity of its abstract forms in their becoming, from the simplest one (matter as such), to one that negates itself as such concrete form (realized necessity) affirming itself as a potency (a necessity to be realized). Cognition is the way in which a subject regulates the realization of its own potency as the necessary concrete form of realizing a potency inherent in its environment, by appropriating these two potencies in their virtuality as purely such potencies. The subject of the cognition by means of ideas always starts by facing its object as something external to itself as such subject. Under its simplest form, this cognition reaches the necessity of the subject's own action just insofar as this one virtually manifests itself to the subject's mind as an immediate link between the mutual necessity of the subject and the object. Consequently, such form of cognition does not go beyond the very exteriority of the subject and of its object. It is determined, thus, as *immediate* ideal cognition. This cognition develops into cognition by means of thought when the subject goes beyond the immediate concrete forms to discover their necessity as realizations of their abstract forms. Nevertheless, on performing this advance, the subject comes up, first of all, against the exteriority of the abstract forms themselves; that is to say, the subject starts by ideally facing the abstract forms in what these forms have of realized necessity, under their appearance as purely concrete forms. From which, the appropriation of a real necessity in thought takes its most primitive specific form by ideally placing by itself in a causal relation the real forms (abstract and concrete ones) starting from the way they present themselves to it; that is, by mentally conceiving links among the real forms on the basis of their exteriority; and, therefore, independently from their necessity. Cognition becomes a mental construction that follows a causality alien to the real one: the ideal *representation* of reality. Logic is the scientific general form of this mental necessity. The appropriation in thought of the real forms in their virtuality transcends the exteriority of these forms by ideally accompanying them in the unfolding of their real necessity. In this way, scientific cognition mentally reproduces their real concatenations, thus taking the form of an ideal *reproduction* of reality. This cognition has no way of proceeding other than by making each real concrete form account for the necessity that it carries in itself as an already realized one, and each abstract real form, for the development of the necessity to be realized which it is.

Reality simply is the self-affirming by means of self-negation. Dialectical cognition, *dialectics*, is the method for virtually appropriating this contradiction that reality is, by following its development with our thought. Seen the other way round, dialectics does not belong in reality but in human cognition of reality; or, rather, it belongs in reality, in matter, in what this one takes its specific form of human cognition. This same condition applies to logic. Still, while the former can only take shape following the development of the necessity of a concrete real form, the latter necessarily has to take an autonomous incarnation as a condition for representing any concrete real form. Hence, any attempt to call the ideal reproduction of reality a logic, even runs into a formal impossibility: the absence of an independent body of ideal relations able to receive such a name. To pretend that logic remains effective in the ideal reproduction of reality, it is necessary to abstract it from its formal and historical determinations, turning it into a pure abstraction (just the same strategy needed to assume that the products of human labor have the form of commodities, or the means of production the form of capital, by nature). To avoid any confusion, we must not forget here the formal specificity of mathematical cognition as a necessary moment in the reproduction of reality in thought: to cognize the quantum of the magnitude of a real necessity in itself, we must naturally follow a logical necessity, due to the actual specificity of quantity as the form of the self-affirming by means of the negation of self-negation.

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[19] Lenin, V. I. 'Philosophical Notebooks' *Collected Works* vol. 38 Moscow: Foreign Languages Publishing House, 1961.

The certainty about the need of a logic to appropriate reality in thought inevitably implies that the real forms are taken as if they were incapable of being the realization of their own necessity, as if life were to be insufflated to them by the cognition process itself. Representations, whether on an idealist or a materialist basis, cannot avoid carrying in themselves this appearance. Let us look at it a little closer. To assert the need of a logical necessity to apprehend in thought any real form means, by itself, to assert that this real form has no necessity of its own to be mentally followed: being there a real necessity, why should we appeal to a mental one instead of just following it through its development, with our thought? Hence, real forms appear as being unable to relate, to move, by themselves at the beginning of the representation process. But they emerge from this process overflowing with relations. Hegel just sticks to this appearance up to its end. He gives logic as its content, that is, as the content of the abstractly ideal necessity, the general form of the development in thought of the real necessity, placed not as the ideal reproduction of matter but as the development of the real necessity itself. Dialectics is thus inverted, appearing as the development of the Idea placed as the real subject that engenders matter. On doing so, Hegel pushed representation beyond its limits. The real necessity was laid there with its strength unchained, ready to be called into action. Naturally, standing dialectics on its feet after such inversion has nothing to do with entering ‘matter’ where Hegel writes ‘idea’ and vice versa.

Marx gives a first step in putting dialectics right side up by opposing to the claim of generality of Hegel’s logic concept, ‘the peculiar logic of the peculiar object’[20]. ‘The peculiar logic of the peculiar object’ already excludes by itself the possibility for logic to take a general body as the ideal necessity that cognition must follow and, therefore, its possibility to exist by itself. And what can the ‘the peculiar logic of the peculiar object’ be, but the reflection in thought of the development of the real object’s own specific necessity? Nevertheless, Marx still has not completely developed here the distinction between the ideally produced necessity, the logic, that is, the discursive reason, that takes the place of the real causality in the representation and this real causality itself. It happens that Marx has not gone yet beyond the boundaries of philosophy; so much so, that he still identifies the abolition of the proletariat with the realization of philosophy[21]. But, immediately after in the same year, 1844, Marx faces for the first time the economic determinations of capital as the alienated general social relation of present-day humanity. On doing it, he discovers for the first time in history the real necessity of philosophy as a concrete form of alienated consciousness and how Hegel has developed it to its end. Consequently, Marx does no longer criticizes logic for being a general ideal necessity that displaces a peculiar ideal necessity. He criticizes logic for being an ideal necessity itself that displaces the real necessity that has to be followed in thought to rule one’s conscious transforming action. That is, he criticizes logic for its very essence as a discursive reason that represents the real reason in thought, as the necessary form in which alienated thought takes shape: ‘In turn, the philosophical spirit is nothing but the alienated spirit of the world that thinks inside its self-alienation, that is, that captures itself in an abstract way. *Logic* [the pure *speculative thought*] is the *money* of spirit, the speculative, the *thought-out value*, of man and of nature; its essence that has become completely indifferent to any real determination and which is, therefore, unreal; it is the alienated thought that hence abstracts from nature and the real man; the *abstract* thought.'[22] A little later, in 1847, Marx develops the specific critique of dialectical logic, showing step by step how this 'absolute method' starts from categories (that is, from the ideal representation of the real forms) and unavoidably ends up by representing itself as the one who engenders the real forms (Hegel) or by succumbing to its own contradictions (Proudhon)[23].

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[20] Marx, Karl ‘Kritik des Hegelschen Staatsrechts"‘ *Marx/Engels Werke* Band II, Berlin: Dietz Verlag, 1965.

[21] Marx, Karl ‘Crítica de "La filosofía del derecho" de Hegel. Introducción’ *Obras fundamentales de Marx y Engels* Vol. I, México: Fondo de Cultura Económica, 1982 (‘Critique of Hegel’s Philosophy of Right. Introduction’).

Hegel's inversion is embodied in the form itself of the process of cognition; it is embodied in the conception of this process as a logical one. In fact, to proclaim logic as an inescapable condition for scientific cognition is nothing but to consecrate the idealist inversion, that prioritizes a mental necessity over matter's necessity. To say it once more, the question is not to give rise to a new logic, but to free science from it. Precisely what Marx has done. The claim for a logic in *Capital* is a contradiction in terms. This is something that Marx himself remarks in his comments on Wagner[24]. And, by the way, for the same reason there is not a single invocation in Marx to a dialectical logic, nor to a logic in general, there is not to dialectical materialism, to historical materialism or to other such *categories* either, that can only be used to *conceive* the real materiality and the real history as the corresponding abstractions.

Nevertheless, according to Marxism everything comes down to inverting dialectics again just by turning into a common place the representation of its development accomplished by Marx as its opposite, as if it were the development of a *dialectical logic*. And it is thus that, by force of abstracting from the real form that is the object of cognition and from the form of the process of cognition, it ends up putting dialectics completely upside-down again, by representing the real necessity of the real object as the 'inner logic' of an abstract ideally 'pure' form of it[25].

Real relations are nothing else than the concrete forms the necessity of self-affirming through self-negation takes on realizing itself. There is no place for 'external' relations and, hence, for 'internal' relations, among real forms. Concrete forms are the realized forms of the necessity that determines their abstract forms as such, and therefore, this necessity in action through the concrete forms now taken by its potency. But theoretical representation starts by replacing the real necessity with a logical necessity. The necessity itself that determines each real form thus appears as being placed outside it. On which, abstract forms and their concrete forms, and these concrete forms among themselves, appear to be externally related to each other. Real relations, that is, determinations, appear in representation degraded to the category of external relations. The abstract form stands here and, alongside it, the concrete form stands there, with logic placing them into relation. Dialectical logic does it by taking them as the opposites that antagonize or interpenetrate each other, thus representing determination as the unity of these opposites. Of course, for a concrete form to oppose this way its own abstract form, it must be the realization of a necessity neither more nor less developed than the necessity that determines the latter. Therefore, the existence of the concrete form results thus represented as preceding its own determination. Since it stands on this basis, Marxism cannot avoid fluctuating from representing the superstructure as the mere reflection of the base[26], to representing the superstructure being the determinant itself of social organization[27]. Or it makes one piece of the whole fluctuation, by asserting that the base determines the superstructure, but, in turn, the superstructure determines the base, but the base determines the superstructure in the last instance, but the superstructure has a relative autonomy with a dominant instance, until this string of enunciated determinations comes to an end by being named 'over-determination'[28]. Still, what actually is to determine, in whichever instance? What is a relative autonomy? is it about the autonomy a dog tied by a chain has? (this is not a joke, but a real statement once published in *Capital & Class*). Marxism has no answer to these questions, beyond naming the jumping from the base to the superstructure, and from the superstructure to the base, a 'dialectical relation.' And not a single step towards unfolding the development itself of the real necessity is given by representing it as a matter of the base 'producing' the superstructure and the superstructure 'helping' the base[29] or of the mutual 'ensemble' of structures 'conditioning or limiting' action and action or strategy 'recursively reproducing or transforming' structures or society[30]; or a matter of material productive forces having 'the primacy' over relations of production and actions being 'functional' to structures 'through human rationality'[31], or of social being and social consciousness mediated by 'experience'[32]. No wonder all this ends up giving rise to the belief that, since everything determines everything and is determined by everything, conscious revolutionary action must give way to ideologically based action, that is, to its very negation[33].

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[22] Marx, Karl 'Pariser Manuskripte 1844' *Texte zu Methode und Praxis*, II, Munich: Rowohlts Klassiker, 1966.

[23] Marx, Karl *The Poverty of Philosophy* New York: International Publishers, 1963.

[24] Marx, Karl 'Notes on Adolph Wagner' *Karl Marx: Texts on Method* Oxford: Basil Blackwell, 1975.

[25] Sekine, Thomas *The Dialectic of Capital* vol. 1, Tokyo: Yushindo Press, 1984; vol. 2, Tokyo: Toshindo Press, 1986.

The point is not to label 'internal', such irreducibly external relations as 'conditioning', 'limiting', 'primacy', 'functionality,' etc., as dialectical logic does[34]. The point is to follow the real necessity in its development, to discover how the human material forces of production (through which the human process of social metabolism realizes its generic necessity of appropriating nature to produce itself) negate themselves as simply such to affirm themselves by realizing their potential necessity of regulating their own realization, specifying themselves under their concrete form of relations of production. For being thus determined, the relations of production negate themselves as such concrete forms, affirming themselves as a potential necessity that realizes itself (that is, that affirms itself by negating itself as such potency), specifying itself as the voluntary action of the individuals. In other words, the relations of production are the realized necessity of the material productive forces to regulate themselves that, as such, have the regulated realization of these forces in the voluntary action of the individuals, as their own potential necessity. And this voluntary action is the realized necessity of the relation of production that has the realization of the process of social metabolism through the processes of metabolism of the individuals, as its own potential necessity.

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[26] Lenin, V. I. "Materialism and Empirio-Criticism" *Collected Works* vol. 14 Moscow: Foreign Languages Publishing House, 1962.

[27] Poulantzas, Nicos *Political Power and Social Classes* London: New Left Books, 1973. Laclau, Ernesto *Politics and Ideology in Marxist Thought* London: New Left Books, 1977.

[28] Althusser, Louis *For Marx* London: Allen Lane, 1969.

[29] Plekhanov, G. V. 'In Defense of Materialism. The Development of the Monist View of History' *Selected Philosophical Works* London: Lawrence & Wishart, 1961. Stalin, J. V., 'Marxism and Linguistics' in The Essential Stalin: Major Theoretical Writings edited by B. Franklin, New York: Anchor, 1972.

[30] Bhaskar, Roy *Reclaiming ..., op. cit.*. Jessop, Bob 'Regulation Theory, Post-Fordism and the State: More than a Reply to Werner Bonefeld' in *Post-Fordism & Social Form* edited by W. Bonefeld and J. Holloway, London: Macmillan, 1991.

[31] Cohen, Gerald *Karl Marx's Theory ... , op. cit.*.

[32] Thompson, E. P. 'The Poverty .... , *op. cit.*.

[33] Wolff, Richard and Resnik, Stephen *Economics: Marxian ... , op. cit.*.

[34] Ollman, Bertell *Dialectical Investigations* New York: Routledge, 1993.

As far as the alienation of the generic human potencies impedes the regulation of the process of social metabolism to present itself as such to the individual's consciousness, the material productive forces and the specific form they take as relations of production on regulating themselves, negate themselves as simply such, to affirm themselves as the economic base of society. This base has as its potential necessity, that of regulating its own realization by specifying itself as the superstructure of the legal, political, etc. relations. In turn, this superstructure has as its own potential necessity, that of realizing itself in the voluntary action ruled by a consciousness limited to the appearances of its own necessity, that starts to be such by seeing itself, not as the expression of alienated consciousness, but as the expression of an abstractly free consciousness. In brief, the superstructure is the realized necessity of the material productive forces of society to regulate themselves through apparently conscious individual action and, therefore, this very forces in action.

The real necessity we have been following keeps the form of a simple potency along the abstract forms it takes in its development. This is what makes these abstract forms always appear as being coexistent with their concrete forms, when they are externally seen. Still, inside each step given by their metamorphosis, these simple necessities take the form of possibility and, moreover, of possibility mediated by possibility itself in its realization, as the necessary form of realizing themselves. This is what makes the concrete forms appear as being self-determined. Specially, it makes voluntary action appear as having no determination other than itself, when it is externally seen. And even, on giving a step forward into the field of representation, it makes voluntary action appear completely inverted as determining by itself the material productive forces of society, when it actually has the power to transform these forces because it is their most developed concrete form, that is, because it is determined by these forces insofar as a possible potency, as the necessary form they take to realize their own necessity. And it is on realizing this necessity that determines it as a possible potency, that human action historically becomes an action that rules itself by thoroughly cognizing the necessity that it realizes, that is, its own necessity, by reproducing it in thought: the free action through which the consciously regulated process of social metabolism takes concrete shape.

Nevertheless, Marxism cannot overcome the inversion of the real necessity in the logical representation without overcoming itself. Thus, R. Gunn[35] advances far enough in his critique of scientific theory as to realize that the clue is present in the difference between the abstract forms that have a purely mental necessity (which he represents as empirical abstractions) and the reflection in thought of the abstract real forms (represented as determined abstractions). Just one further step seems to remain for Gunn to discover that this difference must necessarily arise from an essential difference in the form itself of the cognition process from which each type of abstract form emerges. It is the difference that runs from constructing abstract forms through logical analysis, to analytically discovering the abstract forms by following the inverse course to the development of its real necessity; and, then, the difference that runs from mentally constructing concrete forms by placing the abstract forms in the relations determined by the same logic, to the reproduction in thought of the realization of the necessity of the abstract forms in their transformation into concrete ones. Still, to give this step and to discover capital as the concrete social subject in which all human potencies take shape today, or in other words, to discover the necessity of human action in the wholeness of its present determination, are the same thing. Instead of making evident the form of the real necessity, thus closing any appearance of freedom as an abstract self-determination on discovering it as the cognition of the necessity of one's own determination[36], Gunn steps back. Not in vain he professes a Marxism that places what is the necessary concrete form of realizing the accumulation of capital, class struggle, as the cause of this accumulation[37]. Had Gunn followed the development of the real necessity, he would have seen that there is no direct relation between two real forms other than being one the realization of the other's necessity; and that only for being such realization, it can be said that the former is the form of existence of the latter. Nevertheless, Gunn sticks to representation as the only form of scientific cognition. He thus conceives as irremediably external, the real relation of the genus with its species, i.e., the realization of its possible necessity by the abstract form, which thus affirms itself through its own negation becoming a concrete one. Once done this, he represents the concrete forms ('conjuncture') as a 'constellation' of abstract forms. This relation has nothing of an 'internal' one but its being presented as such by Gunn, as even its very name tells us about its externality. Of course, any form can be represented in this relation as the determinant of any other, and therefore, can be represented as the form of existence of any other. Hence, all real necessity ends up degraded to the question of deciding, from 'the indefinite range of what can be inferred from a contradiction', which ones are the 'pointfulness inferences', by resorting to interpretation. Remarkably close to where G. Carchedi arrives when he asserts that: 'In terms of concrete realization, determination means simply mutual interrelation.'[38]

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[35] Gunn, Richard 'Against Historical Materialism' *Open Marxism, Volume II, Theory and Practice* London: Pluto Press, 1992.

P. Murray, too, comes to face the difference between the abstract forms that have a purely mental necessity ('general abstractions') and the reflection in thought of the abstract real forms ('determined abstractions') as the clue to the scope of scientific cognition. Still, he cannot go beyond this point either, to face the development itself of the real necessity, and he draws back to the same hindrance of interpretation. Only that, instead of a class antagonism abstracted from its determinations, Murray ends up placing a scientific morality equally abstracted from its determinations, as the motive of conscious action[39].

Engels points out how Marx made clear he was not a Marxist. Considering what they call themselves, we must assume that Marxists can only see in Marx's assertion an expression of insincere modesty, or of his sense of humor, as Althusser wants to. It happens that, opposite to Marx, *they really are* Marxists. As its very name shows, *Marxism* is the conception of the *reproduction* in thought of the specificity of present-day society - originally developed by Marx - as a *representation* of this specificity; and, hence, the representation of dialectical cognition as a *conception of the world*, as *a system of thought*. In brief, it is the degradation of the integral cognition of one's own necessity to *an interpretation* of reality and, therefore, to an *ideology*. It is not surprising then, that even though Marxism is always willing to state the historical nature of capitalism and its concrete forms, the idea that scientific theory is one of these never crosses its mind. It happens that in scientific theory, ideology takes the form of its opposite, of scientific method.

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[36] Engels, Friedrich 'Herrn Eugen Dührings Umwälzung der Wissenschaft ("Anti-Dühring")' *Marx/Engels Ausgewählte Werke*, Vol. V Berlin: Dietz Verlag, 1985.

[37] Bonefeld, Werner 'Social Constitution and the Form of the Capitalist State' *Open Marxism, Volume I, Dialectics and History* London: Pluto Press, 1992.

[38] Carchedi, Guglielmo *Class ..., op. cit.*.

[39] Murray, Patrick *Marx's ..., op. cit.*.

Thus, like any other scientific theory about present-day social forms, Marxism shows its own necessity insofar as a concrete form of alienated consciousness by representing itself as the abstract negation of alienated consciousness, as an abstractly free consciousness. But here it is where its dialectic materialist logic shows the *raison d'être* for its specificity, for representing the simplest real determination, the self-affirming through self-negation, as the unity of two immediate affirmations mutually opposed and, therefore, for representing the existence of the concrete forms as abstractly opposed to their own determination. Marxism does not represent itself just as an abstract free consciousness, but, by invoking dialectical logic, it represents itself as the abstract free consciousness placed by itself as the opposite pole of the consciousness alienated in capital. Marxism does not see itself as being the opposite of alienated consciousness for recognizing itself as a form of existence of capital; on the contrary, it sees itself as the absolute realized negation of capital, as a social form whose necessity is external to capital. From this point of view, capital's historically immanent necessity of annihilating itself in its own development, that determines the working class as the necessary personification of this annihilation, comes down to an action external to that development itself. And, consequently, the performer of this action comes down to an abstract opposite of capitalism that, at best, has its necessity related to this one's as its absolute realized negativity, to the working class that reacts in self-defense against capitalistic misery and oppression. With which, the revolutionary realization of socialism/communism does no longer appear as what it is, as the realization of the historical necessity of the general regulation of the present-day process of social metabolism (and therefore, as the ruling itself of this process in action), as the realization of the historically own necessity of today's general social relation. On the contrary, the working class' revolutionary action sees its necessity come down to the 'will to survive' or the 'libertarian spirit' themselves of the working class, to the 'moral superiority' of a system over the other, to the realization of 'social justice'; that is, sees its necessity come down to a collection of abstractions that cannot but ideologically reflect the alienation of human potencies as capital's potencies, but that are represented as being so naturally eternal that the society freed from all alienation could only be realized through them.

It is precisely through this seeing itself as being abstractly free, that this specific form of alienated consciousness realizes its necessity as a concrete form of the alienated consciousness that does but to affirm itself as such. On the contrary, it is about the conscious regulation of the working class' revolutionary action through which capital realizes its necessity of annihilating itself into the general conscious regulation of human life. Therefore, it is not about producing an abstractly free conscious action, but about the production of an alienated consciousness, indeed, but one that is only such insofar as it is the negation of the negation of free consciousness. Although the question immediately arises, only its statement corresponds here: which social necessity embodies in the inversion, unconditionally accepted today among apparently uncompromising critical scientists, of the ideal reproduction of capitalist society accomplished by Marx into a theoretical representation?

As Marx shows, the point is not to interpret the world. The point is that the transformation of the world in question is the development of the conscious regulation of the process of social metabolism, and, therefore, the supersession of interpretation itself. If we fill any urgency to paraphrase Marx's thesis, we can state it as 'Philosophers have only *interpreted* the world in different ways; as a necessary form of scientific cognition alienated in capital, scientific theory can only rule its transformation within the miserable limits of the appropriation of relative surplus value; the point is to *change* it beyond these limits.' Above all, the scientific critique of scientific theory is the development of this conscious regulation, the development of the organicity of the working class' revolutionary action.

Buenos Aires, 1993

Appendix

Capital’s Development into Conscious Revolutionary Action
Critique of Scientific Theory

(Scheme)

Juan Iñigo

I. Dialectical cognition

1. *Dialectical cognition, i.e., the regulation of action under its form of reproduction of one’s own necessity in thought*: from the immediateness of action to the determination of its concrete subject (the development of necessity into its concrete form of freedom), the concrete forms of the ideal reproduction of reality (the method of dialectical cognition).

2. *Mathematical cognition, i.e., the cognition of the measure of one’s own necessity*: the determination that negates itself as such (the self-affirming by means of the negation of self-negation) and the lack of a real necessity whose development is to be ideally reproduced; the concrete form of measuring the quantum of magnitude, i.e., the mathematical process of cognition: from the representation of quantitative relations as abstractly such (logic) to the representation of the measure of the real abstract forms by the relations of measure of their concrete forms.

3. *Critical history of the forms of mathematical representation, i.e., the development of mathematics as a formally historic process in itself*: the emptying of the specificity of quantitative determination in formal logic; the reintroduction of quantitative specificity as abstract extensiveness; the mutilation of the logical development of the relation between the unit and the multiplicity until they reach their identity in the number, with the following inversion of the representation of this development as mathematical analysis, abstract algebra and topological relations.

4. *Mathematics of time-space, i.e., the measure of one’s own necessity specifically determined as the abstract self-reproduction of quantity*: the specific forms of time-space and their representation; critique of physics and its inverted determinations, where the forms in which phenomena manifest themselves are placed as their causal law.

II. The historical determination of dialectical cognition

5. *The development of matter into the generic human being*: the determination of matter as a general historical natural development, i.e., as universe; life: the regulation of the individual process of metabolism, the regulation of the simple process of social metabolism, from animal specificity to generic human being.

6. *The development of the generic human being into capital, i.e., the alienation of human potencies as capital’s potencies*: the general regulation of the process of social metabolism by means of the ideal appropriation of reality; the autonomously regulated system of social metabolism; capital’s historical potencies: towards the conscious regulation of the process of social metabolism.

7. *Consciousness as capital's potency, i.e., alienated consciousness*: the development of the commodity into mutual individual independence as a form of general social interdependence; the individual concrete form of social regulation; the incompatibility of capital with dialectical cognition as the general form of scientific cognition.

8. *Scientific theory, i.e., the science of capital insofar as it is purely determined by the appropriation of surplus-value*: the resolution of the contradiction between capital's necessity to submit all production and consumption to science and capital's necessity of alienated consciousness: the theoretical representation of reality by the relations of measure of its concrete forms; ideology in the form of the method of scientific cognition.

9. *Marxism*, i.e., the conception of the *reproduction* in thought of the specificity of present-day society, originally developed by Marx, as a *representation* of this specificity and, therefore, as a *conception of the world*, a *system of thought*: its historical necessity and its concrete forms.

III. Scientific cognition as a necessary concrete form of revolutionary action

10. *Conscious revolutionary action as the negation of the negation of free action*: the political organization of the working class and the unfolding of scientific cognition.

Juan Iñigo Carrera

Argentina: The Reproduction of Capital Accumulation through Political Crisis

> And all science would be superfluous if the form of appearance of things directly coincided with their essence.[1]
>
> Se vogliamo che tutto rimanga come é, bisogna che tutto cambi.[2]

In her article, 'The Battle of Buenos Aires: Crisis, Insurrection and the Reinvention of Politics in Argentina', Ana Dinerstein presents a thesis which bears much relevance for the Argentine working class. According to Dinerstein, the events of 19–20 December 2001 in the Plaza de Mayo brought about a fundamental change in the way politics is practised in Argentina. Moreover, the nature of this change is impossible to miss, clearly pointing as it does towards a new form of political action directed at superseding the capitalist mode of production.

Dinerstein bases her thesis on four points related to the people's march on the Plaza de Mayo: a) its broad-based appeal; b) its spontaneity and horizontal organisation; c) its demand 'all of them must go!'

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[1] Marx 1991, p. 956.

[2] Tomasi di Lampedusa 2000, p. 41.

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[*¡qué se vayan todos!*]; and, finally, d) the projection of these trends into the neighbourhood assemblies, the barter clubs, the factories turned into co-operatives, and others.

Certainly, Dinerstein is not alone in her analysis and conclusions. On the contrary, she presents a point of view that is widely shared among those who advocate radical change in Argentine society. Beyond their particularities, a broad range of participants and observers share this view, ranging from the 'traditional' revolutionary Left to the supporters of the 'new social subjects'.[3] Even at international level, the Argentine case is seen as paradigmatic, representative of the rise of a new social subject able to overthrow capitalist society.[4] We shall analyse Dinerstein's paper within this framework and follow the path she suggests.

Let us start with Dinerstein's first premise: the magnitude of the events of 19–20 December 2001 in the Plaza de Mayo. As Dinerstein writes:

> The battle of Buenos Aires lasted 10 hours. During the confrontations between demonstrators and the police, hundreds were arrested, six people were killed and many injured.[5]

Simply in terms of size, however, a different type of popular action actually accounted for 9 deaths and 2,717 arrests in the Greater Buenos Aires area alone during those days, and for a total of 29 deaths and 4,500 arrests in the country as a whole.[6] What sort of popular action was this that such figures only receive a footnote from Dinerstein, and a rather ambiguous one at that?[7]

The answer is looting. Neither these figures nor the acts themselves are given much significance in Dinerstein's presentation. They are only referred to once, as an occurrence that took place before the 'real' political events: the *cacerolazos* – the banging of pots and pans – and the march on the Plaza de Mayo.[8] Dinerstein is not the only one to disregard looting as a key feature of the political events of December 2001,[9] and this glaring omission is particularly noticeable in those studies that ascribe the rise of a new political subject in Argentina to the December 2001 events.[10]

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[3] Compare, for instance, Altamira 2002 and Bonnet 2002.

[4] See Holloway 2002b, Petras and Veltmeyer 2002.

[5] Dinerstein 2002, p. 23.

[6] Anonymous 2002a, p. 17. The actual number of deaths during the looting spree could be significantly higher. According to direct witnesses, for example, four people were killed simply during the looting of a supermarket in José C. Paz. None of these deaths were officially registered.

[7] Dinerstein 2002, p. 23.

[8] Dinerstein 2002, p. 22.

[9] See, for example, Petras and Veltmeyer 2002.

Are we to believe that the looting was not a political event? In fact, the government did not establish a state of siege as a result of the *cacerolazos*, as Dinerstein asserts.[11] The state of siege was declared several hours before the first pot was banged, in response to widespread looting. Why, then, is it that the looting is infallibly the *bête noir* in those studies that present December 2001 as a turning point in the way political action is carried out in Argentina?

The looting

In order to bring out the political significance of looting in relation to the *cacerolazos* and the march on the Plaza de Mayo, let us briefly consider the structure of the City of Buenos Aires and its suburbs, the Greater Buenos Aires region. This urban conglomerate is situated on the shores of the River Plate. Broadly speaking, it consists of the nucleus of the City of Buenos Aires, the seat of national government, surrounded by two semicircular belts. Notwithstanding the existence of neighbourhoods which are visibly different from each other within each of the three zones, the following table provides a general overview of the situation in October 2001:

Table 1
Unemployment and poverty in the Greater Buenos Aires, October 2001[12]

	Population (millions)	**% of the Economically Active Population**		**% of total population below the line of:**	
		Unemployed	**Under-employed**	**Poverty**	**Extreme poverty**
City of Buenos Aires	3.0	14.3	11.8	9.8	2.1
First Greater Buenos Aires Belt	3.0	17.8	15.7	26.6	6.8
Second Greater Buenos Aires Belt	6.6	22.8	19.9	51.1	19.3

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[10] See Colectivo Situaciones 2002.

[11] Dinerstein 2002, p. 23.

[12] Source: 'Encuesta Permanente de Hogares', Instituto Nacional de Estadística y Censos (INDEC). See INDEC 2002. The figures include the newly-urbanised areas which lie next to the traditional limits of the Greater Buenos Aires. Extreme poverty means an income below that needed to purchase the most basic food basket without even taking rent into consideration.

The *cacerolazos* and the march on the Plaza de Mayo only took place in the City of Buenos Aires and the more prosperous neighbouring suburbs. Beyond these areas, however, they were strange and far-removed events observed on television. On the other hand, looting was a common event in the outlying areas and extended into the poorest neighbourhoods of the City of Buenos Aires. In this case, the television audience was made up of the more skilled workers and the plentiful petty bourgeoisie, worried by the possibility that the looting mobs might make a move on their own neighbourhoods.[13]

No careful observer could miss the lines of four-wheel drives and other deluxe cars echoing the *cacerolazos* as they paraded in protest before the elegant residence of the displaced minister of economy, Cavallo, the champion of convertibility. Thanks to convertibility, the most prosperous supporters of neoliberalism had been able to import these vehicles. But the recently imposed *corralito* (literally, small fencing or enclosure) on bank deposits had revealed to them the true colours of this 'false idol' and, they felt, it was time to tear it down.

Conversely, looting was a phenomenon which evinced very little spontaneous political action, let alone elements of a horizontal political organisation. Clearly, looting was rooted in the hopeless misery to which the Argentine working class was finding itself condemned by the inexorable path followed by capital accumulation. But it is noticeable that, after December 2001, no more looting took place despite the fact that unemployment soared and real wages plunged.

It is well known that, in the province of Buenos Aires, it was the apparatus of the Justicialista Party (official name of the Peronist Party) that had prompted the looting. This apparatus was commanded by Duhalde, who was finally appointed president in the aftermath of December 2001.[14] The Peronist local leaders [*punteros*] drew people out by announcing locations where food was supposed to be distributed for free. Then their cadres spearheaded the looting.[15] Let us consider a specific case – that of the district of San Miguel, one of the poorer areas of the Second (urban) Belt around the Argentine capital, governed by Aldo Rico. Rico is a former army officer who led a military coup in 1987 in support of the torturers and murderers of the 30,000 *desaparecidos* of the 1976–83 military dictatorship. In 1999, he was elected mayor of San Miguel with 68% of the votes, supported by Duhalde. Now, Rico set up an operation aimed at driving the potential looters to the borders of his district, giving them *carte blanche* to act from there onwards.[16]

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[13] To avoid any misunderstanding, note that by 'working class' I refer to the totality of the members of society that are separated from their means of production and only own their labour-power, selling it in order to materially reproduce their lives, whatever the intensity, complexity and productivity of their work. My use of 'working class' does not depend on the price of their labour-power, on whether it is productive or unproductive with regards to the valorisation of capital, or on whether workers are able to sell it, in whatever the way they relate to commodity production. By petty bourgeoisie I mean the genuine independent producers of commodities, the individual merchants and the capitalists whose capital falls short of the amount needed to actively participate in the formation of the general rate of profit.

[14] In the 1999 presidential elections, Duhalde was defeated by De La Rúa, from the Alianza Party, who fled the country on 20 December.

In fact, the Justicialista party had already resorted to this course of action in 1989, when a wave of looting was a key factor for the premature transfer of power to president Menem.

Therefore, the fall of the national government on 20 December 2001 was precipitated by the confluence of two forms of popular political action. Looting was clearly the dominant form within the areas of greater poverty furthest away from the city centre. It was articulated by a political structure that grew in proportion to the deteriorating conditions for the reproduction of the labouring population. This structure is based on a complex relationship within which political action, clientelism, crime, *barras bravas* [hooligans] and police impunity all come together.[17] Within the more prosperous areas located closer to the city centre, the *cacerolazos* and the march on the Plaza de Mayo were the principal form of protest. These were spontaneous movements that coincided with the mobilisation of the left-wing parties under the motto 'all of them must go!'.

This twofold process raises a further issue: the identity of the determining factor underlying the two forms of action in question, apparently opposed in terms of both political form and content, but which fused, bringing on the fall of the Alianza government. To answer this question we must start by considering the course followed by the national process of capital accumulation that culminated in those actions.

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[15] Amato and Guagnini 2002, pp. 16–18.

[16] Anonymous article 2002b, p. 17. This case has been verified through testimonies collected by students of the Universidad Nacional de General Sarmiento, which is situated in the area.

[17] Guagnini 2002; Young, Guagnini and Amato 2002, pp. 20–2.

The specific trend towards economic contraction

Dinerstein states that:

> One of the keys to understanding why the convertibility plan did not produce the macroeconomic conditions for sustained growth and, instead, led to the crisis of December 2001 lies in the fact that, during the 1990s the private sector produced deficit in the generation of foreign currency for the country . . . with their commercial and financial transactions with the world. The negative balance was covered by the public sector which indebted itself to cover the difference and thus accumulate reserves to expand domestic credit.'[18]

All this accentuated the vulnerability of the plan 'to the capricious movement of global capital and financial markets'.[19] Then, the escalating 'tension between persistent social and labour struggles and the pressure from financial institutions'[20] produced political instability, which, in turn, produced 'further economic instability'.[21] And so on until the crisis exploded in December 2001.

But what economic growth are we talking about? The physical volume of social production evinced substantial growth during the 1990s, even more so than that of the USA. During 1990–2001, the average physical volume of the Gross Domestic Product (GDP) grew 26% more than levels reached during the previous stagnation of 1975–89 and 74% more than levels reached during the previous sustained growth period of 1960–74.[22]

This growth is the mainstay of the arguments presented by the supporters of neoliberal policies who claim that the crisis resulted from an incomplete application of these policies, creating a climate of political instability. In turn, this climate purportedly generated fear in investors, causing the withdrawal and flight of international capital.[23] As we can see, however, despite standing in opposite corners over 'the struggle between money and life',[24] both Dinerstein and the defenders of neoliberalism agree that the origins of the December 2001 crisis lie in the very political forms themselves. Posited on the side of 'life', this conception might appear to be a revolutionary-critical perspective concerning the abolition of the capitalist mode of production. However, it actually implies an idealistic inversion of the determination of working-class consciousness, which becomes reduced to the appearances of its advances and retreats in political struggle.

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[18] Dinerstein 2002, p. 17.

[19] Ibid.

[20] Dinerstein 2002, p. 19.

[21] Dinerstein 2002, p. 20.

[22] Iñigo Carrera 2002, pp. 3–4; see the methodological criteria on p. 4, and a data table on p. 32, based on original information from the Banco Central de la República Argentina (BCRA) and Ministerio de Economía (ME).

[23] See FIEL 2001.

[24] Dinerstein 2002, p. 22.

The consciousness of the Argentine working class is no more than the expression of its social being. This social being is concretely determined by the specific way in which the material production of its life is organised. Clearly, the issue concerns what is to be done regarding the current political situation in Argentina so that this action can express the general interests of the working class.[25] To do so, we must start by bringing to light the concrete historical powers of the Argentine working class. Therefore, we need to begin by taking a look at the specific nature of the Argentine process of capital accumulation.

In other words, we must avoid embracing the illusion that an apparent rise in the political awareness of the Argentine people will *per se* engender a radical change in the national process of capital accumulation. The point is to examine what has changed in the process of capital accumulation in Argentina that has prompted it to take specific political form in the shape of direct popular action. Thus, it will be possible to unveil the historic potential that lies within such action.

Let us take another look at the growth of the Argentine social product during convertibility from the specific point of view of capital accumulation. As we well know, in those societies where the capitalist mode of production dominates, social wealth does not simply appear as the material accumulation of use-values but, rather, as the accumulation of value. In other words, it is clearly not enough to merely possess more goods in order to be wealthier; what really matters is the total value of those goods. This is a delicate issue for the Argentine economy, where, particularly over the last decade, complex industrial production has been overtaken by imports while only the production of raw materials and very low value-added activities have expanded.

In real terms of purchasing power, average GDP grew only 24% from the 1960–74 period in comparison to the 1990–2001 period. Even worse, during the latter interval it fell to 10% below the level reached 1975–89.[26] During a time of apparently sustained growth in physical volume, the Argentine economy actually lost a tenth of its value. In 2001, it was 9% below the value it had reached in 1974. Hence, the expanded physical volume of material products pointed to a contracted mass of social wealth. The annual value product of the Argentine economy has remained stagnant – if not actually shrunk – during the last twenty-five years.

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[25] Marx and Engels 1976, p. 497.

In short: in 1960–74, the value of Argentine GDP was equal to a monthly equivalent of 18 million of the staple goods baskets that are used to compute the consumer price index. In 1975–89, it grew to 24 million baskets, yet fell to 22 million in 1990–2001.[27] Meanwhile, the average population grew from 23 million to 29 million, and to 34 million, respectively.[28] In 1960, the Argentine economy was equivalent to 3.2% of the USA economy; in 2001 this proportion had fallen to 1.5%.[29] It was from these already contracted levels that the 7% fall in value which took place in the crisis of 2002 (corresponding to an 11% fall in volume) occurred.

However, the issue does not end here. We also know that capitalist production does not merely aim at the production of value. It aims at the production of surplus-value. Total net surplus-value[30] increased by 90% between 1960–74 and 1975–89, although total value grew only 40%. Still, the 10% fall in the value product between 1975–89 and 1990–2001 allowed for only an increase of 8% in net surplus-value.[31] Moreover, total surplus-value did not end up falling in absolute terms, because it was sustained at the expense of undermining the normal reproduction of capital accumulation at its very base, namely, by increasingly paying labour-power below its value. Many years before the current crisis, the national process of capital accumulation began to show a specific trend towards the formation of a surplus-labouring population. This trend immediately results from the stagnation and contraction of the amount of value produced by the Argentine economy. During 1990–2001, the real industrial wage fell 35% with respect to 1960–74 and 23% with respect to 1975–89.[32] At the same time, legislation slashed indirect wages by at least a third, which, in practice, was much more owing to the expanding informal economy and deteriorating pension and health systems. Thus, the Argentine working class has been increasingly prevented from reproducing its labour-power with the productive attributes it had developed before the stagnation and contraction began. The Argentine economy does not only come up against a specific limit to its growth but, as it is absolutely unable to reproduce the labour-power it once required, it collides with the general base of capital accumulation itself.

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[26] Iñigo Carrera 2002, pp. 6–7; see also the methodological criteria on pp. 5–9, and the data table on p. 32, based on original information from the BCRA, ME and the Instituto Nacional de Estadística y Censos (INDEC).

[27] Iñigo Carrera 2002, p. 10; see also the methodological criteria on p. 7, and the data table on p. 32, based on original data from the BCRA, ME and INDEC.

[28] Ibid.; see the data table on p. 32, based on original information from INDEC.

[29] Ibid.; see the methodological criteria on pp. 5–10, and the data table data on p. 32, based on original information from BCRA, ME, INDEC, the US Bureau of Economic Analysis (BEA) and the US Bureau of Labor Statistics (BLS).

[30] Total surplus-value, net of circulating expenses plus the value of fixed capital consumed.

[31] Iñigo Carrera 2002, pp. 11–12: see the methodological criteria on p. 11 and the data table on p. 32, based on original information from BCRA, ME and INDEC.

The specific form of capital accumulation in Argentina[33]

At first sight, it appears that the Argentine economy has developed along the general lines inherent to the national processes of accumulation of industrial capital. There is a clear trend towards the centralisation of capital and a strong presence of the world's most concentrated capitals. Yet a peculiarity immediately emerges. These capitals work on a scale restricted to the size of the internal market. How do they fit into a market of only 36 million inhabitants, almost half of whom live below the poverty line today and whose average wage is just one tenth of the American wage? For instance, six of the world's main car manufacturers still have production plants in Argentina. Each export to the Mercosur zone is met by an import, thus balancing out any expansion of the scale of production, beyond that of the internal market. Conversely, in Italy, with a population that is two thirds larger and an average wage close to the American one, there is only one car manufacturer which is, furthermore, unable to sustain independent capital ownership.

The answer lies in the scale of the Argentine plants, which is small compared to that of other plants managed by the very same capitals which supply bigger internal markets or the world market. Yet, this small scale, and its negative consequences upon technical innovation, mean lower labour productivity, and thus higher production costs leading to the impossibility of valorising capital at the general rate of profit. Therefore, in addition to the surplus-value simply extracted by industrial capital from its productive workers, the capitals in question need to find, within the Argentine economy, an additional source of social wealth to compensate them for their limited production scale.

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[32] Iñigo Carrera 2002, p. 20; see the methodological criteria on pp. 19–20, and the data table on p. 32, based on original information from INDEC.

[33] This section is based on Iñigo Carrera 1998.

Today, the sale of labour-power below its value accounts for a significant part of the compensation. Still, this relative cheapness cannot be – nor could it ever have been historically – its main source. Had this been the case, industrial capitals would have generated production from Argentina for the world market as the norm, instead of restricting their scales of production to the domestic market.

A second source of compensation arises from the pervasive presence of small national capitals. Their accumulation is not directly ruled by the general rate of profit, but by the rate of interest. When the price of production of their commodities pushes their profitability over this limit, the competition among them means that the profit at stake ends up being transferred to the more concentrated capitals to which they relate in circulation.[34]

However, historically, the main source of compensation has always been the differential ground rent from the Argentine *pampas* – more recently, the differential rent coming from oil, gas and hydroelectric energy has also acquired relevance. Landowners, on the one hand, and the international industrial capitals that operate as restricted fragments in Argentina, plus the more concentrated national industrial capitals, on the other hand, are, albeit antagonistically, associated to appropriate the differential ground rent. This shared appropriation underlies the whole specificity of the Argentine national process of capital accumulation. This is where the current stagnation and ensuing crisis have their specific roots.

Industrial capitals have appropriated their share in differential ground rent through different means. In some cases, this originates in the flow of rent to the state through special taxes on agricultural exports, regulated prices or the monopoly on foreign trade. The rent is then transferred to industrial capitalists as subsidies, the purchase of commodities by the state and by its workers, and so on. In other cases, the state controls the flow in an indirect way. For instance, this can occur through a fiscal deficit covered by the inflationary printing of currency, which leads to a negative rate of interest in real terms, and in which the landowners are creditors and industrial capitals are debtors. Another significant way is the overvaluation of national currency. When agricultural exports pass through the exchange mediation, overvaluation retains a share of their value that corresponds to ground rent. The industrial capitals are then able to appropriate this because the overvalued national currency allows them to import means of production at a lower cost than the price of production on the world market. Overvaluation, moreover, multiplies the value of profits made locally in international terms when they are remitted abroad. In fact, overvaluation has been the prevailing method for appropriation throughout the last decade, which fell into a violent crisis in 2001.[35]

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[34] For this determination of differential concrete rates of profit, in opposition to the theories that ascribe these differences to market forms, see Iñigo Carrera 2003, pp. 123–30.

The paths taken by the appropriation of ground rent do not impinge on the normal profitability of agricultural capitals. But they certainly limit the scale of their intensive and extensive disbursement on land. In turn, this limitation affects the pace of technical innovation in agriculture and extends the specific national limitations as far as the only sector truly able to compete on the world market. As such, only those industrial capitals which produce on a scale already superseded by the development of the productivity of labour on a global scale, are able to valorise themselves in Argentina. Some of them fit into this category because they are just small capitals. Others do so because they are specifically restricted fragments of capitals that actually operate on a normal scale elsewhere. The former are unable to develop the productive forces of society owing to their limited size. The latter obtain a normal rate of profit, and may even make extraordinary profits, without fulfilling their historical role in that selfsame process of development. Moreover, they are actually freed from the costs of developing the productive forces as they are able to convert what has already become scrap in the countries where capital operates on a normal scale into brand new capital in Argentina. Hence, although the Argentine national process of accumulation appears to be an ordinary national process of development of the productive forces of society, it is in fact working against this development.

This contradiction, which is so characteristic of the Argentine economy, acquires a particular shape in the process of capital centralisation. The centralisation of capital tends to liquidate small capitals, therefore undermining one of the sources of additional surplus-value appropriated by concentrated capitals. At the same time, despite the internal concentration and centralisation of capital, the gap between the limited productivity of labour that corresponds to the size of the internal market vis-à-vis the size of the world market, continues to grow. In turn, the privatisation of state enterprises restricts the role of the state as a source of demand to sustain the internal market, adding new capitals that demand their share of ground rent, of the value of labour-power and of the surplus-value freed up by the small capitals.

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[35] Iñigo Carrera 2002, pp. 12–14; see the methodological criteria on pp. 5–9, and the data table on p. 32, based on original information from BCRA, INDEC and BLS.

But there was another element which pushed the contradiction inherent in the Argentine process of capital accumulation to a critical point. During the first half of the 1970s, agricultural ground rent rose abruptly. Thus, in each year between 1972 and 1976, industrial capitals appropriated eight times the real average annual amount they had appropriated in the 1960–71 period.[36] Yet, after reaching this peak, world ground rent began to drop in a downward trend that has continued up until the present.

With differential ground rent decreasing and the amount needed to support accumulation in fragmented industrial capitals rising, the Argentine process of capital accumulation increasingly witnessed the deterioration of its specific basis. The value product fell into stagnation and decline, whereupon the profit freed up by small capitals shrank even more and the gap between the scales of the domestic and the world market widened. Moreover, the consequent multiplication of the surplus-labouring population enabled capital to pay labour-power below its value, which counterbalanced the former effects, thereby providing a new basis for the reproduction of the specific nature of the national process of capital accumulation.

As the national economy stagnated and shrank, the overvaluation of the currency not only served as a mediator in the appropriation of ground rent but also narrowed the gap in productivity inherent to the relatively restricted scale of production for the internal market. It did so directly by enabling the cheap import of means of production and indirectly by allowing the import of cheapened means of subsistence for the workers, thus cheapening their labour-power. Additionally, lower import duties reinforced the effect of the overvaluation of currency. However, at the same time as cheapened imports displaced local production, the reproduction of the national process of capital accumulation on the basis of an overvalued currency and free-trade policies came ever closer to death by suffocation.

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[36] Iñigo Carrera 2000, pp. 62–3.

Ten years of a highly overvalued currency required a significant accumulation of reserves in foreign currency. However, a national economy whose size in terms of value was shrinking, whose reproduction demanded the growth of imports over exports, and which was suffering from the contraction of ground rent, had no means of generating such reserves on its own. Where did these reserves come from? The answer lies in the real expansion of foreign public debt.

There exists the widespread belief that the payment of the foreign public debt resulted in the continuous outflow of social wealth which was ultimately responsible for the collapse of the Argentine economy. Despite its apparently critical slant, this belief clashes with a simple fact: from the 1960s onwards, Argentina received a continuous influx of social wealth as a result of increasing its debt in real terms over the capital and interest payments that were due.[37] These additional funds, together with those raised through the privatisation of enterprises owned by the state, provided the reserves that sustained the overvalued national currency. However, the very same overvalued peso acted as a stimulus for the expatriation of foreign currency by the private sector. So, as soon as the national state topped up its reserves by increasing its foreign debt, the private sector drained them by sending foreign currency abroad. This locked the state into a constant vicious circle of increased public indebtedness created in order to maintain the overvalued peso.

This cycle was rooted in the overabundance of fictitious capital circulating in the world market. During the last quarter of the twentieth century, global capital accumulation entered one of its phases towards general overproduction.[38] Overproduced capital started to circulate as fictitious capital, namely, as a mass of credits conceded to insolvent debtors that merely keep up the appearance of valorisation by constantly accruing due interests to an unpaid and overdue principal. As the advance of the global economy towards general overproduction maintained the appearance of being a mere process of accumulation based on the expansion of credit, the Argentine state was able to expand the influx of foreign currency to replenish its reserves. But, in 2001, general overproduction manifested itself to such a degree that it abruptly put the brakes on the global expansion of fictitious capital. At the same time, the expanded access to global fictitious capital was subject to the capacity of the

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[37] For a computation of these movements see Iñigo Carrera 2002, pp. 24–9, and the data table on 36–7, based on original information from BCRA, ME, INDEC and BLS.

[38] Iñigo Carrera 2003, pp. 67–75.

Argentine economy to maintain the appearance that it was able to honour its debt. The same overvaluation of the national currency, the expansion of imports, the privatisation of state enterprises, and so on, helped to support this fiction. But, here too, reality was eventually due to burst in. Those state assets suitable for immediate privatisation had been exhausted and the national process of capital accumulation openly clashed with its specific limit, therein contracting the value of GDP and brutally increasing unemployment. The same contradiction between economic contraction and the unstoppable expansion of foreign debt made interest rates soar.

Together, the global crisis and the Argentine crisis – the latter became intensified as a specific expression of the former – brought the cycle of replenishment of foreign currency reserves through ever increasing levels of foreign indebtedness to a violent end. The across-the-board renewal of due debts (the plans of 'Blindaje' and 'Megacanje') threw the painful nature of this process into sharp relief. Then, as it became evident that no new real expansions of the state's foreign debt were at hand, the private depletion of the reserves accelerated, showing that 'convertibility' and its overvalued currency were about to collapse. Although bank deposits were nominated in US dollars and supposedly guaranteed by the strongest international banking capitals, these turned out to be equally unsustainable fictions: as soon as the withdrawal of deposits (to turn them into true US dollars) accelerated, the same neoliberal banking capitals clamoured for state intervention. And the state obeyed by introducing the *corralito*, enclosing bank deposits.

The unstoppable crisis reached into every nook and cranny of the Argentine economy. Credit disappeared, tax collection fell to rock-bottom levels, bankruptcies and factory closedowns multiplied, and unemployment peaked. A substantial devaluation of the peso was imminent. A devaluation of this kind meant a further fall in real wages, rises in costs and unbearable losses in an economy where most domestic liabilities and contracts were denominated in foreign currencies.

The national process of capital accumulation was heading for a situation involving a substantial fall in real wages, a violent contraction of its scale and an open default on its foreign debt. At this point, the issue was the political form that the crisis was to take.

The political representation of capital accumulation in Argentina

At the turn of the twentieth century, the agricultural landowner class dominated the general political representation of the national process of capital accumulation. Nevertheless, as industrial capitals became stronger partners in the appropriation of ground rent, landowners were relegated to a secondary position.

Argentina's development as a space for the accumulation of capitals that, despite their normal global scale, operate as limited fragments to be valorised in the specific way detailed above, was dependent on an existing specific condition. It required the wide-scale presence of genuine small capitals. This was a condition that both provided the domestic market with sufficient breadth and endowed fragmented capitals with one of the sources of additional surplus-value which they required to compensate for their own limited scale. Hence, in its historical development, Argentine capital accumulation went through a phase characterised by the general transformation of ground rent into a mass of small domestic capitals. This multiplication of small capitals not only absorbed the already active labouring population but also multiplied it on a wide scale so that it appeared to be the very cradle of the Argentine working class. On this basis, the Argentine petty bourgeoisie and the working class converged in the general political movement that consolidated the genesis of the specific form of the national process of capital accumulation in the 1940s; namely, Peronist populism.

From this point on, the immediate reproduction of the Argentine working class as an active labouring population and of the national petty bourgeoisie remained tied to the reproduction of this specific form. This reproduction gave way to the widespread arrivals of the particularly restricted fragments of normal capitals, starting in the 1950s. Given their foreign origin, these capitals could not be politically represented in Argentina by their own bourgeoisie. Nevertheless, since their accumulation had become a condition for the reproduction of the national economy, they were able to delegate their political representation within the same populist movement and also through the diplomatic staff of their countries of origin. So-called developmentalism [*Desarrollismo*] was the most genuine expression of this political representation. Furthermore, throughout Argentine history, the appropriation of ground rent has been mediated by the actions of the national state as the general political representative of the total social capital that is valorised in the country. Hence the specific participation of the state bureaucracy, particularly the armed forces, in political struggles. When the national accumulation of capital entered a phase of growth based on a circumstantial increase of ground rent, its general political representation corresponded to a populist-democratic government. When the economy contracted, however, this place was taken by a military dictatorship actively supported by foreign capitals.

As a product of the specific form of the national process of capital accumulation, the Argentine left-wing parties could not escape being determined as particular political representatives of the reproduction of the selfsame specificity.

Yet they were unfit to act as the general representatives of the working class within this process, as this role corresponded to the populists. The role of left-wing parties was restricted to spearheading the struggle for higher wages and the reinstatement of democratic government when the economy entered expansive phases. On the surface, it seemed that these struggles brought into question the overthrow of capitalist society itself. Yet, as economic expansion began to consolidate itself, the left-wing parties found themselves ousted by mere populism. And, as soon as the subsequent process of contraction got under way, their struggles against falling wages and rising unemployment – vis-à-vis the retreat of the populists – turned them into scapegoats, suffering the wrath of a new military dictatorship. Even those parties that called for a revolutionary expropriation of the bourgeoisie were unable to overcome the appearances of the Argentine specificity. Therefore, they completely overlooked the specific nature of the very material base on which that expropriation would have had to operate. In Argentina, the bourgeoisie had set up nothing but a mass of obsolete means of production materially unfit to support the development of the productive forces of society.

In fact, over twenty-five years ago, the fluctuation between expansive and contracting phases gave way to a blatant tendency towards stagnation and decline in the political form of the bloodiest military dictatorship. The dictatorship imposed itself when the circumstantial expansion of the national process of capital accumulation – largely due to the exceptional increase of ground rent during the years 1973–4 – came to an end. And it did so by bringing about the armed defeat of the political forces that had welcomed the same circumstantial expansion of Argentine capital accumulation as evidence that this process would lead directly towards socialist supremacy. From then on, the reproduction of the Argentine economic specific form resulted in the accelerated liquidation of the petty bourgeoisie and an increasing transformation of the working class into a surplus population for capital.

Nevertheless, even going downhill, the immediate reproduction of both social classes remained tied to the reproduction of the specific nature of the national process of capital accumulation.

The coalition between the petty bourgeoisie and the working class continued to bear the general political representation of Argentine capital accumulation. However, intermittent periods of expansion increasingly proved unable to counteract the overall trend of contraction. Expansionary phases became weaker and weaker, whilst the surplus-labouring population continued to grow even through these phases. There was no place left for the generalised illusion concerning the political powers gained by the working class and the petty bourgeoisie during the expansionary phases that needed to be annihilated when renewed contraction became apparent. Thus, even as the crisis deepened, democracy acquired continuity. This process of accumulation, which only could reproduce the petty bourgeoisie and the working class at the expense of their accelerated liquidation to the benefit of the most concentrated capitals, acquired its proper political shape through populist rhetoric with neoliberal content.

In 1976, only a bloody military dictatorship that systematically abducted shop stewards from their workplace and made them 'disappear', was able to reduce real wages by 35%. Then, throughout the 1990s, real wages dropped even more sharply, to an average of 40% below the levels reached between the years 1973–5.[39] But, in this case, it was not a military dictatorship but the Peronist government of the Justicialista Party that was in office. The same low levels were sustained under another democratic government with a populist programme and a neoliberal policy, namely, the Alianza Party headed by De La Rúa, which was the opposition to the Justicialistas. These facts are clear indicators of the significant weakness suffered by the political and union strength of the Argentine working class during the last quarter of the twentieth century.

Nevertheless, by the end of 2001, the inevitable devaluation was set to cause a drop in real wages of such proportions that the situation, coupled with a drastic rise in unemployment, could only be handled by a government able to ensure the absolute paralysis of the unions. Only the Justicialista Party enjoyed such a capacity, supported by both the official federation of unions (CGT) and the strongest dissident federation (MTA). At the same time, the Alianza government found itself unable to declare default on the external debt, since it had claimed repeatedly that payments to foreign creditors were guaranteed and that 'convertibility' was to be maintained whatever the consequences. In fact, devaluation and the default would need to acquire the political form of a statement of national autonomy if they were to push through. Once more, Peronist populism was their appropriate political expression. However, the Alianza government was just in the middle of its term in office. Therefore, if the Justicialista Party was to take power, President De La Rúa would have to fall. All the conditions pointed towards a 'democratic' overthrow, in other words, towards the fall of the Alianza government at the hands of its own social base: the petty bourgeoisie and the working class that performs complex labour.

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[39] Iñigo Carrera 2002, p. 20.

In 1989, the widespread looting set the scene for the premature transfer of power from Alfonsín, of the Radical Party which had become the basis of the Alianza, to Menem, of the Justicialista Party. In 2001, the looting acted as the spark that revealed the government's impotence in handling the situation. On 19 December, rumours about looters moving in on shops and homes in the more prosperous neighbourhoods were spread intentionally among the population. Everybody remained alert. Even in the financial district, shops closed early and boarded up. In the outer areas, neighbours prepared themselves for a night of surveillance and formed bands of vigilantes. The president declared a state of siege and offered up the head of his minister, Cavallo. But he insisted on remaining in power. In this tinderbox-like situation, the spark ignited the explosion: the *cacerolazos* of the petty bourgeoisie and the skilled workers, followed by the march on the Plaza de Mayo. Powerless, the government brutally turned on its own social base while President De La Rúa fled to the sound of the cries of 'all of them must go!'.

Nevertheless, not all of them left. Immediately after the government had fallen, and with the Alianza's agreement, the Peronist majority at Congress appointed Rodríguez Saá as the new president. Rodríguez Saá appeared as the reincarnation of populist nationalism. He declared the default on the foreign debt, something acclaimed as a nationalist victory by those very same representatives that supported each of Menem's neoliberal policies. Yet, at the same time, Rodríguez Saá's populist rhetoric appeared to run too close to that of the unions. Furthermore, once the default had been declared, the time came to reproduce the national process of capital accumulation through new agreements with the IMF and a dramatic drop in real wages. Just one week later, the Justicialista Party withdrew support for Rodríguez Saá, while his alliance with the union bureaucrats and the appointment of a former mayor of Buenos Aires City who was emblematic of political corruption were enough to warrant another *cacerolazo*. Again, the petty bourgeoisie and the skilled working class banged their pots and pans. Rodríguez Saá was forced to abandon office. The Congress appointed Duhalde as president – the same man in command of the Peronist apparatus in the Greater Buenos Aires region – a group, let us not forget, which had been quite active in the looting.

With the default already declared and the devaluation of the peso as an unavoidable condition for the banking system to start operating again after more than fifteen days, Duhalde was ready to devalue and to relaunch negotiations with the IMF. Thus, the declaration of default, the drop in real wages and the further contraction of the economy, had developed their political form. By May 2002, real industrial wages had fallen by 24%.[40] The national rates of unemployment and underemployment soared to 21.5% and 18.6%, respectively.[41] However, the CGT and the MTA supported the government and remained inactive. The CTA carried out protests but with no practical results. For the second quarter of 2002, the GDP had fallen by 13.5% compared to the year before.[42] The situation in the City of Buenos Aires had become significantly worse:

Table 2
Unemployment and poverty in the Greater Buenos Aires, May 2002[43]

	Population (millions)	**% of the economically active population**		**% of total population below the line of:**	
		Unemployed	**Under employed**	**Poverty**	**Extreme poverty**
City of Buenos Aires	3.0	16.3	15.6	19.8	6.3
First Belt of the Great Buenos Aires	3.0	21.9	18.3	41.5	16.8
Second Belt of the Great Buenos Aires	6.7	25.6	21.9	66.6	33.2

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[40] See INDEC 2002.

[41] Based on Ministerio de Economía.

[42] Dirección Nacional de Cuentas Nacionales, Ministerio de Economía.

[43] Source: 'Encuesta Permanente de Hogares', Instituto Nacional de Estadística y Censos (INDEC). See INDEC 2002.

Nevertheless, no more looting occurred. The national process of capital accumulation had reproduced itself once again upon its specific base.

What crisis of political representation?

The specific modality of capital accumulation in Argentina could only be reproduced through a profound crisis, a kind of crisis which would take concrete shape as a legitimacy crisis of formal political representation.

In the capitalist mode of production, the general social relation – social power – exists as a thing carried in one's pocket (that is, money).[44] On this basis, political corruption is inherent to capitalist accumulation. But, when accumulation is specifically based on the appropriation of ground rent through the political mediation of the state for the benefit of capitals operating on restricted scales, political corruption is placed at its very core. Moreover, the exhibition of illegally obtained wealth becomes a demonstration of social power. The more the national process of capital accumulation clashes against its specific limit, the more crucial the role played by the shameless exercise of corrupt political representation becomes.

The legitimacy crisis of political representation did not emerge from the public discovery of the specific limits inherent to the national process of capital accumulation. On the contrary, it emerged from the apparent non-existence of such specific limits, whereby the economic crisis resulted from the inability of political representatives to reproduce the former situation of the petty bourgeoisie and the working class. In turn, their ineffectiveness was attributed to their systematic plundering of social wealth to the benefit of more concentrated capitals as well as themselves.

In brief, the crisis of political representation did not entail any greater levels of awareness than the demand for the reproduction of the specificity of the Argentine economy but without the inescapable consequences of such reproduction. The impotence expressed by this demand was the real essence contained in 'out with them all' as the key proposal for political action to face the crisis.

The abyss that lies between the appearance and the content of 'all of them must go!' questions Dinerstein's claim that:

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[44] Marx 1993, p. 157.

> *[¡Q]ue se vayan todos!* is qualitatively significant as it constitutes the initial 'adequate idea' that, as Deleuze suggests with reference to Spinoza, puts people 'in possession of their power of understanding, and so by our power of action'[45]

On the contrary, based on the inability to discern beyond immediate appearances, *¡Qué se vayan todos!* actually reveals one's inablity to seize power with one's own hands.

Realities of 'all of them must go!'

Dinerstein asserts that 'after December 2001 something (everything) has definitely changed' in Argentina.[46] Let us consider what she presents as the core manifestation of the new 'non-identity, horizontal, democratic and anti-institution politics and the reinvention of the political which began in December 2001'[47] able to overcome the capitalist mode of production: the neighbourhood assemblies.

By October 2002, 119 neighbourhood assemblies existed in the City of Buenos Aires and 62 in the Greater Buenos Aires region.[48] Therefore, each one corresponded to an average population of 25,000 and 156,000 respectively. At that time, the neighbourhood assemblies played a significant role in the rapid succession of governments that gave political shape to the reproduction of the national specificity of capital accumulation, each of them drawing several hundreds of people at best.[49] Nowadays, the few surviving assemblies congregate one or two dozen people, perhaps as many as thirty participants (many of whom are activists from the traditional left-wing parties). Nevertheless, when the time comes, the assemblies do not hesitate to speak in the name of the immense majority of their absent neighbours. The so-called 'inorganic horizontal organisation' has no other content than the absolute centralisation of the decision-making process by those who control the assemblies. Thus, while some assemblies voted to exclude anyone who was affiliated to a political party, others are directly controlled by this or that party.

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[45] Dinerstein 2002, p. 32.

[46] Dinerstein 2002, p. 23.

[47] Dinerstein 2002, p. 26.

[48] Galvani, Levy and Gringauz 2002, p. 10.

[49] Only the meetings of the inter-neighbourhoods assemblies surpassed the thousand participants during their first few months of existence.

Some assemblies voted for resolutions against the IMF, the nationalisation of the privatised companies, but, in practical terms, their achievements come down to some minor urban improvements and cultural activities. They also provide some food and clothes to the impoverished. Clearly, these activities satisfy real needs, given the current situation, but they have nothing to do with the overthrow of the capitalist mode of production, however charitable they might be. Moreover, as soon as the same activities became systematic, they started to show all the marks of political clientelism and charitable relationships.

The roadblocks of the organised unemployed [*piqueteros*] were decisive for the implementation of extended unemployment subsidies, which reached almost two million people and have been effective since 2002. The killing of two of their activists by the police under Duhalde's administration forced him to bring the 2003 elections forward. Today, the *piqueteros* retain their capacity for mobilisation. Nevertheless, their power to transform the current social conditions has not gone beyond that immediately emerging from the reproduction of unemployment itself: the struggle for subsidies (which fall short of the limit of extreme poverty), community kitchens and orchards, complementary schooling, some very small-scale production, health care, and so on. Certainly, these actions are the concrete forms through which a part of the Argentine surplus population is still able to survive. At the same time, they place a barrier to further falls in the wages of the employed workers, which, in turn, means that they place a barrier on the possibility of capital accumulation further freeing itself from the need of technological development. However, there is an abyss between these potentialities and that needed to support the claim about a 'new identity' able to overcome the capitalist mode of production. Moreover, as Dinerstein herself points out, most of the unemployed organisations are related to traditional left-wing parties; for example, the Corriente Clasista y Combativa (Maoists), the Polo Obrero and the Movimiento Teresa Vive (Trotskyists), the Movimiento Territorial de Liberación (Communist Party) and the Barrios de Pie (left-wing populist nationalism). The Federación de Tierra y Vivienda, that claims to be the largest organisation, openly supports Kirchner's administration and its chief leader has been elected to Congress. The Movimiento de Trabajadores Desocupados Aníbal Verón, commonly taken as an example of the powers that emerge from political independence and horizontal organisation, has been plagued by internal power struggles and went through successive splits. Besides, the *piqueteros* organisations are based on the management of the assistance plans for the unemployed, holding a total share of about seven per cent.[50] The rest of the plans are managed through structures of political clientelism. Under such conditions, clientelism permeates the *piqueteros* movement, a fact pointed out by the organisations themselves as they exchange accusations.

The barter clubs disappeared in the midst of the scandalous theft perpetrated against their members through the issue of token 'money'. In turn, as with any private capital, those factories turned into co-operatives by their workers can only survive if they are competitively successful. Within a national economy the scale of which is subject to contraction, successful competition means expelling other capital enterprises from production. Therefore, co-operative success means that other workers may lose the chance to sell their labour-power. Under capitalism, solidarity is merely the necessary concrete form taken by the basic social relation existing between the owners of commodities: competition. The illusions about market socialism could be nothing more than that: illusions to be swept away by the realities of the commodity-form.

Let us take another example: the Autodeterminación y Libertad party, which lays claim to horizontal organisation and anti-institutionalism, praises Negri and Holloway, and has '*¡qué se vayan todos!*' as its main slogan. Zamora, its leader, was one of the candidates with the highest voter-intention support (no more than 10–15%, however) for the 2003 presidential elections. The moment came to decide if he was to stand as a candidate. Since no formal organisational structure existed, everybody was free to present his or her point of view; but the final decision remained the undisputed privilege of the leader. Zamora chose to abstain. Those in Autodeterminación y Libertad who were for taking part in the election were left with no opportunity to do so: such a horizontal movement had one, and only one, popular figurehead: Zamora. Only alienated consciousness fits with the capitalist mode of production, and the more it attempts to present itself as abstractly free, the more alienated it becomes.

Let us now take a look at the other face of the powers inherent in *¡qué se vayan todos!* Santiago del Estero is one of Argentina's poorest provinces. In 1995, a local popular protest, the *Santiagazo*, made it into the history books for two reasons. On the one hand, it was the first widespread revolt against the consequences of Menem's neoliberal policies and political corruption.

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[50] Calvo and Guagnini 2004, p. 28.

On the other, the protesters set fire to the house of the former governor Juárez. Juárez was the almighty leader of local Peronism and a symbol of authoritarianism and corruption. In September 2002, Juárez imposed his political heir as governor and his wife as vice-governor with 68% of the votes,[51] presenting this victory as proof that in fact the popular will was 'all of them must stay!'.[52]

Both in 1989 and 1995, Menem was elected president by 50% of the votes. The first time, he won with a populist discourse and only afterwards did he practise neoliberal policies. The second time, he won with his well-known neoliberal precedents and discourse. In the 2003 presidential elections, Menem won the first round. During his campaign, he had reasserted his neoliberal discourse and advocated army intervention to quell social unrest. Subsequently, he withdrew from the second round as it was evident that he was going to be defeated by Nestor Kirchner, a more 'traditional' populist Peronist supported by Duhalde. Kirchner has been the Peronist governor of Santa Cruz Province since 1991. What form of capital accumulation does he represent? After the acute contraction of the national process of capital accumulation in 2002, the new phase of expansion without the possibility of receiving fresh funds from foreign creditors is taking a renewed populist shape: the assertion of national sovereignty, a discount on the defaulted foreign debt, import substitution, widespread support for the indigent unemployed, and the like. Of course, the real basis for this lies, firstly, in the further fall of wages below the value of labour-power and, secondly, in a fortunate rise of agricultural and oil ground rent.

The Argentine economy has surged forwards on this renewed basis, growing almost 9% in physical terms both in 2003 and 2004. In so doing, GDP has returned to the level it was in 1999, which was by no means a glorious year but the starting point of the previous contraction and crisis. Yet, Kirchner enjoys high rates of popularity after a year and a half in office.[53] Now, Kirchner has asked the Peronist unions to take to the streets in order to stop the more combative *piqueteros*.

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[51] *Clarín* 2002a, p. 10.

[52] Braslavski 2002, p. 18.

[53] By January 2005 he had a 78% of positive image, according to the Centro de Estudios de Opinión Pública (CEOP), while his administration had a 64% of positive image, according to the same source, and a 51% according to Universidad Torcuato Di Tella/Catterberg y Asociados. See *Clarín* 2005, p. 12, and *La Nación* 2005, p. 6.

The 'progressive' alternative who had a chance for electoral success in 2003 was Elisa Carrió, from the ARI. She is a Catholic fundamentalist who broke off her alliance with the Socialist Party as soon as they proposed the – extremely limited – framework for the legalisation of abortion. Notwithstanding, she finished fourth in the first round, behind her ultra-neoliberal former party colleague López Murphy.

Dinerstein presents spoiled ballots as yet another manifestation of a supposedly popular advance beyond representative democracy.[54] Spoiled ballots fell from their 20% peak in the 2001 elections, to 1.6% in 2003 elections. Meanwhile, electoral absenteeism only rose 2.5% between the 1999 and 2003 presidential elections.[55] It has become commonplace to pinpoint electoral absenteeism and spoiled ballots as a means of protest against the lack of legitimate political representation [*voto bronca*]. But it includes a high component of political impotence rather than active protest and, even, of political indifference. Besides, a part of the vote that repudiates political representation points in an opposite direction to pro-democratisation illusions.[56] The point is not about an abstract 'against power' but about a concrete 'for whose power'.

It is clear that, since December 2001, many things have changed in Argentina. But these changes express the reproduction of the national process of capital accumulation in its specific form. This means that they express the specific limits to the latter process and the widespread transformation of the Argentine working class into a labouring surplus-population for capital. Essentially, everything has changed so that everything can remain the same.

Capital

Thus far, it could seem that the very different conclusions to which Dinerstein and I arrive emerge from our differing approaches to Argentine capital accumulation. Nevertheless, our differences have much deeper roots, resulting from looking at capital itself from contrasting points of view.

Dinerstein supports a theory that is currently much in vogue among many critics of capitalism. This theory asserts that the capitalist mode of production still exists because it is able to impose a social relation of domination over social subjects, forcing them to reproduce their lives through the mediation of abstract labour:

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[54] Dinerstein 2002, p. 25.

[55] Calvo 2003, p. 12. Voting is legally compulsory for all citizens in Argentina.

[56] 'Anger voting . . . is more observed among the upper class and the upper middle class.' Ricardo Rouvier & Asociados, in *Clarín* 2002b, p. 8.

> Capital is not an external force but a social relation, which can only be maintained by forcing human practice to exist and be recognised through abstract labour (i.e., money).[57]

Thus, capital is not recognised as the general social relation that determines the social being of social subjects by itself. It is seen as a social relation imposed on a social being of the social subjects that stands beyond capital. Does it stand on an abstract 'human nature', perhaps?

From this point of view, the state and the law represent several forms of this imposition:

> As the most abstract form of capital, money, like the state and the law, mediates the creation of determinate social subjects (e.g., the unemployed, the poor, a citizen with savings in a bank account).[58]

Thus, capital's actual reason for existence is brought down to the mediation of the 'logic' that capital forces upon a supposed abstractly free determination of social subjects. In this line, any confrontation with established power appears as carrying within itself the self-affirmation of an abstractly free subjectivity over the subordination to capitalist mediation:

> The insurrection was experienced primarily as a moment of self-possession, a moment in which fear and frustration were transformed into a collective action against power. . . . The popular insurrection of December 2001 is better understood as a human limit on the violence of capitalist anarchy in Argentina. . . . The power affirmed in December 2001 in the streets of Buenos Aires was, in fact, a negative power. The mobilising force of the insurrection was not the identity or the organisation that people join or the type of demands they put forwards, but what I would like to call the *unrealised*. The unrealised is *what we are not*. It is critique. It consists of a universe of needs, ideas, practices, experiences, desires, frustrations, dreams that were postponed and repressed. The unrealised is the undefined, that which cannot be, or exist, or be done or accomplished, that which cannot be developed or realised, that which cannot be explained but felt . . .[59]

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[57] Dinerstein 2002, p. 25.
[58] Ibid.
[59] Dinerstein 2002, pp. 23–4.

In this manner:

> The streets have become the place for both the rejection of the subordination of social reproduction to the logic of capital and the reinvention of politics.[60]

However, it is worth querying the precise nature of the 'reinvention of politics' that Dinerstein offers us. It is one in which the 'power of understanding' has collapsed into 'that which cannot be explained but felt'. Rationality has given way to the exaltation of irrationality. Every revolutionary determination of the working class has come down to Holloway's 'scream'.[61]

A world made of 'that which cannot be, or exist, or be done or accomplished, that which cannot be developed or realised' is a world made of many ideal constructions: chimeras, utopias, faith. But scientific consciousness has no place in it. Science only deals with real concrete existence, in its unity both as an actuality and as a potentiality.

Marx discovered that the capitalist mode of production embodies the necessity to supersede itself into a society of freely – that is, consciously – associated individuals. He discovered that the conscious revolutionary action of the working class is the necessary concrete form of this overcoming. Since then, capitalist ideology has placed objective rationality under constant attack. Of course, philosophy is the natural field to cultivate irrationality. But epistemology has developed into an autonomous field based on the assertion that scientific knowledge necessarily stops at appearances. Thus, the idea that objective knowledge is just another way of interpreting the world has acquired the strength of a prejudice.[62]

Shaped as a utopian critique of capitalism, Dinerstein presents us with yet another fashionable attempt to excise working-class revolutionary action from its necessary base in objective knowledge.

In the world of the 'unrealised', desires, ideas, dreams and other ghosts emerging from some abstract human spirit reign over the social being of the working class.[63] Let us return from such a fantastic world to the concrete realisation of this social being. Let us look, thus, at the economic formation of society as a process of natural history.[64] Human natural history is the history of the transformation of the material conditions of social life through labour. The development of the human being as a historical subject is but the development of the human capacity to act in a conscious and voluntary way upon the rest of nature, in order to transform it into a means for human life. In other words, the development of the human being as a historical subject is the development of the human condition as the subject of production, in other words, of human productive subjectivity. This development is the only materialistic concrete starting point, and therefore the only scientific one[65] in order to produce consciousness concerning any historical process.

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[60] Dinerstein 2002, p. 31.

[61] Holloway 2002a, p. 1.

[62] Iñigo Carrera 2003, pp. 211–23.

[63] Actually, this abstract human spirit reflects the appearance that emerges from circulation. In circulation, alienated consciousness presents itself under the shape of its opposite, free consciousness. That is why ideology always sticks to this appearance.

The capitalist mode of production begins by dissolving all general direct organisation of social labour based on relations of personal dependence, thus turning producers into free individuals. In this way, it gives each concrete portion of social labour the specific form of private labour performed independently from the rest. Then, total social labour-power is allocated into its useful concrete forms through an autonomous system. As it is performed in a private and independent way,[66] the abstract socially necessary labour – a simple productive expenditure of the human body in whatever concrete form it is made[67] and, as such, a natural condition for human life, independent of the social modality it is ruled by[68] – acquires an historically specific social form. After it has been materialised in its products, it appears represented as the aptitude of these products to relate to each other in exchange, thus placing their private and independent producers into a social relation.[69] In other words, materialised privately-performed socially necessary abstract labour is represented as the value that determines use-values as commodities.[70]

Since they need to produce their general social relation through material production, the free individual consciousness and will of the producers that privately and independently organise their social labour are both subject to a historically specific determination. They must submit themselves to the necessities imposed on them by the value-form of their own material product. They must act as personifications of their commodity; they must produce value come what may, as a matter of life or death. Commodity producers are free from any personal servitude because they are the servants of the social powers of their products. While the will of the producers completely dominates the private and independent exercise of individual labour, these same producers are in turn completely subordinated to the social powers of the material product of that self same labour. From the point of view of the participation of private and independent producers in social labour, their consciousness and will matter only inasmuch as these personify the powers of their commodities. The productive power of their social labour confronts the producers themselves as an alienated power, as a power incarnated in their commodities. The free consciousness and will of commodity producers is the concrete form in which their alienated consciousness and will exist.

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[64] Marx 1965, p. 10.
[65] Marx 1965, p. 373.
[66] Marx 1965, p. 42.
[67] Marx 1965, pp. 38, 44 and 46.
[68] Marx 1965, p. 71.
[69] Marx 1965, pp. 72–4.
[70] Marx 1965, p. 38.

Therefore, social production is not immediately aimed at producing use-values, but at producing the general social relation itself, that is, value. And the production of value reaches its complete development as a production of value starting from substantive value itself, in other words, the production of surplus-value. The material product of social labour that bears the general social relation thus becomes itself the subject of social production and consumption, namely, capital.

As free independent individuals, wage-labourers enter their general social relation as personifications of their only sellable commodity, their labour-power. Hence, the working class has nowhere from which to obtain any historically specific revolutionary powers other than those it gets from its own general social relation, namely, the production of surplus-value. Strictly considered, the history of the production of surplus-value is nothing but the history of the production of the material revolutionary powers of the working class and, therefore, of its revolutionary consciousness and will.[71]

Nevertheless, it is not just about the development of the formal subsumption of labour to capital, as it could appear when the determinations of class struggle are inverted. Through the production of relative surplus labour, labour becomes really subsumed in capital.[72] Even in the very process of individual consumption and in their determination as a working class, the workers become an attribute of capital.[73] Thus, capital produces and reproduces them as human beings, that is, as bearers of consciousness.[74] This happens to the point that capital even rules the laws of their biological reproduction.[75] In the circulation of commodities, the consciousness of the labourers appears as free. However, the consciousness and will of the labourers are actually determined as the necessary concrete forms taken by the alienation of labour's powers as capital's powers, namely, their own objectified general social relation that has become the alienated concrete subject of social life.

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[71] 'It is not a question of what this or that proletarian, or even the whole proletariat, at the moment *regards* as its aim. It is a question of *what the proletariat is*, and what, in accordance with this *being*, it will historically be compelled to do'. Marx 1975, p. 37.

[72] Marx 1965, pp. 509–10.

In pursuit of relative surplus-value, capital constantly revolutionises the material conditions of production. So much so that, in developing the machinery-system, it revolutionises the very nature of labour. Essentially, labour ceases to consist of the exertion of human labour-power upon its object in order to effect its transformation. In contrast, it centres on the application of human labour-power to the scientific control of natural forces and to the objectification of this control as an attribute of machinery, so as to make those natural forces act automatically upon the object in order to transform it.[76] Consequently, commodity producers are collective individuals – formed by doubly-free workers, both in the sense of not being submitted to anyone's personal domination and of being separated from the means of production needed to produce their life on their own account – that perform their labours in a private and independent way. As independent private producers, these collective producers possess complete dominion over their individual labour processes, but lack all control over the latter's general social character. Therefore, they must submit their consciousness and will as collectives formed by free individuals to the dominion of the social powers of the material product of their labours, capital: they must produce surplus-value. The free consciousness and will of the members of the collective labourers are the concrete forms of their consciousness alienated in capital.[77]

The transformation of labour and of commodity producers makes evident the historical reason for the existence of the capitalist mode of production: the transformation of the productive powers of free individual labour into the productive powers of collective labour consciously organised by the same collective labourer that performs it, under the contradictory form of the socialisation of private labour.[78] This contradictory socialisation necessarily takes on a concrete form through the centralisation of capital. The revolutionary action of the working class is the necessary concrete form in which the above-mentioned constant revolution in the materiality of labour – which, at the same time, entails their direct socialisation – develops its need to be organised as a directly social power that transcends the limits of its private capitalist form. Therefore, this revolutionary action is the necessary concrete form in which the capitalist mode of production fulfills its historical necessity to supersede itself through its own development, thus engendering the general conscious organisation of social life.

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[73] Marx 1965, p. 573.
[74] Marx 1965, p. 578.
[75] Marx 1965, p. 643.
[76] Iñigo Carrera 2003, p. 11.
[77] Iñigo Carrera 2003, p. 13.

This process does not flow through the abstract possibility of the working class turning its back on its own social being and the revolutionary powers it bears, in the name of the abstract freedom inherent to circulation. On the contrary, it flows through the working class taking its alienated general social relation into its own hands, in other words, appropriating social capital. This appropriation implies the centralisation of capital as state property[79] and obviously points towards the absolute socialisation of private labour through the formation of a global state.

The currently fashionable ideological rejection of seizing state power, that is, of seizing the power of the general political representatives of social capital, does not express the power of a social movement in order to overthrow capitalism. On the contrary, it expresses its *impotence* to do so.[80] The centralisation of capital through the political action of the working class is certainly not the path of carnivals and 'explosions of the principle of pleasure' offered by Holloway.[81] Likewise, it is not the path of innocence, simplicity and love offered by Hardt and Negri.[82] In contrast, as it is inherent to the development of human freedom through the development of alienation, it is a path that runs through the gamut of misery, suffering and bloodshed that capital imposes on the working class. Yet, it is the only path opened for the working class to overcome itself by superseding the capitalist mode of production.

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[78] Iñigo Carrera 2003, p. 28.
[79] Marx and Engels 1976, p. 504.
[80] Iñigo Carrera 2003, pp. 103–4.
[81] Holloway 2002a, p. 215.
[82] Hardt and Negri 2000, p. 413.

The historical powers of the Argentine working class

Contrary to the generic historical power of the capitalist mode of production, capital accumulation in Argentina has developed on the basis of the absence of capital concentrated on a scale necessary to partake actively in the development of society's productive forces. Argentina has received an extraordinary influx of social wealth in the form of differential agricultural ground rent. Still, instead of transforming this mass of wealth into capital concentrated on a scale able to develop the productive forces, Argentine capitalism has spoiled it by feeding capitals whose mere existence comprises a retreat from that development. In the first place, it has fed small capitals that are incapable of stimulating normal levels of labour productivity owing to their restricted scale. Secondly, it has fed capitals bearing a normal global scale but that fragment themselves as small capitals for the purposes of operating in Argentina. Thus, they have freed these capitals from the inherent necessity to develop labour productivity in order to valorise themselves. Therefore, such spoilage of social wealth has meant in itself a retreat from the historical development of society's productive forces inherent to the capitalist mode of production.

The Argentine working class emerged from the specific national form taken by capital accumulation. Hence, the reproduction of this specific form has been a condition for its reproduction as an actively employed working class that is able to maintain its labour-power. This subjection has hindered the Argentine working class from assuming the process of transforming ground rent into concentrated capital. Thus, the specific form taken by capital accumulation in Argentina has not only deprived the national working class of its generic historical powers as the direct personification of the development of society's productive forces; it has, at the same time, closed the concrete path opened to the national working class in order to overcome that deprivation.

The mutilation suffered by the historical powers of the Argentine working class is immediately reflected in the leading role played by the unions within its political organisation. The fulfilment by the working class of its generic powers would have demanded independent political action. That is to say, an action able to impose itself over and above the conditions corresponding to the immediate reproduction of labour-power and, hence, over and above trade-union action. Conversely, the sterilisation of those generic powers has taken concrete shape through the subordination of the independent political action of the working class to its immediate reproduction under the specific form of the national process of capital accumulation. In other words, it has subordinated working class political action to trade-union action.

Nevertheless, the historical powers of capital accumulation provide the Argentine working class with a specific possibility to reverse the present state of affairs, thereby halting its accelerated transition into the labouring surplus population. It is a question of the Argentine working class consciously regaining its generic historical powers by personifying the development of the material productive forces of society. This is not an abstract potentiality, let alone one that arises from the abstract consciousness of the working class. On the contrary, it arises from the consciousness of the Argentine working class being determined as an attribute of capital. Concretely, it is about overcoming the strength that Argentine capital accumulation obtains from freeing itself of its historical role in the development of society's productive forces. It is to be achieved by imposing upon it the overwhelming strength that capital accumulation gains from accomplishing its historical role. A strength that, in the Argentine case, becomes specifically stressed by the magnitude of the extraordinary influx of surplus-value through differential agricultural and energy-sources' ground rent.

The transformation of ground rent into capital able to actively participate in the development of productive forces by acting as a normal productive capital located in Argentina, requires its concentration on a scale necessary in order to compete on the world market. In turn, achieving this scale demands nothing less than the centralisation of capital as a direct social property within Argentina. Therefore, the transformation in question could only take the concrete political form of the abolition of the capitalist and landowner classes within the country. In other words, it could only be performed through a social revolution in which the working class, whose surplus labour would feed the concentrated capital, transforms itself into the collective owner of this capital under the political form of state capital.

By reproducing its specific form, the national process of capital accumulation reproduces only a diminishing part of the Argentine working class as an actively employed working class that is able to reproduce its labour-power. Nowadays, the transformation of ground rent into concentrated capital has become an immediate condition for regaining the normal reproduction of the Argentine working class. Thus, its independent political action has developed a new basis in order to impose itself on union action.

If even the thus-concentrated capital were unable to reach the scale needed to compete on the world market, only one further alternative would remain for the Argentine working class to take part actively in the development of the material productive forces of society. Namely, to integrate its immediate political action with that of the working classes of neighbouring countries in order to form an expanded domestic space for capital accumulation within which the centralisation in question could fit.

Only when the Argentine working class starts to move in these directions will it be truly possible to claim that everything has changed in Argentina.

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From Simple Commodities to Capital-Commodities:
The Transformation of Values into Prices of Production

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The point is not to interpret Marx’s texts in different ways but to follow his advance upon the concrete determinations 1
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From Simple Commodities to Capital-Commodities: The Transformation of Values into Prices of Production

Juan Iñigo

The point is not to interpret Marx's texts in different ways but to follow his advance upon the concrete determinations

From the very beginning of his research, Marx pointed out that "the reproduction of the concrete through the path of thought" revolutionarily overcomes the scope of interpretations of reality. By following that procedure, he discovered commodities as the simplest specific form that the general social relation takes in present-day society. Then he advanced by following commodities as they determine one of them as money. He went on following money as it realizes its necessity by transforming itself into capital. And he followed capital through its own development until discovering capital's main historical potency, that is, the necessity of capital to annihilate itself as the concrete form of the general social relation into the community of the freely, - i.e. consciously - associated individuals. On doing so, he got to develop the simplest concrete form in which commodities negate themselves as the simple product of labor, to affirm themselves as the products of labor alienated as a potency of capital. In other words, he got to develop the simplest form in which commodities really determine themselves as capital-commodities and, therefore, the simplest form in which the surplus-value materialized in them develops its concrete form of average profit, thus making their value take its concrete form of price of production. Still, having reached this point, Marx committed what some people regard as a big mistake: he died, so he could not carry his research beyond those simplest forms.

Since then, political economists, mainly Marxist political economists, have focused on these transformations. So the point has taken its well-known form of the "debate about the transformation problem." Did Marx fall into a mathematical mistake when he represented the transformation? Can this mistake be solved without showing the rest of Marx's construction to be invalid? Is it coherent with Marx vision the use of a system of simultaneous equations? Was Marx considering technical relations along with social ones? Was he only trying to achieve a clear representation of exploitation? Was he attempting to provide a proper approximation to the process of price formation? Did he construct a redundant value-system? Did he conceive money in a way that can be considered obsolete today?

Still, the point is not to interpret reality by interpreting Marx in different ways. The point is to change reality. Therefore, the true question at stake concerning the transformation of commodities into capital-commodities is: what is to be done to consciously act upon this transformation, which specifically determines capital as a directly social potency, that is, as total social capital? It is about the concrete form of our conscious action.

The material production that produces the general social relation: commodities as the fetishistic products of social labor

All individual actions are concrete realizations of the process of social metabolism. Therefore, the regulation of this collective process realizes itself as the organic unity of the individual actions. In other words, the regulation of the social metabolism process is the social relation among its members. Under its simplest form, this regulation takes shape as the cognition by each individual (as a moment of his/her own individual metabolism process) of the stage at which the metabolism processes of the other individuals that interact with her/him are, so as to integrate the unfolding of the corresponding part of his/her own metabolism process with them. Human life acquires its own generic being, thus overcoming itself as a specific form of animal life, through the development of its power to transform the environment into a means for itself, to produce its own means of living. As soon as, in this development, the human social metabolism process overcomes the mere coincidence of the undifferentiated individual metabolism processes, that is, as soon as the social division of labor arises, its regulation needs to determine the concrete material form that process is going to take in each of its circuits. Social regulation thus needs to start by allocating the total available capacity for performing productive labor (and, accordingly, for performing consumptive labor) among the different concrete forms this labor needs to take to realize each circuit of the social metabolism process.

The regulation of the human social metabolism process, the general social relation among human beings, has the purely animal immediate cognition as its historical origin. At least according to its length, most of human history up to now has been the history of the transformation of this animal relation into the regulation of social metabolism by means of thought through direct personal relations. In this regulation, the allocation of society's total labor-power into its different concrete forms does not go beyond the control upon them directly as such. Thus, this control is able to develop human material productive forces beyond its own reach as the general form of social regulation. Nevertheless, at the same time, it is unable to develop human cognition so as to make social regulation a collective power of the individuals that cognize, each of them, his/her own determination as a concrete subject of the social metabolism process; that is, a collective power of the freely associated individuals.

The absence of a general coordination through cognition in the allocation and development of social labor determines individuals as private independent producers. Insofar as purely such, they have no way to get into relation by themselves to incarnate the social metabolism process. To begin with, these producers do not retain any social relation other than being individual personifications of society's total power to perform productive labor. This total labor-power is, as such, the capacity for performing human labor in general. The realization of this capacity under the mass of its different concrete forms is, thus, the development of the general social relation among the private independent producers. The materialization of that mass of concrete labors into the mass of its products materializes at the same time the general social relation it carries in itself.

Since the general social relation itself, that is, the social regulation of production, is realized through the process of material production, a specific determination to this relation arises. Nothing prevents the labor-power with which society opens the circuit of its metabolism process, from being realized under some concrete forms whose products are unfitted to close that circuit. Therefore, the products of social labor are materializations of total society's labor-power in act, and materializations of socially useful labor (that is, of labor that is necessary for the realization of the social metabolism process), only as a possibility. Still, this possibility has reached by now a concrete form fitted for an immediate realization. It is realized through the exchange of the product of a concrete labor, unsuited for closing the individual metabolism process of its producer, for another one that is suited, being both equivalent as materializations of the same amount of human labor in general. As soon as the product of a private independent producer is useless to satisfy a social necessity, to close the circuit of the social metabolism process, it will show itself as incapable of attracting other use-values to be exchanged with. Despite being the materialization of a part of the total society's productive labor-power as much as any other, it ends up excluded from social labor. The human abstract labor materialized in these products - naturally inherent in all human products - thus develops the specific social determination - only inherent in the absence of a direct regulation of the social metabolism process - of being represented, insofar as it is socially necessary, as the capacity of these products for relating among themselves in exchange and, through this relation, to socially relate their producers. As it is thus represented, the socially necessary abstract labor materialized in its products becomes the value of these products. The natural forms of these products, their use-value, acquire the social form of commodities, their value form. The social metabolism process is thus autonomously regulated by determining the material production, at the same time, to become the production of the general social relation. Productive labor becomes therefore specified by this twofold determination.

The private producers lack any direct general social relationship among themselves. They must act, and consequently see themselves, as being mutually independent. They come to face their general social interdependency only through the mediation of their material products. Therefore, this relation appears to them as an attribute inherent in the material form itself of these products, as a fetishistic social relation.

When it acts as living labor, that is, as it changes its own material form as such into a newly produced use-value appropriate for the development of the social metabolism process, productive socially necessary labor creates value. Obviously, by acting, living labor transforms the use-value of the means of production it consumes into that newly produced use-value. The labor materialized in these means of production (therefore, dead labor by now) has once been confirmed as being socially necessary through the realization of their value at the time they were purchased. Still, after they are productively consumed by living labor, society has yet to confirm that it is determined to allocate the labor originally performed to produce them into the new concrete material form they have acquired. Therefore, the abstract labor originally materialized in them reappears in the value of the use-values produced by using them, as it is confirmed again as being socially necessary. In other words, living labor maintains the value of the means of production it consumes (that is, the socially necessary abstract labor materialized in them that has been represented as the capacity of these means of production for relating in exchange as commodities) as the corresponding part of the value of the new commodity it produces.

Value has no way of expressing itself directly through its substance, the socially necessary abstract labor materialized in a commodity. To do it, this labor should manifest itself as being socially necessary at the very moment the concrete labor that produces each commodity is performed. In other words, such expression presupposes that the concrete labors are performed as a directly social one, and therefore, presupposes the direct regulation of the social metabolism process. Still, if the products of labor take the social form of commodities, it is precisely because the concrete labor that produces them is the very negation of directly social labor, i.e., private labor. Only after its has been materialized, and indirectly as abstract labor, this private concrete labor can be confirmed as a part of the social labor or not. Since it is the socially necessary materialized abstract labor represented as the capacity of commodities for relating among themselves in exchange, value lacks any way for manifesting itself other than in exchange itself. Therefore, the value of a commodity necessarily expresses itself only in the use-value, in the body, of the commodity that is exchanged for the commodity in question as its equivalent. With its quantity determined by the amount of time of socially necessary abstract labor materialized in a commodity, value takes its concrete form of exchange-value; that is, of the quantity of a commodity's value that expresses itself as a certain quantity of another commodity's use-value.

Commodities are the simplest specific form of present-day general social relation. Still, until the very moment they are realized in exchange, commodities are this relation only potentially. Commodities solve this contradiction they are in themselves by determining a particular commodity as the substantive general equivalent of their community, in which all the rest of them express their value. This special commodity, money, ceases to have its exchangeability, the realization of its value, determined as a possibility; it is the direct incarnation itself of exchangeability. It thus develops a specific use-value, that of being the substantive incarnation of value, a pure materialization of the general social relation. The product of a concrete private labor becomes the direct incarnation of abstract social labor. As this materialization, money develops its functions up to reaching the ones of means of payment, hoard, and world-money. On fulfilling money these functions, the circuit of the circulation of commodities does not take the simple shape $C-M-C$ any longer, but formally ends with the step $C-M$. In the corresponding part, commodity production ceases to be a production of use-values regulated by their condition of values. It becomes specifically determined as such production, having the universal form of value itself, the general social relation in its concrete materialization, as its direct object.

The materialized general social relation that becomes the subject itself of social production and consumption: commodities as the product of social labor alienated as a capital's potency, that is, capital-commodities

Productive labor-power is not by itself a means for human life and, therefore, it is not an use-value by itself, but a moment of the human social metabolism process itself. Nevertheless, as substantive value itself becomes a direct object of social production, the power to produce value (that is, the capacity for laboring as a producer of commodities) develops the possibility of becoming an use-value. It is about the possibility of producing more value than required by its own production. Consequently, this new use-value does not concern as such the natural possessors of the labor-power at stake. It only concerns someone different from them, that gets to possess the use-value of that labor-power by purchasing it for its value as a commodity. What directly concerns those natural possessors is the fact that the separation between private labor and social labor necessary develops through a specific possibility: insofar as individuals are private independent possessors of their own productive labor-power, they may become separated from the material conditions needed to put this power into action. Once the private independent producers are separated from the means to produce their lives, the realization of their own productive labor-power faces them as a condition that is externally determined with respect to that process. Thus, this power appears to them as a non-use-value for themselves, that they posses. At this stage, they are left with no general social relation to produce their lives other than the possibility to sell this power as a commodity itself.

Since labor-power thus becomes a commodity, money negates itself as a specific direct object of social production to affirm itself as the subject that opens each circuit of social production to close it once it has valorized itself, $M-C-M'$. The general social relation takes its concrete shape as money that engenders money, substantive value that valorizes itself. Money thus transcends itself into capital. From the specific viewpoint of commodity production, it did not suffice to transform nature into a means for human life for a labor to be a part of society's productive labor. To be such, a labor needed to produce value. Now, this production does not suffice either. In capitalist production, productive labor is only that which produces surplus-value. Only when capital has realized itself as such, the human labor from which its valorization nurtures itself has produced the general social relation and, therefore, unfolded the potencies inherent in this historical form the social metabolism process takes. Capitalist production is not a production of use-values regulated by the condition of these as values. It is not even a production of use-values which is only a means for the production of substantive value. It is a production of value in itself that yields as its result the production of use-values and, hence, of human beings; it produces human beings specifically determined as capitalists and proletarians. Capital, materialized labor and, as such, a means of human social metabolism process, has taken possession of the generic potentialities of this process. Capital thus presents itself as the alienated incarnation of the generic human being. The product of social labor, a material product that is at the same time the materialized form of the general social relation, has transformed itself into the concrete social subject. From being a formally fetishistic material form, this product thus faces its own producers as the one which produces them, as a real fetish, so to speak.

The laborers realize the use-value of the means of subsistence that they indirectly get in exchange for their labor-power, through individual consumption. In part, this consumption is mediated by another material production process. The purchased means of subsistence are individually consumed by other members of the households of the wage-laborers. Thus, those means of subsistence are transformed into the labor-power of these members, which goes into action and produces new means of subsistence that finally enter the individual consumption of the wage-laborers. This production process thus involves a new allocation of social labor-power into its concrete forms. Nevertheless, considered in itself, this allocation is regulated through direct personal relations. However the use-values thus produced are materializations of socially necessary abstract labor, this labor does not need to be (and has no way of being) represented as their value-form to be determined as such social labor. The social product has apparently lost its commodity-form while it goes on flowing and being transformed inside the household. Still, this is only a specific ambit through which the general social relation realizes itself. From the point of view of the general regulation of the social metabolism process, the labor-power thus allocated, and hence, the labor-power that has provided the means of subsistence that made this production possible, follow the fate of the marketable labor-power in which they become materialized.

If this were just a production of commodities, individual consumption would bring to a complete end the general social relationship materialized in those means of subsistence. But now social production has transcended into a production of more value by means of value, and human life itself has negated itself as immediately such to affirm itself as a mere moment in the life of capital. The process of individual consumption by those who sell their labor-power is, in itself, the process in which they produce the use-value in which their general social relation is materialized and, therefore, the process in which they produce their general social relation itself. Then their general social relation is not exhausted with their individual consumption, but it reappears as the value of their labor-power. Only if this labor-power finds a buyer, the socially necessary abstract labor previously materialized in the means of subsistence needed to produce it, will be reconfirmed as such under this new material form it has taken. From capitalist society's specific point of view, the final consumption will only occur when this labor-power becomes productively consumed, which here means, consumed to produce surplus-value. In that moment, the value materialized in the labor-power will actually disappear, and the new value created by the performed living labor will be materialized in its product. If the labor-power does not find a buyer, the socially necessary abstract labor materialized in the means of subsistence will show not to be such any longer under the new material form in which it has been allocated. Therefore, it will show it has been spent under a socially useless concrete form, and consequently, an useless form for its own producers, who thus become deprived from their general social relation and, finally, from their own natural lives.

As the personifications of capital they are, the capitalists appropriate the surplus-value (that is, the surplus of socially necessary abstract labor that exceeds that of the labor-power consumed in the production process - surplus-labor - materialized in the corresponding surplus-product that represents itself as the capacity of this product for relating in exchange with other commodities) for free. Nevertheless, this appropriation is based upon the exchange of all commodities for their value. That is, the exchange of all commodities as equivalents of a common immediate social substance, the socially necessary abstract labor materialized in them. The exploitation of the direct laborers by the capitalists thus takes concrete form through the apparent equality of these two social classes as commodity producers.

The very existence of any exchange presupposes the existence of an immediate common substance materialized in its objects that makes them commensurable. However, commodities are no longer the simple product of labor. They are now the product of labor insofar as this is alienated as a potency of capital. Therefore, they are no longer simple materializations of socially necessary abstract labor that represents itself as the capacity of commodities for exchange, but this materialization only under its concrete form of materializations of valorized value, of capital. In brief, they are not simple commodities but the product of capital, capital-commodities. And they relate as such in exchange. Can socially necessary abstract labor still be the immediate common substance that enables capital-commodities to be compared as equivalents in exchange?

Since money is empty of other use-value than being substantive value, the production of money by money itself cannot embody any qualitative general determination other than the realization of a difference that is a purely quantitative one in itself. The social metabolism process has now as its general regulation the production of this quantitative difference. *The immediate common social substance of capital-commodities, that enables them to relate as equivalents in exchange, is consequently determined by the equalization of the capacity of the capitals materialized in them for realizing that quantitative difference.* The *products of labor* now have their value form determined under the concrete form of *materializations of socially necessary abstract labor that is represented as the capacity of these products for relating among themselves in exchange insofar as materializations of equally valorized values*. As soon as the process of capital's self-valorization is reproduced (obviously, regardless if in a simple or an expanded scale), this value is determined as *an equally valorized value itself that is equally valorized*.

Under its simplest form - the materialization of value that valorizes itself by metamorphosing itself into labor-power and realizing this one's specific use-value - capital is a purely variable magnitude. The production of a given quality and quantity of labor-power requires, in the average of the individual workers, the same amount of social labor. That given quality and quantity of labor-power tends to be realized with the same intensity during the same period of time, also as an average. Therefore, all its units are able to produce the same amount of value. Since all labor is reduced to simple-labor in the production of value, all capitals tend to emerge from each of their metamorphosis circuits valorized in an equal proportion. That is, the rate of surplus-value, s/v, tends to be a general one. Therefore, the equivalence of capital-commodities as equally valorized values immediately expresses itself in their simple equivalence as values. Thus far, the value embodied in each commodity reappears as being quantitatively identical to itself in the concrete form it takes as the value of capital-commodities.

Nevertheless, it does not suffice with buying labor-power to put it into action. It must be supplied with the means - instruments and objects - of production upon which it can unfold itself. The disbursement of money to buy these means of production has no immediate necessity other than the valorization of that money itself . Therefore, due to its form, this is a disbursement of capital as much as any other. Still, the use-values in which it is materialized lack any capacity for producing value by themselves. All its value could do is to reappear in the value of the commodities produced by the living labor that uses them. Since it essentially is a variable magnitude of money, capital thus negates itself as simply such to affirm itself as constant capital. But, in turn, constant capital negates itself as the abstract negation of the power to valorize itself, by imposing itself as a condition for the valorization of variable capital. Capital thus determines itself as the producer of surplus-value in its organic unity of labor-power and means of production in which variable and constant capital are respectively materialized, productive capital. In general, to a greater amount of constant capital materialized in the instruments of production, a greater productive power of the labor that productively consumes them corresponds; in turn, this greater productive power results in the productive consumption of a greater mass of constant capital materialized in the objects of production. In general again, to a greater productive power of labor, a greater power of capital to valorize itself corresponds. Hence, insofar as it is determined by the technical composition of capital, the relation between constant capital and variable capital properly shows the composition of capital as the organ that produces surplus-value, the organic composition of productive capital: c / v. Abstractly considered in its simplest determination, to a higher organic composition of capital a higher rate of surplus-value corresponds. Nevertheless, given the general conditions of valorization that correspond to a certain stage in the development of capitalism and, therefore, once determined the corresponding general rate of surplus-value, the organic composition of capital differs from one special sphere of social production to the next according to the specific material conditions that prevail in each of them. Thus concretely determined, a higher organic composition results in a lower power to valorize itself of the total productive capital placed into action.

Capitals that are identically determined as pure self-valorizing value come to differ from each other due to the specific material conditions under which each of them exercises its capacity for valorizing itself insofar as a capital disbursed in labor-power and means of production. These material conditions, that are nothing but the concrete forms through which capital realizes its qualitative determination as the production of a purely quantitative difference, thus stand up as the negation of this very realization. Since all qualitative determinations are reduced to the realization of a purely quantitative difference in capital's turnover circuit as a process of self-valorization, an equally purely quantitative base necessary imposes itself to homogenize this differentiation. Time becomes this purely quantitative necessary base, with the year as its (initially natural and thereafter historical) concrete unit.

Now then, the annual base itself embodies a further determination to the capacity for valorizing themselves of specific industrial capitals. Each portion of variable capital needs a different period of time to complete its turnover, according to the material conditions it must face in its specific sphere. These material conditions determine the length of the working-time, but also push production-time beyond working-time and determine the length of, in the strict sense, circulation-time. Therefore, a given amount of variable capital can complete a greater or lesser quantity of turnovers in a given time, depending on the special sphere this disbursement takes place. Since it emerges from each of these turnovers valorized at the general rate of surplus-value, a given amount of money advanced as variable capital renders a greater or lesser amount of surplus-value in a given period of time. And this difference in the valorization capacity of an advanced variable capital formally extends itself to the constant capital that must be advanced to put labor-power in action. Therefore, from here on we will indicate this determination directly by its concrete form, i.e. the different turnover rates of capitals. Only those capitals with a unitary annual turnover rate have the same capacity for valorizing themselves whether this capacity is considered on the basis of each turnover or the year.

This double self-negation of capital as a value that valorizes itself proportionally to its own magnitude takes shape in the value of the capital-commodities insofar as this value is determined by the organic unity of each individual productive capital in each of its turnovers. However much these commodities may be mutually equivalent as the simple products of labor, or better stated, because they are such, they are not yet determined to be equivalents as the products of capital. The equalization of the rate of surplus-value in each circuit of variable capital is thus unfitted to express the equivalence between capitals as simple values that valorize themselves. Capital can no longer express its capacity for self-valorizing in the organicity of that rate. The expression of this capacity develops its first concrete form as the formal (therefore, external) relation between the surplus-value produced in each turnover circuit and the total capital advanced to achieve this production. Capital thus determines its profit rate inside each of its turnover circuits: $s/(c+v)$. Next, this formal expression overcomes the differences that emerge from the specific turnover rate of each variable capital. It does so by becoming determined as the relation between the total surplus-value produced on a yearly basis and the total capital advanced for this production in each special sphere. The capacity of productive capital for valorizing itself thus takes its concrete form as the annual rate of profit of each individual capital.

Insofar as the annual rate of profit is immediately determined by the individual valorization of each capital, it cannot go beyond being the crystallized expression of the general nonequivalence of commodities that embody the same amount of abstract labor, as the products of capital. Since capital is the concrete form of the general social relation among the independent private producers, it lacks any unity as society's total capital other than being the collection of all individual capitals. Nevertheless, it is in this external unity that the fracture of capital-commodities as the materialization of socially necessary abstract labor and of equally valorized value becomes canceled. Under its concrete form of society's total capital, capital reestablishes the unity between its organic and its formal power to valorize itself. It is now this unity that realizes its necessity by determining the individual capitals as the concrete forms of the total social capital. Productive capital has to reach its complete externality to be determined as total social capital. Consequently, individual capitals are determined as social capital's concrete forms without involving any determination other than the purely quantitative one of being, each of the former, an aliquot part of the latter. That is, individual capitals become the concrete forms of total social capital without keeping any specific difference among themselves other than their relative amount during a given time. Each individual capital realizes its necessity as a concrete form of total social capital by contributing to total surplus-value in accordance with its specific conditions of valorization and taking from this total surplus-value the pro rata part that corresponds to it. The formal power to valorize themselves of the individual capitals is thus determined as the general annual rate of profit. Given the form itself it is determined, this general rate realizes itself as such by taking the concrete form of an average, namely, the average annual rate of profit.

Once it is determined as materialized socially necessary abstract labor that represents itself as the capacity of commodities for relating among themselves in exchange - and thus to socially relate their producers - in their concrete equivalence as materializations of that same labor proportionally multiplied as such, the value of commodities takes its concrete form of price of production. The development of commodities into capital-commodities is in itself the transformation of surplus-value into average profit and, therefore, the transformation of values into prices of production. The realization of the general rate of profit is the concrete form through which the total productive labor-power of society is allocated under its concrete forms in capitalist society.

At this stage, the means of subsistence consumed by the productive-laborers to produce their labor-power with the concrete attributes that correspond to the prevailing productivity and intensity of labor and the length of the working day, circulate at their prices of production. These prices are now the concrete form of value that reappears as the value of labor-power. The value of labor-power itself thus develops its concrete form of price of production. Now, even in circulation, the natural possessors of labor-power show they have became the incarnation of valorized value, the alienated product of the fetishistic general social relation that autonomously regulates human life, of capital. And they show, even in circulation, that they are such product as the product of total social capital, therefore, not individually but, as *a* *class*, as *the proletariat*. Nevertheless, from the inverted point of view of capital's apologists, the exchange of equivalent capital-commodities in circulation, that is in itself the appropriation of the surplus-product of the wage-laborers by the capitalists beyond any equivalence, has reached the perfect ideological form: it is about everybody seeking the valorization of their capital, most of them their "human capital," the absolute minority, their "material capital," for the harmonious equilibrium of social life to be achieved.

Capital-commodities as equally valorized values

With the development of surplus-value into average profit, society's total capital shows to be the alienated concrete subject of the social metabolism process in capitalist society. The annual circuit of this capital gives its unity to the development of exchange-value into prices of production. The annual circuit in question manifests itself as that of commodity-capital; $C' \ldots C'$, in its simplest form. Since this development involves the production of surplus-value itself, we need to reflect in the circuit of commodity-capital the movement of productive capital inside each special sphere of production. The circuit of social capital thus appears as the aggregate of the circuits of valorization developed during the year, $c + v + s = C'$, in each sphere. Let us consider that this circuit is fragmented in *n* special spheres as we represent the determinations at stake in general, and in five spheres, when we consider their concrete quantum. In the latter case, we will isolate each of the basic determinations by producing two separated representations. The general case and the first concrete one, correspond to all portions of social capital having a unitary annual turnover rate, $(v+c)/C$, with their specificity reduced to their different organic compositions. In the second concrete case, all capitals have the same organic composition but differ in their turnover rates. Let us also consider that there is only circulating capital, with a single turnover rate both for its variable and constant parts inside each sphere. Let us finally assume that the value of all commodities is indistinctly expressed in ('... of) units of the money-commodity (ounces of gold) or in ('... of) units of any of the signs that take the place of this commodity in circulation ($, £, etc.).

As long as each individual capital valorizes itself in immediate accordance with the specific material conditions prevailing in its sphere, so the value of capital-commodities immediately appears under its simplest form in circulation, the annual circuit of social capital results:

$$c_1 + v_1 + s_1 = C'_1$$

...

$$c_n + v_n + s_n = C'_n$$

where

$$\frac{s_1}{v_1} = \ldots = \frac{s_n}{v_n}$$

but

$$\frac{c_1}{v_1} \neq \ldots \neq \frac{c_n}{v_n} \qquad \text{or (only to indicate the possibility)} \quad \frac{v_1 + c_1}{C_1} \neq \ldots \neq \frac{v_n + c_n}{C_n}$$

so

$$\frac{s_1}{c_1 + v_1} \neq \ldots \neq \frac{s_n}{c_n + v_n}$$

In the concrete cases,

- capitals with different organic compositions and the same turnover rate

	c	*v*	*s*	*C'*	*C*	*c/v*	*(v+c)/C*	*s/v*	*s/C %*	*Q*	*C'/Q*
I	10	10	10	30	20	1	1	100	50.0	10	3
II	20	10	10	40	30	2	1	100	33.3	10	4
III	30	10	10	50	40	3	1	100	25.0	10	5
IV	40	10	10	60	50	4	1	100	20.0	10	6
V	50	10	10	70	60	5	1	100	16.7	10	7
Total	150	50	50	250	200	3	1	100	25.0		

- capitals with different turnover rates and the same organic composition

	c	*v*	*s*	*C'*	*C*	*c/v*	*(v+c)/C*	*s/v*	*s/C %*	*Q*	*C'/Q*
I	10	10	10	30	5	1	4.00	100	200.0	10	3
II	10	10	10	30	10	1	2.00	100	100.0	10	3
III	10	10	10	30	15	1	1.33	100	66.7	10	3
IV	10	10	10	30	20	1	1.00	100	50.0	10	3
V	10	10	10	30	25	1	0.67	100	40.0	10	3
Total	50	50	50	150	75	1	1.33	100	66.7		

Under its simplest form, the transformation of surplus-value into average profit takes shape in the transformation of values into prices of production as a result of the annual process of capital valorization. That is, it takes shape in the transformation of commodities, from being the simple product of labor, into their concrete form of the products of capital as materializations of equally valorized values. Taken in itself as it is directly determined by the formation of the general rate of profit (*p*), we represent this transformation as the development of the value of the product of each sphere (C'_i), into its concrete form of price of production ($C'_i t_i$), by representing the external unity of total capital as the necessity inherent in a system of simultaneous equations. That is:

$$(c_1 + v_1)(1 + p) = C'_1 t_1$$

$$\dots$$

$$(c_n + v_n)(1 + p) = C'_n t_n$$

$$\frac{\sum_{i=1}^{n} s_i}{\sum_{i=1}^{n} c_i + \sum_{i=1}^{n} v_i} = p$$

In the concrete cases,

- capitals with different organic compositions and the same turnover rate

	c	*v*	*s*	*C'*	*C*	*c/v*	*(v+c)/C*	*s/v*	*s/C %*	*Q*	*C'/Q*
I	10	10	5.0	25.0	20	1	1	50	25	10	2.5
II	20	10	7.5	37.5	30	2	1	75	25	10	3.8
III	30	10	10.0	50.0	40	3	1	100	25	10	5.0
IV	40	10	12.5	62.5	50	4	1	125	25	10	6.3
V	50	10	15.0	75.0	60	5	1	150	25	10	7.5
Total	150	50	50.0	250.0	200	3	1	100	25		

- capitals with different turnover rates and the same organic composition

	c	*v*	*s*	*C'*	*C*	*c/v*	*(v+c)/C*	*s/v*	*s/C %*	*Q*	*C'/Q*
I	10	10	3.3	23	5	1	4	33.3	66.7	10	2.33
II	10	10	6.7	27	10	1	2	66.7	66.7	10	2.67
III	10	10	10.0	30	15	1	1	100.0	66.7	10	3.00
IV	10	10	13.3	33	20	1	1	133.3	66.7	10	3.33
V	10	10	16.7	37	25	1	1	166.7	66.7	10	3.67
Total	50	50	50.0	150	75	1	1	100.0	66.7		

Since we are now representing the quantitative concrete forms taken by the transformation, all the determinations involved (that is, the affirming of value by means of its own negation as the general social relation in present-day society) appear here as being developed through a set of external relations - rupture and unity - between the magnitude of these determination's concrete forms. In the simplest form we are considering, the development of surplus-value into average profit is immediately reflected by the quantitative relations that correspond to the transit from the organic determinations of capital's valorization to the formal relations in which this valorization takes concrete form. Thus, the general negation of materialized socially necessary abstract labor by its own expression as the concrete equivalence in exchange of capital-commodities, immediately manifests itself: individual prices of production differ from their simplest determination as values. Nevertheless, at the same time, value shows it is affirming itself through this self-negation by appearing quantitatively unchanged in its concrete form of price of production in what concerns the product of total social capital. And it does the same, concerning the specific capital that formally expresses by itself the determination of individual capitals as aliquot parts of total capital, namely, the specific capital whose organic composition and turnover rate correspond to the social average.

In this simple transformation of surplus-value into average profit, surplus-value's content of materialized surplus-labor manifests itself in a similar way. For individual capitals in general, self-valorization appears as a matter of mere proportionality. Nevertheless, the surplus-value and the ratios that correspond to the organic and formal relations of valorization of total social capital (directly as such or as it is represented by the specific average capital) immediately show the essence of the determination at stake. They thus show that it is about the share in the total surplus-value, extracted from the labor-power by each specific capital in accordance with the conditions prevailing in its sphere of production, among these capitals as aliquot parts of the total social capital. Therefore, the exploitation of wage-labor by capital as a necessarily collective process is immediately shown, even as a purely quantitative relation. And the same happens with the fact that this transformation itself leaves the capacity of the total social capital for valorizing itself untouched.

Any change in the conditions that directly or indirectly affect a specific valorization process develops, above all, into a change in the price of production of the corresponding commodity. Nevertheless, certain changes in the circuit of productive capital do not affect the value of commodities and, consequently, neither the valorization process nor its expression in the rate of surplus-value. This happens when the change takes place in the length of the production process beyond the labor process or directly in the length of the, in the strict sense, circulating process. In these cases, the value of the respective commodity remains unchanged, but its concrete form of price of production develops a determination of its own that makes it change. Furthermore, whichever the special sphere where it happens, any change in the circuit of a productive capital necessarily affects the determination of prices of production beyond that specific sphere. It necessarily comes into the determination of the average rate of profit and, consequently, of the prices of production in general, in three ways. In the first place, it changes the amount of society's total advanced capital keeping the total amount of surplus value unchanged, it changes the latter keeping the former unchanged, or it results in a combination of both effects. In the second place, if the amount of the capital advanced in the specific sphere changes, its proportion as an aliquot part of total capital does the same. In the third place, if the capital released (tied-up) in the directly affected sphere of production does not proportionally come from (go to) all of the spheres, a second change in the general distribution of total capital among the different spheres takes place. From all this, a change in the average organic composition of capital takes place. And this change, that is completely alien to what happens with the productivity of labor, changes in turn the amount of surplus-value that total social capital renders in a year, even though its own amount remains unchanged. Let us assume in our example that the time of circulation of capital *V* changes, doubling its turnover rate, and that the corresponding released capital becomes again tied-up to this sphere, making its production to double. We thus have:

- change in values

	c	*v*	*s*	*C'*	*C*	*c/v*	*(v+c)/C*	*s/v*	*s/C %*	*Q*	*C'/Q*
I	10	10	10	30	20	1	1.0	100	50	10	3
II	20	10	10	40	30	2	1.0	100	33	10	4
III	30	10	10	50	40	3	1.0	100	25	10	5
IV	40	10	10	60	50	4	1.0	100	20	10	6
V	100	20	20	140	60	5	2.0	100	33	20	7
Total	200	60	60	320	200	3	1.3	100	30		

- change in prices of production

	c	*v*	*s*	*C’*	*C*	*c/v*	*(v+c)/C*	*s/v*	*s/C %*	*Q*	*C’/Q*
I	10	10	6	26	20	1	1	60	30	10	2.6
II	20	10	9	39	30	2	1	95	30	10	3.9
III	30	10	12	52	40	3	1	120	30	10	5.2
IV	40	10	15	65	50	4	1	150	30	10	6.5
V	100	20	18	138	60	5	2	90	30	20	6.9
T	200	60	60	320	200	3	1.3	100	30		

The general rate of surplus-value can only change if the length of the working-day (and therefore, the absolute surplus-value) changes, or if the value of labor-power (and therefore, the relative surplus-value) changes. A change in absolute surplus-value directly concerns social capital as such, with the capitals of each sphere acting as the mere specific vehicle of the generic necessity. On the contrary, a change in relative surplus-value emerges from the change of the productive power of labor in each specific sphere. But it emerges only from such change in the spheres that, directly or indirectly, produce the means of subsistence for the productive wage-laborers. The corresponding change in the spheres that directly or indirectly provide for the individual consumption of the capitalists lacks any power to change the general rate of surplus-value. Nevertheless, as soon as a change in the productivity of labor affects the allocation of the advanced capital between the different special spheres in a non-proportional way, it affects all the prices of production, whichever the sphere the change takes place. Moreover, the transformation of values into prices of production comes into the determination of the general rate of surplus-value itself, as it determines the magnitude of each social necessity and, therefore, the proportion of total capital advanced in each special sphere (nevertheless, we are going to focus on this determination later).

Abstractly considered in itself, a change in the value of labor-power (remaining the rest of its determinations untouched) does not affect the labor-time needed to produce the commodities in general, and therefore, their values. It only implies an increase or decrease in the productivity of labor and, therefore, in the organic composition of capital, in some of the specific spheres that produce the labor-power. Since this change affects the general rate of surplus-value and, consequently, the average rate of profit, it affects the price of production of all commodities. Still, at the same time, it manifests itself as a change in the value composition of the capitals of all spheres. This latter change does not arise from a change in the technical composition of the capitals where it takes place and, therefore, it is not a change in the organic composition of these capitals. Nevertheless, with the mediation of the difference in the organic composition of the individual capitals, this change in their value composition changes the proportion that each of them represents as an aliquot part of the total social capital in a specific way. Those with an organic composition beneath the average get their share changed in a direct relation with the change in the value of labor-power; those with an organic composition above the average, get their share changed in an inverse relation. Only those with the average organic composition keep their share unchanged. Thus, the prices of production of those commodities produced by capitals with an organic composition beneath the average will rise (fall) as a rise (fall) in wages relatively rises (lowers) the value of these capitals. Conversely, the prices of production of those commodities produced by capitals with an organic composition above the average will fall (rise) as a rise (fall) in wages relatively lowers (rises) the value of these capitals. And the prices of production of those commodities produced by capitals with the average organic composition will remain unchanged in either case. A 50% rise in wages in our example will result in:

- change in values

	c	*v*	*s*	*C’*	*C*	*c/v*	*(v+c)/C*	*s/v*	*s/C %*	*Q*	*C’/Q*
I	10	15	5	30	25	1	1	33.3	20.0	10	3
II	20	15	5	40	35	2	1	33.3	14.3	10	4
III	30	15	5	50	45	3	1	33.3	11.1	10	5
IV	40	15	5	60	55	4	1	33.3	9.1	10	6
V	50	15	5	70	65	5	1	33.3	7.7	10	7
Total	150	75	25	250	225	3	1	33.3	11.1		

- change in prices of production

	c	*v*	*s*	*C’*	*C*	*c/v*	*(v+c)/C*	*s/v*	*s/C %*	*Q*	*C’/Q*
I	10	15	3	28	25	1	1.0	50	11.1	10	2.78
II	20	15	4	39	35	2	1.0	75	11.1	10	3.89
III	30	15	5	50	45	3	1.0	100	11.1	10	5.00
IV	40	15	6	61	55	4	1.0	125	11.1	10	6.11
V	50	15	7	72	65	5	1.0	150	11.1	10	7.22
Total	150	75	25	250	225	3	1.0	100	11.1		

Thus far, we have followed the process in which surplus-value negates itself as simply such to affirm itself under its concrete form of average profit - and, therefore, the process in which the value of commodities develops its corresponding metamorphosis into price of production - as capital determines itself as an amount of value that proportionally valorizes itself on an annual basis. This is only just the first step in the transformation of commodities from being the immediate product of labor, to become the specific product of capital. Nevertheless, it suffices to make the concrete forms that value and surplus-value take for each specific capital appear as their absolute and, therefore, abstract negations, as soon as these concrete forms are immediately - therefore, externally - faced through their relations of measure. Even so, at this stage, profit and prices of production immediately show they are the concrete forms of surplus-value and value as they appear in the relations of measure that concern total social capital as such, or as this capital is represented by average specific capital.

Capital-commodities as equally valorized values that equally valorize themselves

With the reproduction of the circuit of capital valorization, capital transcends its determination as an amount of value that proportionally valorizes itself to become proportionally valorized value that proportionally valorizes itself. It is no longer just about unfolding the concrete forms that the transformation of values into prices of production takes as capital emerges from its circuit of valorization at them. It is about this unfolding when the value of capital has already undergone such transformation as a premise of its circuit of valorization.

In the first place, we must face the specific determinations of prices of production that emerge from the reappearance, in these prices, of the price of production of the constant capital productively consumed. The transformation of the value of the means of production into their price of production does not add to this reappearance any specificity other than the quantitative difference between those values and prices itself. At the same time, the difference between the value and the price of production of constant capital affects the amount of capital that must be advanced to perform the annual process of valorization. Therefore, it affects the proportion that the capital advanced in each specific sphere represents as an aliquot part of the total social capital.

At first sight it could appear that a certain net difference in the price of production of the means of production should result in differences in the cost price of production and in the advanced capital - and consequently in the price of production - of the commodities produced, having the same sign. Nevertheless, the general relation between the capital annually consumed and the capital advanced for this consumption - that is, the turnover rate of the former - mediates here. Only when the advanced capital completes a single turnover circuit during the year (and, therefore, has an unitary turnover rate) the difference between its value and its price of production appears identical to itself in the cost price of production. A turnover rate above the unit implies that the divergence in the advanced capital will appear multiplied in the cost price of production; thus, until a vanishing divergence in the former becomes infinitely multiplied in the latter, when capital instantaneously completes its circuit. Conversely, a turnover rate beneath the unit makes the divergence in the advanced capital appear as a diminished one in the cost price of production; thus, until the latter divergence vanishes away as the turnover rate approximates zero. The net differences in the advanced capital and in the cost price of production result from the algebraic summing up of the differences produced by each portion of constant capital. From which, net differences in the same direction but of divergent magnitude, or diverging both in direction and magnitude, between the value and the price of production of the advanced and consumed capital may result. Let us assume the following constant capital:

	advanced capital		turnover rate	consumed capital	
means of production	value	price of production		value	price of production
a	100	140	0.1	10	14
b	100	85	1.0	100	85
total	200	225		110	99

While the price of production of the advanced capital increases a 12.5% above its value, the cost price of production of the commodity produced by consuming it falls a 10% beneath its cost value.

As far as variable capital is concerned, the difference between the value and the price of production of the means of subsistence for the productive wage-laborers affects the amount of capital that must be advanced in wages to perform the annual process of valorization. Consequently, this difference affects the proportion that the capital advanced in each specific sphere represents as an aliquot part of the total social capital. Whether advanced capital indirectly takes the material form of those means of subsistence or directly the material form of means of production, it behaves exactly in the same way concerning the share of each specific capital in total capital. Therefore, we will consider it in this unity to develop the concrete forms that this determination takes.

If in a specific sphere the price of production of the advanced capital is higher (lower) than its value, this capital increases (diminishes) its share as an aliquot part of social capital. Still, this simple determination undergoes a specific mediation. Those positive or negative differences are proportional to the relation between the organic composition of each capital that has produced the commodities that are going to come into action now as means of production, and the average organic composition in the circuit these commodities were produced. The proportionality in question only applies with respect to the total product of that circuit. Therefore, the proportion in which the price of production of a commodity differs from its value will immediately reappear as the proportion in which the new capital materialized in it sees its own share as an aliquot part of the total capital increased or decreased, only if the total product of the previous circuit becomes capital in the new one. Given the consumption of the capitalists, this is not the case. The proportion in which a price of production represents a higher (lower) part of the total valorized value normally differs from the proportion in which this same price represents a higher (lower) part of the value of the total capital that opens the following circuit. The latter proportion is mediated by the relation between the organic composition of the specific capital that has produced each commodity that is going to become new productive capital and the average organic composition of the capitals that have produced the rest of the commodities that are to follow this same course. Thus, a price of production above (bellow) the respective value, as it results from a capital with a higher (lower) organic composition than the corresponding social average, can finally result in a reduced (increased) share in the total social capital for the next circuit. An average organic composition of the capitals that produced this new total capital high (low) enough with respect to the organic composition of the specific capital in question so as to overcome the original divergence, is all this inversion requires. For instance, let us assume a capital that, according to its value, represents the 10% of the total capital, and whose price of production is 5% higher than its value. Let us also assume that the price of production of this total capital is 20% higher than its value and that this value has represented the 60% of the total product in the circuit it was produced. Let us finally assume that the remaining 40% of that total product corresponds to the surplus-value individually consumed by the capitalists, whose price of production is 30% lower than its value. Under these conditions, the specific capital in question will not have a 10% increased share in total capital, but a 12.5% diminished one.

At first, prices of production simply diverge from values because the organic composition of the capital in each special sphere diverges from the social average. Now, this original divergence may result increased, diminished or even inverted in its direction, as soon as the same determination projects itself from one turnover of capital to the next. For instance, a *ceteris paribus* rise (fall) in wages may end up manifesting itself as a fall (rise) in the price of production of a commodity produced by a capital with an organic composition beneath (above) the average, as the direct effect can be indirectly counteracted. It does not suffice any longer with an organic composition equal to the average for a special capital to produce a commodity whose value appears as a magnitude identical to itself under its concrete form of price of production. This primary condition extends to the whole of the capitals that indirectly (that is, by producing in previous circuits the material elements that now act as capital, and so on backwards) participate in the production of the commodity in question. Yet, this condition thus not suffice by itself to keep a value unchanged through its transformation. The capitals that produce the material forms that are going to act as capital in the next circuit must have, as an average, the average organic composition. The necessary simultaneous fulfilling all these conditions, means the practical impossibility - excluding an accidental compensation - of a commodity whose value would appear as an untouched magnitude when transformed into a price of production, as soon as capital opens its circuit already as valorized value.

We have thus followed the determinations of the prices of production that emerge from the circulation of capital-commodities at these prices as a premise for the circuit of capital's valorization. Let us focus now on the new value created in this circuit. The first part of this value corresponds to the labor needed by the productive-laborers to reproduce their labor-power, so as to make it available for the next circuit. Let us abstract here from any change in the magnitude of each social necessity due to the change in prices itself, that will come in only when we face the concrete form that the transformation takes through competition. Under this condition, the productivity and intensity of labor and the length of the working day are, in themselves, alien to the circulation of commodities directly at their value or at the concrete form this value takes as price of production. Therefore, from a purely material point of view, the amount of labor needed to reproduce each unit and the social totality of labor-power remains intact. The same happens with the specific social form this labor takes in commodity production, as the socially necessary abstract labor materialized in its product that is represented as the capacity of this product for relating with the rest of the commodities as equivalents in exchange. Still, it happens now that this product has its concrete social equivalence determined as the product of an equally valorized value. The price of production of the means of subsistence needed to reproduce the labor-power consumed in each special sphere determines the concrete form that the corresponding part of the value of the commodities produced in that sphere takes as their price of production. When, *ceteris paribus*, the productivity of the labor that directly or indirectly produces the means of subsistence for the labor-power rises (falls), the value of these means falls (rises), with its corresponding manifestation in their price of production. With that change in productivity, a smaller (bigger) portion of the living labor performed in each sphere is needed to reproduce the labor-power consumed in it. The remaining (additional) part of the value created by this labor will change the form in which it is transformed into a price of production, as it ceases to be (becomes) a materialization of necessary-labor to become (cease to be) a materialization of surplus-labor.

The second part of the new value created in each circuit corresponds to the product of the surplus-labor rendered by the productive-laborers, that the capitalists appropriate for free as surplus-value. We have already seen how the surplus-value materialized in capital-commodities develops its concrete form of average profit when these commodities are determined as equivalent materializations of proportionally valorized values. At that stage of its development, the average profit materialized in the product of each specific capital was determined as this capital's share in the mass of the social total surplus-value - to which it contributes according to its organic composition and turnover rate of its variable part - as corresponds to it as an aliquot part of total capital. Therefore, the average profit was determined as an immediate mass of value itself. Nevertheless, as soon as we have advanced into capital's concrete form of equally valorized value that equally valorizes itself, not a single portion of value can immediately appear as such, but under its concrete form of price of production. Not even the organic composition of capital, or its turnover rate, go on directly appearing here as the immediate determinants that make capitals differ in their capacity for valorizing themselves. Therefore, this average profit must reach its concrete form now through prices of production themselves. Nevertheless (as what directly happens with the values of simple commodities) these prices of production and, thus, their part determined as average profit, have already reached their complete determination for the individual capital-commodities when these commodities come into circulation. Externally seen, as they are the representations of the common social substance that actually enables capital-commodities to relate as equivalents in exchange, their full determination precedes exchange itself, thus being a condition for circulation and never its result. Circulation only turns this determination socially visible.

Individual capitals lack the capacity for directly determining themselves by themselves as concrete forms of social capital. They cannot realize the general rate of profit, that is their true determinant as aliquot parts of total capital, directly as such. On the contrary, this rate can only manifest itself once it has been realized through the prices of production it determines. It thus necessarily appears inverted as a purely formal relation between the average profit appropriated by each capital and this one's advanced amount. Individual capitals can only realize their determination as concrete forms of social capital when they relate with each other - and therefore, socially relate the capitalists that personify them as the holders of the proportional part of the social product in which the surplus-labor has been materialized - by exchanging their products, that is, through competition. And only in this way they can realize total social capital's necessity as the concrete subject of the social metabolism process; that is, its necessity to reproduce itself, to reproduce its circuit of valorization.

When all individual capitals get together in competition, surplus-labor presents itself in a twofold materialization, from total social capital's point of view. It is materialized in the corresponding part of the commodities produced by each individual capital. But, at the same time, it is materialized in the whole product of the capitals that produce the commodities for the individual consumption of the capitalists and their cohort of parasites, plus the whole product of the capitals that produce the material forms that will enter the next circuit as additional capital. Always from total capital's point of view, surplus-value completes its realization starting from the former materialization, $C' < \begin{matrix} M \\ m \end{matrix}$, in the same act that it does so starting from the latter one, $m - C_{(m)}$. Only when all the capital-commodities that attempt to come into circulation are exchanged there at their prices of production as equivalent materializations of equally valorized value that has been equally valorized, these two portions of total social product can come together with their social form determined as average profit. As long as this does not happen, the part of the total social labor whose product is sold under its price of production, or that cannot be sold at all, will show it has been allocated into its concrete forms in a socially useless way. On the contrary, those capital-commodities sold at market-prices above their prices of production will make evident that society needs to allocate a higher part of its total labor-power into the respective concrete forms. Therefore (and as it is proper of any concrete form of the autonomous system through which the social metabolism process regulates itself), average profit necessarily appears in its realization as a process of equilibrium that has the perpetual lack of equilibrium as its necessary concrete form. From a purely formal point of view, surplus-value will appear under its fully developed concrete form of average profit, as the sum of the prices of production of the commodities produced by the specific capitals that close their circuits through $m - C_{(m)}$.

We have reached again the price of production of capital as a result of its process of self-valorization. A certain social capital - which is itself the materialization of the social labor consumed to produce it - is able to place into action in a year a certain amount of labor-power able to work with a certain productivity and intensity over a working day of a certain length. The living labor thus performed renders a certain value product, while it preserves the value of the means of production it consumes in the working process. The total value of the product that comes into circulation becomes thus determined. Neither more nor less social labor can fit in exchange than the materialized in the commodities that are thrown into circulation together. Therefore, when a commodity is exchanged at its price of production as the concrete equivalent of other that embodies more social labor than it does, the latter is exchanged as the concrete equivalent of less materialized social labor in the same proportion. The quantitative differences between the values and the prices of production tend to mutually eliminate themselves inside the total social capital that emerges from the annual process of valorization. This simple quantitative determination immediately shows as such when capital-commodities are determined as equally valorized values. Nevertheless, by now, it has gone through the development of capital-commodities into their concrete from of equally valorized values that have been equally valorized. The simple determination remains immediately effective as far as the new value created itself is concerned. In turn, the differences that emerge from the proportion that each specific capital represents with respect to the total social capital advanced for the annual production necessarily balance one another, given their own relative nature. This is not the case with the projection of the divergence between the value and its concrete form of price of production for the capital materialized in the means of production that turnovers as fixed capital. The immediate counterpart of this divergence concerns the complete amount of a fixed capital, that is, its amount as advanced capital, but not the partial reappearance of this capital in the value of its product, as it is gradually consumed each year. Nevertheless, the magnitude and the direction the differences in question may present keep no specific relationship whatsoever with the turnover rate of fixed capital in each sphere. Consequently, these differences tend to balance each other inside society's total fixed capital. Circulating constant capital has no role to play here, as the value of its elements completely reappears in each of its turnover circuits, thus entering the general compensation in an immediate way. In brief, the value of the total social product goes on appearing as an unchanged magnitude under its developed concrete form of the price of production of the social capital that annually emerges from its process of valorization.

None of the necessary compensations in question inheres in the specific portions of total social capital determined as constant capital, variable capital and average profit. Therefore, their prices of production appear as magnitudes that differ from their value content. Each of these specific parts will have its magnitude relatively changed according to the respective organic composition and turnover rate of the capitals that directly and indirectly produce it, as these determinants impose themselves through the more developed mediations we have already seen. Of course, these organic compositions and turnover rates differ in their relative magnitudes for every time and place according to the prevailing concrete material conditions of production and circulation. Still, a general relation makes its way through these circumstantial conditions. Let us briefly face it here.

However inverted as an alienated potency, capitalist production is a historically determined specific social form through which humanity produces its life. And human life is a social process that has no concrete form of realizing its necessity other than individual life. By following a more or less convoluted path where their material forms suffer successive changes, all capitals reach individual consumption. In other words, all the capitals that produce means of production indirectly take part in the production of the means of subsistence for the wage-laborers or of the commodities that the capitalists individually consume. In fact, the social division of labor acquires its capitalist specificity as the chains of successive material production processes are cut off by the circuits of different individual capitals. What basically matters here, is the relative course followed by the organic composition and turnover rate of capital when the production processes in general enter what the fragmentation of individual capitals determines as their last step (that is, when the commodity produced ceases to be a means for a subsequent material production to become a means for individual consumption). Do they develop any necessary specificity with respect to their magnitudes in the average of the capitals that have preceded this step?

The capitals that directly produce the means of subsistence for the wage-laborers include both extremes in the scale of the organic composition. It includes automated productions in the greatest massive scale, but also productions that can only be performed in the very moment and place where individual consumption occurs. Depending on the degree of capital's fragmentation and of the material complexity required to transform the same means of production into a means of individual consumption, the capitals that produce the latter can include or exclude some with a specifically low turnover rate. This typically concerns agricultural production, where production-time extends far beyond working-time, due to the submission of productivity to natural conditions beyond the control of normal capitals. All in all, there is no determination that forces a specific bias into the price of production of variable capital with respect to its simple determination as value, vis-à-vis what happens concerning the constant capital that directly or indirectly takes part in the production of the labor-power.

Let us consider now the capitals that directly and indirectly produce the means for the individual consumption of the capitalists. In general, as this production advances through its successive steps, its material form tends to become increasingly differentiated from that which corresponds to the production of the means of subsistence for the wage-laborers. The scale in which those steps are performed experiments a progressive fall compared with the scale that the former production takes. At the same time, the social nature itself of the necessities these use-values satisfy determines a high relative use of living labor in their production, which also increases as the production process advances. Both determinations reach their peak in the last step of this process, which directly produces the means of individual consumption for the capitalists. And both of them result in a relatively low organic composition of the capitals involved in this production. Since some of the capitals that produce means of production are thus determined, the price of production of constant capital is affected in the corresponding proportion. Still, this relatively low organic composition only turns into a specific determination of the price of production of the specific portions of total social capital as it determines the prices of production of the articles of luxury that the capitalists individually consume. It relatively lowers the magnitude with which the surplus-value appears as average profit, and consequently pushes up the prices of production of constant and variable capital. Nevertheless, not all the surplus-value follows the ignoble destiny of becoming an article of luxury for the capitalists and their confederates to consume. Since the process of valorization only realizes its essential necessity as a process of accumulation, a part of the surplus-value has its material forms determined as the new means of production and means of subsistence needed to reproduce itself in an expanded scale. The production of these material forms does not differ in any meaningful specific way from the production of the means of production and means of subsistence for the productive-laborers already in action, in what concerns here. Therefore, the same happens with respect to the organic composition and turnover rate of the variable part of the capitals that produce them. The same general determinations mediate in the prices of production of the constant and variable capitals and in the part at stake of the surplus-value as average profit. The specific determination initially developed becomes smoothed.

As soon as the value contained in each specific part of the total social capital takes its concrete form of price of production as a different magnitude of equally valorized value that has been equally valorized, the quantitative relations among them will no longer reflect in an unequivocal way the organic determinations of capital's valorization. Moreover, although there is nothing at stake here apart from the development of these organic determinations into formal ones, the quantitative relations in question will not even reflect in an unequivocal way the simplest forms of these formal determinations. At best, the organic relation between variable capital and constant capital could be properly reflected by its average in time. But any relation that places together the simple forms of capital and surplus-value unavoidably becomes distorted when it is expressed through their concrete forms. The real power of capital to valorize itself, and therefore, the power to exploit the productive wage-laborers by making them render surplus-labor, appears underestimated. This happens with the rate of surplus-value, but also with the general rate of profit. Nevertheless, this is not just a distortion in the manifestation of the simple relation. The general rate of profit itself, (*p*), has reached here a more developed concrete form as the formal expression of capital's power to valorize itself when it opens its circuit already determined as an equally valorized value. Under this concrete form, (p^c), the general rate of profit does not appear as the determinant that rules the formal equalization of capitals any longer. It appears with this simplest determination inverted, that is, as the expression of the realized necessity of this equalization. And as such it goes on appearing as it develops its even more concrete form when the surplus-value materialized in the expenses of circulation becomes formally determined as advanced capital (but this development falls beyond the determination of the prices of production themselves). From which, the agents of capital who personify that realization see the general rate of profit as having no content other than its emergence itself.

Only if all the surplus-value produced in a turnover circuit becomes new capital in the next - which presupposes the annihilation of individual capitalists - the concrete general rate of profit can immediately tend to quantitatively coincide with its simple expression. In this case, both the price of production of the social capital and of the surplus-value are determined through the mediation of capitals with the same average organic composition and the same turnover rate. Let us consider a final relevant point concerning the distorted manifestation of the simple relations of valorization through their apparent concrete forms as relations between the completely developed prices of production. As capital accumulation develops, an increasing part of total surplus-value is transformed into new capital at the expense of the part individually consumed by the capitalists. *Ceteris paribus*, the organic composition of social capital rises. Since this rise does not proceed from an increased productivity of labor, it tends to produce a fall in the rate of surplus-value. Nevertheless, this rate could appear as following the opposite direction when it is improperly computed on the basis of the completely developed prices of production. This happens as soon as its real fall is apparently overturned by the relative increase in the price of production of average profit and the opposite movement concerning variable capital, as the organic compositions of the capitals that produce each of them tend to converge. The same inverted appearance will emerge under these circumstances respecting the general rate of profit. This is not one of those causes that genuinely counteract the tendency of the rate of profit to fall with the development of capital accumulation. It is just a purely apparent effect on the power of capital to valorize itself, as it becomes expressed in the concrete form the annual rate of profit takes.

As we have already seen, although the general rate of profit actually determines the complete development of values into prices of production through its formation, its correspondingly developed concrete form has its magnitude determined as a result emerging from that transformation itself. Therefore, it cannot be placed at this stage in the model we use to represent the quantitative determinations at stake, as the direct determinant of the external unity of total social capital. It only fits there as being itself quantitatively determined by the very realization of this unity. The external unity of total capital can only manifest itself now through the necessary quantitative identity that the value of the total annual product maintains all along its development into price of production. Besides, capital becomes now an incarnation of equal valorization not only as a result, but also as a premise of its circuits. The transformation of its value into price of production does not only take place inside each annual turnover circuit but projects itself from one circuit to the next in the reproduction of the valorization process. Therefore, we need to identify the spheres according to the type of use-value they produce. Let us consider that, in the general case, the spheres $1, ..., l$ produce means of production, the spheres $(l+1), ..., m$, means of subsistence for the productive wage-laborers and the spheres $(m+1),...,n$, commodities for the individual consumption of the capitalists.

Obviously, any change in values inside a circuit or from one circuit to the next is out of the question concerning their development itself into prices of production. Consequently, we will only indicate the circuit *k* that corresponds in each case, provided this identification is meaningful in itself. As we have already seen, prices of production are alien to the scale in which capital's reproduction takes place, provided this reproduction preserves the proportion each specific capital represents in the total. Since this simplest determination corresponds at this stage of our representation, we can either consider simple or expanded reproduction. Still, the reproduction of capital's valorization only fits into a single-year model on the basis of its simple form (as it happens whichever question related with this reproduction one faces). Under these conditions, the annual circuit of social capital as a simple process of production of value appears as:

$$c_{11} + \cdots + c_{1l} + v_{1(l+1)} + \cdots + v_{1m} + s_1 = C'_1$$

$$\ldots$$

$$c_{l1} + \cdots + c_{ll} + v_{l(l+1)} + \cdots + v_{lm} + s_l = C'_l$$

$$c_{(l+1)1} + \cdots + c_{(l+1)l} + v_{(l+1)(l+1)} + \cdots + v_{(l+1)m} + s_{(l+1)} = C'_{(l+1)}$$

$$\ldots$$

$$c_{m1} + \cdots + c_{ml} + v_{m(l+1)} + \cdots + v_{mm} + s_m = C'_m$$

$$c_{(m+1)1} + \cdots + c_{(m+1)l} + v_{(m+1)(l+1)} + \cdots + v_{(m+1)m} + s_{(m+1)} = C'_{(m+1)}$$

$$\ldots$$

$$c_{n1} + \cdots + c_{nl} + v_{n(l+1)} + \cdots + v_{nm} + s_n = C'_n$$

where,

$$\sum_{i=1}^{n} c_{ij} = C'_j \text{ for } j = 1,\ldots,l; \quad \sum_{i=1}^{n} v_{ij} = C'_j \text{ for } j = (l+1),\ldots,m; \quad \sum_{i=1}^{n} s_i = \sum_{i=(m+1)}^{n} C'_i$$

and

$$\frac{s_1}{\sum_{i=(l+1)}^{m} v_{1i}} = \ldots = \frac{s_n}{\sum_{i=(l+1)}^{m} v_{ni}}$$

but

$$\frac{\sum_{i=1}^{l} c_{1i}}{\sum_{i=(l+1)}^{m} v_{1i}} \neq \dots \neq \frac{\sum_{i=1}^{l} c_{ni}}{\sum_{i=(l+1)}^{m} v_{ni}}$$ or (only to indicate the possibility)

$$\frac{\sum_{i=1}^{l} c_{1i} + \sum_{i=(l+1)}^{m} v_{1i}}{C_1} \neq \dots \neq \frac{\sum_{i=1}^{l} c_{ni} + \sum_{i=(l+1)}^{m} v_{ni}}{C_n}$$

so

$$\frac{s_1}{\sum_{i=1}^{l} c_{1i} + \sum_{i=(l+1)}^{m} v_{1i}} \neq \dots \neq \frac{s_n}{\sum_{i=1}^{l} c_{ni} + \sum_{i=(l+1)}^{m} v_{ni}}$$

When capital realizes its necessity as equally valorized value that equally valorizes itself, these values develop their simplest concrete form of prices of production, $c_{ij}\, t_j^c, v_{ij}\, t_j^c, C'_i\, t_i^c$, as:

$$\begin{gathered}
\left(c_{11}\, t_1^c + \dots + c_{1l}\, t_l^c + v_{1(l+1)}\, t_{(l+1)}^c + \dots + v_{1m}\, t_m^c\right)\left(1 + p\right) = C'_1\, t_1^c \\
\dots \\
\left(c_{l1}\, t_1^c + \dots + c_{ll}\, t_l^c + v_{l(l+1)}\, t_{(l+1)}^c + \dots + v_{lm}\, t_m^c\right)\left(1 + p\right) = C'_l\, t_l^c \\
\left(c_{(l+1)1}\, t_1^c + \dots + c_{(l+1)l}\, t_l^c + v_{(l+1)(l+1)}\, t_{(l+1)}^c + \dots + v_{(l+1)m}\, t_m^c\right)\left(1 + p\right) = C'_{(l+1)}\, t_{(l+1)}^c \\
\dots \\
\left(c_{m1}\, t_1^c + \dots + c_{ml}\, t_l^c + v_{m(l+1)}\, t_{(l+1)}^c + \dots + v_{mm}\, t_m^c\right)\left(1 + p\right) = C'_m\, t_m^c \\
\left(c_{(m+1)1}\, t_1^c + \dots + c_{(m+1)l}\, t_l^c + v_{(m+1)(l+1)}\, t_{(l+1)}^c + \dots + v_{(m+1)m}\, t_m^c\right)\left(1 + p\right) = C'_{(m+1)}\, t_{(m+1)}^c \\
\dots \\
\left(c_{n1}\, t_1^c + \dots + c_{nl}\, t_l^c + v_{n(l+1)}\, t_{(l+1)}^c + \dots + v_{nm}\, t_m^c\right)\left(1 + p\right) = C'_n\, t_n^c \\
\sum_{i=1}^{n} C'_i = \sum_{i=1}^{n} \left(C'_i\, t_i^c\right)
\end{gathered}$$

At first sight, it may appear that not only the complete realization of the transformation, but the quantitative progress itself through which this transformation tends to be realized, could be represented by giving the model a multiyear basis. This is not the case. In such sort of model, each portion of capital would appear as immediately determining the prices of production in circuit *k* according to the price of production with which it emerges from $(k-1)$ (i.e. $c_{ij}\, t_{j(k-1)}^c$ or $v_{ij}\, t_{j(k-1)}^c$) though its price of production changes inside *k* (i.e. $c_{ij}\, t_{j(k)}^c \neq c_{ij}\, t_{j(k-1)}^c$ and $v_{ij}\, t_{j(k)}^c \neq v_{ij}\, t_{j(k-1)}^c$). Nevertheless, none of the specific portions of capital actually determines the price of production of the product in the way assumed here. The price of production of the means of production consumed during each circuit reappears in the price of production of the product through a specific meditation. As soon as the replacement of a means of production occurs at a modified price of production, this new price tends to replace the original one in the cost price of the production in course. Since the movements in the prices of production that take place inside each circuit fall beyond the reach of the representation we are dealing with, this tendency enters the representation as being directly realized. That is, $C'_i \, t^c_{i(k)}$ is determined by $\sum_{j=1}^{l} c_{ij} \, t^c_{j(k)}$ and not by $\sum_{j=1}^{l} c_{ij} \, t^c_{j(k-1)}$. In turn, the price of production that corresponds to the new value created during the necessary labor-time is determined by the price of production at which the means of subsistence the productive-laborers need to reproduce their labor-power emerge from that same circuit. There is no conservation of an existing value here, but the production of a completely new one. That is, $C'_i \, t^c_{i(k)}$ is determined by $\sum_{j=l+1}^{m} v_{ij} \, t^c_{j(k)}$, while $\sum_{j=l+1}^{m} v_{ij} \, t^c_{j(k-1)}$ plays no role whatsoever in its determination. Not even concerning advanced capital can the original price of production claim for a place if it changes during a circuit. The capital tied-up or released as this change takes place enters or leaves the determination of the annual rate of profit in that same circuit. Therefore, $C'_i \, t^c_{i(k)}$ is determined by $\left(\sum_{j=1}^{l} c_{ij} \, t^c_{j(k)} + \sum_{j=l+1}^{m} v_{ij} \, t^c_{j(k)}\right) p^c_{(k)}$ but not by $\left(\sum_{j=1}^{l} c_{ij} \, t^c_{j(k-1)} + \sum_{j=l+1}^{m} v_{ij} \, t^c_{j(k-1)}\right) p^c_{(k)}$.

Of course, such a meaningless model can always be constructed. And it would obviously render a set of dependent variables, as it is a determined system of simultaneous equations. Still, it will even show its emptiness in the self-incoherence of its results. Let us see why. The first step that value gives into its concrete form of price of production can be represented abstracted even from capital's necessity to reproduce its self-valorization since it involves a qualitative change that defines the object itself of this representation. Capital opens here its circuit as an accumulation of simple commodities, and therefore, of values, but emerges from it determined as a social totality fragmented into aliquot parts. Therefore, capital closes its circuit with commodities not only formally, but specifically, determined as their product, capital-commodities that enter circulation at their prices of production. On the contrary, we are now facing a stage in this transformation that does not introduce any qualitative difference other than the effect of the reproduction of the valorization process itself. Even the transformation of capital-commodities from materializations of equally valorized values to materializations of equally valorized values that have equally valorized themselves does not go beyond this reach. It is all about the progress towards the complete realization of the equalization of the rates of profit along the reproduction of capital's circuits. Consequently, the proper representation of this equalization presupposes now that the relations that correspond to the reproduction of capital's circuits are strictly fulfilled in the transit from one circuit to the next. The inclusion of any variable in the model according to its determination in a previous circuit when it has quantitatively changed in the current one will not impede capitals to appear with their valorization completely realized at the common rate of profit. But, at the same time, the total price of production of the two separated materialization under which profit enters circulation will disagree in their amount. The complete realization of all commodities at their prices of production will be in the same act the very negation of this realization. It is self-contradictory to assume that the equalization of profits has been completely achieved in one circuit, just to go on assuming that, *ceteris paribus*, the prices of production will change during the next one. Even though these "prices of production" produced by the model may asymptotically converge, thus appearing the opening one equal to the closing one, the model always fails its specific aim. It happens that the quantitative progress itself through which the transformation of values into prices of production tends to realize itself cannot be represented abstracted from the concrete forms it takes through competition. Hence, at the stage of its development we are considering here, the determination of prices of production can only be represented on a multiyear basis as the formal repetition of the single-year model. The only difference that can be introduced this way is the expanded reproduction of capital's valorization. And this expansion is completely alien to the determination itself of prices of production, provided it does not change the proportion that corresponds to each specific capital in total capital (which is a condition that any model that attempts to represent the determination of prices of production isolated from the concrete forms it takes in competition must satisfy). Let us return to our true subject.

Contrary to what happens when the transformation of values into prices of production is considered under its simplest form, none of the determinations that entered that transformation are immediately visible through the quantitative relations between their concrete forms. Therefore, no numerical example would add clarity to the point, beyond the cognition of the numerical results themselves. This cognition exceeds our specific necessity here.

The transformation of money into a product of capital

Since the price of production of a commodity is the concrete form of its value, it can only express itself as a certain amount of another commodity's use-value. Still, capital-commodities do not need to start by detaching one of them to turn it into their general equivalent, and therefore, into the immediately social product. On the contrary, capital-commodities presuppose money, as capital itself is but its necessary development. Still, the commodity determined as money, gold, can no longer act as the general equivalent of capital-commodities as the simple substantive form of social labor. It can act as this equivalent only insofar as it is itself the product of a capital that enters the formation of the general rate of profit as any other aliquot part of social capital. Gold becomes the incarnation of the immediate exchangeability as the substantive capacity of capital for valorizing itself on an equal basis. Thus, the antithetical determinations of the general equivalent - that make an use-value the expression of value and the concrete private labor that produces it the expression of abstract social labor - develop their concrete capitalist form. In it, the material product of a private concrete capital becomes the necessary expression of capital's valorization as a directly general social process.

Prices are in themselves the expression of exchange-value in money. Nevertheless, thus far we have abstracted from the mediation of the transformation of money-commodity itself into a product of capital in the quantitative determination of the prices of production. A "price of production” of the money-commodity is a contradiction in terms. Nevertheless, albeit gold is unable to express its value under the form of a price of production, its concrete capacity to express the value of the rest of commodities by functioning as their general equivalent is affected by its concrete determination as the product of capital. Depending on the relative organic composition and turnover rate the capitals that directly or indirectly produce the money-commodity have, and through the mediations that from here follow, its value could develop into a higher or lower exchangeability. Insofar as gold is used in some concrete production processes just as another means of production, this divergence will be reflected in the development of prices of production as any other. Still, this is not what really matters concerning the divergence in question. All capital-commodities express their prices of production in quantities of gold. Of course, an ounce of gold remains an ounce of gold whether commodities simply express in it their value or express this value under its concrete form of price of production. The same happens concerning a mass of gold produced during the year by a given quantity of living labor using a given quantity of dead labor. However, the divergence of the organic composition and turnover rate of the capitals that produce gold from the social averages suffices by itself to make all the relative manifestations of exchangeability in the same amount of gold to change. The simple divergence of the prices of production of all the ordinary capital-commodities from their values, and therefore these prices of production themselves, develop their concrete determination through the mediation of the aforementioned divergence concerning gold. The former divergences now manifest themselves insofar as their sources diverge with respect to the latter.

When the organic composition and turnover rate of the capitals that produce a certain commodity differ from the respective attributes of the capitals that produce in an opposite direction, they will add to each other in the direction that the simple specific difference has. Still, if those difference have the same direction, they will tend to cancel each other. Consequently, the price of production of a commodity produced by capitals with an organic composition and turnover rate higher (lower) than the social average can take concrete form as a magnitude bellow (above) the value it contents. This can happen as soon as the organic composition and turnover rate of the capital that produces gold are even higher (lower) than the social average. When the net effect of all the determinations involved accidentally makes the simple prices of production of a specific commodity to move in the same direction and degree the exchangeability of gold as a product of capital does, the value of that commodity will take its completely developed concrete form of price of production as a magnitude identical to itself. And this will occur however much the capital that produces that commodity differs from the social average in its organic power to valorize itself.

This concrete determination of the prices of production manifests itself concerning the total social capital. It does so through the relation between the average organic composition and turnover rate of total social capital with respect to the same attributes in the case of gold. Disregarding an accidental coincidence, the value of the total social product ceases to appear as an unchanged magnitude of gold as soon as it reaches the present point in the development of its concrete form as the price of production of the total social capital that annually emerges from its process of valorization.

Let us assume that the commodity that directly or through its signs acts as money, has no other use-value than this. Let us also assume that this use-value becomes completely exhausted during the year in which it goes into circulation. On these basis, we can consider now that the special sphere *n* does not produce articles for the individual consumption of the capitalists but the money-commodity. To keep at sight the whole development of the transformation, we will still use the expression $c_{ij}\,t^{c}_{j}$, etc. for the previously considered form of the prices of production, although the coefficients t^{c}_{j} enter here with their own determination already realized. Values quantitatively take now their concrete form of prices of production as:

$$\left(c_{11} t^c_1 / t^c_n + \dots + c_{1l} / t^c_n + v_{1(l+1)} t^c_{(l+1)} / t^c_n + \dots + v_{1m} t^c_m / t^c_n\right)\left(1 + p'\right) = C'_1 t^c_1 / t^c_n$$

...

$$\left(c_{l1} t^c_1 / t^c_n + \dots + c_{ll} t^c_l / t^c_n + v_{l(l+1)} t^c_{(l+1)} / t^c_n + \dots + v_{lm} t^c_m / t^c_n\right)\left(1 + p'\right) = C'_l t^c_l / t^c_n$$

$$\begin{aligned}\big(c_{(l+1)1} t^c_1 / t^c_n + \dots + c_{(l+1)l} t^c_l / t^c_n + v_{(l+1)(l+1)} t^c_{(l+1)} / t^c_n + \dots +\\ + v_{(l+1)m} t^c_m / t^c_n\big)\left(1 + p'\right) = C'_{(l+1)} t^c_{(l+1)} / t^c_n\end{aligned}$$

...

$$\left(c_{m1} t^c_1 / t^c_n + \dots + c_{ml} t^c_l / t^c_n + v_{m(l+1)} t^c_{(l+1)} / t^c_n + \dots + v_{mm} t^c_m / t^c_n\right)\left(1 + p'\right) = C'_m t^c_m / t^c_n$$

$$\begin{aligned}\big(c_{(m+1)1} t^c_1 / t^c_n + \dots + c_{(m+1)l} t^c_l / t^c_n + v_{(m+1)(l+1)} t^c_{(l+1)} / t^c_n + \dots +\\ + v_{(m+1)m} t^c_m / t^c_n\big)\left(1 + p'\right) = C'_{(m+1)} t^c_{(m+1)} / t^c_n\end{aligned}$$

...

$$\left(c_{n1} t^c_1 / t^c_n + \dots + c_{nl} t^c_l / t^c_n + v_{n(l+1)} t^c_{(l+1)} / t^c_n + \dots + v_{nm} t^c_m / t^c_n\right)\left(1 + p'\right) = C'_n$$

$$\sum_{i=1}^{n} C'_i = \sum_{i=1}^{n} \left(C'_i t^c_i\right) / t^c_n$$

Given the velocity of the currency of money, a different quantity of it will be needed to make the product of the same amount of materialized social labor circulate when the value of this product develops into a mass of price of production that differs from it in its magnitude. If this change in the quantity of money is satisfied through a change in the quantity of gold that enters circulation, it will therefore affect the scale of gold production. In turn, this change will imply a reallocation of social capital into its concrete specific forms, therefore leading to a general movement in the prices of production. Nevertheless, at this stage of our development of the determinations of these prices we can assume that the change in the quantity of money takes place through the amount of money-signs placed in circulation. On doing so, we can leave the question of the effect of a material change risen by the transformation itself upon these very transformation out, until we face it where it belongs in general, competition.

The realization of capital-commodities in competition

In its developed concrete form, the general rate of profit is the synthetic form the capitalist regulation of the social metabolism process takes. Through its formation, capitalist society allocates its total labor-power and, therefore, its total capacity for consuming into their concrete material forms. Still, capitalism arises as the most developed historical negation of the direct regulation of human life. It is an autonomously regulated system. Therefore, the general rate of profit can only realize its determination by negating itself as the immediate form of the general social regulation to affirm itself through the action of the individual capitals, that is, in an indirect way.

In commodity-producing society, material production produces at the same time the general social relation. Consequently, this social relation necessarily reaches its complete realization through the exchange of the material products as equivalent materializations of the same social content. In the proportion that the abstract labor materialized in a commodity is not determined as socially necessary, this commodity will enter exchange lacking the power to attract other commodities as its equivalents. Conversely, when a concrete labor has been performed short of the corresponding social necessity for its product, the abstract labor materialized in this product enters exchange determined as the equivalent of a greater amount of social labor. Although commodities are completely determined as materializations of a certain amount of socially necessary abstract labor in the very moment they are produced, their condition as such only becomes visible when they are actually exchanged. Only then their producers can recognize the concrete labor they have performed as exceeding or falling short of the respective social necessity, as they lose or gain in their power to exercise their general social relation, and therefore, to produce their own lives. And, only through this recognition, the specific social determination of their products as values can take its concrete shape in the movement of social labor from one concrete form to another.

In any social metabolism process, the magnitude of each social necessity includes, among its determinants, the magnitude of the social labor-power that has to be allocated into the corresponding concrete form to satisfy it. In general, this is an inverse relation. But, in this autonomously regulated social system, it is not an immediate relation. As any determination that concerns the allocation of concrete labor in commodity-producing society, it is mediated by the form itself in which the abstract labor materialized in each commodity is represented as socially necessary in the general social relation.

The socially necessary abstract labor embodied in capital-commodities completes its determination as such by making these commodities circulate as equivalent materializations of equally valorized capitals. Given the differences in the organic composition and in the turnover rate of the variable part of the capitals that valorize themselves in each special sphere of social production, capital-commodities do not realize their determination as materializations of socially necessary abstract labor if they go into circulation at their values. In this case, the capitals with the highest organic composition and the slowest turnover find their power to exercise their general social relation and, therefore, to produce their own "lives" as the alienated concrete subjects of the social metabolism process, diminished. Those capitals with the opposite attributes find these capacities increased. In pursuit of realizing their necessity as values that valorize themselves in an equal proportion, capitals move away from the spheres where they have the highest organic composition and the slowest turnover to get into the spheres that allow the opposite attributes. The circulation of commodities has thus acquired its first specific determination as the competition among capitals.

Following the movement of capitals from one sphere to another, social production changes in each corresponding proportion. Still, if commodities were circulating up to that moment at their values, the social necessity for each of them was accordingly determined. And, in commodity-production, social necessity means effective demand. Hence, now, it is exceeded in those spheres where capital has been attracted and insufficiently covered in those spheres from where capital has been expelled. The necessity of capitals to equally valorize themselves takes shape at this point in the fall of the magnitude in which the abstract labor materialized in the commodities with expanded production is represented as socially necessary in exchange. The opposite movement takes place in the market-prices of the commodities with a diminished production. The capitals that undergo the downward movement can no longer appropriate the whole surplus-value they directly extract from their wage-laborers. Those that experience the upward movement start to appropriate a larger amount of surplus-value than that they directly extract. All the surplus-value that the former capitals can lose is that which the latter capitals have to win, and vice versa. Beyond this point, the movements in question cease to be the concrete form through which capitals determine themselves as aliquot parts of total social capital to become the negation of this determination. Therefore, the transformation of values into prices of production necessarily takes shape through a change in the magnitude of the social necessity for each use-value. From which, that transformation takes shape through a change in the material forms of the social production, which means, a different allocation of the social labor-power into its concrete forms.

It is only through this material change that the transformation of values into prices of production affects total social capital as such. According to its general determination, this transformation takes shape by expanding the production of the spheres with a lower organic composition and faster turnover of capital, while it contracts the production of the capitals with the highest organic composition and lowest turnover rate. Nevertheless, this general determination may present some specific movements that are opposed to it. Some commodities may get their production expanded beyond the general proportion as they substitute other commodities with an alternative use-value, once an unfavorable proportion between their values becomes inverted at their prices of production. This sort of inversion can even make way for commodities excluded from production at their values, as well as it can completely exclude others from production. Besides, some commodities may get their production increased even though their prices of production are higher than their values. For example, this can happen when the price of production of an alternative use-value grows in an even greater degree above its value, causing its substitution; or when the fall in the price of production of another commodity that is associated with them in consumption outdoes their higher price.

All these changes do not involve a change in the productivity of labor that the social capital can put into action. This productivity emerges from the material conditions in which each production is performed in a given moment. And these conditions have remained untouched. So, thus far, it is only about changes in the average organic composition that result from changes in the weight with which capitals with different organic compositions enter that average. Nevertheless, if the scale in which a specific commodity is produced changes, a change in the technical conditions of its production may result. An increased (diminished) scale can create by itself the conditions for a higher (lower) productivity, provided the consequent increase (decrease) in the specific organic composition does not offset the initial increase (decrease) in the scale. Still, the transformation of surplus-value into average profit determines the productivity of labor beyond this change in scales. Let us consider a productive technique excluded from production since it requires more labor to produce the same use-value than the technique in use. Nevertheless, the lower organic composition that corresponds to it may result in a price of production lower than the one that corresponds to the technique in use up to that moment. As soon as commodities circulate at their prices of production, these techniques are shifted, causing the productivity of labor to move backwards. This is a specific obstacle capitalist regulation of social life rises against its own general trend towards the increase of productivity of labor, as this increase is the source of relative surplus-value. Since techniques that involve a lower productivity are put into action, a lower general rate of surplus-value but a higher general rate of profit result.

Given the magnitude of society's total capital, the general expansion of the capitals with the lower organic compositions and the contraction of those with the higher ones puts a greater amount of labor-power into action, while the rate of surplus value remains unchanged. From which, the total amount of surplus-value increases. Concerning the eventual specific introduction of techniques with a lower productivity of labor, the expanded base upon which surplus-value is produced tends to counteract the fall in its rate. Consequently, in general, total social capital appropriates an increased amount of surplus-value just because this surplus-value develops its concrete form of average profit. Always considering a given amount of total social capital, this increased surplus-value results in an increased general rate of profit.

We have finally completed the development of values into their concrete form of prices of production. To represent the annual valorization of social capital including the determinations that emerge from its realization through competition we must start by accounting for all the concrete forms that configure competition itself. Obviously, this specification only fits here in its most abstract form; that is, as a mere enunciation of the possible relations involved concerning the transformation of values into prices of production itself, that even excludes the eventual substitution of a technique by another. Following from the stage we reached before we specifically considered the mediation of money, and calling q_i the factor that reflects the material changes that occur in each element - so the original values appear now developed into their concrete forms of prices of production of a mass of each use-value *i* that differs from the original one as $c_{ij} t_j^{cc} q_{ij}, v_{ij} t_j^{cc} q_{ij}, C'_i t_i^{cc} q_i$ - and p^{cc} the completely developed concrete form that the average rate of profit takes, we have:

$$\left(c_{11} t_1^{cc} q_{11} + \dots + c_{1l} t_l^{cc} q_{1l} + v_{1(l+1)} t_{(l+1)}^{cc} q_{1(l+1)} + \dots + v_{1m} t_m^{cc} q_{1m}\right)\left(1 + p^c\right) = \sum_{i=1}^{n} \left(c_{i1} t_1^{cc} q_{i1}\right)$$

...

$$\left(c_{l1} t_1^{cc} q_{l1} + \dots + c_{ll} t_l^{cc} q_{ll} + v_{l(l+1)} t_{(l+1)}^{cc} q_{l(l+1)} + \dots + v_{lm} t_m^{cc} q_{lm}\right)\left(1 + p^c\right) = \sum_{i=1}^{n} \left(c_{il} t_l^{cc} q_{il}\right)$$

$$\left(c_{(l+1)1} t_1^{cc} q_{(l+1)1} + \dots + c_{(l+1)l} t_l^{cc} q_{(l+1)l} + v_{(l+1)(l+1)} t_{(l+1)}^{cc} q_{(l+1)(l+1)} + \dots + \right.$$
$$\left. + v_{(l+1)m} t_m^{cc} q_{(l+1)m}\right)\left(1 + p^c\right) = \sum_{i=1}^{n} \left(v_{i(l+1)} t_{(l+1)}^{cc} q_{i(l+1)}\right)$$

...

$$\left(c_{m1} t_1^{cc} q_{m1} + \dots + c_{ml} t_l^{cc} q_{ml} + v_{m(l+1)} t_{(l+1)}^{cc} q_{m(l+1)} + \dots + v_{mm} t_m^{cc} q_{mm}\right)\left(1 + p^c\right) = \sum_{i=1}^{n} \left(v_{im} t_m^{cc} q_{im}\right)$$

$$\left(c_{(m+1)1} t_1^{cc} q_{(m+1)1} + \dots + c_{(m+1)l} t_l^{cc} q_{(m+1)l} + v_{(m+1)(l+1)} t_{(l+1)}^{cc} q_{(m+1)(l+1)} + \dots + \right.$$
$$\left. + v_{(m+1)m} t_m^{cc} q_{(m+1)m}\right)\left(1 + p^c\right) = C'_{(m+1)} t_{(m+1)}^{cc} q_{(m+1)}$$

...

$$\left(c_{n1} t_1^{cc} q_{n1} + \dots + c_{nl} t_l^{cc} q_{nl} + v_{n(l+1)} t_{(l+1)}^{cc} q_{n(l+1)} + \dots + v_{nm} t_m^{cc} q_{nm}\right)\left(1 + p^c\right) = C'_n t_n^{cc} q_n$$

$$\sum_{i=1}^{n} C'_i q_i = \sum_{j=1}^{l} \sum_{i=1}^{n} \left(c_{ij} t_j^{cc} q_{ij}\right) + \sum_{j=(l+1)}^{m} \sum_{i=1}^{n} \left(v_{ij} t_j^{cc} q_{ij}\right) + \sum_{i=(m+1)}^{n} \left(C'_i t_i^{cc} q_i\right)$$

$$q_{11} = f\left(t_1^{cc}, \dots, t_n^{cc}\right)$$

...

$$q_{nm} = f\left(t_1^{cc}, \dots, t_n^{cc}\right)$$

$$q_{(m+1)} = f\left(t_1^{cc}, \dots, t_n^{cc}\right)$$

...

$$q_n = f\left(t_1^{cc}, \dots, t_n^{cc}\right)$$

No specificity arises from the transformation of the commodity that acts as money into a capital-commodity concerning its realization through competition. There is no need then to represent its quantitative determinations here.

Total social capital and conscious revolutionary action

We have followed commodities through their development into their specific form of capital-commodities. We have seen how commodities - the products of socially necessary abstract labor represented as the capacity of these products for relating among themselves in exchange thus socially relating their producers - have transformed themselves into the real products of capital. Through this transformation, the materialized fetishistic general social relation becomes the immediate concrete subject of social life itself, producing human beings as its personifications and alienating all human potencies as its potencies. The social metabolism process now regulates itself through the accumulation of capital. As such constant reproduction of the self-valorization of substantive value, the general regulation of social life lacks any qualitative determination other than the equal valorization of the capitals advanced to perform social production. Surplus-value takes concrete form of average profit. Commodities are no longer exchangeable as equivalent materializations of socially necessary abstract labor, but as materialization of this labor which is represented as the capacity of capital-commodities for being exchanged as equivalent materializations of equally valorized values. With the reproduction of the valorization process, capital-commodities become determined as equivalent materializations of equally valorized values that have equally valorized themselves. The value of commodities thus has completely metamorphosed itself into the price of production of capital-commodities.

On reaching this point, not a single quantitative trace of the values of capital-commodities remains immediately recognizable in these values' concrete forms of prices of production. This happens whether a singular commodity, a singular capital, the specific parts of total social capital or this capital itself, and whether prices of production as such or their changes, are considered. From an equally external point of view, average profit and its rate appear to be alien to any organic determination, and even to any simple formal determination, of capital's valorization by its capacity for producing surplus-value. Nevertheless, these appearances will not fool us when the moment comes to take action on them. We have already appropriated in thought the complete necessity of the prices of production by following it step by step along its development. We have thus discovered that the apparent self-determination of this prices is not such but the necessary concrete form through which the socially necessary abstract labor materialized in capital-commodities is represented as the capacity of these commodities to act as the general social relation. At the same time, we have discovered how capital's capacity for appropriating surplus-value necessarily appears with its magnitude distorted and its laws inverted under its concrete form of the general rate of profit.

Now we can extend Marx's conclusions to the complete development of surplus-value into average profit as follows: "What competition does *not* show, however, is the determination of value, which dominates the movement of production; and the values that lie beneath the prices of production and that determine them in the last instance. Competition, on the other hand, shows: 1) the average profits, which are independent of the organic composition of capital in the different spheres of production, and therefore also of the mass of living labour appropriated by any given capital in any given sphere of exploitation" - and we add, whose rate differs from the relation between total surplus-value and total capital; "2) the rise and fall of prices of production caused by changes in the level of wages, a phenomenon which at first glance completely contradicts the value relations of commodities" - and we add, that appear to be free from any necessary determination; "3) the fluctuations of market-prices, which reduce the average market-price of commodities in a given period of time, not to the market-*value*, but to a very different market-price of production, which diverges considerably from this market-value" - and we add, whose total amounts also diverge for the social product, constant capital, variable capital and surplus-value; 4) the organic relation between the total constant capital and the total variable capital annually consumed and between the total annual profit and the total variable capital annually consumed, as completely alien to the capacity of capital for valorizing itself. "All these phenomena *seem* to contradict the determination of value by labour-time as much as the nature of surplus-value consisting of unpaid surplus-labour. *Thus everything appears reversed in competition*. The final pattern of economic relations as seen on the surface, in their real existence and consequently in the conceptions by which the bearers and agents of these relations seek to understand them, is very much different from, and indeed quite the reverse of, their inner but concealed essential pattern and the conception corresponding to it.” (Marx, Capital III, pp. 208-9)

Not in vain, capital accumulation autonomously regulates the social metabolism process behind the backs of the individuals. Conscious action rules inside each individual capital, but only as far as it is a necessary concrete form that the general autonomous regulation takes. Such is the field where the appearances of competition belong. Capital accumulation is, in itself, the very negation of the conscious regulation of this process.

Since it is empty of any immediate necessity other than the purely quantitative of increasing its own value, capital cannot find in itself a qualitative limit to the expansion of its valorization process. Hence, the insatiable thirst of human blood and flesh it has. Still, it can only go on with its expansion by making the production of relative surplus-value its main source of valorization. The production of surplus-value can only take concrete form through the unlimited concentration of capital and the control of production and consumption by science as a social potency personified in the collective-laborer (and, therefore, in the proletariat itself as a class). But this twofold concrete form is, in itself, the very negation of private property upon the social means of production and of the unconscious regulation of human life through the proletariat’s action alienated as a capital’s potency (as any potency of the proletariat is). It is, in itself, the very annihilation of capitalism through its own development, into the conscious regulation of the social metabolism process by the therefore freely associated individuals, into socialism or communism.

It is about the production of the conscious regulation of the social metabolism process as the realization of the proletariat’s most genuine historical determination. Therefore, it is about an action of the proletariat that needs to be, in itself, a conscious action. It is about a revolutionary action that regulates itself through the cognition of its own necessity by reproducing it in thought, thus overcoming the alienation of the proletariat’s consciousness inherent in any interpretation of the world. And, as this action directly concerns *total social capital*, it is about *the political revolutionary action of the proletariat*.

Total social capital reaches its real determination overcoming any formal aggregation of individual capitals, only as simple commodities are turned into capital-commodities through the transformation of surplus-value into average profit. From this transformation on, our materialized general social relation takes a prices of production-form. To consciously personify the revolutionary potency our general social relation carries in itself, we need to rule our action by appropriating in thought the determinations of these prices of production, as far as our action becomes itself a specific form for those determinations to be realized. Since prices of production inhere in the general form itself that our general social relation takes, there is hardly a concrete form of revolutionary action and, furthermore, of the proletariat’s political action in general, that is not, in itself, such realization. Just to point out some obvious examples, these concrete actions range from the struggles through which the value of labor-power takes concrete form as wages, or the question of scientific priorities through which the development of the productivity of labor takes concrete form, to the transformation of capital into a directly collective property and, therefore, a directly collective human alienated potency, inside a national or international ambit of capital accumulation through a social revolution.

In other words, it is not about interpreting Marx’s texts on the transformation of values into prices of production, whichever form this interpretation takes. It is about facing capital in reality, as it directly concerns through this transformation our revolutionary conscious action, searching in it for the necessity of this action, to rule it by reproducing this necessity in thought. And it is here where Marx’s advances in reproducing through thought the specificity of capitalist society come in: we expand the reach of our own advance through this reproduction as far as it can be developed, not as an original process of cognition but, as a process of recognition from the social point of view, by critically using *Capital* as its support. Which means that this support has to be renewed each time we face a specific real concrete form that concerns our action, as we can only reproduce this form in thought provided we do not isolate it from the complete development of its own necessity, that starts to emerge from its simplest forms.

Therefore, from the point of view of present-day conscious revolutionary action, it is not about "understanding" exploitation or "understanding" the movements in prices. "Understanding" exploitation takes us nowhere concerning this action. It does not follow the necessity inherent in exploitation through its complete development into its concrete forms, up to facing it as a potency which has our political action - and more precisely, our political action determined as an action that has needed to follow all this path to become a conscious action - as its own necessary form of realizing itself into its self-annihilation. And, certainly, in a more direct or indirect way, exploitation always takes concrete form through prices of production. Instead, "understanding" turns this real abstract form that shapes itself in prices of production, the expropriation of surplus-value, capitalist exploitation, into a pure abstraction. Reciprocally, "understanding" the movements in prices isolates these movements from the complete development of their necessity, thus turning these concrete forms that capitalist exploitation takes, into another set of pure abstractions. As such, these abstractions do not go beyond the appearances of competition that really concern the action of those who personify capital's historical necessity as a mere process of expropriation of surplus-value. But the point concerning conscious revolutionary action is to personify capital's historical opposite necessity, that of superseding itself into a free human society.

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(Specific references to each of these texts will be included in the second part of this work.)